

India's Economy: Challenges and Opportunities

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Abstract: *India has a mixed economy. Half of India's workers rely on agriculture, the signature of a traditional economy. One-third of its workers are employed by the services industry, which contributes two-thirds of India's output. The productivity of this segment is made possible by India's shift toward a market economy. India's gross domestic product (GDP) growth has dropped to 4.5% in the July-September quarter of 2019-20. A free fall from the government's ambitious call for a double-digit growth not so long ago. Propelling India into a \$5m economic behemoth by 2024-2025 also seems implausible now. The economy is, perhaps, in a worse shape than when Mr. Modi came to power. Turning all this into a virtuous cycle, and to revive 'animal spirits' to reach the goal of a \$5 trillion economy, will require some of the harmful measures in the Budget to be retracted, and get growth, exports and investment-not handouts-to become the focus of economic policy.*

Keywords: Indian Economy, Challenges and Opportunities

I. INTRODUCTION

Melvin, 2003, "The economy of India is characterized as a developing market economy. It is the world's fifth-largest by purchasing power parity (PPP). According to the IMF, on a per capita income basis, India ranked 142nd by GDP (nominal) and 119th by GDP (PPP) per capita in 2018. From independence in 1947 until 1991, successive governments promoted protectionist economic policies with extensive state intervention and regulation; the end of the Cold War and an acute balance of payments crisis in 1991 led to the adoption of a broad program of economic liberalization. Since the start of the 21st century, annual average GDP growth has been 6% to 7%, and from 2014 to 2018, India was the world's fastest growing major economy, surpassing China. Historically India was one of the largest economies in the world for most of the two millennia from 1st until 19th century.

India ranks second globally in food and agricultural production, while agricultural exports were \$38.5 billion. The construction and real estate sector are the second largest employer after agriculture, and a vital sector to gauge economic activity. The Indian textiles industry is estimated at \$150 billion and contributes 7% of industrial output and 2% of India's GDP while employs over 45 million people directly. The Indian IT industry is a major exporter of IT services with \$180 billion in revenue and employs over four million people. India's telecommunication industry is the world's second largest by number of mobile phones, smartphone, and internet users. It is the world's tenth-largest oil producer and the third largest oil consumer. The Indian automobile industry is the world's fourth largest by production. It has \$672 billion worth of retail market which contributes over 10% of India's GDP and has one of world's fastest growing e-commerce markets. India has the world's fourth mining sector contributes 11% of the country's industrial GDP and 2.5% of total GDP. It is also the world's second-largest coal producer, the second largest cement producer, the second-largest steel producer, and the third-largest electricity producer.

2.1 OBJECTIVE OF THE STUDY

- 1 To understand by Indian Economy
- 2 To understand challenges faced by Indian Economy
3. To understand opportunities by Indian Economy
4. To Analysis the Impact Policies of Government on Economy

II. RESEARCH METHODOLOGY

To make this study meaningful and useful we have done field study in December 2019. During this time we interviewed with the different respondents near about 100 people took participants in our oral survey conducted in that time to know the awareness and their opinion about the impact of Economic Crises. Besides this we also used published and unpublished secondary sources of data collection such as books, research articles, seminar and conference report, annual reports, magazines, various online publicans and newspapers etc.

METHOD OF DATA COLLECTION

The study is based on secondary data which is collected from reports of economic survey of India. Other related information's collected from Journals, conferences and websites Immediate Causes of Economic Crises in India Are

1. Demonetization
2. GST
3. Lack of banking Credit
4. Natural calamities Faced by country
5. Global Economic Crises

CHALLENGES FACED BY INDIAN ECONOMY:

1. Low level of national income and per capita income: Economic growth of any country can be viewed from its level of national income and per capita income. It is said that higher the level national income, higher is the rate of economic growth.

2. Predominance of agriculture: Less develop countries live mainly upon agriculture industries like mining, fisheries, forests, Predominance of agricultures is explained from the viewpoints of sectoral composition national income and occupational pattern.

3. Vast inequalities in income and wealth: Not only per capita income is low, but Indian economy also marked by great inequalities in the distributes categories of income and wealth. In India, as years roll o inequalities are on the rise. The logical corollary this inequality is mass poverty. Nearly 60 p.c. of the total population share one-third of India's national income while only rich 5 p.c. of the total population enjoy the same amount of national income. opportunity to such co

4. Underdeveloped infrastructure: Being an LDC India's infrastructural facilities or economic and The po social overheads of capital are inadequate. It consists is hug of (a) transport and communications, (b) energy. (c) \$139 finance, housing and insurance, (d) science and technology, and (e) health, education, etc.

5. Low level of technology: Due to illiteracy, use of advanced or sophisticated technology is rather an in exception in India. Because of the limited growth of technological institution, we are forced to use in a primitive method of technology whose productivity conte is low. **6. Unemployment:** As we have seen above, that bill India is going through a job crisis mode. And, the quality and quantity of education in India is making it worse because education is itself in an abysmal 20 state in India. In the absence of good quality universal education at the primary, secondary and p tertiary levels, we will continue to produce poor quality workforce.

OPPORTUNITIES IN INDIAN ECONOMY

While India struggles with a burgeoning population of educated youth, the rest of the world, especially developed countries, faces a shortage of working- age people, caused largely by lower birth rates and an ageing working population. While the requirement for skilled workers in these markets is increasing in line with economic growth, the availability of skilled people simply isn't keeping pace. In professions like IT services, medicine, and education, the problems are already beginning to be felt.

The challenge faced by other nations presents an opportunity for India. With its large population of educated youth, India can provide a host of services to such countries. These services fall into two broad categories:

1. Professional services to the world provided remotely from India-IT services, IT enabled services, telemedicine, e-learning, etc.

2. Customers serviced in India (import of customers) - special service tourism (health care, education services), leisure tourism, etc.

The potential revenue from these two opportunities is huge. By 2020, India Inc. can hope to generate \$139-365 billion of additional revenue from these opportunities, pushing the GDP growth rate by an additional 0.6-1.5% between 2002-20. The resultant employment generation (direct and indirect) can be in the range of 20-72 million by 2020. We will explain in later chapters the uncertainties that result in a range of outcomes and also actions within our control to realize the highest possible outcomes.

Remote services alone can contribute \$133-315 billion in revenues to the Indian economy by 2020. The resultant employment creation (direct and indirect) will be in the range of 10-24 million jobs by 2020. Starting with simple services, such as call centers targeted at corporate clients, Indian providers can evolve to providing more complex services to corporations and also targeting individuals as potential customers.

The second opportunity, importing customers into economic perspective, the fundamentals for this business are strongly in India's favor. The cost of medical treatment and educational services in India is fraction of several Indian the cost in developed countries tapping into this eplth care providers are already from the Middle East. The categories of services that can be provided by India Inc., by remote servicing and importing customers into India. India's potential strength of human capital can give it a competitive advantage in these service areas. Not only does India have the largest pool of manpower, it also has the highest quality of people according to international agencies.

III. CONCLUSION

The Government should form policies to give more important for National Rural Employment Guarantee Scheme for increasing purchasing power of people, and should financially support for banks and important sectors of economy. Further steps to strengthening agriculture sectors, infrastructure, to become a global soft power by enhancing jobs, improve environment Action Plan for strengthening export reducing import by developing global competitiveness. The Government has to take steps to reduce expenses. The main reason for present condition of economic crises is lack of for slightness for implementing policies of Government, the main causes are Demonetization, Implementing of GST without considering the impact of Demonetization, Global Economic Crises and Natural calamities faced by the country. The Government should form policies to give more important for increasing purchasing power of people to regain Normal Level of Economy.

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