



Challenges and Opportunities of India's Economy

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Abstract:

A comparison of the current economic situation with the pro-independence period shows that the long stagnation in the Indian economy was broken after India's independence. Although the current state of the Indian economy is not satisfactory, it is much better than it was 50-70 years ago. The era of economic development began with the beginning of economic planning. India's economic growth has undergone quantitative and structural changes. Increase in national income per capita income, growth of basic capital goods industry, regional distribution of domestic products, stability in commercial distribution of population, change in land relations, expansion of social capital, progress in banking and financial sector etc. As a result, investment in the economy has increased. We also see an increase in agricultural and industrial production. Steps have been taken in India to modernize these sectors. The current economic situation in India is more or less encouraging but we are still lagging behind in achieving full employment, poverty alleviation, education for all and industrialization. The Indian economy is a developing economy. By taking measures to address the economic problems, India can definitely achieve the goal of becoming a developed economy.

Keywords: Economic Problems, Inequality

Introduction:

Although India is approaching the stage of development under the leadership of capable people, there are still many challenges that need to be addressed. The whole country needs to be involved in solving these challenges and problems and bring in talent from outside the government sector especially where knowledge or entrepreneurial leadership is

required. People who are passionate create great things and companies that aspire to solve big problems do a much better job than just looking around for funds and money. Strong political will and a combination of diverse experiences are key factors in meeting the many challenges we face as a developing country. India's economy seems to be slowly shifting towards a capitalist

economy. Railways, postal services and some of the most important services as well as those that are less likely to be profitable in the private sector are generally offered to the public sector. Sectors like banks have gone through a period of nationalization and privatization since independence but recently the winds of privatization have been blowing.

Objectives of the Research Paper:

The following objectives have been set.

1. To study the economic problems and challenges of India.
2. To study financial problems and suggest effective solutions.

Research Methods:

The presentation of the Research Paper is descriptive and analytical.

Collection of Data:

Collection of data is very important in research. The following sources have been used for data collection.

Secondary Sources:

The secondary information required for the dissertation presented is compiled on the basis of published and unpublished documents, reports, magazines, quarterly, newspapers, Internet.

Challenges of the Indian Economy:

India's economy is very diverse. These include agriculture, handicrafts, textile mills, industries, manufacturing and a variety of services. Two-thirds of the working people in India still depend on agriculture or agro-based industries for their livelihood, but the economy is also experiencing a growing variety of services, and more recently, service-oriented businesses are playing a vital role in the economy. In recent years, with the advancement of computer technology and information technology in India, as well as the growing number of highly educated and English speaking young people, India has gradually started to play the role of an outsourced service provider to the world. India is the world's largest exporter of high-tech technologies. At the same time, India's potential in manufacturing, pharmaceuticals, biotechnology, micro-technology, telecommunications, shipbuilding, aviation and tourism is growing rapidly. India's rapidly growing population and growing economic and social inequality are the key issues facing India. Poverty is a serious problem but it seems that poverty has been declining since independence. 27% of India's population lives below the poverty line. Their problems need to be addressed in order to reduce poverty.

1. Low Productivity of Agriculture:

India ranks second in the world in total agricultural income. Other related occupations such as agriculture and logging, forest conservation and fishing accounted for 18.6% of India's gross domestic product and employed 60% of the workers in these occupations. The share of agriculture in the annual gross domestic product is steadily declining but agriculture is still the largest component of the economy and plays an important role in India's socio-economic development. Agriculture has always been a priority in India's five year plans. The government also provided grants, loans and other facilities to the farmers from time to time. Since the Green Revolution in India, agricultural technology and irrigation systems have been constantly improving. As a result, the yield per acre of agriculture has been steadily increasing since 1950. But compared to international income, India's 4 agricultural productivity seems to be around 30% to 50% of the world's highest productivity in general. With illiteracy, lack of general socio-economic progress, slow pace of land law reforms and inefficient or inadequate financial services for agricultural production and inadequate facilities for its sale and distribution, the average area of agricultural land ownership in India is comparatively less than other countries.

Also, land ownership laws and, in some cases, family disputes, tend to result in smaller subdivisions of land, leading to increased hidden unemployment and reduced farm efficiency. The adoption of modern agricultural technology and modern equipment in India is still not as good as it should be. Ignorance of technology, high cost of equipment and impractical use of such equipment for farmers with limited land, inadequate irrigation facilities have always resulted in low agricultural income in India. Only 53.6% of India's agricultural land was under irrigation. As a result, farmers still have to depend on rainfall for irrigation. With good monsoon rains, the economy recovers drastically. Drought slows the growth of the economy.

2. Corruption:

Corruption is a very pervasive issue plaguing India. Corruption is seen in many forms such as taking bribes, evading taxes, violating foreign exchange rules, illegal hijacking of other people's property, and urban encroachment. The growth of industry in India was hampered by bureaucracy and licensing. The importance of such red ribbons diminished after the 1991 economic reforms. However, a survey by Transparency International found that more than half of those surveyed had experience of bribing or using other illegal means in public places.

3. Unemployment:

A person who is not employed but expects to find employment is called unemployed. The person who is eager to get employment is physically and mentally capable of it but he does not want to work or is not willing to work at the prevailing wage rate. Therefore, a person who fulfills these conditions and does not get employment even after making necessary efforts to get employment is called unemployed. Unemployment is high in India. India is not getting employment opportunities as compared to the rapidly growing population. Based on the labor force participation rate, 50.3 per cent people are unemployed. As per the proportion of working population, 47.1 per cent people are unemployed in India.

4. Regional Inequality:

Large regional inequality and growing regional imbalances in economic development are serious issues facing India. Different states in India have huge disparities in per capita income, poverty, basic amenities and socio-economic development. India's Five Year Plan seeks to reduce these regional disparities by promoting industrial development in the interior of the country. However, the growth of industry is generally seen in urban areas and near port cities. The benefits of economic reform are being felt more and more in the industrialized states.

Due to urbanization, developed ports, well-educated and skilled workers in these states, manufacturing and service industries are attracting here. Industries in underdeveloped regions are being encouraged by the state and civic managements by providing tax-exempt and affordable land to industries.

5. Poor Quality of Human Capital:

Poor quality of human capital in the Indian economy is due to low spending on education, health and research. There is not much room for improvement in the quality of human capital in these countries. Because Indian economy is a backward or underdeveloped economy. India ranks second in the world in terms of human resources but India ranks third in the world after the United States and Japan in terms of human resource quality. Though the demand for Indian man is high, due to lack of proper education, superstition, theism, patriarchy, rotten thinking, lazy attitude, Indian society has become stagnant and has become an obstacle in the way of development.

6. Gender Ratio:

The sex ratio of the Indian population has an impact on the economic, social and cultural fabric of the country. Gender composition is an important social indicator to show the level of gender equality. Gender composition or sex ratio is the gender ratio. The sex ratio is the

number of females per one thousand males in the population. With the exception of a few decades in the twentieth century, the sex ratio in India tends to decline. In India, boys are given preference for birth and girls are given less priority, and in the social family structure, the sex ratio in India is low due to the property or rights of boys, female feticide. According to the 2011 census, India's sex ratio was 943, with Kerala and Pondicherry alone having more than a thousand sex ratios, with Daman Diu and Dadra Nagar Haveli having the lowest sex ratios.

7. Increase in Population Growth:

India's overpopulation is a major problem facing the Indian economy. As the population grows, so does the consumption of food grains and other consumer goods. People do not get employment. When people are unemployed, their stress on agriculture increases. Problems arise due to poverty, unemployment, crime, social discontent. India's population is growing at a rate of two per cent every year. The economy is under pressure as the population is higher than the economy. One of the major problems of the Indian economy is the rapid growth of the country's growing population.

8. Rupee Devaluation:

In order for the rupee to depreciate successfully in India, the country's demand

for imports and exports must be highly flexible. The rupee was first devalued in India in 1949, followed by the rupee in 1966 and 1991. The devaluation was done to reduce India's imports from other countries, to increase India's exports, to reduce India's trade balance. But devaluation has created many problems. For example, as foreign exchange becomes more expensive, so do the prices of foreign goods, which in turn reduces imports. Less Contribution of Women in Production - The contribution of women in the production of products in the Indian economy is very small. The contribution of women to the economy is small due to illiteracy, poor working conditions and limited opportunities for women.

9. Farmers Suicide:

Farmer Suicide is one of the major challenges facing the Indian economy. The Indian economy is known as a backward economy as it is dependent on agriculture. Since agriculture is a means of subsistence, farmers have to commit suicide due to loss of agricultural business. Due to the good climate and rainfall, there is not much available for agriculture. Frequent droughts, high cost of production of agricultural commodities, but relatively low market prices for agricultural commodities, shortage of electricity, inadequate water facilities result in loss of

agricultural business and farmers resort to suicide due to lack of income.

Measures / Opportunities:

1. Increasing Exports of Agricultural Products Produced in Indian Agriculture:

Increasing exports of spices, tea-coffee, various fruits and fruit products produced from the agricultural sector will create employment in the countries and also generate a large amount of foreign exchange is required.

2. Country of Youth:

India is known as the country of youth in the world. The population between the ages of 15 and 59 is huge. The population in this age group is known as the working population. It is necessary to provide adequate employment and self-employment opportunities to this population. If the young population engages in productive work, it will definitely pay off.

3. Abundance of Human Resources:

Human resources are available in large quantities in the country. India ranks second in the world in terms of population. But this human resource must be invested in the right place. Adequate employment and self-employment opportunities need to be created for semi-skilled, technical and highly educated persons.

4. Export through Electronic Hub:

Electronics is developing on a very large scale in India. Increasing exports to the world through this sector will create many opportunities.

5. Participation of Women:

In the economy of the country, the proportion of men in the population is almost equal to that of women. However, women's participation in work is low. Providing employment opportunities to highly educated, technically skilled women will increase the participation of women in the country's economy..

6. Private investment should be encouraged to invest in capital intensive sector.

7. Easy finance should be made available for businesses engaged in large scale industries.

8. Encourage people to choose higher education and vocational courses. This will help them get out of poverty. The increase in their revenue will increase the collection in the form of direct and indirect taxation.

9. Cottage industries should be promoted in rural areas.

10. Industries that employ a large number of people should be encouraged.

11. The problem of hidden unemployment can be solved by creating better employment opportunities.

12. The natural resources of the country should be used properly so that every section of the society can benefit from it. Indian and foreign investors should be encouraged to make products in India.

13. Industries should be encouraged to manufacture defense equipment, fighter jets, etc. in India.

14. There should be easy financing to companies involved in construction of infrastructure like roads, dams, bridges etc.

15. Foreign financial institutions can be encouraged to invest in building India's infrastructure.

Summary:

Steps have been taken to modernize growth in agriculture and industrial production. The current economic situation in India is more or less encouraging but we are still lagging behind in achieving full employment, poverty alleviation, education for all and industrialization. Indian economy is a developing economy. India can definitely achieve its goal of becoming a developed economy by taking measures to tackle economic problems. The path of socialist economy was followed in India for most of the post-independence period. India initially had strict restrictions on participation in the private sector

economy, trade with foreign countries and foreign direct investment in India. However, since the early 1990's, India has been gradually opening up its economy through economic reforms, reducing its control over foreign investment and trade. However, due to differences in politics and different ideologies, some of the key issues in economic reform, such as the privatization of state-owned enterprises and the opening up of private and foreign participation in certain sectors, are slowly advancing.

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