

India Vision 2050

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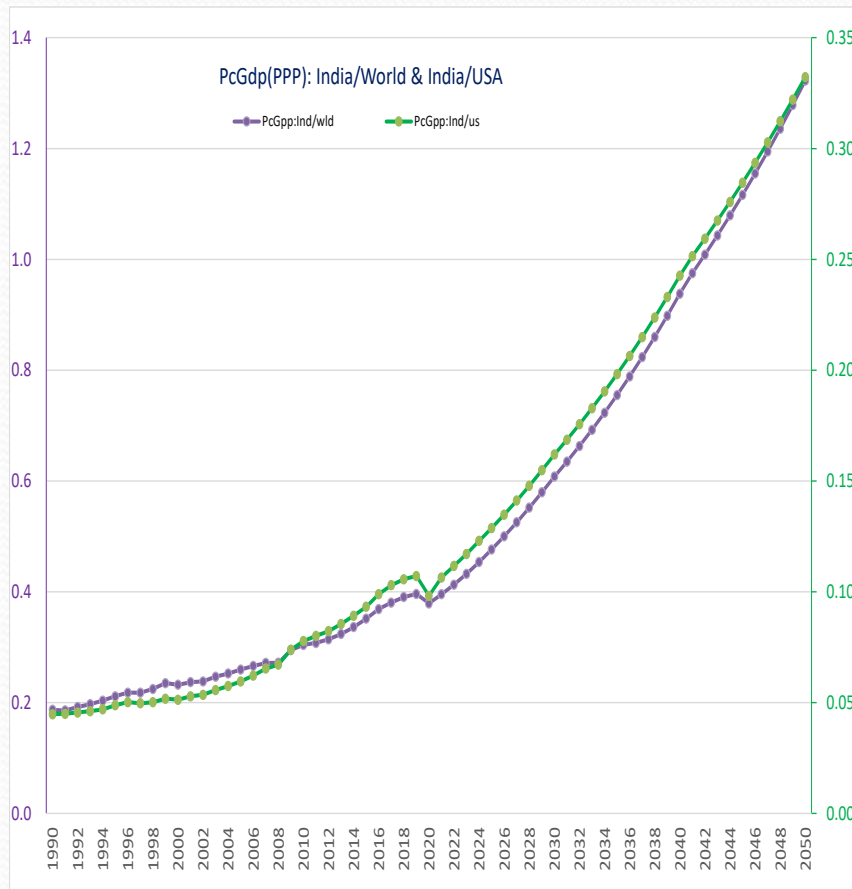
Introduction

- Objective: LMIC (2020) => HIC (2050)
 - Lower middle to Higher Income country
- Key means for achieving objective
- Outline picture of India (2050), in terms of
 - Public welfare: PcGdp
 - Economic size/power: Gdp, VIPP
 - India relative to China
- Details of each of the three drivers/pillars

Key Pillars

1. Sustained, fast, economic growth
 - Avg gr rt: PcGdp = 5.8 % per annum
 - GDP = 6.4% given pop gr of ~0.6% per year
2. Equality of opportunity (EOE)
 - Women, SC/ST, rural residents
3. Digital revolution/economy
 - Virtuous cycle
 - Equality of opportunity drives growth
 - Fast growth drives Equality of opportunity
 - Digital transformation will drive both

Outcome: Per capita Income



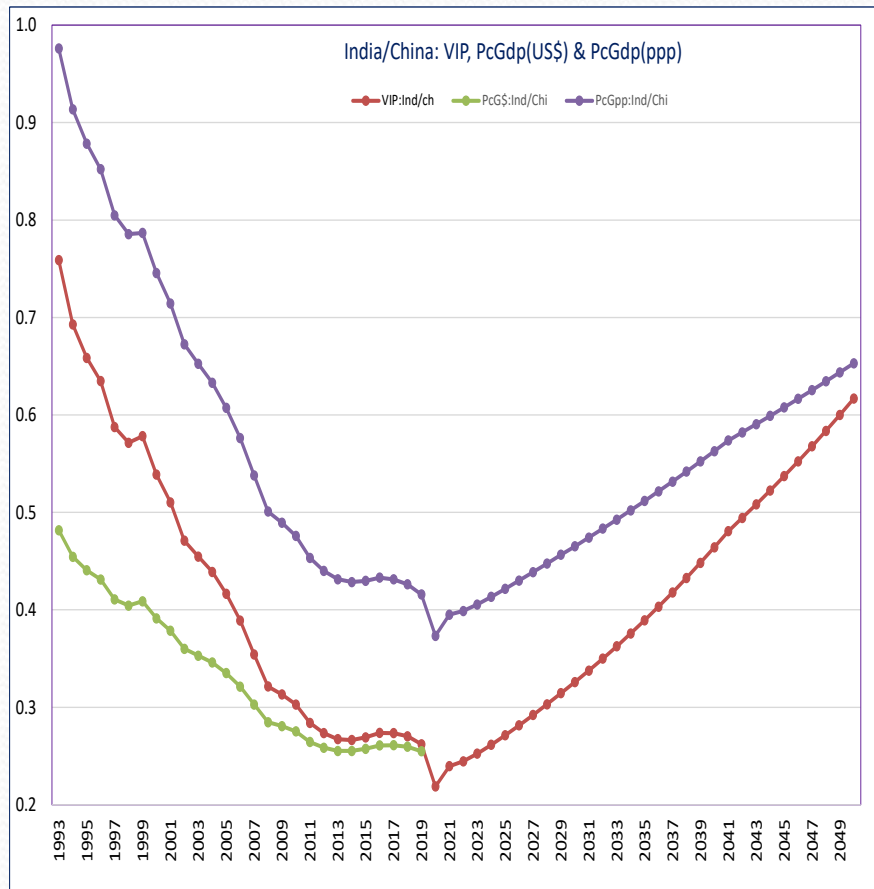
- Accelerated catch-up, post-pandemic: Reforms
- India's PcGdp will increase from,
 - 40% of world avg in 2019 to 130% in 2050 (LHS, purple line)
 - 1/10th of USA in 2019 to 1/3rd in 2050 (RHS, green line)

Table: PcGDP, GDP, VIPP

Table: PcGDP, GDP & VIPP									
GDP per capita, PPP (const 2017 int \$)					GDP, PPP (const 2017, int US\$)				
	1	2	3	4	5	6	7	8	9
1	2019		2050		2019		2050		
2	PcGdp	rank	PcGdp	rank	Gdp	VIP	Gdp	VIP	
3									
4	India	6700	127	34477	90	9155		56515	
5	India/USA	0.11		0.33		0.45	0.15	1.4	0.83
6	India/China	0.42		0.65		0.41	0.27	0.8	0.62
7									
8	China	16117	134	52792	59	22567		74036	
9	China/USA	0.26		0.51		1.1	0.56	1.9	1.34
10									
11	USA	62530	12	103776	14	20525		39375	
12	Note: PcGdp of HICs - Country (Amount, year)								
	UK(34679,1997), Japan(34615, 1999)								
	Spain(34798,2000), Australia(35005,1997)								

- India's PCGDP rank will improve from 127 to 90 (ln 4, cln 3, 5)
- Living standard/quality of life=>EU in mid-1990s
- GDP: India/China 41% to 80% (ln 6; clmn 5,8)
- VIPP: India 0.15 => 0.83 (ln5); China 0.56 => 1.34 (ln 9), clmns 7,9

India/China: VIPP, PcGdp(\$,ppp)




- India's PcGDP(PPP) is proj. to increase from 42% to 65% of China's (purple line)
- India's Economic power (VIPP), is proj. to increase from 0.27 to 0.62 of China's (red line)
- India/China PcGDP in US\$ 0.25 (green line)

Sustained, fast growth

- Role of Govt, Private sector & Social sector
 - Government must focus on
 - Public goods(provide), Externalities(regulate)
 - Market environment: Pro-competition, anti-monopoly
 - Welfare transfers, supporting the weakest
 - Private sector: Compete, innovate, invest
 - Social Sector: Community support of special needs of disabled (physical) & disadvantaged (mentally)
- Global comparative advantage: Demographics
 - Unskilled=>Semi-skilled=>Skilled labor(R&D)
 - AI, expert sys: Subs. skilled, compl/leverage semi-skilled

Growth environment

- Competitive market \Leftrightarrow Sustained, fast growth
- Institutional Reform
 - Modern, professional regulatory system
 - Contract enforcement system
 - Criminal-justice system
- Social Reform
 - Facilitate Female Labor Force Participation
 - Break barriers to occupational mobility (e.g. caste)
- Policy Reform 

Policy Reform

- Jungle of controls/ LPQR
 - De-control (EoDB), simplify rules/procedure(EoRC)
- Taxes(DTC; GST, Customs)
- Financial sector, Capital markets
- Labor codes: Rules & regulation
- Land & Real Estate: Model state laws, rules
- Trade policy & tariffs: Dualistic trade policy
- Urbanization: Integrated management
- Water & Irrigation: Sustainable water use
 - Ground water, water intensive crops; pollution.

Social welfare reform

- Growth, revenues, necessary for Social welfare
 - other elements
- Access to local Public Goods
- Quality of quasi-public goods & services
- Direct benefit/cash transfers (DBT, DCT)
- Community-Public partnership (CPP)
 - Special needs: Physical, mental; abused; orphans
- Equality of opportunity (second pillar) →

Equality of Opportunity

- Un/under Utilised Brain Power (IQ, EQ, SQ)
 - Social constraints: Gender, Caste, Religion
 - Rural disadvantage: Dis-economy of dispersed pop
- Education & skills: quality differences(Ru)
- Public Health & PH education
- Health services: Quality of information
- Employment/Job opportunity
 - Social network bias (plumber, electrician, carpenter)
 - Information bias: Obstacle to equality of opportunity
 - Knowing enough to know what you need & where to find it

Knowledge economy:

- Access to information
 - Basic education & digital literacy
 - Job skills, work knowledge
 - Supply chains: Domestic & global
- Teaching the teachers, Training the trainers
- Skill standards and certification(4k-6k)
- Higher Education & frontier skills
 - Global Value Chains
 - AI, ML, expert systems
 - Information/knowledge resources
 - Digital libraries, Indian languages, MOOCs

Digital Economy

- Scalability problem solution
 - India's pop is 2x of US+EU
 - Tele-Education, Tele-Medicine, Fin-Tech
- Local, regional service hierarchy: break
 - Hybrid supply to village clusters(shared STEM teachers)
 - Urban specialist remote Rural delivery
- Access to Information(jobs), knowledge(work skills)
- Remote access to (India, World) jobs
 - Work from anywhere(rural, small town)
 - Work from home (social acceptability; time/cost saving)

Digital Infrastructure

- Provide universal access, eliminate digital divide
- Hard Infrastructure
 - Connectivity: Panchayat, village, habitation
 - Free access for poor: Govt centers, schools, PHCs, SHCs
- Soft Infrastructure: Innovation - monopoly
 - Professional, independent regulatory system
 - To guard against monopolization, due to Network Externality, Data rents; Economies of scale & scope; Algorithm bias.
 - Public operating systems for free & fair competition
 - Universal interfaces(UPI), stacks(health), platforms(GEM)



Universal interfaces & Stacks

- Health stack(announced)
- Public health stack(pandemic lesson)
- Welfare stack: C&S programs, UID, mobile delivery
- Community Interface or Social stack/platform
- E-Governance
- Knowledge Stack & sub-stacks
 - Higher education & R&D; skills exchange
 - Sector/Industry (agri, pharma) specific info
- Universal Financial Interface(UPI); Fin-stack
- E-commerce platform (GEM)

Green Economy

- Transport: E-scooters, cars; mass transit systems
- Energy: Solar power, energy efficient appliances
- Urban: Integrated plan, invest, admin; Natural cities
- Housing: Energy efficient designs, local materials
- Recycling: Repairable/reusable designs
- Environmental Regulation: Tech/professional (EPA)
- Green stack: Info exchange, green market

Tripolar World: USA, China, India 2050

- Economic Power: VIPP (0.83)
 - Reserve currency, Common market, EM rating agency
- Military Industrial complex: Mass prod.
- Frontier technology: Defence R&D Com
- Dangerous Imbalances: 2020-40(\leq 2025-35)
 - Deterrence-Peace: Bilateral India-USA
- Grey war, hybrid war: QUAD, QUAD+
 - High Tech decoupling: Thwart sREAD strategy
 - Partial Ec. decoupling: CCP monopoly rents
- Paradox: Power rank(3) \gg Income rank(90)

Conclusion

- India High Income country
 - Average quality of life EU (1995)
 - Three pillars for achieving it
- Sustained fast growth in per capita income
- Equality of Opportunity for all citizens
 - Using under-utilized human resources
- Digital economy
 - Use to provide high quality social services
 - Upgrade human resources
 - Growth driver of hybrid economy

THANK YOU

