



Original Article

Inclusive Growth Strategy: Prospects and Challenges in India

Dr. Balaji B. Suryawanshi

Assistant Professor, Patkar-Varde College, Goregaon (W) Mumbai

Manuscript ID:

IBMIIRJ -2025-020903

Submitted: 04 Aug. 2025

Revised: 09 Aug. 2025

Accepted: 05 Sept. 2025

Published: 30 Sept. 2025

ISSN: 3065-7857

Volume-2

Issue-9

Pp. 13-17

September 2025

Correspondence Address:

Dr. Balaji B. Suryawanshi

Assistant Professor, Patkar-Varde

College, Goregaon (W) Mumbai

Email:

mr.suryawanshibalaji@gmail.com



Quick Response Code:



Web: <https://ibrj.us>



DOI: 10.5281/zenodo.17256829

DOI Link:

<https://doi.org/10.5281/zenodo.17256829>



Creative Commons

Abstract

The Indian economy has experienced significant growth rates over the years. Despite the significant gains made by economic development, the majority of the country's poor did not experience any substantial improvement in their living conditions. Despite the development benefits, a considerable proportion of the poor were still living in poverty. Why did this happen? These groups were primarily excluded from development due to their limited participation in it and socioeconomic status. They were not given access to opportunities and programs that aimed at improving their socioeconomic status, which included being illiterate, ignorant and lacking skills. In light of this variation, the Eleventh Five-Year Plan (2007-2012) incorporated inclusive growth as one of its key components. To ensure a fair distribution of benefits, it sought to integrate the poor into mainstream growth by strengthening their abilities. The Plan stated that sustainable progress is only possible when all segments of society, particularly the poor, are given the opportunity to participate in and benefit from economic growth (Planning Commission, 2008) Additionally.

Keywords: inclusive growth, strategy, empowerment, equality, elements etc.

Introduction

Empowerment is the process by which people acquire the skills and self-assurance necessary to take charge of many facets of their lives, such as their social interactions, personal choices, and involvement in the community. It entails giving people the freedom to act on their decisions and make educated decisions without hindrance or prejudice. When people have equal access to education, skill-building, and professional opportunities, they can reach their greatest potential and experience true empowerment. More broadly, empowerment encourages independence, encourages civic engagement, and is essential to building a just and inclusive society where each person's opinion and input are respected.

The 2030 Agenda for Sustainable Development represents a global commitment toward fostering inclusive, equitable, and sustainable growth, essential for maintaining peace and stability worldwide. India, along with several other member nations, formally adopted this agenda during the United Nations Sustainable Development Summit held in September 2015. By endorsing this declaration, India pledged to integrate the Sustainable Development Goals (SDGs) into its national development framework. Consequently, the Government of India is obligated to fulfil the commitments outlined in the SDGs and achieve the associated targets by the year 2030. In pursuit of this goal, the country has systematically aligned its national policies, developmental strategies, welfare programmes, and reform initiatives with the broader international development agenda. Furthermore, the government has also initiated institutional mechanisms to monitor progress and ensure accountability at both central and state levels, emphasizing the importance of partnerships, innovation, and inclusive governance in achieving these ambitious objectives.

The Sustainable Development Goals (SDGs) advocate for the promotion of equal opportunities and the minimization of disparities in outcomes by addressing systemic discrimination present in legal frameworks, policy measures, and societal norms. They call for the full inclusion of all individuals in socio-economic development, irrespective of caste, gender, disability, age, race, ethnicity, place of origin, religion, or any other distinguishing status. In alignment with these global objectives, the Constitution of India upholds the principle of social justice by enshrining various fundamental rights and protective measures aimed at uplifting marginalized communities, including Scheduled Castes (SCs), Scheduled Tribes (STs), minorities, persons with disabilities, and women.

Creative Commons (CC BY-NC-SA 4.0)

This is an open access journal, and articles are distributed under the terms of the [Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International](https://creativecommons.org/licenses/by-nc-sa/4.0/) Public License, which allows others to remix, tweak, and build upon the work noncommercially, as long as appropriate credit is given and the new creations are licensed under the identical terms.

How to cite this article:

Suryawanshi, B. B. (2025). Inclusive Growth Strategy: Prospects and Challenges in India. *InSight Bulletin: A Multidisciplinary Interlink International Research Journal*, 2(9), 13–17. <https://doi.org/10.5281/zenodo.17256829>

These constitutional provisions are intended not only to guarantee equality before the law but also to ensure affirmative support for disadvantaged groups to actively participate in the nation's growth. Furthermore, several governmental schemes and legislative acts have been introduced to operationalize these rights and bridge socio-economic gaps in education, employment, and political representation.

Meaning and Definition of Inclusive Growth:

Inclusive growth in India is a multidimensional development approach that seeks to extend the benefits of economic progress to all segments of society, particularly the marginalized and underprivileged. It underscores the need for an equitable distribution of resources, opportunities, and capabilities, enabling every individual to actively participate in and benefit from the nation's economic transformation. Unlike conventional growth models that often result in increased inequalities, inclusive growth strives to simultaneously achieve poverty reduction, employment generation, and social empowerment.

According to the Eleventh Five-Year Plan (2007–2012), inclusive growth is defined as "a growth process that yields broad-based benefits and ensures equality of opportunity for all" (Planning Commission, 2008). This model rests on four interrelated pillars: opportunity, capability, access, and security. These attributes aim to empower citizens not only by improving their material conditions but also by enhancing their capacity to participate meaningfully in economic and social processes.

The United Nations Development Programme (UNDP) further enriches the discourse by conceptualizing inclusive growth as both a process and an outcome. From this perspective, growth must ensure meaningful participation in decision-making and equitable sharing of benefits. It calls for an approach where development is not confined to GDP expansion but includes qualitative improvements in the well-being, dignity, and agency of all people (UNDP, 2011).

In the Indian developmental narrative, inclusive growth has become a critical policy objective, especially in addressing deep-rooted disparities in education, health, and employment. It aligns with the broader goals of sustainable development, emphasizing that no group—whether based on caste, gender, region, or economic status—should be left behind in the nation's pursuit of prosperity.

Inclusive growth, in essence, refers to ensuring that disadvantaged and economically weaker sections of society—particularly the poor—gain equitable access to fundamental services such as quality healthcare and education. It encompasses the principle of equal opportunity, emphasizing the need to empower historically marginalized communities such as Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), religious minorities, and women through targeted initiatives in education, health care, and vocational skill development. These efforts aim to enhance individual capabilities and enable meaningful participation in the economic mainstream.

Furthermore, inclusive growth is not solely confined to economic measures but also seeks to promote sustainability, social justice, and good governance. It supports environmentally conscious development, ethical administrative practices, and gender equality to foster a more balanced and just society. According to the Organisation for Economic Co-operation and Development (OECD), inclusive growth is defined as "economic growth that is distributed fairly across society and creates opportunities for all" (OECD, 2012).

In the broader development discourse, inclusive growth serves as a counter to models that prioritize GDP growth without addressing inequality or exclusion. It aspires to create a holistic framework where all citizens—irrespective of caste, class, gender, or region—can contribute to and benefit from economic prosperity. By integrating social inclusion with economic expansion, this approach strengthens the foundations of democratic development and long-term stability.

India's Eleventh Five-Year Plan's inclusive growth strategy goes beyond simply adding welfare-oriented policies to traditional economic growth. Instead, it aims to create a unique, integrated framework for development that places sustainability and inclusivity at the forefront of the growth process. According to this approach, growth should be assessed according to its capacity to lessen inequalities, provide fair opportunities, and maintain long-term socioeconomic balance rather than just through the prism of rising GDP.

Unlike conventional strategies that treat inclusion as an add-on, the Eleventh Plan embeds inclusiveness at the core of policy formulation. It advocates for a dual-track approach: first, by promoting robust macroeconomic fundamentals that can sustain high economic growth, and second, by designing targeted sectoral policies that address structural inequalities and extend the benefits of development to disadvantaged groups.

To be effective, the strategy must foster an enabling institutional environment that supports access to education, healthcare, skill development, financial services, and social safety nets. Furthermore, inclusive growth must be aligned with environmental sustainability, ensuring that economic expansion does not compromise ecological balance. The Plan thus aims for a harmonized growth trajectory—one that is economically efficient, socially equitable, and environmentally responsible.

Objectives and Research Methodology:

The objectives of this paper are:

1. To understand the meaning and concept of Inclusive Growth.
2. To analyse the elements and strategies of inclusive growth in India.
3. To find out difficulties and challenges in achieving inclusive growth targets.

In order to achieve the above objective, the research paper is based on secondary data.

Information and data were collected from the 11th Plan report, census report, Economic survey report etc.

Elements of Inclusive Growth:

1. Rapid Growth Rate and Reduction of Poverty:

The continued prevalence of poverty at its current magnitude remains a critical concern and is widely regarded as socially and economically unacceptable. In response, a central objective of the Eleventh Five-Year Plan is to significantly reduce poverty levels while expanding economic opportunities for all sections of the population. To realize this goal, the plan emphasizes the

importance of sustained and inclusive economic growth, recognizing it as a vital mechanism for generating widespread employment and enhancing income levels across various socio-economic groups.

Accelerated economic growth not only drives the expansion of productive sectors but also fosters an environment conducive to entrepreneurship, skill development, and social mobility. As employment opportunities grow, particularly in sectors like manufacturing and services, more individuals—especially from marginalized communities—are able to integrate into the formal economy, thereby improving their quality of life. Thus, poverty alleviation is intrinsically linked to a growth strategy that is not only rapid but also equitable and inclusive in nature.

2. Gender Equality:

It is widely acknowledged that inclusive and sustainable growth is achievable only when both men and women are able to contribute meaningfully across all spheres of society. Development that excludes women's participation cannot be considered holistic or equitable. Empowering women involves more than token acknowledgment—it requires enabling them to access and exercise equal rights and opportunities in education, economic activities, political engagement, and social inclusion. Such empowerment supports their overall personal and collective advancement.

The Indian Constitution enshrines the principle of gender equality within its Preamble, Fundamental Rights, Fundamental Duties, and Directive Principles of State Policy, thereby establishing a legal and moral framework for promoting women's rights. Despite these constitutional guarantees, gender disparities persist, particularly in economic empowerment, where women's ability to own property, earn income, and control resources remains limited in many parts of the country.

Economic empowerment for women implies not just access to resources, but the ability to make autonomous decisions, manage assets, and improve their financial and social well-being. However, these rights are often denied to women from historically marginalized communities, such as Dalits and Adivasis. The situation of Dalit and Adivasi women is especially grave, as they face intersecting forms of oppression—on the basis of caste, gender, and economic class. These women often endure systemic exclusion and violence, not only from upper-caste communities but sometimes even from within their own caste or tribal groups.

Furthermore, structural barriers such as caste-based discrimination, patriarchal norms, and limited access to quality education and healthcare have compounded their marginalization. For genuine empowerment to occur, policies must address these layered inequalities and implement targeted interventions that ensure inclusion, dignity, and justice for Dalit and Adivasi women, who represent some of the most oppressed voices in Indian society.

3. Social Justice and Empowerment:

Inclusive development must extend beyond the traditional objective of poverty alleviation to encompass equal access to opportunities and the promotion of social and economic mobility for all sections of the population. This broader vision requires affirmative support for historically disadvantaged groups, including women, religious and ethnic minorities, Scheduled Castes (SCs), Scheduled Tribes (STs), and Other Backward Classes (OBCs). A truly inclusive society ensures that all individuals can pursue their aspirations in an environment of freedom, dignity, and fairness, unhampered by social or political barriers. In this context, the expansion of opportunities for upward mobility must be accompanied by structural changes that foster justice, participation, and empowerment for every citizen.

4. Infrastructure Requirements:

High-quality infrastructure plays a vital role in driving rapid and sustained economic development, especially in today's globally competitive environment. It serves as the backbone of industrial growth and is crucial for attracting investment, particularly in underdeveloped and remote regions. Comprehensive infrastructure encompasses several key components, such as all-weather road networks that ensure year-round connectivity, uninterrupted and reliable electricity supply with stable voltage and frequency, and adequate irrigation facilities to support agricultural productivity.

Efficient and well-maintained railway systems, which operate punctually and offer affordable freight services, are essential for reducing transportation costs. Similarly, modern seaports with minimal turnaround time help lower the logistical expenses associated with both imports and exports. In the aviation sector, there is a growing demand for well-equipped airports capable of managing increasing passenger volumes, along with affordable air connectivity that links remote and urban regions alike.

In addition, the expansion of telecommunication networks **and** broadband Internet access is indispensable for ensuring that digital benefits reach every corner of the country. These elements collectively facilitate not just economic growth, but also regional integration, access to services, and the overall enhancement of quality of life for citizens across diverse socio-economic backgrounds.

5. Employment:

One of the key determinants of inclusive growth in India is the capacity to create a sufficient number of productive and sustainable employment opportunities. The inclusivity of economic development will largely be evaluated based on how effectively the labour market absorbs the growing working-age population. India is currently navigating a significant demographic **transition**, characterized by a rising influx of young individuals into the workforce alongside a gradual decline in the overall population growth rate. This phase presents a unique demographic dividend, which, if strategically harnessed, can serve as a powerful driver of economic acceleration.

A productive and well-employed workforce contributes not only to individual well-being but also to national economic vitality by reducing the dependency ratio—the proportion of non-working population to the working population. A lower dependency burden enables greater household and national savings, which can subsequently be channelled into investments that stimulate further economic growth. However, failure to capitalize on this demographic advantage through adequate employment generation may lead to social and economic instability. Therefore, the success of inclusive growth policies will hinge upon India's

ability to translate its youthful population into a productive asset through skill development, job creation, and equitable access to opportunities.

6. Education and Skill Development:

The degree to which India's youthful and expanding labour force is prepared in terms of education, health, vocational training, and skill development will determine how successfully the country can capitalize on this demographic. Having a lot of people of working age is not enough; what matters most is their employability and ability to adapt to the changing needs of a contemporary, dynamic economy. In light of this, the Eleventh Five-Year Plan placed a strong emphasis on the pressing need to fund skill development and education. Supporting economic growth and fostering social inclusion by assisting individuals who have historically been left behind because of unequal access to educational opportunities were the two main objectives. Giving these groups the necessary training and knowledge would enable them to make significant contributions to the development of the country.

However, at about 3.6% of GDP, public investment on education, both at the federal and provincial levels, has remained comparatively low. This amount is less than the National Common Minimum Programme's (NCMP) target of rising educational spending to 6% of GDP. If India wants to fully utilize the potential of its youth and create a more resilient and inclusive future, this gap must be closed.

7. Financial Inclusion:

Financial inclusion refers to the effort to ensure that individuals, especially those from disadvantaged or marginalized communities, have easy and affordable access to essential financial services such as banking, credit, insurance, and savings. It plays a crucial role in promoting inclusive growth, as it encourages a habit of saving among the population. This, in turn, helps generate capital, improve financial security, and create a positive cycle that contributes to broader economic development and stability.

Challenges for Inclusive Growth:

1. Barriers to Effective Skill Development:

India faces a significant challenge with its workforce. While there is a shortage of skilled professionals in many sectors, a large number of traditionally educated young people remain unemployed. According to the Economic Survey of 2017, over 30% of Indian youth fall under the NEET category — meaning they are not engaged in education, employment, or any form of training. This points to a serious gap between the skills the job market demands and what the youth are being equipped with through conventional education pathways.

2. Unemployment:

India continues to face significant employment challenges, largely due to its excessive dependence on agriculture and persistent levels of illiteracy. These factors have not only limited the number of available jobs but have also affected the quality of employment. A major concern is that over 80% of the workforce is engaged in the informal sector, where workers lack access to essential protections such as social security, stable income, and legal safeguards. The slow pace of job creation can also be attributed to limited industrial investment, underutilization of capital resources, and stagnating agricultural growth. These structural issues collectively hinder the development of a robust and secure labour market in the country.

3. Challenges Hindering Agricultural Progress:

In India, nearly 44% of the population relies on agriculture for their livelihood, yet the sector contributes only about 16.5% to the country's Gross Domestic Product (GDP). This imbalance highlights a major cause of persistent rural poverty. The agricultural sector faces a host of critical issues, including shrinking landholdings, a sluggish decline in agricultural employment, and low productivity levels—both in terms of labour and land. Additional concerns such as climate change, land degradation, water scarcity, and uneven growth across different regions and crop types further compound the sector's vulnerability and hinder its overall development.

4. Challenges in Social Development:

One of the key components of inclusive growth is social development. Achieving this goal is hampered by issues including regional, social, and gender inequality, low and sluggish public spending growth, especially in the areas of health and education, and subpar delivery mechanism. Muslims, OBCs, SCs, and STs have significantly lower social indicators.

5. Technological development and job displacement:

There will probably be significant labour market changes as robotics and artificial intelligence develop. The skill sets of workers are probably going to become outdate much more quickly. Between 400 million and 800 million people are thought to be in risk of being displaced by automation and need to find new occupations by 2030 over the world.

6. Geographical and Economic Inequities:

India is particularly concerned about regional inequality. Geographical disparities that create a system where some groups are given more privileges than others are caused by elements such as the caste system, the wealth difference, etc. There will probably be a labour market disruption of scale, which will lead to a rise in economic concentration. According to a similar study recently carried out by the International Labour Organization and other international organizations, the growing disparity will also be linked to the decreasing portion of the GDP that is paid to working people. The most literate state is Kerala, with a 93.91% literacy rate; Bihar, on the other side, has a 63.82% literacy rate.

Government Strategies toward Achieving Inclusive and Equitable Development

1. Mahatma Gandhi National Rural Employment Guarantee Act Scheme (MGNREGA)
2. Prime Minister's Employment Generation Programme (PMEGP)
3. Mudra Bank scheme
4. Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)

5. Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM)
6. Sarva Siksha Abhiyan (SSA)
7. National Rural Health Mission (NRHM)
8. Bharat Nirman
9. Swachh Bharat Mission
10. Mission Ayushman
11. Pradhan Mantri Jan Dhan Yojana

In addition to the aforementioned programs, the government collaborates with international organizations and NGOs to develop policies. For example, the DISHA Project is being carried out in collaboration with the UNDP to provide job and entrepreneurial opportunities for women in India.

Conclusion:

To improve the overall quality of life for its citizens, the Government of India, in collaboration with state and local authorities, must maintain its commitment to poverty alleviation and the pursuit of sustainable development. Such efforts are crucial for the empowerment of marginalized and vulnerable groups, fostering enhanced livelihood opportunities and promoting capacity-building and skill development across the population.

Acknowledgement

I am sincerely grateful to Shivaji University, Kolhapur for providing the necessary facilities and academic support in completing this research work. I extend my heartfelt thanks to my colleagues and peers for their constructive suggestions and encouragement throughout the study.

Financial support and sponsorship

Nil.

Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

References:

1. Plan, E. F. Y. (2013). Eleventh Five Year Plan, Vol I.
2. <https://www.drishtiias.com/pdf/1595794694-inclusive-growth-1.pdf>
3. Report of United Nations
4. Ministry of Finance, & Government of India. (2018). *Economic Survey 2017-18 (Volume I and Volume II)*. Oxford University Press.
5. http://www.ilo.org/newdelhi/info/public/sp/WCMS_412430/lang--en/index.html
6. G.Rakesh and Dr. A. B. (2016) Dadas-Vision of Inclusive Growth In India-Chronicle
7. Of The Neville Wadia Institute Of Management Studied And Research.
8. SHARMA, J. K. (2024). INCLUSIVE GROWTH in INDIA under its
9. SOCIOECONOMIC PERSPECTIVE.
10. Chadha, V., & Chadda, I. (2020). The imperative of social sector development for
11. achieving the goal of inclusive growth in India: an analytical study. *Journal of Social*
12. *and Economic Development*, 22(2), 355-378.
13. Turaga, R. M. R., Chakrabarti, M., Chatterjee, M., Jolad, S., K, V., & Sriram, M. S.(2018). State of inclusive growth in India: some perspectives. *Vikalpa*, 43(1), 24-46.
14. Sumalatha, B. S., & Nirmal Roy, V. P. (2020). Inclusive growth in India: Issues and challenges. *Decent Work and Economic Growth*, 581-589.