Reconsider Growth Strategies Under the Globalized Economy (India's Perspective)

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Paper Abstract: Development and causation are about transforming societies, improving the lives of the poor, enabling everyone to have a chance at success and access to health care, education, cognitive skill, and decision making. Although experts adumbrated the devestating impact that globalization can have on developing countries, and especially the poor within those countries yet I do believe that globalization – the removal of barriers to free trade and the closer integration of national economies – can be a force for good and that it has the potential to enrich everyone particularly the destitute. In fact, the way globalization has been managed, including the international trade agreements that have played such a large role in removing those barriers and the policies that have been imposed on developing countries in the process of globalization, need to be reconsider.

The level of pain in developing countries created in the process of globalization and development as it has been guided by the IMF, and the international economic organizations has been for greater than necessary. The negative reaction against globalization draws its force not only from the perceived damage done to developing countries by policies driven by ideology but also from the inequalities in the global trading system. Few-apart from those with vested interests who benefit from keeping out the goods produced by the developing countries – defend the hypocrisy of pretending to help developing countries by forcing them to open up their markets to the goods of the mature economies while keeping their own markets protected, policies that make the rich richer, and the poor more impoverished.

In order to make globalization more humane, effective, and equitable Make in India (MII), a flagship initiative of the Prime Minister of India (Mr. Narendra Modi), elevates the revival of Indian manufacturing as the engine of long-term growth. It is aimed at promoting India as an investment destination through effective and easy governance, and establishing it as a global hub for manufacturing design and innovation. Under the MII programme (2015), 25 sectors have been identified for high growth, creation of jobs, and skill development.

The new long-term growth strategy MII is based on four pillers. First, new processes are to be initiated to ensure ease of doing business. Second, new infrastructure is to be put in place, whereby the government is supposed to develop industrial corridors, smart cities and world-class infrastructure along with state-of-the-art technology, and high speed communication. Third, new sectors such as medical services, defence, insurance, construction and railway infrastructure, are

to be opened up for FDI. Finally, modern mindsets are to be created, with the government acting as facilitator rather than regulator.

The process of structural transformation has required economies to move from agriculture to manufacturing, and then to services. Unfortunately, this did not happen to India. India jumped the transformational stage and moved directly to the service-driven economy, with over 50% of the GDP coming from services. Since the sustainability of this growth model is questionable, the MII initiative promoting manufacturing has been launched.

It is widely believed that there is a huge opportunity for India at this juncture. The IMF, too, referred to India as a 'bright spot' on the global landscape. However, formidable challenges exist:

(i) Basic infrastructure remains inadequate,

(ii) Availability of skilled manpower is still dismal,

(iii) Employment elasticity has weakened due to technological advancement, and

(iv) The World Bank continues to rank India low, at 142nd out of 189, on ease of doing business.

In fine, vocational, technical, managerial and high level certified training is the way to invigorate jobs in the MII scenario.