

## COUNTRY PROFILE



## India

GLOBAL RANK: 70th of 104



India ties for 70th place with Ukraine. Its Economic Competitiveness rank is 57th, and its Comparative Liveability rank is lower at 80th place. This low score for Comparative Liveability is in part a result of very low incomes for the many Indians living in poverty.

## ● BACKGROUND

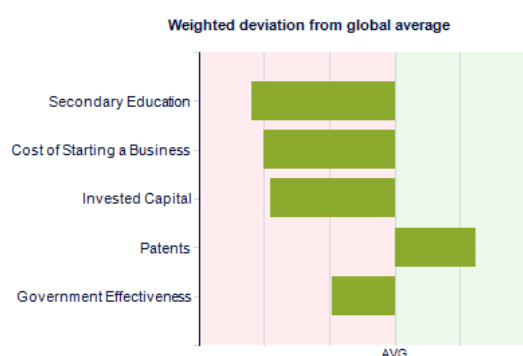
This modernising democracy of 1.1 billion people has reached rates of economic expansion of 9% in recent years, with growing software outsourcing and hi-tech manufacturing sectors. However, India's inefficient agricultural sector is still sustained by government subsidies, energy and transport infrastructure is severely underdeveloped, and natural resources face significant strain. Moreover, the recent dynamic growth seems to have lifted the nascent middle class with fewer benefits for the 80% of Indians who still live on less than \$1 a day. India also faces challenges from widespread corruption, and from occasional violence between its many ethnic and religious groups.

## FAST FACTS

<b>Population:</b>	1.1 billion (2008 est.)	<b>FDI (net inflow):</b>	0.83% (2006 est.)
<b>Life Today</b>	5.2 (2007 est.)	<b>Exports</b>	13.83% (2006 est.)
<b>GDP (PPP)</b>	\$2.989 trillion (2007 est.)	<b>Imports</b>	20.06% (2006 est.)
<b>GDP (Growth)</b>	9.2% (2007 est.)	<b>Unemployment:</b>	7.2% (2007 est.)
<b>GDP (per Capita)</b>	\$2,700 (2007 est.)	<b>Life Expectancy</b>	69.25 years (2008 est.)
<b>Political System:</b>	Federal Republic		
<b>Foreign Aid:</b>	0.10% (2006 est.)		

## ● KEY SCORE DRIVERS

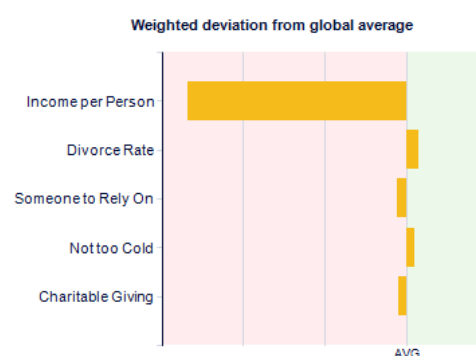
## ECONOMIC COMPETITIVENESS



One of the main factors constraining India's material wealth is poor mass education levels, with only 1.51 years of secondary education per worker on average. Productivity is likely lower than it might otherwise be as a result of a lack of educated workers, although considerable progress has been made in terms of professional training in recent years.

Despite continuing low levels of capital investment in most regions and the high costs of starting a business, India began to shift to a higher growth path in the 1980s, following three decades of disappointing economic performance. Reforms then accelerated further in the 1990s. This growth has allowed India to escape

## COMPARATIVE LIVEABILITY



India ranks much lower in Comparative Liveability than in Economic Competitiveness. Low incomes are still the greatest barrier to Comparative Liveability for hundreds of millions of Indians, particularly those living in urban slums or poorer rural areas. Although the material resources available to villagers or town dwellers are rising, they are still within a range that leaves adequate healthcare, nutrition and shelter out of reach for many.

Community life scores are also poor, particularly in terms of charitable giving, with only 6%<sup>9</sup> of respondents to the Gallup World Poll having given to charity in the preceding month. Furthermore, only 62%<sup>9</sup> of Indians report that they have someone to rely on, a

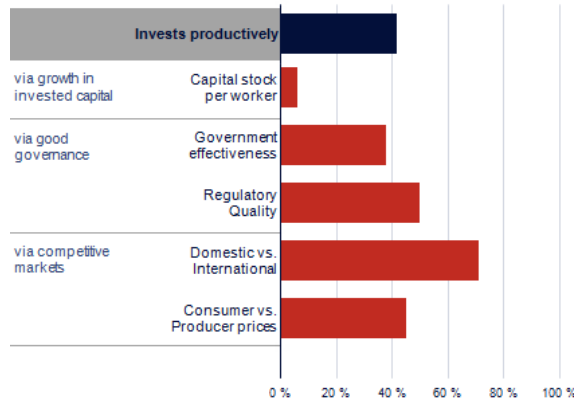
dependence on foreign aid.

very low score by global standards.

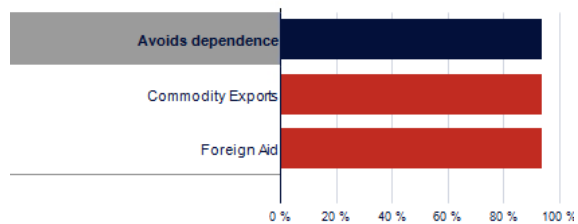
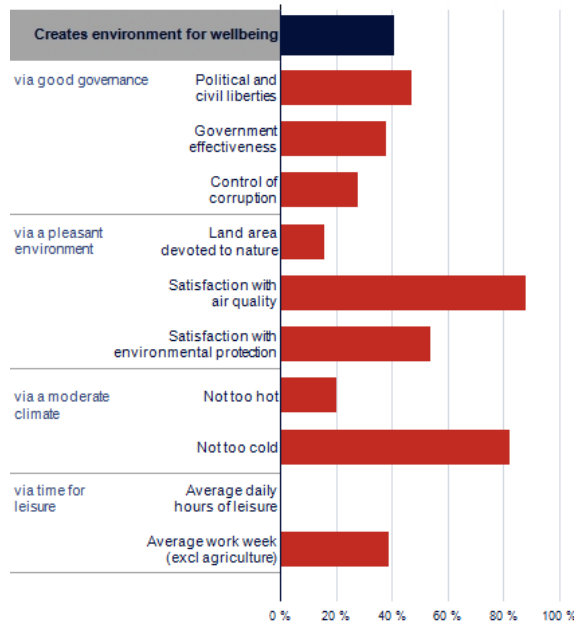
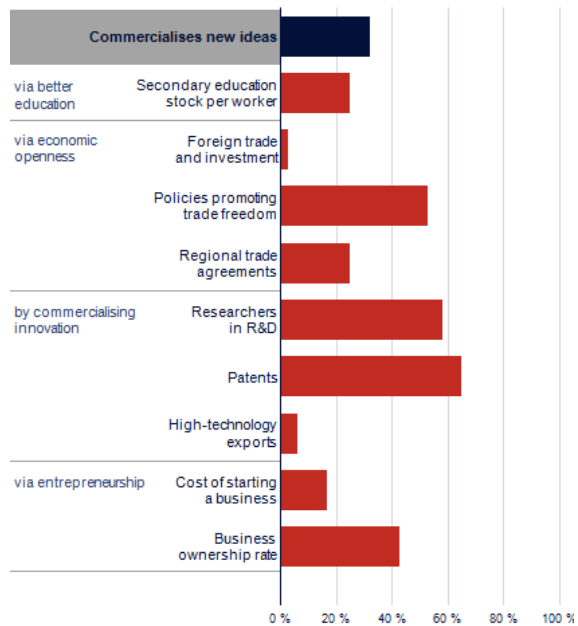
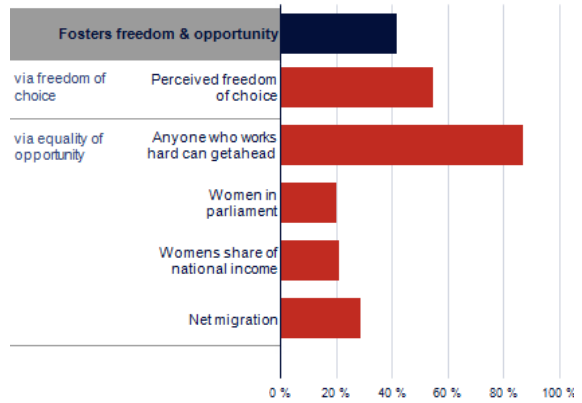
The expanding middle class now provides a motor of growth through demand for services, manufactured goods and new housing stock. In all areas of wealth creation, India outstrips its South Asian neighbours. Successive waves of economic reform have freed up domestic enterprise, encouraged foreign investment and facilitated greater international trade. This has resulted in a rapid increase in the number of patents granted, most notably in the pharmaceutical sector.

Ameliorating factors for life satisfaction are the low levels of divorce, at a mere 0.2%<sup>9</sup> of the population, and the warm climate, which is a boon for those too poor to afford adequate heating and housing.

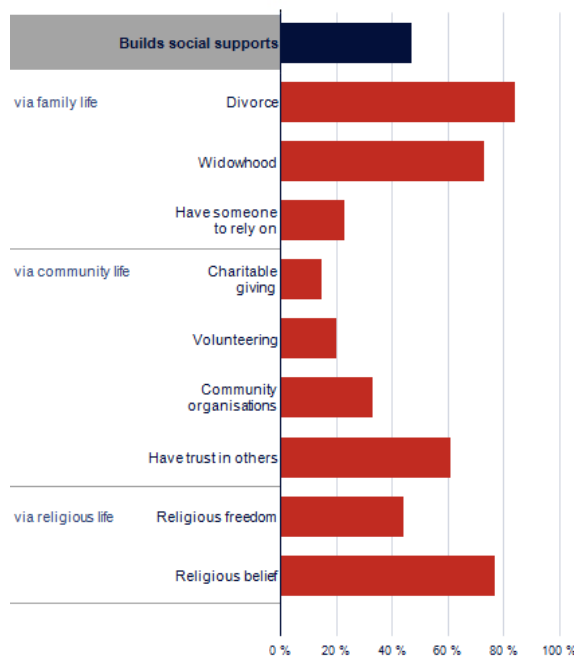
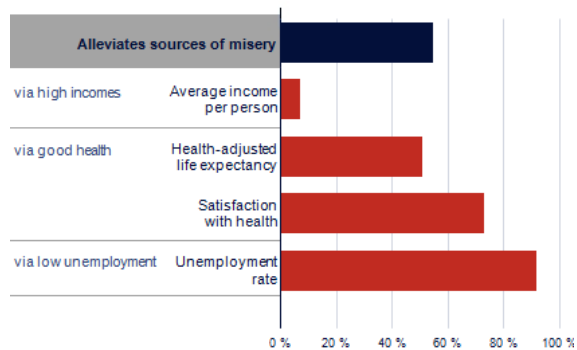
### ECONOMIC COMPETITIVENESS: SCORECARD



### COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.