



**PERFECTION  
IAS**

# **50 DAYS PLAN**

Mains Answer Writing Program  
for **BPSC 67**

**INDIAN ECONOMY**

20. What is the significance of inclusive growth in India? What are the various policy challenge related to this? examine

भारत में समावेशी विकास का क्या महत्व है? इससे संबंधित विभिन्न नीतिगत चुनौतियां क्या हैं? इस कथन का परीक्षण करें।

**REG. OFFICE: 103, KUMAR TOWER, BORING RD. CROSSING, PATNA**

**9031036700 / 9031036701**

[f](#) /Perfection IAS [t](#) Perfection IAS(Official) [www.perfectionias.com](http://www.perfectionias.com)



20. What is the significance of inclusive growth in India? What are the various policy challenge related to this? examine

**Approach**

**Introduction:** Briefly define inclusive growth

**Body**

1. Explain the significance of inclusive growth in India
2. Also write about policy challenges related to inclusive growth

**Conclusion:** End with way forward

**Introduction**

As per OECD (Organisation for Economic Co-operation and Development), inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all. Inclusive growth means economic growth that creates employment opportunities and helps in reducing poverty. It includes providing equality of opportunity, empowering people through education and skill development.

The concept of inclusive growth is based on the recognition that economic growth must be increasingly 'pro-poor'. The concept represents recent thinking on development, and supplants the ideas of 'trickle-down development' advocated in the 1950s and 1960s.

**Significance of inclusive growth in India**

**1. Poverty Reduction**

- Countries with a more equal distribution of income experience a greater reduction in the poverty rate for a given increase in per capita income.
- Economic growth has to be inclusive to ensure the wellbeing of the entire population. Inclusive growth requires full respect for human rights.
- Inclusive growth generates decent jobs, gives opportunities for all segments of society, especially the most disadvantaged, and distributes the gains from prosperity more equally.
- Inclusive Growth lessens the fast growth rate of poverty in a country and upsurges the participation of people into the development of the country.

**2. Health**

- Inclusive growth provide right to dignified healthcare, regardless of their physical, professional, and geographical circumstances
- Thus inclusive growths improves the capabilities of all and also improve the health outcome

**3. Access to schooling:**

- Inclusive growth presupposes inclusive education – good quality education that is accessible to all. The role of education in ensuring inclusive growth is very critical.
- Inclusive growth reduces illiteracy and also provide employment opportunity.

**4. Social Development**

- Inclusive growth promote empowerment of all marginalised sections of the population like SC/ST/OBC/Minorities, women and transgenders.
- Empowerment can be done by improving institutions of the social structure i.e. hospitals especially primary care in the rural areas, schools, universities, etc.
- Investment in social structures will not only boost growth (by fiscal stimulus) but will also create a healthy and capable generation to handle future work.

**5. Gender Equity**

- Inclusive growth will recognize women as agents of sustained socio-economic growth and change
- Inclusive growth recognizes that women are not a homogenous category and ensure that all the differential and specific requirements are catered to. Thus it promote gender equality

**6. Reduce regional disparity**

- Due to inclusive growth there will be reduction in disparity among states
- It helps all the region to get the fruits of benefits, thus reduce the development gap

**Various policy challenge related to Inclusive growth in India****1. Improving the delivery of core public services:**

- As incomes rise, citizens are demanding better delivery of core public services such as water and power supply, education, policing, sanitation, roads and public health.
- As physical access to services improves, issues of quality have become more central.

**2. Ill-effects of LPG**

- Liberalization, privatization and globalization of Indian economy has ushered the poor to vulnerability and irony.
- Liberalization and privatization have particularly suited to the Indian private corporate, elites and rich.
- Globalization has created a question of existence in-front of small and medium enterprises (SMEs)
- The malfunctioning of LPG in Indian scenario has surmounted new issues viz. gender inequality and threat to women empowerment.

**3. Infrastructure**

- Infrastructure is fundamental to the economic and inclusive growth. In budgetary allocations, Infrastructure is assigned the highest expenditure.
- Major proportion of this allocation goes to large projects such as power generation, freight corridors, and airports etc while rural infrastructure is immensely neglected.
- Agriculture, for an instance, has always lacked the focus. Infrastructure to support and facilitate backward linkages in agriculture e.g. cold storage houses, processing facilities, rural transport is need of the hour.
- Apart from that, the rural-urban divide in infrastructure development has become prominent.

**4. Low Technology and Innovation**

- Indian economy is suffering from a technology-lag vis-a-vis developed economies and other industrialized economies.
- Poor rate of technology and innovation creates a burden on capital and resource base.
- **Inclusive innovation** means the creation and absorption of product and services relevant to the poor, is the need of the hour.

**5. Maintaining rapid growth while making growth more inclusive-**

- The growing disparities between urban and rural areas, prosperous and lagging states, skilled and lowskilled workers.
- New challenges brought by COVID 19 pandemic like increased fiscal deficit, unemployment less production and consumption has further aggravated the challenges to increase growth levels in a sustainable manner.

**6. Regional disparities-**

- Factors like caste, inequality, availability of resources, corruption contributes to the regional disparities where some specific groups hold more priviliges than others.
- This creates a big challenge in bringing inclusiveness in growth pattern in India.

**Conclusion**

The approach paper for 11th Five Year Plan acknowledges that the economic growth has failed to be inclusive enough. The failure is a question of willingness, not of capacity. There is no dearth of capacity to achieve the goals of Inclusive growth but willingness and shortsightedness. With a lot of enthusiasm, policies are framed; proper mechanism of implementation, monitoring and accountability is the central issue of all policies directed towards Inclusive growth. The onus of Inclusive growth must be shared by all channel partners state, civil society organization (CSOs) and citizen.

