

The Strategic Role of Commerce and Management in Achieving Viksit Bharat 2047

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Abstract

India's journey from an agrarian economy to a diversified industrial and service-oriented economy has been marked by significant contributions from the commerce and management sectors. As India nears its 100th year of independence in 2047, the goal of becoming a developed nation, known as "Viksit Bharat," grows ever more important. This paper examines the role of commerce and management in driving India's economic growth, with a specific focus on the contributions of Micro, Small, and Medium Enterprises (MSMEs), the impact of digital transformation, and the challenges and opportunities ahead. The research uses a mixed-method approach, blending quantitative data analysis with qualitative insights. Findings highlight the shift from agriculture to industry and services, the resilience of India's export sector, and the importance of effective management practices in fostering innovation. The paper also discusses the critical role of MSMEs as the backbone of the Indian economy and the transformative impact of digitalization. To achieve the vision of Viksit Bharat by 2047, the paper recommends strategic initiatives, including enhancing digital infrastructure, strengthening MSME support, promoting innovation, and improving the ease of doing business. These measures will be essential for sustaining India's economic growth and realizing its goal of becoming a developed nation.

Keywords: Viksit Bharat, Commerce, Management, Economic Growth, Digital Transformation, MSMEs

1. Introduction

India's economic journey since gaining independence in 1947 has been transformative, evolving from an agrarian economy to a diversified industrial and service-driven powerhouse. Over the decades, commerce and management have emerged as pivotal sectors driving this transition, contributing to the nation's rapid economic growth and global integration. As India approaches its centennial year of independence in 2047, achieving the ambitious goal of becoming a developed nation, termed "Viksit Bharat," has become a national priority. This milestone signifies not only economic growth but also equitable development, technological advancement, and global competitiveness.

This paper delves into the integral role played by commerce and management in shaping India's economic trajectory, emphasizing key areas like the rise of Micro, Small, and Medium Enterprises (MSMEs), the transformative impact of digitalization, and the strategies required to address emerging challenges. MSMEs, often referred to as the backbone of the Indian economy, play a critical role in fostering innovation, creating employment, and sustaining export growth. Simultaneously, digital transformation is revolutionizing traditional business models, enabling greater efficiency, inclusivity, and access to global markets. By employing a mixed-method approach that combines quantitative data

analysis and qualitative insights, this research sheds light on the economic transition from agriculture to industry and services, the resilience demonstrated by the export sector, and the critical role of effective management practices in fostering innovation and competitiveness.

The findings underscore the importance of enhancing digital infrastructure, strengthening MSME support systems, promoting a culture of innovation, and improving the ease of doing business. As India marches toward the vision of Viksit Bharat by 2047, strategic initiatives in commerce and management will be vital for sustaining economic growth and addressing the aspirations of its billion-plus population. These efforts will not only bolster India's standing as a global economic leader but also ensure inclusive and sustainable development for future generations.

2. Objectives

The main objectives of this research paper are:

1. To analyze the role of commerce and management in India's economic growth and development.
2. To evaluate the contribution of MSMEs to GDP, exports, and employment.
3. To assess the impact of digital transformation on commerce and management practices.
4. To identify the challenges and opportunities in realizing the goal of Viksit Bharat by 2047.
5. To propose strategic initiatives that can enhance the effectiveness of commerce and management in India.

3. Research Methodology

This research employs a mixed-method approach, integrating both quantitative data analysis and qualitative insights. The methodology includes:

- **Data Collection:** Data was collected from various sources, including government reports, PHD Research Bureau projections, and World Bank databases.
- **Data Analysis:** Statistical tools were used to analyze trends in GDP growth, sectoral contributions, export performance, and MSME development. Graphs and tables were generated to visually represent these trends.
- **Qualitative Analysis:** Literature was reviewed to understand the challenges and opportunities in commerce and management. Expert opinions were also considered to contextualize the quantitative findings.

4. Results and Discussion

4.1. Economic Growth and Sectoral Shifts

India's economic growth has been characterized by a shift from agriculture to industry and services. The commerce sector, encompassing trade, banking, and financial services, has significantly contributed to this transformation, while management practices have ensured the smooth operation and scalability of businesses.

Table 1: Projected Sectoral Contributions to India's GDP (2023-2047)

Sector	2023	2030	2040	2047
Agriculture	20%	17%	14%	12%
Industry	26%	29%	32%	34%

Sector	2023	2030	2040	2047
Manufacturing	16%	18%	22%	25%
Services	54%	56%	54%	54%

Source: PHD Research Bureau projections

4.2. Role of Commerce in Economic Expansion

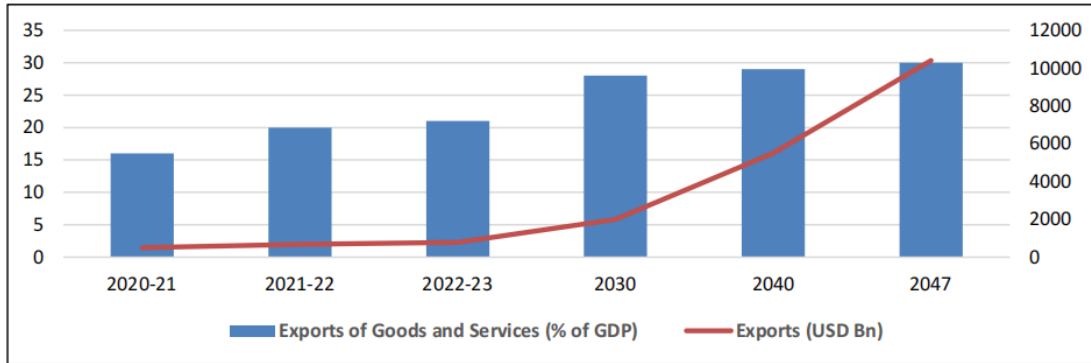
Commerce, particularly international trade, has been a key driver of India’s economic expansion. Despite global challenges, India’s export sector has shown resilience, with exports projected to reach USD 10 trillion by 2047.

Table 2: Growth of India’s Exports (2010-2047)

Year	Exports to World (USD Bn)	GDP (USD Bn)	Exports of Goods and Services (% of GDP)
2010	275	1708	16
2011	375	1823	20
2012	448	1828	24
2013	448	1857	24
2014	466	2039	22
2015	469	2104	22
2016	416	2295	18
2017	440	2651	16
2018	499	2703	18
2019	538	2836	19
2020	526	2672	19
2021	497	3150	16
2022	676	3390	20
2023	776	3732	21
2030	2000	6993	28
2040	5504	18978	29
2047	10408	34692	30

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry and World Economic Outlook Database, 2023

Figure 1: Graph showing Exports of Goods and Services as a % of GDP from 2020-21 to 2047



Source: PHD Research Bureau projections

4.3. Management Practices and Innovation

Effective management is crucial for enhancing productivity and driving innovation. India’s improvement in the World Bank’s Logistics Performance Index reflects the positive impact of strategic management practices.

Table 3: India’s Logistics Performance Index Ranking (2014-2047)

Year	Rank
2014	54
2016	35
2018	44
2023	38
2030	Among the Top 20 Countries
2040	Among the Top 10 Countries
2047	Among the Top 5 Countries

Source: PHD Research Bureau projections for the years 2030, 2040, and 2047

4.4. MSMEs: The Backbone of the Indian Economy

The number of MSMEs is expected to grow from 634 lakhs in 2023 to over 800 lakhs by 2047, reflecting their pivotal role in driving economic growth, fostering innovation, generating employment opportunities, and contributing significantly to India's GDP and export earnings, thereby strengthening the foundation of the nation's vision for "Viksit Bharat."

Table 4: Contribution of MSMEs to the Indian Economy

Metric	2023	2047
Number of MSMEs (Lakhs)	634	800+
Contribution to GDP (%)	30%	35%
Share in Exports (%)	49%	55%
Employment Generation (Lakhs)	1110	1500

Source: PHD Research Bureau, Ministry of MSMEs

4.5. Impact of Digital Transformation

Digital transformation is revolutionizing commerce and management, enhancing efficiency and competitiveness. Internet penetration in India is projected to increase from 52% in 2023 to 82% by 2047, significantly impacting economic activities.

Table 5: Internet Penetration in India (2010-2047)

Year	Individuals Using the Internet (% of Population)
2010	8
2020	43
2023	52
2024	52
2030	65
2040	75
2047	82

Source: PHD Research Bureau projections for 2030, 2040, and 2047

Table 6: AI Readiness Index for Government in India

Year	Index Rank
2021	51
2023	40
2030	Top 20
2040	Top 10
2047	Top 5

Source: PHD Research Bureau projections

5. Challenges and Opportunities

- **Need for Improved Ease of Doing Business**

While India has made significant progress in global ease-of-doing-business rankings, several hurdles persist, particularly at the implementation level. Entrepreneurs and businesses often face bureaucratic inefficiencies, complex regulatory frameworks, and delays in obtaining necessary licenses and permits. Ineffective enforcement of contracts and the slow judicial process remain significant barriers, deterring both domestic and foreign investments. Additionally, regional disparities in policies and governance further complicate the business environment, requiring state-level reforms to ensure uniformity and efficiency.

- **Reduction of Logistics Costs**

India's high logistics costs, estimated to account for around 13-14% of GDP compared to 8-9% in developed nations, significantly reduce the competitiveness of Indian businesses in global markets. Inefficient transportation networks, inadequate warehousing infrastructure, and bottlenecks at ports lead to delays and increased costs. The fragmented logistics sector, dominated by unorganized players,

struggles to adopt modern technologies and streamline operations. Addressing these issues is critical for boosting exports, supporting supply chains, and fostering overall economic growth.

- **Enhanced Access to Capital for Businesses**

Access to affordable and timely financing remains a significant challenge, particularly for Micro, Small, and Medium Enterprises (MSMEs). High collateral requirements, lengthy loan approval processes, and limited awareness about financial schemes restrict businesses from accessing the capital they need for growth. Non-performing assets (NPAs) in the banking sector and limited risk appetite of financial institutions exacerbate the problem, leaving many promising ventures underfunded. Moreover, venture capital and private equity investments, though growing, are often concentrated in a few sectors, leaving other critical areas underserved.

- **Skill Gaps and Workforce Development**

India's demographic dividend offers immense potential, but gaps in skill development hinder productivity and growth. A significant portion of the workforce lacks formal training, making it difficult for businesses to find talent suited to emerging industries such as artificial intelligence, robotics, and renewable energy. Bridging this skill gap is essential for ensuring the country's workforce is future-ready and capable of driving innovation and efficiency.

- **Infrastructure Deficiencies**

Although infrastructure development has been a priority, gaps remain in areas such as power, transportation, and urban planning. Inadequate infrastructure not only increases operational costs for businesses but also affects productivity and customer satisfaction. Addressing these deficiencies will require significant public and private investment, as well as efficient project management to minimize delays and cost overruns.

- **Regulatory and Policy Uncertainty**

Frequent changes in policies, lack of clarity in regulations, and overlapping jurisdiction of various authorities often create an environment of uncertainty for businesses. This discourages long-term investments and hinders the ability of companies to plan for sustainable growth. Strengthening policy consistency and ensuring stakeholder consultations before introducing new regulations will be vital for fostering trust and stability in the business ecosystem.

Addressing these challenges will be crucial for India to unlock its full economic potential. By improving ease of doing business, reducing logistics costs, and ensuring better access to capital, India can create a more conducive environment for commerce and innovation.

6. Recommendations

Based on the findings, the following recommendations are proposed:

- **Enhance Digital Infrastructure**

India should prioritize expanding high-speed internet access, especially in rural and underserved areas, to bridge the digital divide. Investments in 5G technology, data centers, and cloud computing infrastructure are essential to enhance connectivity and scalability for businesses. Additionally, promoting the adoption of artificial intelligence (AI), blockchain, and big data analytics will enable businesses to improve efficiency, make data-driven decisions, and enhance customer experiences. A robust digital framework will also drive e-governance, financial inclusion, and e-commerce, aligning with India's vision of becoming a global digital leader by 2047.

- **Strengthen MSME Support**

Strengthening MSMEs requires targeted initiatives such as easing access to affordable credit through digital lending platforms, government-backed credit guarantee schemes, and venture capital support. Simplifying regulatory processes, including tax compliance and labor laws, will reduce the administrative burden on small businesses, allowing them to focus on growth and innovation. Furthermore, providing skill development programs and fostering collaborations with larger enterprises can enhance their competitiveness. Tailored support for export-oriented MSMEs will also help India expand its presence in global markets.

- **Promote Innovation**

India should establish comprehensive policies and incentives to nurture innovation, especially in high-potential sectors like information technology, financial technology (fintech), renewable energy, and biotechnology. Government initiatives such as tax incentives for research and development (R&D), setting up innovation hubs, and fostering public-private partnerships can stimulate innovation across industries. Encouraging entrepreneurship through start-up incubators and accelerators, as well as promoting collaboration between academia, research institutions, and industry, will further strengthen the innovation ecosystem.

- **Improve Ease of Doing Business**

Simplifying processes related to starting a business, acquiring permits, and complying with tax regulations will reduce barriers for entrepreneurs. Digitalizing bureaucratic processes, reducing transaction costs, and enhancing transparency in governance will streamline business operations. Establishing single-window clearance systems and strengthening contract enforcement mechanisms will also build investor confidence. These reforms will encourage both domestic and foreign investment, enabling India to achieve sustained economic growth and global competitiveness.

7. Conclusion

Commerce and management are pivotal to India's aspiration of becoming a developed nation by 2047. While the nation faces significant challenges, such as improving ease of doing business, reducing logistics costs, and ensuring enhanced access to capital for businesses, these hurdles also present opportunities for transformative change. Addressing these issues requires a multifaceted approach, with strategic investments in digital infrastructure, targeted support for MSMEs, promotion of innovation, and streamlining regulatory processes.

Enhancing digital infrastructure will foster technological adoption and efficiency, while strengthened support for MSMEs will ensure their sustained contribution to GDP, exports, and employment. Encouraging innovation, particularly in sectors like IT, renewable energy, and fintech, will position India as a global leader in emerging industries. Finally, simplifying regulatory frameworks and improving the ease of doing business will create an environment conducive to entrepreneurship and investment.

By implementing these recommendations and addressing systemic challenges, India can unlock its economic potential and lay the foundation for sustainable growth. Commerce and management will serve as the cornerstone of this transformation, driving economic resilience, inclusivity, and innovation. With coordinated efforts from the government, private sector, and citizens, India is well-positioned to achieve the vision of "Viksit Bharat" by 2047.

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