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Viksit Bharat @ 2047: Towards a Developed, Inclusive, and Innovation-Driven India-A Review

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Abstract

Viksit Bharat @ 2047 represents India's strategic vision to transform into a developed, self-reliant, and globally competitive nation by its 100th year of independence. This paper explores India's developmental trajectory, emphasizing inclusive growth, innovation, and employment generation. It identifies structural challenges, such as low employment elasticity, limited R&D investment, and uneven rural–urban development. The study concludes with policy recommendations to strengthen innovation ecosystems, enhance labor productivity, and ensure balanced socio-economic growth through rural and urban participation.

Keywords:- Viksit Bharat @ 2047, Inclusive Growth, Innovation Ecosystem, Employment Generation, Sustainable Development.

1. Introduction

India stands at a pivotal juncture in its developmental journey. As the country approaches the centenary of its independence in 2047, the government's vision of "Viksit Bharat @ 2047" embodies the collective aspiration of transforming India into a developed, knowledge-based, and innovation-led economy. This vision aligns with the nation's long-term policy framework to achieve sustainable and inclusive growth, ensure equitable resource distribution, and enhance India's global competitiveness.

The conceptualization of Viksit Bharat @ 2047 arises from the recognition that economic progress must extend beyond GDP expansion—it must improve quality of life, human capital, and institutional efficiency. India's socio-economic transformation since 1991 has been remarkable: rapid liberalization, technological advancement, and entrepreneurial growth have elevated the nation into the world's fifth-largest economy. However, despite consistent economic progress, India continues to face challenges related to job creation, skill development, and regional inequality.

According to the World Bank, India must sustain an average annual growth rate of approximately 7.8% for the next two decades to achieve developed-country status by 2047. The nation's projected economic size is to reach between USD 23–35 trillion, with nearly half of its 1.64 billion population residing in urban areas. Yet, this quantitative growth must be complemented by qualitative improvements—particularly in education, healthcare, employment generation, and innovation capacity.

The Viksit Bharat framework emphasizes *inclusive and sustainable development*—ensuring that progress in urban centers is matched by empowerment in rural areas. It envisions a future where India transitions from a consumption-based to a production- and innovation-based economy, driven by high-value industries, resilient infrastructure, and globally competitive entrepreneurship. To realize this, India must overcome structural barriers in employment elasticity, R&D investment, and institutional coordination.

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2. Literature Review

The literature on India's economic transformation and development planning reflects both the successes and structural constraints in its journey toward becoming a developed economy. Scholars and institutions alike have recognized that achieving the Viksit Bharat @ 2047 vision will require multidimensional progress across growth, employment, innovation, governance, and inclusivity.

2.1 Economic Growth and Structural Transformation

India's post-liberalization growth trajectory has been among the most rapid in the developing world. Studies by Rodrik and Subramanian (2004) attribute this acceleration to market-oriented reforms, improved macroeconomic stability, and integration into the global economy. Similarly, Panagariya (2019) argues that India's open-market policies have fostered productivity growth and investment inflows. However, Ahluwalia (2020) and Ravallion (2021) note that growth alone has not translated into proportionate improvements in employment or income equality, underscoring the need for structural transformation.

Economic historians such as Kuznets (1973) and Chenery (1979) have long emphasized that structural transformation—from agriculture to manufacturing and services—is a hallmark of development. India's experience has diverged from this pattern; it has transitioned directly from agriculture to services without a strong manufacturing base (Dasgupta & Singh, 2005). As a result, the employment elasticity of growth remains low. Between 1990 and 2019, India's non-agricultural elasticity was around 0.47, while total employment elasticity stood at only 0.20 (*The India Forum*, 2020). During 2004–2010, it declined further to 0.01, signaling an era of "jobless growth" (*Mint*, 2018). These findings indicate that while GDP has expanded, employment has not kept pace, raising concerns about inclusivity and labor absorption.

2.2 Innovation, R&D, and Knowledge Economy

Innovation is recognized globally as a key driver of economic development and competitiveness. According to Schumpeter's (1934) theory of innovation-led growth, technological change and entrepreneurial dynamism creates cycles of creative destruction that advance productivity. However, India's investment in Research and Development (R&D)—currently less than 1% of GDP—is significantly below global benchmarks. The OECD (2023) reports that countries with sustained high innovation output, such as South Korea (4.9%) and Israel (5.5%), allocate substantially higher resources to R&D.

Empirical studies by Dutz (2014) and the World Bank (2018) emphasize India's fragmented innovation ecosystem. Weak linkages between universities, industries, and research institutions hinder knowledge transfer and limit the commercialization of research. Furthermore, the UNESCO Science Report (2021) identifies bureaucratic delays in patent processing and limited venture capital access as barriers to innovation. NITI Aayog's Innovation Index (2022) ranks southern and western states (like Karnataka, Maharashtra, and Tamil Nadu) as leading performers, while several northern and eastern states lag, reflecting regional disparities in innovation infrastructure.

Gupta and Sharma (2020) argue that to achieve the Viksit Bharat vision, India must evolve from a "cost-based economy" toward a "design- and innovation-based economy." This transition requires nurturing risk-taking behavior, investing in applied research, and supporting startups through simplified regulations and funding mechanisms. Initiatives such as *Startup India* and *Atal Innovation Mission* have begun addressing this gap, but scalability and coordination remain challenges.

2.3 Rural Development, Urbanization, and Inclusive Growth

Balanced rural–urban development is a central theme in India's policy discourse. Fan and Hazell (2001) found that investments in rural infrastructure, education, and health yield higher poverty reduction rates compared to urban-focused growth strategies. Despite progress, NITI Aayog (2023) data show persistent disparities in per capita income, education, and healthcare access between rural and urban regions.

Rural India remains critical not only as a supplier of labor and food but also as a potential consumer market. According to KPMG (2023), rural consumption accounts for nearly 46% of India's total retail sales. Scholars such as Mukherjee and Ray (2022) emphasize that strengthening *rural entrepreneurship*, especially in agro-processing, handicrafts, and eco-tourism—can drive decentralized growth. Integration of digital technologies, such as e-commerce platforms (*Flipkart Samarth*, *ONDC*, *Amazon Saheli*), provides rural producers access to wider markets, promoting inclusivity.

2.4 Gender and Human Capital Development

Human capital formation—through education, skill development, and gender inclusion—is indispensable to the Viksit Bharat framework. Becker's (1993) human capital theory posits that investment in people yields long-term economic and social returns. However, India faces challenges in education quality, employability, and gender participation. According to the World Bank (2023), India's female labor force participation rate remains around 35.6%, among the lowest in Asia. Increasing this figure to 50% could add up to USD 700 billion to India's GDP by 2047 (McKinsey Global Institute, 2020).

Research by Klasen (2019) and Mehrotra (2020) emphasizes that gender equality in labor markets not only enhances productivity but also strengthens household welfare and social cohesion. Empowering women through access to education, childcare support, credit facilities, and entrepreneurship training is thus vital for inclusive growth.

2.5 Policy, Governance, and Institutional Reforms

Public policy and governance mechanisms play a foundational role in achieving the goals of Viksit Bharat. Programs such as *Digital India*, *Make in India*, *Skill India*, and *Atmanirbhar Bharat Abhiyan* have laid the groundwork for industrial modernization and human capital development. However, PwC (2021) and KPMG (2023) analyses reveal that these initiatives require stronger inter-ministerial coordination and monitoring frameworks to achieve desired outcomes.

Furthermore, Acemoglu and Robinson (2012) argue that inclusive institutions—those that distribute power and resources equitably—are critical for sustained economic development.

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In India's context, institutional reforms should focus on regulatory simplification, decentralization, and the empowerment of small and medium enterprises (SMEs), which account for 30% of GDP and 45% of exports (Ministry of MSME, 2024). Effective governance and transparent accountability are essential to transforming policies into measurable socio-economic impact.

2.6 Global Comparisons and Lessons

Comparative studies show that countries such as South Korea, Singapore, and China achieved rapid development through strategic state intervention, investment in education and R&D, and export-led industrialization (Stiglitz, 2001; Amsden, 1992). India's path differs in its democratic, federal, and diverse context, but lessons from these nations—particularly on long-term industrial policy and human capital prioritization—remain instructive. Achieving Viksit Bharat @ 2047 will depend on how effectively India integrates innovation, inclusivity, and sustainability within its democratic framework.

3. Growth, Employment, and the Challenge of "Jobless Growth"

While India's GDP growth has been remarkable, its ability to create employment has lagged. This disconnect—often termed *jobless growth*—is reflected in India's employment elasticity trends

Table 1- Employment Elasticity Trends in India

Period	Employment Elasticity	Source
1950–2020	0.34–0.39	Long-run estimates
1990–2019	0.47 (non-agricultural)	*The India Forum*
2004–2010	0.01	*Mint*
Aggregate (All sectors)	0.20	*The India Forum*

KPMG. (2023). *India's growth trajectory and Viksit Bharat 2047: Opportunities and challenges.* KPMG India Insights Report

Table-2 Sectoral Employment Elasticity in India

Sector	Average Elasticity (1991–2019)	Key Characteristics	Implications
Agriculture	0.10–0.15	Mechanization and productivity improvements limit job growth.	Labor migration to non-farm sectors continues.
Manufacturing	0.25–0.35	Modest elasticity; constrained by automation and regulatory complexity.	Potential for "Make in India" to raise absorption.
Construction	0.50–0.60	Highly labor-intensive; key source of rural employment.	Infrastructure investment can sustain growth.
Services (IT, Finance,	0.20–0.25	High productivity but capital-intensive; creates	Expanding skill-based and digital jobs crucial.

Telecom)		fewer jobs.	
Trade & Transport	0.45	Informal and semi-formal sectors dominate.	Modernization of logistics can boost jobs.
Public Administration & Education	0.30	Limited growth due to fiscal constraints.	Public sector reform and digitization needed.

KPMG. (2023). *India's growth trajectory and Viksit Bharat 2047: Opportunities and challenges.* KPMG India Insights Report

The data reveals a consistent decline in employment elasticity over the past three decades, falling from 0.38 in the 1990s to approximately 0.11 in the 2010s. This trend signifies that while India's GDP expanded rapidly, the economy failed to generate sufficient employment opportunities, especially in the formal sector.

1. Structural Causes:

   Shifts toward capital- and technology-intensive industries (e.g., IT, finance) reduced labor absorption.

   Manufacturing sector underperformance: Despite the *Make in India* initiative, regulatory barriers and automation limited employment growth.

   Informal sector dominance: Over 80% of India's workforce remains informal, with low productivity and limited job security.

   Urban bias in investment: Concentration of infrastructure and service industries in cities widened the rural–urban gap.

2. Demographic and Gender Dimensions:
   India's female labor force participation rate (FLFP) remains low at around 35.6%, constraining potential labor supply. Increasing FLFP to 50% could add nearly 1 percentage point to India's annual GDP growth (McKinsey, 2020). Policies targeting women's education, childcare, and safety are essential to unlocking this demographic potential.

3. Innovation and Quality of Growth

   Economic expansion driven by efficiency and technology—not labor absorption—has created a productivity paradox: GDP grows, but employment stagnates. A recalibration toward innovation-led manufacturing, green technologies, and digital entrepreneurship can reverse this imbalance.

4. Regional Inequality

   Southern and western states (e.g., Karnataka, Maharashtra, Tamil Nadu) exhibit higher elasticity due to diversified industries and better governance, whereas northern

and eastern states lag due to lower industrialization and human capital investment (NITI Aayog, 2023).

5. Policy Response

   Programs like *PMEGP*, *Mudra Loans*, and *Startup India* have increased access to finance for small entrepreneurs, but coordination and scaling remain challenges. Sustained policy coherence—linking education, industry, and innovation—is crucial for raising employment elasticity.

4. Conclusion

The vision of Viksit Bharat @ 2047 aspires to position India as a developed, inclusive, and innovation-driven economy. However, the empirical evidence on employment elasticity underscores a key challenge: economic growth has not consistently translated into employment growth. This phenomenon, described as "jobless growth," reflects deep structural rigidities in India's labor market and production systems.

To align growth with employment, India must focus on five strategic imperatives:

1. Industrial Diversification and Manufacturing Push – Strengthen labor-intensive industries, promote MSMEs, and integrate India into global value chains through incentives for high-quality production.
2. Innovation and R&D Investment – Increase R&D spending from less than 1% to at least 2% of GDP, promoting design-led innovation and university–industry collaboration.
3. Human Capital and Gender Inclusion – Expand technical education, vocational training, and female labor participation to improve workforce quality and inclusivity.
4. Rural Transformation and Entrepreneurship – Develop agri-based industries, digital connectivity, and local innovation hubs to balance rural–urban opportunities.
5. Governance and Institutional Reform – Streamline business regulations, improve policy coordination, and ensure transparent monitoring of employment programs.

In conclusion, *Viksit Bharat @ 2047* is not only an economic goal but a societal transformation agenda. Realizing this vision requires synchronizing growth, employment, innovation, and inclusion into a coherent national strategy. By fostering productive employment, empowering women, and building a culture of innovation, India can achieve sustainable prosperity and emerge as a global model of inclusive development by 2047.

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