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UN Secy Gen confers gender advocate award on Indian Major

#RadhikaSen #GenderAdvocateAward #PersonInNews #UnitedNations #InternationalOrganisations #GS2

Major Radhika Sen, who served with the **United Nations Organisation Stabilisation Mission in the Democratic republic of the Congo (MONUSCO)**, received the prestigious **'2023 United Nations Military Gender Advocate of the Year Award'.**

For India to become 'developed' by 2047, here's what we need to do

#DevelopedIndia #ViksitBharat #ExportGrowth #Investment #Technology #JobsCreation #Poverty #Employment #Economy #GS3

In light of recent developments at home and abroad, we need to have a clear roadmap for India's growth. The expectations of the people are clear, we want to become a developed country by 2047, that is, when India completes 100 years since Independence. But what does it mean to become a developed country? **International financial organisations currently classify countries with per capita income of $13,845 and above as developed countries.** In 2047, this would be higher. **India's per capita income as of now is $2,500 (IMF, April 2024), which shows the distance we have to travel. Based on assumptions of the future exchange rate of rupee and domestic inflation, we need to have an average annual real rate of growth of six to seven per cent to achieve this level of per capita income.** Is it possible?

Before delving into issues such as the strategy of development, a simple calculation reveals that **on the assumption of an incremental capital output ratio (ICOR) of 5, which is what we have seen in recent years, a seven per cent rate of growth will require a real gross fixed capital formation (GFCF) rate of 35 per cent of GDP. We are close to 35 per cent as of now. The recent increase in the real GFCF rate has been largely due to an increase in government capital expenditures especially of the central government. This growth in government capex cannot be sustained because it has been accompanied by a high fiscal deficit of the Centre**, which was in the range of 6.7 per cent, 6.4 per cent and 5.9 per cent in the three post-covid years. **What is needed is a pickup in private investment by one to two percentage points of GDP. To achieve this, we need to create an environment for private investment — both corporate and non-corporate — to increase.**

What should be the strategy to become a developed country in the next two decades? **Analysts are considering redesigning industrial policy in light of ongoing global developments.** After World War II, many East Asian countries adopted an export-led growth strategy and made rapid progress. Subsequently, China adopted a similar policy. **China's share in world exports was 0.6 per cent in 1970. By 2022, it went up to 11.9 per cent. In contrast, although India's share in world exports was also 0.6 per cent in 1970, it only increased to 2.5 per cent by 2022.** Some countries have turned distinctly protectionist. For a variety of reasons, growth will slow down in developed countries. For India, this old strategy is not open. But that does not mean we should shift focus from exports. Exports are a test of efficiency. **We have shown our excellence in the export of services. We need to prove it in terms of merchandise too because external demand is one of the drivers of growth.**

Broadly speaking, the **strategy should be multi-dimensional: Emphasise exports, services, manufacturing, agriculture etc. It would be useful to identify our "sunrise" industries. For example, the food processing industry may be given high priority as it is labour-intensive, helps agriculture and has export demand.** The Russia-Ukraine war threw up an important issue. **Due to supply disruptions caused by the war, many countries started thinking about self-sufficiency for "critical imports". India also thought about manufacturing chips. But in all cases of "import substitution", we should not forget about cost. What is needed is efficient import substitution. Atmanirbhar should not degenerate into inefficient "import substitution".**

Another critical issue is the creation of adequate jobs. The impact of technological changes means a reduction in the absorption of labour per unit of output. The elasticity of employment with respect to output is decreasing. In this context, **the emergence of Artificial Intelligence (AI), Gen AI and machine learning is causing both alarm and excitement. Owing to the distinction between new technology and earlier innovations, many fear an adverse impact on employment. We have moved from "mechanical muscles" to "mechanical minds".** Can this reduce the demand for human labour? **Jobless growth is certainly a matter of concern. But job creation without growth is equally bad. We need to absorb this new technology, which will require further skill development. At the same time, we need to develop a mix of sectors that will ensure jobs increase along with growth.**

Considerations related to equity have assumed importance. **The benefits of growth must be distributed equitably. There is evidence that the poverty ratio has been coming down. According to the World Poverty Clock, extreme poverty in India measured by a poverty line of $2.15 (2017 PPP) has fallen below the threshold of three per cent. In fact, in the latest update, it has fallen to two per cent of the population, implying that extreme poverty in India has been eliminated. A recent consumption expenditure survey for 2022-23 confirms that the computed Gini coefficient, which measures inequality, has also marginally reduced. Usually, income inequality is higher than inequality in consumption expenditure.** In developing economies, the first concern should be a fast reduction in poverty ratio. **The importance of social safety nets such as a supply of subsidised food grains is critically important**. We cannot sequence growth and equity favouring growth first and equity later. **Without growth, equity will be a distant dream. On the other hand, without equity, growth cannot be sustained. Equity also requires an emphasis on health and education as part of public expenditure in terms both of quantum and quality.**

India's development strategy should be multidimensional. Growth may be stimulated by raising investment rates, emphasising manufacturing, services and exports, absorbing new technologies and promoting a mix of sectors that are employment-friendly. Job creation is going to be the toughest challenge ahead.

Hush-money case: Donald trump found guilty

#DonaldTrump #InternationalAffairs

Donald Trump becomes **first US president to be convicted of crime**.

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