

Economic Trajectory of India from a Glorious Past to Viksit Bharat

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Abstract:

India's classical civilizations generated immense wealth, and from the 1st to the 17th century AD, the country is estimated to have been the world's largest economy, accounting for roughly one-third to one-fourth of global wealth. This paper explores the historical evolution and future projections of global income distribution, with particular focus on India's share.

Historically, India and China were central to the global economy, together contributing nearly 50% of the world's income until the 17th century. However, their dominance declined due to colonialism, the Industrial Revolution in England, and advancements in warfare such as the use of gunpowder. Their recent resurgence signals a return toward their historical economic significance. In recent decades, global economic power has shifted from G7 nations to emerging markets, highlighting a dynamic redistribution of influence. This transformation reflects the growing importance of countries like India in shaping future economic trends.

The paper aims to provide a comprehensive overview of India's economic journey, from ancient prosperity to its modern growth story. Despite global disruptions such as COVID-19 and the Russia-Ukraine war, India has demonstrated strong long-term growth. Its rise to the world's fifth-largest economy in 2022 marks a significant milestone, with expectations of becoming the third largest by 2029.

1.0 INTRODUCTION

This research paper argues that India's historical and contemporary economic strengths position it as a re-emerging market of material importance. In the present day, India is not merely an emerging market but a re-emerging economic powerhouse poised to reclaim its historical significance in the global economy. India's march to become a developed country by 2047 for which the Indian economy will have to consistently grow at an average rate of around 8 per cent per annum.

China and India have emerged as pivotal players in the global economy. Historically, both countries contributed substantially to global income, accounting for 50% of the world's income until the 17th century. This historical prominence was disrupted by periods of colonialism, the Industrial Revolution in England, and the strategic use of

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gunpowder in wars, which contributed to their economic decline. The re-emergence of these economies reflects a restoration of their historical economic positions.

The global economic landscape has witnessed a dramatic shift from the dominance of G7 countries to the rise of emerging markets. This transformation underscores the dynamic nature of global economic power and the re-emergence of historical economic leaders. Understanding these shifts provides valuable insights into future economic trends and the evolving balance of global economic influence.

The objective of this paper is to provide a comprehensive overview of the Indian economy, tracing its evolution from ancient civilizations to the present day. The paper aims to highlight the economic strengths and potential of India, examining various historical periods and contemporary factors that have shaped its economic landscape. For example, despite the global chaos as a result of the COVID and the Ukraine-Russia war, the long-term growth of Indian economy was the only bright spot in the dismal global growth scenario.

1.1 Historical Context

Historically, India produced its classical civilizations which generated wealth in huge amount. Between 1st and 17th centuries AD, India is estimated to have had the largest economy of the ancient and medieval world, controlling between one third and one fourth of the world's wealth. This paper examines the historical and projected shifts in the distribution of world income and India's share in it.

It is clear from the following table-1 that between 1st century AD and 1700 AD India controlled 32 to approximately 25 percent of the world GDP. It kept declining till 1820 and after 1870 declined drastically till 1947 when it contributed only 2% to the world GDP. Population as percentage of total world population also declined during this period but at much slower rate. This created economic hardship to the existing population of the country.

India's position in world economy kept improving after the introduction of Economic Reforms in 1991. Opening up of the Indian economy to the world economy, emphasis on free trade, easing of trade restrictions etc. played very important role in coming out of the clutches of Hindu rate of growth.

In 1990, the world economy was predominantly divided between the G7 countries and emerging markets, each holding approximately 50% of the global income on a Purchasing Power Parity (PPP) basis. This balance marked a critical juncture in global economic dynamics, reflecting the rising influence of emerging markets. By 2020, the share of global income held by the G7 countries had declined to 30%, indicating a significant shift towards emerging markets. Projections for 2030 suggest a continuation of this trend, with the G7 countries' share expected to further decrease to 20%. Consequently, emerging markets are anticipated to hold 80% of the world's income by 2030.

Table - 1

GDP (PPP) in 1990 international dollars							
Year	Indian subcontinent	per capita	Avg GDP growth rate	GDP (% World)	Population	Population (% World)	Period
1	33,750,000,000	450	–	32.0	70,000,000	30.3	Classical India, Maurya Empire, Tamilakam
1000	33,750,000,000	450	0.0%	28.0	72,500,000	27.15	Middle Kingdoms of India: Gupta Empire, Satavahana dynasty, Chola dynasty
1500	60,500,000,000	550	0.117%	24.35	79,000,000	18.0	Medieval India of the combined: Delhi Sultanate, Bengal Sultanate and Vijayanagara Empire
1600	74,250,000,000	550	0.205%	22.39	100,000,000	17.98	Proto-industrialization of the: Mughal Empire (half from Bengal Subah), Maratha Empire, Madurai Nayak dynasty, Sikh Empire, and Sur Empire
1700	90,750,000,000	550	0.201%	20^	165,000,000	27.36	
1820	111,417,000,000	533	0.171%	27^	209,000,000	20.06	
1870	134,882,000,000	533	0.975%	12.14^	253,000,000	19.83	Colonial India of: British India and Princely States, Kingdom of Mysore, Portuguese India, Travancore, French India.
1913	204,242,000,000	673	0.965%	7.47^	303,700,000	16.64	
1913	204,242,000,000	673	0.965%	7.47^	303,700,000	16.64	
1947	?	618 ^[19]	?%	2^ ^[15]	?	14.10	

Source: Professor Angus Maddison, Emeritus Professor at the University of Groningen, Netherlands, and Honorary Fellow at Cambridge University, *The World Economy*, OECD, 2004

The global economic landscape has witnessed a dramatic shift from the dominance of G7 countries to the rise of emerging markets, particularly China and India. The resurgence of India in the global economy is often characterized as a "re-emergence" rather than an emergence. This perspective highlights her historical significance and long-standing contributions to global economic activity. This reflects a restoration of her historical economic positions. This transformation underscores the dynamic nature of global economic power and the re-emergence of historical economic leaders. Understanding these shifts provides valuable insights into future economic trends and the evolving balance of global economic influence.

a) Economic History of India: From Indus Valley Civilization to the Maurya Empire

History of India begins with the dawn of the Indus Valley Civilization, which flourished between 3500 BC and 1800 BC. The Indus civilization's economy appears to have depended significantly on trade, facilitated by advances in transport. The civilization engaged in maritime trade, using ships to reach Mesopotamia, where they sold goods such as gold, copper, and jewelry.

By 600 BC, the Mahajanapadas minted punch-marked silver coins, marking an era of intensified trade activity and urban development. By 300 BC, the Maurya Empire (c. 321-185 BC) had united most of the Indian subcontinent. The political unity and military security provided by the Maurya Empire allowed for a common economic system, enhanced trade and commerce, and increased agricultural productivity. Improved infrastructure, increased security, greater uniformity in measurements, and the widespread use of coins as currency all contributed to the flourishing of trade.

b) An Overview of the Vedic Age

The Vedic Age, spanning from around 1500 BC to 600 BC, marks a significant period in Indian history following the decline of the Indus Valley Civilization. It is named after the Vedas, the oldest sacred texts of Hinduism, composed during this time. The Vedic Age is divided into two periods: the Early Vedic Period (1500–1000 BC) and the Later Vedic Period (1000–600 BC).

Agriculture, animal husbandry, and trade were the three fundamental vocations that supported most ancient and medieval pre-industrial economies. In ancient India, these vocations were collectively known as Vārttā, a term derived from Vṛtti, implying livelihood and the branch of knowledge necessary to earn one's living. This report explores the concept of Vārttā, its recognition as a branch of knowledge by the beginning of the Mauryan Age, and its importance in the economic and social structure of ancient India.

By the beginning of the Mauryan Age, Vārttā was recognized as a formal branch of knowledge. This period marked the institutionalization of Vārttā as an essential component of governance and economic policy. Vārttā encompassed both intellectual and practical aspects, integrating theoretical knowledge with practical skills in agriculture, animal husbandry, and trade.

The concept of Vārttā was integral to the economic and social structure of ancient India. Recognized as a branch of knowledge by the Mauryan Age, Vārttā encompassed agriculture, animal husbandry, and trade—vocations essential for the livelihood of the population. The king's responsibility to promote Vārttā aligned with the goal of Artha in the puruṣārtha framework, ensuring economic prosperity and social stability. Vārttā was integrated into the educational curriculum, ensuring that knowledge related to agriculture, animal husbandry, and trade was systematically imparted. Understanding the significance of Vārttā provides valuable insights into the foundations of ancient Indian economy and the role of governance in promoting economic well-being.

Kautilya, in his Arthaśāstra, classifies Vārttā along with Ānvīkṣikī (philosophy), Trayī (study of the Vedas), and Daṇḍanīti (science of governance). These four vidyās are crucial for understanding and managing both dharma (duty) and artha (prosperity). Kautilya's Arthaśāstra underscores the significance of these vidyās in maintaining societal order and economic well-being, reflecting the holistic approach of ancient Indian philosophy towards life and governance. Nitisara equates Vārttā with the branch of knowledge that concerns itself with the gain and loss of wealth.

From the above overview we understand that most major Indian texts have in some way or another incorporated the concept of Vārttā. The ancient Indian intellectuals had completely ascertained the role Vārttā would play in the life of individuals and its ramifications on the economy. The king was assigned the charge to see to it that his subjects had a proper source of livelihood which would help them attain the *puruṣārtha* of Artha and give stability and prosperity to the society. Though our tradition favoured an austere life way, it never glorified poverty. The *vidyā* of Vārttā practised through Dharma ensured the material well-being of not only individuals but also made sure that the economy flourished.

c) Mughal Period

The Mughal Period in India spans from the early 16th century to the mid-18th century, marked by the rule of the Mughal dynasty. The dynasty was founded by Babur in 1526 after his victory at the Battle of Panipat. The Mughal Empire reached its zenith under Akbar the Great (1556-1605), known for his administrative reforms, religious tolerance, and promotion of arts and culture. Successive emperors like Jahangir, Shah Jahan, and Aurangzeb continued to expand and consolidate the empire. The decline of the Mughal Empire began after Aurangzeb's death, with increasing internal conflicts, regional uprisings, and invasions by external forces such as the Marathas and the British.

Mughals had Zabt System which standardized land revenue assessments based on average crop yields and price fluctuations over a ten-year period. This system provided a stable revenue source for the empire. A ranking system where officials (*mansabdars*) were granted land (*jagir*) in exchange for military and administrative services. Revenue from these lands funded the imperial administration and army.

The Mughal Empire had a well-developed internal trade network facilitated by extensive road systems and a unified currency. Markets (*bazaars*) in cities and towns thrived, trading goods such as textiles, spices, and agricultural produce. They were also engaged in extensive trade with Europe, the Middle East, and Southeast Asia. Indian textiles, indigo, and spices were highly sought after. European companies like the British East India Company and the Dutch East India Company established trading posts, enhancing maritime trade.

During the Mughal period (1526–1858 AD) India experienced unprecedented prosperity in history. The gross domestic product of India in the 16th century was estimated at about 25.1% of the world economy. An estimate of India's pre-colonial economy puts the annual revenue of Emperor Akbar's treasury in 1600 AD at £17.5 million (in contrast to the entire treasury of Great Britain two hundred years later in 1800 AD, which totaled £16 million). The gross domestic product of Mughal India in 1600 AD was the second largest in the world. The Mughal Empire had expanded to include almost 90 per cent of South Asia, and enforced a uniform customs and tax-administration system. In 1700 AD the exchequer of the Emperor Aurangzeb reported an annual revenue of more than £100 million. As per Professor Angus Maddison, Emeritus Professor at the University of Groningen, Netherlands, and Honorary Fellow

at Cambridge University, India's share of world GDP was slightly more than a quarter in the year 1000 AD, and slightly less than a quarter between 1500 AD and 1700 AD. In the 18th century, Mughals were replaced by the Marathas in much of central India while the other small regional kingdoms who were mostly late Mughal tributaries such as the Nawabs in the north and the Nizams in the south. The British imperial empire began to grow in India in the middle of 18th Century. The phase of decline of Indian industry set in.

d) British Period

The British East India Company whose political power gradually expanded in India from 1757 onwards, used huge revenue generated by the provinces under its rule for purchasing Indian raw materials, spices and goods. Thus, the continuous inflow of bullion that used to come into India on account of foreign trade stopped altogether. The Colonial government used land revenue for waging wars in India and Europe leaving little for development of India. In short span of 80 years (1780-1860 AD) under colonial rule, India changed from being an exporter of processed goods for which it received payment in bullion, to being an exporter of raw materials and a buyer of manufactured goods. More specifically, in the 1750s, mostly fine cotton and silk was exported from India to markets in Europe, Asia, and Africa; by 1850s raw materials, which chiefly consisted of raw cotton, opium, and indigo, accounted for most of India's exports. The ruthless exploitation under British colonial rule completely devastated India's economy.

India's population was subject to frequent famines, had one of the world's lowest life expectancies, suffered from pervasive malnutrition and was largely illiterate. As per British economist, Angus Maddison India's share of the world income went from 27% in 1700 AD to 3% in 1950.

The British introduced systems like the Permanent Settlement (1793) in Bengal, the Ryotwari system in Madras and Bombay, and the Mahalwari system in the North-Western Provinces. These systems often led to high taxation, burdening farmers and leading to widespread poverty and indebtedness. Economic policies facilitated the transfer of wealth from India to Britain. High taxes and revenue collection methods extracted significant resources, which were used to support British industries and the colonial administration. The British imposed policies that favored the import of British manufactured goods while restricting Indian industries. Traditional handicrafts and textile industries declined due to competition from British machine-made products. The British cultivated opium in India for export to China, which had significant social and economic impacts, including addiction issues and resistance from Chinese authorities.

The British built extensive railway networks, roads, and ports, primarily to facilitate the extraction and transportation of raw materials and goods. While this infrastructure benefited British economic interests, it also laid the foundation for modern India's transportation system. Although there was some industrial development, such as in jute, cotton textiles, and steel, it was limited and primarily served British interests.

Indian entrepreneurs faced numerous barriers, including lack of capital and discriminatory policies.

In summary, the British colonial period had a profound impact on India's economy. Policies of high taxation, trade restrictions, and selective industrialization led to economic exploitation and deindustrialization. However, resistance movements and some economic reforms paved the way for India's struggle for independence and its subsequent economic development.

e) Post Independence

After gaining independence in 1947, India faced several economic challenges. The partition of India and Pakistan led to massive population displacement, communal violence, and loss of economic resources. Partition disrupted trade routes and created significant demographic changes. Large sections of rural areas with primary livelihood of agriculture were plagued by poverty and subsistence farming. The country faced severe shortages in basic infrastructure such as transportation (roads, railways), communication, and power supply, which were essential for economic development. High levels of illiteracy and unemployment posed significant barriers to economic progress. The education system needed a complete overhaul to meet the demands of a growing economy. The colonial economy had left India with depleted financial reserves and a weak fiscal structure.

f) Post Reforms

India's economic transformation since the 1991 reforms has been remarkable. While presenting the 1991 budget, Dr. Manmohan Singh quoted Victor Hugo, noting that "no power on earth can stop an idea whose time has come," with India's rise as a major economic power being one such idea. Since then, GDP has grown at 6–8% annually, rising from US\$267.52 billion in 1992 to US\$1.85 trillion in 2012. The economy has evolved from being predominantly agrarian in 1951 to one driven by services and manufacturing. India is now a global leader in services, often called the world's "back office." It has also built a strong science and technology base, becoming a hub for small car and engineering goods manufacturing. The 2011 National Manufacturing Policy aimed to raise manufacturing's GDP share to 25% and create 100 million jobs by 2025. McKinsey estimates suggest the sector could grow to US\$1 trillion and generate up to 90 million jobs due to rising domestic demand and global supply chain diversification.

Agriculture remains vital, contributing 16.1% to GDP. India is the world's third-largest food producer, the largest milk producer with over 100 million tonnes annually, and has a fresh fruit and vegetable retail market worth US\$35 billion. Organized retail is growing at 30%. Livestock resources total about 485 million. Strong domestic consumption, rising incomes, savings, and a young population continue to fuel economic growth. Key growth sectors include IT, telecommunications, ITES, pharmaceuticals, banking, insurance, engineering goods, auto components, textiles, steel, machine tools, and gems and jewellery. India's share in world output is projected

to reach 20.8% by 2040. Savings constitute 30% of investment resources, with FDI contributing 12%, and India remains a bank-oriented economy.

Recent reforms have further strengthened the economy. The 2017 GST unified multiple taxes, improving compliance and creating a national market. Atmanirbhar Bharat (2020) promotes self-reliance by boosting domestic manufacturing and MSMEs. Make in India (2014) encourages investment in manufacturing, while Digital India (2015) expands digital infrastructure and e-governance. Consolidation of 29 labour laws into four codes aims to enhance flexibility and worker protection. Agricultural reforms through the 2020 farm bills sought to liberalize markets but met strong farmer opposition. Overall, post-1991 liberalization and recent reforms continue to drive India's sustainable economic development.

g) India's Current Status

India's emergence as the world's fifth-largest economy, overtaking the United Kingdom (UK) in 2022 marks the beginning of the "India era" in the global growth story. At current prices and exchange rates, India is a USD 3.7 trillion economy in 2023, maintaining its lead over the UK as the fifth largest economy of the world and is likely to become 5 trillion-economy in another three years. As mission 2047, India is marching towards becoming the third-largest economy. It is set to surpass Japan and Germany to become the World's third largest economy by 2029. India has also set the target of becoming a developed country by 2047 for which the Indian economy will have to consistently grow at an average rate of around 8 per cent per annum. As per the UN report, among the large economies, the unemployment rate dropped to a four-year low of 6.4% in India as the economy added jobs both in urban and rural areas. In January 2023, India surpassed China to become the world's most populous country with a population count of approximately 1.417 billion as against China's 1.412 billion, as per the World Population Review (WPR). In the present day, India is not merely an emerging market but a re-emerging economic powerhouse poised to reclaim its historical significance in the global economy. There are various reasons for India to surge ahead of other countries and lead the world economy.

1.2 Indian Philosophy towards Wealth

This has been a general misconceived thinking that India was never interested in money, trade, commerce and entrepreneurship. They were happy inhaling and exhaling in Himalayas. There has always been that entrepreneurial spirit in Indians. History reveals that skilled manufacturing and trade, both international and internal, was practiced throughout the history to be a source of income and prosperity. This income has also been used for practicing Dharma. Chanakya says 'Artha' is the 'moola' of 'Dharma'. "*Dharmasya Moolam Artha*". Indian philosophy was based on effective use of resources which are limited in relation to human wants. 'Aparigraha' was practiced. Indians were never grabbers. Excess markets were provided to others. Gandhiji also said we have enough for everybody's need but not for anyone's greed. A culture of simplicity and renounce was there instead of a culture of showing off. Illegal wealth was condemned.

In the west it is opposite. They do not consider accumulation, acquisition or expansion wrong. Western model is based on greed. Ranking on the basis of wealth has come due to an influence of western culture. Now business ethics are also based on that thinking all over. All the western countries have huge debts. Household debts for consumption, education etc. are beyond imagination. These countries have negative savings. Whereas, we have 30% savings rate. Institution of family is declining. Government is taking care of elderly and unemployed. 50% children are outside the wedlock. All this is creating huge crisis in most of the countries in the west.

The western influence constrained our ability of doing business. In old days government was protecting the country. Taxation was moderate. Punishment was practiced for unethical and illegal practices. We can retrieve our position and can play a bigger role in the world by our economic practices if we look at our own data and history, demography, culture and resource endowment.

1.3 Re-Emergence of India Era

India's emergence as the world's fifth-largest economy, overtaking the United Kingdom (UK) in 2022 marks the beginning of the "India era" in the global growth story. It is set to surpass Japan and Germany to become the World's third largest economy by 2029. India could be the potential frontrunner in the C+1 game. Overall Fine-tuning the planning and implementation of schemes and programmes by factoring in population dynamics is likely to yield greater socio-economic impact and larger benefits for people. There are various reasons for India to surge ahead of others and lead the world economy:

a) Comparative Demographic Dividend:

According to United Nations Population Fund (UNFPA), demographic dividend means, "the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age (dependent) share of the population (14 and younger, and 65 and older)". With more people in the labor force and fewer children/ elderly to support, a country has a window of opportunity for economic growth if the right social and economic investments and policies are made in health, education, governance, and the economy. India has 62.5% of its population in the age group of 15-59 years which is ever increasing and will be at the peak around 2041 according to Economic Survey 2018-19, when it will reach approximately 65%. These population parameters indicate an availability of demographic dividend in India, which started in 2005-06 and will last till 2055-56.

India has one of the youngest populations in an aging world. By 2020, the median age in India was just 28, compared to 37 in China and the US, 45 in Western Europe, and 49 in Japan. A study on demographic dividend in India by United Nations Population Fund (UNFPA) throws up two interesting facts.

- i. The window of demographic dividend opportunity in India is available for five decades from 2005-06 to 2055-56, longer than any other country in the world.
- ii. This demographic dividend window is available at different times in different states because of differential behavior of the population parameters.

In summary, India's demographic dividend presents both challenges and opportunities. To fully realize its potential, India must focus on creating jobs, improving education, skill and healthcare, developing urban infrastructure, and establishing social security systems. By addressing these challenges, India can leverage its demographic profile to drive sustained economic growth and development.

b) Recent policy interventions:

Recent policy interventions have significantly strengthened India's business climate, helping the country emerge as a competitive alternative to China for global investors. Measures such as the Production Linked Incentive (PLI) scheme have boosted domestic manufacturing across sectors like electronics, pharmaceuticals, and textiles by offering performance-based incentives. Reforms in tax regimes—including the introduction of GST, reduction in corporate tax rates, and simplification of compliance norms—have enhanced transparency and lowered the cost of doing business. Liberalization of Foreign Direct Investment (FDI) policies in manufacturing, defence, retail, and insurance has further opened the economy to global capital. Additionally, several states have developed land pools, industrial corridors, and plug-and-play infrastructure to facilitate faster project execution. Regular global business summits, investor meets, and sector-specific outreach initiatives have strengthened India's investment appeal. Reforms in ease-of-doing-business norms, digitization of approvals, and labour law consolidation have collectively improved India's competitiveness and investment attractiveness.

c) Digital uptick provided by the pandemic:

Riding on the digital uptick provided by the pandemic, India is well-placed to harness its high internet penetration to convert digital skilling initiatives for returns on various economic sectors, especially services.

d) Prevalence of the English language skill:

The widespread prevalence of English language skills enables a competitive edge to Indian workers in global services such as IT, business process outsourcing, and communication-based industries, attracting substantial foreign investment. It strengthens India's startup and innovation ecosystem by easing access to global research, technology, and networks.

e) Large domestic market:

A large and young population creates a vast consumer market, attracting domestic and foreign investment in various sectors, including retail, entertainment, and technology. It confirms benefit from strong internal demand, enabling economies of scale and

reducing reliance on volatile global markets. A big market also attracts foreign companies seeking long-term growth opportunities, boosting employment and technology transfer. Additionally, high demand for goods and services supports small and medium enterprises, strengthening local supply chains. Overall, India's domestic market acts as a buffer against external shocks while fostering sustained economic expansion and inclusive development.

f) The low cost of labour and other forms of capital in the Indian factor market:

The low cost of labour and other forms of capital in the Indian factor markets gives the economy a distinctive advantage in bringing down production costs and hence making commodities more price competitive in the international markets.

g) Heavy investment in physical infrastructure in recent times:

Continuous heavy investment in physical infrastructure is anticipated to bring down the costs in the manufacturing sectors in India besides facilitating the processes.

1.4 The Way Forward

India has chosen a different growth path to follow which is taking care of historical legacies and taking lessons from these for future. Some examples are mentioned below:

India is positioned on the right side of the demographic transition, offering a golden opportunity for rapid socio-economic development—provided that policymakers align development strategies with this demographic shift. To fully harness the demographic dividend, substantial investment in human capital is essential, with strong emphasis on education, skill development and accessible healthcare. Without a sufficiently skilled and employable workforce, the demographic advantage could turn into a demographic disaster. Learning from global experiences, particularly those of Japan and South Korea, and adapting solutions to India's unique socio-economic complexities will be crucial for realizing the full benefits of this transition.

International trade and commerce have long shaped the Indian economy as these have been consistently central to India's prosperity throughout history. Evidence from the Indus Valley Civilization shows active maritime trade, while Vedic literature highlights the importance of training for livelihoods in trade and entrepreneurship. During the British period, exploitative "reverse" trade drained India's wealth. Yet Indian textiles, handicrafts, spices, gems and jewellery have remained in global demand for centuries. Studies (Ojha Ruby, 2013) indicate that India continues to hold comparative advantage and maintains a net export surplus in these sectors.

Unlike the west, a family-friendly society of India is one that provides supportive conditions for families through access to education, healthcare, social security, safe communities and work-life balance. Such a society values strong family bonds which makes families stable and supported. As a result, elderly are taken care of and children grow up physically, mentally and emotionally balanced creating a skilled and productive future workforce. Supportive policies like maternity and paternity leave,

affordable childcare and flexible work arrangements enable more people—especially women—participate in the labour market, boosting overall productivity. Secure families provide better work-life balance and a stress-free work environment which increases employee efficiency and innovation. Nurturing strong family system is not only socially beneficial but is also a powerful engine for building a more resilient, inclusive and sustainable economy.

India has a rich legacy of environment-friendly and energy-saving practices that supported sustainable economic growth for centuries. Traditional architecture used natural ventilation, courtyards and locally available materials to reduce heat and energy use. Ancient water systems like stepwells, tanks and rainwater harvesting supported agriculture and prevented drought-related losses. Organic farming, crop rotation and natural fertilizers protected soil health while ensuring steady yields. Handloom weaving, pottery and metalwork created livelihoods with minimal environmental impact, showing how resource-efficient industries can sustain local economies. There is a need to blend these traditional insights with modern technology so that India's development is not achieved at the cost of sustainable environment. Reviving rainwater harvesting, eco-friendly building designs and organic farming can reduce costs and strengthen climate resilience. Promoting renewable energy, especially solar and biogas, can complement historical low-energy lifestyles. Supporting green rural industries, waste management and sustainable urban planning will create jobs while reducing pollution. By integrating heritage-based sustainability with innovation, India can achieve long-term, inclusive and environment-positive economic development. The traditional principles should continue to inspire modern sustainability efforts and contribute to India's pursuit of inclusive and eco-friendly development.

Economic development in India has benefited from democratic decision-making that encourages entrepreneurship, protects property rights and attracts investment. Policies such as liberalization in 1991, decentralization through the 73rd and 74th Constitutional Amendments and digital governance initiatives have improved efficiency and expanded opportunities. At the same time, economic growth strengthens democracy by reducing poverty, improving literacy and enabling citizens to participate more actively in public life. Together, democratic governance and economic development drive India toward a more equitable, resilient and progressive future. India's democratic system—built on participation, accountability and transparency—creates a stable environment for economic growth. Elections, independent institutions and a free press encourage governments to create better public perception and focus on public needs such as infrastructure, education, healthcare and welfare. Democratic space also allows diverse voices, including marginalized communities, to influence policy, leading to more inclusive growth.

1.5 Mission 2047:

India is marching ahead to become a developed country again by 2047. This paper establishes that India's historical and contemporary economic strengths, position it as a re-emerging market of material importance. At present, India is a re-emerging

economic powerhouse poised to reclaim its historical significance in the global economy. In these circumstances, the key to prosperity lies in “3Es” that is in Empowering, Employing and Educating youth to realize the demographic dividend and taking lessons from the own past.

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