

Driving Economic Prosperity: Fostering Job-Oriented Sustainable and Inclusive Development in India

Akhilesh Chandra Prabhakar 

Applied Economics, Finance and Business Management at the School of Business Studies, PNG University of Technology, Lae, Papua New Guinea

Email: acpuum@gmail.com

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Abstract

This paper explores the critical pathways to achieving economic prosperity in India through the promotion of job-oriented, sustainable, and inclusive development. Confronted with a burgeoning population and a dynamic economy, India faces the dual challenge of fostering economic growth while ensuring environmental sustainability and social inclusiveness. The study delves into policy frameworks, economic strategies, and developmental programs aimed at creating employment opportunities, particularly in rural and underserved regions, while maintaining ecological balance. Emphasizing the role of technology and innovation, the paper advocates for a collective holistic integrated approach encompassing education, skill development, and infrastructure improvements. It evaluates successful case studies and models from various sectors, providing a comprehensive analysis of how India can leverage its demographic dividend and natural resources to construct a resilient and equitable economy. The service sector, agriculture and its allied sectors, construction and infrastructural development and the manufacturing industry, are cornerstones of India's economy and are pivotal in driving growth, creating jobs, and fostering innovation. This study addresses gaps in existing research by thoroughly analyzing India's manufacturing sector in 2024, with a focus on sustainable economic growth and job creation. It also explores the impacts of digitalization, Industry 4.0 technologies, and skill development initiatives on the future of Indian manufacturing. By identifying sector-specific challenges and opportunities, the study offers practical insights for policymakers, industry stakeholders, and academia. It contributes to the discourse on India's manufacturing competitiveness, highlighting the need to cultivate a resilient, inclusive, and environmentally sustainable manufacturing ecosystem to drive job-focused economic growth in 2024 and beyond. The paper

presents policy recommendations and strategic pathways to maximize the potential of India's manufacturing sector as a catalyst for job creation and sustainable economic development, including measures to enhance productivity, promote innovation, support inclusive growth, and ensure environmental sustainability. By integrating economic, social, and environmental considerations, India can unlock new avenues for inclusive and sustainable development through its dynamic manufacturing sector.

Keywords

Make in India, Start-Up India, India's GDP Performance, India's Manufacturing Sector, Automation Industries, Job-Oriented Sustainable Growth

1. Introduction

Since gaining independence, agriculture has played a crucial role (as a backbone of the Indian people) in shaping India's economy by providing food security, employment opportunities and sustenance to a large portion of the population. Unfortunately, agriculture and its related industries have been neglected since independence, as shown by the lack of sufficient funding from both the central and state governments, which has consistently been less than 4% annually. This lack of attention has led to a series of negative consequences, most notably the trend of rural residents moving to urban areas in search of better opportunities. Additionally, the increasing debt and decreasing profitability of agricultural products have pushed around half a million Indian farmers to resort to suicide.

In addition to the agricultural industry, the manufacturing sector plays a crucial role in driving India's economic progress by boosting industrial growth, creating employment opportunities, and increasing export capabilities. Around 420 million workers, among the total of 500 million industrial workers, are employed in small and medium-sized industries. Unfortunately, these industries face significant challenges in staying competitive, such as limited market access, insufficient investment, outdated technology, and tough competition from large corporations in the technology and finance sectors. As a result, an estimated 210 million industrial workers are currently jobless. The percentage of individuals engaged in self-employment witnessed a notable escalation, advancing from 49.5% during the period spanning 2013 to 2024 to a heightened 57.3% within the timeframe of 2022 to 2023. Conversely, the proportion of individuals in salaried employment experienced a decrement, dwindling from 23.1% to 20.9% from 2022 to 2023, attributable to a scarcity of opportunities for salaried positions. Furthermore, the rise of automation has led to an early onset of deindustrialization. It is projected that within the next two years, approximately two million Indian employees, particularly those working in call centres, may face job dis-

placement due to the increasing adoption of AI technologies. In 2024, the manufacturing industry in India faced a mix of challenges and opportunities amidst a rapidly evolving global economy. This comprehensive analysis delves into the performance of India's manufacturing sector in 2024, highlighting important trends, policy changes, technological progress, and sector-specific details.

In the wake of the COVID-19 pandemic and its lingering impacts, the manufacturing sector has embarked on a journey of rejuvenation and transformation. This shift has been propelled by a confluence of factors, including technological advancements, policy reforms, and strategic initiatives. Despite grappling with obstacles such as supply chain disruptions, escalating expenses, and worldwide uncertainties, the industry has demonstrated remarkable resilience and adaptability. As a result, it is charting a course towards sustainable growth and enhanced global competitiveness.

2. Aims/Objectives and Scope of the Study

The overarching objective of this study is to conduct a comprehensive analysis delineating the performance contours of India's Manufacturing Sector throughout the year 2024. The research endeavours to probe into multifarious dimensions, encompassing growth trajectories, technological novelties, governmental directives, industry dynamics, sustainability imperatives, and international entanglements. The study is propelled by the following pivotal objectives:

Elucidating Growth Patterns: This entails a meticulous examination of the growth trajectory witnessed by India's manufacturing sector in the annum 2024. The analysis entails a dissection of the manifold factors dictating industrial output, indigenous consumption trends, export prowess, and contributions to GDP proliferation. It encompasses the discernment of principal drivers and impediments influencing growth dynamics, alongside an appraisal of the sector's resilience vis-à-vis economic vicissitudes and disruptions.

Scrutinizing Technological Advancements: The study delves into the compass and ramifications of technological innovations pervading manufacturing operations, productivity paradigms, and competitive standings throughout 2024. This entails an evaluation of the assimilation of avant-garde technologies such as automation, artificial intelligence, and digitalization, and their reverberations on industry metamorphosis, innovation imperatives, and skill cultivation.

Reviewing Governmental Policies: A critical inquiry into the efficacy of governmental directives, regulatory overhauls, and incentivization regimes in galvanizing industrial expansion, refining the commercial milieu, and magnetizing investments into the manufacturing arena. Furthermore, the assessment extends to the execution and ramifications of initiatives such as the Production Linked Incentive (PLI) scheme on manufacturing capacities, employment generation, and value amplification.

Analyzing Industry Dynamics: This facet encompasses an exhaustive dissection of the performance trajectories delineated by diverse manufacturing sectors

during the calendar year 2024, spanning electronics, pharmaceuticals, automotive, textiles, and small-scale enterprises. It entails the identification of sector-specific impediments, openings, and catalysts for growth, alongside the formulation of strategies aimed at surmounting structural barriers, augmenting competitiveness, and nurturing inclusive growth paradigms across varied industry segments.

Addressing Sustainability Imperatives: The study delves into the assimilation of sustainable manufacturing paradigms, encompassing green technologies, renewable energy harnessing, and waste mitigation stratagems, in alignment with environmental statutes and international accords. It entails an evaluation of the sector's strides towards sustainability benchmarks, mitigation of environmental footprints, and propagation of circular economy precepts.

Evaluating Global Engagements: A nuanced examination of India's entanglement within global value chains, trade modalities, and export performances throughout the expanse of 2024. The assessment extends to the evaluation of the ramifications stemming from geopolitical frictions, trade imbroglios, and vicissitudes in market dynamics on India's manufacturing exports, alongside the formulation of strategies aimed at diversifying market outreach and bolstering competitiveness on the global stage.

This study furnishes an exhaustive examination of the performance exhibited by India's manufacturing sector in the year 2024. Drawing upon empirical data, industry reports, policy documents, and academic literature, it endeavours to elucidate pivotal trends, confrontations, and prospects within the domain. Its overarching objective is to furnish guidance to policymakers, industry stakeholders, researchers, and academics, empowering them to deliberate upon informed choices, devise policies, and strategize effectively toward fostering inclusive and sustainable growth within India's manufacturing landscape.

3. Methodology

- **Primary Data Collection:** The methodology involved orchestrating interviews, surveys, and focus group discussions with a myriad of industry stakeholders, including governmental officials, industry luminaries, manufacturing enterprises, trade associations, and academic scholars. Utilizing meticulously structured questionnaires and semi-structured interviews, we meticulously accrued insights concerning sectoral performance, technological assimilation, policy endeavours, and sustainability modalities.
- **Secondary Data Collection:** Our pursuit of knowledge extended to secondary reservoirs, drawn from esteemed sources such as governmental publications, industry journals, scholarly discourse, and comprehensive databases. We judiciously culled information from esteemed repositories including but not limited to the Ministry of Commerce and Industry, the Central Statistical Office, the Reserve Bank of India, industry bastions like the Confederation of Indian Industry and the Federation of Indian Chambers of Commerce and

Industry, alongside international juggernauts such as the World Bank and the International Monetary Fund.

- **Analyzing Data:** Leveraging statistical apparatuses like Excel, we embarked upon a rigorous dissection of the quantitative corpus derived from surveys and secondary outlets. Our analytical ambit spanned descriptive statistics and trend delineation, unravelling patterns, interdependencies, and statistical salience within sectoral performance indices, technological integration dynamics, policy ramifications, and export trajectories. Regarding the qualitative tapestry woven from interviews, focus group dialogues, and textual sources, we invoked thematic and content analyses to unearth recurrent motifs, patterns, and insights germane to policy perceptions, industrial exigencies, technological innovations, and sustainability imperatives. The symbiosis of qualitative and quantitative interpretations fostered a holistic comprehension of sectoral vicissitudes.
- **Industry Sector Analysis:** Segmentation of the manufacturing domain into discrete verticals, encompassing electronics, pharmaceuticals, automotive, textiles, renewable energy, and small-scale enterprises, underpinned our analytical ethos. Each vertical underwent meticulous scrutiny to elucidate unique challenges, opportunities, and growth stimuli shaping sectoral dynamics. Comparative inquiry across diverse industry segments unveiled convergent trends, sector-specific policy impacts, and emergent paradigms, thereby delineating the overarching tapestry of the manufacturing realm.
- **Framework Establishment:** Pioneering the establishment of a conceptual scaffold, we architected a framework buttressed by pivotal variables such as economic benchmarks, technological progressions, policy contours, sectoral idiosyncrasies, and sustainability imperatives. This structured framework, intricately aligned with research imperatives, theoretical underpinnings, and empirical validations, facilitated a methodical unravelling and synthesis of insights.
- **Triangulation Method:** Our methodological rigour was fortified through triangulation methodologies, which epitomized the veritable cornerstone of our research ethos. By juxtaposing and corroborating data gleaned from diverse sources—interviews, surveys, and secondary repositories—we endeavoured to validate evidence, redress disparities, and mitigate biases. Soliciting feedback from peer scrutiny, expert consultations, and stakeholder colloquies augmented the methodological robustness and veracity of our findings.
- **Dissemination of Research:** Culminating our endeavours, we disseminated our research findings through a comprehensive dossier, replete with descriptive expositions, statistical encapsulations, thematic narratives, and illustrative aids including charts, graphs, and maps. The arrangement of findings was meticulously calibrated to accentuate research objectives, emphasizing salient insights, implications, and recommendations tailored for policymakers, industry stalwarts, and other cognizant entities. Propagating our findings

through scholarly conduits, policy briefings, conference fora, and stakeholder engagements engendered a milieu conducive to knowledge exchange, policy discourse, and evidence-based decision-making vis-à-vis India's manufacturing landscape in 2024.

4. Review of Literature

This literature review delves into various facets of driving economic prosperity in India, including economic policies, labour market dynamics, sustainability initiatives, and inclusive growth strategies.

Economic Policies and Growth

India's economic policies have undergone significant transformations since the liberalization era of the 1990s. The transition from a protectionist to a market-oriented economy has catalyzed substantial economic growth. According to Panagariya, "liberalization policies, including deregulation and opening up to foreign direct investment, have been pivotal in driving economic expansion (Panagariya, 2017)." Nevertheless, these policies have also precipitated uneven growth, thereby raising concerns about inclusivity and job creation.

Labour Market Dynamics

The labour market in India is characterized by a substantial informal sector, with estimates suggesting that over 80% of the workforce is employed informally (NCEUS, 2009). This high degree of informality presents challenges for job-oriented development, as informal jobs often lack security and benefits. Gupta Basole asserts that labour market reforms aimed at enhancing formal employment opportunities are crucial for sustainable economic prosperity (Gupta, 2017). Additionally, skill development initiatives, such as the Pradhan Mantri Kaushal Vikas Yojana, aim to address the skills gap and improve employability.

Sustainable Development Initiatives

Sustainable development is a critical component of long-term economic prosperity. India has made significant strides in renewable energy, particularly solar power, aligning with global sustainability goals. According to the International Renewable Energy Agency (IRENA), India's renewable energy sector has the potential to create millions of jobs, contributing to both economic and environmental sustainability (IRENA, 2020). Furthermore, the National Action Plan on Climate Change outlines strategies for balancing economic growth with environmental preservation.

Inclusive Growth Strategies

Inclusive growth ensures that the benefits of economic prosperity are equitably distributed across society. The concept of inclusive growth encompasses not only income distribution but also access to education, healthcare, and social protection. Klasen emphasizes that inclusive growth strategies must address structural inequalities, such as those based on caste, gender, and geography (Klasen, 2010). In India, programs like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aim to provide social safety nets and

reduce rural poverty.

Challenges and Policy Recommendations

Despite progress, several challenges impede job-oriented sustainable and inclusive development in India. These include regional disparities, infrastructure deficits, and socioeconomic inequalities. Datt and Ravallion noted that economic policies must be tailored to regional contexts to address these disparities effectively. Furthermore, there is a need for comprehensive policy frameworks that integrate economic, social, and environmental objectives (Datt, 2002).

A thorough examination of the efficacy of diverse employment generation policies implemented in India is conducted in this study. It scrutinizes the impact of initiatives such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Skill India Mission on job creation, evaluating their role in fostering sustainable and inclusive development.

Delving into the intricate relationship between education and employment within the Indian context, this paper elucidates the potential of educational reforms geared towards augmenting skill development and vocational training in nurturing a job-centric economy. Furthermore, it identifies impediments thwarting the alignment of education with market demands and offers actionable policy recommendations.

The pivotal role of small and medium enterprises (SMEs) in propelling employment growth in India is investigated in this research endeavour. It sheds light on the capacity of SMEs to furnish livelihood opportunities, particularly in rural and semi-urban locales, while exploring avenues for amplifying their contribution to sustainable development and inclusive growth (Mishra, 2022).

A critical appraisal of the gender dimensions of employment in India is undertaken in this study, spotlighting the impediments encountered by women in accessing job avenues and progressing in their careers. It scrutinizes the repercussions of gender disparities on overall economic productivity and delineates policy measures aimed at fostering gender inclusivity in the workforce, thereby nurturing sustainable and inclusive development.

The intersection of environmental sustainability and job creation within India's developmental narrative is examined in this paper. It expounds on how investments in renewable energy, sustainable agriculture, and green infrastructure can concurrently mitigate environmental degradation and engender employment prospects across diverse sectors. The study advocates for a holistic approach to economic development that harmonizes environmental considerations with job-centric policies (Sharma, 2019).

Collectively, these scholarly inquiries enrich our comprehension of how job-oriented sustainable and inclusive development can be cultivated in India. They offer nuanced insights into policy interventions, sectoral strategies, and socio-economic dynamics that delineate the trajectory of the nation's economic evolution.

The literature pertaining to India's manufacturing sector performance encaps-

culates a wealth of insights into the nuanced dynamics, challenges, and prospects that delineate the trajectory of this pivotal sector. This review amalgamates seminal studies and scholarly endeavours, thereby furnishing a comprehensive analysis of India's manufacturing sector performance in 2024.

In his seminal work, [Ghosh \(2020\)](#) delves into the repercussions of economic reforms on India's manufacturing sector, elucidating the pivotal role of policy interventions in catalyzing industrial growth and bolstering competitiveness. Emphasizing the indispensability of structural reforms, liberalization measures, and investment incentives, Ghosh underscores their paramount significance in steering the manufacturing sector towards excellence.

[Sharma \(2019\)](#) explore the intricate nexus between technological innovation and competitiveness within the Indian manufacturing landscape. Employing empirical analysis, the study scrutinizes the adoption of cutting-edge technologies and their ramifications on productivity, quality standards, and market competitiveness across manufacturing entities.

[Arora \(2021\)](#) undertake a meticulous sectoral analysis of the Indian manufacturing sector, unravelling prevalent trends, challenges, and policy imperatives across distinct industry segments. The study casts a discerning eye on key sectors such as electronics, textiles, automotive, and pharmaceuticals, elucidating sector-specific dynamics and policy imperatives therein.

[Mishra \(2022\)](#) delve into the realm of global integration and export performance of the Indian manufacturing sector, juxtaposing India's trade dynamics with those of other emerging economies. The study scrutinizes the efficacy of trade agreements, market access initiatives, and supply chain linkages in augmenting the sector's competitiveness and fostering export diversification.

[Singh \(2023\)](#) adopt a case study approach to unravel sustainability practices and environmental performance within the Indian manufacturing domain. The study meticulously examines industry best practices, regulatory compliance frameworks, and corporate initiatives aimed at mitigating carbon emissions, enhancing resource efficiency, and fostering sustainable development.

These selected studies collectively furnish a robust foundation for comprehending the multifaceted dimensions of India's manufacturing sector performance, proffering invaluable insights into policy dynamics, technological advancements, sectoral intricacies, global engagements, and sustainability imperatives. Leveraging upon this rich literature, the comprehensive analysis of India's manufacturing sector performance in 2024 seeks to contribute meaningfully to the ongoing discourse on industrial development, economic progress, and sustainable transformation within India's manufacturing milieu.

In the pursuit of sustainable and inclusive development, India grapples with an array of formidable challenges, including the burgeoning chasm of income and wealth inequality, persistent inflationary pressures, escalating unemployment rates among the educated populace, the pervasive prevalence of the informal sector, and tepid demand dynamics resulting in nominal consumption ex-

pansion. India notably occupies the unenviable position of possessing the world's lowest workforce participation rate, languishing at 143rd place in the per capita income spectrum. However, it is imperative to assert unequivocally that the trajectory of GDP growth, while imperative, shall prove insufficient in safeguarding the economic vitality of the nation. Even in the hypothetical scenario of India ascending to the ranks of the world's third-largest economy, its inherent poverty shall persist unabated.

Biman Mukherji, in his insightful discourse for the South China Morning Post, elucidates upon the scepticism permeating discussions surrounding India's ambition to attain developed economy status by 2047, encapsulating the prevailing sentiment that Prime Minister Modi confronts an array of formidable hurdles in his pursuit. Despite the BJP's electoral pledge to expedite India's infrastructural advancement and metamorphose the nation into a global manufacturing juggernaut, lingering legacy issues persist as formidable impediments to investment mobilization, imperilling the realization of India's aspirations towards achieving developed nation status. A holistic approach, inclusive of uplifting all strata of society, especially marginalized denizens inhabiting remote locales, is imperative to engender an augmented per capita GDP. Prioritizing land and labour reforms alongside concerted job creation endeavours emerge as indispensable prerequisites in this endeavour.

A pivotal metric in the discourse of economic development is the per capita income benchmark, typically ranging from US\$10,000 to US\$11,000 annually for developed nations. India's current per capita income marginally exceeds US\$2500, thus accentuating the significant disparity vis-à-vis its developed counterparts.

Anchal Vohra, in her analysis for Foreign Policy, scrutinizes India's employment landscape through the lens of the Modi administration's flagship initiative, "Make in India". Despite notable strides in infrastructure development, symbolized by the proliferation of new highways and metro networks, the ambitious pledge to generate 100 million jobs and catalyze the transformation of small towns into hubs of cosmopolitanism remains a distant aspiration. Vohra cites data from the International Labour Organization (ILO) to underscore the disconcerting prevalence of unemployment among the educated cohort, juxtaposed against a relatively higher employment absorption rate observed among those lacking tertiary education. Structural deficiencies in the education system, compounded by the dearth of labour-intensive manufacturing endeavours, are identified as pivotal factors precipitating the employment conundrum.

Significantly, the deviation from the intended focus on labour-intensive sectors within the ambit of "Make in India", exacerbated by the destabilizing impact of the Goods and Services Tax (GST) overhaul, has catalyzed a seismic realignment of working-age individuals towards the agrarian sector in the aftermath of pandemic-induced shocks. A fervent plea to augment governmental expenditure on quality education, aimed at enhancing workforce employability and fostering job creation, resonates throughout Vohra's discourse.

Ruparelia expounds upon the transformative paradigm instigated by the Modi administration, characterized by a departure from the era of fractious coalitions towards a trajectory of flagship schemes aimed at modernizing the economy. The Digital India and Make in India campaigns, emblematic of this strategic shift, have not only enhanced Modi's popularity but also served as conduits for the dissemination of tangible benefits to the populace.

While acknowledging the lineage of certain schemes to antecedent administrations, Ruparelia lauds the Modi government's adeptness in scaling and efficacious implementation. Despite palpable shortcomings in job creation and economic growth compared to the promises made, the populace's receptivity to infrastructure initiatives and banking reforms augurs well for the consolidation of Modi's political capital.

5. An Overview of the Economic Performance: Case Study of the Manufacturing Sector

India's economic growth in 2024 reflects a nuanced interplay of domestic reforms, global uncertainties, and sectoral dynamics. While the nation maintains its status as one of the world's emerging economies, the pace of growth exhibits moderation compared to previous years. Factors such as subdued consumer demand, lingering effects of the COVID-19 pandemic, and supply chain disruptions contribute to this deceleration. Nonetheless, strategic interventions in key sectors, coupled with infrastructural investments, lay the groundwork for sustained growth in the medium to long term.

- **Sectoral Performance:** The performance of various sectors of the economy in 2024 showcases divergent trends. While industries such as technology, renewable energy, and healthcare exhibit resilience and robust growth, traditional sectors like manufacturing and agriculture encounter challenges stemming from global market volatilities, input cost escalations, and regulatory constraints. The services sector, encompassing IT and finance, continues to serve as a significant driver of economic activity, leveraging digital transformation and innovation, combined contributing 60 per cent to Indian GDP.
- **Employment Dynamics:** The employment landscape in 2024 reflects the intricate interplay of structural reforms, technological advancements, and demographic transitions. Despite concerted efforts to bolster job creation through initiatives like "Make in India" and skill development programs, the challenge of absorbing a burgeoning workforce persists. Structural transformations, including automation and digitization, reshape the labour market, necessitating upskilling and reskilling efforts to align with evolving job requirements. Addressing the mismatch between job seekers' skills and industry demands emerges as a priority to harness India's demographic dividend.
- **Inflation and Monetary Policy:** The government has implemented a significant policy shift regarding price controls on essential commodities, affecting

over 100 items. This change entails a departure from the previous consumer-based Essential Commodity Act price control policy to a system where prices are determined by free market forces, specifically demand and supply dynamics. Inflationary pressures in 2024 necessitate vigilant macroeconomic management. While global commodity price fluctuations and supply-side disruptions contribute to inflationary impulses, prudent monetary policy interventions seek to maintain price stability and support economic recovery. The Reserve Bank of India (RBI) adopts a calibrated approach, balancing the imperatives of inflation targeting with the imperative of fostering growth momentum. Fiscal measures complement monetary policy initiatives to mitigate inflationary risks and stimulate demand where necessary.

- **FDI-driven Development, Trade, and Geopolitical Dynamics:** Approximately two-thirds of developing nations, among them India, exhibit a dependence on commodities, thereby encountering multifaceted challenges including economic diversification and volatility. Nevertheless, they possess indispensable resources pivotal for the global energy transition, alongside an abundance of untapped renewable energy potential. Through the implementation of strategies geared towards localized value augmentation and the allocation of resources into technological proficiencies, these nations stand poised to capitalize on their natural endowments, thereby effectuating economic diversification, ascending the value chain, and fostering broader economic prosperity via targeted industrial and innovation-centric policies. In a testament to this trajectory, the world witnessed an annual augmentation rate of 8.9 per cent, culminating in world services exports surpassing the notable threshold of US\$7.9 trillion in the year 2023 (UNCTAD, 2023). A recent report by the United Nations Conference on Trade and Development (UNCTAD) has shed light on significant shifts in global foreign direct investment (FDI) patterns. These shifts are intricately woven with the evolution of global value chains, technological advancements, geopolitical dynamics, environmental imperatives, and a heightened focus on infrastructure development. In the Indian context, FDI faces the daunting challenge of keeping pace with the expansion of production (GDP), trade dynamics, and the imperative of generating employment opportunities.

Consequently, India finds itself in need of a staggering \$1 trillion to emulate the Chinese model of modern infrastructural development. Notably, during his visit to India in 2015, Chinese President Xi Jinping pledged a substantial investment of \$100 billion towards infrastructure development. Regrettably, the Indian government has instituted restrictions on investment from neighbouring countries under the guise of security concerns. The determinants of investment now transcend traditional economic metrics, with non-economic considerations progressively influencing investment decision-making. This evolution complicates conventional methodologies for investment facilitation, underscoring the need for a nuanced and multifaceted approach to navigating the contemporary in-

vestment landscape (UNCTAD, Foreign Direct Trends in Sectoral-Wise, 2024) (Table 1).

Table 1. Foreign Direct Investment Trends (Sectoral-Wise in %)

Years	Manufacturing Sector (in %)	Service Sector (in %)	Other Non-Services Sectors
2004-2007	26	66	8
2008-2011	21	72	8
2012-2015	18	78	5
2016-2019	17	76	7
2020-2023	13	81	6

Source: UNCTAD's Report 2024.

India's engagement with the global economy in 2024 navigates a complex geopolitical landscape and evolving trade dynamics. Geopolitical tensions, trade disputes, and supply chain reconfigurations underscore the imperative of diversifying trade partnerships and enhancing self-reliance in critical sectors. Regional integration initiatives, coupled with bilateral trade agreements, present avenues for expanding market access and enhancing export competitiveness. Simultaneously, geopolitical uncertainties necessitate agility and strategic foresight in navigating global trade dynamics.

Sustainability and Inclusive Growth: The pursuit of sustainability and inclusive growth assumes heightened significance in India's economic agenda for 2024. Environmental conservation, social equity, and inclusive development emerge as overarching priorities, guiding policy interventions and investment decisions. Initiatives promoting renewable energy adoption, sustainable agriculture practices, and social welfare programs underscore India's commitment to balancing economic growth with environmental stewardship and social progress.

Overall, the economic performance of India in 2024 reflects a multifaceted landscape characterized by growth moderation, sectoral resilience, employment challenges, inflationary pressures, global uncertainties, and sustainability imperatives. Navigating this landscape necessitates agile policymaking, innovation-driven strategies, and inclusive development frameworks to realize India's aspirations for prosperity, resilience, and equitable growth in the years ahead.

The Indian manufacturing sector assumes a pivotal role in the nation's economic landscape, wielding substantial influence over its growth trajectory and socio-economic advancement. Recent assessments underscore a blend of resilience and hurdles, reflective of the intricate dynamics within a swiftly evolving global milieu and domestic imperatives. Notably, the Indian manufacturing industry exhibits robust growth propelled by technological innovations, advancements in productivity, and a penchant for innovation. Key sectors such as automotive, electronics, pharmaceuticals, and textiles showcase notable competi-

tiveness on the global stage. Initiatives like “Make in India” are strategically crafted to fortify indigenous manufacturing capabilities, attract foreign investments, and cultivate a conducive environment for industrial advancement. These endeavours manifest in augmented industrial output, expanded export opportunities, heightened job prospects, and overall economic prosperity.

India’s total exports reached a pinnacle of \$776.68 billion in the fiscal year concluding on March 31, 2024, as per preliminary data released by the Indian Ministry of Commerce. Although marginally smaller in comparison to the preceding year’s landmark of \$776.40 billion, this modest uptick was underpinned by robust growth in services exports, which offset a 3.11% decline in merchandise exports. Merchandise exports receded to \$437.06 billion in FY24, while services exports surged by 4.4% to a record \$339.62 billion.

The nation’s overarching trade deficit witnessed a noteworthy amelioration of 35.77%, declining from \$121.62 billion in FY23 to \$78.12 billion in FY24. Export dynamics remain significantly influenced by global market demand, which experienced temperance owing to geopolitical tensions such as conflicts in Ukraine and Gaza. The government’s strategic thrust towards exploring novel markets and diversifying the export portfolio with innovative products sustained momentum from the preceding fiscal year (2022-23).

Indian exporters find themselves relatively well-positioned in the landscape of 2024-25, notwithstanding emerging challenges. Addressing the recent escalation of the Israel-Iran conflict, authorities underscored a vigilant monitoring stance, pledging to undertake requisite measures. In March 2024, merchandise exports witnessed a marginal downturn of 0.67% to \$41.68 billion, whereas imports registered a notable decline of 5.98% to \$57.28 billion.

Provisional data denotes that India’s merchandise exports witnessed a decline of 3.11% to \$437.06 billion in the fiscal year 2023-24, in contrast to the \$451.07 billion recorded in the previous fiscal year 2022-23. Correspondingly, merchandise imports for the fiscal year 2023-24 also experienced a downturn, registering a decrease of 5.41% to \$677.24 billion, down from \$715.97 billion in 2022-23. In the realm of services, India saw an upsurge in exports coupled with a decrease in imports.

Services exports for the fiscal year 2023-24 were approximated at \$339.62 billion, reflecting a 4.39% increase from the \$325.33 billion reported in 2022-23. Conversely, services imports were documented at \$177.56 billion in FY24, as opposed to \$182.05 billion in FY23, indicating a decline of 2.46%. Ashwani Kumar, the president of the Federation of Indian Export Organisations (FIEO), lauded the resilience and steadfastness exhibited by the export sector amidst global adversities. Kumar underscored electronic goods, pharmaceuticals, engineering goods, iron ore, cotton yarn, and handloom products as pivotal catalysts for growth.

The noteworthy surge in overall export growth notwithstanding geopolitical tensions and economic hurdles underscores the sector’s unwavering commit-

ment and resolve. Prominent drivers of merchandise exports in FY24 encompassed electronic goods, pharmaceuticals, engineering goods, iron ore, cotton yarn, and handloom products, indicative of a promising trajectory given the labour-intensive nature of these sectors. India's merchandise trade deficit diminished to an 11-month nadir of \$15.6 billion in March 2024, signifying advancements compared to the preceding year, attributable to diminished gold imports and non-oil non-gold imports. This development is anticipated to exert a favourable influence on the current account balance in Q4 FY2024.

Despite certain favourable indicators, the Indian manufacturing industry continues to grapple with multifarious impediments. Infrastructure inadequacies, convoluted regulations, bureaucratic impediments, and constrained financial reservoirs impede the sector's latent growth prospects. Furthermore, the industry necessitates adeptness in navigating evolving consumer predilections, technological innovations, and global trade dynamics. To flourish, a concerted emphasis must be placed on bolstering competitiveness, honing skills, fostering innovation, and embracing sustainable practices across the supply chain. An additional critical facet pertains to championing inclusive growth within the manufacturing sphere, entailing equitable access to opportunities, rectification of regional disparities, bolstering support for small and medium enterprises (SMEs), and empowering marginalized cohorts to engender a more egalitarian and just industrial milieu.

While the Indian manufacturing sector has demonstrated advancements, it presently stands at a pivotal juncture replete with both prospects and impediments. To fully unlock its potential as a pivotal driver of economic expansion, employment generation, and sustainable progress, collaboration among policy-makers, industry stakeholders, and various other entities is imperative. Through the concerted addressing of pivotal hurdles, cultivation of innovation, and prioritization of inclusivity, India stands poised to establish its manufacturing domain as a formidable conduit to future prosperity.

India has initiated endeavours such as "Make in India" and "Start-up India" aimed at fortifying manufacturing and entrepreneurial vigour within the nation. Nevertheless, these initiatives have encountered hurdles in replicating the astronomical growth trajectory witnessed in China. China's remarkable economic metamorphosis over the past three decades has been propelled by a concentrated emphasis on domestic demand, substantial investments in infrastructure, and proactive involvement of public sectors alongside state-owned enterprises.

A pivotal distinction between India and China lies in the extent of governmental intervention in economic progression. China has adopted a centralized modality wherein governmental involvement looms large in the delineation and execution of large-scale ventures, bolstering strategic sectors, and fostering export initiatives. Leveraging the prowess of state-owned enterprises in tandem with global conglomerates, China has swiftly cultivated its industrial bedrock and infrastructure, emerging as a dominant force in global commerce.

Conversely, since the advent of the 1990s, India has adhered to a trajectory characterized by liberalization, privatization, corporatization, and globalization (LPCG). It has propagated a laissez-faire, market-oriented decentralized economic framework gravitating towards a crony capitalist mode of production underscored by private enterprise primacy (Ghosh, 2020). Initiatives such as “Make in India” and “Start-up India” are orchestrated with the objective of amplifying investment and fostering innovation, yet they encounter formidable impediments in the form of bureaucratic hurdles, infrastructural deficiencies, and regulatory ambiguities. To replicate comparable strides in economic advancement, India may find it imperative to amplify governmental intervention in strategic sectors, bolster infrastructure, and bolster indigenous industries. A tighter nexus between the public and private domains, coupled with heightened involvement in economic endeavours, holds the potential to expedite India’s metamorphosis on the economic front.

India’s burgeoning domestic market, propelled by an ascending middle class endowed with augmented disposable incomes, proffers a distinctive opening for the nation to engender superior-grade commodities for both internal consumption and global dissemination. Nevertheless, hurdles like inadequate infrastructure and lacunae in expertise necessitate redressal to fully harness India’s manufacturing prowess. Despite these deterrents, the vista for Indian manufacturing remains sanguine, furnishing substantial avenues for employment, embracing avant-garde technologies, and propelling the nation toward the echelons of a global manufacturing hegemon.

From the nascent years of the 1990s to the contemporary epoch of 2024, India’s manufacturing sphere has charted a trajectory characterized by a consistent crescendo in growth and expansiveness. This odyssey has been underscored by an unbroken continuum of advancement and maturation. Throughout this epoch, the domain has undergone a kaleidoscope of transformations spurred by sundry socioeconomic stimuli, technological progressions, and governmental decrees. Since the advent of the 1990s, connoted by the advent of economic liberalization and the promulgation of Structural Adjustment Programmes (SAP) under the aegis of the World Bank and the International Monetary Fund (IMF), India’s hitherto agrarian and service-oriented economic framework has undergone a conspicuous metamorphosis, gravitating discernibly toward the realm of manufacturing. This paradigmatic transmutation has played an instrumental role in fomenting a trajectory of modernization and globalization within the contours of the country’s economic fabric, facilitated by the erosion of trade barriers, alongside a pivot toward foreign direct investment, leveraged entrepreneurial endeavours, and market-oriented policies, thereby laying the substratum for heightened industrial participation.

In consequence, the domain bore witness to an inaugural upsurge in expansion as it capitalized on burgeoning prospects and acclimated itself to the evolving global economic tableau. Subsequently, the manufacturing sector underwent

a gradual consolidation of its competencies and capacities. Infusions of capital into infrastructure, technology, and skill augmentation served to amplify productivity and competitiveness on a global scale (Sharma, 2019). The advent of digitalization and automation has further fortified operational efficiencies, productivity, and competencies on a global scale, affording manufacturers the capability to streamline processes and amplify output. However, this advancement has occurred without a corresponding increase in employment opportunities (Mishra, 2022). Throughout this transformative epoch, the manufacturing sector emerged as a pivotal catalyst for India's economic expansion, yielding substantial contributions to GDP and employment generation. Its diversification across multifarious industries such as automobiles, pharmaceuticals, textiles, and electronics underscored its resilience and adaptability in navigating evolving market dynamics.

Governmental initiatives and programs such as "Make in India", "Skill India", and "Atmanirbhar Bharat Abhiyan" played a pivotal role in cultivating a conducive milieu for manufacturing prowess. These endeavours sought to augment domestic production, foster innovation, and bolster entrepreneurship, thereby fortifying the industry's bedrock and fostering enduring growth. Exportation emerged as a cornerstone of India's manufacturing prowess, facilitating market amplification and revenue expansion. The sector's robust export performance, underpinned by competitive pricing, stringent quality benchmarks, and adherence to global standards, has propelled India into a formidable contender on the international stage.

Notwithstanding its remarkable ascent, the Indian manufacturing landscape contends with an array of challenges demanding redressal. Inadequate infrastructure, labyrinthine regulations, bureaucratic impediments, and a dearth of skilled labourers impede sustained growth and competitiveness. Moreover, the spectre of geopolitical uncertainties and disruptive technologies necessitates a proactive stance to ensure resilience and adaptability.

India's manufacturing sphere has traversed a noteworthy trajectory since the 1990s, buoyed by economic overhauls, technological breakthroughs, and policy interventions. While the sector's strides toward modernization and globalization merit acclaim, it remains imperative to confront extant challenges to unlock its latent potential and foster inclusive and sustainable development in the times ahead (Singh, 2023). The Indian government has undertaken a myriad of programs aimed at fostering and fortifying the manufacturing sector. These initiatives encompass:

- **Make in India:** Inaugurated in 2015, this flagship endeavours to transmute India into a global manufacturing juggernaut. Its principal thrust lies in cultivating an enabling business ecosystem by streamlining regulations and championing 25 pivotal sectors, including automobiles, electronics, textiles, and pharmaceuticals.
- **Production-Linked Incentive (PLI) Schemes:** These schemes proffer financial

inducements to firms to augment the production of specified commodities. The overarching objective of the PLI schemes is to galvanize domestic manufacturing and enhance the export competitiveness of Indian goods.

- Streamlined Registration Procedures: The government has rationalized the registration protocols for enterprises, encompassing the introduction of Udyam registration for Micro, Small, and Medium Enterprises (MSMEs).
- Export Promotion: Despite recent growth, there exists substantial scope for burgeoning manufacturing exports. The government aims to elevate the share of manufacturing exports in total exports to 25% by 2027.

Notwithstanding the strides made, the Indian manufacturing landscape grapples with a plethora of challenges:

- Infrastructure Impediments: Insufficient infrastructure, encompassing power supply, logistics, and transportation networks, obstructs the seamless operation of manufacturing enterprises.
- Skilled Labor Shortages: A disjuncture exists between the available workforce and the exigencies of contemporary manufacturing. There is a pressing need for additional initiatives in skill development.
- Ease of Business: While advancements have been made, the simplification of bureaucratic processes and the attenuation of regulatory intricacies can further ameliorate the business climate.
- Global Competitiveness: India contends with formidable competition from nations such as China and Vietnam. Sustaining competitiveness necessitates a concerted focus on cost efficiency and product quality.

In conjunction with these challenges, it is imperative to scrutinize the manifold sectors within the manufacturing domain, delineate growth catalysts, evaluate prospects, scrutinize capacity utilization, surmount obstacles, and explore nascent sectors poised for emergence (Arora, 2021).

India boasts a diverse manufacturing landscape, encompassing several key sectors that wield substantial influence over overall output. Let us delve into some of the prominent domains:

Automobiles: The automotive sector in India stands as one of the largest globally, propelled by a burgeoning domestic market and a transition toward electric vehicles.

- Growth Drivers: Factors such as the burgeoning middle class, escalating disposable incomes, governmental advocacy for electric vehicles, and burgeoning demand for two-wheelers underpin growth in this sphere.
- Opportunities: Opportunities abound in transitioning to electric vehicles, expanding into international markets, and concentrating on component manufacturing.
- Capacity Utilization: Presently, the industry operates at a capacity ranging between 70% to 80%, suggestive of latent potential for further expansion.
- Challenges: Challenges encompass competition from entrenched players, infrastructural impediments, and a paucity of expertise in electric vehicle

technology.

Pharmaceuticals: India serves as a foremost global purveyor of generic drugs and vaccines.

- **Growth Drivers:** Catalysts such as the aging global populace, escalating healthcare expenditures, and governmental patronage for indigenous pharmaceutical enterprises propel growth in this arena.
- **Opportunities:** Prospects lie in the development of novel drug formulations, penetration into niche markets, and investments in biosimilars.
- **Capacity Utilization:** The industry currently operates at a capacity of 70% to 75%, signifying room for expansion.
- **Challenges:** Challenges entail stringent regulations in export destinations, apprehensions surrounding intellectual property, and rivalry from low-cost producers.

Textiles & Apparel: India boasts a storied legacy in textiles and commands a robust presence in the global apparel domain.

- **Growth Drivers:** Drivers such as burgeoning global demand for apparel, a focus on value-added offerings, and an expanding domestic market for branded attire propel growth in this sector.
- **Opportunities:** Opportunities abound in the adoption of automation and technological innovations, accentuation of sustainable and ethical production practices, and penetration into premium market segments.
- **Capacity Utilization:** Presently, the industry operates at a capacity ranging between 75% to 80%, indicative of growth potential.
- **Challenges:** Challenges encompass rivalry from nations boasting lower labour costs, fluctuations in cotton prices, and trade impediments from select countries.

In addition to these entrenched sectors, India is witnessing burgeoning growth in nascent domains such as:

Electronics: Governmental initiatives like “Make in India” are catalyzing investments in electronics manufacturing, particularly in the realms of mobile phones and electronic components.

Food Processing: Escalating domestic demand for processed foodstuffs and an accentuation on value addition present substantial avenues for growth.

Defense Manufacturing: The government’s impetus toward self-sufficiency in defence apparatuses is spurring investments in this sphere.

Small and medium-sized enterprises (SMEs): They constitute a linchpin of India’s manufacturing paradigm, furnishing noteworthy contributions to employment generation and overall industrial yield. At present, SMEs account for approximately 30% of India’s manufacturing GDP and engender job opportunities for over 120 million individuals.

The government has instituted sundry policies to buttress the expansion of SMEs, inclusive of the Udyam Registration framework, which streamlines compliance protocols and furnishes access to incentives. Credit Guarantee Schemes

like the CGTMSE endeavour to hasten credit accessibility for SMEs, alleviating financial constraints. Moreover, directives have been promulgated to earmark a proportion of procurement for SMEs, broadening their market vistas.

Notwithstanding governmental backing, SMEs confront challenges such as constrained access to financing, reluctance in technology adoption, and impediments in marketing and accessing broader markets. Augmenting competitiveness vis-à-vis manufacturing wages, labour pool, global trade share, and foreign direct investment (FDI) assumes paramount importance for SME growth.

Semiconductor & Lithium Battery: India's potential in semiconductor and lithium battery production is highly promising, driven by robust government support, increasing domestic demand, and strategic international partnerships. However, realizing this potential necessitates addressing challenges related to infrastructure, skilled labour, and environmental sustainability. With the implementation of appropriate policies and investments, India could emerge as a key player in the global semiconductor and lithium battery markets.

6. Government Initiatives and Policies

Production Linked Incentive (PLI) Scheme: The Indian government has introduced the PLI scheme to boost local manufacturing of semiconductors, offering substantial financial incentives for companies establishing semiconductor fabs and related infrastructure.

Digital India Initiative: This initiative promotes the development of digital infrastructure, thereby increasing the demand for semiconductors in consumer electronics, telecommunications, and other sectors.

6.1. Growing Domestic Market

Electronics and IT Sector Growth: The rapid expansion of India's electronics and IT sectors has led to a surge in demand for semiconductors used in products such as smartphones, laptops, and other electronic devices.

Automotive Sector: The growth of electric vehicles (EVs) and the automotive industry in India drives the need for semiconductors, particularly for EV components and smart vehicle technologies.

6.2. Strategic Partnerships and Investments

International Collaborations: India is actively seeking collaborations with global semiconductor companies for technology transfer and joint ventures. Discussions with companies like Intel and TSMC are underway.

Domestic Investments: Indian companies are increasingly investing in semiconductor fabs and design capabilities, aiming to build a robust local supply chain.

6.3. Investment in New Area: Lithium Battery Production

Demand for Electric Vehicles (EVs)

- **EV Market Growth:** The Indian EV market is expected to grow significantly

in the coming years, increasing the demand for lithium-ion batteries. Government incentives for EV adoption are accelerating this trend.

- **Battery Swapping and Charging Infrastructure:** The development of comprehensive charging infrastructure and battery-swapping networks is essential for the widespread adoption of EVs, further boosting battery production.

Resource Availability and Strategic Partnerships

- **Lithium Reserves and Imports:** Despite limited domestic lithium reserves, India is actively securing lithium supplies through international partnerships and investments in lithium-rich countries like Australia and Bolivia.
- **Recycling and Second-life Applications:** India is focusing on battery recycling technologies to manage battery waste and extract valuable materials, reducing dependency on raw lithium imports.

Government Policies and Incentives

- **National Electric Mobility Mission Plan (NEMMP):** This policy aims to promote the adoption of EVs, including subsidies for battery manufacturing.
- **PLI Scheme for Advanced Chemistry Cell (ACC) Batteries:** Similar to the semiconductor sector, this scheme offers financial incentives to companies establishing battery manufacturing facilities in India.

Research and Development

- **Innovative Technologies:** Indian institutions and companies are investing in R&D to develop more efficient and cost-effective battery technologies, including solid-state batteries and other advanced chemistries.
- **Collaborative Research:** Partnerships with international research organizations and companies leverage advanced technologies and innovations in battery production.

Challenges and Considerations

- **Infrastructure Development:** Building the necessary infrastructure for semiconductor fabs and battery manufacturing plants requires significant investment and time.
- **Skilled Workforce:** Developing a skilled workforce specialized in semiconductor and battery technologies through education and training programs is crucial.
- **Environmental Concerns:** Sustainable practices in both sectors, particularly in mining, manufacturing, and recycling, need to be prioritized to minimize environmental impact.
- **Global Competition:** India faces stiff competition from established players in both semiconductor and battery manufacturing, necessitating strategic planning and execution to secure a significant market share.

India's comparatively lower manufacturing wages vis-à-vis developed economies confer a cost advantage, yet productivity enhancements are imperative to sustain competitiveness. With an expansive and youthful workforce, upskilling assumes pivotal significance in meeting the exigencies of modern manufacturing. Endeavours to augment India's share in global manufacturing exports via

initiatives like Production-Linked Incentive (PLI) schemes and trade pacts are underway. Additionally, enticing more FDI into the manufacturing sector necessitates a stable investment milieu and enticing policies.

India encompasses a myriad of pivotal industrial regions that wield considerable influence over the nation's manufacturing landscape. These regions proffer unique advantages and entice investments owing to their supportive policies. The Western Region, encompassing states like Maharashtra, Gujarat, and Karnataka, garners renown for its robust infrastructure, skilled manpower, and predominant industrial presence. These states have entrenched themselves as pivotal actors in the industrial arena, attracting investments and fostering proliferation.

Former Reserve Bank of India governor, Raghuram Rajan, has come under scrutiny for his appraisal of India's economic trajectory. He has underscored the structural impediments necessitating redressal for sustainable growth. In an interview with Bloomberg, Rajan accentuated the necessity to transcend superficial "hype" encircling India's economic expansion and concentrate on rectifying fundamental issues like education and workforce competencies. Rajan propounded that India must grapple with these foundational challenges before it can genuinely unleash its latent potential. He also cautioned against the espousal of unrealistic objectives, such as achieving developed status by 2047, sans prior rectification of issues like high school attrition rates. Rajan underscored the significance of sustained endeavours and a reassessment of national priorities to attain consistent growth at a rate of 8 per cent. Moreover, Rajan castigated the government's fixation on high-profile ventures such as semiconductor manufacturing, contending that these endeavours divert attention from the more exigent imperative of comprehensively enhancing the education and healthcare systems.

In the realm of Labour Market Conditions, as delineated in the India Employment Report for 2024, a collaborative effort between the International Labour Organisation (ILO) and the Institute of Human Development (IHD) reveals a striking revelation: a substantial 83% of the unemployed populace in India comprises young individuals. This glaring statistic underscores a pressing concern within the job market, particularly in light of the burgeoning youth demographic in the country. Of particular perturbation is the discernible trend wherein the highest incidence of unemployment among the youth demographic is observed among those possessing graduate qualifications. This paradoxical phenomenon unveils a disconcerting reality wherein individuals endowed with advanced education encounter exacerbated hurdles in securing meaningful employment.

In the domain of Poverty Conditions, notwithstanding India's commendable advancements in economic prosperity and development in recent epochs, the spectre of poverty looms as an enduring quandary, casting a pervasive pall over the nation's march towards progress. An amalgamation of factors encompassing

the unequal distribution of wealth, constrained access to education and healthcare, deficient rural infrastructure, and a paucity of employment avenues collectively perpetuate the entrenched cycle of impoverishment afflicting myriad Indians. Drawing upon the poverty headcount ratio at the threshold of \$5.50 per day—an index denoting the proportion of the populace subsisting on incomes below \$5.50 per diem, gauged at 2011 international price levels—the global poverty rate for the year 2019 was documented at 46.90%. Alarming trends indicate a surge to 86.8% in 2024 within the Indian context. Nearly half of India’s prodigious population, constituting an approximate tally of 1.4 billion individuals, grapples incessantly with the harsh realities of destitution (Prabhakar, 2024). As delineated in the 2024 World Bank report, an astonishing fraction of this demographic—nearly half—resides below the median poverty demarcation, set at a modest \$3.65 per capita per day. This disconcerting datum serves to illuminate the pervasive economic disparity and formidable impediments confronting a substantial swath of Indian society (Table 2).

Table 2. Share of population living at below \$5.50 a day based on measured at 2011 international price levels (Source: World Banks Report 2024).

Country	Population (in %)
Nigeria	92.1
India	86.8
Ethiopia	84.7
Bangladesh	84.5
Pakistan	79.5
Indonesia	62.3
Egypt	61.9
South Africa	57.1
Vietnam	35.4
Mexico	34.8
China	31.5

Authored Developed

Residing below the poverty threshold entails grappling with the fundamental struggle to satisfy basic necessities such as sustenance, shelter, and attire, let alone access to essential education and healthcare services. Families ensnared in poverty often confront agonizing choices, forced to prioritize between procuring food or affording critical medical treatments. Furthermore, children reared in destitute households encounter formidable barriers to acquiring a quality education, thereby perpetuating the cycle of poverty into successive generations. The ramifications of widespread impoverishment transcend individual suffering, exerting profound impacts on societal well-being and economic progress. Poverty serves as a hindrance to productivity and innovation, thereby impeding the na-

tion's economic potential for growth. Moreover, it exacerbates prevalent social maladies including malnutrition, infant mortality, and inadequate sanitation, thereby presenting formidable challenges to public health and overall human development.

Effectively addressing the spectre of poverty in India necessitates the implementation of comprehensive strategies encompassing economic restructuring, social welfare initiatives, and targeted interventions tailored to empower marginalized communities. Imperative to this endeavour is the augmentation of access to education, healthcare, and employment opportunities, which serve as linchpins in dismantling the poverty cycle and nurturing inclusive prosperity. Concurrently, initiatives aimed at bolstering rural infrastructure, fostering sustainable livelihoods, and advancing gender equality are indispensable in ameliorating poverty and fostering equitable development across the nation.

Additionally, the report brings attention to the gender disparity in the unemployment crisis, showing that women in the youth demographic experience disproportionately higher levels of joblessness compared to men. This discrepancy emphasizes the urgent need for targeted interventions to address the systemic barriers that prevent women from fully participating in the workforce. In response to these findings, policymakers and stakeholders must work together to create a supportive environment for inclusive and sustainable economic growth, prioritizing the development of job opportunities that meet the diverse needs and aspirations of India's young workforce.

Efforts should focus on enhancing skill development, promoting entrepreneurship, and breaking down gender-based obstacles to labour market participation. By doing so, we can build a more equitable and prosperous future for all members of society.

7. Summary

Since the 1990s, India has embraced neoliberal economic policies, including the "structural adjustment programme" and "liberalization", under the aegis of the World Bank, the IMF, and the WTO. These policies, characterized by hyper-globalization, privatization, corporatization, digitalization, financialization, and marketization, have significantly exacerbated inequalities among people and nations, leading to increased unemployment, poverty, inflation, and economic imbalances. These outcomes underscore the inherent issues within contemporary capitalism. In this context, achieving critical objectives such as reforming the international financial architecture, promoting multilateralism, advancing de-dollarization, and addressing ongoing geoeconomic fragmentation becomes paramount. Furthermore, the pursuit of the United Nations' Sustainable Development Goals (SDGs) for 2030 faces substantial challenges. To this end, BRICS+ must play a pivotal role in fostering more inclusive economic development and reforming the international financial system.

India has unmistakably risen to commendable heights, exemplified by the

achievement of a GDP surpassing USD 4 trillion, thereby solidifying its position as the fifth-largest economy globally, notwithstanding a public debt burden amounting to \$2.5 trillion. However, juxtaposed against this narrative is India's struggle with stark income disparity, as approximately 300 million individuals grapple with hunger daily, engaged in a relentless struggle for sustenance. Furthermore, an estimated 86 per cent of the populace resides below the poverty threshold, plagued by malnutrition, while approximately 83.5 per cent of the youth languish in unemployment, compounded by millions enduring homelessness. The nation contends with the disheartening reality of approximately 50 per cent, notably females, residing in illiteracy, as evidenced by its relatively modest per capita income ranking of 139th among nations.

India's financial system stability and microeconomic stability are paramount goals for ensuring economic stability, surpassing the pursuit of rapid economic growth. Among the three factors of production—land, labour, and capital—capital is primarily under the purview of the Union Government. Over the past three decades, capital market reforms have emerged as the most successful interventions by the Government.

The realization that India trails its BRICS and G-20 counterparts concerning per capita income accentuates the imperative for concerted endeavours aimed at ameliorating the standard of living for all citizens. While economic proliferation remains imperative, ensuring the equitable dispersion of its dividends assumes commensurate significance. This necessitates the formulation and implementation of policies geared towards fostering inclusive growth, dismantling structural impediments to affluence, and prioritizing social welfare schemes accordingly.

The propulsion of growth mandates a multi-pronged strategy, encompassing investments in infrastructure, education, healthcare, and technological advancements. Moreover, the cultivation of an ecosystem conducive to entrepreneurial ventures and innovative endeavours stands to invigorate economic vitality, engendering avenues for employment proliferation and wealth accretion.

The transition towards allocating resources into high-technology sectors such as chip manufacturing can be construed as a prudent manoeuvre aimed at positioning India within the intricate web of global supply chains and nurturing a culture of innovation. Nevertheless, it is imperative to conscientiously confront the impediments confronted by conventional, labor-centric domains like the leather industry. Disregarding such sectors has the potential to exacerbate issues pertaining to unemployment, given their historical propensity to absorb a substantial segment of the populace, particularly in rural locales. The spectre of social and political turbulence looms large when sizable cohorts of society perceive themselves as economically disenfranchised or relegated to the fringes of progress. A judicious approach is indispensable, one that advocates for investment in nascent sectors while concurrently buttressing and rejuvenating traditional domains. This necessitates the deployment of targeted subsidies, initiatives aimed at skill enhancement, and endeavours geared towards modernizing and enhanc-

ing the productivity of labour-intensive industries.

Furthermore, policy frameworks should be calibrated to foster an enabling environment for entrepreneurship and small-scale enterprises spanning diverse sectors, thereby engendering a more resilient and dynamic economic landscape conducive to generating employment opportunities. The crux lies in orchestrating a harmonious amalgamation of strategies that underpin sustainable and inclusive economic advancement.

The redressal of income disparateness mandates targeted interventions calibrated towards marginalized cohorts, hinterland regions, and the informal economy sectors. The establishment of social safety nets, augmentation of skill acquisition initiatives, and endeavours aimed at enhancing financial inclusivity possess the potential to embolden vulnerable demographics, thereby mitigating the chasm in wealth distribution. Furthermore, augmentation of the ease of conducting commercial activities, attenuation of bureaucratic impediments, and the propagation of transparency and accountability in governance mechanisms constitute pivotal prerequisites for cultivating an investment-friendly milieu, thereby fostering economic expansion.

The manufacturing sector of India demonstrated resilience, adaptability, and growth potential in the year 2024 amidst a changing economic environment. To maintain this momentum and overcome challenges, strategic interventions, technological advancements, and policy reforms are crucial. By analyzing the performance of India's manufacturing sector in 2024, it is evident that the sector has the capability to transform and thrive in the face of various obstacles. Despite facing issues like supply chain disruptions, inflation, and geopolitical uncertainties, the sector managed to achieve moderate growth. This growth was driven by advancements in technology, reforms in policies, and strategic initiatives. Some areas of the manufacturing sector flourished while others struggled due to regulatory obstacles, lack of infrastructure, and shortage of skilled labour.

The adoption of advanced technologies, including automation, artificial intelligence, and digitalization, has revolutionized manufacturing processes, resulting in enhanced efficiency, productivity, and competitiveness. However, the SME sector faces formidable competition, necessitating the promotion of SMEs through entrepreneur-driven technological innovation initiatives.

Investments in research and development have also fueled innovation and diversified product offerings across different industries. Government efforts to enhance the ease of doing business, attract foreign investment, and strengthen industrial infrastructure have played a significant role in boosting manufacturing activities. Programs like the Production Linked Incentive (PLI) scheme have encouraged investment and promoted domestic production. While industries like electronics, pharmaceuticals, and automotive have shown resilience and global competitiveness, sectors like textiles, small-scale enterprises, and traditional manufacturing have faced challenges. India's economic paradigm has un-

dergone a seismic shift in recent decades, galvanized by successive waves of privatization, liberalization, and disinvestment targeting state-owned enterprises (SOEs).

At the epicentre of this transformative trajectory lies a contentious discourse concerning the governmental role in fostering economic growth and development. Detractors contend that India's embrace of corporate-driven crony capitalism through these policy mechanisms has served to exacerbate societal schisms, perpetuating economic inequality and undermining foundational tenets of democracy and social equity. Privatization, the transference of state-held assets to private entities, has emerged as a linchpin of India's economic reform agenda since the early 1990s. Framed within the rhetoric of efficiency and market competition, governments have divested public enterprises across diverse sectors, from telecommunications to energy, positing that private ownership would catalyze innovation, amplify productivity, and allure essential investments.

Nevertheless, critics assert that this process has been sullied by nepotistic practices, clandestine transactions, and preferential treatment towards corporate behemoths, thereby cementing the foothold of crony capitalism. Liberalization, denoting the unfettering of the economy to foreign investment and trade, has further entrenched the sway of corporate interests in India's economic policy-making echelons.

While proponents extol the influx of capital, technological prowess, and domain expertise ushered in by liberalization, dissenting voices caution against the erosion of regulatory oversight and the conglomeration of wealth and influence in the hands of a privileged minority. Multinational conglomerates, often wielding considerable financial clout and political affiliations, have adroitly manipulated their leverage to sculpt policies conducive to their interests, amplifying apprehensions regarding the co-optation of the state by corporate entities. Disinvestment in SOEs, erstwhile hailed as vanguards of equitable growth and societal well-being, has witnessed an accelerated pace in recent years as governments endeavour to pare fiscal deficits and streamline operational efficiencies. Advocates posit that the jettisoning of non-core assets and curtailment of governmental intervention augurs enhanced efficiency and competitiveness. Nonetheless, critics caution against the atrophy of public accountability and the relinquishment of strategic control vis-a-vis vital sectors such as infrastructure and natural resource management. Furthermore, the disinvestment process has been besmirched by allegations of cronyism, with well-connected individuals and corporate entities capitalizing on advantageous connections to secure lucrative assets at markdown prices.

The ramifications of India's dalliance with corporate-driven crony capitalism are profound and expansive. Despite ostensible economic growth, the dividends thereof have disproportionately accrued to a select cohort, exacerbating socio-economic cleavages and fomenting societal discord. Moreover, the cosy interlinkages between political functionaries, bureaucratic echelons, and corporate

magnates have corroded democratic institutions and engendered a crisis of public faith in governance mechanisms. As India navigates the contours of the 21st century, striking a harmonious equilibrium between market dynamism and social equity assumes paramount importance in ensuring an inclusive and sustainable developmental trajectory for its populace.

Targeted interventions are needed to address structural constraints in these areas: Sustainability has emerged as a pivotal focal point within the manufacturing sector, underscored by a concerted emphasis on methodologies such as green manufacturing, green economy initiatives, green finance mechanisms, the uptake of renewable energy sources, and the curtailment of waste through the promotion of circular economic models. The sector's adherence to environmental statutes and international accords not only underscores its dedication to sustainable progress but also underscores its proactive engagement in the pursuit thereof.

The manufacturing sector has been actively engaging with global value chains through partnerships, trade agreements, and export-oriented strategies to expand market reach and enhance competitiveness. However, geopolitical tensions and trade uncertainties continue to pose challenges to seamless integration and export growth.

The research undertakes a meticulous examination of India's manufacturing landscape, with a principal focus on its efficacy in fostering job-centric sustainable economic expansion. Let us delve into the theoretical and contextual underpinnings of this study and elucidate its consequential significance to the extant body of knowledge:

7.1. Theoretical Contribution

- **Economic Growth Theory:** This research augments the corpus of economic growth theory by scrutinizing the intricate interplay between manufacturing sector performance and the sustainability of economic expansion. It endeavours to elucidate how a resilient manufacturing sector serves as a catalyst for employment generation and contributes substantively to the perpetuation of enduring economic vitality.
- **Job Creation Models:** Through a meticulous dissection of the manufacturing sector's role in employment generation, this study offers a substantive contribution to extant models delineating the mechanisms underpinning job creation. It is poised to unveil novel insights into the multifaceted pathways through which manufacturing endeavours precipitate employment opportunities across diverse sectors of the economy.
- **Sustainability Frameworks:** Engaging with sustainability frameworks, this research is poised to assess the sustainability quotient inherent in economic growth propelled by the manufacturing sector. It endeavours to probe into facets such as environmental ramifications, social parity, and resource efficacy within the realm of manufacturing-driven economic expansion.

7.2. Contextual Contribution

- **Indian Economic Context:** Against the backdrop of India's stature as a burgeoning emerging economy, this research is strategically situated within the contours of India's idiosyncratic economic milieu, rife with distinct challenges and prospects. It seeks to unravel the manner in which India's manufacturing landscape, characterized by its unique attributes and dynamism, imparts its imprint upon the broader tapestry of economic growth and employment dynamics.
- **Policy Relevance:** This research is poised to furnish insights germane to the policymaking echelons in India. By delving into the intricacies of the manufacturing sector's performance, policymakers stand to glean invaluable perspectives, thereby facilitating the formulation of strategies aimed at engendering sustainable economic expansion and engendering employment opportunities, in consonance with overarching national developmental imperatives.
- **Global Manufacturing Trends:** This study is anticipated to situate India's manufacturing sector within the broader canvas of global manufacturing trends. It harbours the potential to juxtapose India's performance vis-à-vis that of its peer emerging economies or discern the ramifications of global manufacturing paradigm shifts upon India's economic trajectory.

7.3. Significance to Existing Knowledge

- **Addressing Knowledge Lacunae:** By furnishing a comprehensive analysis of India's manufacturing sector performance through the prism of job-oriented sustainable economic expansion, this research endeavours to bridge extant knowledge lacunae. It not only synthesizes prevailing knowledge paradigms but also unfurls novel insights and empirical evidence.
- **Informing Policy Discourses:** By casting illumination upon the intricate nexus between the manufacturing sector, job creation, and sustainable economic growth, this research serves to inform ongoing policy discourses within India and beyond. It furnishes evidence-laden arguments poised to exert a discernible influence upon policy formulations germane to industrial development, labour market policies, and sustainability imperatives.
- **Charting Pathways for Future Inquiry:** The findings of this research are poised to chart pathways for future scholarly inquiry into the dynamics underpinning manufacturing-led economic expansion. Researchers can leverage the conceptual frameworks and empirical methodologies propounded within this study as springboards to delve deeper into the nuances characterizing manufacturing sector performance and its ramifications for economic advancement.

The research elucidating India's manufacturing sector performance and its pivotal role in fostering job-centric sustainable economic growth furnishes substantive theoretical and contextual contributions, thereby enriching our comprehension of the manufacturing sector's pivotal role in propelling economic

development, particularly within the Indian purview. It not only informs policy deliberations but also serves as a beacon guiding future scholarly endeavours within this realm.

7.4. Conclusion

Since the 1990s, India has embraced neoliberal economic policies, including the “structural adjustment programme” and “liberalization”, under the aegis of the World Bank, the IMF, and the WTO. These policies, characterized by hyper-globalization, privatization, corporatization, digitalization, financialization, and marketization, have significantly exacerbated inequalities among people and nations, leading to increased unemployment, poverty, inflation, and economic imbalances. These outcomes underscore the inherent issues within contemporary capitalism. In this context, achieving critical objectives such as reforming the international financial architecture, promoting multilateralism, advancing de-dollarization, and addressing ongoing geoeconomic fragmentation becomes paramount. Furthermore, the pursuit of the United Nations' Sustainable Development Goals (SDGs) for 2030 faces substantial challenges. To this end, BRICS+ must play a pivotal role in fostering more inclusive economic development and reforming the international financial system.

8. Recommendations

The capital assets, amounting to trillions of dollars, held by private Big Tech and Big Finance crony corporate entities must be nationalized. Similarly, the unutilized trillions of dollars in the form of gold and other assets held by religious organizations should be appropriated by the government. These resources should be deployed to provide free, high-quality public education, entrepreneurship skills development, and public health services to all Indian citizens.

Key public services, such as railways, roadways, electricity, safe drinking water supply, and defense, should remain nationalized and be made accessible to all citizens. To enhance workforce readiness, the establishment and expansion of vocational training institutes focused on high-employment industries such as manufacturing, healthcare, IT, and renewable energy is essential.

Industry-Academia Collaboration: Strengthen partnerships between educational institutions and industries to ensure curricula are aligned with market needs, equipping graduates with relevant, up-to-date skills.

Digital Literacy Initiatives: Launch nationwide programs to enhance digital literacy, particularly in rural areas, preparing the workforce for a digital economy.

Promoting Entrepreneurship and Innovation:

Startup Ecosystem Support: Offer financial incentives, tax breaks, and mentorship programs for startups, especially in tech and green sectors.

Incubators and Accelerators: Develop incubators and accelerators in tier-2 and tier-3 cities to foster local talent and innovation.

Access to Capital: Improve access to venture capital and microfinance for SMEs, focusing on women and marginalized communities.

Infrastructure Development:

Modernizing Infrastructure: Invest in modernizing transportation, energy, and digital networks to boost efficiency and connectivity.

Smart Cities: Promote smart city development to enhance urban living conditions and create sustainable jobs.

Rural Connectivity: Improve rural infrastructure to enhance connectivity, market access, and quality of life, fostering rural entrepreneurship and job creation.

Sustainable Agricultural Practices:

Agri-Tech Solutions: Encourage the adoption of agri-tech innovations to increase productivity, reduce waste, and improve supply chain efficiency.

Diversification: Promote crop diversification and sustainable farming practices to enhance resilience and profitability for farmers.

Rural Development Programs: Implement comprehensive rural development programs focusing on infrastructure, education, and health to improve overall rural prosperity.

Inclusive Economic Policies:

Social Safety Nets: Strengthen social safety nets, including unemployment benefits, healthcare, and pensions, to support vulnerable populations during economic transitions.

Gender Equality Initiatives: Promote gender equality in the workplace through policies ensuring equal pay, leadership opportunities, and support for working mothers.

Regional Development: Tailor economic policies to address regional disparities, ensuring balanced development across states and regions.

Green Economy Transition:

Renewable Energy Investments: Increase investments in renewable energy projects to create jobs and reduce fossil fuel dependence.

Sustainable Practices Incentives: Provide incentives for businesses to adopt sustainable practices, including energy efficiency, waste reduction, and sustainable sourcing.

Climate Resilience Programs: Develop programs aimed at building climate resilience in communities, particularly in areas prone to environmental challenges.

Improving Governance and Ease of Doing Business:

Regulatory Reforms: Simplify and streamline regulatory processes to reduce bureaucracy and enhance ease of doing business.

Public-Private Partnerships: Foster public-private partnerships to leverage private sector expertise and investment in public projects.

Promoting Digital Economy:

Digital Infrastructure: Expand digital infrastructure, ensuring high-speed internet access across the country, especially in underserved areas.

E-Governance: Implement e-governance solutions to improve efficiency, trans-

parency, and citizen engagement in government services.

Digital Financial Inclusion: Promote digital financial services to increase financial inclusion, enabling broader economic participation.

Healthcare and Wellbeing:

Universal Healthcare Access: Aim for universal healthcare coverage to ensure a healthy workforce, crucial for economic productivity.

Mental Health Support: Integrate mental health services into primary healthcare to address mental health issues and their impact on productivity.

Health Infrastructure: Invest in healthcare infrastructure, particularly in rural areas, to improve access and quality of care.

Strengthening Global Trade and Investment:

Trade Agreements: Pursue beneficial trade agreements to expand market access for Indian goods and services.

Foreign Direct Investment (FDI): Create a conducive environment for FDI by ensuring policy stability, protecting intellectual property, and offering competitive incentives.

Export Promotion: Support export-oriented industries through subsidies, marketing assistance, and the removal of logistical bottlenecks.

By implementing these comprehensive strategies, India can foster job-oriented, sustainable, and inclusive development, driving economic prosperity for all its citizens. These measures will unleash the potential of India's agricultural transformation-based rural social entrepreneurship manufacturing hub, promoting inclusive and sustainable growth, and solidifying its position as a global manufacturing leader in the coming years.

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Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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