

The stepping stones in the post-pandemic world

In building global economic partnerships, which is critical, there is a window for India to take on a crucial role



CHANDRAJIT BANERJEE

The COVID-19 pandemic has profoundly impacted lives and livelihoods across the world; an economic catastrophe that affected growth, trade and investments, and employment, among others. Governments, global institutions, industry, academia and non-profit organisations around the world have joined hands to tackle the global challenge and help countries rebuild their economies.

The novel coronavirus pandemic has once again highlighted the criticality of international cooperation in combating current and future challenges. Key among these include economic growth, building competitiveness of the investment climate, ensuring sustainable development paths and adapting to technology acceleration. Trade and investment flows have proved to be an engine of growth for many countries, in spite of temporary supply chain glitches.

Changing world

In organising the partnership summit, a global conference, we at the Confederation of Indian Industry (CII), found a world changing at multiple levels that combines to offer a window to India to play a more significant role in the global commons. India's recent reforms, role in combating the pandemic, and startup vibrancy, among oth-

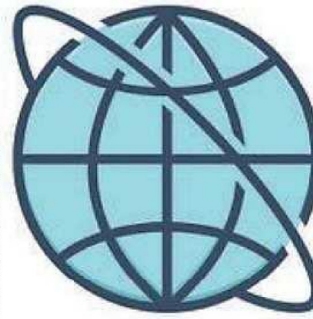
er factors, have attracted global attention and can help it attain a faster growth path, provided its integration with the world economy and trade gains strategic intensity.

As the world adapts to a new normal post-COVID-19, building resilience to cope with the threats posed by pandemics and other man-made and natural disasters has necessitated strengthening global partnerships now more than ever. The power of collectively working together cannot be underlined more in this context. Global partnerships help in building mutual trust and understanding by agreeing upon common rules and standards and sharing of best practices.

Areas to look into

The current situation has brought to the forefront the importance of building partnerships in several thrust areas. To begin with, while the world economy is rebounding strongly, the long-term sustainability of the growth process needs to be strengthened. Exit from the massive stimulus packages itself may pose risks of economic and financial instability. Further, the issue of growing inequality of incomes among countries as well as within countries must be addressed. Mechanisms for reviving growth in certain parts of the world should be coordinated effectively so as not to disrupt it in other parts of the world.

Second, the pandemic severely disrupted global supply chains and set the global trade trajectory on a downward path. Even as the world emerges from the pandemic, facilitating medical supplies and essentials will continue to re-



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main a top priority and for this, supply chains will need to be kept flowing.

Data on world trade

For this year, the United Nations Conference on Trade and Development (UNCTAD) indicates an increase of 22.4% in the value of global merchandise trade compared with 2020, which attests to the efficacy of fiscal and monetary measures. World trade is expected to stand about 15% higher than before the COVID-19. The global foreign direct investment (FDI) flows in the first half of 2021 reached an estimated \$852 billion, showing stronger than expected rebound momentum. FDI flows in developing economies also increased significantly, totalling \$427 billion in the first half of 2021.

As the free flow of goods, services and capital will continue to play a dominant role in the global economic recovery process, collaborative efforts from countries across the world would be required in facilitating trade partnerships at both regional and multilateral levels to better protect consumers and producers. Cooperation on trade facilitation for enhancing open and transparent

markets, technical assistance and reduction of complex process and arrangements must be promoted.

Third, competitiveness will be key in facilitating growth and inclusive development. New opportunities and avenues across potential high growth sectors such as manufacturing and start-ups must be leveraged. An ecosystem of entrepreneurship and innovation with targeted policies and interventions will contribute to enhancing productivity and generating employment.

Fill the technology gaps

Four, certain structural changes are likely to become permanent in the future and this is especially true of the digital economy which completely transformed the future of work and the business landscape. The rise of telemedicine, remote work and e-learning, delivery services, etc. necessitates equitable adaptation to advanced technologies and tools, building robust infrastructure, and occupational transitions. Skill development and worker training, investments in education and vocational training, and capacity building would be some key areas of focus for filling technology gaps and nurturing new and existing talent.

At the same time, investments in innovation will be crucial, especially during a crisis. The convergence of the global scientific community for vaccine development and genome sequencing has set a new precedent in international cooperation. Global collaboration in areas including research and development and Industry 5.0 and investments in digital and corporate strategy can similarly become key drivers of industrial develop-

ment.

Five, climate change has now acquired urgency from policymakers around the world, as seen in the recent COP26 at Glasgow. International alliances and cooperation on building sustainable solutions, green technology, resource efficiency, sustainable finance, etc., must be promoted to fast-track meeting the sustainable development goals and for ensuring all-round development.

There is a place for India

With these multiple strategic shifts, India's role as a reliable and trusted player in the comity of nations stands enhanced. Besides protecting its own citizens, India provided medical supplies and equipment to more than 150 countries in the world. It also played a leadership role in the supply of COVID-19 vaccines, besides undertaking a massive vaccination programme for its own citizens. It is undertaking serious action in meeting its other global commitments including climate change where its targets will make a difference.

In the post-pandemic world, it will be critical for India to improve on its investment climate and systematically target its export capabilities across sectors and regions. Ease of doing business and new free trade agreement with major markets will help it integrate closely with the world through trade and investment partnerships. The time for India is here and it must leverage international partnerships for ensuring a robust and sustained economic growth path.

Chandrajit Banerjee is Director General, Confederation of Indian Industry