

## Panel Briefing

### The Elephant Moves: #TheIndiaDialog 2024 Institute for Competitiveness | US-Asia Technology Management Center, Stanford University

#### *“Economic Growth, Development, and Sustainability”*

#### **Introduction**

The discourse on economic growth, development, and sustainability has gained prominence, urging stakeholders to rethink conventional paradigms and embrace holistic approaches. The panel discussion highlights the urgency of harmonizing these traditionally siloed domains to address pressing global challenge of climate change. In this white paper, we analyse insights from a panel discussion featuring eminent voices in environmental advocacy, academia, industry, and policy moderation. Through their nuanced perspectives, we explore the balance between fostering economic prosperity, ensuring social development, safeguarding environmental sustainability, and the imperative of EV adoption in India's sustainable development agenda.

This panel discussion was moderated by **Pradeep Puri**, Senior Fellow, Institute for Competitiveness; with esteemed panellists including **Hisham Mundol**, Chief Advisor, India, Environmental Defense Fund; **Amol Phadke**, Senior Scientist at Goldman School of Public Policy, University of California, Berkeley; **Rajat Kathuria**, Dean and Professor, Shiv Nadar University; and **Ashok Belani**, Board Member AM Green.

#### **Paradigm Shift Towards Sustainability**

The panel discussion emphasized a significant change in how sustainability is approached, evolving from a narrative that once posed growth and sustainability as mutually exclusive options to one that views sustainability as a catalyst for growth. This shift reflects a broader acknowledgment that sustainable practices can yield tangible economic benefits while also addressing environmental challenges. India's transition towards renewable energy serves as a compelling example of this shift in perspective. The country has made substantial investments in solar and wind energy, leveraging technological advancements and favourable policy frameworks to drive growth in the renewable energy sector.

Moreover, the panel emphasized the importance of integrating sustainability principles into business strategies, emphasizing the concept of “green growth”. By adopting sustainable practices, businesses can enhance efficiency, reduce costs, and access new markets. Examples such as India's green steel industry, which utilizes innovative processes to minimize environmental impact while maintaining competitiveness, illustrate the economic viability of sustainability-driven initiatives.

Furthermore, the panel highlighted the role of public-private partnerships in driving sustainable development. Collaborative efforts between governments, businesses, and civil society organizations are essential for scaling up sustainable solutions and overcoming barriers to implementation. Initiatives such as India's collaboration with the Environmental Defense Fund

on designing a carbon market exemplify the potential of such partnerships to catalyse sustainable growth.

The panel discussed positive shift in Indian narrative. Moreover, the panel discussed the importance of raising awareness and fostering a cultural shift towards sustainability. It is necessary to carve distinct developmental path for India that leverages its unique infrastructural landscape. Education, communication, and stakeholder engagement are crucial for building support for sustainable practices and overcoming resistance to change. By promoting a shared understanding of the economic, social, and environmental benefits of sustainability, countries can mobilize collective action and accelerate the transition towards a more sustainable future. As a consistent and stable player in the global arena, it is crucial for India to maintain this course, ensuring that its growth is intricately linked with sustainable practices.

Overall, the paradigm shift towards sustainability represents a fundamental reorientation of economic strategies, emphasizing the importance of integrating environmental considerations into decision-making processes to foster long-term prosperity.

### **Policy Imperatives and Technological Innovation**

Policy frameworks and technological innovation emerged as critical enablers of sustainable development during the panel discussion. The role of governments in setting clear and ambitious targets, implementing supportive policies, and incentivizing sustainable practices cannot be overstated. China's success in promoting electric vehicles through a combination of subsidies and regulatory mandates, stresses upon the transformative impact of proactive policy interventions.

Similarly, India's experience with solar energy demonstrates how supportive policies, such as incentives, tax breaks, and renewable energy targets, can drive rapid growth in clean energy adoption. Furthermore, the panel highlighted the importance of fostering an ecosystem conducive to technological innovation. Investments in research and development, collaboration between academia and industry, and the promotion of entrepreneurship are essential for unlocking the potential of emerging technologies to address sustainability challenges.

Moreover, the panel emphasized the need for regulatory frameworks that incentivize sustainability while maintaining competitiveness. Carbon pricing mechanisms, such as carbon markets and carbon taxes, can provide economic incentives for reducing emissions and transitioning to low-carbon technologies. However, designing effective carbon pricing policies requires careful consideration of economic impacts, distributional effects, and international competitiveness.

In conclusion, policy imperatives and technological innovation play complementary roles in driving sustainable development, providing the regulatory and technological foundations necessary for transitioning to a more sustainable economic model.

### **Global Dynamics and National Interests**

The interplay between global dynamics, trade policies, and national interests emerged as a central theme in the discussion on sustainability. The panel highlighted the complexities of balancing economic and environmental growth in an interconnected world. Trade policies, such as Carbon Border Adjustment Measures (CBAM) that is expected to come to effect in 2026, reflect efforts to address carbon leakage and ensure a level playing field for domestic industries. However, concerns

about protectionism and trade tensions underscore the challenges of aligning global sustainability objectives with national interests.

Moreover, the panel discussed the need for a nuanced approach to global cooperation on sustainability issues. While international agreements and multilateral initiatives play a crucial role in addressing shared challenges such as climate change, countries must also safeguard their national interests. The example of India's engagement in climate negotiations highlighted the tension between domestic development priorities and global environmental commitments.

Furthermore, the panel emphasized the importance of leveraging international partnerships to accelerate progress towards sustainability goals. Collaboration between countries, businesses, and civil society organizations can facilitate knowledge sharing, technology transfer, and capacity building. However, such partnerships must be based on principles of equity, mutual benefit, and respect for sovereignty to be effective and sustainable.

Overall, navigating the intersection of global dynamics and national interests requires a delicate balance between collective action and national sovereignty, with opportunities for cooperation and competition shaping the sustainability agenda on the global stage.

### **Market Opportunities and Sectoral Transformations**

The panel discussion underscored the significant market opportunities and sectoral transformations associated with sustainability initiatives. The transition to a low-carbon economy presents new avenues for economic growth, job creation, and innovation. India's expanding electric vehicle (EV) market exemplifies the potential for sustainable technologies to disrupt traditional industries and drive economic development.

Moreover, the panel highlighted the importance of strategic investments in key sectors such as renewable energy, clean transportation, and green manufacturing. By prioritizing investments in these sectors, countries can capitalize on emerging market trends, enhance competitiveness, and position themselves as leaders in the global transition to sustainability.

The panel discussed that at this juncture addressing climate change is a significant economic opportunity over the next three to five decades. The Panel stressed that lowering consumer costs through innovation and scale is key. As observed in Japan and Korea's transportation and power sectors, reducing consumer costs is essential for market penetration. Moreover, the global intent to decrease reliance on China and diversify supply chains represents a strategic opening for India to position itself as a pivotal player.

Furthermore, the panel discussed the need for policy interventions to facilitate market transformation and overcome barriers to adoption. Incentives, subsidies, and regulatory mandates can incentivize businesses to invest in sustainable technologies and practices. Along with this practices like Business Responsibility and Sustainability Reporting (BRSR) will improve transparency and accountability. Public-private partnerships play a crucial role in mobilizing capital, sharing risks, and scaling up innovative solutions.

In conclusion, market opportunities and sectoral transformations are integral to realizing the economic potential of sustainability initiatives. By harnessing innovation, fostering collaboration,

and aligning incentives, countries can unlock new sources of growth and prosperity while advancing sustainability objectives.