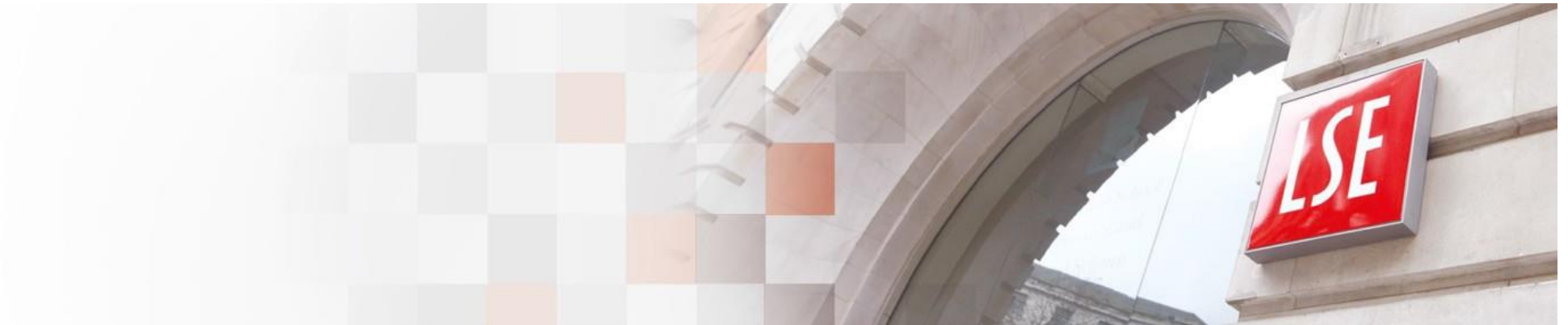


Viksit Bharat 2047: From Vision to Delivery

A Roadmap for Inclusive and Sustainable Development



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The Vision of Viksit Bharat



- India aspires to become a developed, high-income country by 2047, its 100th year of independence.
- Currently a lower-middle-income country (GNI per capita ~\$2,900), India aims to reach:
 - Upper-middle-income status (~\$4,516+) by ~2031
 - High-income status (\geq \$14,006 GNI per capita) by 2047
- Achieving this will require sustained annual GDP growth of ~7.8% (real) and ~11.4% (nominal) against the current growth rates of ~6.3% (real) and ~9.5% (nominal), over the next two decades.
- The vision includes inclusive growth, institutional strength, and environmental sustainability, not just economic expansion.

World Bank Income Classifications & India's Trajectory

Category	GNI Per Capita (USD)
Low Income	$\leq \$1,145$
Lower-middle-income	$\$1,146 - \$4,515$
Upper-middle-income	$\$4,516 - \$14,005$
High-income	$\geq \$14,006$

 **India (2024):** ~\$2,900 → Lower-middle-income

 **Goal:** Reach high-income by 2047

India's rank in per capita GDP (136th) alongside its GDP rank (4th).

Key Initiatives of Viksit Bharat 2047 Mission

- **Aspirational Districts Programme:** Focus on the rapid development of the most underdeveloped districts in the country.
- **Smart Cities Mission:** Develop smart and sustainable urban centres.
- **Skill India Mission:** Enhance skill development and vocational training.
- **Digital India:** Promote digital infrastructure and digital literacy.
- **Ayushman Bharat:** Ensure universal health coverage through comprehensive healthcare schemes.
- **Atal Innovation Mission:** Foster innovation and entrepreneurship.
- **Jal Jeevan Mission:** Provide safe and adequate drinking water to all households.
- **Swachh Bharat Mission:** Achieve universal sanitation coverage and improve cleanliness.

Long Term Plans that support Viksit Bharat Mission

- Atmanirbhar Bharat
- Make in India
- Digital India
- National Education Policy 2020
- Ayushman Bharat
- Jal Jeevan Mission
- Swachh Bharat Mission
- Smart Cities Mission
- Pradhan Mantri Awas Yojana
- National Infrastructure Pipeline
- Sustainable Development Goals
- Green India Mission
- National Action Plan on Climate Change

Challenges

The Roadblocks Ahead

Mapping the Key Challenges



Economic and Social Challenges	Institutional & Environmental Challenges
1. Mirage of High Growth	6. Governance Reform
2. Employment Paradox	7. Fragmented Federal Coordination
3. Crisis in the Unorganized Sector	8. Environmental Limits to Growth
4. Human Capital Deficit	
5. Rising Inequality and the Dual Economy	

Economic and Social Challenges

1. The Mirage of High Growth: Overstated Numbers, Missed Realities

- The performance of the organized sector, which employs only **6% of the workforce**, inflates GDP growth; the unorganized sector, which employs **94% of the workforce**, is undercounted.
- Growth that excludes 94% of the workforce cannot be called inclusive or sustainable. India's economic story is one of **selective growth** and **systemic exclusions**.
- New GDP methods post-2011 neglect informal sector realities, especially post-GST and demonetization.
- The black economy, estimated to be 30–50% of GDP, causes significant growth leakage.

2. The Employment Paradox: Growth Without Jobs

- Despite growth, job creation remains weak, particularly for young people and those with higher levels of education.
- Growth is **capital-intensive**, prioritizing automation over employment in key sectors like manufacturing, banking, and logistics. **Technological upgrades have reduced the need for human labour**, for example, at Maruti.
- Urban youth unemployment is ~18%; underemployment exceeds 80%.
- An education–employment mismatch persists due to inadequate vocational training and significant gaps in higher education.

3. Crisis in the Unorganized Sector

- The **unorganized sector** includes small farmers, agricultural labourers, street vendors, domestic workers, construction workers, micro-entrepreneurs, and informal service providers.
- Employs **94% of India's workforce** and contributes **~45% of GDP**.
- Workers lack formal protections, including contracts, insurance, and job security.
- Policy neglect and flawed data understate the sector's struggles and needs.
- Estimates vary; informal sector GDP may be undercounted by 20–30%.

4. Human Capital Deficit: Education, Health, and Skills

- India's **public investment in education** (< 3% of GDP) and **health** (~2%) remains significantly below international norms, compared to ~5–6% and ~9–10% in OECD countries, respectively.
- Poor learning outcomes: Over 50% of Class 5 students can't read a Class 2 text (ASER)
- High dropout rates and low skilling among youth
- Inadequate nutrition, sanitation, and urban public services
- Persistent gender and caste-based disparities
- Economic growth **must be accompanied by human capital investment**, especially for the bottom 60%.

5. Rising Inequality & the Dual Economy Trap



- Growth benefits a narrow elite, leaving rural and informal India behind.
- The top 1% hold over 40% of national wealth; the bottom 50% hold <6% (Source: **World Inequality Lab, 2023**).
- **The income Gini coefficient** stands at a worrying **62**, making India one of the **most unequal countries in the world**.
- The dual economy deepens: high-productivity elites vs. low-productivity masses.
- **Over 85% of Indian farmers** earn less than **₹10,000 per month**, and informal labourers earn below the subsistence level

India Vs UK: Historical Data (1960–2025)

Year	IN India Population	GB UK Population	IN India GDP (Nom., \$T)	GB UK GDP (Nom., \$T)	IN India GDP per Capita	GB UK GDP per Capita
1960	0.45 B	52 M	0.037	0.070	\$82	\$1,346
1985	0.80 B	56 M	0.300	1.100	\$375	\$19,642
2000	1.05 B	59 M	0.477	1.500	\$454	\$25,425
2015	1.30 B	65 M	2.100	2.800	\$1,615	\$43,077
2025*	1.43 B	67 M	3.700	3.200	\$2,588	\$47,761

Data Sources & Estimates:

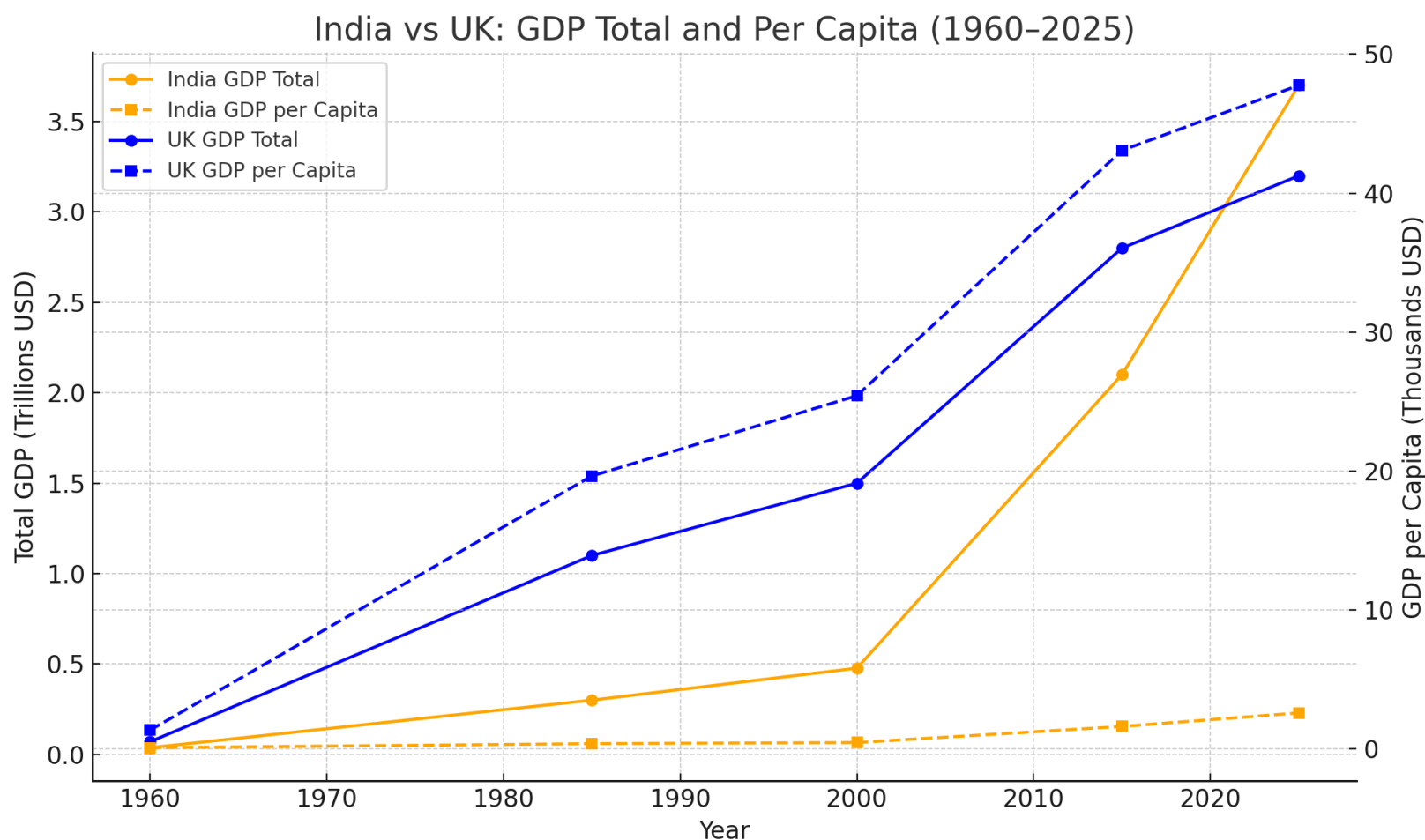
GDP per capita = Nominal GDP ÷ Population

Population estimates: World Bank

GDP values: IMF WEO, World Bank & Macrotrends

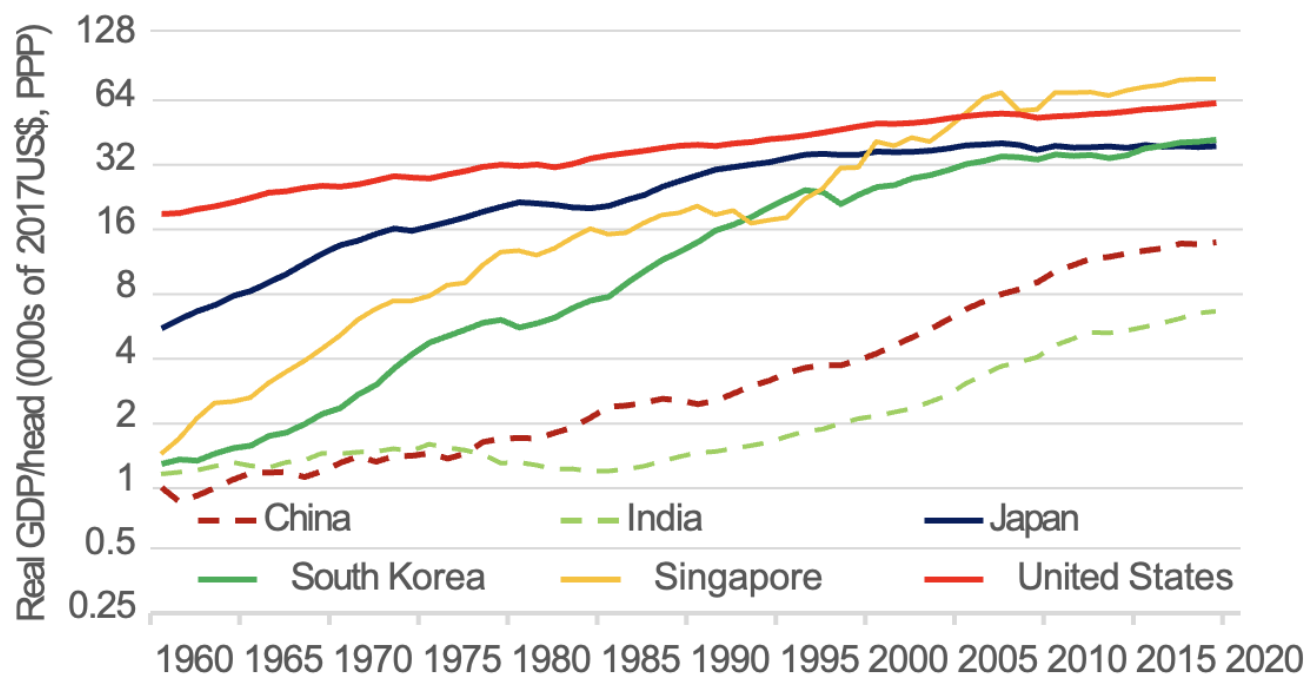
GDP or GDP per Person? India vs UK

Why Size Isn't Everything in Development



Size matters for total GDP, but not for living standards. India's 21× larger population boosts its GDP, while the UK's higher productivity, innovation, and investment in human capital make its average citizen nearly 18× richer.

India's Growth Story in Global Context: Per Capita Gap Persists



Source: Penn World Tables 10.01

While India's per capita GDP has risen consistently since 1985, it remains modest—lagging not only advanced economies but also fast-rising Asian peers.

Growth vs. Ground Reality: Why Institutional Reform is Inevitable

- India's GDP ranks 4th globally, but per capita GDP is ~\$2,900, placing it 136th.
- HDI rank is 130/193, and income inequality is extremely high (Gini ~62).
- Wealth is heavily concentrated: the top 1% owns over 40% of wealth.
- Infrastructure gaps, joblessness, and environmental stress dilute growth outcomes.

Institutional and Environmental Constraints

6. Governance Reform: Making the State Delivery-Ready

- **State capacity constraints:** Ministries and departments often lack sufficient personnel, technical skills, and systems for delivering outcomes.
- **Entrenched interests and politicized implementation** can distort welfare schemes and block necessary reforms.
- **Monitoring and evaluation systems** are underdeveloped, limiting timely course correction and accountability.

7. Fragmented Federal Coordination – The Delivery Bottleneck

- Policy implementation suffers due to poor Centre–State coordination
- Over-centralization vs. capacity gaps at the state/local level
- Unequal fiscal space across states (GST dependence, low own revenues)
- Many flagship schemes run in silos across ministries and levels
- Success of Viksit Bharat hinges on cooperative federalism and decentralization

8. Environmental Limits to Growth: A Looming Constraint

- 1.7 million premature deaths annually from **air pollution** (Lancet, 2023). India ranks among the **worst in the world in urban air pollution**.
- Approximately 54% of India faces **high to extremely high** water stress (NITI Aayog), and it is the world's largest groundwater extractor.
- Unplanned urban growth: traffic, drainage, and waste crises
- Climate vulnerability in agriculture, coasts, and the Himalayan belt
- Resource degradation threatens long-term growth and equity

The Real Challenge: Inclusive, Transparent, Sustainable Growth

- Growth without jobs, equity, and sustainability is hollow
- Strong institutions are needed for delivery and trust
- Governance must empower states, districts, and citizens
- India needs a human-centric, ecologically resilient model
- Viksit Bharat 2047 demands deep, structural reform—not just ambition

Recommendations

A Roadmap for Delivering Viksit Bharat

1. Invest in the Unorganized Sector: Empowering the Majority

- **Investment in Labor-Intensive Sectors:** More resources should be allocated to labor-intensive sectors, such as agriculture, small-scale industries, education, and healthcare. These sectors have the potential to create jobs and stimulate demand, which in turn can boost the overall economy
- Provide **targeted credit support**, tax incentives, and regulatory easing for micro-enterprises and informal workers.
- Promote **formalization with flexibility**—bring workers into social security nets without over-bureaucratizing their livelihoods.
- Expand support for **rural infrastructure**, agricultural value chains, and decentralized entrepreneurship through cooperatives and digital platforms.

Goal: Make 94% of the workforce visible, viable, and valued.

2. Redesign Policies to Be Inclusive

- Adopt a **bottom-up development model that integrates state, district, and village-level priorities** into national planning.
- Focus on **gender-sensitive, rural-urban balanced, and caste-aware** policy frameworks.
- Enhance investments in education, nutrition, child development, and skills training, particularly in underserved regions.

Goal: Growth that includes and uplifts, not just accelerates.

3. Strengthen Institutions and Data Systems

- Modernize public administration through **capacity building, digital governance, and professionalized recruitment.**
- Create *independent* **Monitoring and Evaluation (M&E) systems** for real-time tracking of flagship schemes.
- Reform official data collection to reflect **real-time trends in the informal sector**, job markets, and environment.

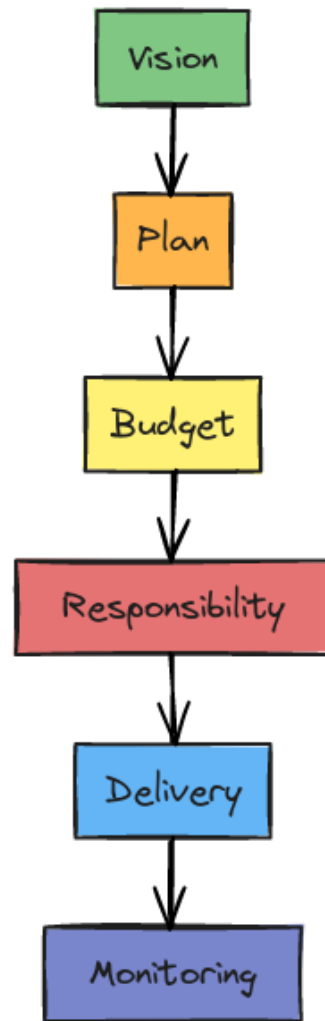
Goal: Build a 21st-century state capable of delivering complex reforms efficiently.

4. Green and Sustainable Development Path

- Scale up **investment in water security**, clean energy, climate-resilient agriculture, and sustainable urban planning.
- **Strengthen pollution control** through enforcement and incentivize circular economy models—especially in waste, water, construction, and industrial sectors—to reduce emissions, conserve resources, and boost green jobs.
- Strengthen disaster resilience through **climate adaptation** and **community-based environmental governance**.

Goal: Ensure growth is resource-conscious, not resource-exhausting.

5. Medium-Term Performance Framework (MTPF) *Aligning Vision, Budget, and Delivery*



- A 3–5 year rolling framework linking sectoral strategies, budget, and performance
- Ensures fiscal realism, sequencing of reforms, and inter-agency coordination
- India has MTEF experience; MTPF adds delivery, outcome, and evaluation focus
- Key to making *Viksit Bharat* actionable, not aspirational

You can't manage what you don't measure—and finance

MTPF in Action: Components & Rationale

How MTPF Drives Reform

Key Components	Why It's Urgent
Strategic Sector Plans	Vision without roadmap leads to drift
Resource Estimation & 3-Year Budget	Prioritizes limited funds, avoids overreach
Clear Institutional Roles	Aligns Central, State, PPPs, SOEs, LGs
Monitoring & Evaluation (M&E)	Enables course correction, accountability

MTPF turns intent into impact—by making reform measurable, financed, and owned.

Good MTPFs: What Works Globally and Why It Matters for India

Objectives & Ingredients

Objectives of MTPF

- Link policy, planning, budgeting, and delivery
- Promote outcome-based governance
- Improve resource allocation and accountability

Key Ingredients

- SMART goals & KPIs
- Multi-year budgeting
- Stakeholder engagement & M&E systems
- Risk management & feedback loops




Global Good Practices

Examples of Effective MTPFs:

- **Australia** – Forward-looking budgeting & performance audit
- **New Zealand** – Outcome-oriented multi-year planning
- **Canada** – Integrated fiscal and performance frameworks
- **UK** – Spending reviews tied to service delivery
- **Sweden** – Performance budgeting within fiscal discipline

*Lesson: MTPFs succeed when they are **institutionalized, transparent, and citizen-oriented.***

Delivering Viksit Bharat: Summary of Key Reform Pillars

Pillar	Recommendation	Goal
 Inclusive Economic Empowerment	Empower unorganized sector; redesign policies	Make growth more inclusive and employment-generating
 Institutional Capacity	Strengthen institutions, MTPF, data	Align reforms with resources and delivery accountability
 Green & Sustainable Growth	Green infrastructure, clean energy, adaptation	Ensure long-term sustainability of development gains

Conclusions: From Aspirations to Achievements

- GDP growth alone will not deliver Viksit Bharat.
- Structural challenges—such as jobless growth, inequality, neglect of the informal sector, and weak institutions—must be addressed.
- India needs bold, inclusive reforms and outcome-driven governance.
- MTPF offers a roadmap to align ambition with delivery.
- With political will, civic trust, and institutional clarity, India can become not just developed—but equitable and sustainable.


Inspired By: Key Thinkers & Works on India's Economic Path - For Further Reading



 *Why Nations Fall* – **Daren Acemoglu & James A. Robinson**
→ *The Origins of Power, Prosperity and Poverty*

 *Breaking the Mould* — **Raghuram Rajan & Rohit Lamba**
→ *Rethinking India's economic model for inclusive, sustainable growth*

 *What the Economy Needs Now* — Edited by **Abhijit Banerjee, Gita Gopinath, Raghuram Rajan & Mihir Sharma**
→ *Essays from top economists on India's macroeconomic and social challenges*

 *Indian Economy's Greatest Crises* — **Prof. Arun Kumar, JNU**
→ *A political-economy analysis of structural vulnerabilities and inequality*

These works challenge us to think critically and act boldly.

Thank You!

Questions & Discussion Welcome!

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Let's build a just, inclusive, and sustainable Bharat together.