

Features of Indian Economy

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Teaching of Economics

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Indian Economy bags the fifth position among the other strongest and largest economies among the world. Being one of the top listed countries among the developing countries in terms of industrialization and economic growth, India holds a robust stand with an average growth rate of approx 7%. The Indian economy has emerged as a robust economic player among the economic giants like-US, UK, China, etc. Even though the rate of growth has been sustainable and comparatively stable, but there are still fair opportunities of growth. With the growing standards and opportunities in India, it is expected to very soon capture a very dominant position among the others in the world. The features of Indian economy are as follows:

1. India has a mixed economy

Indian economy is a true example of complete mixed economy. This means both private and public sectors co-exist and function here, simultaneously. On one side, some of the fundamental and heavy industrial units are being operated under the public sector. Whereas, due to the liberalization factors of the economy, the private sector has gained further enhancements in terms of scope. This makes it a perfect amalgamation of both public and private sectors being operated and supported under a single economic cloud.

2. Agriculture based economy

Agriculture being the maximum pursued occupation in Indian plays an important role in its economy as well. Around 60% of the occupational practice in India is covered by the farmers and other agricultural units. This gives a higher impact on the Indian economy, both directly and indirectly. In fact, about 16%(2017) of our GDP today is earned from the agricultural sector itself. Agricultural sector is thereby also called as the backbone of the Indian economy. It forms as a major component of livelihood for maximum people in India. The agricultural products

being exported such as fruits, vegetables, spices, vegetable oils, tobacco, animal hair, etc. also add to the economic uphold with rise in the international trading.

3. Newly Industrialized Economy

Indian economy has been a true holder of newly imbibed innovations in the formation of the country's economy. Earlier agriculture used to be the prime contributor as industrialization was at a lower edge during the time. With the growing time, subsequently industrial took a high tide in the country making it a very important contributor to it. Well the Indian economy keeps both these in good balance. It amalgamates the agricultural outputs towards enhancing the industries and contributing to the growth of the economy, together.

4. An Emerging Market

Being a developing country with great level of economic well-being, India has emerged as an emerging market for the other players. Holding a constant GDP rate even in the downfall situations, it has kept its position intact making it a lucrative spot for the other economies to invest. This has in turn also helped the Indian economy exist as a robust economy among the other leaders. India has a high potential with low investments and risk factors, this also makes it an emerging market for the world.

5. A Major Economy

Emerging as a top economic giant among the world economy, India bags the **fifth** position in terms of nominal *Gross Domestic Product (GDP)* and **third** in terms of *Purchasing Power Parity (PPP)*. These figures are a representation of the Indian economy among the G20 countries. This is a clear indication of the robustness Indian economy has gained over decades and emerged as a major economy among the other leading economies on the globe.

6. Federal in Character

Bearing a federal character in the economy upholds, in India both the centre and state are economy growth drivers. They equally act as the operators of the economies at their own levels. In fact, the Indian constitution gives the clear permissions and guidelines to operate and

regulate the economies and economic standard of living of the people both at the center and the state level, separately.

7. Fast Growing Economy

India's economy is one of the world's fastest growing economies on the globe. India's economy has emerged as the world's fastest growing economy with a growth rate of approx 7%.

8. Fast growing Service Sector

With growth in the service sector, Indian economy has formulated its growth in the service sector as well. There has been a high rise growth in the technical sectors like Information Technology Sector, BPO, etc. The business in these sectors has not only added and enhanced the contribution to the economy, but has also helped in the multi-fold growth of the country as well. These emerging service sectors have helped the country go global and helped in spreading its branches around the world.

9. Economic Disparities

There exists a huge economic disparity in the Indian economy. There is a huge difference in the distribution of income among the various categories of people on the basis of income. This has led to an increase in the poverty level in the society and a maximum percentage of individuals are thus living under the – Below Poverty Line (BPL). This unequal distribution of income has created a huge gap and economic disparity among the various categories of people in the Indian economy.

10. Instability of price

Even though there has been a constant growth rate in the GDP and growth opportunities in the Indian economy, but there have been fluctuations in the price concerns too. Being depended on the other bigger economic giants the price of the products and services keep on fluctuating since decades. At times the inflation grows high raising the prices of the commodities. This clearly indicates the instability of the price concerns in the Indian economy.

11. Lacks proper infrastructure

Even though there has been a gradual and high scale improvement in the infrastructural development in the past few decades, but there is still a scarcity of the same. The industrial growth escalating in the country lacks proper infrastructure growth. The rate at which the infrastructure is growing needs proper infrastructure growth to support the growth process. This has been a lacking point in the growth of the Indian economy. With the subsequently supporting infrastructure the economy has grown a lot, but will definitely need further growth support in the form of proper infrastructure.

12. Inadequate Employment opportunities

India is a growing country with a growing economy as well. Comparing the growth rate of the economy in the last few decades there has been a gradual high-rise in the same. The population rate has also grown on a large-scale; this has been the biggest challenge for the growth of the economy. With growing population there is a huge need of the employment opportunities too. But there have been inadequate employment opportunities in the country that has affected the economy on a large-scale. Even though the conditions have improved a lot in the past few decades, but still in comparison to the other giant economies there is a lot of scope of improvement.

13. Large Domestic consumption

With the escalating growth rate in the economy the standard of living has grown a lot. This in turn has resulted in increasing the domestic consumption in the country. With the growing advancements and globalization, the domestic consumption rate within the people of the country is already high, this adds a lot to the Indian economy.

14. Rapid growth of urban areas

Urbanization and planned development is a key ingredient towards the growth of any of the economy around the world. There has been a rapid growth of urban areas in India after independence. The growth acceleration in the rate of urbanization after independence was due to the country's adoption of a mixed economy. This has given rise in complete development

and rise of the private sector that has played a key role in constituting the Indian economy. Thus, urbanization is taking place at a quite faster rate in India changing the shape of the Indian economy. The constant urbanization is a key to the growth of the Indian economy.

15. Stable macro economy

The Indian economy has been projected and considered one of the most stable macro economies around the world. It's not just the saying, but the facts too reflect the same. According to the last economic survey for the year 2018-19, 7%-plus GDP growth rate has been predicted, with actual growth turning out to be a 7.2%. This is a clear indication of a stable macro economic growth rate.

16. Excellent human capital

The maximum population that constitutes the human capital of India is young. This means that India is a pride owner of the maximum percentage of youth human capital that is a great indicator of the growth. The young population is not only motivated but skilled and trained enough to maximize the growth situations. Creating vital opportunities to expand the business and other economic opportunities this human capital plays a key role in maximizing the growth opportunities in the country. Also, this has invited foreign investments to the country and outsourcing opportunities too.

17. Large Population

India holds a top position in terms of population growth after China. The population growth rate of India is very high and this affects the Indian economy as well. The population growth rate in India is as high as 1.2% annually, leading to the major leads towards poverty. This population, however, has the highest percentage of the youth crowd which if monitored and directed in the right direction can turn out to produce wondrous growth results in the economy.

18. Pursues labor intensive techniques

Due to a high potential population bank in India, there exist both merits and demerits of the same. In order to offer employment opportunities to the maximum population crowd in the country Indian economy focuses on labor intensive techniques. These techniques help get the job done according to the labor friendly standards contributing to maximizing the employment opportunities in the country.

19. Technological use is less in comparison to the well-developed economies

India being a growing economy is in the stage of further growth. Even though the technology and technical usage in the country is good enough, but is really less as compared to the well-developed economies. The other reason behind this is the use of labor intensive techniques and slow rate of acceptance to innovation. Even though the capability standard of the country is high, but due to the lack of speed in the transition process, things need time. In the current scenario the country has grown a lot and coming up as a major technological player among the others in the world.

Conclusion

These are the major characteristic feature of the Indian economy. India is an active member in various economic groups' like-BRICS and G-20. Not only does India have the potential in the form of human capital and other raw materials, but is also technically advanced to support maximum growth in the country. This is a true indicator of inviting foreign investments and creating the best growth situation for both the foreign and national crowds.

The End