

India Economic Growth: Shining India towards 21st Century through Innovation

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Abstract—*Innovation is the untapped and innate human source, whose potential economies have yet to harness. It can contribute to prosperity, to cultural exchange and social justice. Innovation is the inspirational energy and knowledge that spurs many individuals, including young men and women, to undertake new industrial ventures with a vision of the future transformation of their societies while no nation inhabited by people can be short of creativity, innovation tends to emerge where the value of creativity is favorably perceived, with a high degree of freedom to set one's own agenda, where creative & innovation talents are better organized through business and supported by institutions, and where competition encourages and, most importantly, rewards creativity and entrepreneurship. The institutionalization of innovation explains why certain societies are able to productively organize innovative to solve their most pressing problems and achieve progress, while others lag behind in spite of abundant innovation and a rich civilization. In this context, we forward the following question: can a development model that does not take into account a culture that has existed for hundreds or thousands of years be applied sustainably to any industrial sector? In what ways have current development models overlooked the role of culture and civilization, which long predate the dominant development paradigm of our times? What are the best ways to combine culture and civilization with creativity and innovation? How can the creativity of global youth be transformed into culture-based innovation, and how can such synergy be translated into development outcomes and entrepreneurship?*

Keywords: *Innovation, Economic growth, Development, Unleashing features*

1. INTRODUCTION

India is increasingly becoming a top global innovator for high-tech products and services. Still, the country is underperforming relative to its innovation potential—with direct implications for long-term industrial competitiveness and economic growth. About 90 percent of Indian workers are employed in the informal sector, and this sector is often characterized by underemployment, as well as low-productivity and low-skill activities. Although India has the benefit of a dynamic young population—with more than half of the country's population under 25 years old—only 17 percent of people in their mid-20s and older have a secondary education. To sustain rapid growth and help alleviate poverty, India needs to aggressively harness its innovation potential,

relying on innovation-led, rapid, and inclusive growth to achieve economic and social transformation.

One of the unique features of this context is its focus on inclusive innovation—that is, knowledge creation and absorption efforts most relevant to the needs of the poor in India. This is in addition to the paper emphasis on how faster growth can be facilitated by promoting “new to the world” knowledge creation and commercialization—the traditional understanding of the term *innovation*—as well as through often underappreciated but even higher-impact “new to the market” diffusion and absorption of existing knowledge.

2. OVERVIEW: TOWARD AN ACTION AGENDA FOR INNOVATION

India's recent growth has been impressive, with real GDP rising by over 8 percent a year since 2004—accompanied by a jump in innovative activities. Growth has been driven by rapid expansion in export-oriented, skill-intensive manufacturing and, especially, skill-intensive services. For example, pharmaceutical firms such as Dr. Reddy's Lab have been pursuing a twin strategy of profiting from the production of generic drugs and investing in research and development (R&D) to discover new ones. Growth has also been fueled by increased local demand, backed by rising urban and rural incomes, and a sharp rise in savings and investment rates. Indian manufacturers have focused on delivering low-cost products to previously untapped markets by innovating to lower costs and create new delivery mechanisms—as with Tata Motors, which has promised to deliver a car, geared toward India's middle class, priced at less than \$3,000. Thanks to its innovations in outsourcing, Bharti Tele-Ventures offers some of the world's lowest telephone prices. And innovations in supply chains have integrated those at the bottom of India's economic pyramid, as exemplified by e-Choupals. These cyber kiosks, established in thousands of villages, have given farmers the power of information—eliminating middlemen and resulting in higher productivity and better prices for farmers. Growth, accompanied by innovations, has been associated with rising living standards and a reduced number of poor people. However, despite pockets of innovative

activities in both the formal and informal sectors, innovation remains concentrated in a small segment of the economy. Roughly 90 percent of the workforce is employed in the informal sector, which is often characterized by low-productivity and low-skill activities. Productivity is also low in most formal enterprises. Given this dualism in the economy, what can be done to strengthen the likelihood of sustained high growth rates and, in particular, to address the unmet needs of the informal sector and the poor? Innovation is crucial for increasing growth and can also help reduce poverty. By applying knowledge in new ways to production processes, better and previously unavailable products can be produced with the same or fewer inputs—to meet the needs of all sections of Indian society.

This paper provides action-oriented recommendations for India to unleash existing capabilities and build on its innovation potential, to help meet the dual challenges of sustained and inclusive growth. Sustaining growth is a challenge because of both intensified external competition brought on by information and communication technology (ICT)—spurred globalization and internal pressures linked to skill shortages. As a basis for its recommendations, the paper examines the extent to which Indian enterprises are undertaking innovative activities and analyzes their enabling environment.

Given the dualism of the Indian economy, innovation is broadly defined to include “new to the world” knowledge creation and commercialization as well as “new to the market” knowledge diffusion and absorption. This second type of innovative activities involves enterprises applying existing technologies in new locations and product areas. Both types of activities seek to provide better, cheaper products in response to consumer needs—creating more and higher-paying jobs. Although both types of innovation activities are essential, India stands to gain more from catching up to the global frontier of knowledge through increased absorption than from trying to push out the frontier through creation. An enormous amount of existing global knowledge is not yet fully used in India. A 2006 World Bank Enterprise Survey of roughly 2,300 manufacturing enterprises in 16 Indian states found that applying existing technology in new settings is more likely to be associated with increases in productivity than are efforts to create new knowledge. In addition, given the overriding need to better address the needs of the poor in India, knowledge creation and absorption efforts most relevant for the poor are indicated by the term “inclusive innovation.”

3. TO UNLEASH ITS INNOVATION POTENTIAL, INDIA NEEDS TO DEVELOP A STRATEGY THAT DOES THE FOLLOWING:

- Focuses on increasing competition as part of improving its investment climate, supported by stronger skills, better information infrastructure, and more finance—public and private.

- Strengthens its efforts to create and commercialize knowledge, as well as better diffuse existing global and local knowledge and increase the capacity of smaller enterprises to absorb it—if all enterprises could costless achieve national best practice based on knowledge already used in India, the output of the economy could increase more than fivefold.
- Fosters more inclusive innovation—by promoting more formal R&D efforts for poor people and more creative grassroots efforts by them, and by improving the ability of informal enterprises to exploit existing knowledge.

Recognizing the importance of generating, commercializing, and absorbing R&D, in recent years the government has created a number of support programs—but they could be more effective. Public programs supporting innovation have achieved significant successes. Still, their outcomes have not been commensurate with the needs of the Indian economy or the resources invested in them. This imbalance reflects many missed opportunities. Most of the programs have been run by government institutions; private sector involvement has been minimal. The public systems, not only in India but across the globe, especially where investments are to be made, normally go through a very long and elaborate decision-making process and are generally risk averse. This bureaucratic, rigid nature—and lack of risk taking—typical of government institutions, limits the effectiveness of these programs. These programs should be subjected to regular, independent performance evaluations and international benchmarking.

4. PRESCRIPTIONS: COLLECTIVE EFFORTS FOR INCLUSIVE GROWTH

India has the potential of becoming a leading economy and has the unique opportunity to make that growth inclusive, provided there is willingness on the part of all sections of society to put in hard and disciplined work, together with serious, sustained and purposeful planning. First, there is much that needs to be done to build up India’s potential. Better governance, more and better educational institutions, higher agricultural productivity, controlled inflation and improvement in infrastructure are some of the major and more important steps required in this direction. I mention these specifically, because each of these steps has a bearing on the inclusiveness of growth as well. Agriculture is extremely important for inclusive growth, since a large majority of the Indian population is dependent on farming. Improved agricultural productivity would bring in its wake increased family incomes for this vast majority. This, together with better infrastructure in the countryside – greater rural connectivity, rural electrification and investment in irrigation, would aid tremendously in tackling rural poverty, as well as add to the overall prosperity of the nation.

The ‘India Shining’ campaign of the previous government failed to impress the people precisely for this reason because a majority of the rural populace had remained outside the

purview of the increase in national GDP. Better governance is the need of the hour, more so because the government in India still has a majority stake in almost all essential sectors e.g. in the crucial sectors of health, sanitation and water. It is in such social sectors that we find the political parties least interested, especially once they come to power after elections. Yet these are the fields which need to be paid more attention to if we are to improve human development alongside economic growth; with the current situation, it is no wonder that India figures extremely low on world human development index reports. There is a need for more public-private partnerships. The private sector should take more social responsibility and contribute towards making growth more inclusive.

There also ought to be greater accountability for politicians and civil servants. Progress in a democracy is slow but sustaining. This is even truer of a large and diverse country the size and complexity of India. The economic reforms that were introduced in 1991 are starting now to bear fruit with the growth rate reaching 9%. However, the relatively benign economic climate of the past few years perhaps made the government complacent. This, together with the difficulties and constraints brought about by a coalition government, led the authorities to put on the backburner some of the much needed economic reforms. The time has now come to act boldly and decisively. The astounding success that the country achieved in the telecommunication field – high density across the country and world's cheapest call rates affordable by all – needs to be reproduced in other areas. The problem of a massive parallel black economy, which has evaded a solution so far, needs to be tackled urgently and these funds brought into the much needed social sectors. Education is extremely important for improving the skill levels of the population so that everyone can be an equal partner in the country's growth. More and better universities, schools and technical institutes should be created. Inflation, which is running amok today, affects the poor man the most, severely limiting inclusiveness of growth. We need to fix acceptable inflation targets and constantly monitor them so that they do not go beyond the outer agreed limits. Similarly, India's fiscal deficit remains one of the highest in the world, almost 7% of GDP in real terms. Political parties, across the spectrum, need to look beyond petty politics, sit down and agree on parameters for inflation and fiscal deficit beyond which certain tough economic measures must come into play automatically. Finally, rights of women, children, minority communities and the other marginalized sections of society must be constantly watched and protected if we wish to reach our goal of a truly developed society.

India has been endowed with some of the world's most essential minerals, beautiful places, diverse cultures and capable and talented people. It is time we stop squandering this advantage and make the most of what most countries can never even dream to have. There is much to be done, but if done and done correctly, then nothing can stop us from reaching the pinnacle of the world.

5. STRENGTHS OF INDIAN ECONOMY

After several decades of sluggish growth, the Indian economy is now amongst the fastest growing economy in the world. Economic growth is currently 8-9%, second only.

- 1. Demographics of India are favorable.** India still has a positive birth rate meaning that the size of the workforce will continue to grow for the foreseeable future. (unlike India) A rising workforce helps to increase saving and investment. It also enables increased productivity.
- 2. There is much scope for increases in efficiency.** The infrastructure of India is so bad in places that even moderate improvements could lead to significant improvements in the productive capacity of the economy.
- 3. India is well placed to benefit from globalization and outsourcing.** A legacy of the British Empire is that India has one of the largest English speaking populations in the world. For labor intensive industries like call centers India is an obvious target for outsourcing. This is an economic development likely to continue in the future.
- 4. Positive Growth forecasts** A recent study from Goldman Sachs; forecast that India could growth at a sustainable rate of 8% growth until 2020. However it is worth noting that this assumed Indian would make several supply side policies such as labor market deregulation and improvements in education and training.
- 5. Comparative advantage in labor intensive industries.** India will also benefit from the liberalization of free trade in recent years.
- 6. Diversification of Indian economy.**

6. NEED FOR INCLUSIVE GROWTH IN INDIA

Inclusive growth is necessary for sustainable development and equitable distribution of wealth and prosperity. Achieving inclusive growth is the biggest challenge in a country like India. In a democratic country like India, bringing 600 million people living in rural India into the mainstream is the biggest concern. The challenge is to take the levels of growth to all section of the society and to all parts of the country. The best way to achieve inclusive growth is through developing people's skills.

Mr. Jeffrey, Chairman & CEO of Manpower Planning, USA, said that, a multi faceted approach towards education and skills development is necessary to achieve grow. He said the challenge of skills shortage can be addressed through public private partnership.

Since independence, significant improvement in India's economic and social development made the nation to grow strongly in the 21st century. The following factors encouraged the India to concentrate more on inclusive growth.

1. India is the 7th largest country by area and 2nd by population. It is the 12th largest economy at market exchange rate and 4th largest by PPP. Yet, India is far away from the development of the neighborhood nation, i.e., China.
2. The exclusion in terms of low agriculture growth, low quality employment growth, low human development, rural-urban divides, gender and social inequalities, and regional disparities etc. are the problems for the nation.
3. Reducing of poverty and other disparities and rising of economic growth are the key objectives of the nation through inclusive growth.
4. Political leadership in the country plays a vital role in the overall development of the country. But, the study has found that politicians in India have a very low level of scientific literacy.
5. Studies estimated that the cost of corruption in India amounts to over 10% of GDP. Corruption is one of the ills that prevent inclusive growth.
6. Although child labour has been banned by the law in India and there are stringent provisions to deter this - inhuman practice. Still, many children in India are unaware of education as they lives are spoiled to labour work.
7. Literacy levels have to rise to provide the skilled workforce required for higher growth.
8. Economic reforms in the country are overwhelmed by out dated philosophies and allegations by the politicians and opposition parties in India.
9. Achievement of 9% of GDP growth for country as a whole is one of the boosting factor which gives the importance to the Inclusive Growth in India.
10. Inclusiveness benchmarked against achievement of monitor able targets related to (i). Income & Poverty, (ii) education, (iii) health, (iv) women & children, (v) infrastructure, (vi) environment.
11. Even at international level also, there is a concern about inequalities and exclusion and now they are also taking about inclusive approach for development

7. ELEMENTS OF INCLUSIVE GROWTH

According to the previous Prime Minister, Sri. Manmohan Singh, the key components of the inclusive growth strategy included a sharp increase in investment in rural areas, rural infrastructure and agriculture spurt in credit for farmers, increase in rural employment through a unique social safety net and a sharp increase in public spending on education and health care.

The five interrelated elements of inclusive growth are:

1. Poverty Reduction and increase in quantity and quality of employment.
2. Agriculture Development
3. Social Sector Development
4. Poor quality delivery systems
5. Achievement of 119th rank among 170 countries on Human Development index.
6. Social indicators are much lower for scheduled castes and scheduled tribes.
7. Malnutrition among children is one major problem.
8. Since BPOs brought the multi culture environment in India, this sector is facing under seivour pressure due to global recession.
9. Social advancements in India are still at lower growth due to the strong influence of culture and regional disparities.

8. FIVE YEAR PLAN AND INCLUSIVE GROWTH-HOW MUCH ACHIEVED

In XI Plan GDP Growth likely to be of average 8.2 % as compared to 7.7 % of the 10th Plan but what we are lacking is the achievement of inclusiveness. The 11th Plan defines inclusive growth to be “a growth process which yields broad-based benefits and ensures equality of opportunity for all”. But this inclusiveness is not reflected as it was expected. We have seen progress on inclusiveness: Agricultural Growth, Poverty Reduction, Education, Health, Upliftment of Scs /STs Etc. But however progress on inclusiveness is less than expected. It can be explained as:

1. India is likely to miss Millennium Development Goals (MDG), except perhaps on poverty.
2. Inflation has accelerated in the last two years.
3. Current International Environment is very uncertain.
4. Global Pressure on food, oil and other commodity prices.
5. Financial conditions and exchange rates are likely to be volatile due to sovereign debt related problems in Europe/U.S. and readjustment of extra-ordinary monetary/fiscal easing.
6. The goal of increasing the literacy level among backward classes and other weaker sections has not been achieved.
7. Agriculture growth is still in vulnerable conditions.
8. The employment schemes like MGNREGS are not up to the mark. The red-tapism and corruption are still out of control.
9. There are so many Plans, Policies, Schemes but their implementation is not according to their expected level.

9. PROPOSED XIIITH FIVE YEAR PLAN AND INCLUSIVE GROWTH

As India's government prepares to submit its approach paper for its 12th five-year plan (a plan which covers years 2012 to 2017), the Planning Commission's focus on instilling "inclusive growth" is making headway. The plan is expected to be one that encourages the development of India's agriculture, education, health and social welfare through government spending. It is also expected to create employment through developing India's manufacturing sector and move the nation higher up the value chain. The previous Prime Minister Manmohan Singh, however, warned that maintaining fiscal discipline is important as well.

The commission will likely strive to enact policies that will achieve somewhere around a 10 percent growth rate in factories and a 4 percent growth rate in farm produce, though previous Prime Minister Singh has asked the plan to set the nation's growth rate firmly at 9 percent to 9.5 percent.

Come May, a view into the implementation of these goals should be apparent. A question that India's government will have to grapple with, much like that of any emerging market, is whether to continue to focus on GDP growth in the face of soaring food prices and economy-wide inflation. An important aspect of generating "inclusive growth" is shifting the target of government aid to rural areas. Typically, large projects such as power generation, roads whereby freight can travel, and airports receive the lion's share of government subsidies, while rural infrastructure receives comparatively little.

A recent op-ed piece in the Wall Street Journal by Saurabh Tripathi, a partner with Boston Consulting Group, echoed these sentiments. "Rural infrastructure, which serves 70 percent of the population, doesn't get the attention it deserves. As the Planning Commission sets out to draft the country's planned investments for the next five years, it is important to take note of this gap, and the innovative solutions needed to fill it," Tripathi wrote.

As indicated from the planning commission's presentation to the prime minister, the quantitative metrics known thus far in the early stage of the five-year plan are:

1. A target of GDP growth in the 9 percent to 9.5 percent range
2. An increase in literacy rates to 100 percent between the plans' periods from 2012 to 2017
3. An increased expenditure on health from 1.3 percent to 2.0 percent of GDP

In a boon for industry, the planning commission indicated that it aims to have industry and manufacturing-related activities grow by 11 percent over the next five years, contrasted to 8 percent over the previous 11th five-year plan. It also aims to undertake somewhat vaguely defined, but certainly well-

intentioned, structural and regulatory reforms to facilitate investment.

The presentation highlighted the planning commission's views that commercial energy demand is expected to increase by 7 percent per year over the next five years.

To address that increase in demand, the planning commission recommended that all methods of current energy production and distribution be developed, from coal to nuclear energy to solar and wind, and proposed that existing taxes on electricity should not be raised.

Interestingly, the Planning Commission envisioned an expansive role for Indian SOE Coal India: "Coal India must become a coal supplier and not just a mining company. Should plan to import coal to meet coal demands. This requires blending of imported and domestic coal as supplied by Coal India."

All told, in its early stages, the 12th five-year plan promises a lot for rural development and growth. In that sense, it is similar to China's latest iteration of its five-year plan, which seeks to improve the lot of rural Chinese people's by increasing urbanization and industrial efforts in central and western China. But, by contrast, while the Chinese government seems to be continuing with nation-wide industrialization efforts, the Indian government may be attempting to promote a policy of reverse migration by making rural living more attractive with some access to modern amenities, but hopefully without the accompanying chaos that goes with it.

The Basic objective as stated in the Planning Commission presentation is "Faster, More Inclusive and Sustainable Growth". It was said that the priority areas in 12th Five Year Plan would be Betterment of Farmers, Small Industries, Cottage Industries etc. It is asserted by the Planning Commission that for growth to be more inclusive we need:

1. Better Performance in agriculture.
2. Faster Creation of Jobs, especially in manufacturing.
3. Stronger Efforts at health, education and skill development
4. Improved effectiveness of programs direct aimed at the poor.
5. Special programs for socially vulnerable groups.
6. Special programs for disadvantaged or backward regions.

The objectives and targets of the Proposed 12th Five Year Plan put emphasis on the achievement of Inclusive Growth but it is still a burning question that whether this time India would be able to achieve all the targets decided for the achievement of Inclusive Growth or like 11th Five year Plan it would lag behind and the Inclusive Growth will be seen only in papers.

Powering India: Few would argue that the Indian economy is growing, salaries are going through the roof for the educated, there are jobs mushrooming in the IT hubs of Bangalore and Hyderabad, disposable income for the 'Call Centre' crowd, that is egging on the foray of several luxury goods never before seen in the nation, is becoming all the more accessible but the fact still remains, that the poor are still poor even though the rich have become super rich and the hitherto not so rich, rich. The growth is far from inclusive. The Oxford English Dictionary gives four meanings to the word 'inclusive', with the most appropriate for the purposes in this paper being, "not excluding any section of society." We all know it, we see the beggars on the streets, read about the farmer suicides in Maharashtra, about the biggest slums in the world and even closer home, we know of the cleaning lady who cannot afford treatment for her ailing husband, but still works for paltry sums waiting for a miracle to save her family. We all understand their plight, we even sympathize and empathize with them, for the ten minutes after reading an article in a newspaper or seeing an amputated beggar on the street, only to have it all tramped upon by the news of the raise the successful executive father has received or that of the young MBA son buying a Mercedes in silicon valley and the celebrations thereafter at the new Italian place around the corner.

Economic liberalization which began in the early 1990s has accelerated India's growth rate to an average of 7% per year since 1997, up from 3.5% in the 1970s. During this period India transformed itself from an agricultural economy to a service economy. Services now form 55% of the Indian economy. The growth and development of the Information Technology and Information Technology enabled Services have had a significant role in changing the face of the economy. The good news does not end here. The growth rate for India is expected to overtake China's double digit growth rate in the next few years.

This news however, hides some alarming trends. Growth continues to bypass a large section of people. A large majority of Indians live in the villages and they have been excluded from India's growth story. Rural India is facing endemic problems – land holdings are shrinking, slow growth in agricultural production and limited social and economic infrastructure. Women, Children, backward castes & classes and other minorities often are excluded from the growth story. The rise of grass root militant movements which plague nearly one-tenth of India is a direct result of this economic exclusion and the unfulfilled aspirations of the bottom billion.

The task to feed, house, clothe, educate and employ India's growing population, which is expected to reach nearly 1.5 billion by 2030, is enormous. This includes a net increase of 270 million people which will be added to the work force. Bringing them into the economic mainstream both as producers and consumers of goods and services must be the basis of any inclusive strategy.

Today, economic power rests with a precious few. According to Credit Suisse, the top 1% of the population own 15.9% of India's wealth, the top 5% own 38.3% and the top 10% have 52.9% of Indian's wealth. What this really means is that 90% of Indian, the urban and rural poor has a very small stake in the pie. Growth must lead to the re-distribution of this ever growing pie to a situation where the bulk of the population is middle class and a smaller percentage of the population is either very rich or very poor.

The aspirations of the "bottom billion" cannot be wished away. If India is unable to address these aspirations, the "demographic dividend" that the country can reap will become a demographic liability. This mammoth task cannot be done by government alone. Industry and civil society must partner with government to drive inclusive growth. Cognizant of income disparities and growing aspirations of the people the government has been working to address these through programs like NREGA and Aadhaar. Civil society has contributed with design and governance oversight. But, in my view the greatest lever for driving inclusion is jobs.

The India's economy is headed in a new direction - striving to touch double – digit annual growth rates, and a sustainable, equitable and inclusive growth, taking into account the needs of all sections of society. India's economic growth has passed through for major phases over the past 60 Years and is emerging to a new phase with a broad objective of "Inclusive Growth".

The 11th Plan defines inclusive growth to be "a growth process which yields broad-based benefits and ensures equality of opportunity for all". The Inclusive growth implies an equitable allocation of resources with benefits accruing to every section of society, which is an Utopian concept. Inclusive growth is broad- based. It is concerned with the Pro-poor growth, growth with equity. Inclusive growth is aimed at poverty reduction, human development, health and provides opportunity to work and be creative. The allocation of resources must be focused on the indented short and long terms benefits and economic linkages at large and not just equitable mathematically on some regional and population criteria.

10. CONCLUSION

"I have faith that the next generation of Indians, and the generation after that, will eliminate the scourge of poverty and make India rich. Then, the poor country would have deserved its inheritance" – P. Chidambaram,

India' is the new global buzzword. The economy growing at a phenomenal rate, combined with a flourishing democracy is making people sit up and take notice across the world. Yet, it is at cross-roads today. It is far from reaching its true potential. The country remains shackled in corruption, red tape, age old social barriers and a puzzling lack of transparency. Growth is not uniform across sectors; and large cross-sections of the

populace remain outside its purview. Several social, political and economic factors need to be tackled for sustaining a high rate of growth, as well as to make this growth inclusive. Elimination of child labour, women empowerment, removal of caste barriers and an improvement in work culture are just a few of the things the Indian society needs to introspect on. Tackling corruption in high places, removing the ills of the electoral system, shunning politics of agitations and keeping national interest above petty politics may not be too much to ask of the country's policy makers. Rapid growth in the rural economy, well planned and targeted urban growth, infrastructure development, reforms in education, ensuring future energy needs, a healthy public-private partnership, intent to secure inclusivity, making all sections of society equal stakeholders in growth, and above all good governance will ensure that India achieves what it deserves.

Of the eight richest people in the world four are Indian, but the irony still remains that there's a marginal farmer in the interior of Maharashtra, who is struggling to feed his five children, the youngest of whom is a son, uneducated and unemployed, with four sisters, all of marriageable age, whose marriage the farmer cannot afford. Try telling the farmer that the economy is growing at a handsome 9% per annum, hardly consolation for the empty stomachs his children go to bed with every night.

The inclusiveness involves four attributes. They are Opportunity, capability, access and security. The Opportunity attribute focuses on generating more and more opportunities to the people and focuses on increasing their income. The Capability attribute concentrates on providing the means for people to create or enhance their capabilities in order to exploit available opportunities. The Access attributes focuses on providing the means to bring opportunities and capabilities together. The Security attribute provides the means for people to protect themselves against a temporary or permanent loss of livelihood. Together Inclusive growth is a process in which economic growth measured by a sustained expansion in GDP contributes to an enlargement of the scale and scope of all four dimension.

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