
ECONOMIC ISSUES IN DEMOCRATIC INDIA**DR. S. Shyamala Devi****Government First Grade College Channapatna****Introduction:**

Every country faces the economic problems as to how to make the best use of the limited and scarce resources. The problems arise as the needs and wants of people are endless, while the resources available to satisfy their wants are very limited.

The economy of India is a middle income developing mixed economy. India is the seventh largest (by area) and the second most populous country in the world, with roughly one-sixth of world's population of about a billion and a quarter. India is one of the world's oldest civilizations, yet a very young nation. The world's largest democracy by electorate was created after independence in 1947 under the leadership of its nationalist movement, the Indian National Congress.

Objectives:

This paper analyses the economic issues in democratic India.

Methodology:

Since it is an analytical paper, the data collection of this work is secondary sources like periodicals, journals, books, reports and, websites etc.

Economic Issues in India:**Poverty:**

India is a developing nation. Although its economy is growing, poverty is still a major challenge. However, poverty is on the decline but further reduction is an urgent need. The population below the poverty line in India was 354 million (29.6% of the population) in 2009. The rate of poverty in India is increasing because of the increase in the population. The rural people are migrating to cities to find better employment. A huge number of people live in low-lying areas or slums.

Unemployment:

Unemployment and underemployment are the major issues of the Indian economy. It means a situation characterised by the existence of able-bodied persons who are willing to work but is not able to get a suitable or gainful employment which ultimately results into huge wastage of

manpower resources. The rate of unemployment during 2009 was 5.61%. The unemployment leads to under use of natural, capital and physical resources in the economy.

Lack of Infrastructure:

Infrastructure is a major sector that propels overall development of the Indian economy. The Secretariat for Infrastructure in the Planning Commission is involved in initiating policies for infrastructure development in the country. The power, bridges, dams, roads, education, housing, drinking water, health facilities and urban infrastructure development is slow. Basic facilities and services are lacking in India. The present infrastructure facility is not sufficient for the growing population.

Energy and Environmental issues:

Development of industries, service sectors has led to greater demand for energy sources. Emission of greenhouse gases and Pollution is increasing tremendously. The demand of energy is not met with the supply and dependency on imports are increasing with the increase in population.

Naxalism:

By 2009, naxal-related violence was estimated to have spread up to 180 administrative districts (out of a total of 610 districts in the country), spread over nine States - Jharkhand, Chhattisgarh, Bihar, Odisha, Maharashtra, Karnataka, West Bengal, Uttar Pradesh and Andhra Pradesh. It was estimated that there were about 20,000 armed cadres.

Corruption:

India's political system has greatly vitiated by communalisation and criminalization. One may find corruption and influence of money and muscle power along with the use of religion is there in our electoral process. A number of scams came to public attention, deteriorating the image of the government among the common man.

Regional Imbalance:

Regional disparities are a challenge to Indian democracy. There are vast differences among the States in per capita income, poverty, unemployment leading to many numerous problems. If the regional disparities are not properly addressed, regional disintegration on sociopolitical fronts could emerge as the future threat.

FDI and Global Corporations:

To attract Foreign Direct Investment (FDI), Government of India has put in place a liberal policy under which FDI up to 100% is permitted under the automatic route in most sectors and activities. Significant changes have been made in the FDI policy regime to ensure that India remains an increasingly attractive investment destination.

The Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry, is the nodal department for the formulation of the Government's policy on Foreign Direct Investment (FDI). It is also responsible for the maintenance and management of data on inward FDI into India, based on the remittance reported by the Reserve Bank of India. These activities are being supported under the Scheme for Investment Promotion (SIP) launched in 2008.

The private sector is becoming a significant and dominant player-in shaping the economy. Multinational corporations and FDI has increased and the role of public sector is decreasing. The privatization, disinvestment, mergers are the policies adopted. FDI can cause interference in domestic investments. Sometimes investments can result in negative values.

Casteism and communalism:

Like religion some politicians use the issue of caste to divide voters. Many political parties take advantage of the caste sentiments and fracture the society in such a manner that they gain from such divisions. Caste leaders appeal to the sentiments of the voters of their respective caste groups and try to mobilise votes on that basis so as to capture and retain political power. Not only this, politicians have also managed to divert the attention of its voters from issues relating to development etc. by engaging them in caste related issues.

Moreover, communal issues are often brought up during the time of elections; this is mostly done to divert attention from real issues of basic development. A section of politicians has been manipulating communal issues for their selfish ends. This section of individuals and groups are more prone to use divisive ideologies like communalism to ensure their political power. Communalization of politics has today become a threat to secular character of the nation.

Economic Disparity:

The issue of the huge disparity in economic standard of the people in the. Certain section of society was able to enjoy greater portion of income and resources with them for a long time. The accumulation of wealth has been mostly with the government officials, corporates and politicians.

Conclusion:

India being the largest democratic country in the world must address the issues like poverty, unemployment, lack of Infrastructure, Casteism, communalism, criminalization, corruption, naxalism and regional disparities. Winning the elections must not be the sole criteria for political parties. They have to shoulder the responsibility of nation building. The future of democracy will face serious problem if corrective measures are not taken. One should never forget that democracy is not all about periodic elections and political rights alone.

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