Navigating the Nexus: Inclusive Growth and Sustainable Development in India's Pursuit of the 2030 Agenda

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Abstract

This report provides a comprehensive analysis of the symbiotic relationship between inclusive growth and the Sustainable Development Goals (SDGs) in India's developmental journey. Drawing on a synthesis of government reports, academic papers, and institutional data, it examines India's progress, evaluates key policies as case studies, and dissects the systemic challenges that impede a more equitable and sustainable trajectory. The analysis reveals that while India has made significant strides in poverty reduction and clean energy access, driven by initiatives like the Pradhan Mantri Jan-Dhan Yojana (PMJDY) and the Swachh Bharat Mission (SBM), deep-seated structural and social inequalities, coupled with persistent governance gaps, present major hurdles. The report argues that addressing these challenges requires a nuanced approach that recognizes the inherent trade-offs between rapid economic growth and environmental sustainability. It concludes with strategic recommendations for fostering policy synergies, strengthening decentralized governance, and catalysing public and private investment to ensure India achieves its national aspirations and contributes decisively to the global 2030 Agenda.

This report analyses India's progress on the Sustainable Development Goals (SDGs) and the symbiotic relationship with its inclusive growth. Drawing on government reports and academic data, it examines India's achievements, policy case studies, and systemic challenges that hinder a more equitable trajectory. While India has made significant strides in poverty reduction and clean energy access through initiatives like the Pradhan Mantri Jan-Dhan Yojana (PMJDY) and the Swachh Bharat Mission (SBM), deep-seated structural and social inequalities, along with governance gaps, present major hurdles. The report argues that overcoming these challenges requires a nuanced approach that addresses the trade-offs between rapid economic growth and environmental sustainability. It concludes with strategic recommendations to foster policy synergies and strengthen decentralized governance.

Introduction: India's Developmental Trajectory and The 2030 Agenda

Context and Global Significance

India's role is globally critical to the success of the 2030 Agenda for Sustainable Development.1 With a population that constitutes one-sixth of World's Population and a rapidly growing economy, the progress India makes on the Sustainable Development Goals (SDGs) will have significant consequences for the world and the planet.1 This unique convergence of extraordinary economic growth, a commitment to sustainability, and a high rate of social and technological innovation positions India as a leading force for the SDGs on the global stage.

The country's engagement with the 2030 Agenda is not a top-down, external compliance exercise. Rather, it is deeply aligned with India's longstanding developmental traditions and modern political ethos. The ancient Indian phrase, ‘Vasudhaika Kutumbam,' which means "the world is one family," and the modern political motto, 'Sabka Saath, Sabka Vikas,' translated as "Collective Effort, Inclusive Development," capture the spirit of India’s approach to inclusive development. These principles are fundamentally mirrored in the central promise of the 2030 Agenda: to 'Leave No One Behind'. This philosophical and political congruence provides a powerful foundation for a multi-stakeholder, "whole-of-society" approach to development, where central and state governments, civil society, the private sector, and academia come together to promote the SDGs.

Defining the Nexus: Inclusive Growth and Sustainable Development

The report's analytical framework is built upon the interconnected concepts of inclusive growth and sustainable development. Inclusive growth is an economic growth model that goes beyond a mere increase in GDP, focusing on creating opportunities for all people and ensuring the equitable distribution of wealth and benefits. It is a pro-poor strategy where marginalised populations are not only the beneficiaries of growth but are active participants in the process. Key dimensions include the alleviation of poverty, reduction of inequality, and promotion of full and productive employment. This approach acknowledges that economic growth, in itself, does not automatically result in widespread socio-economic benefits.

The Sustainable Development Goals (SDGs), a set of 17 global objectives adopted by the United Nations in 2015, serve as a comprehensive roadmap for addressing a range of interconnected global challenges. They represent a universal call to action to end poverty, protect the planet, and ensure peace and prosperity for all by 2030. The goals are inherently integrated and interlinked, recognizing that a holistic approach is necessary to tackle complex issues.

The core of this agenda is the understanding that eradicating poverty and hunger, combating inequality, and fostering economic progress must be done in a way that is harmonious with nature and preserves the planet for future generations.

The connection between these two concepts is profound. Inclusive growth can be considered a key driver for achieving a significant cluster of SDGs, especially those related to social and economic progress, such as Goal 1 (No Poverty), Goal 8 (Decent Work and Economic Growth), and Goal 10 (Reduced Inequalities). The SDGs, in turn, provide a universal and robust framework for measuring the multidimensional nature of inclusive growth. The progress of the two concepts is so intertwined that India's ability to achieve its goals in poverty reduction, employment, and social protection is directly linked to its success in realising the broader sustainable development agenda.

A Data-Driven Assessment of India's SDGs Performance

Measuring Progress: The SDG India Index and International Context

India's commitment to the 2030 Agenda is exemplified by its robust domestic monitoring frameworks. NITI Aayog, the nodal institution for achieving SDGs in the country, spearheads this effort with a focus on "cooperative and competitive federalism". The primary tool for this is the SDG India Index and Dashboard, which monitors the performance of states and union territories, benchmarking them on their achievements across the goals. This domestic index serves as a powerful mechanism to bring the SDGs to the forefront of policy dialogue and implementation at both the central and state levels.

The data from the SDG India Index demonstrates a consistent and commendable upward trend. India's overall SDG composite index score has risen from a baseline of 57 in 2018 to 71 in 2023-24, a 14-point increase. This improvement has been so significant that 32 of the 36 states and union territories have moved into the "Front Runner" category, scoring between 65 and 99.19. This domestic progress is a clear indication that government programs and policies are having a measurable impact on the ground.

However, when viewed through the lens of international rankings, the picture is more nuanced. India is positioned at 112 out of 166 countries on the global SDG Index. The discrepancy between the high domestic index score and the more modest international ranking highlights an analytical point about the nature of measurement. The domestic index, with its granular and context-specific indicators, may be more adept at capturing the incremental progress of national flagship programs. Global indices, conversely, may rely on broader indicators that do not fully capture the scale and specificities of India's developmental efforts. A more comprehensive data strategy that bridges this gap is essential to ensure India's on-the-ground efforts are more accurately reflected in global reports.

Sectoral Performance: Achievements and Persistent Gaps

India has demonstrated significant progress in several key areas of sustainable development. These achievements are particularly evident in the social and economic dimensions, demonstrating the success of inclusive growth policies.

Notable Achievements

- SDG 1 (No Poverty): India is on track to achieve the SDG target of halving multidimensional poverty well before 2030. A significant reduction of 17.89 percentage points was registered in multidimensional poverty from 2013-14 to 2022-23. The Multidimensional Poverty Index (MPI) value nearly halved between 2015-16 and 2019-21, with 135 million people escaping poverty during this period. The reduction has been particularly effective in rural areas, where the poverty headcount ratio fell from 32.59% to 19.28%, a pro-poor outcome in absolute terms.
- SDG 7 (Affordable and Clean Energy): The proportion of the population with access to electricity has increased to 99.5% in 2023, while access to clean fuels has also risen substantially. India is now the world's third-largest producer of renewable energy and is on track to achieve its ambitious target of 500 GW of non-fossil fuel-based power generation capacity by 2030.
- SDG 3 (Good Health and Well-being): India's Human Development Index (HDI) has risen by over 53% since 1990, driven by economic growth and welfare initiatives. There have been notable improvements in key indicators, including a reduction in maternal mortality and under-5 mortality rates, as well as a rise in institutional deliveries and immunization rates.

Areas of Challenge

Despite these achievements, significant challenges remain, particularly concerning inequality and employment.

SDG 10 (Reduced Inequalities): The rise of top-end inequality has been pronounced since the early 2000s, especially in terms of wealth concentration. The share of GDP from labor has decreased, a sign that the benefits of growth are not being distributed equitably.

- SDG 8 (Decent Work and Economic Growth): While the overall unemployment rate has declined since 2018, youth unemployment remains high, and the benefits of economic growth are diluted by the informal sector's dominance. Over 90% of the workforce operates in this sector, which offers low job security and minimal social benefits, posing a major barrier to sustainable livelihoods.
- SDG 5 (Gender Equality): Gender disparities persist, with female labour force participation at a low of approximately 23%. In education, while primary enrolment is near-universal, dropout rates remain high for girls at higher levels, and women face unequal pay and limited access to opportunities.

The following table provides a concise overview of India's progress on these key goals.

Table 1: *India's Progress on Selected Sustainable Development Goals*

SDG	Indicator	Baseline Data	Latest Data	Relative progress
SDG1: No Poverty	Multi-Dimensional Poverty head Count Ration	24.85% (2015-16)	14.96% (2019-21)	Significant progress
SDG3: Good health and Well being	Life Expectancy	NA	72 years (2023)	Strong progress
SDG5: Gender Equality	Female Labour Force participation Rate (FLPR)	NA	23% (2023-24)	Stagnation/ Challenge
SDG7: Affordable and Clean Energy	Population with access to Electricity	60.3% (2000)	99.5% (2023)	Strong progress
SDG8: Decent Work &Economic Growth	Unemployment Rate	6% (2018)	3.2% (2023)	Progress (but youth unemployment)
SDG10: Reduced Inequalities	Proportion of Population below 50% of Median Income	5% (1993)	10% (2021)	Major Challenge

Pillars of Progress: Case Studies of Flagship Initiatives

India's progress on the SDGs has been powered by a series of ambitious, mission-mode initiatives that address specific developmental challenges. These programs serve as compelling case studies of how targeted policy interventions can drive inclusive and sustainable development at a massive scale.

Pradhan Mantri Jan-Dhan Yojana (PMJDY): A Case for Digital Public Infrastructure

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) is framed as a national mission for financial inclusion, designed to ensure that every household has access to basic financial services. Since its launch in 2014, the scheme has been a resounding success, leading to the opening of over 548 million bank accounts and significantly reducing the number of unbanked persons in the country. The program's effectiveness is not merely in the numbers but in its approach. It has prioritised outreach to marginalized and vulnerable groups, including women, rural households, and daily wage earners, simplifying account-opening requirements to ensure inclusivity.

The success of the PMJDY is a powerful testament to India's pioneering work in digital public infrastructure. The development of a unique digital identity for all citizens (Aadhaar) and a universal payments interface (UPI) has enabled the frictionless delivery of financial services. This digital foundation has empowered the program to achieve scale and speed, reducing reliance on informal moneylenders and fostering a new economic ecosystem. More profoundly, the PMJDY is a foundational policy enabler for inclusive growth. It serves as a platform for Direct Benefit Transfers (DBT), a mechanism that ensures subsidies and welfare benefits are delivered directly to the intended beneficiaries, thereby plugging leakages and ensuring social protection. By empowering marginalised groups to enter the formal financial system, PMJDY promotes long-term, intergenerational wealth creation and poverty reduction, directly contributing to SDG 1 and other social equity goals.

Swachh Bharat Mission (SBM): A Critical Review of Success and Challenges

The Swachh Bharat Mission (SBM) was an ambitious, politically sponsored initiative to achieve an "open-defecation-free" India by 2019, aligning directly with SDG 6.2. The mission achieved remarkable scale, with over 100 million household toilets constructed and a corresponding reduction in open defecation, meeting its target a decade ahead of the UN's deadline. This success was driven by a mission-mode approach, a significant financial outlay, and a strong emphasis on achieving quantitative targets.

However, a critical analysis of the SBM reveals a conflict between a target-driven strategy and long-term sustainability. The singular focus on toilet construction, while successful in achieving a numeric goal, led to the neglect of other core objectives, such as solid waste management and community-led behavior change. Furthermore, the rapid implementation resulted in the use of inappropriate containment systems in certain regions, like flood-prone areas, where toilets become unusable during annual floods. This exemplifies a key developmental trade-off: the prioritisation of a rapid, quantitative win at the expense of comprehensive, long-term, and context-specific solutions. The mission's success in one area also highlights the interconnected nature of the SDGs; access to sanitation has spillover benefits for other goals, such as improved health (SDG 3) and environmental protection.

The Aspirational Districts Programme (ADP): A Test of Localised Governance

Launched in 2018, the Aspirational Districts Programme (ADP) is a flagship initiative designed to reduce inter-district multidimensional inequality and catalyse the rapid transformation of India's most under-developed districts. The program operates on a model of "competitive and cooperative federalism," where districts are incentivised to improve on 49 key performance indicators across five themes, including health and nutrition, education, and Financial inclusion. The performance is monitored monthly, and top-performing districts are rewarded with additional funding.

While the program's intent is to promote inclusive development and localize the SDGs, its on-the-ground impact appears to have been uneven. An impact evaluation of the ADP on health and nutrition indicators found a significant increase in home births attended by skilled birth attendants and a reduction in the prevalence of underweight children in aspirational districts. However, the research found no evidence of a positive impact on other health and nutrition indicators. This suggests that while a competition-based model can drive progress on certain, more easily measurable metrics, it may not be sufficient to address the deep-rooted, multi-dimensional challenges that require holistic, multi-sectoral interventions.

The findings highlight the complexity of achieving broad, inclusive development at the sub-national level and the need for targeted, context-specific solutions beyond a simple ranking mechanism.

Navigating the Trade-Offs: The Challenges to Inclusive and Sustainable Development

India's developmental journey is characterized by a constant negotiation of complex trade-offs, where the pursuit of one goal may come at the expense of another. These challenges are not merely a result of policy missteps but are deeply embedded in the country's economic structure and social fabric.

The Growth-Sustainability Conflict

The conflict between rapid economic growth and environmental sustainability is a pressing challenge in India, particularly in a country with a large population and mass poverty. The conventional model of development, which relies heavily on industrialisation and resource exploitation, has raised concerns about environmental degradation. For example, India's top export products, such as petroleum, agricultural goods, and textiles, contribute significantly to the country's GDP but also to pollution and the exploitation of natural resources. The positive correlation between carbon dioxide (CO_2) emissions and GDP in key export industries illustrates this fundamental tension.

This dilemma is often framed by the "Environmental Kuznets Curve" theory, which posits that environmental quality initially declines with economic growth but eventually improves after a certain income level is reached. India, like other developing nations, is grappling with the initial phase where economic activity exacerbates environmental damage. The challenge is to "decouple" economic growth from environmental degradation by promoting resource efficiency and transitioning to a green and digital economy. This transition requires a fundamental shift in policy and investment to ensure that progress on social and economic goals does not undermine long-term ecological balance.

Structural and Social Inequalities

Persistent structural and social inequalities are major roadblocks to achieving inclusive and sustainable development across India. The country's progress on the SDGs is highly uneven, with some states and regions flourishing while others lag significantly. The SDG India Index starkly illustrates this regional disparity, with top-performing states like Kerala and Uttarakhand in the "Front Runner" category, while populous states like Bihar, Jharkhand, and Nagaland remain at the bottom, in the "Aspirant" category.

Table 2: *Performance Highlights from the SDG India Index 2023-24*

Performance Category	States/UTs	Key Score / Metric
Over all Top Performers	Kerala and Uttarakhand	Tied for the highest composite score of **79** points.
Top 5 Highest-Scoring States	1.Kerala , Uttarakhand (79) 3. Tamil Nadu (77) 4. Goa (75) 5.Himachal Pradesh (73)	Ranked from 79 to 73 (Top 5)
Top Performer (Union Territory)	Chandigarh	Highest Composite Score among all UTs (Score of 77)
Bottom Performer	Bihar	Lowest Composite score of 57 Points
States showing Fastest Improvement	Uttar Pradesh	Highest increase in Score since the baseline report 9 2018), with an increase of 25 Points Leading in score improvement
	Assam, Manipur, Punjab, West Bengal, Jammu and Kashmir	since the 2020-21 edition, each with an 8-point positive change
Largest Advancement in Category	32 States /UTs	Now the Front Runner Category (Score 65-99),up from 22 in the 200-21 edition
New Font Runners (Select States)	Arunachal Pradesh, Assam, Chhattisgarh, Madhya Pradesh, Manipur, Odisha, Rajasthan, Uttar Pradesh, West Bengal.	The 9 states /UTs are new entrants to the Front Runner category (Score 65-99)

Note: The NITI Aayog report cites that Assam has shown significant improvement, while the other four states have recorded the least improvement since the base year evaluation.

These regional imbalances are exacerbated by deep-seated social inequalities, particularly those rooted in the caste system. Research indicates that caste identity remains a crucial factor influencing progress toward the SDGs. The pervasive discrimination limits access to education, land, and employment for lower-caste communities, which, in turn, diminishes their "adaptive capacity"—a household's ability to cope with and recover from crises. Households from higher castes, with greater access to resources and social networks, tend to have higher adaptive capacity, making them more resilient to shocks. This dynamic perpetuates poverty and social divisions, impeding progress on key goals like SDG 1 (poverty) and SDG 10 (inequality). The findings underscore that effective policy interventions must go beyond economic measures to address the underlying social structures that create and reinforce these disparities.

The Governance Imperative: Bridging Gaps in Policy Implementation

Even with well-intentioned policies and ambitious programs, systemic governance challenges pose a significant impediment to achieving the SDGs in India. These challenges are not limited to a single level of government but permeate the entire public administration system.

The Challenge of Implementation

A major challenge in India is the "implementation gap," where a policy's formulation and its execution fail to align, leading to delays, inefficiencies, and suboptimal outcomes. Weak policy implementation, corruption, and bureaucratic inefficiencies are consistently cited as major hurdles to sustainable development.

This is often a result of a highly centralised governance system, which creates a fundamental asymmetry in power and resources. While the central government formulates national-level plans and policies—such as the National Action Plan for Climate Change (NAPCC)—the responsibility for their on-the-ground implementation often falls to state and local governments. However, these sub-national entities frequently lack the necessary financial and administrative capacity to execute these mandates effectively. This systemic imbalance hinders the integrated delivery of services and creates a structural barrier to progress, especially in critical sectors like health, agriculture, and water, which are closely linked to climate action and are under state jurisdiction.

The Foundational Challenge of Data

A foundational and systemic challenge is the lack of comprehensive and accurate data to measure and monitor progress on the SDGs. Key indicators for critical goals, such as extreme poverty eradication (SDG 1), water quality (SDG 6), air quality (SDG 11), and electronic waste management (SDG 12), are either missing or inadequately measured.

This absence of robust, disaggregated data is a critical governance failure. Without it, evidence-based policymaking becomes impossible, as there is no reliable way to assess the true impact of interventions or identify where course corrections are needed. This undermines accountability mechanisms and weakens the link between policy intent and actual outcomes. Recognizing this, the Ministry of Statistics and Programme Implementation (MoSPI) and NITI Aayog have taken proactive steps to strengthen the statistical ecosystem, including developing a National Indicator Framework and forging partnerships with the United Nations. These efforts are crucial to building a more transparent and effective governance system that can track and address developmental gaps with precision.

Recommendations and the Path Forward

Achieving India's vision of an inclusive, resilient, and sustainable future requires a multi-pronged strategy that addresses the complex challenges identified in this report. The path forward involves strengthening policy frameworks, mobilising investment, and fostering a collaborative approach across all sectors of society.

Fostering Policy Synergies and Integrated Governance

An integrated, multi-sectoral approach is essential to move beyond siloed policymaking and tackle the interconnected nature of the SDGs. For instance, policies that promote green jobs and sustainable agriculture can simultaneously advance Goal 8 (Decent Work and Economic Growth), Goal 13 (Climate Action), and Goal 2 (Zero Hunger). This requires government officials to develop a holistic view and manage the inherent trade-offs between different goals.

Furthermore, it is critical to address the structural imbalances in governance. Empowering local governance structures and ensuring they have the necessary financial and administrative capacity is vital for effective climate action and on-the-ground policy implementation. The "whole-of-society" approach, where governments work in tandem with the private sector, civil society, and academia, is also a powerful tool for accelerating progress. The mandatory Corporate Social Responsibility (CSR) framework in India provides a unique opportunity to align corporate contributions with SDG targets, ensuring that private capital and expertise are channeled into areas that have the highest social and environmental impact.

Catalysing Public and Private Investment

Bridging the significant funding gap for climate and sustainable development goals is a top priority. India needs to mobilise substantial resources—estimated at approximately INR 11 lakh crores ($170 billion) annually—to meet its climate ambitions. This requires leveraging both public and private finance.

The government should continue to strengthen public finance mechanisms and explore innovative instruments like green bonds and sustainability-linked bonds to mobilise capital for green infrastructure and renewable energy projects. Fiscal and policy support for new technologies such as green hydrogen and battery storage is crucial for a smooth energy transition. Simultaneously, private sector investment must be catalysed through favourable policy environments and collaborative frameworks that reduce risks and incentivize participation in sustainable projects.

Investing in Human Capital and Social Equity

A truly inclusive growth model must address the core inequalities that persist across the country. This requires targeted interventions in public health and education that focus on improving the quality of services, not just access. Programs should be designed to support marginalised multi-groups—including women, rural populations, and lower-caste communities—who are disproportionately affected by a lack of opportunities.

Building the adaptive capacity of vulnerable communities is a long-term investment that will accelerate progress on multiple SDGs. This involves strengthening social protection systems, providing targeted support and communications, and ensuring that basic services like healthcare and education are delivered equitably. By focusing on human capital development and social inclusion, India can ensure that the benefits of its economic progress are shared by all, fostering a more resilient and equitable society.

Conclusion

India's developmental journey is a complex but promising one, characterized by the convergence of extraordinary economic growth and a deep-seated commitment to inclusive and sustainable development. The country has successfully aligned its national ethos with the global SDG framework and has demonstrated significant, data-driven progress in key areas, particularly in poverty reduction, clean energy access, and financial inclusion. This success is a testament to the power of ambitious, mission-mode policies and the strategic use of digital public infrastructure.

However, the analysis in this report also reveals that a number of deep-seated structural and Social inequalities, coupled with persistent governance gaps, present major hurdles. The inherent trade-off between rapid economic growth and environmental sustainability, along with the deep-rooted challenges of regional and caste-based disparities, complicates the path forward. To achieve the 2030 Agenda and secure a prosperous future for all its citizens, India must address these systemic issues head-on. By continuing to strengthen its governance, fostering policy synergies, empowering local institutions, and mobilizing both public and private investment, India can not only achieve its own goals of inclusive and sustainable growth but also offer a powerful, context-specific model for other developing nations to follow.

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