

Session 3: Potential for Economic Geography-based Approaches towards Inclusive Growth in India

Inclusive Growth in Indian Rural Development

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The Economy of India is the 11th Largest in the world by nominal GDP and the 4th largest in terms of Purchasing Power Parity (PPP). The country's per capita GDP (PPP) is \$3290 placed at 127th rank. (IMF, 2010). A revival of economic reform and better economic policy in first decade of 21st century accelerated India's economic growth rate. The success story of Indian economy is spreading its wings towards India's districts and rural areas which account for over 65% of nations total populace. The main objective of India's development strategy has been to establish a socialistic society accompanied by economic growth, self-reliance, social justice and alleviation of poverty. Inclusive rural development is of paramount importance as majority of India's population lives in villages. Currently, the rural sector of India is not only observing a massive increase in its per capita income but also in its expenditure and production. The development planning and strategies have to be inclusive as India cannot afford the exclusion of a large section of the population. Indian economy transformed from closed to an open economy, welcoming liberalization. However, the Indian economy is still striving for stabilization in order to become a developed economy. The policy reformers are now thinking to revisit and redefine the Indian economy through economic prosperity of rural India. Rural economy is now at the priority and considered to be the remedy for bringing a sea change in the overall growth of Indian economy. A new economic philosophy of Inclusive Growth has been initiated as route to success towards sustainability and rigidity of Indian economy. The paper attempts to focus on assessment of various policies and approaches adopted to achieve inclusive rural development considered to be major engine for growth in a labour intensive country like India.