



# India's Macroeconomic Performance: A Descriptive Study Based on Economic Surveys (2017–18 to 2025–26)

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**Abstract:** India has emerged as one of the fastest-growing major economies in the world despite facing multiple global and domestic challenges over the last decade. This study provides a comprehensive descriptive analysis of India's macroeconomic performance using secondary data from Economic Surveys covering the period 2017–18 to 2025–26. The study examines key indicators such as GDP growth, inflation, sectoral composition, employment trends, and external sector stability through tabular and graphical representation. The findings reveal that India's economic growth has remained resilient, driven largely by domestic demand and the services sector. However, structural challenges persist in the form of low agricultural productivity, insufficient manufacturing growth, and employment generation issues. The study emphasizes the importance of policy reforms, human capital development, and technological advancement for sustaining long-term inclusive growth.

**Keywords:** Economic Survey, GDP Growth, Inflation, Employment, Sectoral Growth, India, Macroeconomic Analysis.

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## 1. Introduction

The Indian economy has undergone significant transformation over the past decade, characterized by structural reforms, technological advancement, and integration with the global economy. As one of the largest emerging economies, India's growth trajectory has attracted considerable academic and policy attention. The Economic Survey, presented annually prior to the Union Budget, serves as an authoritative document reflecting the economic condition of the country. It provides insights into various macroeconomic indicators such as growth, inflation, employment, fiscal performance, and sectoral trends.

Between 2017–18 and 2025–26, India has faced several disruptions including global economic slowdown, pandemic shocks, supply chain disruptions, and geopolitical uncertainties. Despite these challenges, the economy has demonstrated remarkable resilience, maintaining stable growth and macroeconomic stability.

This paper aims to analyse India's macroeconomic performance using a descriptive approach, focusing on trends and patterns rather than complex statistical modeling. The study provides a holistic

understanding of economic developments and policy implications for future growth.

## 2. Review of Literature

Pandey (2024) analyzes India's economic growth pattern and identifies economic reforms, foreign investment, and human capital as key drivers of growth. The study highlights persistent challenges such as poverty, inequality, and infrastructure constraints while emphasizing the role of innovation and entrepreneurship in future growth.

Kalyanaram (2009) compares India's growth model with China's and notes that while India's service-led growth has stimulated consumption and entrepreneurship, China's manufacturing-led strategy has enabled faster structural transformation. The study raises concerns about the long-term sustainability of India's growth path.

Datt and Ravallion (2002) examine the relationship between growth and poverty in India and conclude that while economic growth has contributed to poverty reduction, the extent of its impact varies across regions and socio-economic groups.

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Bhagowalia et al. (2012) highlight that income growth alone is insufficient to address issues such as malnutrition, emphasizing the importance of non-income factors like education, healthcare, and sanitation.

Chand et al. (2017) point out the imbalance between employment and output, noting that although the share of agriculture in GDP has declined, it continues to employ a large portion of the workforce. The study calls for greater emphasis on rural industrialization and non-farm employment.

Ahluwalia (2019) observes that economic reforms have significantly accelerated growth and reduced poverty, but challenges related to employment generation and environmental sustainability remain.

Agarwal and Ghosh (2017) identify gradual structural changes in the Indian economy, with exports and policy reforms playing a crucial role in accelerating growth post-1991.

Das et al. (2021) highlight the growing importance of the services sector and the role of productivity and capital accumulation in driving economic growth.

The existing literature thus indicates that while India has achieved significant growth, challenges related to employment, inequality, and structural transformation persist. However, there is limited research focusing specifically on descriptive analysis using recent Economic Survey data, which this study aims to address.

### 3. Objectives of the Study

1. To analyse trends in GDP growth in India from 2017–18 to 2025–26
2. To examine inflation trends and external sector performance
3. To study sectoral composition and structural transformation
4. To analyse employment patterns and labour market dynamics
5. To identify key challenges and policy implications for sustainable growth

### 4. Research Methodology

This study is descriptive in nature and is based entirely on secondary data.

- **Data Source:** Economic Surveys (2017–18 to 2025–26), PRS Legislative Research, and Shankar IAS summaries
- **Nature of Data:** Quantitative macroeconomic indicators
- **Tools Used:** Tabular analysis, percentage comparison, and simple graphical representation
- **Time Period:** 2017–18 to 2025–26

No advanced statistical tools or econometric models have been used. The focus is on presenting trends and interpreting them in a meaningful manner.

## 5. Data Analysis and Interpretation

### 5.1 GDP Growth Trends

Year	GDP Growth (%)
2017–18	6.5
2018–19	6.8
2019–20	4
2020–21	-6.6
2021–22	8.7
2022–23	7.2
2023–24	7
2024–25	6.5 (estimated)
2025–26	6.3–6.8 (projected)

**Source:** Compiled from Economic Survey of India (2017-18 to 2025-26) and PRS Legislative Research summaries.

#### Interpretation

The GDP growth trend over the study period reflects both volatility and resilience. The decline in growth during 2019–20 indicates the impact of domestic structural challenges, followed by a sharp contraction in 2020–21 due to the pandemic. However, the strong rebound in 2021–22 demonstrates the underlying strength of the Indian economy.

Post-pandemic, growth has stabilized in the range of 6–7 percent, indicating a return to a sustainable growth trajectory. This stability is largely driven by domestic demand, particularly private consumption, which accounts for a significant share of GDP.

The consistency in growth also reflects the effectiveness of government policies such as capital expenditure, digital infrastructure development, and reforms aimed at improving the business environment. However, sustaining higher growth rates will require continued investment in infrastructure, innovation, and human capital.

### 5.2 Inflation Trends

Year	Inflation (%)
2020–21	6.2
2021–22	5.5
2022–23	6.7
2023–24	5.4
2025–26	1.7 (Apr–Dec)

**Source:** Compiled from Economic Survey of India and PRS Legislative Research summaries.

#### Interpretation

Inflation trends indicate a gradual stabilization in prices over time. The elevated inflation during 2022–23 can be attributed to global supply disruptions, rising commodity prices, and geopolitical tensions.

The subsequent decline in inflation to 1.7 percent in 2025–26 reflects effective monetary policy, improved supply chains, and favourable agricultural output. Food inflation, which constitutes a major component of consumer prices in India, has played a significant role in determining overall inflation trends.

While current inflation levels are low, risks remain due to global uncertainties, climate-related shocks, and fluctuations in crude oil prices. Maintaining price stability is essential for sustaining economic growth and protecting purchasing power.

**5.3 Sectoral Composition of the Economy**

Sector	Share in GVA (%)	Growth Characteristics
Agriculture	18	Low productivity
Industry	27	Moderate growth
Services	55	High growth

**Source:** Compiled from Economic Survey of India and PRS Legislative Research summaries.

**Interpretation**

The sectoral composition highlights a structural imbalance in the Indian economy. The services sector dominates, contributing more than half of the Gross Value Added, and has been the primary driver of economic growth.

However, agriculture continues to employ a large share of the workforce despite its relatively low contribution to output. This indicates low productivity and disguised unemployment in the agricultural sector.

The industrial sector, particularly manufacturing, has not expanded sufficiently to absorb surplus labour from agriculture. Although initiatives such as Production Linked Incentive (PLI) schemes have boosted manufacturing, the sector still lags behind in terms of employment generation.

A balanced structural transformation requires strengthening the manufacturing sector while improving agricultural productivity and promoting value addition.

**5.4 Employment Trends**

Indicator	Value
Unemployment Rate	3.20%
Female LFPR	42%
Self-employment	58–60%
Agriculture Employment	46.10%

**Source:** Compiled from Economic Survey of India and PRS Legislative Research summaries.

**Interpretation**

Employment trends reveal a complex picture. While the unemployment rate has declined, the high share of self-employment suggests the prevalence of informal and low-quality jobs.

The increase in female labour force participation is a positive development, indicating greater inclusion in economic activities.

However, the quality and sustainability of employment remain key concerns.

The continued dependence on agriculture for employment highlights the need for diversification into non-farm sectors. The emergence of the gig economy presents new opportunities but also raises concerns about job security and social protection.

To achieve inclusive growth, it is essential to create high-quality jobs in manufacturing and services while enhancing skill development and vocational training.

**5.5 External Sector Performance**

Indicator	Value
Current Account Deficit	0.8% of GDP
Forex Reserves	11 months import cover
FDI Inflows	USD 81 billion

**Source:** Compiled from Economic Survey of India (2017-18 to 2025-56) and PRS Legislative Research summaries.

**Interpretation**

The external sector of the Indian economy remains robust and stable. The narrowing of the current account deficit reflects strong performance in services exports and remittances.

High foreign exchange reserves provide a buffer against external shocks and enhance investor confidence. The steady inflow of foreign direct investment indicates the attractiveness of India as an investment destination.

However, FDI inflows are still below potential, and greater efforts are required to improve ease of doing business, infrastructure, and policy stability to attract higher investments.

**6. Major Findings**

1. India’s economy has demonstrated resilience despite global challenges
2. Growth is primarily driven by domestic consumption and services sector
3. Agriculture remains a major employer but with low productivity
4. Manufacturing sector growth is insufficient for job creation
5. Inflation is largely under control, though vulnerable to external shocks
6. External sector indicators show strong stability
7. Employment quality remains a major concern

**7. Suggestions and Policy Implications**

**1. Strengthening Manufacturing Sector**

India needs to accelerate industrial growth to absorb surplus labor from agriculture. Policies should focus on improving infrastructure, reducing regulatory bottlenecks, and encouraging domestic and foreign investment.

## 2. Enhancing Agricultural Productivity

Improving irrigation facilities, promoting crop diversification, and adopting modern technology can enhance agricultural productivity. Value addition through food processing and agro-based industries can increase farmer incomes.

## 3. Promoting Skill Development

With the rise of digital technologies and artificial intelligence, there is a need for continuous skill upgradation. Vocational training and industry-oriented education should be prioritized to enhance employability.

## 4. Encouraging Innovation and R&D

India's expenditure on research and development remains low. Increasing investment in innovation can enhance productivity and global competitiveness.

## 5. Improving Employment Quality

Policies should focus not only on job creation but also on improving job quality, including wages, job security, and social protection. Formalization of the workforce is essential.

## 6. Strengthening Infrastructure

Investment in physical infrastructure such as roads, ports, and logistics can reduce costs and improve efficiency, thereby supporting economic growth.

## 7. Ensuring Inclusive Growth

Growth policies should address regional disparities, income inequality, and social inclusion to ensure that the benefits of growth are widely distributed.

## 8. Climate-Resilient Development

Given the increasing impact of climate change, sustainable and environmentally friendly policies should be integrated into economic planning.

## 8. Conclusion

The analysis of Economic Survey data from 2017–18 to 2025–26 reveals that India's economy is on a stable growth path supported by strong domestic demand, a vibrant services sector, and prudent macroeconomic policies. However, structural challenges such as employment generation, agricultural productivity, and industrial growth need to be addressed to ensure long-term sustainability.

The future growth of the Indian economy will depend on its ability to leverage technological advancements, improve human capital, and implement effective policy reforms. A balanced and inclusive growth strategy will be essential for achieving sustainable economic development.

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