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Title

**INCLUSIVE GROWTH: VISION AND CHALLENGES OF
AN EMERGING ECONOMY - A CASE STUDY OF INDIA**

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ABSTRACT:

India has widely been recognized as a success story of globalization. Over the past two decades, it has moved to be one of the major drivers of the world economic growth; emerging middle class consumers, high technology exports and impressive growth rate of real GDP (Gross Domestic Product) have been instrumental for attracting foreign investors. However, the impressive growth of India has not been successful in bringing enough progress in the major weaknesses of the economy. As per the data of 2004-05, still 28% of the population lie below the poverty line, there is only marginal reduction in the absolute number of this poverty parameter; from 320 million of 1993-94 to 302 million in 2004-05. The failure of stupendous economic growth of India in including economically and socially deprived section is reflected in its marginal achievement in Human Development. As per the National Family Health Survey-3 (NHFS-3) nearly about 46% of the children in the age group of 0 to 3 years suffer from malnutrition in 2005-06.

Translating economic success into the inclusive growth which will be reflected through human development and improvement in the quality of life of the poor will require public policies to be pruned aiming explicitly at broadening the distribution of benefits from growth and global integration.

Key Words: Globalization, social sector, policy issues, Human development, stagnating agriculture.

INTRODUCTION:

India has created history as one of the fastest growing economies of the world with an impressive record of 7.7% growth rate of real GDP (Gross Domestic Product) during the The Plan period (2002 -2007). India's growth performance has gone beyond mere cyclicity. Increased Saving and Investment rates, high technology exports along with emerging middle class consumers have become an incentive for foreign investors indicating the favorable perception of Global investors about India. The proper response of industrial sector to the economic reform has set the growth

trajectory of India beyond the impact of mere cyclicity. Now India is poised to achieve sustainable economic expansion to bring whole some development.

However all these positive factors have not become sufficient to bring development in major weak nesses of the economy. Though the percentage of population below the official poverty line has declined from 36% in 1993-94 to 28% in 2004-05, but the incidence of poverty among certain marginalized groups such as STs has hardly declined at all. The absolute number of poor people has declined only marginally from 320 million in 1993-94 to 302 million in 2004-05. The performance of India in different indicators of human development such as literacy, infant mortality and malnutrition is also disappointing and it continues to lag behind several other Asian countries. In spite of almost threefold increase in the literacy rate; from 18.3% in 1951 to 64.8% in 2001, the number of illiterate person still exceeds 304 million making India is the country with the highest number of illiterate people in the world. Other indicators of deprivation suggest that the proportion of the population deprived of a minimum level of living is much higher. For example, National Family Health Survey-3 (NFHS-3) shows that almost 46% of the children in the age group of 0 to 3 years suffered from malnutrition in 2005–06.

The composition of growth in recent years has also not been even. Agricultural sector has almost become stagnant. The rural – urban gap has also contributed to the severe distress in rural areas. The economic development did not get translated into reducing the regional disparity. The poor delivery of essential services at the grass root level is the main causative factor for unequal development. Much higher levels of human development can be achieved even with the given structure of the economy, if only the delivery system is improved.

In the backdrop of aforesaid facts the present paper has been developed to discuss the issues and challenges of inclusive growth in an emerging economy like India. The paper has been developed in three sections, section one brings out an analysis of requirement of a vision called “Inclusive Growth”. The second section highlights the challenges and issues. Section three concludes the paper.

Section –I

Inclusive Growth – The Vision.

The vision of inclusive growth is imperative from the point of view of achievement of required growth in the essential parameters such as human development, poverty and gender inequality. This chapter focuses on those critical issues and highlights on the requirement of a strong vision called "Inclusive Growth".

A healthy and educated population leads to increase in productivity and in turn will lead to growth in output. The growth process is essential to generate resources for social spending, and equitable sharing across the section and should ensure higher growth of the economy should help to overcome the problem of chronic poverty, ignorance and disease.

This chapter highlights the importance of issues concerning human development, poverty, inequality and employment. It also includes issues related to development in social sector such as education, health, children and weaker section.

HUMAN DEVELOPMENT:

According to the Human Development Report, published by United Nations Development Programme, HDI (Human Development Index) which measures the capabilities of a human being to live a long, healthy and educated life, India with the HDI value of 0.519 is in 119th position out of 169 countries. However the stupendous growth of India has not become successful in bringing enough progress in the human development parameter as India is still in the medium human development category. Countries like Sri Lanka, Thailand, Philippines, Egypt and Indonesia have better overall HDI ranking within the same category.

The underperformance of India in health and education in comparison to many other developing countries is indicative of the failure of the growth process in bringing developments in these essential fields. India's lackluster performance in other human development indicators such as life expectancy at birth and mean year of schooling is prevalent from the table -1.1.

Table : 1.1

India's Global Position in Human Development.(2010)

India's Global Position in Human Development 2010					
Country	HDI 2010	GNI per capita	Life Expectancy at birth(yrs) 2010	Mean Yrs of Schooling 2010	Expected Yrs of Schooling 2010*
Norway	0.938(1)	58,810	81.0	12.6	17.3
Australia	0.937(2)	38,692	81.9	12.0	20.5
Poland	0.795 (41)	17,803	76	10.0	15.2
Malaysia	0.744 (57)	13,927	74.7	9.5	12.5
Russia	0.719 (65)	15,258	67.2	8.8	14.1
Brazil	0.699 (73)	10,607	72.9	7.2	13.8
Turkey	0.679 (83)	13,359	72.2	6.5	11.8
China	0.663 (89)	7258	73.5	7.5	11.4
Sri Lanka	0.658 (91)	4486	74.4	8.2	12.0
Thailand	0.654 (92)	8001	69.3	6.6	13.5
Philippines	0.638 (97)	4002	72.3	8.7	11.5
Egypt	0.620 (101)	5889	70.5	6.5	11.0
Indonesia	0.600 (108)	3957	71.5	5.7	12.7
South Africa	0.597 (110)	9812	52.0	8.2	13.4
Vietnam	0.572 (113)	2995	74.9	5.5	10.4
India	0.519 (119)	3337	64.4	4.4	10.3
Pakistan	0.490(125)	2678	67.2	4.9	6.8

Kenya	0.470(128)	1,628	55.6	7.0	9.6
Bangladesh	0.469(129)	1587	66.9	4.8	8.1
World	0.624	10,631	69.3	7.4	12.3

Source: HDR 2010

Note: * Refers to an earlier year than specified.

Figures in parentheses in Column 2 give ranking among 169 countries.

- Source: Human Development Report 2010-11
- Economic Survey of IndiaDifferent issues.

Poverty and Inclusive Growth:

On the basis of consumer expenditure data reflected in NSS 61st Round (July 2004 to June 2005), the poverty ratio is estimated at 28.3% in rural areas and 25.7% in urban areas and 25.7% for the country as a whole using the uniform recall period method. Based on mixed recall period for the same period, the poverty ratios are 21.8 % in rural areas and 21.7% in urban areas and 21.8% for the country as a whole.

This difference in the poverty data is accounted for difference in the estimation process. In Uniform Recall Period Method consumer expenditure data for all the items are collected for 30 day recall period and according to mixed recall period consumer expenditure data for five non food items are collected, namely clothing, foot wear, durable goods, education and institutional medical expenses for a 365 day recall period and consumption data for remaining items are collected for a 30 day recall period. The comparative position of poverty data as per the methods of URP and MRP is given in the table below.

Table : - 1.2

Table 1.3: Poverty Ratios by URP and MRP (per cent)			
Sl. No.	Category	Years	
By URP Method		1993-94	2004-05
1.	Rural	37.3	28.3
2.	Urban	32.4	25.7
3.	All India	36.0	27.5
By MRP Method		1999-2000	2004-05
4.	Rural	27.1	21.8
5.	Urban	23.6	21.7
6.	All India	26.1	21.8

Source: The Economic Survey of India 2010-11.

Indian Economy: Performance and Policy2009-10 ; IXth Edition by Uma Kapila.

Internationally the measurement of poverty has gone beyond the dimension of inadequate income. According to Human Development Report 2010 besides money based measures deprivations in other dimensions and their overlaps are also important for the measurement of poverty because households facing multiple deprivations are likely to be in a worse situation than income poverty measures. The new Multi Dimensional Poverty Index is developed by including an array of dimensions complements monetary based methods by taking a broader approach, which is simple and relevant from the perspective of policy prescription point of view. The new measure replaces the Human Poverty Index (HPI) published since 1997. It is the product of multidimensional poverty headcount (the share of people who are multidimensional poor). It has

three dimensions health, education and living standard reflected in 10 indicators with equal weight each within its dimension. Health dimension is measured by nutrition and child mortality, Education is measured by child mortality and years of schooling and the dimension of living standard is measured by six indicators such as cooking fuel, toilet, water, electricity, floor and assets. Accordingly HDR 2010 has estimated about 55% of the Indian Population living in poverty 42% of Indian Population suffer from both multidimensional poverty and income poverty ; with 1.25\$ per day. According to Multi Dimensional Poverty Index India with the value of 0.296 ranks 119 in the world. India's position is worst among the BRIC countries. The comparative position of India with selected countries is given below.

Table: 1.4

Multi Dimensional Poverty Index.

Country	Multi Dimensional Poverty Index 2000-2008	Population Below Income Poverty Line	
		PPP \$ 1.25 a –day 2000-2008	National Poverty Line 2000 - 2008
Poland	(41)	Less than 2	14.8
Malaysia	(57)	Less than 2	12.8
Russia	0.005 (65)	Less than 2	19.6
Brazil	0.039 (73)	5.2	21.5
Turkey	0.039 (83)	2.6	27
China	0.056 (89)	15.9	2.8
Sri Lanka	0.021 (91)	14	22.7

Thailand	0.006 (92)	Less than 2	-
Philippines	0.067 (97)	22.6	-
Egypt	0.026 (101)	Less than 2	16.7
Indonesia	0.095 (108)	29.4	16.7
South Africa	0.014 (110)	26.2	22.0
Vietnam	0.075 (113)	21.5	28.9
India	0.296 (119)	41.6	28.6
Pakistan	0.275(125)	22.6	-
Kenya	0.302(128)	19.7	46.6
Bangladesh	0.291(129)	49.6	40.0

- World Development Report 2010
- Figures in parentheses shows ranking among 169 countries.

The estimation of poverty according to Tendulkar Committee Report the All India Rural Poverty headcount ratio for 2004-05 41.8% for urban areas at 25.7% and All India Poverty head count ratio was at 37.2 percent. The poverty estimation made by Tendulkar Committee is based by recognizing the multi dimensional nature of the poverty. Though the Tendulkar Committee's estimates are not strictly comparable to the official poverty estimates because of different methodologies, the difference in the value according to these two estimates are quite prominent. The relevant estimates for 1993-94 and 2004-05 are shown in the Table 1.4. shows the real picture of poverty in India.

Table 1.4

Poverty Ratio.

Poverty Ratio.						
1993-94						
2004-05						
	Rural Urban Total			Rural		
Urban Total						
Planning Commission (URP)	37.3	32.4	36.0		28.3	25.7
27.5						
Tendulkar Estimates						
(2004-05) (MRP)	50.1	31.8	45.3		41.8	
25.7 37.2						

- Indian Economy Performance and policy : by Uma Kapilaixth edition -2009-10.
- Economic Survey of India: 2010-11.

Inclusive growth and inequality:

Inter regional inequality more specifically interstate inequality in different parameters and more specifically in different social parameters is one of the major weaknesses of India the loss in potential human development can be covered if those inequalities are taken care of. The Human Development Report has also expressed serious concern over this issue. The income inequality measured by Gini Coefficient was 36.8 over the last decade that is 2000 – 2010. The potential loss of Human Development is 29.6%.Among three broad measures of the inequality; health, education and income, the potential loss are 31.3%, 40.6% and 14.7% respectively. Data clearly reveals that in India the potential loss in the Human Development is more due to education and health inequality which implies that to make the growth process truly inclusive India has to reorient its developmental policy towards removing inequality in attainment of health and educational facilities. India’s performance in attaining gender equality which is reflected in **GII**

(Gender Inequality Index) reveals a disappointing picture. The GII developed by HDR by including educational attainment, economic and political participation and female specific health issue. GII includes three critical dimensions for women; reproductive health, empowerment and labor market participation, it ranges from 0 to 1 .0 stands for complete equality in included dimensions and 1 stands for complete inequality, which implies higher the index higher the inequality. India with the value of 0.748 ranks 122 out of 169 countries.

During the process of planned development there has not been sufficient improvement in this regard. Interstate inequality estimated by NSSO (National Sample Survey Organization) reflected in the Lorenz Ratio based on household consumer expenditure for rural and urban India was 0.30 and 0.37 respectively for the year 2004-05. Though the growth momentum has now penetrated in to all large states which account for 93% of total population during 2003-2009 (Panagariya 2010 .op.cit) and to the states which have been subject to insurgencies like J & K and Assam also grew at around 5 percent per annum. Some of the poorer states like Rajasthan, Orissa and Bihar shown around spectacular growth around at 9. 4% 9.4% and 8.4% respectively per annum (Panagariya 208 .op.cit). However the growth rate has not been sufficient enough to remove the objective of bringing growth with equity .The wide disparity in socio economic development given in the table below reveals the far achievable target of inclusive growth in India.

Table : 1.5

Inter State Inequality in Socio Economic Indicators.

STATUS OF SOME SOCIO ECONOMIC INDICATORS				
	AVERAGE ALL INDIA		BEST STATE	WORST STATE
	AROUND 1990	RECENT YEARS	RECENT YEAR	RECENT YEAR
Per capita NNP (Rs. Per person at 1993 – 94 Prices)	7321	11799	16679	3557
Consumption Poverty: Head	36.0	27.8	6.16	47.15

Count Ratio (%)				
Gross Enrollment Ratio (6 to 13 years)	-----	100.3	133.5	82.6
Pupil – Teacher ratio (2007-08) (6 to 10 years)	-----	47	18	76
Sex Ratio (Females /1000 males)				
Infant mortality rate(2009) (Per 1000 live births)	80	50	12	67
Maternal Mortality rate(1997) (Per 100,000 live births)	-----	254(2004-06)	-----	-----
Child mortality rate(0 to 4 years) (Per 1000 children)	26.5	15.2(2008)		
Percentage share in total energy consumption(GWh) by ultimate consumers in 2007-08)	-----	100	13.53	0.51

- Source:
- “Economic Survey of India -2010-11”
- An Approach Paper to 11th Five Year Plan (June 14, 2006)
- Indian Economy Performance and Policy : Uma Kapila ,2009 -10

Inclusive growth and Agriculture:

The country has made great strides towards increasing food grains production since the mid sixties. Today, India ranks high in the production of various commodities such as milk, wheat, rice, fruits and vegetables. However, the agriculture sector in India is at a crossroads with rising demand for food items and relatively slower supply response in many commodities resulting in frequent spikes in food inflation. The technological breakthrough achieved in the 1960s is gradually waning.

The growth of agriculture and allied sector is still a critical factor in the overall performance of the Indian economy. According to CSO the agriculture and allied sector accounted for 14.2 percent of GDP in 2010-11 (AE), at constant 2004-05 prices. There has been a gradual reduction in the share of agriculture to the GDP from 2004-05 and the GDP for agriculture and allied sector has almost remained stagnant over these years and it can be explained that in comparison to the growth of GDP (which has been around 8.62 percent per annum during 2004-05 to 10 - 11), the agricultural sector grew only by 3.46 % during the same period. The role of agricultural sector is however very critical as it accounts for about 58% of employment of the country. Hence the growth of this sector is a prerequisite for the achievement of inclusive growth.

Deceleration in Agricultural growth is vivid in the following table.

Table : 1.6

Trend of Agricultural Growth.

Average GDP Growth Rates – Overall and in Agriculture (Percent Per Year at 1999-2000 prices)			
Period	Total Economy	Agriculture and Allied Sector	Crops and Live Stock
1. Pre Green Revolution 1951 -52 to 1967-68	3.69	2.54	2.65
2. Green Revolution Period 1968-69 to	3.52	2.44	2.72

1980-81.			
3. Wider technology dissemination period. 1980-81 to 1990-91	5.40	3.52	3.65
4. Early reform period 1991-92 to 1996-97	5.69	3.66	3.68
5. Ninth Plan 1997-98 to 2001 – 02.	5.52	2.50	2.49
6. Tenth Plan period 2002-03 to 2006-07.	6.60	0.89	
7. Eleventh Plan (so far)			

- Source: Economic Survey of Indiadifferent issues.

There has been a continuous deceleration in the growth of agricultural GDP from around 3.5 % per year during 81-82 to only around 2% during 97-98 and 2004-05. During ninth and tenth plan also the growth agricultural GDP has remained well below the target of 4%. During the first three years of the current five year plan, the agricultural sector (including allied activities) recorded the average growth of 2.03 % against the plan target of 4% per annum; the decline in growth of agricultural GDP was primarily due to the fall in the production of agricultural crops such as oilseeds, cotton and jute. The agricultural growth in the first four years of this plan period has been estimated at 2.87 %. The sluggish growth of agricultural sector in comparison to other sectors is indicative of failure of spectacular growth process of India in including this sector which accounts for 58% of employment.

Section – II

Issues and Challenges.

In an effort to make the growth pro poor and inclusive a lot of programmes and flagship schemes are declared by Central Government, in spite of that India has not become successful. This section attempts to focus on issues and challenges before it.

Expenditure pattern of Government of India.

Government expenditure is an important fiscal tool for achieving the developmental goals. From the total aggregate disbursement, central government does not have control over the components called State's share in taxes, Repayment of Debt and disbursement from Public Account. The remainder which is the actual expenditure determines the orientation of the expenditure pattern of the central government of India. The trend of expenditure pattern of the government is revealed in the table 2.1

Table : 2.1(Rs. In crore)

Trend of Expenditure Pattern of Government of India.

Period	Revenue - Ex	Capital-ex	Actual Expenditure	RE/AE	C E/ AE
1992- 2009(avg)	398606	38728	463780	84.30	8.35
VIII PLAN	177497	19550	220494	80.50	8.86
IX PLAN	327922	26234	389316	84.23	6.83
X PLAN	500825	46993	573852	87.27	8.18
XIth PLAN					
2007-08	734861	116937	863575	85.10	13.54
2008-09	1010224	77556	1102366	91.64	7.03
2009-10	1057479	100686	1174280	90.05	8.57

- Source: 13th Finance Commission's Report.
- Reports of CAG.

The share of revenue expenditure during the Xth Plan period to actual expenditure was around 87% of actual expenditure, but it has increased to 90% during the first three years of the current

five year plan. The trend of different components of revenue expenditure has been depicted in the following table.

Table :2.2

Revenue Expenditures and its components. (Rs. In crore)

Period	Revenue Expenditure	Pay & Allowances	Interest Payments	Pensions	Grants to States.	Others (Explicit Subsidies.)
Xth Plan(2002-07) (Average)	500825	36728	135860	25539	60676	242022
Relative share	100	7	27	5	12	48
XIth Plan(2007-12)						
2007-08	734861	44361	179987	37346	106333	366834
Relative share	100	6	24	5	14	50
2008-09	1010224	71726	200580	45747	121702	570469
Relative Share.	100	7	20	5	12	56
2009-10	1057479	98980(RE)	223701	66051	136915	531832
Relative Share	100	9	21	6	13	51
Average Annual Rate of Growth(percent)						

Xth Plan.(2002- 07)	12.24	4.43	5.40	17.49	21.14	14.70
XIth plan(2007- 10)						
2007-08	11.64	11.31	16.66	-4.42	19.65	9.12
2008-09	37.47	61.69	11.44	22.50	14.45	55.51
2009-10	4.68	38.00	11.53	44.38	12.50	-6.77

- Different reports of Comptroller and Auditor General.

Though it has been claimed the predominance of revenue expenditure in actual expenditure is primarily due to conscious shift in the plan priorities in favor of revenue expenditure intensive programmes and schemes and systematic rigidity in non-plan revenue expenditure in the short term, particularly arising from committed and obligatory expenditure such as interest payments, pensions and salaries, the above data reveals a different picture. In terms of average annual rate of growth, there has been a sudden jump from on an average of 4.43% during Xth plan period to 11.31% in 2007-08, 61.69% in 2008-09 and 38.005 in 2009-10 respectively. On the other hand there is a reduction in the annual growth rate of Grants to States. The data is clear on importance of committed expenditure than the grants to the states disbursed in different time periods.

The quality of the expenditure pattern decides the level of growth and development of any economy and it should match the developmental strategy and plan of the economy. The availability of better infrastructure in the social, educational and health sector in the country generally reflects the quality of its expenditure, the table given below outlines the quality of expenditure pattern of the government of India.

Table: 2.3

The Expenditure pattern of Union Govt. Of India.(Rs. In crore)

Year	GDP	AE*	AE/GDP	ESE*	ESE/AE	SSE*	SSE/AE	CE	CE/AE
2002-07	3317483	573852	17.30	192842	33.60	32634	5.69	46993	8.19
2007-08	4947857	863575	17.45	337115	39.04	63246	7.32	116937	13.54
2008-09	5574449	1102366	19.78	466578	42.33	90288	8.19	77556	7.04
2009-10	6231171	1174280	18.85	423181	36.04	103895	8.85	100686	8.57
2007-10	5584492	1046740	18.74	408958	39.07	85810	8.20	98393	9.40

*source: CAG reports.

Since expenditure in economic services and social services reflect the expenditure for development, the data shows that there is an appreciable growth in these two categories, this growth is not because of plan priorities, but because of growth in the share of actual expenditure of GDP. The most crucial category of expenditure; capital expenditure which is responsible for creating more employment and development has remained stagnant around 8 to 9 percent of actual expenditure, higher the ratio of CE to AE better will be the quality of expenditure. The data of ESE and SSE shows improvement in the quality of financial outlays in the first three years of the current five year plan compared to the Xth plan period. However unless financial outcomes are translated into physical outcomes, the improvement in the quality of expenditure cannot be ensured.

For inclusive growth Central government has declared many developmental schemes and it has been claimed due to the conscious shift in the plan revenue expenditure for different developmental schemes, the share of revenue expenditure has been constantly remaining high during both in Xth and XIth plan period. The data on deviation between the Budget Estimates and actual expenditure shows only in case of few major flagship schemes the actual expenditure has exceeded the budget estimates. The following table will show the deviation between the

budget estimate and actual expenditure of major flagship schemes of central government of India during the first three years of the current five year plan.

Table : 2.4

Percentage Variation Between Estimated and Actual Expenditure.

Sl. No	Scheme	2007 - 08			2008 - 09			2009 - 10		
		BE	ACTUALS	Variation (%)	BE	ACTUALS	Variation (%)	BE	ACTUALS	Variation (%)
1	SSA	9760	11481	17.6	11940	12643	5.9	11934	12825	7.5
2	MDM	6582	5832	-11.4	7200	6531	-9.3	7200	6932	-3.7
3	NREGS	12661	12661	17.2	14400	29999	108.3	39100	33538	-14.2
4	RGVY	3983	3913	-1.8	5055	5500	8.8	6300	5000	-20.6
5	IAY	3636	3885	6.8	4859	8799	81.1	7918	8799	11.1
6	PMGSY	6110	6500	6.4	7075	7780	10.0	10933	11340	3.7
7	NRHM	12581	11617	-7.7	13838	13651	-1.4	15534	15670	0.9

- SSA = Sarva Siksha Aviyana, MDM: -Mid Day Meal Scheme, NREGS= National Rural Employment Guarantee Scheme, RGGVY = Rajiv Gandhi Grameen Vidyutikaran Jojana, IAY = Indira Awas Yojana, PMGSY = Pradhan Mantri Gram Sada Yojana and NRHM = National Rural Health Mission.
- CAG reports.

The above table shows the percentage variation is very high only in NREGS both in 2007-08 and 2008-09. The developmental schemes like SSA, IAY and PMGSY the variation is also positive and high, but the schemes like MDM, RGGVY and NRHM which are directly related to the improvement of standard of living of people, the percentage variation is not only negative but also very high. During 2009-10, there has been also a negative percentage variation in the employment guarantee scheme like NREGS.

Since government is increasingly relying on debt funds to finance the budget, it is imperative to prune the revenue expenditure towards the developmental needs. Better design of sector specific schemes more rigorous accountability of funds transferred to implementing agencies and tighter monitoring to ensure the physical outcome is indispensable for realizing the vision of inclusive growth.

Lack of Identity and overlapping between the programs:

Since a number of programs are run simultaneously by the central as well as state governments to address the twin issues of unemployment and poverty alleviation, for the successful implementation it needs better convergence to avoid duplication and leakages. To ensure the fruitfulness of the schemes for the targeted beneficiaries, the problem of lack of identity should also be tackled simultaneously. In this regard the ADHAR Scheme of central government is a welcome step. The ADHAR process should be simplified to give unique identification to the uneducated and illiterate section of the society such as SCs and STs and it should be linked with different government services so that the marginalized sections will have better access to those services.

The country has been successful in withstanding the shock of the post global crisis of 2008. The employment generation schemes of India is free from any element of protectionism, as it is long term in nature. For which in the employment front the country has been withstand the adverse impact of global financial crisis and generate employment since 2009(Quarterly survey by the Labour Bureau). The employment generation programmes such as MGNREGS has been instrumental in creating employment opportunities and helping in increasing the purchasing power of rural poors. The extension of MGNREGS for urban areas can yield better results in

reducing urban poverty. It also needs to be ensured that implementation of such schemes should not result in shortage of labor for agriculture during peak season of agriculture.

Trade off between growth and climate change:

The major issue is to bring the proper balance between climate change and the growth challenge. India is a country will severely be impacted by climate change. This puts additional hurdles to the challenges of poverty eradication and growing population. Climate change is a complex policy issue with major implications in terms of finances. Funding is vital for countries like India to design and implement adaptation and mitigation plans and projects. In India the expenditure on Adaptation oriented programme as a percent of GDP was 2.84% in the year 2009-10. Though this ratio value has continuously increased from 1.45 from 2001-02 to 2.84 in 2009-10, it is insufficient in comparison to the requirement. Careful planning and customized policies are needed to ensure green growth strategy for inclusive growth.

Section –III

Conclusion:

Growth momentum to be penetrative in bringing development for the poorest of the poor's in India, the underlying causes are needed to be addressed by tackling the multidimensional issues related to it. The realization of the vision "Inclusive Growth" demands oriented effort by the Governments at different levels, participation of people and PRIs (Panchyat Raj Institutions) and simultaneously addressing the challenges of environmental issues and climate change.

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