Indian Economy · GS - III

A resilient services sector and improving rural demand do not necessarily indicate a broad-based economic recovery. Examine the significance of sectoral imbalances in India's growth process and suggest measures to strengthen inclusive economic expansion.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 19/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Sectoral growth, agriculture, manufacturing slowdown, services-led growth, rural-urban demand divide, inflation, employment generation, investment, consumption demand, inclusive growth.

Model Answer

Introduction

Economic growth depends not only on aggregate GDP expansion but also on balanced performance across sectors. Divergent trends in agriculture, manufacturing and services can indicate an uneven recovery.

Significance of Sectoral Imbalances

- **Manufacturing weakness:** Sluggish industrial output can constrain employment generation, exports and productivity growth.
- **Services resilience:** Strong services activity supports economic output but may not generate sufficient employment for all skill categories.

- **Rural-urban divide:** Improving rural demand alongside weak urban consumption reflects differences in income and employment conditions.
- **Inflationary pressure:** Rising prices reduce real purchasing power, particularly among low-income households.
- **Agricultural dependence:** Agricultural resilience supports rural incomes but remains vulnerable to monsoon and price fluctuations.

Measures for Broad-Based Recovery

1. Strengthen manufacturing through infrastructure, technology adoption and ease of doing business.
2. Promote labour-intensive sectors such as textiles, food processing and tourism.
3. Improve agricultural productivity, storage and rural market connectivity.
4. Support MSMEs through affordable credit and improved market access.
5. Maintain price stability while protecting vulnerable households.
6. Expand skill development to connect workers with emerging employment opportunities.

Conclusion

India requires a balanced growth strategy combining agricultural resilience, manufacturing expansion and services-sector productivity. Broad-based employment and stable purchasing power are essential for sustainable and inclusive economic growth.

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