Indian Economy · GS - III

India's transition towards a new growth strategy requires moving beyond aggregate GDP expansion towards investment-led, employment-intensive and productivity-driven development. Examine the opportunities and challenges involved.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 14/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Capital formation, manufacturing competitiveness, infrastructure investment, employment generation, productivity, global value chains, MSMEs, skill development, private investment, inclusive growth.

Model Answer

Introduction

India's evolving economic strategy seeks to strengthen domestic productive capacity, attract investment and improve its position in global value chains. However, sustainable growth requires translating macroeconomic expansion into employment and improved living standards.

Opportunities

Higher capital formation in infrastructure and manufacturing can improve productivity and reduce logistics costs. Domestic manufacturing expansion can promote import substitution, exports and technological capabilities. Investment in digital infrastructure and skill development can strengthen competitiveness and generate new employment opportunities.

Challenges

Weak private investment, skill mismatches, uneven regional development and limited MSME competitiveness can restrict the benefits of growth. Capital-intensive production may also generate fewer jobs than required. Global economic uncertainty and protectionism pose additional risks.

Way Forward

India needs predictable policies, stronger MSME ecosystems, labour-intensive manufacturing, vocational training and improved ease of doing business. Public investment should complement private investment while ensuring regional and social inclusion.

Conclusion

India's growth strategy must combine capital formation with employment generation, productivity and equitable opportunities. The success of economic reforms should ultimately be measured by their impact on people's incomes and livelihoods.

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