

Spatial and Temporal Dynamics of Development Challenges in India

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India's economic growth with a dynamic micro and macro environment both in its domestic and international dimension has been a challenge for policy makers. India's economic development is directly correlated and has been accelerated as a result of expansion of exports, emergence of new industries, innovations in some high-tech fields, increased investment in information technology and increased share of services sector etc. India has poised to be a global super power in the twenty first century by being less affected from the global financial crisis. India has strived and tried to prove its presence worldwide but still due to some important developmental challenges and some inbuilt problems have hampered the growth trajectory of Indian economy in the past. The challenges are : continuous unbalanced composition of public expenditures, over regulation of markets, unbalanced growth in select sectors, rising prices, natural resource degradation, distorted incentives, poor infrastructure, deterioration of irrigation source, weak cost effectiveness of research and extension, and crowding out productivity-enhancing investments etc. have hampered the growth trajectory of Indian economy in the past. Some strong points which have saved and sustained the Indian economy till now are: daunting infrastructure, fiscal consolidation, financial system reform, and labor regulation etc. Although, these reforms have been able to save the Indian economy from drooping yet they have not helped in accelerated the development. Combining reforms with inclusive growth is required to carry ambitious sustained growth forward.

The Paper is based on the secondary data from various published national and international sources. Coverage of the paper will be for the period of 1990 to 2011. This paper attempts to explore challenges, to understand the roots of the challenges in the past, to give insight into future problems and lastly to give the solutions to the development problems in hand in the context of global economic recession.

Key words: Development, Challenges, India, Economy