

Regional Agenda

World Economic Forum Brainstorming Workshop led by the Global Agenda Council on India

55 Lodi Estate, New Delhi 1 May 2014

With the unique backdrop of India's elections, this workshop was the first attempt to bring together all India-based members of the Network of Global Agenda Councils along with select business, media and civil society leaders. This high-level multistakeholder group worked through deep-dive breakout groups to identify and prioritize top challenges in post-election India, and to chart priorities for the new government, both in the short and long term.

The Forum will use these insights to guide its India agenda, including projects and initiatives, as well as the discussion at the World Economic Forum on India to be hosted in New Delhi, 4-6 November 2014.

One big message emerging from the workshop, as reflected in the summary below, is the inter-connectedness of issues. It was collectively agreed that we need a "systems reset" for competitiveness, inclusive growth and sustainable development. A networked approach between stakeholders and between the different levels of governments is needed to ensure that all of the below-mentioned issues are tackled effectively.

Here are the key takeaways from the workshop are listed below:

1. **Employment:** How can we look at employment beyond jobs and into building long-term human capital, skills and social security?

- Need a "jobs revolution".
- Invest and innovate in the manufacturing industry. It is not sustainable to only create jobs dependent on the service sector.

- A skilled, employable workforce without health, nutrition and sanitation may not be *workable*.
- Given the large supply of human capital in India, there is little reason for industry to invest in human capital. It is easy to succeed with low-skilled, labour-intensive processes. Industry should be willing to pay for skills and focus more on the long term rather than the short term.
- Prioritize vocational education and apprenticeships and provide for multiple tracks within the education system to develop quality in "trades" (e.g. plumbers, electricians). Apprenticeship works because of an expectation of a job at the end of it, but these trades are not formalized.
- Lack of trust in private sector jobs as it's easy to fire employees.
- Adapt to technology shifts and train human capital for future jobs by building long-term skills and thinking.
- A large informal sector makes it difficult to measure true employment figures.

2. **Infrastructure:** Should infrastructure dictate growth or growth decide infrastructure needs?

- Two broad categories of infrastructure: hard and soft. Soft infrastructure is the investment in education, health and other public services. Hard infrastructure is railways, roads, ports etc.
- Rethink urban planning in a holistic way, including environment and ecological preservation as well as smart policy-making to predict and address future needs of a society.

- Infrastructure deficit demands a conversation on capital, both the cost of capital and availability.
- Public-private partnerships, once the big innovation, today face bad reputation and scepticism. Be it government or business, what matters is a healthy return on investment.
- Rethink the PPP model and find ways to make it work. Long-term capital through PPP is key to any infrastructure project.
- Invest in capacity building for urban planning, particularly in the public sector.
- We have built islands of infrastructure that are not linked together. For example, we may have world-class ports but poor road connectivity to reach them.
- Efficient transport will also have a positive multiplicative effect of fixing imbalances, enhancing food security and reducing wastage.
- India should prioritize digital infrastructure. If the nation is committed to being a leader in knowledge economy with serial entrepreneurs, a support system of quality digital infrastructure will go a long way.
- Given the country's competing multiple priorities and the large ticket size of investments, there is need to improve transparency in decision-making and effective resource utilization.
- Little to no power given to the city mayors. There are resource capacities at multiple levels but they have no implementation power.

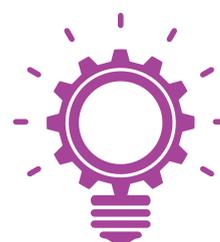
3. Innovation:

- Do not promote innovation for innovation's sake; instead use it to solve endemic problems in education, health and employment.
- Areas most in need of innovation are energy, food and healthcare. Need to break the existing nexus of contracts which do not allow for competition and hence innovation.
- Mainstream innovation. Look at it not only as products or the mandate of one industry but also find innovation in services' delivery and problem-solving.
- Fund technology solutions to escape problems. Examples: mobile health clinic, disbursement of loans through mobile payments, etc.
- Rethink education, break linearity of thinking and learning by rote.
- Stop looking at jobs or employment and focus on employability. Strengthen areas of quality among people entering the workforce.
- Build a strong ecosystem, encourage innovation within industries and break barriers to starting businesses.
- Explore crowdsourcing of ideas and solutions.

- Improve business incentives and return on capital with a regulated framework of Intellectual Property Rights
- Better incentivize innovation. There is no rule that services for the public should be non-profitable. Opening up the market to more for-profit solutions may bring the cost down for the system as a whole
- Improve last mile broadband connectivity for implementation of all the above discussed schemes and ideas.
- Make capital accessible for sectors of innovation; improve the risk appetite of traditional lenders.
- More PPPs are needed; government has to invest in creating hubs of innovation and scale up models that work.

4. Role of civil society and media:

- Further tripartite decision-making (civil society, corporate and government) for a more informed public discourse in India.
- Need for greater transparency and regulatory filing regarding media ownership to manage conflict of interests.
- Need active efforts to encourage diversity in media outlets, and ensure a responsible media culture.
- Civil society has a critical role to play in monitoring public services. Public Interest Groups can use technology to maintain dashboards/reporting of key service levels (e.g. time taken to issue a licence).
- We need to revisit Right to Information Act. Information should not be a privilege but a default.
- Shift regulatory framework from preventing innovation/ entrepreneurship for public service delivery. While on one hand we need simplification of rules to encourage investment, we also need objective and continuous monitoring to ensure there is no exploitation of rules.
- Strengthen the role of civil society as the "watch dog" of the freedom of expression by strengthening the whistleblower law and giving protection to those speaking up against the system.
- Government needs to be more participative, but we need to keep a balance between participation and effectiveness.
- We need 21st-century governance for informed and engaged citizens.
- We focus too much on the rights of citizens but not enough on the duties.



Other topics that came up through the discussions:

5. Governance:

- a. Do we have a governance system that can implement these recommendations?
- b. Institutional barriers need to be overcome, and a mission-based governance model needs to be established. What do you value in your governance?
- c. We need a governance model for a country that will have a large percentage of non-metropolitan urban population.

6. Resource management:

- a. Food inflation is at an all-time high because we've built a system for agriculture that incentivizes the wrong things. We need to re-orient incentives for farmers to grow high-yield crops that are sustainable.
- b. Need to rethink cereal supply (wheat, rice) and change their procurement frameworks.
- c. We need to invest in transport, logistics and storage facilities to actually use the food that we produce.
- d. There is no clear mechanism for the allocation and prices of natural resources (oil/gas, minerals) – there needs to be greater transparency.
- e. We have an abundance of mineral and natural resources and are not using them effectively.

Confirmed Participants

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