



Mains Practice Question

Q. Despite achieving high GDP growth rates, India continues to lag behind in human development indicators. Examine the reasons for this disconnect and suggest measures to ensure inclusive development. **(250 words)**

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Approach

- Introduced by showcasing India's strong GDP growth and its disparity with human development indicators.
- Give Reasons for the Disconnect Between GDP Growth and Human Development
- Suggest Measures to Ensure Inclusive Development
- Conclude suitably.

Introduction

The Indian economy remained resilient with a robust **7.6% growth rate of GDP in FY 2023-24**, positioning itself among the fastest-growing major economies.

- However, this economic success has not translated proportionally into human development gains, as evident from India's low ranking in the **Human Development Index (HDI) 2023-24** i.e., **134th out of 193 countries** in 2022.

Body

Reasons for the Disconnect Between GDP Growth and Human Development

- **Unequal Distribution of Wealth and Regional Imbalances**
 - **Wealth Concentration:** According to Oxfam's 2023 report, just **5% of Indians own more than 60 per cent of the country's wealth**, creating vast income disparities that prevent equitable access to health and education.
 - **Urban-Rural Divide:** While urban areas witness better access to services, **rural areas remain under-resourced**, lacking basic healthcare, sanitation, and education infrastructure.
- **Inadequate Health Infrastructure**
 - **Low Health Expenditure:** India's public health expenditure remains at around **2.1% of GDP (Economic Survey 2023-24)**, leading to insufficient healthcare services and high out-of-pocket expenditure.
 - **Poor Health Outcomes:** The **National Family Health Survey-5 (NFHS-5)** indicates high levels of malnutrition and child stunting (35.5%), revealing the need for more targeted health programs.
- **Educational Disparities and Quality Concerns**
 - **Access and Quality Gap:** Though primary school enrollment is high, there are significant gaps in learning outcomes.
 - The **ASER 2022 report** highlights a significant decline in children's reading skills,

with only **42.8% of fifth graders** able to read Class 2-level text,

- **Skill Mismatch:** Only **51.25% of India's graduates** are employable, with significant challenges in vocational training and skilling (**Economic Survey 2023-24**).
- **Limited Social Security and Employment Opportunities**
 - **Employment Issues:** High GDP growth has not translated into adequate job creation.
 - Unemployment rates, particularly among youth, reached **8.11% in April 2023 (CMIE data)**, reflecting an imbalance between growth and livelihoods.
 - **Social Security Deficits:** Currently only about **35 million out of a workforce of 400 million** have access to formal social security in the form of old-age income protection leaving large sections vulnerable to economic shocks.
- **Environmental and Ecological Challenges**
 - **Pollution and Health Impact:** According to IQAir, India ranks as the **third most polluted country globally**, with 42 of its cities making it into the top 50 most polluted cities.
 - **Vulnerability to Climate Change:** Climate-related challenges, like **extreme heat waves and abrupt droughts**, impact agriculture and lead to displacement, affecting rural livelihoods and human development.

Measures to Ensure Inclusive Development:

- **Enhanced Public Investment in Health and Education**
 - **Increase Health Budget:** Raising healthcare spending to **4-5% of GDP**, focusing on primary and preventive healthcare, can improve health outcomes and reduce inequality.
 - **Education Reforms:** Implement the **National Education Policy (NEP) 2020's** focus on **vocational education, digital learning, and regional language** instruction to bridge the skill gap and improve employability.
- **Addressing Inequalities through Targeted Welfare Programs**
 - **Strengthening Social Safety Nets:** Expanding coverage under schemes like **Ayushman Bharat** and the **PM Jan Dhan Yojana** can improve access to financial and health security for marginalized groups.
 - **Direct Benefit Transfers (DBTs):** Improving DBT implementation to ensure timely and effective delivery of welfare benefits can empower vulnerable populations and reduce poverty.
- **Promoting Employment and Skill Development**
 - **Skill India and Startup India Programs:** Revamping skill development programs with **industry-aligned curricula**, especially in emerging fields like AI and renewable energy, can enhance job creation and productivity.
 - **MSME Sector Support:** Targeted assistance for **Micro, Small, and Medium Enterprises (MSMEs)**, which account for a significant portion of employment, can stimulate job growth across regions.
- **Focus on Sustainable and Green Development**
 - **Renewable Energy Investments:** Expanding renewable energy projects, **in line with India's COP26 commitments**, can create sustainable jobs, particularly in rural areas, while reducing environmental degradation.
 - **Promote Climate-Resilient Agriculture:** Programs like the **Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)** should enhance focus on climate-resilient farming techniques to protect rural livelihoods and food security.
- **Improving Data Collection and Policy Implementation**
 - **Real-Time Data Monitoring:** Leveraging **real-time data for health, employment, and poverty tracking** can improve targeted delivery of social programs.
 - **Decentralized Governance:** Strengthening local governance to ensure that welfare schemes reach the grassroots effectively, especially in underserved regions.

Conclusion

Achieving high GDP growth **alone cannot address the complex social challenges India** faces. By investing in human capital, **bridging regional inequalities, promoting sustainable development, and ensuring social security**, India can achieve a more inclusive development model.

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