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Diversity, Debate and the road to HI

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The 15th August is just a day away. That will mark completion of 79 years of freedom, with India entering in its 80th year of Independence. Twenty years from now, India will enter its centenary year. Will India move from its current lower-middle -income status to high - income (HI) status by 2047?

On July 5, 2026, the World Bank released its annual update on criteria for income classifications. Countries are grouped into four categories—low-income(LI), lower-middle-income (LMI), upper-middle-income (UMI), and high-income (HI) , based on Gross National Income (GNI) per capita , by Atlas method which uses a three -year average of exchange rates to smoothen out fluctuations. . The current income classification and thresholds are :

Low- income (LI) :	$1,175 and less
Lower- Middle- Income (LMI):	$1,176 -$4,635
Upper- Middle- Income (UMI)	$ 4,636-$14,375
High- Income (HI)	$14,376 and above

India today remains in the LMI since 2007. Its income (per capita GNI of about $2,760) is far below that of China's $13,200. The latter is poised to cross into high-income status soon. .

India has set itself two ambitious milestones: to become an UMI by 2037 and a HI economy by 2047. The government has outlined a roadmap that envisages manufacturing accounting for 20 percent of GDP, agriculture declining to 15 percent, and services expanding to 65 percent by 2037. By 2047, India hopes to be a $30 trillion economy, powered by innovation in technology and biotechnology, deep financial markets, export competitiveness, and planned urbanization. These targets, though bold, are but they are not beyond reach if reforms are sustained

Sri Lanka's recent experience offers a lesson. After slipping back into LMI during its 2022 economic crisis, it regained UMI status in 2026 through reforms that commanded broad political and public acceptance. Vietnam and the Philippines too have climbed steadily into the upper-middle-income bracket. Within South Asia, only Sri Lanka and the Maldives have crossed that threshold, while India, Bangladesh, Nepal, Bhutan, and Pakistan remain LMI countries. India is also the only one among the six major emerging economies—Brazil, China, Indonesia, Malaysia, South Africa, and India- that remains in LMI group.

India's challenge is immense. With a population of 1.43 billion, the sheer scale of transformation required is daunting. Yet the country has shown resilience: GDP growth touched 7.7 percent in 2025–26 despite global uncertainty. But growth alone will not suffice. Structural reforms must be implemented, and here lies the paradox. India has the legislative capacity to enact ambitious reforms, but implementation often falters due to its federal system and lack of consensus. The four Labour Codes passed by Parliament remain only partially operational because states have not notified their rules. The farm laws of 2020 were repealed in 2021 after prolonged protests. These episodes underline that reforms, however technically sound, fail without broad acceptance.

Prof. Amartya Sen's description of Indian, as an "argumentative Indian" captures this dilemma. Debate enriches democracy but can delay decisions. Sen traces this tradition back to the Bhagavad Gita, where Krishna and Arjuna resolve dilemmas through dialogue rather than command. He sees it as a cultural heritage that nourishes pluralism and tolerance. Yet in the economic sphere, this argumentative spirit often slows reform. India's path to 2047 must therefore balance vigorous debate with timely action. The last two weeks of July turbulence have caused high anxiety

The roadmap ahead rests on several pillars. First, reforms must be inclusive and nationally owned, not imposed from above. Second, productivity must rise through modernized labour markets, digitized land records, improved logistics, and stronger manufacturing competitiveness. Third, India must integrate more deeply into the global economy, expanding trade agreements and attracting foreign investment into advanced sectors. Fourth, climate resilience is essential, with investments in renewable energy and sustainable infrastructure. Finally, growth must be inclusive, ensuring that rural populations, informal workers, and marginalized communities share in prosperity. Without this, resistance will mount and reforms will falter.

The risks are real. Regional disparities, demographic pressures, external shocks, and polarized politics could all slow progress. Yet the stakes are enormous. Success would transform India into one of the world's leading high-income economies by 2047, lifting hundreds of millions into prosperity. Failure would mean not just missing a statistical target but losing a historic opportunity.

India's journey is more complex, because of large population and federal structure of government. However, but the principle remains the same. Durable prosperity requires sound policies, political consensus, and institutional commitment.

Whether India reaches its milestones in 2037 and 2047 will depend on its ability to reconcile democratic debate with decisive reform.