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**Topic : Key Features of Indian Economy**

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## Features of Indian Economy

India, as a developing country, features a mixed economy in the world. The major characteristics of developing economy are low per capita income, overpopulation, maximum population below the poverty line, poor infrastructure, agro-based economy and a lower rate of capital formation.

Since, the independence of the country, India has been developing in many perspectives from the economic point of view. Although the Indian economy is developing in nature, it tends to move towards a developed economy.

The major reforms in the Indian economy were done in the year 1991, which were popularly known as LPG Reforms, i.e. **Liberalisation, Privatisation and Globalisation**.

**Key Features of The Indian Economy:**

**Some of the important key features of Indian Economy are:**

1. Low Per Capita Income:

The per capita income of India is much less than that of the developed countries. According to the estimates of the Central Statistics Office (CSO), the per capita net national income of India at present prices for the year 2015-16 was approximately Rs. 93231/-.

1. Agro-Based Economy:

Indian economy is totally agro-based economy. Near about 14.2 % of Indian GDP is contributed by agriculture and allied sectors while 53% of the total population of the country depends upon the agriculture sector .However in recent times dependency on agriculture is being decreasing but the rate of decline is substantial.

1. Overpopulation:

Overpopulation is one of the major concerns of the Indian economy. The population of India gets increased by about 20% in every decade. Around 17.5% of the world population is possessed by India.

1. Disparities in Income:

The most alarming thing in the Indian economy is the concentration of wealth. According to the latest report, 1% of Indians own 53% of the wealth of the country. Among this, the top 10% owns a share of 76.30%. The report states that 90% of the country owns less than a quarter of the country’s wealth.

1. Downfall in Capital Formation:

Rate of capital formation is positively correlated with lower level of income. There is huge downfall in Gross Domestic Capital compared to the previous years.

1. Poor Infrastructural Development:

According to a recent study, around 25% of Indian families cannot have access to electricity and 97 million people cannot have access to safe drinking water. Sanitation services cannot be accessed by 840 million people. India requires 100 million dollar to get rid of this infrastructural backwardness.

1. Imperfect Market:

Indian markets are imperfect as there is lack of mobility from one place to another which contracts the optimum utilization of resources. As a result, price fluctuation occurs.

1. Vicious Circle of Poverty:

India is a perfect example of the term ‘a country is poor because it is poor.’ The vicious circle of poverty traps these countries and it is one of the key feature of Indian economy.

1. Outdated technology:

Indian production is labour-intensive in nature. There is a lack of modern machinery and technologies.

1. Backward Society:

Indian societies are trapped in the curse of caste system, communalism, male-dominated society, superstitions etc. The above factors are the major constraints of growth of Indian economy.

Despite several negative aspects, there are some positive things in Indian economy. Various schemes of the Govt have boosted up Indian economy in many ways. India is leading towards a better economic structure with the help of ‘Make in India’, ‘Digital India,’ etc.