



Challenge and future treat facing the Indian economy there are several way in which India's

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Abstract

Today, in the age of globalization, the Indian Economy is a facing huge challenges, India is the under developed country, even though the general characteristics of under development are not common to all the under developed countries. A number of characteristics are causes and consequence of poverty, unemployment, education, health care, price control, and agriculture industry and service sector. Each and every citizens of country has it right to lead a decent life.

Keywords: economy, education, challenges, poverty, unemployment

Introduction

Since 1991, the Indian economy has pursued free market liberalization, greater openness in trade and increase investments in infrastructure. This helped the Indian economy growth and economic development. However, the economy still faces various problems. And challenges, such as corruption, lack of infrastructures, poverty in a rural area and poor tax collection rates. There are several ways in which India's economic recovery could become even more difficult. The Indian economy is going through a turbulent period with key indicators hinting at a prolonged slowdown. The coronavirus pandemic has weakened all sector of the Indian economy since two years and a recovery seem unlikely this year. (Sanjog Verna - 2011).

Major Challenge Before Economy

1. Unemployment

Despite Rapid economic growth, unemployment is still on issue in both rural and urban areas. The fast rate of economic growth has left unskilled workers behind, and they have struggled to find work in growing industries. In 2017, the official unemployment rate was just below 5% however, a report by OESP found over 30% of people aged 15 - 29 in India is not in employment (Live Mint Report-2017). India has been facing the problem of unemployment and labor surplus implying unemployment is normally found in all economics, but it is serious in the Indian economy. Unemployment depicts the darker side of economic progress and it illustrates if you shared Utilization of human resource lower production and lower standard of living.

2. Poor Educational Standards

SC though India has benefitted from a high percent of English speakers. There is still high levels of illiteracy amongst the population it is worse in rural area and amongst woman. Over 50% of Indian women are illiterate, this limits economic development and more skilled workers. India has the highest e-literacy rate as 287 million adults are illiterate in India. The statistics point towards the staggering disparities in the educational levels in India. The nation does not look like a promising nation if it has a stable economic growth rate but has a poor illiteracy rates (Bank Nilonjan-2015).

3. Poor Infrastructure and Balance of Payment Deterioration

Many Indians lack basic amenities lack access to running water. Indian Public Service is freaking under the strain of Bureaucracy and inefficiency over 40% of Indian fruit roads before it reaches the market. This is one example of supply constraint and efficiency facing the Indian economy. Another Side India has built up large amount of foreign currency the highest rates of economic growth have been at the cost of Persistent current account deficit in late 2012 the current account reaches a peak of 6% of GDP. Since that there has been an employee improvement in the current account but the Indian economy has seen import growth faster than exports This means India needs to attract capital flow of finance the deficit (Bimal Jalan- 2010) ^[4].

4. Inefficient Agriculture

Agriculture produce 7.47% of economic output but, over 51% of the workforce are employed in agriculture. This is the most inefficient sector of the economy and Reform has proved slow.

5. Poor Tax Collection Rates

According to the economist, India had one of the poorest tax to GDP rates in the world. India tax revenue as a % of GDP is just 12% compared to an average of 45%. This poor tax collection rate reflects widespread corruption, tax avoidance and complicated tax rates. In 2017, Narendra Modi has sought to improve tax collection rates and reduce complication through the introduction of a general sale tax (GST). Which involve a single tax rate rather than tax rate-rather than tax rates applied multiple times of different stage of production (Dr. Seema Kumar - 2013) [5].

6. Health Care

Another major challenge before the country is to provide better health care to 54 females out of every 1,000 die giving birth. This is called maternal mortality rate. 50 out of 1,000 die at the time of birth is called an infant mortality rate. 15 children's out of 1000 die before completing 4 years of age which is known as child mortality rate, certainly this new who is not encouraged. There are so many villages and remote areas do not have adequate health centres or hospitals and doctors to attend the problem of people. There is a need to make people and process in the healthcare sector more accountable for that greater operational transparency needs to be introduced urgently. India's healthcare system has been battling various issues including the low number of India's tuition and less than adequate human resource for quite a while now (Rais Akhtar - 2013).

7. Educational Role

In the last many years significant economic growth has been achieved only in these countries. In which a high proportion of the total population is enrolled in primary schools, high enrollment in elementary education does not guarantee growth, other complex factors are obviously involved. But a higher employment appears to be a risk factor for significant growth. As economic industrialization urbanized and mature their requirements for more sophisticated cities does appear to increase. After primary enrollment has become high in more economically successful countries the emphasis on education has shifted on words to the secondary and higher education levels. The relationship of the levels of various education to economic growth by implication to political and social.

Indian education is being divided into two parts private and government education the ratio is 5:7 respectively. Government education has failed to give a great quality of education. The education received from the government schools is usually insufficient. This is so because of the lack of teachers and no proper check on them particularly in rural areas (Agarwal A. N - 2009).

8. Lower Capita Income

Usually developing economy has a low per capita income. The per-capita income in India in 2014 was 1,560, in the same year the per-capita gross national income (GNI) of USA was 35 times that of India and that of China was 5 times higher than India. Further apart from the low per capita income India also has a problem of unequal distribution of income. This makes the problem of poverty a critical one and a weak link in the economic progress of the country. Therefore low capita income is one of the primary income issues in India (Dr Shawn Cunningham- 2019).

9. Heavy Population Pressure

Another factor which contributes to the economic issues in India is population. Today, India is the second most-populated country in the world. The first being China we have high level of birth rate and falling level of death rate. In order to maintain growing population the administration needs to take care of the basic requirements of food, clothing, shelter, medicine, schooling etc. Hence there is an increased economic burden on the country (Dr. Halmandge, B. V.- 2015) [9].

Conclusion

Although India is a strong country in the South Asia continent, its huge population and the main problem associated with it are major challenges to the Indian economy. The role of government is important in providing to all facilities related for social welfare. Agriculture is the foundation on which the entire superstructure of the growth of industrial and other sectors of the economy has to stand. Service sector together play a crucial role in the service have growth and important in Indian economy.

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