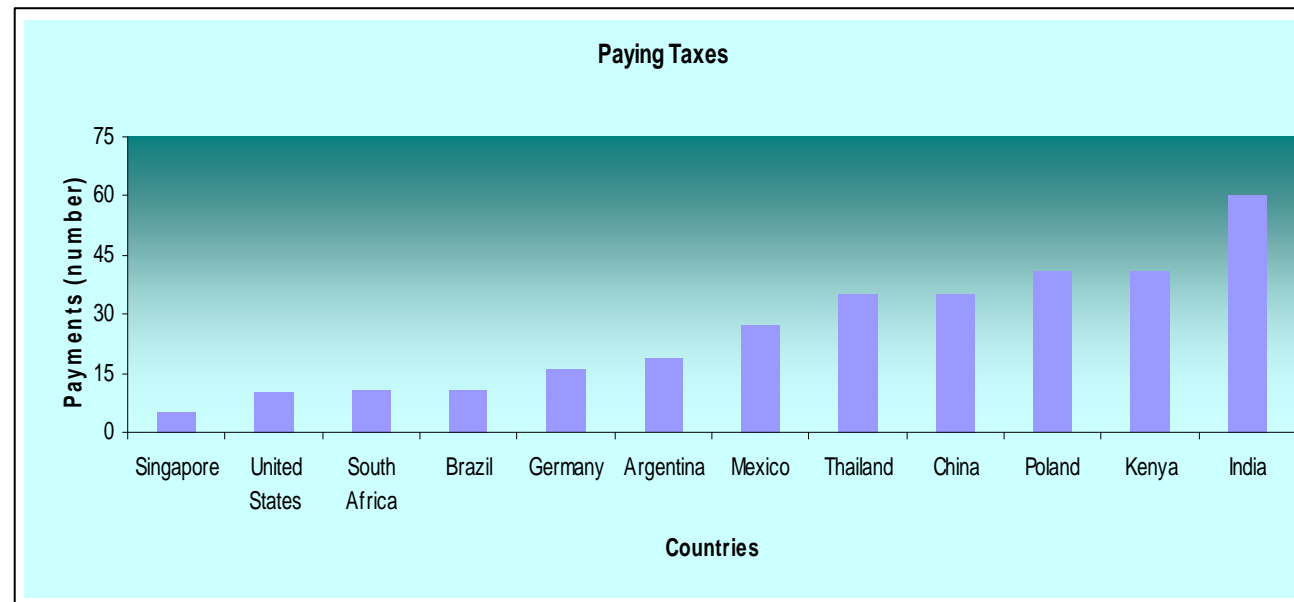
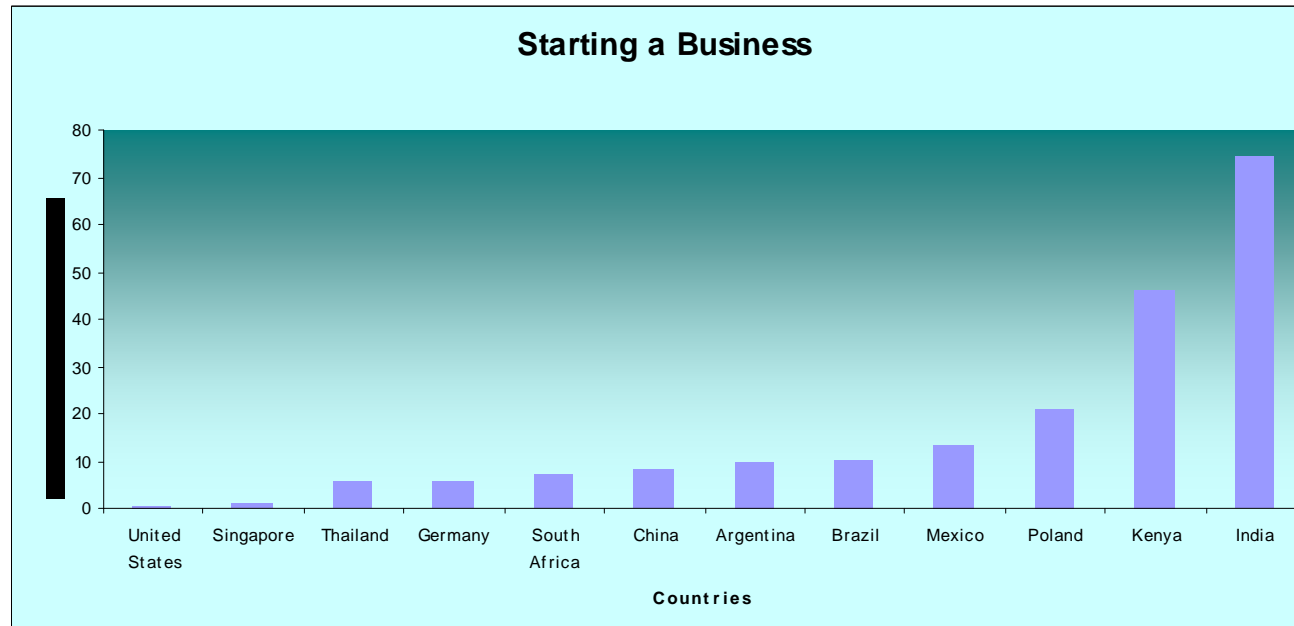
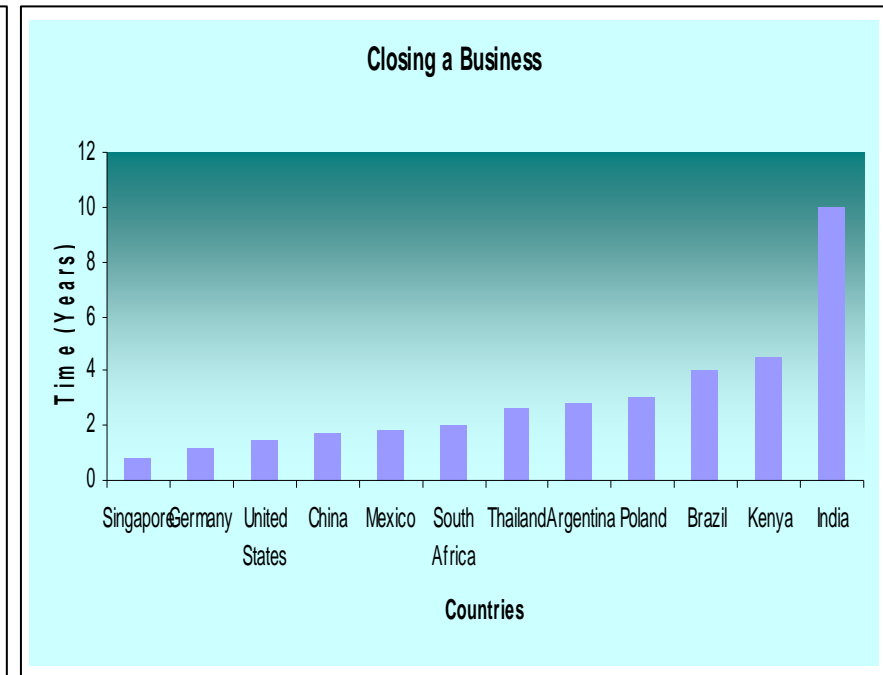
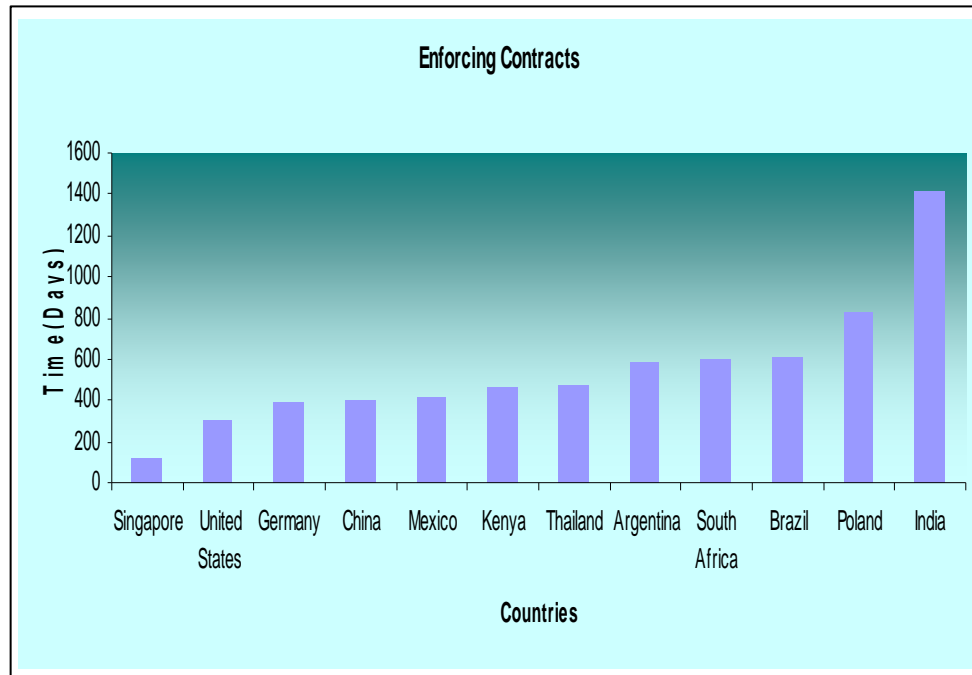


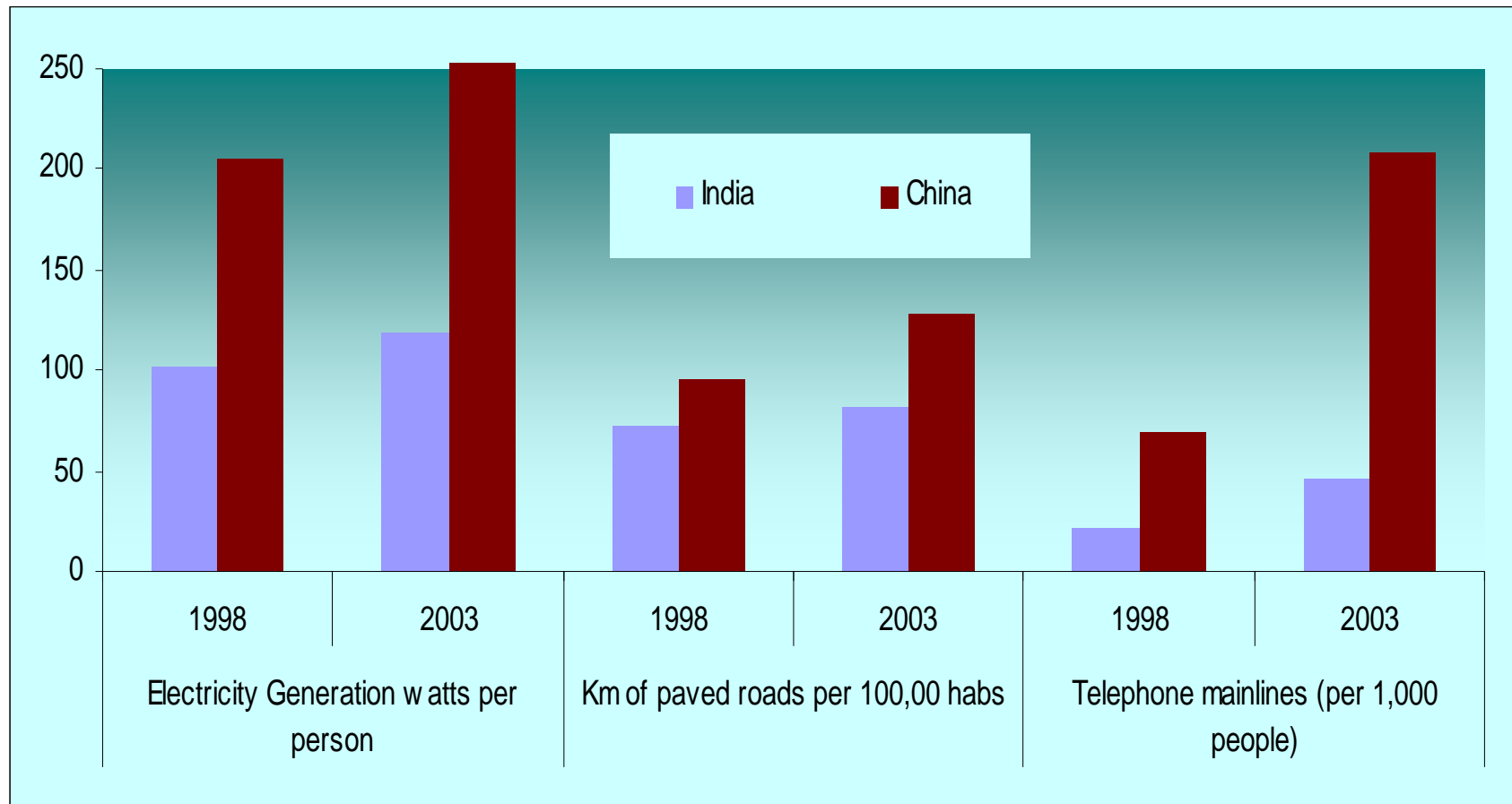
# Improving investment climate, including infrastructure



# Improving investment climate, including infrastructure contd...



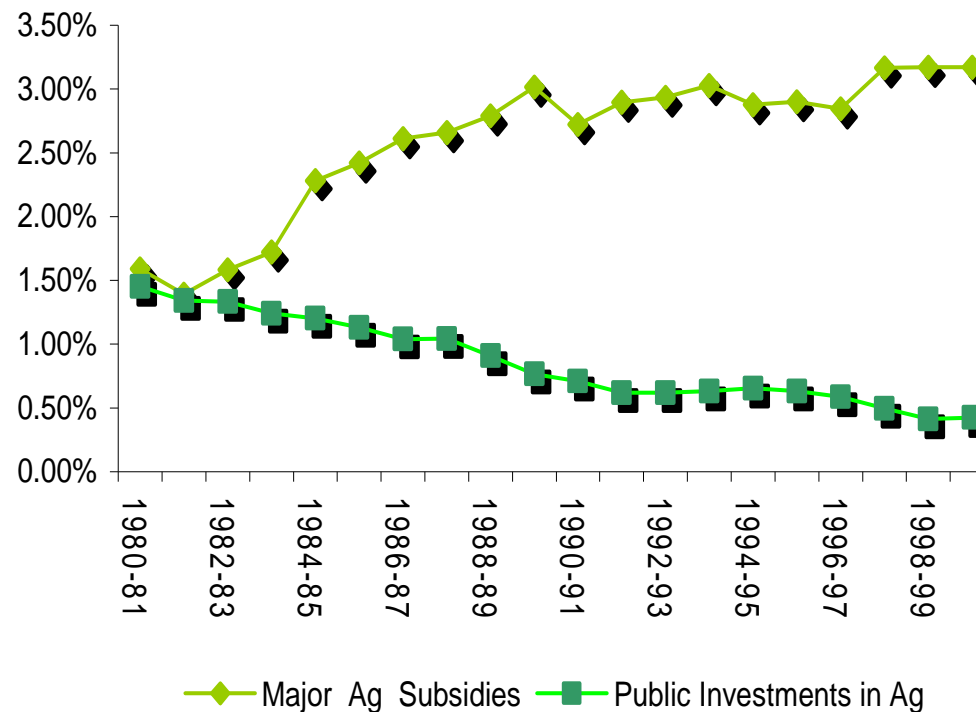
# Improving investment climate, including infrastructure



**contd.....**

# Investment in rural areas, including infrastructure

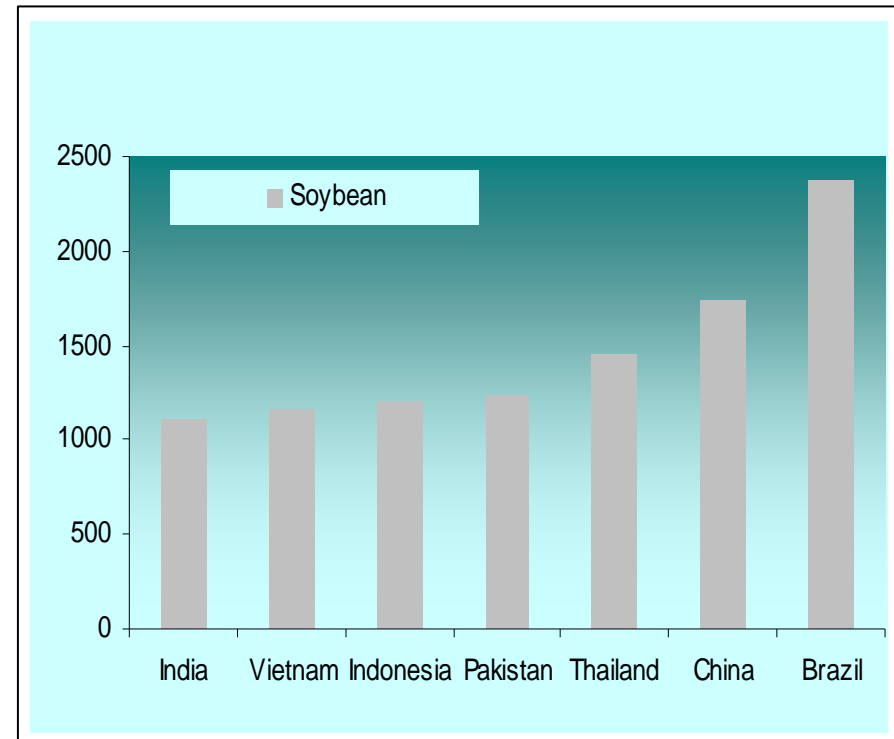
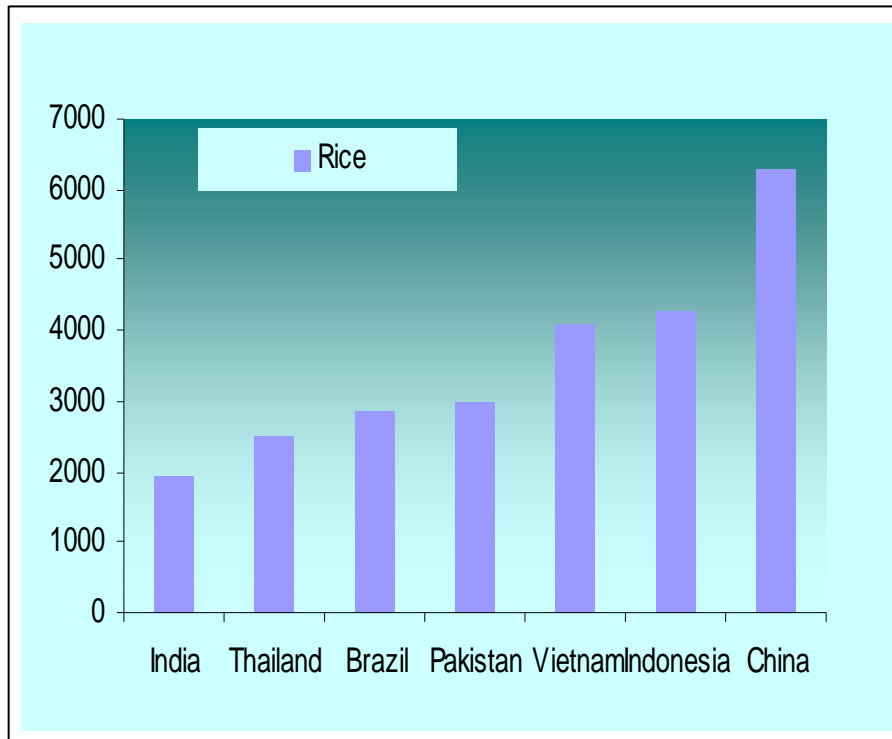
**Agricultural subsidies have gone up, productive  
investments down...**



*Notes:* Agricultural subsidies include GOI foodgrain and fertilizer subsidies, state government power and irrigation subsidies.

*Source:* Ministry of Agriculture, Acharya and Jogi 2004.

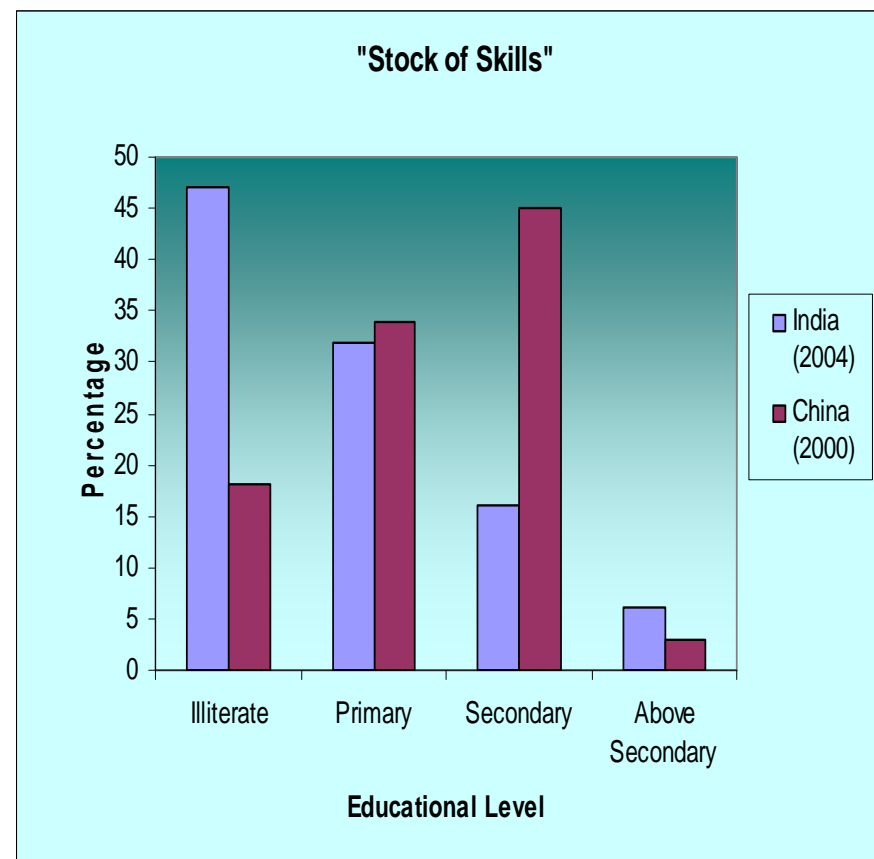
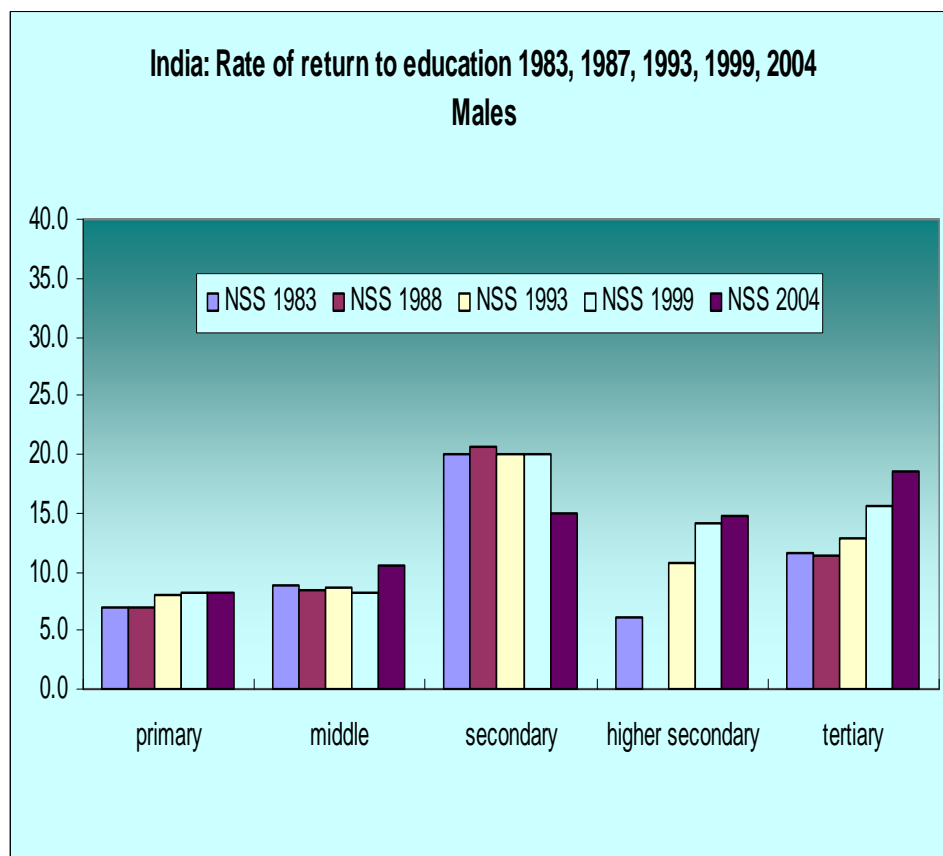
# Investment in rural areas, including infrastructure



# Stronger investment in people, including higher education

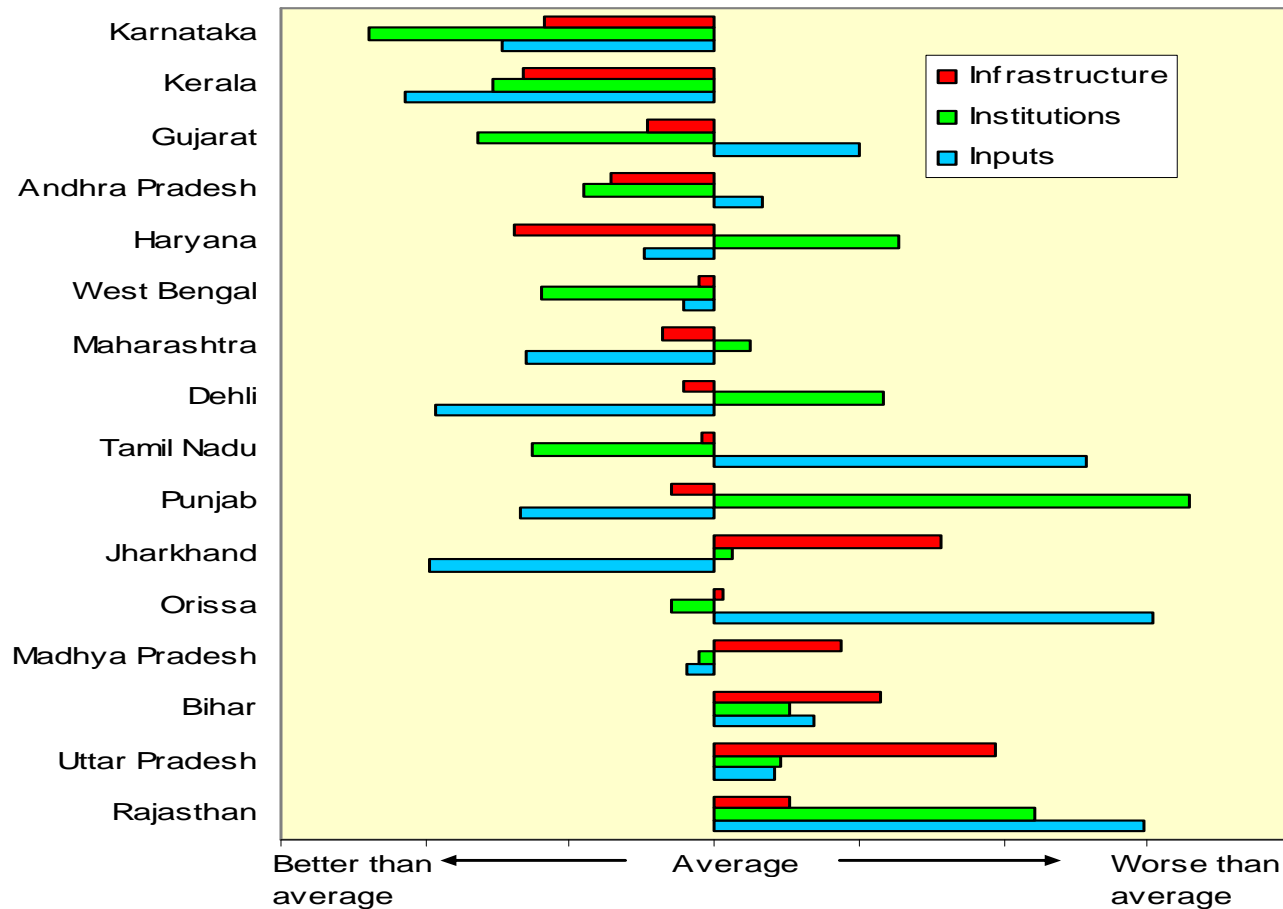
- India faces both a shortage of skilled workers: Returns to higher secondary and tertiary education are rising rapidly
- At the same time, the workforce remains poorly educated: in 2004, just over 5% of the adult population was educated above the secondary level
- Rural India fares even worse: 75% of rural workers are educated only till the primary level or less
- Large sections of the population thus remain unable to take advantage of emerging opportunities

## Returns to higher education and rising, but India's human capital lags behind major competitors in East Asia



# Improved growth and governance in lagging regions

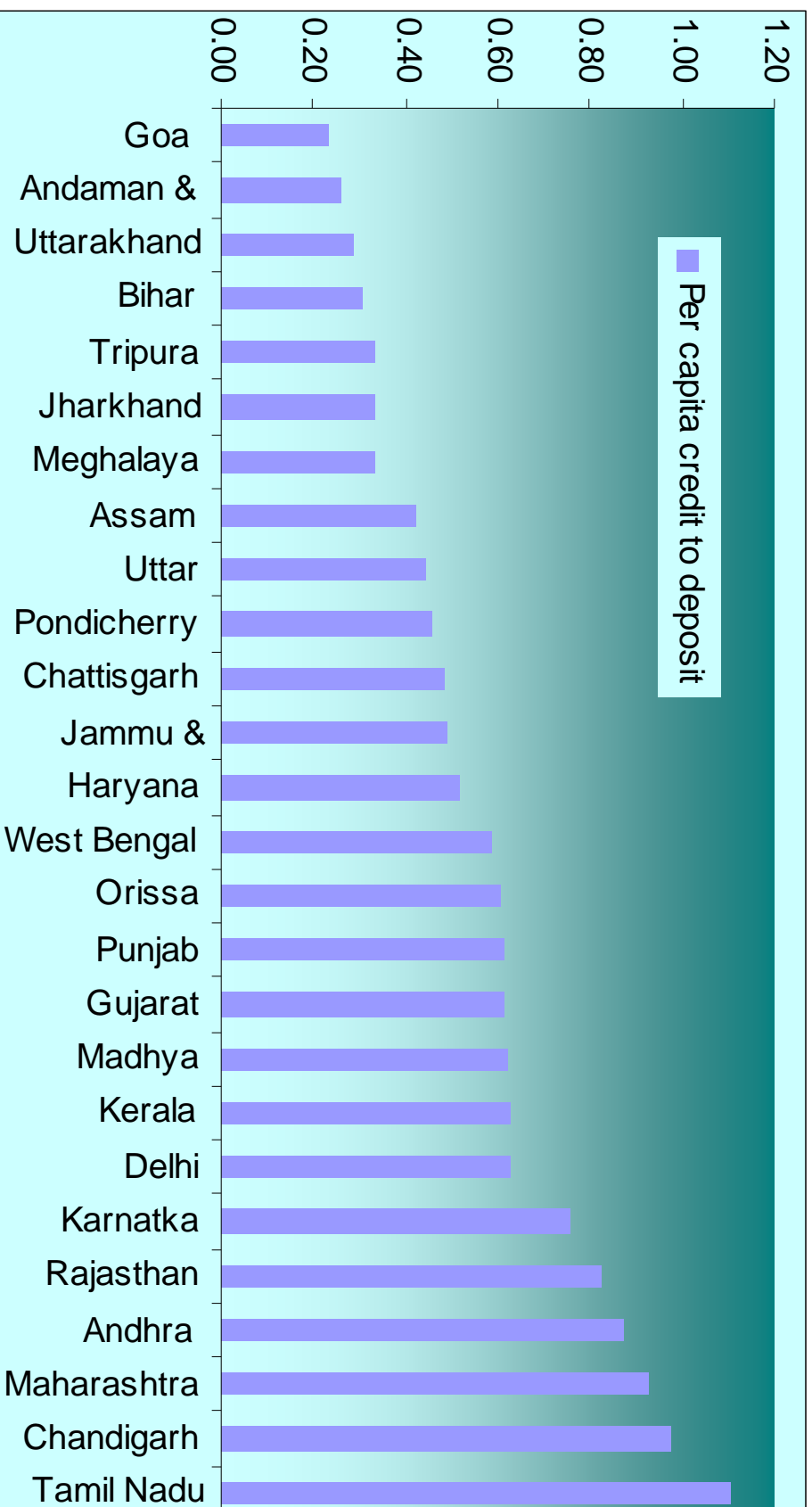
**Value\* of infrastructure, Institutions, and Input variables used in the construction of the ICI, by state (standardized)**



\* Values as estimated using only the most important component weighted by its factor coefficient



# Improved growth and governance in lagging regions



# Female labour force participation

