

Panel Briefing

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

"Economic and Social Development"

Introduction

The panel discussion on 'Economic and Social Development'. The panel was moderated by **Marsha Vande Berg**, Principal, MJ Global Insights and Lead & Co-chair: 2024 India Expert Exchange, with esteemed speakers including **Michael Green**, CEO, Social Progress Imperative, **Terence Tse**, Professor of Entrepreneurship, ESCP Business School, **Ramesh Chand**, Member, NITI Aayog, Government of India, and **Robert Eberhart**, Associate Professor of Management, University of San Diego. Marsha commenced the panel discussion by emphasising the need for integrating social dynamics into India's growth story. She provided a concise overview of the key points discussed in Michael Green's presentation regarding the significance of policies that go beyond GDP. The discussions from the previous day were emphasised, specifically regarding the integration of social dimensions into India's growth story. These discussions specifically focused on agriculture, women's engagement, job quality, workforce development, and education.

Integration of Social Dimensions in Economic Growth:

The dialogue highlighted the interconnectedness between social progress and economic growth, advocating for a holistic approach to development that prioritises the well-being of all citizens. By addressing social challenges and fostering inclusive policies, India can not only achieve sustainable economic growth but also create a more equitable and prosperous society for its people.

Key initiatives such as Swachh Bharat Abhiyan and Ayushman Bharat reflect a concerted effort to address social challenges like cleanliness, sanitation, and healthcare access. These initiatives not only improve the quality of life for citizens but also contribute to enhanced productivity and economic competitiveness. For instance, the Swachh Bharat Abhiyan's focus on cleanliness and sanitation translates into healthier living environments, reduced disease burden, and increased workforce productivity. Similarly, Ayushman Bharat's provision of healthcare access to millions of previously underserved individuals ensures a healthier and more capable workforce, thus bolstering overall economic output.

Moreover, the emphasis on financial inclusion through initiatives like Jan Dhan Yojana fosters greater participation in the formal economy, thereby stimulating economic growth and reducing income inequality. By providing access to banking services and credit facilities, marginalised populations are empowered to engage in entrepreneurial activities, invest in education and skill development, and contribute to the country's economic prosperity.

Learning from Cautionary Tales: Balancing Economic Growth and Social Progress

The discussion delves into cautionary tales from both China and the United States, highlighting the potential pitfalls of prioritising GDP growth without considering its broader social implications. In China, the panellists reflect on the consequences of the country's relentless pursuit of GDP growth, which led to issues such as overcapacity and a lack of high-value job creation. This singular focus on economic expansion resulted in economic imbalances and social unrest, reinforcing the importance of balancing economic growth with social development. Similarly, in the United States, historical policy decisions, particularly during the Reagan era, provide valuable insights into the unintended consequences of prioritising certain economic policies. While these policies aimed to spur economic growth, they also exacerbated social disparities and political polarisation within the country.

These cautionary tales serve as reminders of the need for policymakers to adopt a more nuanced approach to decision-making, one that considers the intricate social relationships and dynamics at play. The panellists emphasise that policies must not only aim to stimulate economic growth but also prioritise social progress. Policymakers must carefully evaluate the potential social ramifications of their decisions, recognizing that sustainable development requires an understanding of the social fabric and its implications for overall societal well-being.

By learning from the experiences of China and the United States, India can avoid similar pitfalls and chart a more inclusive path towards development. This entails integrating social dimensions into economic policies and ensuring that growth is not pursued at the expense of societal well-being. Through thoughtful and balanced policymaking, India can foster a more equitable and sustainable development trajectory, one that prioritises the needs and aspirations of all its citizens.

Role of the Private Sector:

The potential for the private sector was highlighted to play a constructive role in promoting inclusive economic growth and social development. The potential of the private sector to play a constructive role in promoting inclusive economic growth and social development was stressed. By aligning business practices with broader societal goals, businesses can contribute to building a more prosperous and equitable society for all.

The panellists emphasised that businesses should go beyond mere profit-making and should actively contribute to societal welfare. They urge for the incorporation of social progress metrics into investment decisions, emphasising the importance of transparent reporting on businesses' positive contributions to society. Furthermore, there is a call for the private sector to create high-quality jobs and invest in social infrastructure. By doing so, businesses can foster equitable opportunities for all citizens and contribute to overall societal well-being.

Emphasis on Social Infrastructure

The panel highlighted the importance of interconnectedness between social infrastructure and economic advancement, emphasising that investments in social services are essential for fostering a conducive environment for inclusive growth.

Panellists highlighted the significance of ensuring access to essential public services such as transportation, healthcare, and education. For instance, initiatives like Ayushman Bharat, aimed at providing healthcare access to marginalised populations, are recognized as pivotal in improving overall societal well-being and productivity.

Moreover, disparities in social infrastructure within regions and neighbourhoods were acknowledged as significant barriers to equitable opportunities. There is a need for targeted investments to address these disparities and ensure that all citizens have access to quality public services. By investing in social infrastructure, particularly in underserved areas, India can enhance economic mobility, reduce inequalities, and promote sustainable development.

Role of Government Regulations

The role of government regulations emerges as a crucial factor in addressing non-financial considerations such as climate change and sustainability. Panellists highlight the significance of regulatory frameworks in shaping business practices, mitigating risks, and fostering sustainable development.

One of the key suggestions put forth is the implementation of regulatory measures aimed at incentivizing environmentally friendly practices while discouraging activities detrimental to the planet. By enacting stringent environmental regulations, governments can create a conducive environment for businesses to adopt sustainable practices. These regulations may include emission standards, waste management policies, and renewable energy mandates, among others. Such measures not only help in reducing the carbon footprint but also drive innovation towards greener technologies and solutions.

Moreover, there is a recognition of the role of regulations in informing investors about the risks associated with climate change and other environmental factors. By mandating transparency and disclosure requirements, regulatory bodies can ensure that businesses accurately assess and report their environmental impact. This, in turn, enables investors to make informed decisions, allocating capital towards environmentally responsible companies and projects.

Furthermore, the panellists emphasised the importance of collaboration between governments, businesses, and civil society in shaping regulatory frameworks. Stakeholder engagement and consultation play a vital role in designing regulations that are effective, equitable, and conducive to sustainable development. By fostering partnerships and dialogue, governments can harness collective expertise and perspectives to develop comprehensive regulatory frameworks that address societal needs while promoting economic growth.

India's Potential for Transformative Change

The discussion centred on India's potential for transformative change, particularly in integrating social dimensions into its economic growth story. The panellists expressed optimism about India's ability to enact paradigm shifts that prioritise both economic progress and social development. They highlighted the Indian government's efforts in striking a balance between growth-oriented policies and welfare measures, such as providing staple food requirements to a significant portion of the population free of cost.

The need for India to establish itself as a global leader in technology, albeit without sacrificing social development was stressed upon. It is important for India to transition from a business-to-business (B2B) tech giant to a business-to-consumer (B2C) entity, thus opening new avenues for economic growth while ensuring social responsibility.

By maintaining a delicate balance between economic growth and social welfare, leveraging its technological prowess for societal benefit, and prioritising sustainability, India has the potential to emerge as a global leader in inclusive and sustainable development.

The panellists recurrently emphasised striking a delicate balance between policies geared towards economic expansion and those aimed at fostering social welfare, showcasing India's concerted efforts in addressing multifaceted challenges such as agriculture, healthcare, and financial inclusion. Panellists had a sense of optimism regarding India's trajectory, envisioning the nation as a beacon of inclusive and sustainable development. They focused on India's prowess in leveraging technological advancements to propel societal progress while concurrently tackling pressing environmental issues, propelling it towards global leadership in the realm of sustainable development.