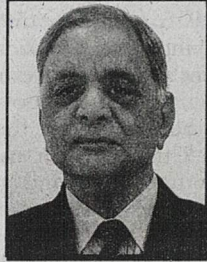


Challenges India Will Face In 2026

—By Wing Commander Dinesh Mathur, VSM (Retd.)

Group Discussion (GD) is now being used as a critical selection/screening tool to assess candidates' cognitive, interpersonal and leadership abilities in real-time by both corporations and educational institutions. In a GD, a group of candidates is given a topic or situation to discuss and reach a consensus on the outcome of the interaction. A Group Discussion can effectively simulate workplace dynamics to evaluate how individuals perform, think critically, and collaborate under pressure. Group Discussions have been found especially useful for assessing a range of skills in candidates. These include soft skills, comprising non-technical, interpersonal and behavioural traits, as well as communication, teamwork and leadership abilities. GDs also test critical thinking, analytical skills, and the ability to contribute positively and present original ideas on a given topic/situation. Also, personality traits such as assertiveness, emotional maturity, and the ability to handle conflicting and diverse opinions are readily observed during a Group Discussion. GDs also assess the candidates' cultural fit and work ethics, ensuring they are compatible with the organisation they seek to work for. Finally, a Group Discussion allows recruiters to assess multiple candidates simultaneously, making the selection/screening process faster and more efficient.

While the recruitment process to select Managers at an MNC was underway, a group of candidates was invited to take part in a Group Discussion. This group was given the above topic for a discussion. All the aspirants arrived for this GD formally dressed and, after verifying their identity, were made to sit in a semi-circle. This was to ensure that all candidates could see one another while speaking during the GD. This was followed by a detailed briefing on the conduct of this discussion by the three assessors, who were assigned to conduct this Group Discussion. Thereafter, candidates were allowed 3-4 minutes to recall and, if needed, jot down some points, which they could refer to during the course of this GD. Finally, they were asked to conclude the discussion within 25-30 minutes.



Wing Commander Dinesh Mathur is a senior selector and trainer. He has worked as a selector at two Services Selection Boards and as Chief Instructor at Defence Institute of Psychological Research, New Delhi. He has conducted many Interviews and Group Discussions during the last two decades and has authored four books, including two on Interviews and Group Discussions. He has received Vishisht Seva Medal awarded by the President of India and Commendation by the Chief of Air Staff.

Subsequently, the discussion commenced in this manner:

Candidate No. 9: Good morning, friends. I know you all are eagerly waiting to participate in this GD on this currently much-discussed and interesting topic. As India enters 2026, we know it's at a crucial juncture in its planned, much-announced journey to become a developed country by 2047. As the world's most populous nation, with a fast-growing economy and considerable geopolitical clout, the world curiously watches its growth trajectory. Though displaying an impressive projected GDP growth of 6.8% to 7.2% in FY 2026-27, India's progress remains markedly uneven, with several challenges to confront in 2026 and beyond. These challenges have several dimensions: economic, educational, health, environmental, political, security, international system, AI, and many others. The topic assigned to us requires us to discuss these dimensions in some detail and highlight their implications. The broad issue before our country is to address these challenges in a comprehensive manner, so that we remain focused on our journey to become a developed nation by 2047.

Thanks, you all may express your views now.

Candidate No. 5: Friends, since this topic involves so much to discuss, we should provide a framework for this vast subject. I suggest that we discuss this subject by speaking on these challenges in some sequence. I suggest we speak in this sequence: economic, education, health, environment, security, politics, and so on. Do you agree with this suggestion?

Candidate No. 8: Yes, I think that's a good idea. This approach will make our discussion fairly organised and comprehensive.

Candidate No. 7: Well, I will discuss the economic challenges before us. Friends, as we are aware, unemployment among youth remains a serious concern. This is because India adds about 10-12 million workers annually, but employment creation lags considerably. This is particularly visible in formal and quality jobs. Urban youth unemployment was as high as 17.2%, and rural youth unemployment was around 12.3% in the year 2025, a clear indicator of lagging job markets in India.

Candidate No. 4: Quite right, Number 7. In this regard, I want to add that States like Maharashtra and Karnataka, and National Capital Territory of Delhi lead in 'economic complexity' in high-value sectors such as IT, Biotechnology, and services. However, in contrast, States like Bihar and Assam have over 90% of their workers in low-skilled occupations, underscoring the urgent need for targeted vocational training and skill development. You will recall that some political parties highlighted Bihar's unemployment crisis as a core issue during the 2025 Assembly elections. Further, a large-scale migration of youth for jobs starkly reflects the lack of job opportunities and skill mismatches in Bihar.

Candidate No. 6: Yes, you are right. I agree that unemployment remains the most significant economic challenge in India.

Candidate No. 9: I want to highlight the current income inequality and regional disparities in India. We are aware that India's GDP has grown rapidly and that its economy is now the fourth-largest in the world, but wealth distribution remains terribly uneven. In this context, urban centres such as

Mumbai and Bengaluru boast advanced, diversified economies. For example, Karnataka's GSDP is about \$1.4 trillion (PPP), which reflects its status as a hub for services and innovation. On the other hand, rural and backward regions continue to lag. Moreover, the per capita income gap between the richest and poorest States is considerable, contributing to internal migration pressures and clear uneven development.

Candidate No. 7: Friends, recently the Nobel laureate Mr. Abhijit Banerjee said that India's rise to become the world's fourth-largest economy means little for everyday well-being because headline GDP rankings ignore population size and mask low per capita incomes in India. Mr. Banerjee also declined to predict whether India will become one of the world's leading economies by 2047. The fact remains that India's per capita income is terribly low compared to other developed nations.

Candidate No. 4: We may say that India's economic growth remains relatively strong compared to many developed nations, and is driven by huge domestic consumption, infrastructure investment, service exports, and manufacturing incentives. However, the fact remains that the deeper economic challenge is the quality of growth, not merely quantity. India's economic growth must translate into dignified and stable livelihoods. That is the real economic challenge, friends.

Candidate No. 3: Yes, well said. I agree with you.

Candidate No. 2: Friends, I think we have adequately talked about our economic challenges in 2026. Let us now discuss some challenges in the field of education. Do you agree?

Candidate No. 1: Yes, education is another important challenge in India's development.

Candidate No. 9: We have seen that India's education system has experienced considerable enrolment gains, but learning outcomes lag. According to latest ASER data, a large proportion of primary students cannot read basic texts, indicating a systemic quality challenge. With India's large, young population, this condition may pose a significant challenge. Government programmes like NIPUN Bharat primarily aim to improve foundational literacy, and towards this aim, technology is being integrated through digital platforms in many schools.

Candidate No. 7: Friends, in this context, dropout patterns, generally in India and particularly in some States are another area of concern. Talent enrolment in Classes 1-12 declined by about 8% nationally between 2021-22

and 2023-24, with a considerable drop in States of Bihar, Uttar Pradesh and some others. Moreover, school retention from primary to higher secondary decreased sharply, indicating transition challenges.

Candidate Number 4: I want to add that regions with stronger governance, like Kerala, now claim near-universal schooling and much higher literacy, which remains an important factor explaining its status as an extreme poverty-free State as reported at the end of 2025. As per the reports, Kerala, having strong public education management and social investments, has nearly eliminated extreme poverty in the State. On the other hand, the States of Bihar and Uttar Pradesh have higher dropout rates in secondary school, indicating a weaker education system. I am sure you all would agree that India must deal with these challenges urgently in 2026.

Candidate No. 5: Friends, if we have adequately covered education, we may now move forward to discuss challenges in the health sector. Is it fine?

Candidate No. 9: Yes, I want to discuss challenges in the health sector. We know India spends about 2% of its GDP on public health, which is lower than many countries. As a result, access to quality medical care, especially in rural areas, remains limited. Recent data in this regard indicate that States like Odisha require targeted health action plans. Even though some medical care establishments have been opened, they lack infrastructure and other medical facilities. Further, child malnutrition and stunting remain serious challenges despite socio-economic growth. Moreover, India ranks rather poorly on the Global Hunger Index, with child wasting at about 18% and stunting at 35%, displaying a deep structural challenge of nutrition insecurity.

Candidate No. 2: Quite right. States with good public health delivery systems outperform in nutrition and maternal outcomes, while States with poor health services continue to struggle with persistent undernutrition. This is the reality.

Candidate No. 7: Friends, I suggest we now switch over to another important challenge: environmental and climatic exposure. Will some friend like to talk about this challenge now?

Candidate No. 4: Yes, the adverse impact of climate change and changing weather patterns in India is quite visible now. In this regard, reports indicate that about 60% of Indian districts, which may encompass around 76% of the population, are now at high risk of extreme heat, posing health risks and reducing agricultural productivity. The

Northern Indian plains, in particular, face severe heat and water stress. On the other hand, coastal regions are expected to face the brunt of cyclones and flooding. In recent years, floods in the State of Kerala, which caused huge losses of life and property, highlighted this development.

Candidate No. 9: I want to add that environmental hazards include the serious problems of air and water pollution, which cause public health issues in India. This has largely been due to rapid industrial growth and massive urban expansion. As people from villages and small towns continue to move to big cities and metros in search of employment, urban population has been growing. In this context, the serious pollution problem in Delhi NCR and some towns in Northern India warrants special mention. Hazardous levels of pollution in Delhi NCR during the winter months, with very high AQI levels, are responsible for Delhi being called the most polluted Capital in the world. Unfortunately, successive governments in Delhi have not been successful in resolving this grave problem.

Candidate No. 7: I would like to discuss the challenges posed by security issues and divisions in Indian society. We notice internal security continues to bother Indian citizens. Terrorist attacks in the Jammu and Kashmir region, as well as in Delhi, shocked the nation in 2025. However, Maoist insurgencies have declined due to the strict and effective actions taken by our Government. India will have to guard against internal security issues in 2026 as well. Secondly, owing to a variety of reasons, Indian society remains divided and communal tensions prevail in various parts of the country. Cultural and religious identity continues to play an important role in public discourse. Therefore, to safeguard our democracy and national unity, India will need to address social polarisation effectively in 2026.

Candidate No. 5: Yes, I agree that internal security issues must be tackled with a firm hand, and social polarisation must be checked. Dealing with these issues must remain our top national priority.

Candidate No. 2: Friends, I suggest we also discuss the current political landscape of our country, which poses a major challenge for 2026.

Candidate No. 4: Yes, presently, we observe that a strong Central executive largely dominates Indian politics. This has certainly brought administrative speed and clarity in some areas, such as infrastructure rollout and foreign policy messaging, but it also raises concerns

about checks and balances, and there are allegations of issues of institutional autonomy. Elections are fiercely contested, and political mobilisation remains intense. There are also controversies on issues like how power is exercised through institutions and media, while the political atmosphere remains highly charged, with numerous conflicts. This situation needs an urgent solution and cooling off the tempers of our political leadership in 2026.

Candidate No. 9: I want to discuss the strain on our federalism as a result of political confrontation between the Union Government and States. In view of this prevailing situation, the current federalism is often described as “combative federalism”. Key issues that cause tensions include the misuse of Central agencies, disagreements over GST compensation, allotment of funds, and the imposition of uniform policies like “One Nation, One Election”. Opposition-ruled States allege that the position of Governors is being misused to hamper the functioning of the State Governments.

Candidate No. 7: I want to add that it is also alleged that the Centre is retaining a disproportionate share of resources, and new schemes launched increase the financial burden on the States. For example, in 2025, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was replaced by the Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin) Act, 2025, also known as VB-G RAM G. This new scheme would substantially increase the financial burden on State Governments.

Candidate No. 4: Yes, while some scholars argue that Indian federalism is inherently “quasi-federal” and designed to prioritise national unity, the current political climate has encouraged the debate between centralised governance and regional autonomy. While relations between the Centre and the States continue to be a defining political theme, we observe that southern and eastern States, in particular, are pushing back in this regard. The main reasons for this are cultural homogenisation, fiscal centralisation, and a uniform policy framework. There will certainly be a need to build a census on such issues in 2026 in the interest of India’s federal structure.

Candidate No. 3: Yes, you are right.

Candidate No. 9: Friends, though India continues to promote itself as an alternative manufacturing hub, the progress made so far in this regard has been rather unsatisfactory. While progress has been noticed in electronics, defence, etc., structural problems

remain. Major issues in this regard are logistics inefficiencies, regulatory mismatches, and skill mismatches. Of course, the services sector, which includes IT, Finance, and digital platforms, will remain India’s strongest global economic lever in 2026. However, India employs a smaller proportion of its workforce in manufacturing sector. The problem in this regard is that the country employs a very large share of its workforce in agriculture, which must be diverted to manufacturing.

Candidate No. 5: Absolutely correct. You have made a very important point here. In this regard, India must be inspired by China, which, after focused effort and policy-making, has now emerged as the world’s manufacturing hub. That is really praiseworthy.

Candidate No. 8: I agree.

Candidate No. 7: We observe that in 2026, the international system is more fragmented, multipolar and volatile. Nations are now opting for transactional foreign policies, focusing more on their national interests and appeasing their domestic populations, rather than upholding international law and adhering to a strict policy framework. In such an atmosphere, India is struggling to balance its strategic autonomy and relations with the U.S., Russia, Western countries, the global South, and regional partners in the Indo-Pacific, avoiding rigid alliances and preferring issue-based partnerships that permit flexibility. During 2026, China will remain India’s most complex external challenge. India will have to deal with this international situation in 2026 as well.

Candidate No. 4: In 2026, India is positioning itself as a global AI powerhouse, aiming to utilise technology for economic growth and public services. As of 2026, India ranks third globally in AI competitiveness. By adopting an appropriate AI strategy, India aims to mitigate its impact on the job market and improve its ranking in global AI competitiveness. In February 2026, India organised the Global AI Summit, the first major AI summit in the Global South, which emphasised inclusive AI and partnerships. In 2026, India’s challenge will be to devise specific AI legislation and frameworks that focus on AI for public good, safety, and ethical standards, guided by the Digital Personal Data Protection Act, 2023, and international initiatives such as Global Partnership on Artificial Intelligence (GPAI). India wants to focus on AI to enhance education, agriculture, healthcare and governance. That’s the challenge.

Candidate No. 2: Friends, this topic is so vast that, while discussing it, we

have not realised that the time allotted to us for this GD is now over. Let’s conclude.

Candidate Number 7: If you all agree, I could conclude.

Candidate No. 1: Fine, please go ahead, Number 7.

Candidate No. 7: Friends, we all had a very constructive and informative discussion on this currently hot topic. Appreciating that the topic has much to discuss, we agreed to give it a format, listed the challenges, and also outlined the sequence in which we will discuss them. We first discussed the economic challenges and highlighted various issues, including the current serious unemployment problem. This followed a discussion of challenges in the fields of education, health, and the environment. Thereafter, we made a mention of the challenges posed by internal security and politics. While discussing politics, we underscored the threat to our federal structure posed by constant bickering between some States and the Central Government. Subsequently, we also discussed challenges posed by low manufacturing, the volatile international system, and AI.

That’s all, friends. Thanks, and you all have a nice day.

Critical Assessment Of Candidates’ Performance:

Good: 4, 7 and 9

It was evident that these candidates were well-prepared for a discussion on this topic. They presented valuable information and data to support their views. Discussion was conducted in a cordial atmosphere, and these candidates, though they spoke frequently, did not prevent other candidates from speaking. This was duly recognised by the coordinators. They displayed maturity and appreciated others’ points of view. Given this, their contribution was assessed as ‘Good’.

Average: 2 and 5

These candidates had a vague understanding of this topic and participated intermittently in the proceedings. They also helped determine the format of this discussion, but their individual contributions remained below the desired level. Apparently, they had not adequately prepared for this topic to achieve a winning performance. Due to all these reasons, their effort has been evaluated as ‘Average’.

Below the Average: 1, 3, 6 and 8

These candidates merely marked their presence in this Group Discussion. It appeared they did not have much of an idea about this topic; therefore, lacked the necessary self-confidence to speak in this GD. They mostly spent their time appreciating other candidates or agreeing with their views. This much is not considered adequate in a competitive Group Discussion. In view of this, their effort is labelled as ‘Below the Average’.

CSR