



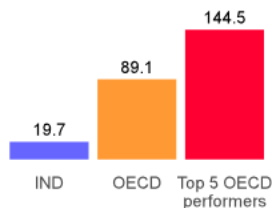
Performance gaps

Recommendations

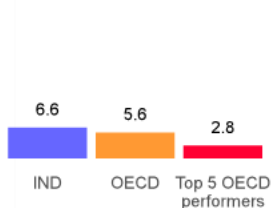
Product and labour markets functioning

- Recent reforms reduce government participation in the finance sectors, allowing greater foreign participation in insurance, as well as defence, petroleum and natural gas, and telecoms. However, in the last few years private conglomerates have increased their role in the economy, with negative consequences for competition.
- Despite the reduction in non-performing loans and the creation of an asset reconstruction company (so-called 'bad bank'), resolution procedures remain slow.
- Enhance resilience in the financial sector by accelerating the Insolvency and Bankruptcy Code process, managing nonperforming assets, and providing appropriate government's supervision.
- Further promote structure reforms in the financial sector by reducing government ownership of banks and insurance companies.
- Further liberalise FDI by removing remaining restrictions and simplify the government approval system.
- Promote the creation of quality jobs by modernising labour regulations and skill development programmes.

Labour productivity
GDP per employee, USD
2022



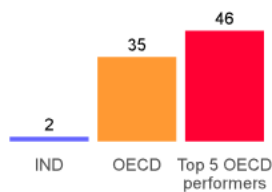
Unemployment rate
%, 2022



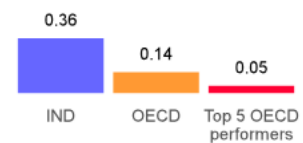
Digital transition

- Despite high mobile telephony penetration and the success of public policies promoting digitalisation of government services finance, education, and health, as well as delivery of social services, large digital divides persist by location, gender, age, income and wealth, and firm size.
- Enhance access to affordable and secure high-speed broadband networks and service in rural areas and for micro, small and medium enterprises (MSMEs), and poor households.
- Boost digital literacy and skills development through education and training, including among women and marginalised groups.

Fixed broadband subscriptions
Per 100 inhabitants
2021 or latest available



OECD Digital Services Trade
Restrictiveness Index
From least to most restrictive
Index of 0-1, 2022

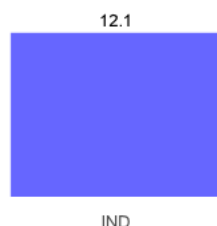


Inclusiveness, social protection, and ageing

- Both monetary and multidimensional poverty rates have declined, at least before the pandemic. Inequality of opportunities and social protection remains a challenge, with migrant workers and women (notably widowers) being particularly vulnerable due to poor competencies and skills. The 2022 Right to Education Act introduced the obligation to provide free and compulsory education for all children from age 6 to 14, but actual coverage is lower and quality is lagging behind.
- Enhance social mobility by widening access to social services and infrastructure, especially ensuring equal access to high quality education to all children at least from 6 to 14 for the successful implementation.

Poverty gap at \$3.65 a day

% , 2021 or latest available

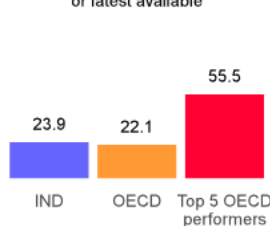


Climate transition

- India has committed to reduce greenhouse gas emissions and increase the share of renewable energy. Nonetheless, the energy mix is still highly dependent on fossil fuels and coal, the import bill has increased, and energy efficiency is low.
- Air pollution, extreme weather episodes, and droughts are becoming increasingly problematic.
- Further increase the share of renewable energy by facilitating long-term investment in clean energy development projects.
- Improve the performance of state-owned distribution companies (DISCOMs), so as to reduce the risks faced by private firms entering the renewable energy market to sell to DISCOMs.
- Incentivise private sectors to adopt more energy efficient and less carbon-intensive measures through carbon pricing, subsidies, technology dissemination, training, and capacity building.
- Provide additional government's support to shift household cooking fuels from biomass-based to less-carbon intensive sources.

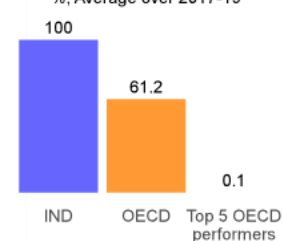
Share of renewables in the energy mix

%, Average over 2019-21 or latest available



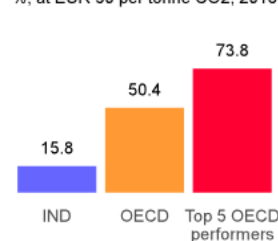
Share of population exposed to more than 10 µg/m3 of PM2.5

%, Average over 2017-19



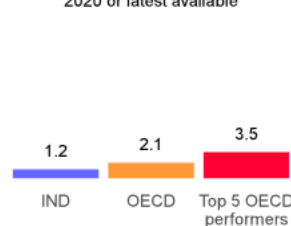
Carbon pricing score

%, at EUR 30 per tonne CO2, 2018



Environmentally-related tax revenue

% of GDP 2020 or latest available



Overall performance

Economy

Thousands USD per capita 2022 or latest available

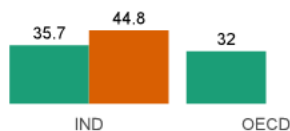
Gross Domestic Product



Inequality and poverty

2021 or latest available

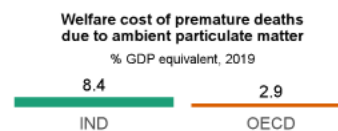
Gini coefficient after taxes and transfers (index of 0-100)
Poverty headcount ratio at \$3.65 a day (%)



Environment and climate

1 unit of GDP, 2021

0.37 GHG emissions
0.24 (OECD)





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