Can India achieve high-income status by 2047, the Centenary Year of Independence?

Dr. T. K. Jayaraman

India will observe 15th of this month as the 80th Independence Day, marking completion of 79 years of freedom since 1947. Twenty years from now, India would enter the Centenary year of Independence. This article examines the possibility of India becoming a High Income country from a low middle income country, as of now, by 2047.

On July 5, 2026, the World Bank released its annual update of the income classification criteria for its 189 member countries, which will remain valid for the next 12 months. Countries are grouped into four income categories: low-income (LI), lower-middle-income (LMI), upper-middle-income (UMI), and high-income (HI).

The classification is based on Gross National Income (GNI) per capita, which includes Gross Domestic Product (GDP) plus net income received from abroad, such as interest, dividends, and workers' remittances. GNI per capita is converted into U.S. dollars using the World Bank's Atlas Method, which applies a three-year moving average of exchange rates to smooth short-term currency fluctuations (**Table-1**).

TABLE : 1

Classification of Member countries by World Bank: Four Income Groups

Income Groups	US$
Low Income (Poor)	1,175 and less
Low Middle Income	1,176 - 4635
Upper Midde Income	4.636 - 14,375
High Income	14,376 and above

Notes: The above classification crtirea are acoording to three year ave per capita GNI Valid for July 1 2026 to June 30 2027.

Sri Lanka's recovery and return to UMI status

Along with revising the thresholds, the World Bank upgraded the Philippines, Sri Lanka, Thailand, and Vietnam to the upper-middle-income category after they crossed the required income threshold. Sri Lanka's return to UMI status is particularly noteworthy. Having first entered the category in 2019, the country slipped back into the lower-middle-income group in 2022 following a severe economic crisis. Its restoration to UMI status in 2026 has been hailed by the World Bank as "a story of recovery." From the brink of economic collapse in 2022, Sri Lanka recorded real GDP growth of 5% in 2025, driven by a broad-based recovery in industry, finance, and tourism.

Vietnam and the Philippines have also achieved UMI status after years of sustained economic expansion. Vietnam had remained in the lower-middle-income category since 2009, while the Philippines had been in that group since the late 1980s. All four major Southeast Asian economies—Malaysia, the Philippines, Thailand, and Vietnam—are now classified as upper-middle-income countries. Malaysia is approaching the high-income threshold and could join that category soon. Singapore is the only high-income economy in Southeast Asia ever since the World Bank introduced its income classification in 1987. Today, Singapore's GNI per capita stands at $81,760, second only to the United States ($88,810), and well ahead of Germany ($60,280), the United Kingdom ($54,550), and France ($48,630).

Within the South Asian Association for Regional Cooperation (SAARC), only Sri Lanka and the Maldives are upper-middle-income economies. India, along with Bangladesh, Nepal, Bhutan, and Pakistan, remains in the lower-middle-income category, while Afghanistan continues to be a low-income country **(Table 2).** A comparison with China and Sri Lanka **(Table 3)** shows that India remains firmly in the lower-middle-income category. Among the six major emerging economies, India is the only country that has yet to attain upper-middle-income status, while the other five are already UMIs **(Table 4)**.

China and India both have populations of approximately 1.4 billion, making rapid increases in per capita income. Nevertheless, China's GNI per capita of $13,660 is nearly five times that of India ($2,760) and is now only marginally below the high-income threshold of $14,376. China therefore appears poised to enter the high-income category in the near future.

India's Ambitious Targets

India has set itself two ambitious milestones: achieving upper-middle-income status by 2037 and high-income status by 2047, the centenary year of Independence. A comprehensive roadmap has already been prepared by policy experts **(Table 5)**.

TABLE - 2
SAARC Countries: World Bank's Classification by GNI per capita Income

Countries	Current Income Group	Estimated per capita GNI US$	Target to reach next higher status	Target threshold US$ to cross
Afghanistan	Low Income	360	Low Middle Income	1,176
Bangladesh	Low Middle Income	2,700	Upper Middle Income	4,636
Bhutan	Low Midlde Income	3,600	Upper Middle Income	4,636
India	Low Middle Income	2,760	Upper Middle Income	4,636
Maldives	Upper Middle Income	10,200	High Income	14,376
Nepal	Low Middle Income	1,370	Upper Middle Income	4,636
Pakistan	Low Middle Income	2,700	Upper Middle Income	4,636
Sri Lanka	Upper Middle Income	4,760	High Income	14,376

Source: World Bank 2026

TABLE : 3
Sri lanka, India and China

Country	Population 2025	GNI Percapita US $	Income Group	Growth Rate 2023-25 (%)
Sri Lanka	22 million	4,600	Upper middle	4.2
India	1.4 billion	2,720	Lower middle	7.1
China	1.4 billion	13,200	Upper middle	4.8

Source : World Development Indicators and Asian Development Bank
Note : ADB Key Indicators

TABLE - 4
Six selected Emerging Economies: Graduation years to next classsification

Emerging Economies	Lower Middle Income	Upper Middle Income	High Income
Brazil	1960	1987	Not Yet
China	1997	2010	Not Yet
India	2007	Not Yet	Not Yet
Indonesia	1993	2020	Not Yet
Malaysia	1970	1992	Soon
South Africa	1987	2005	Not Yet

Note : India continues to be only country in the Lower Middle Income class
Source: World Bank July 2025

India today stands at a decisive moment in its economic journey. With GDP growth reaching 7.7% in FY2025–26, the country has demonstrated remarkable resilience despite global economic uncertainty. Yet, the turbulent domestic developments witnessed during the final weeks of July 2026 with street protests which were joined by criminal elements, mostly unskilled and unemployed youth have created great concerns. The opposition has seized the opportunity and the on-going parliamentary proceedings have been disrupted several times.

Achieving upper-middle-income status by 2037 and high-income status by 2047 will require much more than strong growth momentum. It demands a sustained national consensus on reforms across India's diverse, vibrant, and often "argumentative" (a phrase famously coined by Nobel Laureate Professor Amartya Sen). In his The Argumentative Indian: Writings on Indian History, Culture and Identity, first published in 2005 by Allen Lane (Penguin Books) in London and New York, Professor Sen views the argumentative trait in Indians as a positive one, classifying it as a vital cultural heritage., which has nourished India's cultural heritage, shaping its intellectual life. He traces its roots to Lord Krishna's dialogue with Arjuna in the Bhagavad Gita, where moral dilemmas are resolved through debate rather than command. Sen argues that this spirit of questioning—seen in ancient assemblies, Buddhist councils, and public discourse—has often delayed decisions but enriched democracy and tolerance. By valuing dissent and deliberation, Indian society has cultivated pluralism across centuries, making debate not a weakness but a defining strength of its civilization and a foundational national trait.

Lessons from Sri Lanka

Sri Lanka's recovery and return to UMI status provides an instructive lesson. After being downgraded to lower-middle-income status in 2022, three years after its first upgrading to UMI in 2019, the country regained upper-middle-income status within four years through a broad programme of economic reforms that secured political and public acceptance despite ethnic and regional divisions.

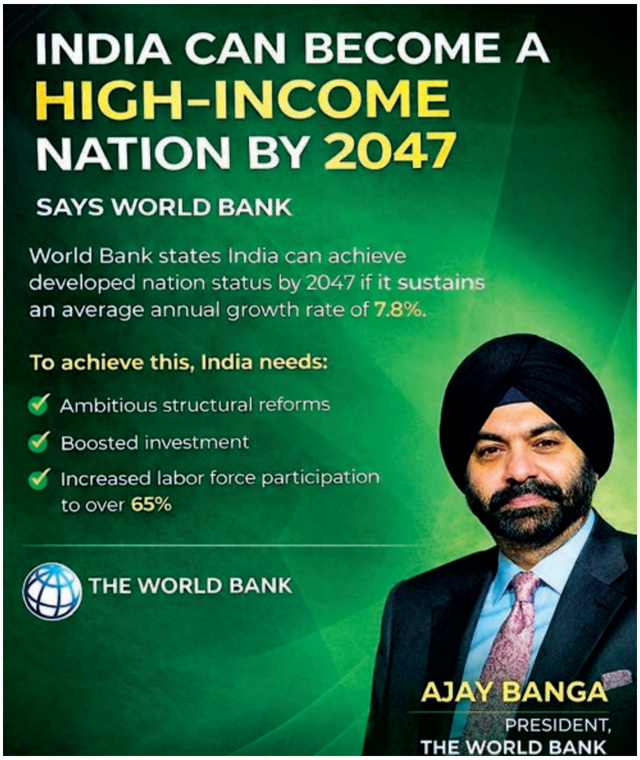
The lesson is clear: reforms succeed only when they are inclusive, transparent, and nationally owned. India's challenge

TABLE - 5

India's Road Map towards High Income Status by 2047

Milestones	Target year	Key focus areas
Upper middle income status	2037	Manufacturing to rise to 20% of GDP | Agricuture to decrease to 15% of GDP | Agritech and food processing Green Technology | Services sector to rise to 65% of GDP
High income status	2047	$ 30 trillion economy | Innovation in tech and biotech | Deep financial markets | Export competitiveness | Planned urbanization

Source: Ministry of Finance, GoI



is undoubtedly much larger, with its largest population at 1.43 billon, yet the principle remains the same. Without broad political and social consensus, even technically sound reforms risk being delayed, diluted, or reversed.

India's Reform Challenge

India's reform agenda faces several structural obstacles, many of them rooted in its federal system of governance.

Several landmark reforms enacted by Parliament remain only partially implemented because they require states to frame and notify their own rules. The four Labour Codes—covering Wages, Industrial Relations, Occupational Safety and Health, and Social Security—were intended to replace 29 central labour laws with a simplified and modern framework. However, since labour is a subject on the Concurrent List, the codes cannot become fully operational until state governments notify their implementing rules. As of mid-2026, only some states have completed this process, leaving employers and workers caught between outdated laws and incomplete reforms.

Similarly, the three farm reform laws enacted in 2020 were repealed in 2021 following prolonged farmer protests, illustrating how reforms lacking broad political and social consensus can fail despite legislative approval.

These experiences reveal a central paradox. India possesses the legislative capacity to enact ambitious reforms, but without effective Centre-State coordination and widespread public acceptance, implementation remains incomplete or politically vulnerable.

Building Consensus for 2047

Amartya Sen's concept of the "argumentative Indian" captures this dilemma. Public debate enriches democracy but can also slow decisive policy implementation.

Consensus has to be secured around the following :

- **Inclusive reform ownership**: Build consensus across states, political parties, industry, and civil society rather than relying on top-down implementation:
- **Higher productivity**: Modernize labour markets, digitize land records, improve logistics, and strengthen manufacturing competitiveness.
- **Greater global integration**: Expand free trade agreements, boost exports, and attract larger volumes of foreign direct investment into advanced manufacturing and technology sectors.
- **Climate resilience**: Accelerate investments in renewable energy, sustainable infrastructure, and climate adaptation to reduce vulnerability to environmental shocks.
- **Inclusive growth**: Ensure that rural populations, informal workers, and marginalized communities benefit from economic transformation, thereby reducing resistance to reform and promoting social cohesion.

Outlook

Achieving upper-middle-income status by 2037 appears attainable if India can sustain annual economic growth of around 6–7% while accelerating structural reforms. Reaching high-income status by 2047, however, presents a much greater challenge. It will require a sustained rise in productivity, stronger global competitiveness, continued investment in human capital, deeper integration into global value chains, and more balanced development across states.

Risks remain significant. Regional disparities, implementation gaps, demographic pressures, external economic shocks, and increasingly polarized politics could all slow progress if not carefully managed.

The stakes are enormous. Success would transform India by 2047, the Centenary Year, into one of the world's leading high-income economies and lift hundreds of millions into greater prosperity.

Failure would represent not merely a missed statistical target but a lost historic opportunity.

Conclusion

India's argumentative democracy is both strength and a constraint. It promotes democratic legitimacy but can also delay the consensus necessary for implementing difficult reforms. Sri Lanka's recent recovery demonstrates that economic transformation is possible when reforms command broad national support. India's path is undoubtedly more complex because of its size, diversity, and federal structure. Yet the central lesson remains unchanged: durable prosperity requires not only sound economic policies but also political consensus and institutional commitment. Whether 2037 and 2047 become milestones in India's rise to high-income status will ultimately depend on the country's ability to balance vigorous democratic debate with timely and decisive reform.

The path is visible. The lessons are clear. It is now left to the duly elected representatives in federal and state legislatures by periodical elections. ■

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