Economic Development In India

Dr. Sanehal K. Ganvit
(M.A.,M.phil.,B.ed.,Ph.D.GSET)
Govt.Arts & commerce college Vansda.Dist.Navsari
Email:-Snehal.ganvit@gmail.com
MO.NO.9428758266

Abstract:

The economic development in India followed socialist-inspired politicians for most of its independent history, including state-ownership of many sectors; India's per capita income increased at only around 1% annualised rate in the three decades after its independence. Since the mid-1980s, India has slowly opened up its markets through economic liberalisation. After more fundamental reforms since 1991 and their renewal in the 2000s, India has progressed towards a free market economy. The Indian economy is still performing well, with foreign investment and looser regulations driving significant growth in the country. At the turn of the century India's GDP was at around US$480 billion. As economic reforms picked up pace, India's GDP grew five-fold to reach US$2.2 trillion in 2015 (as per IMF estimates). India's GDP growth during January–March period of 2015 was at 7.5% compared to China's 7%, making it the fastest growing MAJOR economy. During 2014–15, India's GDP growth recovered marginally to 7.3% from 6.9% in the previous fiscal. During 2014–15, India's services sector grew by 10.1%, manufacturing sector by 7.1% & agriculture by 0.2%. Indian Economy grew at 7.6 & 7.1 in FY 2015–16 and FY 2016–17 respectively as major reforms had taken place like demonetization and implementation of GST in FY 2016–17. Economic development in India has had a varying effect on women depending on their age, education, and location. Traditionally in India women's role is in the household. As girls they are raised to work for and better their family.

INTRODUCTION

The economic development in India followed socialist-inspired politicians for most of its independent history, including state-ownership of many sectors; India's per capita income increased at only around 1% annualised rate in the three decades after its independence. Since the mid-1980s, India has slowly opened up its markets through economic liberalisation. After more fundamental reforms since 1991 and their renewal in the 2000s, India has progressed towards a free market economy.[1] The Indian economy is still performing well, with foreign investment and looser regulations driving significant growth in the country. In the late 2000s, India's growth reached 7.5%, which will double the average income in a decade.[1] IMF says that if India pushed more fundamental market reforms, it could sustain the rate and even reach the government's 2011 target of 10%.States have large responsibilities over their economies. The average annual growth rates (2007–12) for Gujarat (13.86%) , Uttarakhand (13.66%), Bihar (10.15%) or Jharkhand (9.85%) were higher than for West Bengal (6.24%), Maharashtra (7.84 %) , Odisha (7.05%) , Punjab (11.78%) or Assam (5.88%) . India is the fifth largest economy in the world by nominial basis and the third largest by purchasing power parity adjusted exchange rates (PPP). On per capita basis, it ranks 140th in the world or 129th by PPP.

The economic growth has been driven by the expansion of the services that have been growing consistently faster than other sectors. It is argued that the pattern of Indian development has been a specific one and that the country may be able to skip the intermediate industrialisation-led phase in the transformation of its economic structure. Serious concerns have been raised about the jobless nature of the economic growth. Favourable macroeconomic performance has been a necessary but not sufficient condition for the significant improvement in the human development indicators. Although the rate of poverty declined after economic reforms of 1991, the improvement in human development has been less than satisfactory. For instance, child malnutrition has continued to persist (46% in 2005–6). The progress of economic changes in India is followed closely. The World Bank suggests that the most important priorities are public sector reform, infrastructure, agricultural and rural development, removal of labour regulations, reforms in lagging states, and HIV/AIDS. For 2018, India ranked 77th in Ease of Doing Business Index. According to Index of Economic Freedom World Ranking an annual survey on economic freedom of the nations, India ranks 123rd as compared with China and Russia which ranks 138th and 144th respectively in 2014.At the turn of the century India's GDP was at around US$480 billion. As economic reforms picked up pace, India's GDP grew five-fold to reach US$2.2 trillion in 2015 (as per IMF estimates).India's GDP growth during January–March period of 2015 was at 7.5% compared to China's 7%, making it the fastest growing MAJOR economy. During 2014–15, India's GDP growth recovered marginally to 7.3% from 6.9% in the previous fiscal. During 2014–15, India's services sector grew by 10.1%, manufacturing sector by 7.1% & agriculture by 0.2%. Indian Economy grew at 7.6 & 7.1 in FY 2015–16 and FY 2016–17 respectively as major reforms had taken place like demonetization and implementation of GST in FY 2016–17. Here the Economic Survey 2024-25 will be given a picture of development.

History

Prior to India's Independence, from the period of 1900 to 1947, per capita income in India had either declined or stagnated. Post-Independence, Jawaharal Nehru demonstrated his willingness to compromise socialism for the perceived benefit of the country to provide financial incentives for the expansion of private enterprise. However, after the crisis of 1957, India turned towards import substitution industrialization and introduced foreign exchange. The Nehru-Mahalanobis approach, often referred to as the Second Five Year Plan, emphasized the development of basic and heavy industries as a means of accelerating economic growth.

These included steel, copper, petrochemicals, paper, coal, and oil. Mahalanobis strived for India to reach autonomy, ridding any outstanding debts. Critics disagreed with this approach, stating that World Bank's claim of Indian export prospects being low were falsified and due to India's inward-looking strategy, the growth opportunity of the world economy was missed.[11] Nonetheless, over 1950–1965, India's acceleration of per capita income growth had increased an average of 1.7%, a value not exceeded since.

The discourse on the efficacy of the Nehru-Mahalanobis Strategy is commonly contested by economists. A criticism of the approach emphasizes the lack of resource allocation in the agriculture sector. It is argued that the misbalanced weightage towards the machine-making sector contributed to the increase in food-grain prices and thus, perpetuated poverty and

➢ Review of Literature

"Domestic Economy" India's real GDP is estimated to grow at an average of 7.9 per cent between FY22 and FY24. Very few economies in the world, if any, have maintained the post-Covid recovery as consistently as the Indian economy has done.

A major reform over the last nine years is the transition in the engagement of the government with the private sector for the development agenda. The private sector is now entrusted as a co-partner in development. Accordingly, the government's disinvestment policy has been revived. A New Public Sector Enterprise (PSE) Policy for Aatmanirbhar Bharat has been introduced to minimise the presence of the government in the PSEs to only a few strategic sectors. Many initiatives have been introduced under the Aatmanirbhar Bharat and Make in India programmes to enhance India's manufacturing capabilities and exports across industries. Production Linked incentives (PLI) are being provided to firms to attract domestic and foreign investments and to develop global champions in the manufacturing industry. Strategic sectors, such as defence, mining, and space, have been opened up to enhance business opportunities for the private sector. The FDI policy has also been further liberalised, with most sectors now open for 100 per cent FDI under the automatic route.

"Shri. Narendra Modi, Prime Minister of India" Over the course of the last decade, India has showcased a robust and resilient growth story driven by perseverance, ingenuity, and vision. In the face of unprecedented challenges such as the Covid pandemic and geopolitical conflicts, the Indian economy has demonstrated a remarkable ability to bounce back and convert challenges into opportunities while striving to achieve strong, sustainable, balanced, and inclusive growth. The present chapter takes a look at the Indian growth experience since independence, the state of the economy as of 2014, when the government under Prime Minister

Modi assumed power, the key drivers of growth of the present decade, and the outlook till 2030.

Union Minister for Finance, Mrs. Nirmala Sitharaman, presented the Economic Survey 2024–25 in the Parliament on January 31, 2025. The key highlights of the Economic Survey 2024–25 are as follows:

➢ State of the Economy: Getting Back into the Fast Lane

- Growth was uneven across regions, with advanced economies (AEs) recording stable expansion while emerging markets and developing economies (EMDEs) reporting mixed trends.
- Global manufacturing weakened, particularly in Europe and parts of Asia, due to supply-chain disruptions and reduced external demand.
- The services sector remained resilient and contributed positively to economic activity.
- Inflation pressures eased in most economies but remained persistent in the services sector.
- Key geopolitical risks include the Russia-Ukraine conflict, the Israel-Hamas conflict, cyber threats and global trade route disruptions.
- United States: Growth was 2.8% in 2024, with a slight decline projected for 2025 due to moderation in consumption and exports.
- Euro Area: Growth is expected to improve from 0.4% in 2023 to 1.0% in 2025, supported by the services sector. However, manufacturing-intensive economies like Germany and Austria struggled due to weak demand.
- China: Growth weakened after Q1 FY24 due to sluggish private consumption, lower investment and a struggling real estate sector.
- Japan: Growth slowed due to domestic supply disruptions in early 2024.
- India: Estimated real GDP growth of 6.4% in FY25, supported by agriculture and services, with stable private consumption.
- India’s Economic Performance:
    - GDP Growth: Estimated at 6.4% for FY25, maintaining strong domestic economic momentum.

- Private Consumption: Grew by 7.3% YoY in FY25, contributing 61.8% to GDP, the highest since FY03.
- Investment: Gross Fixed Capital Formation (GFCF) grew by 6.4% YoY in FY25, reflecting steady investment trends.
- Agriculture: Grew by 3.8% in FY25, driven by record Kharif production, favourable monsoons and improved rural demand.
- Infrastructure Development: Continued focus on transport, energy and urban development to drive economic expansion.

➢ Monetary and Financial Sector Developments: The Cart and the Horse

- Repo Rate: The Monetary Policy Committee (MPC) kept the repo rate unchanged at 6.5% during April–December 2024. The stance shifted from 'withdrawal of accommodation' to 'neutral' in October 2024.
- CRR Cut: In December 2024, the CRR was cut from 4.5% to 4%, injecting approximately Rs. 1,16,000 crore (US$ 13.39 billion) into the banking system.
- Money Supply Growth:
    - M0 (monetary base) grew by 3.6% YoY as of January 3, 2025 (down from 6.3% in the previous year).
    - M3 (broad money) grew by 9.3% YoY as of December 27, 2024 (down from 11% in the previous year).
    - Money Multiplier (MM) increased to 5.7 in December 2024 (up from 5.5 in the previous year), indicating higher liquidity.
- Credit Growth: Bank credit grew at 7.7% YoY as of December 2024, moderating from 11.8% YoY in November 2023.
- Sectoral Credit Growth (November 2024):
    - Agriculture: 5.1% YoY.
    - Industry: 4.4% YoY (up from 3.2% last year).
    - MSMEs: 13% YoY.
    - Large enterprises: 6.1% YoY.

- Services sector: 5.9% YoY.
- Personal loans: 8.8% YoY.

➢ Prices and Inflation: Understanding the Dynamics

- The Reserve Bank of India's commitment to price stability, coupled with the Central Government's policy actions, has enabled India to reduce retail inflation to 4.9% in FY25 (up to December), compared to 5.4% in FY24.
- Core services inflation has declined by 0.9% between FY24 and FY25 (up to December).
- India's CPI inflation is anticipated to ease to 4.7–4.8% for FY25, driven by declining food inflation and stable global commodity prices.
- Assuming a normal monsoon and no further external or policy shocks, the RBI projects headline inflation to be 4.2% in FY26. Commodity prices are expected to decrease by 5.1% in 2025 and 1.7% in 2026.

➢ External Sector: Getting FDI Right

- Total exports (merchandise and services) registered a steady growth of Rs. 52,20,324 crore (US$ 602.6 billion), up 6% in the first nine months of FY25, with services and goods exports (excluding petroleum and gems and jewellery) rising 10.4%, while total imports reached Rs. 59,09,899 crore (US$ 682.2 billion), up 6.9% due to steady domestic demand.
- India’s foreign exchange reserves stood at Rs. 55,46,919 crore (US$ 640.3 billion) as of the end of December 2024, sufficient to cover approximately 90% of the country’s external debt of Rs. 6,166,323 crore (US$ 711.8 billion) as of September 2024, reflecting a strong buffer against external vulnerabilities.
- India's textile and apparel industry, which is the sixth-largest exporter globally, contributes 2.3% to GDP, 13% to industrial production, 12% to exports and employs over 45 million people, with exports reaching Rs. 2,94,542 crore (US$ 34 billion) in 2023.
- India's services sector exports grew by 11.6% in the first nine months of FY25, with net services receipts increasing from Rs. 10,40,426 crore (US$ 120.1 billion) in the same period of FY24 to Rs. 11,37,452 crore (US$ 131.3 billion) in FY25.
- India’s e-commerce industry is expanding rapidly, with the B2C e-commerce market expected to grow from Rs. 7,19,029 crore (US$ 83 billion) in 2022 to Rs. 12,99,450 crore (US$ 150 billion) by 2026. Exports in this sector are projected to increase from Rs. 34,652

- 43,315 crore (US$ 4–5 billion) in FY23 to Rs. 17,32,600 - 25,98,900 crore (US$ 200–300) billion by 2030.

- India’s current account deficit (CAD) moderated slightly to 1.2% of GDP in Q2 of FY25, with private transfers (mainly remittances) growing from Rs. 2,43,430 crore (US$ 28.1 billion) in Q2 FY24 to Rs. 2,76,350 crore (US$ 31.9 billion) in Q2 FY25.

➢ Medium-term Outlook: Deregulation Drives Growth

- The IMF projects India to become a Rs. 4,33,15,000 crore (US$ 5 trillion) economy by FY28, growing to Rs. 5,46,37,541 crore (US$ 6.307 trillion) by FY30 with a nominal annual growth rate of 10.2% from FY25 to FY30. In rupee terms, India's GDP is expected to grow at about 10.7% annually in the same period.

- In rupee terms, India's nominal GDP grew at a compounded annual rate of 12.4% in the three decades ending FY24. In the next five years, the IMF projects that India's nominal GDP will grow at around 10.7% annually. So, in effect, given the projected growth rate of only 10.2% in dollar terms, the Fund expects the rupee to weaken, on average, only by 0.5% per annum in the next five years, compared to the 3.3% annual depreciation experienced in the three decades up to FY24.

- The Fund also projects that India's current account deficit will rise gently and gradually to 2.2% of GDP by FY30.

- India's shift towards renewable energy is critical, with an increasing share of solar and wind in its energy mix by 2030. China dominates the manufacturing of solar PV components and critical minerals essential for batteries in electric vehicles.

- India’s economic strategy includes significant deregulation to boost growth, focusing on reducing compliance burdens and enhancing economic freedoms.

- With India sourcing a large portion of lithium-ion batteries and solar panel components from China, there is a strong focus on enhancing domestic manufacturing capabilities through initiatives like the PLI scheme.

- The advancement in digital and green technologies is crucial for India’s growth, requiring substantial investment in innovation and infrastructure.

- India needs to create 78.5 lakh new non-farm jobs annually until 2030 to sustain economic growth and development.

➢ Investment and Infrastructure: Keeping it Going

- Infrastructure development is a key focus for the government to sustain long-term growth.
- Capital expenditure increased significantly over the last five years, growing at 38.8% from FY20 to FY24.
- National Infrastructure Pipeline (NIP) aims for Rs. 1,11,00,000 crore (US$ 1,281.31 billion) investment from FY20 to FY25.
- National Monetisation Pipeline (NMP) targets Rs. 1,91,000 crore (US$ 22.05 billion) for FY25, focusing on monetising core infrastructure assets.
- Vande Bharat trains expanded—17 new pairs introduced and 228 new coaches produced in FY25.
- Mumbai-Ahmedabad High-Speed Rail Project has reached 47.17% completion with an investment of Rs. 67,486 crore (US$ 7.79 billion).
- Station Modernisation: Over 1,337 stations being redeveloped under Amrit Bharat Station Scheme.
- PPP in Railways: 17 projects completed worth Rs. 16,434 crore (US$ 1.90 billion) ; eight ongoing worth Rs.16,614 crore (US$ 1.92 billion).
- Bharatmala Pariyojana: 34,800 km of highways planned, 76% awarded, 55% constructed.
- Multi-Modal Logistics Parks (MMLPs): Six awarded so far; focus on improving logistics efficiency.
- Sagarmala Program: 98 projects completed, boosting coastal trade and port-led industrialisation.
- Solar energy dominates—97.8 GW of installed capacity as of December 2024.
- Growing telecom penetration: 5G rollout completed in 779 districts, with 4.6 lakh 5G towers installed. 2.14 lakh gram panchayats connected via broadband under BharatNet Project.

- Jal Jeevan Mission: 79.1% of rural households now have tap water connections (up from 17% in 2019).
- Swachh Bharat Mission: 3.64 lakh villages now ODF Plus (Open Defecation Free with waste management).
- PMAY-U (Urban Housing): 1.18 crore houses sanctioned; 89 lakh completed.
- Smart Cities Mission: 7,479 projects completed, covering urban mobility, e-governance and digital infrastructure.
- Tourism Development: Swadesh Darshan 2.0 and PRASHAD schemes launched to promote cultural tourism.

➢ Industry: All About Business Reforms

- The industrial sector faced a downturn in FY21 due to the pandemic; however, it has since demonstrated a robust recovery, achieving a 6.2% growth rate in FY25.
- Infrastructure development is propelling a robust expansion in India's steel demand. In FY24, the construction and infrastructure sectors were the major consumers of steel, accounting for an estimated 68% of total consumption, while the engineering and packaging industries and the automotive sector contributed 22% and 9%, respectively.
- The chemicals and chemical products sector contributed 9.5% to the manufacturing sector's Gross Value Added (GVA) in FY23 (at 2011-12 prices).
- Underscoring its substantial role in the nation's economic growth and employment landscape, India's medium and small enterprise (MSME) sector had employed 232.4 million individuals as of November 26, 2024.

➢ Services: New Challenges for the Old War Horse

- India's share in global services exports has been steadily increasing over the past two decades, helping to mitigate fluctuations in merchandise export shares. As of 2023, the United States leads in global services exports, followed by the United Kingdom, Germany, and Ireland, with India ranking seventh, holding a 4.3% share in global services exports.
- In India, the services sector remains the most significant contributor to gross value added (GVA), increasing its contribution from 50.6% in FY14 to about 55% in FY25. The sector

also employs around 30% of the workforce and contributes indirectly to GDP through the "servicification" of manufacturing.

- Export Growth: 11% trend rate from FY14 to FY23 at constant prices. Services export growth accelerated to 12.8% from April-November FY25. Bank credit to services stood at 48.5 lakh crore as of November 2024.

- FDI in the services sector was Rs. 49,379 crore (US$ 5.7 billion) in FY25 (April-September).

- Indian Railways reported an 8% growth in passenger traffic and a 5.2% increase in freight in FY24.

- Employment in Tourism: Regained pre-pandemic levels with 7.6 crore jobs in FY23.

➢ Agriculture and Food Management: Sector of the future

- The agriculture sector in India has demonstrated a robust average growth rate of 5.0% per year over the last five years from 2020, indicating a positive trend in agricultural productivity and output.

- The agriculture and allied activities sector contribute approximately 16% of the country's GDP for FY24 at current prices and supports about 46.1% of the population.

- During FY24, India's floriculture exports reached 19,678 metric tonnes, generating earnings of Rs. 750.48 crore (US$ 86.63 million).

- There were significant increases in Minimum Support Price (MSP), demonstrating the government's commitment to supporting farmers by ensuring they receive a fair return on their produce, promoting sustainable farming practices, and encouraging the cultivation of key crops.

- The livestock sector's contribution to the Gross Value Added (GVA) of agriculture and related sectors surged from 24.3% in FY15 to 30.2% by FY23.

- As of March 2024, India has 7.75 lakh crore operational KCC accounts with a loan outstanding of Rs. 9,82,384 crore (US$ 113.4 billion).

➢ Climate And Environment: Adaptation Matters

- Per capita carbon emissions are one-third of the global average.

- Adaptation expenditure increased from 3.7% of GDP (FY16) to 5.6% of GDP (FY22).
- Climate action financing is primarily domestic; international finance remains inadequate.
- Developed nations fell 38% short of their Nationally Determined Contributions (NDCs).
- Water Management Initiatives: Jal Shakti Abhiyan (2019): Water conservation and rainwater harvesting. Smart Laboratory on Clean Rivers (SLCR) to rejuvenate the Varuna River.
- Energy generation from non-fossil fuels (FY23 provisional data): 22.8% of total electricity (Hydro: 8.81%, Nuclear: 2.49%, Renewables: 11.52%).
- India's coal reserves are 10% of global coal reserves but only 0.7% of natural gas reserves.
- Green Hydrogen Mission: Targets five million metric tons per year by 2030, 125 GW renewable energy capacity, and 50 million metric tons CO_2 reduction.
- Waste management challenges: Solar panel waste in California landfills highlights poor planning. AI and data centers are expected to consume 1,000 TWh by 2026 (~6% of US power).

➢ Social Sector: Extending Reach and Driving Empowerment

- India's growth strategy emphasizes inclusivity and welfare through education, healthcare, skill development, and social infrastructure.
- General Government Social Services Expenditure (SSE) Growth:
    - FY21: Rs. 14,80,000 crore (US$ 170.84 billion)
    - FY25 (BE): Rs. 25,70,000 crore (US$ 296.66 billion)
    - CAGR (FY21-FY25): 15%
- Education Expenditure CAGR: 12% (Rs. 5,80,000 crore (US$ 66.95 billion) in FY21 → Rs. 9,20,000 crore (US$ 106.20 billion) in FY25).
- Health Expenditure CAGR: 18% (Rs. 3,20,000 crore (US$ 36.94 billion) in FY21 → Rs. 6,10,000 crore (US$ 70.41 billion) in FY25).
- Average Monthly Per Capita Expenditure (MPCE) 2023-24: Rural: Rs. 4,122 (US$ 47.58) → Rs. 4,247 (US$ 49.03) (including free items). Urban: Rs. 6,996 (US$ 80.76) → Rs. 7,078 (US$ 81.71) (including free items).

- Urban-Rural MPCE gap reduced: 2011-12: 84%. 2023-24: 70% (showing a narrowing disparity).
- Inequality (Gini Coefficient): Rural: 0.237 (2023-24) (down from 0.266 in 2022-23). Urban: 0.284 (2023-24) (down from 0.314 in 2022-23).
- Growth in MPCE (Bottom 5% of the population, 2022-24): Rural: +22%. Urban: +19%.
- Ration card holders: 84% of the population.
- Active PDS/PMGKAY beneficiaries: 74% of the population.
- Food subsidy impact: Equivalent to 4% of household MPCE (post-subsidy). Higher impact on lower-income groups (7% for rural bottom 20%).
- Survey in Bihar, Jharkhand, MP, UP (2024): 59% of women said DBTs improved their quality of life. 19% gained more time for economic activities. 77% of households received cash transfers.
- School Education
  - India's school education system (2023-24): Students: 24.8 crore. Schools: 14.72 lakh. Teachers: 98 lakh.
  - School Types: Government Schools: 69% of total, 50% of students. Private Schools: 22.5% of the total, 32.6% of students.
  - Gross Enrolment Ratio (GER) Targets for 2030: Primary: 93% achieved. Secondary: 77.4%. Higher Secondary: 56.2%.
  - India's Higher Education System (2021-22): Students: 4.33 crore (26.5% increase from 2014-15). Gross Enrolment Ratio (GER, ages 18-23): 28.4% (target 50% by 2035).
  - Institutional Growth (2014-2024): IITs: 16 → 23. IIMs: 13 → 20. Medical Colleges: 387 → 780. Universities: 723 → 1,213. Higher Education Institutions (HEIs): 51,534 → 58,643.
  - MBBS Applicants: 16 lakh (2019) → 24 lakh (2024).
  - Medical Colleges: 499 (FY19) → 780 (FY25).

- MBBS Seats: 70,012 (FY19) → 1,18,137 (FY25).
- Postgraduate Seats: 39,583 (FY19) → 73,157 (FY25).
- Doctor Availability Ratio (2024): 1:1263, projected to meet the WHO norm of 1:1000 by 2030.
- Medical Education Costs: Private medical college fees range from Rs. 60 lakh (US$ 69,263.64) to Rs. 1 crore (US$ 1,15,439.40).
- Private College Seats: 48% of MBBS seats are in private colleges. Foreign Medical Education: Thousands of Indian students go abroad (China, Russia, Ukraine) due to high domestic fees.

➢ Employment and Skill Development: Existential Priorities

- India's unemployment rate saw a notable decline of 3.2% in 2023-24, reflecting improvements in the labour market.
- Of the 36 states and Union Territories, 14 states have seen a significant increase of over 10% points in their WPR, and 11 states have achieved a similar rise in their LFPR compared to 2017-18.
- The Government of India has allocated a substantial budget for initiatives such as the India AI Mission to foster technological advancements and innovation.
- Clean energy initiatives, including the Global Energy Alliance for People and Planet (GEAPP) in India, are expected to support 100,000 women-led enterprises by 2027 and 500,000 by 2030.
- Wage growth in rural areas has outpaced that in urban areas, reflecting broader economic shifts.

➢ Labour in the AI Era: Crisis or Catalyst?

- AI development has accelerated rapidly in the last four years, raising concerns about its impact on labour markets.
- OpenAI expects 'AI workers' to be office-ready by the end of 2025.
- AI is beginning to outperform humans in decision-making in healthcare, criminal justice, education, and finance.

- Goldman Sachs estimates that 300 million full-time jobs are exposed to AI-driven automation.
- AI R&D is controlled by a few large firms, creating a winner-takes-all risk for developed countries.
- Sectors with high demand elasticity in India: Financial services (1.86), Health & social work (1.3), Retail & wholesale trade (1.2), Business services (1.08).
- Technology-driven job displacement is mitigated when demand elasticity is high as new tasks emerge.

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