

Time obj. of high eco. growth & ↓ of inequality can only be achieved with emphasis on HD & PR. Discuss the challenges for achieving wealth & income eq. & suggest improvements.

India is set to become the third largest economy and at the same time ranks 134 out of 193 countries in the Human Development Index.

Economic growth and reducing inequality

India being a poor country in terms of purchasing power parity shows glaring inequality.

* In order to reduce inequalities and achieve economic growth the annual growth rate of the country must be at least 7% for the next ten years.

* To reduce inequalities formalisation of job sector and generation of new employments are necessary.

Challenges faced by India

Curbing inequality

India as per the income and wealth

inequality in India report:

Income inequality

Top 1% holds 22% of national income

Wealth inequality

Top 1% holds 45% of nation's wealth.

Also, the share of wealth of top 1% increased from 45% to 65% from FY 2013-2022 and bottom 50%'s income reduced.

India is the most income unequal country in the world as per reports. This inequality penalises the poor by pushing them into vicious cycle of poverty due to high inflation and reduced jobs.

Improvements

Spending on health and education should be increased from 2.1% and 2.4% to at least 4% each in the medium term.

* The human development must precede the economic development. Lessons from China and Vietnam can be taken as they achieved high economic growth while keeping in check inequality.

* The human development programmes such as PM - Ayushman Bharat, PM Awas Yojana, Jal Jeevan Mission are in right direction.

Prosperous future

India to attain the Viksit Bharat, has to adopt a multi centred approach to reduce inequality which can help reach SDG-11 reduced inequality.