

CHAPTER 1

INDIA, BRIC AND THE WORLD

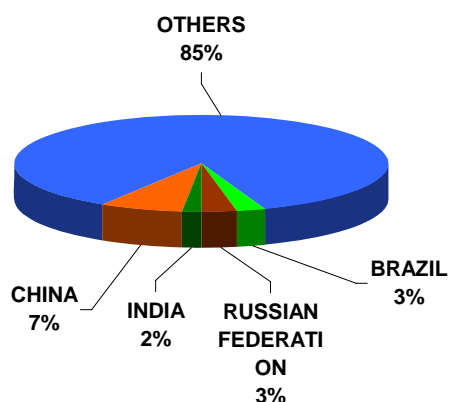
India is a fast emerging economy. According to the International Monetary Fund (IMF), the World Gross Domestic Product(GDP) is estimated to be at 57,843,376 Million US\$ at market price in 2009. India with little more than 2% share of the world GDP is ranked at 11th position. However, as per the UN Human Development Report 2010, India ranks as the 4th largest in the world after United States, China and Japan on the basis of GDP adjusted for Purchasing Power Parity. Table 1.1 shows the economic status of India vis-à-vis BRIC countries.

Table – 1.1

Economy - status of India vis-à-vis BRIC countries				
Country/Region	Gross Domestic Product(GDP)			
	US\$ billions 2008	% age share to world GDP	PPP US\$ billions 2008	% age share to world GDP
	(1)	(2)	(3)	(4)
Brazil	1575.2	3	1976.6	3
Russian Federation	1679.5	3	2258.5	3
India	1159.2	2	3356.3	5
China	4327.0	7	7903.2	12
World	60042.1		68323.9	

Source : United Nations Human Development Report (UNHDR) 2010 for columns (1) & (3)

SHARE OF GDP TO WORLD GDP



SHARE OF GDP TO WORLD GDP (ADJUSTED FOR PURCHASING POWER PARITY-PPP)

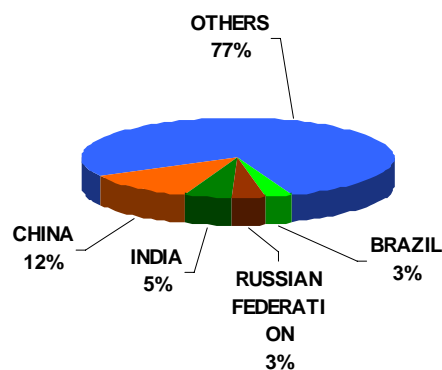
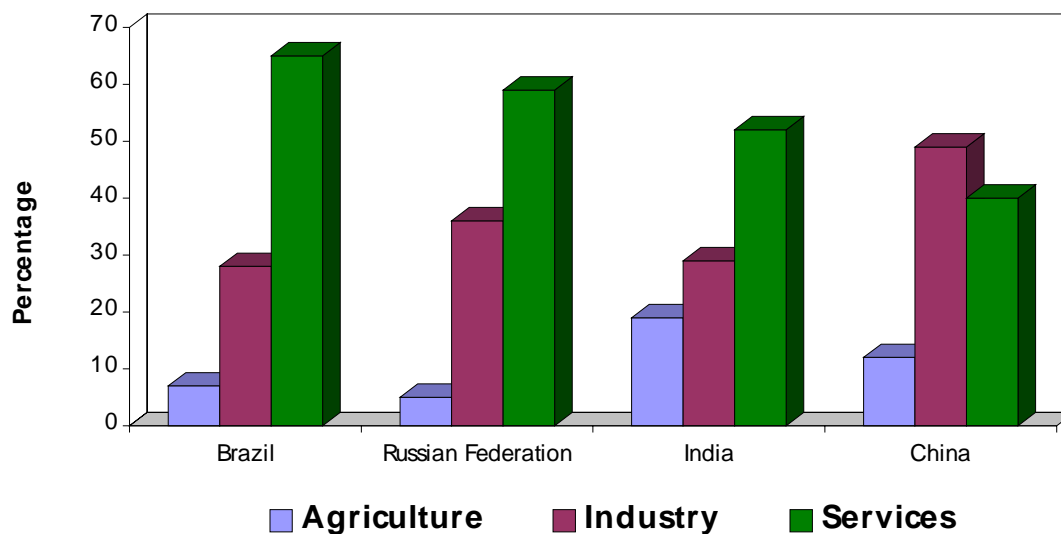


Table – 1.2

Country/Region	Sectoral breakup of GDP (%)		
	Agriculture	Industry	Services
	(1)	(2)	(3)
Brazil	7	28	65
Russian Federation	5	36	59
India	19	29	52
China	12	49	40

Source : United Nations Statistical Division(UNSD).

SECTORAL BREAKUP OF GDP



Agricultural Scenario

Agriculture accounts for about 52% of the labour force. In the Agricultural sector India’s achievement is nothing less than spectacular. India is the third largest producer of cereals in the world next to China and USA. Next to China, India is the second largest producer of wheat, rice, groundnut, vegetables and melons and other fruits(excluding melons). Next to Brazil India is the second largest producer of sugarcane. India is also the largest producer of milk in the world.

Table – 1.3

Share of BRIC countries in world production of major agricultural commodities (2008)						
Country/ Region	Rice/ Paddy	Maize	Wheat	Groundnut in shell	Tobacco	Sugarcane
Brazil	1.77	7.17	-	0.78	12.36	37.23
Russian Federation	-	0.81	9.24	-	-	-
India	21.64	2.34	11.39	19.21	7.56	19.98
China	28.23	20.18		37.54	41.22	7.17

India's position in World Agriculture in 2008			
Item	% share	Rank	Next to
Land Area	2.3	7 th	Russian Federation, china, USA, Canada, Brazil, Australia
Arable Land	11.2	2 nd	USA
Population in Agriculture	22.3	2 nd	China
Economically Active population in Agriculture	20.2	2 nd	China
Crop Production			
Wheat	11.4	2 nd	China
Paddy	21.6	2 nd	China
Total Pulses	25.1	1 st	
Groundnut (in shell)	19.2	2 nd	China
Rape Seed	10.1	3 rd	Canada, China
Vegetables & Melons	8.6	2 nd	China
Fruits excluding Melons	10.9	2 nd	China
Sugarcane	20	2 nd	Brazil
Tea	17	3 rd	China, Turkey
Jute	63.3	1 st	
Cotton	16.5	2 nd	China
Tobacco	7.6	3 rd	China, Brazil
Cattle	13	2 nd	Brazil
Buffaloes	54.6	1 st	
Total Milk	17.5	1 st	
Total Eggs	4.2	3 rd	China, USA
Total Meat	2.4	5 th	China, USA, Brazil, Germany
Implements (Tractors in use)	10.7	2 nd	USA

Source : Agricultural Statistics at a Glance,2010

Manufacturing/ Services Sectors

In the Secondary and Tertiary Sectors of the economy India's achievement has drawn attention of the entire world. The economic potential of the four emerging economies, namely, Brazil, Russia, India and China(BRIC) is such that this Block can become one of the most dominant economies in the near future. Presently, these countries account for roughly 25% of the world land coverage and about 40% of the world population. According to the International Monetary Fund (IMF), the four nations registered an average growth rate of 10.7 percent from 2006 to 2008. Their international influence has increased significantly along with their economic growth. These nations share similar views on many international and regional issues. The BRICs are joining forces for a greater voice in institutions like the International Monetary Fund (IMF) or World Bank. The pressure of the BRICs for a greater role in the international arena gained momentum with the global economic crisis. The four countries performed better than most economies of Europe or the United States, and also registered recovery much faster. It is estimated that the four countries in the group will be responsible for more than 60% of world economic growth from 2008 to 2014.

Social Development

Human Development Index

The **Human Development Index (HDI)** is a composite statistic used to rank countries by level of "human development" and classify countries as developed (high development), developing (middle development), and underdeveloped (low development) countries. The statistic is composed from data on life expectancy, education and per-capita GDP (as an indicator of standard of living) collected at the national level . According to UN HDR 2010 Report, Norway appears at first position in the list out of total 169 countries categorized into Very High / High / Medium / Low Human Development . India belongs to Medium Human Development Category. According to this Report, India's HDI rose by 1.6% annually from 0.320 to 0.519 between 1980 and 2010 , improving six positions in rank to 119.The HDI of South Asia Region increased from 0.315 to 0.516 during the corresponding period Thus India is having position above the regional average. Russia, Brazil and China are, however , ranked at 65,73 and 89 respectively.

Table – 1.4

Human Development Index				
Country/ Region	HDI Rank	HDI Value		Avg. Annual HDI Growth Rate (1980-2010)
		1980	2010	
Brazil	73	-	0.699	-
Russian Federation	65	-	0.719	-
India	119	0.320	0.519	1.61
China	89	0.368	0.663	1.96
South Asia Region		0.315	0.516	1.65
World		0.455	0.624	1.05

Source : UN HDR 2010

Population

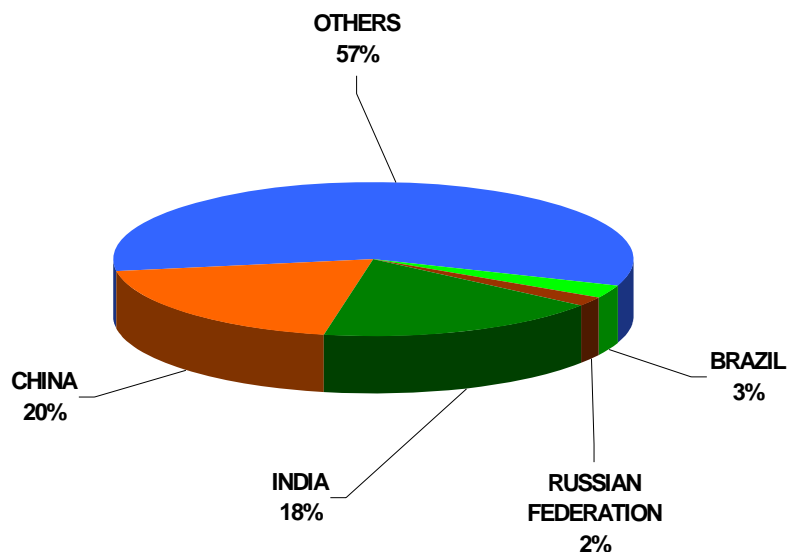
Population of India is estimated at 1214.5 million for 2010. Next to China, India is the second most populated country in the world accounting for around 18% of the world population. Table 1.5 gives the population of BRIC countries vis-à-vis world population.

Table – 1.5

Population Scenerio			
Country/ Region	Total Population (Millions) 2010	Urban (% of total) 2010	Economically Active Population (%) 2009
Brazil	195.4	86.5	70.7
Russian Federation	140.4	73.2	62.8
India	1214.5	30.0	57.6
China	1354.1	47.0	73.7
South Asia Region	1719.1	31.7	-
World	6908.7	50.5	64.7

Source : UN HDR 2010 & ILO

POPULATION SCENERIO OF THE WORLD



India's population is its biggest asset. At a time when the industrialised world is ageing rapidly, India has the advantage of young population. India's dependency burden is expected to keep falling for another 20 years. It is expected that, in 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan. This young population is an asset because educated and skilled population is essential for productive employment leading to higher potential of growth.

Some key social indicators

It is interesting to compare some of the key Social indicators for India.

Table – 1.6

Country/ Region	HDI Value 2010 (Rank)	Life Expectancy at Birth (years) 2010	Mean Years of Schooling (years) 2010
Brazil	0.699 (73)	72.9	7.2
Russian Federation	0.719 (65)	67.2	8.8
India	0.519 (119)	64.4	4.4
China	0.663 (89)	73.5	7.5
South Asia Region	0.516	65.1	4.6
World	0.624	69.3	7.4

Source : UN HDR 2010

An assessment of the performance of the country's health-related indicators would suggest that significant gains have been made over the years. However, despite the progress, India fares poorly in most of the indicators in comparison with the other BRIC countries, as is evident from the following Table :-

Table – 1.7

Health Indicators							
Country/ Region	Infant Mortality Rate (per 1000 live births 2008	Maternal Mortality Rate (per 100000 live births) 2003-2008	Total Fertility Rate (births per woman) 2010- 2011	Sex Ratio at Birth (male births per 100 female births) 2010	Antenatal coverage of atleast one visit (%) 1990- 2008	Births attended by skilled health personnel (%) 2000=2008	Expenditure on Health (% of GDP)
Brazil	18	110	1.7	104.2	98	97	3.5
Russian Federation	12	28	1.5	105.5	-	100	3.5
India	52	450	2.5	108.5	74	47	1.1
China	18	45	1.8	121.2	91	98	1.9
South Asia Region	56	454	2.5	107.5	70	45	
World	44	273	2.3	108.4	82	75	

Health Indicators Contd.				
Country/ Region	Population Without access to Improved Services (%) 2008		Deaths due to indoor & outdoor air & water pollution (per Million people) 2004	Population affected by natural disasters (avg/ per year, per million people) 2000- 2009
	Water	Sanitation		
Brazil	3	20	269	3908
Russian Federation	4	13	241	1531
India	12	69	954	55557
China	11	45	693	96359

Source : UN HDR 2010

Table – 1.8

Education							
Country/ Region	Adult Literacy Rate (%ages 15 & older) 2005- 2008	Expected years of schooling 2010	Gross Primary enrolme nt ratio(% of primary school- age populati on) 2001- 2009	Gross Enrolment Ratio in Education 2001-2009	Population with atleast secondary education (%ages 25 & older) 2010		Expenditu re on Education (percent of GDP)
					Total	Female/ Male Ratio	
Brazil	90	13.8	129.6	87.2	21.9	1.054	5.2
Russian Federation	99.5	14.1	96.8	81.9	-	1.270	3.9
India	62.8	10.3	113.1	61.0	22.2	0.528	3.2
China	93.7	11.4	112.1	68.7	38.4	0.778	1.9
South Asia Region	62.4	10.0	108.2	-	21.6	-	-
World		12.3	106.9	-	-	-	-

Source : UN HDR 2010

Some important development schemes

Education for All makes an effort to universalize elementary education by community-ownership of the school system. It is a response to the demand for quality basic education all over the country and seeks to ensure access, retention and quality improvement. It reiterates the need to focus on girls' education to equalize educational opportunities and eliminate gender disparities. The international movement towards Education for All (EFA) encompasses six goals of early childhood care and education, universal elementary education, adult literacy, adolescent and life skill education, gender equality and all aspects of quality education. These goals are designed to enable children and young adults to realize their right to learn. The Government of India is committed to the Education for All (EFA) goals, which encompass early childhood care and education, primary education, girls' education, as also adult education. Government of India implements a number of programmes for the achievement of the EFA goals, including, inter alia, Sarva Shiksha Abhiyan (SSA), Mid Day Meal Scheme (MDM) and National Literacy Mission (NLM).

The Right of Children to Free and Compulsory Education (RTE) Act, 2009 was published in the Gazette of India on 27th August, 2009. The Act provides for free and compulsory education to all children of the age of six to fourteen years. The Central Government has appointed 1st April,

2010 as the date of enforcement of the Act. Sarva Shiksha Abhiyan (SSA), which is a major flagship programme of the Government, addresses the national resolve of universalizing elementary education. Under SSA, special focus is on girls, children belonging to SC/ST communities, other weaker sections, minorities and urban deprived children. Under SSA India has not only been able to improve access to 99% at primary level but have also been able to reduce out of school children to 3-4% of the age cohort of 6-14 years. Greater emphasis is being laid on quality under SSA with specific provision for learning enhancement, remedial teaching and teacher training is being placed. In fact, 50% of the SSA outlay now goes towards quality. The following Table presents position of India vis-à-vis other BRIC countries in the field of education.

Energy

The overall installed generation capacity of electricity generation in India at 167278.36 MW secures 6th position for India in world wrt electricity production.

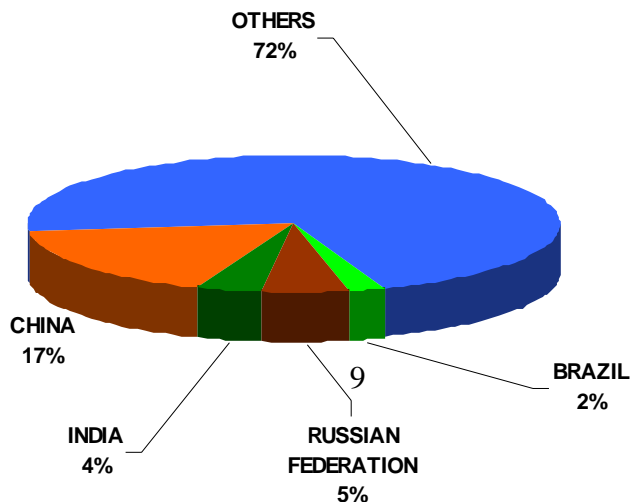
Table – 1.9

Energy- Production & Consumption						
	Crude Oil (M Tonnes) 2008		Natural Gas (M Tonnes Oil Equivalent) 2008		Electricity (GWh) 2008	
Country/ Region	Production	Consumption	Production	Consumption	Production	Consumption
Brazil	93.9	105.3	12.5	22.7	463369	409856
Russian Federation	488.5	130.4	541.5	378.2	1040379	725460
India	36.1	135.0	27.5	37.2	830126	601610
China	189.7	375.7	68.5	72.6	3456910	2841855
World	3928.8	3927.9	2768.0	2726.1	20260838	16815507

Source : Energy Statistics 2010 (CSO) for Crude oil and Natural Gas & International Energy Agency for electricity

GWh : Giga Watt Hours

ELECTRICITY PRODUCTION SCENARIO IN THE WORLD



Infrastructure

India having 3.34 million kilometers of road network is the second largest in the world..The road network carry nearly 65 % of freight and 85% of passenger traffic.The length of the National Highways is 65,569 Km and that of State Highways is 1,30,000 Km. India has a road density of 1001,which is far higher than that of China's (36) or Brazil's (20). Simultaneously, Indian Railways has 63,327 kilometres of track , making it the world's fourth largest railway network in the world. Indian Railways carried 19 million passengers and 2.29 million tonnes of freight each day during 2008-09. The table below presents a picture of physical infrastructure in India vis-à-vis other BRIC countries.

Table – 1.10

Physical Infrastructure				
Country/ Region	Road Density (Km of Road per sq km of Land Area) 2004-2007	Rail Lines (Km 2004- 2008)	Air Transport (freight) (million tonnes per Km) 2005-2008	Population without Electricity (percent) 2008
Brazil	20	29817	1807	2.2
Russian Federation	5	84158	2400	-
India	1001	63327	1234	34.2
China	36	60809	11386	0.6

Source : UNHDR 2010

Information Technology

The Indian information technology (IT) industry has played a key role in putting India on the global map. According to Reports of Dept of Telecommunication, electronics & IT Production is estimated to have accounted for ₹411,220 crores during FY 2009-10 and electronics & IT exports for ₹266320 crores.

The number of internet users worldwide is expected to touch 2.2 billion by 2013 and India is projected to have the third largest online population during the same time. According to a study, Brazil, Russia, India, China and Indonesia will have more than 1.2 bn internet users by 2015 - well over three times the number of internet users in Japan and the US combined. Position of India with respect to access to information & communication technology is presented in the following table:

Table-1.11

Access to Information & Communication Technology				
Country/ Region	Mobile & Fixed Phone Subscription (per 100 people)	Population covered by Mobile Phones (percent)	Internet Users (per 100 people)	Broad Band Subscription (per 100 people)
Brazil	100	91	37.5	5.3
Russian Federation	172	95	31.9	6.6
India	34	61	4.5	0.5
China	74	97	22.5	6.2

Source : UNHDR 2010

The Indian information technology sector continues to be one of the sunshine sectors of the Indian economy showing rapid growth and promise.

However, despite its long term challenges which include widespread poverty, inadequate physical and social infrastructure, limited employment opportunities, and insufficient access to basic and higher education, India is expected to overtake China as the world fastest growing economy by 2015.

Millennium Development Goals

The Millennium Declaration of the United Nations (UN) set 2015 as the timeline for achieving most of the Millennium Development Goals (MDGs), which provide quantitative benchmarks for eradication of extreme poverty, hunger, illiteracy and diseases apart from achieving gender equality and empowerment of women, environmental sustainability and global partnership for development. As the deadline approaches, India and other developing countries, which are committed to achieve the MDGs, find themselves in a complex mélange of successes and failures, speed and sluggishness, against a backdrop of great expectations.

According to the *Millennium Development Goals Report 2010*, launched on 23 June, the economic crisis took a heavy toll on jobs and incomes around the world, but its impact does not

threaten achievement of the Millennium Development Goals (MDGs) target of cutting the rate of extreme poverty in half by 2015. While the annual MDG accounting report highlights a number of successes, it also assesses the human impact of lack of adequate progress on many of the Goals.

The report highlights big gains in getting children into primary schools in many poor countries, especially in Africa; strong interventions in addressing AIDS, malaria and child health; and a good chance to reach the target for access to clean drinking water. But disadvantages that hurt the poorest, those living in remote areas or with a disability, or due to ethnicity or gender, have sapped progress on many other fronts, it warns.

Among the findings are that only half of the developing world's population has access to improved sanitation, such as toilets or latrines; girls in the poorest quintile of households are 3.5 times more likely to be out of school than those from the richest households, and four times more likely than boys from this background; and less than half of the women in some developing regions benefit from maternal care by skilled health personnel when giving birth.

The share of people in the developing world who subsist on less than \$1.25 a day, in constant US dollars, dropped from 46% in the baseline year of 1990 to 27% in 2005 – led by progress in China and Southern and South Eastern Asia – and is expected to tumble to 15% by the target year of 2015.

However the MDG Report 2010 also indicates that progress against hunger has been impacted more severely by economic troubles. The ability of the poor to feed their families was hit consecutively by skyrocketing food prices in 2008 and falling incomes in 2009, and the number of malnourished, already growing since the beginning of the decade, may have grown at a faster pace after 2008.

Some highlights from the report:

Achieving the MDGs will also require increased attention to those most vulnerable. Policies and interventions will be needed to eliminate the persistent or even increasing inequalities between the rich and the poor, between those living in rural or remote areas or in slums versus better-off urban populations, and those disadvantaged by geographic location, sex, age, disability or ethnicity:

- In all developing regions, children in rural areas are more likely to be underweight than urban children. In Latin America and the Caribbean and parts of Asia, this disparity increased between 1990 and 2008.
- The gap between the richest and the poorest households remains enormous. In Southern Asia, 60% of children in the poorest areas are underweight compared to 25% of children in the richest households.
- In developing regions overall, girls in the poorest 20% of households are 3.5 times more likely to be out of school than girls in the richest households and four times more likely to be out of school than boys from the richest households.

- Even in countries close to achieving universal primary education, children with disabilities are the majority of those excluded.
- Maternal health is one of the areas in which the gap between rich and poor is most conspicuous. While almost all births are attended by skilled health personnel in the developed countries, less than half of women receive such care when giving birth in parts of the developing world.
- Disparities in access to care during pregnancy are also striking, with women in the richest households 1.7 times more likely to visit a skilled health worker at least once before birth than the poorest women.
- Lack of education is another major obstacle to accessing tools that could improve people's lives. For instance, poverty and unequal access to schooling perpetuate high adolescent birth rates, jeopardizing the health of girls and diminishing their opportunities for social and economic advancement.
- Contraceptive use is four times higher among women with a secondary education than among those with no education. For women in the poorest households and among those with no education, negligible progress was seen over the last decade.
- Only about half of the developing world's population are using improved sanitation, and addressing this inequality will have a major impact on several of the MDGs. Disparities between rural and urban areas remain daunting, with only 40 per cent of rural populations covered. And while 77% of the population in the richest 20% of households use improved sanitation facilities, the share is only 16% of those in the poorest households.

The collective efforts towards achievement of the MDGs have made inroads in many areas. Encouraging trends before 2008 had put many regions on track to achieve at least some of the goals. The economic growth momentum in developing regions remains strong and, learning from the many successes of even the most challenged countries, achieving the MDGs is still within our grasp:

- Progress on poverty reduction is still being made, despite significant setbacks due to the 2008-2009 economic downturn, and food and energy crises. The developing world as a whole remains on track to achieve the poverty reduction target by 2015. The overall poverty rate is still expected to fall to 15% by 2015, which translates to around 920 million people living under the international poverty line – half the number in 1990.
- Major advances have been made in getting children into school in many of the poorest countries, most of them in sub-Saharan Africa.
- Remarkable improvements in key interventions – for malaria and HIV control, and measles immunization, for example – have cut child deaths from 12.5 million in 1990 to 8.8 million in 2008.
- Between 2003 and 2008, the number of people receiving antiretroviral therapy increased tenfold – from 400,000 to 4 million – corresponding to 42% of the 8.8 million people who needed treatment for HIV.

- Major increases in funding and a stronger commitment to control malaria have accelerated delivery of malaria interventions. Across Africa, more communities are benefiting from bed net protection and more children are being treated with effective drugs.
- The rate of deforestation, though still alarmingly high, appears to have slowed, due to tree-planting schemes combined with the natural expansion of forests.
- Increased use of improved water sources in rural areas has narrowed the large gap with urban areas, where coverage has remained at 94% – almost unchanged since 1990. However, the safety of water supplies remains a challenge and urgently needs to be addressed.
- Mobile telephony continues to expand in the developing world and is increasingly being used for m-banking, disaster management and other non-voice applications for development. By the end of 2009, cellular subscriptions per 100 people had reached the 50% mark.

Indian Scenerio

India has 12 of the 18 targets (for the 8 MDGs)relevant to it. Of the 12 targets there are 4 targets, each of which involve more than one target objects and thus, can be treated as composite targets. For almost all targets, there is more than one indicator. Achieving the overall target therefore, implies achieving all the implicit targets individually in terms of all the indicators.

Considering the nature of the targets and their indicators, the progress needs to be judged not only in terms of all indicator(s) of every single object targets, but also all the indicators of every multi-object targets.

Target-wise progress signs , for the 12 targets relevant to India, are indicated in the following table:

Table – 1.12

Target No.	Target Description	Progress Signs
1.	Halve, between 1990 and 2015, the proportion of population below national poverty line.	Moderately or almost nearly on track considering all indicators.
2.	Halve, between 1990and 2015, proportion of people who suffer from hunger.	Slow or almost off-track considering all indicators.
3.	Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary education.	On-track or fast considering all indicators.
4.	Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education, no later than 2015.	Moderately or almost nearly on track considering all indicators.
5.	Reduce by two-thirds, between 1990 and 2015, the Under-Five Mortality Rate.	Slow or off-track by some indicators but fast by other indicators (including cases were composite targets are involved)

6.	Reduce by three quarters, between 1990 and 2015 the Maternal Mortality Rate	Slow or off-track by some indicators but fast by other indicators (including cases where composite targets are involved)
7.	Have halted by 2015 and begun to reverse the spread of HIV/AIDS	Moderately or almost nearly on track considering all indicators.
8.	Have halted by 2015 and begun to reverse the incidence of Malaria and other major diseases.	Slow or off-track by some indicators but fast by other indicators (including cases where composite targets are involved)
9.	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.	On-track or fast considering all indicators.
10.	Have, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.	On-track or fast by one main indicator but slow by another main indicators (including cases where composite targets are involved).
11.	By 2020, to have achieved, a significant improvement in the lives of at least 100 million slum dwellers.	Pattern of change not discernible due to lack of sufficient data.
12.	In cooperation with the private sector, make available the benefits of new technologies, especially information and communication.	On-track or fast considering all indicators.

The overall progress is as follows:

- India is ‘moderately or almost nearly on track considering all indicators’ in respect of 3 targets.
- India is ‘on-track or fast considering all indicators’ in respect of 3 targets.
- However, India is ‘slow or off-track by some indicators but fast by other indicators’ in respect of 3 targets.
- India is ‘on-track or fast by one main indicator(s) but slow by another main indicator(s)’ in respect of 1 target.
- There is 1 target, for which India is ‘slow or almost off-track considering all indicators’ and 1 target for which ‘pattern of change not clear due to lack of sufficient data’.

Source: 1. UN Millennium Development Goals Report 2010 (www.un-gls.org/spip.php?article2682)
2. Millennium Development Goals India Country Report 2009 Mid-term Statistical Appraisal (Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.)