

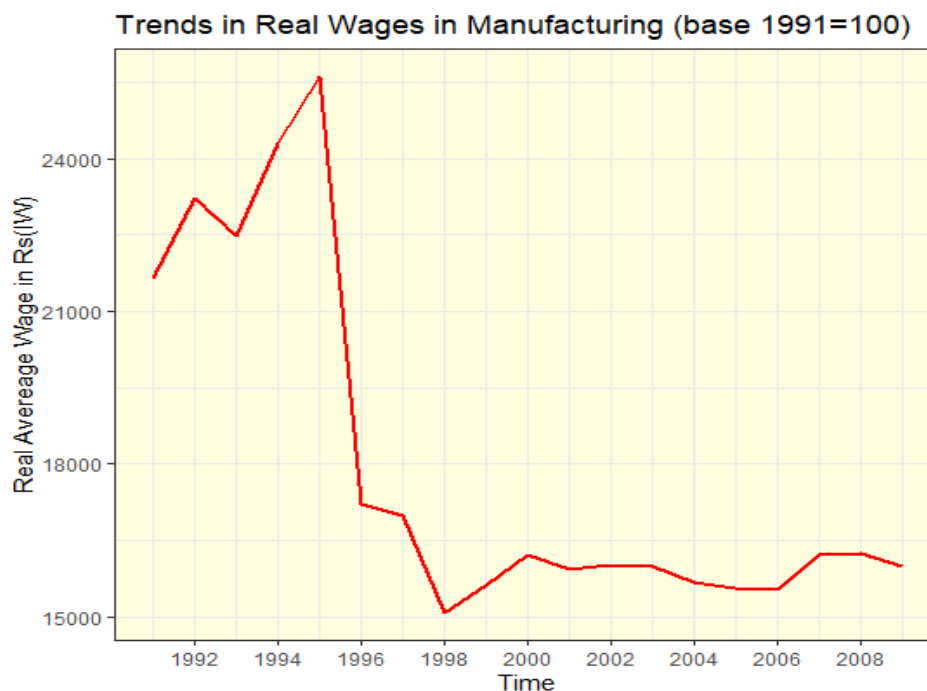
Beyond GDP numbers: India's Socio-Economic Scenario

India has experienced massive growth in GDP in recent decades. With such growth come expectations of reduced poverty, better income, better health and educational services. However things are not so straightforward, beneath this growth there are underlying realities that need closer attention.

India is at a crucial point where addressing questions of fair progress and implementing inclusive policies is essential. This review explores key aspects of India's socio-economic development, touching on economic growth, infrastructure, and key sectors.

THE INCOME DILEMMA

One of the shocking realities in the Indian economic scenario lies in the juxtaposition of economic growth and income distribution. As good as our growth rates look the income distribution is equally in the negative direction. For instance the increase in wages does not reflect the increase in GDP, in fact the real wages overtime have gone down(Fig 2). Comparatively at the end of 2011, real wages in China had grown 7 fold while in India it was not even twice (Dreze and Sen, 2020).



Source: Dreze and Sen(2020)

THE EDUCATION DILEMMA

The enhancement of one's quality of life is significantly influenced by education. Proficiency in essential skills such as reading, writing, and counting holds considerable sway over an individual's well-being. The capacity to read and write not only grants the freedom to comprehend the world but also empowers people to lead enlightened lives. The absence of these abilities may result in exclusion from economic prospects, given the prevalent reliance on written communication and numerical literacy in many job roles. Also these people find themselves terribly disadvantaged when it comes to processes of self-advancement like opening a bank account, accessing a government policy, opening up an enterprise etc. In a society where illiteracy can feel akin to imprisonment, school education serves as the key that opens the door for individuals to break free from such constraints. Therefore enhancement of quality, coverage and accessibility of education should be a permanent agenda in the political discourse of a country and in government's policies.

THE ACHILLES HEEL OF EDUCATION

In spite of the strong pro-education stance in the national movements, the growth of school education has been notably slow in India, much slower than East Asian countries (Dreze and Sen, 2020). Fig 1 shows literacy rates in selected Asian countries. The PROBE¹ report of 2006 brings out a plethora of deficiencies pertaining to school functioning and infrastructure. Around 40% of schools did not have any toilets and more than 25% of them lacked drinking water facilities. At the day of survey only two-thirds of the pupils were present according to the school register and even lesser observed by the field investigator.

Even bigger problem is the dearth of regular teachers in schools. After successive reports of Pay Commissions, the salary of teachers significantly increased. This caused a reluctance on government's side because that would mean imposing a significant financial burden on the state. Hence a large number of contract teachers are appointed whose salaries are considerably lower. This is a serious blow to the imperative of quality education. The performance and commitment of these teachers is unclear, as is proven by the fact that half of the schools on the day of the survey were not having any teaching activity at all.

¹ PROBE report is a survey conducted in 200 randomly selected villages, looking at various measures around school education such as enrolment ratio, school amenities, teacher-student ratio, pupil absenteeism etc.

Country	Adult Literacy Rate			Youth Female Literacy Rate	
	1960	1980	2010	1980	2010
South Asia					
India	28	41	63	40	74
Bangladesh	22	29	57	27	78
Nepal	9	21	60	15	78
Pakistan	15	26	55	24	61
Sri Lanka	75	87	91	90	99
East Asia					
China	n/a	65	94	82	99
Indonesia	39	67	93	82	99
Malaysia	53	70	93	87	98
Philippines	72	83	95	93	98
Thailand	68	88	94	96	98
Vietnam	n/a	84	93	94	96

Fig 1: Literacy Rates in Selected Countries. Adult Literacy Rate - % literate persons of age above 14. Youth Female Literacy Rate - % of literate women of age between 15 and 24. Source: Dreze and Sen, 2020.

THE DROPOUT SCENARIO

A recent statistic by UDISE² showed that in 2021-22 at pan India level as much as 12.62% of students dropped out at secondary level of education. Another statistic by the same source showed that more than 20% of students did not transition from secondary(9th and 10th standard) to higher secondary level(11th and 12th).

There are several reasons for school dropouts. A study by Choudhary (2006) pointed out that as students' progress from primary to higher levels of education, the likelihood of school dropout rises by a factor of 2.7. He also highlighted the influence of total sibling count on the likelihood of school dropout, revealing that an increase in family size by one results in a 1.7 times higher chance of discontinuing education. His analysis confirms that there is a significant correlation between the father's level of education and dropout rates. This indicates that with each higher educational class of the father, there is a 16% reduction in the likelihood of a student dropping out.

Another study by Gouda and Shekher(2014) investigated parental characteristics that may influence school dropout rates. Dropout rates were four times higher among children with illiterate parents compared to those with literate parents. Additionally, children were more likely to drop out if their parents were unemployed. The results of analysis highlighted that income, the number of living children, and parental education were the most significant predictors of school dropouts in India.

² UDISE- Unified District Information System for Education is one of the largest Management Information Systems (MIS) or database for school education in India. It is a subsidiary of Department of School Education and Literacy.

THE HEALTH DILEMMA

Health is one of the most important aspects of socio-economic development, yet it is virtually absent from public debates and political space in India. The same ignorance is also reflected in the country's attitude towards health.

Access and delivery of Primary Health Care services still remain highly inequitable within the country. For example, study by Saran et al (2017) shows that Andhra Pradesh faces primary health centre (PHC) shortfall³ of four %, Uttar Pradesh of 30 %, Bihar of 39 % and Madhya Pradesh of 41 %. Nationally there is a 19 % shortfall of sub-centres, a 22 % shortfall of PHCs, and a 30 % shortfall on 7 community health centres (CHCs).

This problem is further compounded by severe human resource constraints. In terms of numbers, the country grapples with shortage of physicians and specialists, with a doctor-patient ratio of 0.7 per 1,000, notably lower than the global average of 1.4. Also lower than that of several other developing countries, like Brazil (1.9), Turkey (1.7) and China (1.5). Despite a rapidly growing economy, government expenditure on health has more or less remained the same for a decade (2005-2014), hovering between 1.1–1.4% of GDP. Much lower than that of Nepal (2.3%), Bhutan (2.6%) and Sri Lanka (2%), and shamefully lower than the global average of 6%(Saran et al, 2017).

Another study by Singh and Kumar(2017) shows the extent of inadequate availability and quality of public health services in India. This is forcing individuals to opt for private healthcare in India. The private sector is responsible for more than 80% of outpatient care and 60% of inpatient care. Private healthcare expenses have detrimental effects on the financial stability of millions of Indians annually. The study utilizing 2014 data from the National Sample Survey Office (NSSO), reveals that 7% of Indian households fell below the poverty line due to out-of-pocket health expenditure, a substantial figure. Out-of-pocket expenses remain exceptionally high at 62.4% of total healthcare costs.

Conclusion

India has still a long way to go to achieve satisfactory levels of social equity and development. The government must proactively devise strategies and development initiatives aimed at mitigating socio-economic disparities within the country. The pursuit of a more equitable India is not only a matter of moral obligation but a foundational necessity for fostering sustainable development, as is ingrained in the spirit of the constitution.

References

³ Shortfall can be defined as not having the right number of people with the right skills in the right place, to provide the services to people, or simply workforce shortage.

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