



## Evaluation of the effects of the Economic Renaissance on the Growth and Prospects of the Indian economy

Akshay Kumar

*Designation of 1st Author: Assistant Professor of Economics*

*Name of Department of 1st Author: Law (Economics)*

*Name of organization of 1st Author: Asian Law College, Noida, India*

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### Abstract

Income, job possibilities, and educational attainment all rise as a result of economic progress. Since more jobs directly translate into better income levels, communities gain from economic development. Feudalism was replaced by capitalism during the Renaissance.

Furthermore, during this momentous period, the Black Plague served as a backdrop for the growth of the middle class. According to Abernethy, the two most important social developments of the Renaissance were the rise of a capitalist market economy and the end of feudalism. The Black Death's effect on labor shortages and increased trade led to the emergence of a primitive middle class. During the Renaissance, Italy's political and economic environment changed, pointing to more important events for the continent as a whole. Strong national governments and a growing urban economy that relied more on trade than agriculture developed throughout the Renaissance.

As people became wealthier, trade, travel, and the dissemination of novel concepts all increased. The growing affluence not only encouraged the growth of science, the arts, and education, but it also sparked new discoveries and innovations. Reforming the influence of religion on the political and economic spheres of society was the main goal of Renaissance governments. The arts, sciences, and politics were influenced by the Renaissance. Digitalization, global outsourcing, and the shift to renewable energy are all contributing to India's economic revival. Italy dominated trade, but the European cultural and economic landscape was influenced by the Renaissance. For India's industry, employment, and poverty eradication to succeed post-COVID-19, specific goals and remedial measures are required.

In light of this, the research study focuses primarily on the Economic Renaissance, its implications for the expansion and future prospects of the Indian economy, as well as other related macroeconomic issues. These points of view contend that the current

state of affairs is significant and relevant to politics, society, and the economy.

**Keywords:** Cultural and Economic Environment; Economic Renaissance; Economic Development; Trade; Employment Opportunities; Educational Achievement; Capitalist Market Economy; Urban Economy.

### Theme of the article

In addition to influencing politics, literature, exploration, art, architecture, and science, the Renaissance was a cultural movement that lasted from the 15th to the 16th century. It also brought back classical knowledge. It was first felt in Italy, which resulted in a major economic development throughout Europe. Finding new continents and boosting trade were among the results of Europe's Renaissance, which rejuvenated the continent's politics, economy, culture, and arts. Europe's economic expansion was impacted by India's strategic sway and swift economic expansion. Digitization, digital outsourcing, and renewable energy are driving India's economic recovery.

The Economic Renaissance had an impact on a number of disciplines, including science, literature, politics, architecture, and art. It stimulated the economy by bringing about important intellectual and social reforms. India's economic Renaissance has encountered difficulties related to underdevelopment, overpopulation, and agriculture. It has also been impacted by technology, humanism, growth, and sustainable energy transitions. Even with the policy improvements, more work has to be done to achieve industrialization, employment, and the elimination of poverty. It takes unwavering persistence to achieve full realization.

### Statement of the problem

The Renaissance was a 15th and 16th century cultural movement that brought back



classical knowledge. It had an impact on science, politics, art, design, and adventure. Italy had remarkable economic growth in Europe, whereas India is undergoing an economic Renaissance propelled by global outsourcing, digitization, and sustainable energy. Despite challenges including underdevelopment and overcrowding, expansion is necessary for industrialization, employment, and the end of poverty. The Renaissance, an artistic movement that started in the Middle Ages and is still going strong now, has had a significant influence on India's economic Renaissance. India is a wealthy nation because of its technology, humanism, growth, and sustainable energy transitions—despite problems like underdevelopment and overpopulation. One must be tenaciously persistent in order to accomplish industrialization, employment, and the eradication of poverty.

During the Renaissance, an era of cultural transformation spearheaded by Greek scholars that yielded significant breakthroughs in the domains of paper, printing, and gunpowder, the European economy thrived. Nevertheless, problems like underdevelopment, population growth, and agriculture persist despite the prospect of expansion and sustainable energy shifts. a period of significant social and intellectual change. Italy controlled trade, which had a big impact on technology, architecture, building, governance, literary studies, and the visual arts. Academics and business experts were consulted by the researcher to gain additional insight into India's economy following COVID-19. They emphasized the need for industry, jobs, and the eradication of poverty. They suggested that if India defined specific objectives and took corrective action, it could be able to overcome the crisis and advance economically.

Given this context, the research paper primarily focuses on the Economic Renaissance, its effects on the growth and prospects of the Indian economy, and other associated macroeconomic issues. According to these viewpoints, the current situation is crucial and pertinent to politics, society, and the economy.

### Objective of the article

Using secondary sources of information and pertinent statistical data, the primary goal of the research study is to analyze the Economic Renaissance, its effects on the expansion and future prospects of the Indian economy, and other related macroeconomic concerns.

### Methodology of the article

Secondary sources pertinent to the topic at hand provided the statistical data and information used in this article. The assessment is descriptive, grounded in theory and backed by data. By using previously gathered data, secondary research—also referred to as desk research—utilizes it. The goal of the article is taken into consideration when gathering and organizing the available data in order to optimize the research's overall efficacy. The researcher conducted interviews with scholars and industry professionals in order to obtain knowledge and statistical data based on experiences related to the subject matter of the article while working on the current project. You can obtain secondary sources of data and statistics in a variety of locations, including books, specialized media, journals, websites, and public records. The amount of investigation and work required to use different knowledge sources is equal. To arrive at results and a conclusion, the statistical data and information are arranged in accordance with the main objective of the article.

### The Indian Economy's Growth

India's industry saw a boom following the 1857 uprising as a result of improvements in peace, education, and transportation. The Crimean and American Civil Wars saw British rule, which contributed to the prosperity of the cotton and jute industries. Nonetheless, industrial growth was slowed down and poverty rates increased as a result of British government investment and support. India was eventually awarded independence by the British government, but issues with debt, overcrowding, poverty, underdevelopment, and low agricultural productivity persisted. In the years following the Mutiny, India became a provider of everything, yet it produced nothing. India's economic problems have their roots in earlier, smaller institutions and groups that maintained focus during the Gupta period. Province and town life was controlled by these hubs, while organized clubs and guilds pursued both material and ethical well-being.

India is expected to overtake Germany and Japan to become the third-largest stock market and economy in the world by 2027 and 2030. The nation offers a singular investment opportunity due to its explosive economic expansion, which is being fueled by global outsourcing, digitization, and the energy shift. India's GDP is predicted to double by 2031, and the Bombay Stock Exchange may trade at \$10 trillion, which might lead to an increase in manufacturing and consumer expenditure.



### **Positive Aspects of India's Economic Development**

India remains resilient in the face of these obstacles. It gains advantages from several different sources. India stands out for having strong ties, a varied economy, and prosperous commercial partnerships with other nations. Its economy has expanded significantly over the previous 50 years. India has accelerated the adoption of new technologies in finance and manufacturing, leading to improvements in quality, lower costs, higher output, and more investments in innovation.

In these circumstances, Covid-19 has expedited the shift to remote teams in the workplace and provided developed companies in India with an affordable way to communicate with Indian citizens. With 356 million young people working in India—64 percent of them are employed—the nation's GDP has increased and businesses have access to a substantial consumer base. India's economy is expected to develop at the quickest rate between 2023 and 2024 due to its shift to renewable energy, which will reduce expenses and reliance on imports. Experts believe that even with revised growth projections, India will keep working toward the \$5 trillion goal.

### **For the Indian economy to thrive and develop, positive and negative phases must be balanced**

India has a diversified worldwide market, a second-best economy after China, and by 2063, its population is predicted to overtake China. India's labor variety and its seventy-five ethnic groups contributed to the country's 6.1% economic growth in 2022–2023, even in spite of fewer imports and higher private expenditure. India's GDP is predicted to increase in 2023 as a result of two balance sheet issues, improved incentives, investments in battery technology, electric vehicles, renewable energy, and an increase in bank credit. India's low-skilled manufacturing sector could grow if the RBI expands term loans to non-business entities while the business sector is recuperating. Under these conditions, the European Union and the Ukrainian issue may lead to a slowdown in the energy sector, which is negatively impacting developing nations' ability to expand financially.

### **Forecasts, opportunities, and problems for the Indian economy in 2023–2024**

Inadequate policies and environmental variables pose problems to India's agriculture sector, leading to increased unemployment and hardship in rural

areas. The government should prioritize public infrastructure investment, global outsourcing, alternative energy policies, and rural jobs in order to overcome these problems. Conflicts in the Ukraine and Russia, China's evident post-pandemic situation, and a drop in India's GDP growth prediction from 6.4% to 6.9% could postpone the global economic recovery in 2022. India's GDP expanded by 7.2% per year in 2022–2023, driven by both new orders and manufacturing output that was operating at a quick pace, as well as USD 85 billion in unprecedented foreign direct investment. In the fiscal year 2023–2024, the Indian economy is predicted to grow moderately, and the industrial sector is predicted to keep getting stronger. These details support the forecast that India's economy will rise steadily between 2023 and 2024, led by rising private investment and consumption. Thanks to increased foreign direct investment (FDI) and rising urban household incomes, the nation now boasts the second-largest economy in the Asia-Pacific area. The digital revolution and expanding middle class make it a desirable place to invest.

The Indian economy is expected to increase by 6.6% GDP between 2023 and 2024, and it is expected to continue growing in both positive and problematic ways. By 2047, it may even overtake China. Unlike the 6.9% growth estimated for 2022–2023, the World Bank believes India's economy will be relatively immune to the global recession in 2023–2024. The International Monetary Fund (IMF) projects 1.7% and 2.7% global economic growth rates in 2023 and 2024, respectively, as a result of major recessions in both wealthy and developing nations since 2001.

### **The Effects of the Economic Renaissance on the Indian Economy**

Because of England's trade embargo on Indian goods in the 18th century, the weaving sector suffered and became more reliant on agriculture. India's industrialization was hindered by inadequate agriculture policy, aristocratic tensions, and a gap between academics and artisans, despite the country having a burgeoning middle class with Western education. In India, a number of industries grew by 4.4% in the fourth quarter of 2023, and growth is anticipated to continue in the upcoming fiscal year. Higher tax revenue and credit growth were the main drivers of this rise. The Gati Shakti Master Plan supports infrastructure projects, and a boom in the aviation industry is projected. The slowdown in the central bank's interest rate rises could have an effect on monetary policy. The development of green hydrogen, electric cars, robots, space technology,



life sciences, and data analytics will also have an impact on India's economic future.

### **The effects of decentralization on the Economic Renaissance**

Decentralization is the outcome of the economic Renaissance, and it reduces poverty both directly and indirectly by boosting academic achievement and political involvement. Decentralization and the reduction of poverty, however, do not appear to have a strong functional relationship. One of the direct consequences is national financial concentration, while one of the indirect effects is inadequate local public services. India has profited from the worldwide outsourcing movements; by 2030, more than 11 million individuals would be employed in India for companies outside of the country. Examining international, political, administrative, and financial ties can aid in comprehending how decentralization affects poverty. Decentralization enhances decision-making transparency and helps disadvantaged populations by enabling civil society to engage in policymaking. Pro-poor alliances can strengthen the results of decentralization, even in the face of financial difficulties and the absence of the requisite skills and knowledge among local elites. This could strengthen democracy and increase public engagement.

### **Prospects for an Economic Renaissance in the areas of trade, industry, consumption, and energy**

Significant growth is anticipated across a number of industries, including India's manufacturing sector, which is predicted to expand its GDP share from 15.6% to 21% by 2031 as a result of digital and energy revolutions. The export of smartphones has increased dramatically as well, hitting \$11 billion in 2023. By the end of the decade, India's consumption is forecast to have doubled from \$2 trillion in 2022 to \$4.9 trillion, with non-grocery retail expected to witness the most growth.

### **The revival of the Indian economy and the promotion of changes**

The 1991 economic liberalization policies, which resulted in a market-oriented economy with removed trade barriers and private enterprise, are associated with the development of the Indian economy. The Indian economy has been incorporated into the global economy by successive governments with an emphasis on globalization,

privatization, and deregulation. Over a wide range of industrial sectors, trade, commerce, investment, the transfer of technology, and cross-cultural connections have all increased as a result of globalization, privatization, and liberalization.

Due to reforms, India's economy is expanding quickly and is predicted to reach a value of \$6.7 trillion by 2031. Welfare efficiency has increased due to social indices such as gender equality, health, literacy, and poverty reduction. An increasingly equitable society has been promoted by initiatives like the Ayushman Bharat, PMJDY, PMAY, and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). In addition to ensuring that welfare reaches its intended users, the direct benefit transfer system has decreased corruption. A positive feedback loop has been created, and innovation and entrepreneurship are encouraged. India's economic growth is still well short of expectations in terms of industrialization, employment, and the elimination of poverty. But to make this vision a reality, persistent perseverance is required.

### **India's economy could reach \$5 trillion by 2029**

India's medium-term average growth rate of 6.8% presents enormous economic opportunities. Due to its history of rapid expansion, India is predicted to have the largest economy with the fastest growth rate in fiscal 2023, rising at a rate of 7% yearly. The Indian economy is predicted to grow at an annual rate of 6.8% during the next five years, with labor contributing 10%, capital contributing 52%, and efficiency contributing 38% of the increase. The private sector is expected to keep up its investment cycle, with projections indicating that investments will account for 34% of GDP in 2023.

Despite criticism from the International Monetary Fund, the World Bank, and the Organization for Economic Cooperation and Development, India's ambitious goal of achieving \$5 trillion in growth may be delayed by the need for budgetary reductions, which may lessen support for capital expenditures. India's GDP growth is predicted to drop to 6% in 2023 despite rising crude oil prices due to the conflict between Russia and Ukraine, the Western recession, and a downturn in rural demand and consumption.

### **Notwithstanding challenges and opportunities, the expanding economic Renaissance is growing**

The life-mimicking paradigm, which focuses on preserving human well-being and the



environment to counteract the self-destructive trend of capital-intensive economies, is growing as a result of the economic rebirth in northern Europe and the Asia-Pacific area. The neoclassical framework, which was developed in opposition to medieval customs during the Enlightenment, strives for economic success while reducing environmental effect. The idea of a living system encourages compassionate interactions and environment adaption.

### **A Fresh Start for Industry Prospects and Economic Progress**

The historical context of India's development is fascinating. The nation's economy is predicted to overtake more established superpowers like Germany and Japan by 2027 and rank third in the world. By 2030, it is expected to have the third-largest stock market globally. Furthermore, estimates indicate that India's Gross Domestic Product (GDP) will have increased from its current \$3.5 trillion to \$7.5 trillion by 2031, a more than twofold increase. This exceptional expansion is being facilitated by three fundamental megatrends: the energy shift, technology, and global outsourcing. The story of India's progress is an intriguing one. By 2027, the country's economy is expected to surpass that of more seasoned superpowers like Germany and Japan and take third place globally. It is predicted to have the third-largest stock market in the world by 2030.

Furthermore, projections show that by 2031, India's Gross Domestic Product (GDP) will have grown by more than twice, from its present \$3.5 trillion to \$7.5 trillion. Three major megatrends are driving this extraordinary expansion: global outsourcing, technology, and the shift in energy. India is capitalizing on the worldwide offshore trend, with over 11 million workers anticipated to be employed outside of the country by 2030. The primary reasons for this increase are dispersed work paradigms and rising outsourcing costs. India is welcoming digital transformation as well, with initiatives like Aadhaar and IndiaStack revolutionizing sectors like healthcare and banking. India is shifting its energy mix from imported energy to renewable sources. Technological advancements will result in a 60% increase in everyday consumption during the next ten years.

Manufacturing, consumption, and energy are just a few of the industries in India that are expanding as a result of the country's energy and digital revolutions. It is projected that by 2031, the manufacturing sector's GDP share would have

doubled, reaching \$11 billion in smartphone exports in the 2023 fiscal year. Consumer spending is predicted to increase by double by the end of the decade, from \$2 trillion in 2022 to \$4.9 trillion, with significant growth anticipated in non-grocery retail. The ratification of free trade agreements, growing demand from new markets, export-oriented legislation and regulations in India have all contributed to the commodities' greater international reputation.

### **Conclusion**

Following the 1857 insurrection, India's industry prospered due to advancements in peace, education, and transportation. Throughout the Crimean and American Civil Wars, the British Empire's jute and cotton industries flourished. Even after attaining independence, India struggled with debt, poverty, underdevelopment, overcrowding, and low agricultural productivity. India presents a unique investment opportunity because of its rapid economic growth, which is being driven by digitization, outsourcing, and the nation's energy transition. By 2031, GDP is expected to have doubled. Due to strong linkages, a broad economy, and successful commercial contacts, India's economy has gradually grown over the past 50 years. The Covid-19 pandemic has accelerated remote work and made reasonably priced communication available to businesses. Because of the conversion of renewable energy, India's economy—which employs 64% of its 356 million youth—is expected to grow at the fastest rate in 2023–2024. India's economy is the second most varied in the world, after China's. Its 6.1% rise in 2022–2023 was attributed to 705 ethnic groups and labor variety. Despite lower imports and higher private spending, incentives, battery technology, electric cars, renewable energy, and an increase in bank lending are expected to contribute to India's GDP growth. India's agriculture industry faces challenges due to inadequate policies and environmental circumstances, resulting in rural areas experiencing unemployment and suffering. Funding for public infrastructure, international outsourcing, alternative energy regulations, and rural employment should be given top priority by the government.

India's industrialization expanded by 4.4% in the fourth quarter of 2023, propelled by rises in tax income and credit, in spite of challenges including an ineffective agriculture policy and an imbalance between intellectuals and artisans. The relationship between the economic Renaissance and the decline in poverty remains unclear, despite the



fact that it promotes decentralization and lowers poverty through political involvement and intellectual achievement. The Indian economy is predicted to grow rapidly as a result of the energy and digital revolutions, with manufacturing contributing 21% of GDP by 2031, up from 15.6% currently. The amount spent on smartphones increases from \$2 trillion to \$4.9 trillion, with \$11 billion going toward exports. India has promising economic prospects due to its 6.8% medium-term growth rate, which is predicted to increase by 7% yearly in the fiscal year 2023. Forecast cycle of private sector investment, but the \$5 trillion growth projection is currently running behind schedule. The life mimicking paradigm, which is gaining popularity in northern Europe and the Asia-Pacific region, opposes capital-intensive economies, fosters compassionate relationships, and supports environmental adaptability in an effort to preserve the environment and human well-being.

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