



Inclusive growth as a development strategy: Empirical evidence from India (2000-2024)

Shanker Satankar

Assistant Professor, Department of Economics, PMCOE - J.H. Govt. PG College, Barkatullah University, Bhopal, Madhya Pradesh, India

Corresponding Author: Shanker Satankar

Received 13 March 2026; Accepted 22 Apr 2026; Published 18 May 2026

DOI: <https://doi.org/10.64171/JSRD.5.S2.175-178>

Abstract

This paper looks at India's path toward Viksit Bharat@2047 the ambitious goal of becoming a fully developed nation by the 100th anniversary of its independence. To reach a projected \$30 trillion economy, India will not be just growing fast, it has to grow "inclusively" with a true sense. This means ensuring that the benefits of a booming economy actually reach the poorest and most marginalized, rather than just pooling at the top. India's economic engine has been running hot, averaging 6.3% annual growth since 2000 and hitting 7.2% in recent years. The most encouraging news is in poverty reduction. Extreme poverty (those living on less than \$2.15 a day) has plummeted from 16.2% a decade ago to below 5% in 2024. In terms of raw numbers, the population of the poor dropped from 206 million in 2011-12 to just 33.7 million in 2022-23. This change has been largely driven by people spending more, private consumption now accounts for 60% of India's GDP.

Despite these wins, inequality remains a massive hurdle. While the "consumption" gap between people has narrowed (the Gini coefficient improved from 0.288 to 0.255), the income gap has actually widened slightly, from 0.59 to 0.61. Today, the top 1% of the population holds over 40% of the nation's wealth. To learn up all these sums, this study adopts an empirical and analytical research methodology, combining secondary data sourced from government reports, World Bank databases, NITI Aayog publications, and national survey data, with empirical analysis of growth, poverty, and inequality indicators. Descriptive statistics and trend analysis are used to assess the relationship between economic growth and inclusiveness over time.

To truly achieve the Viksit Bharat vision, India needs to look beyond just GDP. We have a young population and a world-class tech scene, but those won't be enough without serious reforms in education, healthcare, and green infrastructure.

The study suggests that "Inclusive Wealth" a balance of human skills, natural resources, and social stability is the real metric for success.

Keywords: Viksit Bharat 2047, Inclusive growth, Income inequality, Human capital development, GINI coefficient

Introduction

India is pursuing Viksit Bharat@2047, a civilizational goal to become a fully developed nation by its 100th anniversary of independence, with an economy worth \$30 trillion, at a pivotal point in the third decade of the twenty-first century. This calls for maintaining rapid growth while addressing severe structural disparities that have long separated GDP growth from just gains.

Since liberalization in the 1990s, India's economy has proven remarkably resilient, growing at the fastest rate among major economies, averaging between 6.5% and 6.5% annually since 2000 and frequently reaching 7%+ in recent years. According to World Bank estimates using updated lines, extreme poverty has drastically decreased, rising from about 16% ten years ago to roughly 2-5% by 2022-2023, improving access to necessities for hundreds of millions of people.

Even in smaller towns and villages, private consumption now accounts for 60-62% of GDP, as evidenced by rising purchases of groceries, cars, phones, and education. This indicates a growing middle class and increased purchasing power.

However, a glaring paradox still exists: wealth and income disparities continue to widen while consumption inequality has decreased (Gini falling to ~0.237 rural and 0.284 urban in 2023-2024 according to MoSPI HCES).

Immediate human capital investment is necessary to harness the demographic dividend, including high-quality education, vocational training, healthcare, and nutrition for a tech-green economy. In order to guarantee inclusive progress toward 2047, when success entails widespread well-being rather than just aggregate wealth, the paper examines empirical trends and policies.

Research methodology

This study relies entirely on secondary data, pulled from reliable national and international sources. Sticking to secondary sources was a deliberate choice it lets us look at long-term patterns stretching from around 2000 right up to 2024 (and in some cases into 2025 releases), while drawing on surveys that are nationally representative and far too large-scale for any single researcher to replicate with primary fieldwork.

Niti Aayog Reports and MoSPI (Ministry of Statistics and Programme Implementation) – This is our go-to for core macroeconomic stuff: real GDP growth rates, sectoral Gross Value Added (GVA) breakdowns, and the recent Household Consumption Expenditure Survey (HCES) findings. For instance, the HCES 2023-24 factsheet (released in phases through late 2024 and early 2025) gives us fresh consumption patterns and inequality measures, like the Gini coefficient dropping to 0.237 in rural areas and 0.284 in urban ones down noticeably from the previous year's levels.

Periodic Labour Force Survey (PLFS) reports - These come out quarterly and annually from MoSPI/NSO. We've used them to dig into employment shifts, labour force participation rates (LFPR), worker population ratios, and how human capital is evolving across different groups rural/urban, gender, education levels, etc. The most recent monthly bulletins (up through early 2026) show things like overall LFPR hovering around 55-56% and some seasonal fluctuations in unemployment.

World Bank and IMF – World Development Indicators (WDI) for consistent time-series on per capita income, growth trajectories, and the \$2.15/day (2017 PPP) extreme poverty line. The IMF's World Economic Outlook database helps benchmark India's path toward that \$30 trillion goal against what developed economies looked like at similar stages. Their 2025 Poverty and Equity Brief also factored in the latest HCES data, putting consumption-based Gini at around 25.5 quite low globally, though we've cross-checked that against other views.

Research objectives

India's economy has come a long way since 2000, and I want to trace that path right up to now, plus think about if it can really hit that 30 trillion mark by 2047. It feels like the growth has been pretty rapid, but does it help everyone equally. One thing that stands out is how poverty has dropped so much, from over 16 percent extreme cases down to less than 5 now, thanks to the GDP jumping up fast. Still, there's this weird split where consumption seems more even, but wealth is piling up with just a few people, like the top 1 percent holding way too much, and the Gini coefficient shows that inequality getting worse.

That part gets a bit messy to unpack, because even with all this money flowing in, some basics are still holding things back. Education gaps, not enough healthcare for everyone, and infrastructure that's spotty in places, they stop the good stuff from reaching regular folks and building up human capital like it should. I think if we keep going without fixing those, the growth won't feel inclusive at all.

Maybe a better way forward is something like this inclusive wealth idea, focusing on policies that make development last longer, spread out fairly, and handle shocks over the next 20 years or so. It seems sort of obvious, but putting it into a framework could help steer things right, though I'm not totally sure how easy that would be to pull off. Overall, the trajectory looks promising, but the barriers make me wonder if we'll actually get there without leaving people behind.

Literature review

1. Dr. Nisha Singh's review of Viksit Bharat @ 2047: Towards a developed, inclusive, and innovation-driven India | International Journal of Research & Technology (IJRT) | February 2026

The strategic course of India's development is examined in this review, with a focus on the need for "Innovation-Driven India" to not neglect its workforce.

2. Viksit Bharat's Quantitative Aspects | C. Rangarajan & K. R. Shanmugam - BRIEF India / Economic Policy Series | January 2025

The quantitative benchmarks needed for 2047 are provided by the authors. They contend that India needs a consistent nominal growth rate of 10.19% in order to reach the \$14,000+ per capita income threshold. Importantly, they point out that social investments must "catch up" because human development indicators (HDI) currently lag behind GNI growth.

3. Viksit Bharat @ 2047: A model of developed India | Mohapatra & pohit - scholarly monograph / research gate | November 2025

The Agricultural Pillar is the main topic of this essay. examines the importance of digital integration (such as e-NAM and SVAMITVA) for inclusive growth and comes to the conclusion that the "Developed India" vision will continue to be geographically skewed toward cities unless farmers' incomes increase by at least 25% as a result of technological intervention.

4. Beyond midnight's promise: will "inclusive wealth" lead to Viksit Bharat@2047 | team observer research foundation (ORF) | august 2025

This article directly echoes the thesis of your paper by contrasting the "Consumption-led Phase" with the necessity of a "Sustainability-led Phase." It criticizes the rising income Gini (0.61) and suggests that the only way to escape the "Middle-Income Trap" is to balance natural, human, and physical capital using the Inclusive Wealth Framework.

A tale of two inequalities

One thing that stands out in India's economy right now is this weird gap between how people spend their money and how much they actually earn. The consumption side looks more equal, like everyday life is getting fairer for folks, but incomes are bunching up at the top, which might make it hard to reach that big goal of a developed India by 2047 or whatever.

From what I read in the Household Consumption Expenditure Survey, the Gini for spending has dropped a bit, down to 0.255 in rural spots from 0.288, and urban areas are similar. It feels like government programs are helping a lot here. Things like food subsidies through PMGKAY keep basics affordable for the lower end, especially the bottom 40 percent. Housing under PMAY and health coverage from Ayushman Bharat do the same, sort of lifting that floor so people aren't scraping by as much. Plus, cheaper goods and stuff online are reaching

everywhere, making habits more the same across cities and villages. I think that standardizes things without much fuss.

But then incomes tell a different story. The Gini for income is up around 0.61, which seems pretty high. The World Inequality Report says the top 1 percent owns over 40 percent of all wealth, more than anytime in a hundred years almost. So even if poorer people can buy more day to day, they are not building up savings or assets like the rich are. That part gets a bit messy, because consumption feels stable but the bigger picture on money accumulation is lopsided.

This split probably comes from how the economy recovered after tough times, in that K shaped way. Sectors like tech, finance, and manufacturing grow fast because they rely on capital, so owners and investors get the profits. On the other hand, most jobs are in informal work or farming, where wages just match inflation or lag a little. Surplus cash that turns into wealth stays at the top, I suppose. Agricultural labor employs so many, yet it does not pull them up much.

If this keeps going, India could hit that middle income trap everyone talks about. You need a huge middle class with real spending power for a developed country, not just enough to get by. Wealth piling up limits the market inside the country and makes it tough to climb socially. Costs for good education or health are sky high now, private ones especially, so the bottom 90 percent struggle to break in. It seems like social mobility might stall out. Some might argue welfare helps, but I am not totally sure if it fixes the root issues long term.

The engine of structural transformation

The shift from a labor-intensive to a knowledge-based economy is essential to the realization of *Viksit Bharat@2047*. With a median age of about 28, India has a demographic dividend. However, without a strategic focus on human capital development, this "dividend" runs the risk of turning into a "demographic liability." The "Inclusive Wealth" framework is primarily driven by human capital, which is the integration of health, education, and specialized skills. According to available data, there appears to be a substantial discrepancy between industrial employability and educational attainment. The quality of learning outcomes is still a major bottleneck in higher education, despite a steady improvement in the Gross Enrollment Ratio (GER). The workforce needs to shift from low-productivity subsistence farming to high-value manufacturing and digital services in order to support a \$30 trillion economy.

Additionally, as a requirement for participation, the analytical focus needs to change to Social Infrastructure. Closing the gender gap in the Labor Force Participation Rate (LFPR) and preventing the digital divide from producing a new class of "technologically marginalized" citizens are two aspects of human capital inclusivity. Investments in primary healthcare and early childhood nutrition have the highest long-term economic multipliers, according to the "Inclusive Wealth" metric. India must make sure that its young people are not only literate but also "future-ready" for the global green transition and the AI revolution if it hopes to escape the "Middle-Income Trap." The 2047 vision's strength ultimately rests in the

physical and mental fortitude of its 1.4 billion stakeholders, not just in the development of physical infrastructure.

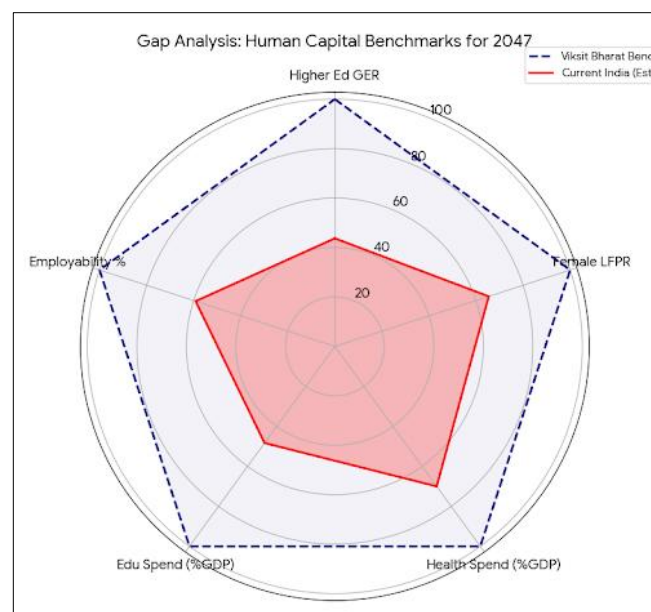


Fig 1

The institutional and fiscal architecture for inclusive wealth

A strong institutional framework that can handle the intricacies of a \$30 trillion economy while upholding social justice and fiscal restraint is necessary for India's transition to a developed nation. From an analytical perspective, this entails a transition from welfare that relies on subsidies to empowerment that is based on incentives. Digital Public Infrastructure (DPI), which has already shown a "multiplier effect" by lowering administrative leakages and guaranteeing that the "last mile" of the population is financially integrated, is essential to the success of this architecture. Additionally, the fiscal strategy for 2047 needs to prioritize capital expenditure (CapEx) in "soft" infrastructure, like public health and research and development (R&D), which is still below the global average for developed countries.

The government can shift its focus from quarterly GDP fluctuations to long-term asset growth by integrating the "Inclusive Wealth" metric into NITI Aayog's planning cycles. In order to ensure that the \$30 trillion dream is realized at the local level rather than concentrated in urban financial centers, this strategy anticipates a decentralized governance model in which Panchayati Raj Institutions and local bodies are given the financial autonomy to manage their natural and human capital.

Policy recommendations

Based on the findings of this research, the following actions are recommended:

- **Human capital overhaul:** we need to increase public spending on education to 6% of GDP, focusing on vocational agility and AI literacy to close the skills gap.
- **Asset-based inclusion:** we should move from cash transfers to programs that facilitate MSME credit and property rights, allowing the bottom 40% to accumulate wealth rather than just sustain consumption.

- **Green structural reforms:** we must incentivize the "Circular Economy" to preserve natural capital so that we can ensure that industrial growth does not come at the cost of environmental depletion.
- **Progressive data monitoring:** we need to adopt the Inclusive Wealth Index (IWI) alongside GDP so that we can track the health of human and natural assets in real-time.

Conclusion

This study has attempted to chart the intricate path to Viksit Bharat@2047, highlighting the fact that the \$30 trillion milestone is a qualitative mandate rather than just a numerical goal.

The study comes to the conclusion that the problems of the next twenty years cannot be adequately addressed by the conventional reliance on GDP as the only indicator of progress. India must adopt a "Inclusive Wealth" framework in order to prosper. By creating high-value assets for the general public, this entails going beyond the "consumption floor" offered by welfare programs and concentrating on the "income ceiling." India can make sure that its growth is both sustainable and quick by putting a high priority on human capital, which will turn the demographic dividend into a workforce that is trained and prepared for the future, and protecting natural capital by switching to green energy.

In the end, the 2047 vision is based on the idea that "Sabka Vikas" (Development for All) should be transformed from a political catchphrase into an actual fact. This essay makes the case that democratizing opportunity is necessary to define India's next stage of development. Viksit Bharat will become a global economic powerhouse and a model for resilient and equitable development if the country can institutionalize its digital and social infrastructure and reconcile the disparity between its income and consumption patterns.

References

1. Ministry of Finance. Economic Survey of India 2024-25. New Delhi: Government of India; 2025.
2. NITI Aayog. Viksit Bharat @ 2047: Strategy for a Developed India. New Delhi: Government of India; 2026.
3. NITI Aayog. National Multidimensional Poverty Index: A Progress Review 2024. New Delhi: Government of India; 2024.
4. NITI Aayog. Decarbonisation Roadmaps for MSME and Industrial Sectors. New Delhi: Government of India; 2026.
5. Ministry of Statistics and Programme Implementation. Periodic Labour Force Survey (PLFS) Annual Report 2024-25. New Delhi: Government of India; 2025.
6. Press Information Bureau. India's Triumph in Combating Poverty: 171 Million Lifted from Extreme Poverty in 10 Years. New Delhi: Government of India; 2025.
7. United Nations Development Programme. Human Development Report 2023-24: Breaking the Gridlock. New York: United Nations Development Programme; 2024.
8. OECD. OECD Economic Outlook. Volume 2025 Issue 2: India Analysis. Paris: OECD Publishing; 2025.
9. World Bank. WBG Poverty and Inequality Update: Fall 2025. Washington (DC): World Bank Group; 2025.
10. United Nations Development Programme India. Himachal Pradesh Human Development Report 2025: Building Resilient Futures. New Delhi: United Nations Development Programme; 2025.
11. World Inequality Lab. World Inequality Report: The India Chapter. Paris: World Inequality Database; 2024.
12. Chakraborty L. Fiscal policy and inequality in India: A comprehensive analysis. *Journal of Economic Perspectives*. 2023;15(2):45-68.
13. Mohapatra S, Pohit S. Agriculture as a pillar for Viksit Bharat 2047. *ResearchGate Monographs*, 2025.
14. Rangarajan C, Shanmugam KR. Quantitative dimensions of India's growth path to 2047. *BRIEF India Economic Series*, 2025.
15. Roy A, *et al.* Geographical variance in household wealth: Evidence from NFHS-5. *International Journal of Social Economics*, 2024.
16. Sahasranaman A, Kumar S. Income distribution and rural-urban dynamics in India. *Economic and Political Weekly*, 2020, 55(12).
17. Sheoran S. The Gini Index's dynamics as a reflection of India's income inequality. *Journal of Sustainable Development and Policy*, 2024.
18. Singh N. Viksit Bharat @ 2047: Towards a developed, inclusive, and innovation-driven India. *International Journal of Research and Technology*, 2026.