

Policy Research & Development Committee

Lecture Series First Lecture on Enhancing Competitiveness of India: VISION 2025 By Dr. Rajiv Kumar, Vice Chairman, NITI Aayog



On 29 th June, 2018, The Policy Research & Development Committee, organized the first lecture of the series for FY 2018-19 on **‘Vision 2025: Enhancing Competitiveness of India’** with **Dr. Rajiv Kumar, Vice Chairman, NITI Aayog** as the **hon’ble speaker**.

Shri Vijay Srirangan, Director General, Bombay Chamber moderated the event and Mr. FN Subedar, the immediate past president of Bombay Chamber inaugurated the event by delivering the welcome address. In his welcome address besides introducing the esteemed speaker to the participants, Mr. Subedar shared with the participants the mission, vision and activities of recently reactivated committee of Bombay Chamber, ‘Policy Research & Development’ (PR&D) Committee.



In his Special Address, Dr. Prakash Hebalkar, President, Profitech and Member, Policy Research & Development (PR&D) Committee mentioned three components for enhancing competitiveness of India, namely, CONSOLIDATION, COUNTRY BORDERS and COMPETITIVENESS. While discussing the first component, i.e, CONSOLIDATION, he emphasized issues related to internet companies to dominate the information space, e.g, net neutrality debates, issues related to brands and consolidation, etc. He also discussed trends or directions which are going to take place in large parts of the economy globally. According to Dr. Hebalkar these are the areas from where we need to learn from. He also expressed his concern that “....our ability to build brand that dominate or play a very significant market role is something that is we have to acquire as a skill to enhance competitiveness globally...”.Secondly, he pointed out absence of COUNTRY BORDER as a force. To him “...various mechanism including cyber technologies are in effect destroying country borders. If we do not factor that in our economic policies, we may find ourselves hit by different set of forces that we were not paying attention at all”. Lastly, he emphasized that “....we have to be very careful whom we choose to be compete against in terms of trying to meet our own satisfaction”. He quoted six vectors of competitiveness to define.

- i) Physical theft & Cyber theft,
- ii) Forced technology transfer,
- iii) Evasion of export control,
- iv) Information Harvesting Campaigns,
- v) Acquisition of Crown zones by state owned companies,
- vi) Warfare.

Dr. Hebalkar concluded his Special Address by saying that opportunity lies in terms of building excellence in the area of competitiveness on , shortage of skills, that one ought to focus on in terms of our policy directions.



In his Keynote address, The Chief Guest of the event ,Dr. Rajiv Kumar, Vice Chairman, NITI Aayog, while highlighting current challenges and government's approach to address the challenges shared some insightful thoughts on the govt. document 'NEW INDIA 2022' , which will be released sometime during the next two weeks.



Dr. Kumar mentioned eight drivers of 'COMPETITIVENESS' on which we should focus upon as we go forward. They are

- i) Good Governance : ".....the concept of 'Development State' includes attributes like Accountability, Responsiveness and Democratic Dividend".
- ii) Trust: "..... the government and other stakeholders, e.g, public and corporate, should share a common vision".
- iii) Role of Elites(Corporate): ".....accepting responsibility of being vanguard of the society".
- iv) Human Resources: ".....quality of social infrastructure...38% of our children is undernourished...we are way behind the WHO standard."
- v) An Innovative Ecosystem: ".....to make innovation a way of life".
- vi) Physical Infrastructure: "...water and connectivity in addition to electricity are three important concerns of current infrastructure".

vii) Climate Change: ".....this structural feature need proper attention".

viii) Shared Mobility : "... Opportunities coming from the new forms of mobility".



While addressing the participant's queries at the event Dr. Kumar also touched upon issues related to employment, agriculture , core technology , administrative reforms, etc. He announced that **"...the Minimum Support Prices(MSP) will be announced very soon"** He also opined that the role of tariff is critical to support some selected domestic production. To him, bringing down cost of production and improving farmer's income should be on top priorities at any govt. agenda. On employment issue he reemphasized that "...it is not the issue of the employment but the quality of employment that we need to address". On core technology, he shared his thought as "...public, Govt. and Industry all should work together to make a very good assessment on this critical field to know where we are and where the world is and then we need to develop a strategy on how we want to get from point A to point B and define what point B is about". Lastly, Dr. Kumar also addressed queries on the state of Indian administrative reforms. He said ".....the honest and regular feedback and timely responses from the concerned regulators are the keys to improve quality of administrative reforms."

Dr. Kumar informed the audience that under the leadership of Hon'ble Prime Minister a huge global summit on GLOBAL MOBILITY will be held on 7 th & 8th September, 2018. He also invited constructive ideas or suggestions from the participants to make the summit a success.



Dr. Sachchidanand Shukla, Chief Economist, Mahindra & Mahindra and Member, Policy Research & Development (PR&D) Committee and also the Discussant at the event shared his views on some key drivers of competitiveness within macroeconomic framework. He emphasized issues related to ‘ALLOCATION’ or ‘MISALLOCATION” of resources specially in the context of agriculture sector. To him, First, labor issue is of concern as dependency on agriculture is still high in India as compared to other developed/developing countries. Second, sectoral misallocation at the farm level is another area of concern as we always prefer small farms. Third, geographical misallocation is quite evident as top five districts of India employed almost 80% of total labour force in India. Urbanization is another issue as India’s employment statistics shows we are ‘over employed’ relative to scarce capital but ‘under employed’ relative to abandoned labour. Dr. Shukla referred NITI Aayog’s recent initiative in doubling farmer’s income and concluded his discussion on hoping a bright future for India.

This signature event was concluded with Vote of Thanks by Dr. Siddhartha Roy, Chair, Policy Research & Development (PR&D) Committee of Bombay Chamber.