

SALIENT FEATURES—
'NEW INDIA'

8.1 NEW INDIA

In the recent past, there has been a rapid transformation in the Indian Economy and certain new features have emerged, old perceptions and outlook of the Indian Economy has changed yielding a different perspective of India known as New India and are characterized by the following features:

- India for a long period was believed to be a third world developing country and the first feature is the change in the status from developing, third world country to that of an 'emerging economy', which is an economy with a great potential for accelerating growth that offers investment opportunities. Its huge population is not seen as a liability, but is seen as source of demand and establishes India as the second largest potential market in the world after China.
- Various international reports talk of the future decades belonging to the BRICS economies comprising of Brazil, Russia, India China and South Africa. More recently, Indonesia, South Korea, Vietnam and Taiwan have also been provided the same status and could witness a gradual shift in the global economy.
- Secondly, change in the status from a third world economy to a 'potential economy' and is significant as it questions the supremacy today of the first world countries. It also implies larger say in global matters, sharing at global platforms and global recognition of the New India.
- India is widely believed to become a 'knowledge economy' as it already has millions of knowledge hubs and with the government having set up the Knowledge Commission of India for developing strategies for global knowledge to reside in the country.
- India is being projected as a 'young economy' with over 50 per cent of its population under 25 years of age or 70 per cent of the population under 35 years, a feature which makes India unique or the only country in the world. This is in contrast to the global phenomenon of ageing work force, increased longevity leading to large proportion of non-working to working population globally and increased investment in social security for the ageing population. India can also reap the benefits of favourable demographic dividends through extensive and intensive education and stress on skill development.

- India is being now referred to as a 'young economy' rather than the government's 'emerging economy'. At present, pricing of essential commodities such as LPG, kerosene and other petroleum products (retention price scheme) is being done. The remaining products are being allowed to be priced as said to be 'efficient'.

The aforementioned are some of the salient aspects need to be remembered. India gives a new perspective of harnessing through education and skill development. India from a position of structural adjustment economies.

However, then in our view, India which one has referred to as 'New India'. It may be useful to just

- Large population residing in rural areas, unimproved living conditions, unemployment, and poverty.
- Traditional, subsistence economy.
- Lack of employment opportunities.
- A large proportion of the population engaged in casual work for living.
- While sectoral competition is increasing, dependence continues to be high.
- The increased growth rate has not touched them or an equal number.
- Completely oblivious to the changes in India.

The most notable aspect of the New India continues to live below the poverty line. The largest number of people living in poverty in India' *we should not forget*. The biggest challenge for the New India.

- India is being now referred to as a 'market economy' where economic decisions of production and pricing are largely through market forces of demand and supply, rather than the government.

At present, pricing of food grains (minimum support price), retail petro goods such as LPG, kerosene and diesel (administered price mechanism), fertilizers (group retention price scheme) and utilities are regulated by government and pricing of the remaining products are market determined. Prices determined through the market are said to be 'efficient'.

The aforementioned are some of the emerging features of India known as the 'New India'. Two aspects need to be remembered in mind. First, the global perceptions having changed about India gives a new perspective. Secondly, they reflect the 'advantages' for India but still need harnessing through education and skill formation to be converted as opportunities, otherwise, India from a position of strength in these advantages can be taken over by other emerging economies.

However, then in our zeal and enthusiasm we should not forget that there is also a Real India which one has referred to in the earlier sections, too which can gloss New India.

It may be useful to just revisit the Real India of having the following features:

- Large population residing in 6 lakh odd villages in the country completely oblivious of the New India, under abject absolute poverty, undernourished and living under pitiable conditions.
- Traditional, subsistence and stagnating agriculture sector.
- Lack of employment opportunities in the economy with large-scale unemployment.
- A large proportion of the workforce of over 90 per cent engaged in the informal sector in casual work for livelihood.
- While sectoral composition of GDP has altered towards service sector but economic dependence continues to be on the agriculture sector.
- The increased growth of recent times as well as benefits of reforms of not having touched them or an exclusive rather than inclusive growth.
- Completely oblivious of the fact that there is an international perspective of a New India.

The most notable aspect of the Real India is the large number of population which continues to live below absolute poverty levels and that India continues to be home to the largest number of poor people in the world. While we can draw comfort of the 'New India' *we should not* forget the 'Real India' which is where the soul of the country resides. The biggest challenge for the government and the economy is to integrate Real with New India.