

January 13, 2026

## What India Needs to Prioritize to Realize its 2047 "Viksit" Aspiration

By: Kamal Malhotra

*'Viksit Bharat' is not about the size of the GDP or the creation of wealth on stock markets, it is about improvement in the lives of the people, especially the most disadvantaged. Fifteen areas call out for urgent attention if India is to become a truly developed nation by 2047.*

To understand if the aspiration of "Viksit Bharat" or Developed India is more than nice sounding rhetoric, we need to unpack what "developed" actually means and understand and agree on the purposes of development.

People are the real wealth of nations and the three main essential purposes of development, regardless of which stage of development a person or country is at are to create an enabling environment for people to enjoy long, healthy, creative lives, to acquire knowledge and to have access to the resources needed for a decent and dignified standard of living.

India ranks relatively low on the HDI. It was ranked 130 out of 193 in 2025, a marginal improvement from the previous year. Its ranking had actually slid by two in previous years over the last decade, from 130 to 132.

This may appear to be a simple truth. But for over a decade now, Prime Minister Narendra Modi and the Bharatiya Janata Party-led government have been fixated on growing and using the aggregate Gross Domestic Product (GDP) and the creation of financial wealth through stock markets as the two overarching metrics for measuring the "development" of India.

Forgotten in such pursuits is that development is about ordinary people, especially the most socially, economically, politically and culturally marginalized. The preoccupation with aggregate economic growth has pushed all other indices to the periphery.

In this context, this essay argues that it is the concept and measurement of human development which comes closest to addressing a people-first development paradigm. This can be defined simply as a process of enlarging the three essential purposes of development mentioned above. Human development's ultimate aim is not to create more wealth or achieve higher economic growth but to expand both the range of choices that every human being has and their capabilities to enlarge the choices open to them in order to enhance the outcomes of their choices.

For human development to be sustainable, today's generation must enlarge its choices without reducing those of future generations. Moreover, by focusing on choices, the human development concept implies that people must participate in the processes that shape their lives. Though important, economic growth is merely one means to development-not the ultimate goal. Moreover, for human well-being, the quality of growth is more important than just its quantity. Economic growth can be jobless, rather than job creating; it can be ruthless rather than poverty reducing; it can be voiceless rather than participatory; rootless rather than culturally enshrined; and futureless rather than environmentally friendly. Growth that is jobless, ruthless, voiceless, rootless and futureless is not conducive to human development.

Gender equality is at the core of human development. A development process which bypasses women serves to marginalize or discriminate against half of humanity, thereby constraining women's choices.

### Fifteen Major Areas Calling for Urgent Attention

A high score and ranking on the annual United Nations Development Program (UNDP) global Human Development Index (HDI), and its accompanying Gender Development Index (GDI) is a pre-requisite for, but not a sufficient condition for any country to be classified as "viksit."

India ranks relatively low on the HDI. It was ranked 130 out of the UN's 193 Member-States in 2025, a marginal improvement from the previous year. Its ranking had actually slid by two in previous years over the last decade, from 130 to 132. It also ranks very low on the GDI. In 2025 it was ranked 131 out of 148 countries for whom comparable data was available on this set of metrics in 2025.

To achieve rankings and scores which place it in the high "development" categories of both the HDI and GDI, India will need to significantly increase its scores in at least four areas. However, if it is to become truly "viksit" by 2047, it will urgently need to fix at least another eleven areas also discussed below.

## 1. Basic Health

India's Union government health expenditure as a percentage of GDP was only 1.85% in 2023-24 and rose only marginally to 1.9% in 2024-25. This was below even the very modest and inadequate 2% target which has been in place since 2018 and considerably below the equally unambitious 2.5% of GDP goal indicated for 2025 in the country's 2017 National Health Policy.

The minimum consensus among Indian health experts is that there is a need for increased government spending, improved infrastructure and enhanced innovation to build a robust healthcare system in India. This is in addition to addressing health threats, achieving universal health coverage and professionalizing public health institutes under autonomous health boards.

## 2. Basic Education

The HDI Education Index has two component indices: Mean Years of Schooling (MYS) and Expected Years of Schooling (EYS). MYS matters most because it measures the actual average educational attainment of adults (25+), reflecting completed education.

India's latest MYS index was estimated in the global HDI at only around 6.57-6.7 years in 2022/23, the latest year for which data was available. This is significantly lower than both the world average of around 8.7 years and the developing country average of around 7.6 years. The 79th round of the National Sample Survey estimated this to be higher (though still below the developing country average) at 7.5 years for ages 25+, with 6.4 (rural) vs. 9.9 (urban) and 8.6 (male) vs. 6.3 (female).

To enable the achievement of its RTE aspiration, India needs to start by doubling its national public expenditure on education from the current 3% to 6% of GDP.

While EYS in India trends higher than MYS at around 12-13 years, it remains aspirational. This desirable EYS has no chance of being realized unless India first attains universal access to education for children between the ages of 6 and 14 years guaranteed by its Right to Education Act (RTE), 2009. There is still a long way to go, given India's current reality.

To enable the achievement of its RTE aspiration, India needs to start by doubling its national public expenditure on education from the current 3% to 6% of GDP. A notable trend over the past three decades has been that private expenditure on education has been growing much faster than public expenditure. This trend needs urgent reversal if the RTE Act's goals are to be realized and India's MYS is to significantly increase.

In this context, India's 2024-25 Union Budget allocation for education was not a budget for "viksit" status achievement since the public investment to GDP ratio remained 3.6%, the same as the previous year, and lower than in 2019. While the 2025-26 Union Budget saw a welcome increase to 4.6% of GDP and this is a trend in the right direction, it is still below the government's own 2020 National Education Policy target of 6%.

## 3. Gender Parity

India's 2025 GDI rank of 131 out of 148 countries in the 2025 Global Gender Gap Report, dropping two places from 2024 is even more dismal. India's score indicated major gaps in political empowerment (parliamentary representation, ministerial positions) in addition to the significant gaps for women compared to men in MYS and the low female labour force participation rate (LFPR), among other areas.

While data from the Periodic Labour Force Survey indicates that the female LFPR had significantly increased from a very low 23.3% in 2017-18 to 41.7% in 2024, driven largely by rural women entering the labour force due to dire economic need, some reports suggest that recent figures actually hover around 33-34%, and that adverse social norms and lack of opportunities persist. Moreover, even if the government data is to be believed, a huge gap with males persists and much of rural women's economic labour force participation remains unpaid.

It is also noteworthy that India's GDI rank was below most of its South Asian neighbours and significantly below Bangladesh which ranked a high 24 in 2025.

#### **4. Per Capita Income**

India's nominal per capita income in 2025, estimated at around US\$ 2820 per annum classifies it as a lower-middle-income-country. Its per capita income is significantly lower than that of Vietnam whose 2025 estimates are projected to be between US\$4400-4800. It is also roughly the same as its conflict-ridden neighbour Bangladesh. China, on the other hand, is an example of an upper-middle-income-country, with figures nearly five times higher than India according to a recent 2024 analysis.

India's per capita income is also lower than the World Bank's middle income gross national income per capita threshold of around US\$ 4,465 which Vietnam will more than likely have attained in 2025...

Moreover, India's relatively low per capita income figure hides huge income inequality, since the vast majority of Indians earn closer to US\$ 900 per annum or even lower. The country's 2025 figure is also significantly lower than the World Bank's high-income threshold for Gross National Income (GNI) per capita (i.e. greater than US\$ 13,846 per annum) which India would need to attain at a minimum to be classified as "high income" (this is not the same as "viksit" though). It is also lower than the World Bank's middle income GNI per capita threshold of around US\$ 4,465 which Vietnam will more than likely have attained in 2025, leading it to cross-over into the high-middle-income-bracket, a significant milestone for a country that had a 1990 annual per capita income figure of slightly less than US\$ 100 (in current USD at that time), around only 27% of India's ( around US\$ 370) that year.

#### **Additional Areas for Improvement**

##### **5. Mainstreaming Democratic and Secular Values in the Public and Private Education System**

The primary and secondary school curriculum needs to be overhauled in fundamental ways. Consistent with key sections of the Constitution of India, the primary but especially the secondary education system in India should explicitly prioritize the teaching of genuine secularism embedded in religious pluralism as part of its core curriculum. This should, from an early age, ingrain in all children equal respect for all religions and those who follow no religious faith. This should include prioritizing and exposing secondary school students to the Constitution of India, the United Nations Charter and the 1948 Universal Declaration of Human Rights. India has endorsed and signed both UN documents. Even more importantly, they should be shown what this means in practical terms.

The education system from kindergarten should also place a premium on inculcating good moral values and integrity as well as a genuine commitment to equity and communal harmony. This should be regularly reinforced through practical demonstration in the classroom. Gender sensitivity and respect for all women and gender non-binary individuals should also constitute an integral part of the secondary school human rights education curriculum.

##### **6. Education Geared to Formal Decent Jobs and Increased Employability**

It should come as no surprise that the 2021 India Skills report stated that nearly half of India's graduates were unemployable. To even begin to address this, internships and apprenticeships should be made a Right for Youth under the age of 25 years. While the necessary legislation to enable this, the Apprenticeship Act, has existed since 1961 and the first phase of a National Apprenticeship Scheme was launched in 2016, a 2022 ILO study concluded that while apprenticeships went up as a result, there were only a little over 0.5 million apprenticeships in a workforce of 580 million in India in 2022-23, a miniscule amount.

The new apprenticeship scheme announced in the 2024 Union Budget can be considered a small step in the right direction, but even if fully implemented, its impact would be miniscule in relation to India's challenges in this area.

As already signalled, for women, the key employment challenges are to significantly increase the female LFPR and ensure that they are paid equal wages as men doing the same work. Recent Union Budgets have had no structural reforms and very few plans to address these critical challenges.

##### **7. Decent Jobs in Formal Manufacturing and Services**

Credible research shows that India needs to create at least 115 million jobs between 2024-2030. Gita Gopinath, former First Deputy Managing Director of the IMF and now Professor of Economics at Harvard University, placed the higher end of her range at 148 million new jobs by 2030. Of this daunting overall number, the country will need to create a conservatively estimated minimum of 16.5 million jobs annually till 2030, up from 12.4 million in the last decade. At least 10.4 million of these annual jobs will need to be in

the formal sector. Against these numbers, it is worth noting that a total of 10-15 million Indian graduate annually.

How will such a large number of jobs be created so rapidly and consistently? There is no easy answer given the structural nature of India's acute unemployment, underemployment, unemployability, informal unpaid work and ill-suited employment challenges.

Clearly, the government will have to prioritize concrete short, medium and long-term strategies, not rely on freebies to around 800 million people and Rs 10,000 "electoral bribes" to women as was done before the state election in Bihar recently in violation of India's Model Code of Conduct for Elections. Despite the seriousness of India's unemployment crisis there is almost no discussion of these issues in the Lok Sabha.

Large capitalized industry and physical infrastructure projects of the type that this government has largely supported over the last decade generate relatively little employment.

History the world over has demonstrated that no country (with relatively few exceptions mainly among resource rich or small states) can generate sufficient decent jobs without a robust manufacturing sector, centred especially in its micro, small and medium enterprises (MSMEs). Large capitalized industry and physical infrastructure projects of the type that this government has largely supported over the last decade generate relatively little employment. MSME support in terms of access not only to credit but markets, technology adoption, skills development and support for regulatory compliance are among the many areas which the government will need to prioritize which it has not done thus far, instead prioritizing so-called capital-intensive "national champions" such as the Adani and Ambani conglomerates.

#### **8. Ending Prioritizing Freebies Over Structural Reform**

At least a billion Indians (over 70% of the country's population of 1.4 billion) have no real savings or discretionary spending money. Of these, approximately 800 million Indian citizens (60% of the total population) are on dole-outs.

In addition, regardless of political party, promises of or the actual provision of freebies before elections to get votes have become normalized in Indian politics. This strategy was tested by the BJP-led coalition in Maharashtra and Delhi before Bihar and was successful in getting huge women voter turnout and votes for the BJP-led coalition in each instance.

#### **9. Addressing India's Existential Air Pollution Crisis**

India now has the dubious reputation of being the country with the world's worst air pollution. This issue, therefore, needs separate treatment from climate change and energy challenges even though they are inextricably interlinked. Ninety-four out of the world's 100 most polluted cities are reportedly in India and a severely negative Air Quality Index (AQI) minimum reading of over 300 (sometimes over 450) has become the terrible norm in both Delhi, the capital city, and the National Capital Region (NCR) of which it is a part during the winter season.

Suffice it to say that there is no possibility of a "viksit" India, or anything positive for future generations of Indians, if this existential issue [of air pollution] is not urgently addressed.

Nothing of serious note has been done over the last 10-15 years when the crisis was first visible to address the structural causes of this crisis by either the current Union or the Delhi governments or those of adjoining states. What needs to be done is clear but neither the political will or resources have been in evidence, ostensibly because addressing air pollution, thus far, has not been viewed as a vote catcher. China's example and the actions it took more than 15 years ago are often cited as noteworthy of emulation, even though it is now increasingly recognized that the causes of India's pollution are more numerous and complex. Nevertheless, there is a lot to be learned from the relevant Chinese experience in this regard but the political will to learn from it appears lacking.

Suffice it to say that there is no possibility of a "viksit" India, or anything positive for future generations of Indians, if this existential issue is not urgently addressed. Even if appropriate well-known actions are taken immediately with a long-term perspective, it will take at least a decade to see significant tangible positive results as China's example illustrated.

#### **10. Significantly Addressing India's Energy and Existential Climate Challenges**

No country can be considered truly "viksit", if its myriad climate challenges (not just air pollution) remain an existential threat to its future as they currently are for India. While the country has made impressive strides on solar and renewable energy, and together with the French, leads the International Solar Alliance, India is still heavily fossil-fuel import dependent and coal continues to be a dominant polluter.

India needs to urgently legislate and fully resource and implement a Climate Action Bill learning from both the European Union, the gold standard in this area, and China. Relevant aspects of the US Biden Administration's misnamed 2022 Inflation Reduction Act can also be adapted from, especially in the clean energy area.

### 11. Agricultural Reform

This set of complex issues are long-standing and the repeated large-scale farmer protests indicate that the types of reforms proposed by the current government are far from appropriate for the small farmer.

A lot has already been written on what type of appropriate reforms are needed in agriculture, so this essay will not repeat them. Suffice it to say that it is a pity that unlike the economic success stories in East and Southeast Asia (eg. China, Republic of Korea, Japan, Taiwan) the core agrarian reforms needed were not implemented during India's early decades of independence. At this stage, increasing farmer bargaining power through supporting small farmer led marketing cooperatives and government public investment in critical agricultural infrastructure (good farm to market roads, storage facilities), remain amongst the most crucial of the many other urgent agricultural reforms which are needed and have been written about by agricultural experts for at least the last three decades.

### 12. Judicial Independence and the Rule of Law

The Constitution is clear about the three pillars of our democracy: the legislature, the executive and the judiciary, as well as on the need for each of these branches of governance to be independent of each other and to serve as effective checks and balances in the country's overall system of governance.

An independent and robust judiciary, led by the Supreme Court, headed by the Chief Justice of India, is a critical component of the democratic governance and justice provision architecture in the country. Unfortunately, at various times, and increasingly during the current government's decade long rule, many parts of the judiciary, including the Supreme Court increasingly, have not lived up to their Constitutional mandate and many citizen's expectations. This has also been true of the legislature, especially in recent years.

Many good laws and legislation exist from previous governmental periods. It is essential and urgent that the judiciary, at all levels, enforce these faithfully and independently. Key judicial principles such as treating the accused as innocent till they are proven guilty and ensuring that the process does not become the punishment are essential for a credible and effective judicial system.

...Many parts of the judiciary, including the Supreme Court increasingly, have not lived up to their Constitutional mandate and many citizen's expectations.

Supposedly non-partisan government and other institutions such as the Central Bureau of Investigation (CBI), Enforcement Directorate (ED), state Governors and the Income Tax authorities should not be politically compromised and weaponized as they currently are being by the ruling dispensation. India cannot be regarded as "viksit" unless all these institutions return to acting in a non-partisan manner as they once did, consistent with the intent and letter of India's Constitution.

### 13. Academic Freedom and Rigorous Scientific Standards

India used to be known till the early 1970s and even later, despite the short Emergency of then Prime Minister Indira Gandhi, as a country which encouraged both academic freedom in all areas and scientific rigour in engineering, management sciences, economics, physics and medicine in particular. Its best institutions such as the IITs, IIMs, AIIMS, Maulana Azad Medical College, JNU, University of Delhi and Presidency College, Calcutta, were highly respected around the world.

Sadly, this is far from the case today, given both government actions to purge independent faculty and suppress academic freedom in key institutions such as JNU and Ashoka University or because of self-censorship by them. This is particularly pronounced in institutions of higher learning and think tanks in Delhi and the NCR.

Academic integrity is also being compromised in the school system because of the wholesale rewriting of India's cultural, social and political history in school textbooks. India's erstwhile scientific rigour is also being compromised through the glorification and conversion of Ancient Hindu mythology into fact and a regression to non-rigorous indigenous "science" even in some of the oldest and best IITs.

No "viksit" aspiration can become a genuine reality in this situation.

#### **14. Freedom of the Press, Speech, Organization and Protest**

Like in the academic arena, India has long been known for both its relatively free press and relative freedom of speech as well as its noisy and often outspoken social and political movements.

The last decade has seen the brutal suppression of both dissent and the elimination of funding for Indian and some international non-government organizations (NGOs), think tanks and other civil society organizations viewed as critical of government. Coupled with the takeover of much of the mainstream TV and print media by crony corporate houses, their suppression by other means, or their self-censorship out of fear, India now resembles more an electoral autocracy in this regard, rather than a genuine democracy.

Like in the case of academia, no "viksit" aspiration can become genuine reality under these circumstances.

#### **15. Income and Wealth Redistribution**

It has long been known that trickle-down economics does not work. Prioritizing the minting of billionaires and millionaires and hoping that some of their wealth will trickle down and be shared with the 'hoi polloi' is seriously misplaced strategy.

The Government of India needs to seriously consider and act upon rather than dismiss both the findings and recommendations of the authoritative March 2024 Thomas Piketty led report on income and wealth inequality in India in the last century (1922-2023).

Against the report's findings, both income tax breaks to the middle class earning less than Rs 1 lakh per month in the 2025-26 Union Budget and tax cuts to corporations in the annual Union budget some years ago were regressive steps.

India should, instead, take serious steps to include a far greater percentage of its working age population than the current paltry 6%, in its progressive income tax net. Those who are guilty of tax evasion should be prosecuted heavily and seriously. There also needs to be a much more progressive approach to both short and long-term capital gains tax and the serious consideration of an inheritance tax for billionaires and millionaires and an agricultural tax on large land holdings.

### **Conclusions**

East and Southeast Asian countries which have done economically and socially well in the past half century have seen effective synchronization between their trade, industrial and social policies. Agrarian reform, together with enormous and effective state intervention in primary and tertiary education, public health and other redistributive policies have also underpinned increasing domestic demand and higher productivity, paving their way to "developed" country status (e.g. Republic of Korea, Japan, Taiwan).

India has, starting in the 1950s, and spanning many decades since, missed multiple opportunities to prioritize many of these crucial policy interventions. India's policy mistakes in these areas were exacerbated greatly by three government self-inflicted wounds on the country's people since 2016—overnight demonetization, the somewhat hastily introduced GST, (now more appropriately redesigned in 2025) and its response to Covid-19, especially during its first wave.

Sadly, there are no quick fixes or miracle cures for India especially on structural issues which have been ignored, paid lip service to or left unaddressed for decades and compounded in the last one.

The steps suggested here, if seriously heeded and implemented, can gradually reverse India's current trajectory and take it closer to becoming both an inclusive society and "viksit" during the 21st century, although this is now improbable by 2047.

*Kamal Malhotra is a former head of the United Nations in Malaysia, Türkiye and Vietnam. More recently he was Non-Resident Senior Fellow at Boston University's Global Development Policy Centre. In 2025, he was the Distinguished Visiting Professor, NALSAR University of Law, Hyderabad.*