

ILLUSTRATION BY BINAY SINHA



Towards 2050: development imperatives

India will have to completely reverse how it focuses development activity in the coming decades, says Nitin Desai

The next 40 years of development will be substantially different from the past 40 years. India stands at the cusp of a phase change in its development imperatives. Of course, there are differences in the positioning of different regions in this cusp. Some are still at so early a stage of transition that the older development imperatives remain relevant even as the new ones emerge. Some are so far down the phase change that the future is already here.

Keeping this in mind, a summary picture of some of the key dimensions that require a switch in our development thinking are listed below, in a deliberately stark form:

1a. The past: The bulk of our population is in rural areas and dependent on agriculture.

1b. The future: The bulk of our population is in urban areas and dependent on non-agricultural activities.

2a. The past: In agriculture we must give emphasis to cereal production.

2b. The future: In agriculture we must give emphasis to non-cereal foods and commercial crop production.

3a. The past: Our rural areas need urgent attention for basic services like clean water, sanitation and housing.

3b. The future: Our urban areas need urgent attention for basic services like clean water, sanitation and housing.

4a. The past: With the rapidly rising numbers of children, we must give priority to literacy, primary education.

4b. The future: With the rapidly rising numbers of young adults, we must give priority to higher education.

5a. The past: Our major health concerns are family welfare, maternal and child health, and control of communicable diseases.

5b. The future: Our major health concerns are increasingly degenerative diseases of old age and

lifestyle diseases of urban living.

6a. The past: In order to promote equity we must give direct consumption subsidies to the poor.

6b. The future: In order to promote equity we must give the poor access to skill acquisition.

7a. The past: The major centres of industrial growth are in the northwest, west and the south of India.

7b. The future: The major centres of industrial growth are in the north of the country.

8a. The past: We have to expand the production and imports of conventional fossil fuels and centralised grid-based electricity to promote growth.

8b. The future: We have to expand the production of renewables and decentralised grid-based electricity to promote growth.

9a. The past: The public sector is the main engine for technological advance.

9b. The future: The private sector is the main engine for technological advance.

10a. The past: Our major markets and sources of technology are the OECD countries and Russia.

10b. The future: Our major markets and sources of technology are in China and the rest of Asia.

The challenge of rapid urbanisation is perhaps the one we are least equipped to meet. Our development priorities are dominated by the demands for rural infrastructure and poverty alleviation. The budget of the central ministry of urban development is ₹10,000 crore in 2013-14, while the central government budget allocation for rural housing, rural roads and rural drinking water and sanitation is ₹52,000 crore. As for poverty alleviation, there is virtually nothing comparable to MGNREGA in urban areas. Looking ahead at 2050, these priorities will have to change, with vastly larger sums being made available for urban infrastructure and affordable housing and a start made on poverty

alleviation schemes in urban areas.

Indian agriculture in 2050 will be very different from now. There will be far fewer farmers than now, more mechanisation as labour shifts to non-agricultural occupations and, most importantly, a shift in the composition of farm activity towards meeting the demands for non-cereal foods like fruits, vegetables, eggs, meat, etc. The big change in mindset required here is to recognise that this cannot be driven by technology extension. The promotion of these activities has to start at the marketing end, as has been done with success in the case of milk. This will require major changes in the regulatory environment for agricultural marketing.

The demographic dividend of a rising proportion of working adults can be an asset in the 2050 time frame if, by then, we have shifted the locus of job-oriented non-agricultural growth decisively to the northern states of UP, Bihar, Jharkhand, Rajasthan and Madhya Pradesh. This will involve doing in the Gangetic corridor what is today being planned for the Delhi-Mumbai corridor. More than that, it requires that the promotion of small and medium enterprises gets as much or more attention than corporate growth. Logistical improvements in transport, communication, information linkages and credit flows will also be necessary to shift the focus of growth from the west and the south to the north.

Within the manufacturing sector the greatest challenge is that of technological dynamism. By 2050 Indian industry cannot rest content with cost-cutting innovations and reverse engineering. It will be in a different global league and will have to compete with new products, processes and business models to hold its own. So far we have relied on supply-driven technology development mainly in government labs. We need corporate research centres driven by market demands, a replication of the sort of development that has taken place partially in pharmaceuticals. This requires a change not just in official policies but also in the corporate mindset.

The energy system of 2050 will be shaped partly by the pressures for containing carbon emissions and partly by concerns about energy security. Hopefully, by then, the huge deficiency in the access to modern energy that we have today will be corrected. A much larger proportion of energy use will be mediated through electricity and the grid will have to be smarter and more decentralised to cope with this. The energy mix will also be very different.

The changes we require in education and health systems are already under way, but in a chaotic and unorganised fashion. We need a more structured approach so that public authorities focus on tomorrow's problems as well as basic education and health care.

How, by 2050, these dimensions of development and India's politics and its international diplomacy will have to evolve, is a longer story for a future column in this series on whether we are getting ready for 2050.