What’s working in India?

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THERE is a natural tendency in the world of commentary and analysis to focus on the negative. Journalists land Page One stories or lead the evening news when they uncover government corruption or gross mismanagement, not when they chronicle a smoothly functioning public administration. Activists raise funds not when they report how much they’ve achieved but rather how much is left to do. And researchers and think tank scholars are consistently pushing for reforms, tweaks, and fixes that could improve the status quo.

Choosing to focus on what’s gone wrong is not inherently bad. If the goal of the analyst class is to promote social advancement, the only path forward is to continuously strive for improvement rather than resting on the laurels of past achievements.

To be sure, there is ample reason to focus on adverse trends in the study of contemporary India. There’s indisputable evidence – from qualitative and quantitative sources—that democracy is on the backfoot as the forces of majoritarianism, illiberalism, and intolerance gain ground. India remains in a precarious economic position with high inflation, subdued growth, and lackluster formal sector employment prospects. In social terms, news headlines and social media timelines remind us that India is hardly free from the scourge of gender-based violence, caste discrimination, or the marginalization of those living below the poverty line.

While it would be natural to rehash the laundry list of challenges that Indian society faces, this article will press pause on the negative. Instead, the start of a new year creates a unique opportunity to appreciate the areas in which India has made concerted progress in recent years. To this end, this essay highlights eight trends that unambiguously point to improvements in the daily lives of Indians. This is not to wish away the democratic battles, economic struggles, or social challenges that ordinary Indians face on a daily basis, but rather to place them in a broader context.

The choice of the eight trends examined here is necessarily idiosyncratic. There are undoubtedly developments that have been omitted. But the focus here is on critical areas of economic, political, and social development where data can be utilized to establish clear trends. While the trends point in a positive direction, they are inevitably subject to caveats, which the essay highlights as well.

Trend #1: India has succeeded in sustaining rapid economic growth over a four-decade period as a democracy.

Last August, India celebrated its seventy-fifth anniversary as an independent, sovereign republic. The anniversary brought forth a deluge of assessments of the country’s ability to provide a basic quality of life to its 1.3 billion citizens. Appraisals of India’s economic evolution follow a familiar pattern: modest, but underwhelming growth in the Nehruvian era; the consolidation of the ‘License Raj’ and prolonged years suffering a ‘Hindu rate of growth’; pro-business and then pro-market reforms that fuelled an economic awakening; and, finally, a

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recent period of uncertainty, fueled by both domestic and external factors.

But what often gets lost in this recitation is just how unusual – and indeed impressive – India’s economic performance has been since the Emergency. Economists Rohit Lamba and Arvind Subramanian have calculated that since India’s growth takeoff in 1980, the country has enjoyed an average Gross Domestic Product (GDP) per capita growth rate of 4.6 per cent. In nearly forty years (ending in 2018), no decadal average fell below three per cent.\(^1\)

To put these numbers in context, the economists note that, since 1950, India is the only continuous democracy (other than possibly Botswana) to maintain an average GDP growth rate between 3 and 4.5 per cent for nearly four decades.

This sustained growth has had an unmistakably positive impact on poverty. According to the World Bank, India’s poverty headcount index stood at 38 per cent in 1983; as of 2019, that number is estimated to have fallen below seven per cent.\(^2\) While there is a heated debate over the precise poverty numbers today (some economists debate whether that number is lower or higher – a disagreement fuelled further by the lack of official government data), every credible economist agrees that the reduction in deprivation has been monumental.

The caveat, of course, is the question of India’s continued ability to generate such sustained growth. The lack of official data aside, a series of vexing questions continue to loom over the economy. For instance, can India fully reap the rewards of its demographic dividend with its minimal industrial base and lack of formal sector employment opportunities? As of 2021, industry accounted for only a quarter of India’s overall GDP, which actually represents a decrease from a decade ago. This stagnation has occurred despite the vaunted ‘Make in India’ programme.

Furthermore, what will become of the vast numbers of Indian women who are unable to engage productively in the non-household economy? The government’s latest Periodic Labour Force Survey (PLFS) from 2020-2021 shows that 32.5 per cent of women aged 15 and older are engaged in the workforce. While this is the highest level in four years, it remains abysmally low compared to the rest of the world. Analysts further caution that this uptick in female labor force participation is likely an aberration driven by short-term responses to the pandemic and economic crisis.\(^3\)

Trend #2: Indians have experienced an unprecedented improvement in access to basic private goods.

On the surface, the 2014 general election was a contest between the Narendra Modi-led Bharatiya Janata Party (BJP) and a Rahul Gandhi-helmed Indian National Congress. But behind the scenes, another fight raged on – one between economists Jagdish Bhagwati and Amartya Sen. Bhagwati (along with his longtime collaborator Arvind Pan-...
To be fair, these investments did not start with the Modi government; many of these schemes were in force under the previous United Progressive Alliance (UPA) regime. What the present government did was to rebrand, retool, and re-energize them. The scaling up of welfare distribution is unmistakable, particularly in rural areas. Prior to 2015, Abhishek Anand, Vikas Dimble, and Arvind Subramanian calculated that slightly less than one per cent of rural households acquired fresh access to clean sources of cooking fuel each year. After 2015, this pace rose to an astonishing 5.6 per cent. Similar trends are apparent for other amenities, including sanitation and electricity.  

Data from successive waves of the National Family Health Survey (Table 1) demonstrate that access to a range of household goods has risen dramatically in recent decades. Of course, the headline numbers obscure a murkier reality. A collaborative panel survey of rural households in four north Indian states, between 2014 and 2018, found that rural latrine ownership had indeed increased significantly, but open defecation remains rampant due to persistent social norms. Research has shown that while representations of distinctive approach to redistribution and inclusion, *Indian Express*, 22 December 2020.  

6. Ibid.  


**T**rend #3: India is enjoying a digital payments revolution. 

Thanks to Jan Dhan Yojana, the government’s flagship financial inclusion scheme, more than 460 million bank accounts have been opened across the country since 2014. Bank accounts are but one component in a burgeoning digital payments ecosystem flourishing in India today. Arguably, the bedrock of this system is the Aadhaar biometric authentication programme, begun under the UPA government but fully embraced by the Modi Sarkar. To date, more than 1.2 billion Indians have been enrolled in its unique identity scheme.  

The combination of Jan Dhan accounts, Aadhaar, and the universality of the mobile phone have formed what has become popularly known as the ‘JAM trinity’. Arguably one of the most under-recognized components of the digital revolution is the United Payments Interface (UPI), a real-time, mobile enabled payments system that facilitates transactions between banks. According to the International Monetary Fund (IMF), India’s digital payment volume has grown at an average annual rate of roughly 50 per cent over the past five years.  

The UPI expansion has been even more rapid. The IMF calculates that – from June 2021 to June 2022—digital transactions doubled to 5.86 billion. The value of funds transacted also doubled in the same year. Those numbers continue to rise steeply. In October 2022, the National Payments Corporation of India (which governs UPI) recorded 7.3 billion transactions in that month alone with a transaction value totaling $146 billion. Both figures represent an eight per cent month-on-month growth from September of that year. 

**A** study conducted by Boston Consulting Group and PhonePe estimates that 40 per cent of payments (in value terms) are now conducted digitally in India. If current trends continue...

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**Table 1**

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<td>Households with electricity (%)</td>
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<td>60.1</td>
<td>67.9</td>
<td>88.2</td>
<td>96.5</td>
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<td>Households with flush/pour flush toilets (%)</td>
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<td>39.1</td>
<td>53.2</td>
<td>68.3</td>
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<td>Households using clean cooking fuel (%)</td>
<td>11.6</td>
<td>17.5</td>
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persists, this $3 trillion market could more than triple by the year 2026. This revolution has had multiple beneficial impacts on the lives of ordinary people: it has drastically reduced the unbanked population, eased the burden of paying bills, and spurred a Golden Age of consumer-friendly financial innovation and technological adaptation.

Despite this fantastic rise in digital payments, pronouncements about the death of a cash-based system have proved premature. After the 2016 demonetization sledgehammer, cash in circulation immediately halved (as a percentage of GDP) and digital payments surged. Six years later, cash-in-circulation is well above pre-demonetization levels. According to HSBC, a leading driver of cash’s resurgence is the widespread distress experienced by India’s informal sector. As a result, those Indians living in precarity were instrumental in the return of safe, cash-based economic activities.

While digital payments are prized because of their link with transparency, the two do not always travel together. The most striking example is the advent of electoral bonds – a new political funding modality. According to this scheme, parties and firms can purchase ‘bonds’ from the State Bank of India and transfer them as ‘donations’ to their preferred political party at specified times of the year. The upside is that actual cash never changes hands. The downside is that neither the donor nor the recipient is required to disclose the transaction, leaving ordinary voters in the dark.

Trend #4: India has markedly increased its renewable energy capacity.

As noted above, Indian households are better connected to the power grid than at any time in the past. As the population has grown, incomes have risen, and urbanization has taken root, India’s energy consumption too has grown. According to information compiled by Our World in Data, and the average Indian uses around 7,000 kilowatt-hours (kWh) of energy a year, which represents a doubling over the past two decades. For comparison’s sake, per capita energy usage in India is still four times lower than in China and ten times lower than what it is in the United States.

But all of this energy must come from somewhere. In India’s case, coal continues to be the single biggest source of energy, accounting for roughly 55 per cent of nationwide energy consumption, the same proportion as in the mid-1970s. All in all, fossil fuels account for about 90 per cent of India’s energy, a number that has budged very little in decades.

But in this era of growing concern over carbon-based pollution and the need to mitigate climate change, there is a silver lining: India’s recent dramatic expansion of renewable energy generation capacity. The Institute for Energy Economics and Financial Analysis (IIEFA) reports that renewables account for roughly one-quarter of installed power capacity in India, although only around 13 per cent is currently used as part of India’s electricity generation. The government has plans to further increase the share of renewables in installed capacity to 56 per cent by 2030.

IIEFA notes that more than 90 per cent of India’s solar capacity has been installed since 2015-2016, a dramatic increase in such a short period of time. The rate of investment in renewables has been breathtaking, with the IIEFA estimating that renewables investment hit a record $14.5 billion in 2021-2022. This represented a 125 per cent increase over the previous year and a 72 per cent increase over the pre-pandemic year, 2019-2020.

As a result of India’s ramping up of renewable energy at home, it is on track to meet—and potentially best—the ‘Nationally Determined Contributions’ it set for itself in accordance with the Paris Climate accords. While this milestone is notable, analysts point out that India’s stated goals are comparatively modest and not ambitious enough to deliver its fair share of emissions cuts that would be necessary for the world to restrict temperature rise to 1.5 degrees Celsius.

Trend #5: India’s skewed sex ratio at birth is showing signs of normalizing.

For decades, one of the most disturbing facts about Indian society

has been the heavily skewed sex ratio that resulted in a significant gender imbalance among newborn children. According to demographers, the natural ratio of male to female births in India should be around 105, a ratio last witnessed in India in the 1960s and 1970s. Since then, thanks to sex-selective abortion and social norms regarding son preference, India’s sex ratio at birth began to drift in a pro-male direction. By 2011, according to Indian census data, 111 boys were born for every 100 girls.20

But that year proved to be a turning point; since then, India’s sex ratio at birth has begun to normalize. According to NFHS-5 data (2019-2020), there are approximately 108 boys born for every 100 girls—a discernible improvement (Figure 1).

As the Pew Research Centre has found, this reversal means that the average annual number of ‘missing’ baby girls in India fell from approximately 480,000 in 2010 to 410,000 in 2019.21 What’s even more encouraging, according to Pew, is that the stark variation across religious groups has also diminished, resulting in convergence across religious communities. Sikhs, for instance, had among the worst sex ratios in India, but their numbers have begun to converge with all other groups.22

This demographic shift is no small matter and could be a sign that deeply entrenched, conservative social norms are showing signs of weakening. But India is not out of the woods yet. As the Pew analysis noted, the United Nations estimates that India had one of the world’s most skewed sex ratios at birth between 2000 and 2020—after Azerbaijan, China, Armenia, Vietnam, and Albania.23

Furthermore, even if India’s skewed sex ratio is narrowing, there is some evidence suggesting that families underinvest in the health and education of girl children once they are born compared to their sons. For instance, economists Seema Jayachandran and Ilyana Kuziemko find that mothers in India tend to engage in shorter periods of breastfeeding for girls, especially if they have yet to have a son. This, in turn, has material consequences for child survival patterns; the economists estimate that the gender gap in breastfeeding accounts for roughly nine per cent of excess female child mortality in India.24

Jayachandran and Rohini Pande find similar effects of son preference when it comes to child stunting among young girls.25 On the plus side, the latest NFHS data suggest that some of these gender-based gaps have significantly attenuated in recent years.

Trend #6: Fertility in India continues to decline, approaching replacement levels.

Fertility and family planning have been a vexed issue in India since the dawn of independence. Concerns about overpopulation—by no means restricted to India alone—led to dire warnings about an eventual unending series of Hobbesian fights over scarce natural resources like food and water, public goods infrastructure, land, and property.

The latest NFHS data significantly allays concerns about the potential of a ‘population bomb’. According to the most recent figures, as of 2019-2020, India’s Total Fertility Rate (TFR) stood at 2.0, a slight reduction from the previous NFHS round (2015-2016), when TFR clocked in at 2.2. A TFR of 2.1 is considered replacement level, which means that the population replenishes itself without growing or shrinking.

India’s TFR now stands just a hair below replacement level, meaning that India will hit its peak population, estimated at around 1.6 billion by 2050, a decade ahead of schedule and below 24. Seema Jayachandran and Ilyana Kuziemko, ‘Why Do Mothers Breastfeed Girls Less Than Boys? Evidence and Implications for Child Health in India’, The Quarterly Journal of Economics 126, pp. 1485-1538.


27. Abhishek Jha, ‘Size of Rural Families...
the projection of 1.7 billion people).\textsuperscript{26} India’s National Population Policy, published in 2000, had sought to achieve replacement level fertility by the year 2010 – an achievement only slightly behind schedule. While data from India’s Sample Registration System differs marginally from the NFHS numbers, the two sets of data clearly point in the same direction.\textsuperscript{27}

This decline in fertility has been celebrated by demographers and population experts in India. But there is good reason to exercise caution when interpreting the headline numbers. First, there is evidence to show that as family size decreases, the ‘son premium’ increases – suggesting that lower fertility could exacerbate, rather than ameliorate, India’s skewed sex ratio. For instance, the economist Seema Jayachandran has found that India’s fertility decline actually explains as much as one third to one half of India’s previous sex ratio increase (between 1961 and 2011).\textsuperscript{28} As the journalist Rukmini notes, Indian household data demonstrate that ‘families where a son is born are more likely to stop having children than families where a girl is born.’\textsuperscript{29} As a result, girls are much more likely to be a part of large families while the opposite is true for boys.

\textbf{Trend #7: Female voter turnout has achieved parity with male turnout.}

Since the first general elections in 1952, politics in India has largely been a male-dominated affair. India has had female presidents, a female prime minister, and several powerful female chief ministers, but these have proven to be exceptions to the norm. Relative to their share of the population, women have been dramatically under-represented both as electoral candidates and as elected representatives. In many respects, 2019 was a banner year for female representation, yet women accounted for just 8.9 percent of all Lok Sabha candidates and 14.6 percent of winning Members of Parliament, according to data collected by the Trivedi Center for Political Data.\textsuperscript{30}

Historically, women have also trailed their male counterparts when it comes to exercising their right to vote. In 1967, for instance, female turnout in national elections lagged male turnout by 11.3 percentage points. Apart from 1984 (an anomalous election that followed Indira Gandhi’s assassination), the male-female turnout gap remained stubbornly in place through the 2004 elections, averaging between 8 and 12 percentage points. However, a marked shift took place after 2004. Between 2004 and 2009, an 8.4 percentage-point gap between male and female turnout fell by nearly half to 4.4 percentage points. In the subsequent 2014 election, the gender gap in voter turnout advantage stood at just 1.8 percentage points. By 2019, female turnout had nearly achieved parity: the gap was a negligible 0.1 percent, according to official data (Figure 2).\textsuperscript{31} The pattern can be seen at all levels of government, with female turnout now surpassing male turnout in most state assembly elections.

The drivers of increased female turnout are not well understood. It is likely that this historic equalization is a result of some combination of growing female empowerment, increased male migration, mobilization efforts by the Election Commission of India, and rising levels of social awareness. But the parity between male and female turnout ignores a critical fact, which is that there is still a striking gender gap in voter registration. As of 2014, there were 909 women per 1,000 men on the voter rolls, compared to a population sex ratio of 943 women per 1,000 men according to the 2011 census. As political scientist Rithika Kumar has pointed out, the increase in female voter participation is not driven by increases in new female voters, but rather the

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\caption{Gender-Wise Voter Turnout in Lok Sabha Elections}
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Source: Election Commission of India.


32. Rithika Kumar, ‘India’s Female Voters Not Turning Out To Vote As They Should’, IndiaSpend, 15 September 2018, https://www.indiaspend.com/indias-female-voters-
Trend #8: Organized violence is at historic lows.

The casual, almost routinized use of violence in contemporary India is hard to escape. More than 40 per cent of elected Members of Parliament face ongoing criminal cases, many of them involving charges of committing bodily harm. Police abuse of protestors, dissidents, and suspects held in their custody is regularly documented in newspapers and on television. Even the term ‘encounter killings’, often used as a euphemism for law enforcement officials engaging in extrajudicial violence, is bandied about as a badge of honor by governments that want to appear tough on crime.

Against this backdrop, it is easy to feel pessimistic about the state of law and order in India today. But multiple metrics of violence paint a very different picture: organized violence of almost all kinds has been declining for years, according to a forthcoming book edited by political scientists Amit Ahuja and Devesh Kapur. For instance, according to the authors, the number of terrorist incidents in India (leaving Jammu and Kashmir aside for the moment) has dropped dramatically, from 71 in the first decade of the 2000s to 21 in the period of 2010-2020.33 India has been wracked by multiple insurgencies in the past, including in Punjab, the Northeast, Kashmir, and the so-called ‘Red Corridor’, of central and eastern India where Naxal violence has been concentrated. By the mid-1990s, the Punjab insurgency had faded away, but violence raged on the other three fronts. Since 2010, however, insurgent violence has ebbed across the board, according to data compiled and analyzed by Ahuja and Kapur. Between 2000 and 2019, the Kashmir insurgency took nearly 42,000 lives, but just 2,300 (5.5 per cent) of those deaths came after the year 2010. The number of annual violent incidents in the Northeast touched 2,000 in the year 2000, but today that number is below 250. And left wing extremist violence on account of the Naxal conflict has declined by almost two-thirds in the period 2008-10 to 2018-20.34

With the resurgence of the Bharatiya Janata Party (BJP) to power and its Hindutva ideology, communal tensions between Hindus and Muslims are palpable. But, as of now, these tensions have not resulted in the frequency and intensity of riots that India witnessed in earlier decades. Since Gujarat 2002, official data suggests that incidents of communal violence have held steady. Riots, a broad category which includes incidents of a communal and non-communal nature, are at a historic low relative to the size of the total population.

Of course, the decline in organized violence is welcome, but these numbers should not distract from other persistent forms of violence which often occur under-the-radar or which has taken on new forms. For instance, gender-based violence often occurs in private homes and is not adequately recorded. NFHS data on spousal violence show a decline from 2005-6 to 2019-21, but this could be subject to social response bias and fails to include other forms of psychological or verbal abuse. Furthermore, the same survey shows that the proportion of women (between the ages of 15-49) reporting that they ‘often’ or ‘sometimes’ experienced some form of physical violence in the preceding year was 18.9 in 2005-6 but grew to 22.1 in 2019-2021.

Furthermore, there is some data to suggest that vigilantism (such as cow lynchings) that occurs independent of the state – though often with its implicit consent – is on the rise as is everyday harassment of Muslims.35

The preamble to the Indian Constitution commits the republic of India to securing justice, liberty, equality, and fraternity for all its citizens. This monumental task remains a work in progress, as it does in nearly every democratic society on Earth. There is a reason that the political scientist Robert Dahl eschewed the use of the word ‘democracy’ when describing the modern political form that bears this name. Dahl preferred the term ‘polyarchy’, because, in his view, no large system anywhere in the world is fully democratized.36 Consolidated democracies are best thought of as polyarchies or works-in-progress constantly trying to improve their level of inclusion and contestation. Democracy is akin to the North Star, serving as an ever-present beacon but one that is nearly impossible to reach.

Today, India’s polyarchy faces intense pressures – from external forces like globalization, economic headwinds, wars, and pandemic as well as internal forces of intolerance, illiberalism, and nativism. While gearing up for the next series of encounters, it is worth recounting battles both won and lost. On this score, India has many victories worth celebrating.
