

India Economic Summit



Briefing Material

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World Economic Forum
91-93 route de la Capite
CH-1223 Cologny/Geneva Switzerland
Tel.: +41 (0)22869 1212
Fax: +41 (0)22786 2744
E-mail: contact@weforum.org
www.weforum.org

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Contents

From Momentum to Models	6
Removing Barriers, Managing Risks	10
Ensuring Sustainable and Equitable Growth	14
Building Central and State Competitiveness	18



Introduction

India's growing prominence on the world stage continues to attract the attention of policy-makers and business leaders alike. As developed economies struggle to recover from the global recession and continue to experience shrinking consumption demand, India is set to become one of the world's top five consumer markets. According to Asian Development Bank estimates, India's middle class will explode over the next four decades, reaching 1.2 billion by 2030 and 1.4 billion by 2050. India is home to 17.4% of the world's population, and one-third of Indians are under 15 years of age.

With a clear demographic advantage, increasing disposable income, an expanding middle class and large pools of untapped demand in rural markets, India's domestic consumption will likely fuel the nation's economic growth for years.

Yet, these advantages are not enough in themselves to ensure India's place among the most globally competitive economies. Old challenges – including inadequate infrastructure, poor governance and inequitable growth – continue to threaten the nation's stability. And new challenges, such as inflation and exposure to a volatile global economy, could undo gains made over the past two decades. The Indian economy currently faces shortfalls in many supply-side elements, such as specific workforce skills, that are critical for igniting sustained growth. Interventions to address these shortfalls have proved insufficient to date. According to the World Economic Forum's Global Competitiveness Index 2011-2012, India slipped five positions from the previous year and ranked 56th among 142 countries. This slippage reveals the need to strengthen drivers of India's competitiveness, including education, healthcare and infrastructure.

To sustain high growth rates amid these challenges, India must rethink how it engages critical building blocks of national high performance – such as citizen empowerment, technology and innovation – at state and central levels. Recent rapid growth and development in India has transformed the character of these building blocks. For example, India's citizens are more technology-savvy than ever. Technology is deepening the connections between rural communities and the formal economy. And a new generation of young local entrepreneurs is providing innovation a fillip. By deploying these transformed building blocks effectively, India has the potential to become a high-performance nation.

As India looks to the future, new opportunities exist for government and business to craft collaborative solutions to address domestic challenges and achieve sustainable prosperity. It is in this context that the 2011 India Economic Summit is convening leaders from business, government and civil society under the theme "Linking Leadership with Livelihood". This document, prepared by Accenture, a Strategic Partner of the World Economic Forum, explores the opportunities and challenges that business leaders and policy-makers need to consider as India prepares for its next stage of growth and development. The exploration is organized according to the Summit's four thematic pillars: From Momentum to Models; Removing Barriers, Managing Risks; Ensuring Sustainable and Equitable Growth; and Building Central and State Competitiveness.

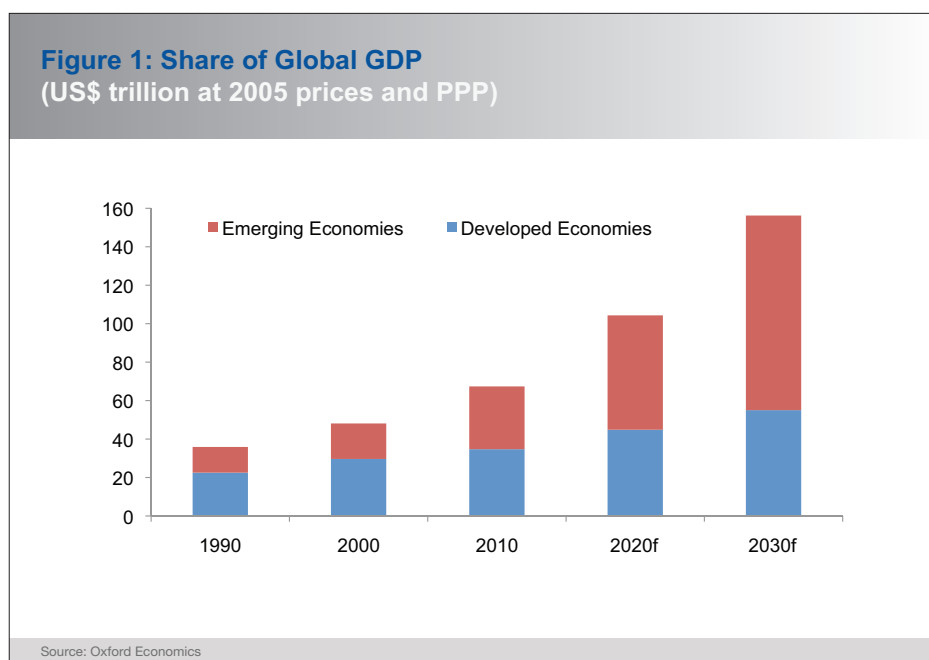
From Momentum to Models

India's recent growth has stemmed from unique characteristics. Its growth model is quite distinct from many other rapidly growing emerging economies that have derived a predominant part of their growth from external sources, both in terms of foreign capital and export markets. India's growth comes from a balanced mix of external and internal sources. Adding to its unique story, India's home-grown business leaders have established themselves as world-class entrepreneurs, partly through low-cost innovations and a willingness to court frontier consumer markets in emerging economies. Finally, Indian businesses' continued international expansion has helped make the term "emerging-market multinational" commonplace in business and academic lexicons.

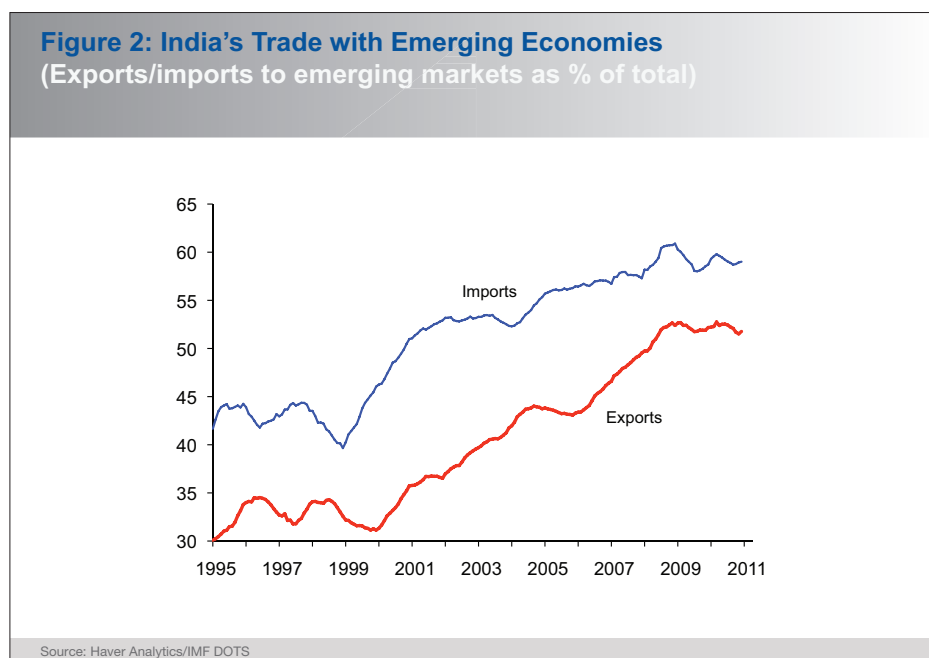
To take the next step, India will need to translate its distinct growth momentum into scalable and sustainable models for economic development and business growth. Owing to its strong ties with other emerging markets, the nation has the opportunity to improve regional economic cooperation and assume a more prominent leadership role in South Asia. Well equipped with low-cost innovations and experience in the diverse Indian market, India's businesses also stand ready to pioneer new business models on foreign soil to facilitate inclusive growth.

From Major Economy to Responsible Leader

India is one of the fastest growing economies in the world. Yet, to sustain this growth, India will need to leverage its relationships with other economies, especially emerging markets. The IMF forecasts that the total GDP of emerging markets could overtake that of developed economies as soon as 2014. Moreover, Oxford Economics estimates that the emerging markets' share of global output is set to rise to 65 percent by 2030 (see Figure 1).



With key developed economies struggling to rebound from the global downturn, India's relationships with other emerging markets will become an increasingly important source of sustainable growth, and potentially a source of competitive advantage. India's exports to emerging-market economies as a share of total exports rose from 35% in December 2000 to 52% in December 2010, and its imports from emerging markets as a share of total imports over the same period increased from 51% to 59% (see Figure 2).



Cultivating ties with high-growth emerging economies will give India access to fast-expanding consumer markets. It will also pave the way to diversified economic growth and hedge against future volatility in the global economy. India's Look East Policy and the ASEAN-India Trade in Goods Agreement constitute steps in that direction.² A recent analysis by Accenture and Oxford Economics reveals that trade with emerging markets has the potential to boost India's GDP by US\$ 155.8 billion by 2020, embracing the positive spillover effects of trade such as knowledge transfers and innovation. Concerns are often expressed that opening up trade threatens domestic jobs, but this econometric research finds that trade with emerging markets has the potential to create 28.2 million jobs in India by 2020.³

India has the opportunity to move further down the path to responsible leadership by pursuing deeper economic integration and leading efforts to improve coordination among regional partners in the South Asia Association for Regional Cooperation (SAARC). Assuming a stronger leadership role in SAARC could help the region and India realize the estimated 55% of intra-regional trade that remains untapped in South Asia.⁴ India's technological advancements in areas such as solar power and construction present the region with new growth prospects and business opportunities to strengthen economic ties. For instance, Sri Lanka has already expressed interest in expanding Indian investment in its economy by US\$ 800 million over the next three years.⁵ India also has room to strengthen its voice on broader issues that impact regional economic development, such as water conservation in Bangladesh and maintaining open travel along sea lanes in the region.⁶ Such efforts could open up new trade routes for businesses across the region, giving their products a competitive edge over exports originating outside the region.

From Local Enterprises to Indian Multinationals

Having established themselves in their domestic market, an increasing number of Indian businesses are now seeking entry into fast-growing emerging markets and securing market share in developed economies. Thanks to strong management, innovation and commercial ingenuity, these enterprises have pioneered ways to deal with economic instability and to access untapped consumer markets, especially low-income ones, while remaining relatively well financed. Experience of doing business in a diverse and fragmented market landscape has helped Indian companies nurture entrepreneurship within firms and formulate innovative business models. Even during the global economic downturn, Indian enterprises expanded into foreign markets. For example, the Tata Group – now the largest manufacturer in the United Kingdom with more than 40,000 employees – turned around Jaguar Land Rover amid the recession.⁷ And as businesses in other economies retreat, those in India keep finding opportunities for global growth. Over the last year and a half, Indian companies completed outbound mergers and acquisitions worth US\$ 28.4 billion.⁸

Some Indian companies are now using their India-derived business expertise to strengthen their operations in other emerging markets with which they have cultural and social affinities. This approach has enabled them to put an authentically local lens on product development, marketing and talent management practices in other developing economies. For example, Bajaj Auto trained mechanics along the road-side in Angola to fix the company's motorbikes, because many parts of Angola could not support dealerships and service-centre networks. Foreign multinationals with operations in India are also now using the country as a laboratory for testing business models and product offerings for other emerging markets. To illustrate, Hindustan Unilever tested its "Project Shakti" in India and is now experimenting with the same in Bangladesh and Sri Lanka.

As Indian companies expand their base in other emerging markets, they are fuelling those markets' economic growth while also gaining valuable new knowledge for themselves. For instance, by recruiting management talent locally in foreign countries, Indian companies are creating employment opportunities and deepening their understanding of local markets. The Tata Steel KZN Learnership programme in South Africa embodies the kind of investments Indian companies are making in skill development and job creation in other markets. This programme trains local unemployed students who have basic education and no work experience in the uMhlatuze district, with the goal of enabling them to enter the mainstream workforce.¹⁰

From Low-Cost Innovations to Inclusive Growth

India's rural markets offer unprecedented opportunities for companies to experiment with new approaches and business models, which, if successful, can become replicable solutions to serve the rural markets of other emerging economies. From small sachets of branded shampoo to inexpensive eye contacts, Indian companies are experimenting with these low-cost innovations to gain a foothold in the nation's bottom-of-the-pyramid markets. The Tata Nano and the world's lowest-priced tablet computer are just two examples.

Rapid innovations in the space of information and communication technologies are helping companies sell products to low-income and geographically remote households by creating a more cost-effective last-mile connect. Such breakthroughs have also offered Indian companies an opportunity to foster new types of collaborations to access rural communities and incorporate low-income populations into their value chains.

Removing Barriers, Managing Risk

India proved its economic mettle during the global downturn, maintaining relatively strong growth while other economies faltered. Yet, recent economic uncertainty driven by a rising fiscal deficit and high inflation are a cause of concern. Furthermore, governance and regulatory barriers continue to create supply shortages that could squeeze business and economic growth. To sustain growth in an uncertain world, India will need to manage risk more effectively and address the supply-side barriers that threaten its growth.

Managing Economic Uncertainty

India's growing integration into global trade, investments and financial markets has increased its exposure to global macroeconomic risks and uncertainties. India is already feeling the impact of instability in Eurozone debt markets and the recent downgrading of US sovereign debt. Foreign investors' flight to safety amid the turmoil continues to exert downward pressure on the value of the Indian rupee. Due to uncertain global economic conditions, foreign direct investment inflow is also not gaining momentum.¹² The government is finding it increasingly difficult to meet its disinvestment targets. The fiscal deficit continues to swell, leaving very little room for policy-makers to support domestic growth in case the global economic scenario worsens.

High domestic inflation levels also risk damaging India's growth story. Food-price inflation remains above 8%, putting pressure on the disposable incomes of low-income households in India.¹³ In an attempt to control inflation, the Reserve Bank of India has raised the repo and reverse repo rates by more than 250 basis points since the beginning of 2010.¹⁴ On one hand, domestic monetary tightening may be necessary to control inflation. On the other hand, rising interest rates in a time of limited access to global finance could significantly threaten business growth, domestic capital formation and the ability of Indian businesses to continue diversifying into foreign markets. The impact is already being felt acutely by the Indian manufacturing sector. Growth in factory output slowed to 5.6% for the period April to August in FY2012, compared with 8.7% in the same period last year, according to the Index of Industrial Production.¹⁵ The IMF has also scaled down its growth forecasts for the Indian economy to 7.5-7.75% for 2011-12 from 8.5% in 2010-2011 as a result of slowing investments and a sluggish global recovery.¹⁶

Coping with Governance and Regulatory Risk

In addition to economic uncertainty, certain governance and regulatory risks persist, despite two decades of reform.

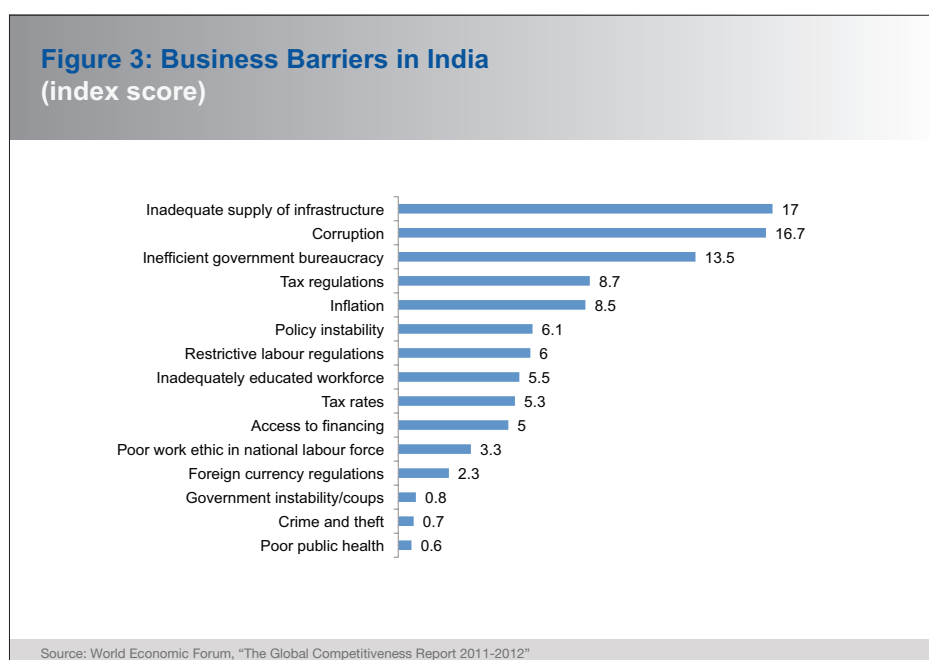
Regulatory inconsistency and red tape continue to cause delays and often lead to higher transaction costs for businesses. Consider the regulatory complexity of India's labour market, which, as reported by the World Bank, is governed by about 47 central laws and 157 state regulations.¹⁷ Perhaps not surprisingly, India ranks 81 out of 142 countries in labour-market efficiency in the World Economic Forum's *Global Competitiveness Report 2011-2012*.¹⁸

Corruption continues to remain as a key business and economic risk in India. The country's Integrity Score in the Corruption Perception Index (CPI) declined slightly from 2008 to 2010, and India ranked 87 out of 178 in the 2010 CPI.¹⁹ Policy reforms, such as the Right to Information Act of 2005, are helping improve government transparency and accountability. Additional steps are also under way to curb corruption by engaging India's increasingly informed and empowered citizens. The Aadhar unique identification (UID) initiative holds promise. This number-based identification system will enable the creation of a digital ecosystem of information that would help battle corruption and will ensure Indian citizens' access to services to which they are entitled.

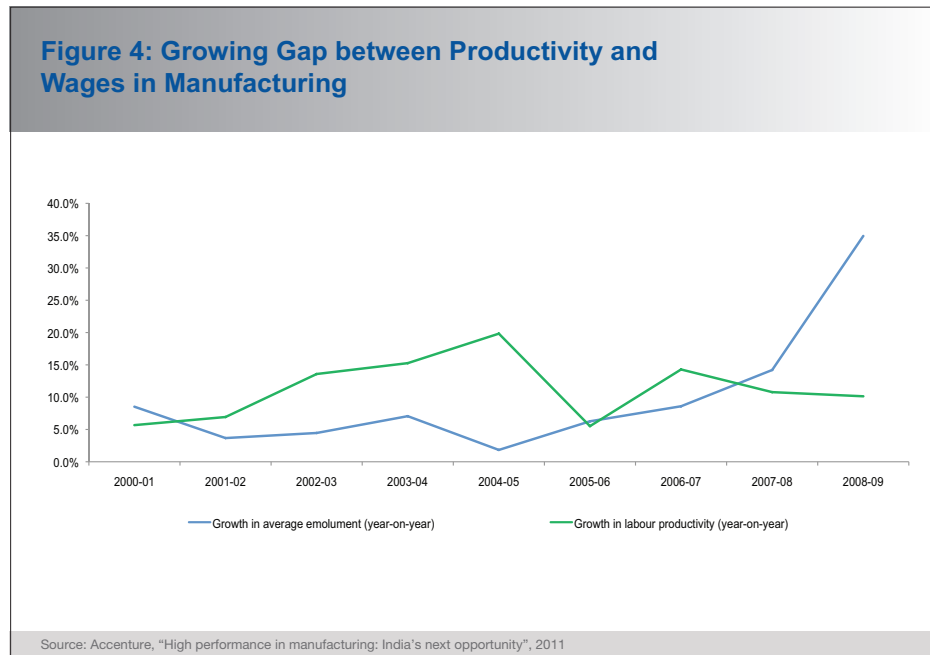
Removing Supply-side Barriers

Managing economic uncertainty along with governance and regulatory risk is not sufficient in itself to sustain India's growth. Supply-side barriers also need to be addressed.

Inadequate infrastructure is identified as one of the biggest constraints of doing business in India (see Figure 3). The key hurdle to timely completion of infrastructure projects is delay in land acquisition. Today, 70% of stalled infrastructure projects owe their delays to difficulties in acquiring land.²⁰ The slow-moving regulatory framework that governs the construction industry further complicates and thus discourages business investment in infrastructure projects. India currently ranks 176th on "dealing with construction projects" in the World Bank's Doing Business rankings.²¹



Tapping into India's potential labour advantage also remains challenging. Despite an abundant supply of labour, Indian businesses still have difficulty gaining access to the right skills. In key sectors, skill shortages make many workers unemployable. Recent Accenture research suggests that, owing to such persistent shortages, wage rates are now increasing faster than labour productivity in Indian manufacturing firms (see Figure 4). Even among university graduates in India, a shortage in business-relevant skills threatens to compromise the competitiveness of Indian businesses. A recent World Bank survey of Indian employers found that 64% of employers hiring fresh engineering graduates are only somewhat satisfied with the quality of the new hires; they particularly lament inadequate "high order thinking skills".²²



In addition to skill shortages, rising prices for traditional sources of energy could undermine long-term cost competitiveness and growth. India hosts one of the most coal-intensive manufacturing sectors in the world. Alarming, commercial demand for energy in India is expected to increase 7% annually over the next five years.²³

Rising food costs and water scarcity constitute additional challenges to development in India's rural areas. Improving India's food-processing and agribusiness capacity could help curb the supply-side shortages driving food-price inflation. To that end, India's government has set targets to triple the size of the processed food sector by increasing the level of processing of perishables from 6% to 20% and doubling India's share in global food trade to 3% – all by 2015. The government expects that reaching these targets would require an additional investment of US\$ 22 billion over the next five years and a large inflow of talent.²⁴

Ensuring Sustainable and Equitable Growth

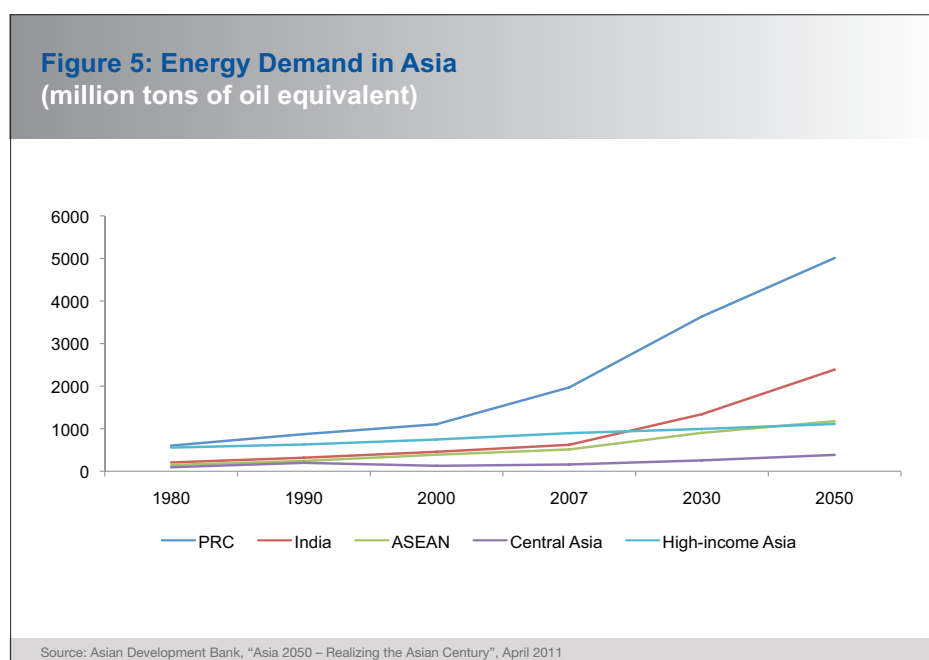
India's large young population has the potential to become a key engine of global growth in the decades ahead. Yet, demographics-driven growth also presents challenges; namely, skyrocketing demand for resources – from food to energy. To surmount such challenges, India could capitalize on its late-mover advantage in sustainability. By exploiting new “green” practices and technologies, India has the opportunity to build a resource-efficient economy that can sustain growth into the long term.

Sustainable growth is one thing; equitable growth, quite another. To support equitable growth, India will need to step up the coordination of job creation and skill development, as well as integrate long-excluded sections of its population into the formal economy.

“Greening” for Sustainable Growth

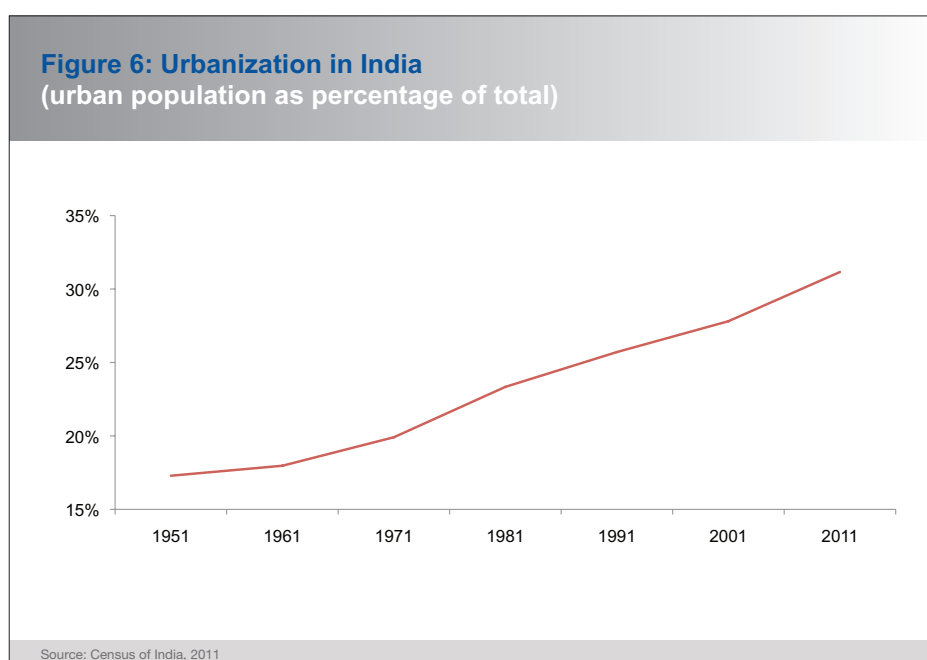
“Greening” growth in India not only benefits the environment, it also offsets rising resource demand caused by urbanization and business expansion. With demand and the cost of resources rising globally, the ability to supply industry and a growing urban population with a cost-efficient supply of energy and food could contribute significantly to growth and the competitiveness of the Indian economy.

India's total energy demand is expected to more than double from 2007 to 2030 (see Figure 5). But thanks to natural endowments (such as a high number of sunshine hours – about 3,000 per year), the country has the potential to become a global hub for green energy, including solar. The Jawaharlal Nehru National Solar Mission, a government energy initiative, aims to deploy 20,000 megawatts of solar power by 2022. Bringing renewable energy sources onto national electricity grids could help to “green” India's business growth as well as address resource shortages. Alternative energy sources (such as wind, hydro-power and biomass), along with next-generation solar power, could also create new markets and export opportunities as well as stimulate India's domestic manufacturing sector. In addition, analysis by Accenture in collaboration with Oxford Economics has shown that, with appropriate policies and investments, green energy could generate around 820,000 new jobs in India by 2020.²⁵



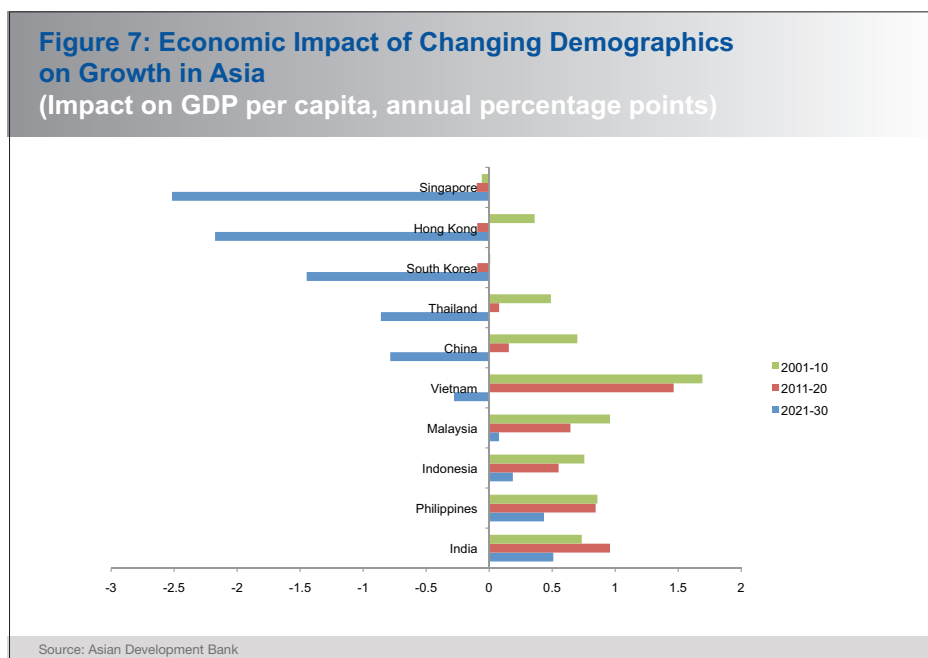
Regardless of the availability of green energy sources, mass migration to urban areas, if not managed well, could pose a threat to India's efficient use of resources. India is home to one of the world's fastest-expanding urban populations (see Figure 6). An estimated 95 million people will be added to India's already densely populated cities in the coming decade.²⁶ Intelligent-energy solutions such as smart grids offer strong potential to help make urbanization more sustainable by addressing power-supply inefficiencies in India's cities. At present, energy losses during transmission and distribution exceed 30%, one of the highest rates in the world.²⁷

Meanwhile, rapid urbanization and growing awareness among consumers is driving new demand for energy-efficient residential and commercial buildings. India's green building space has witnessed significant growth from a registered green built-up area of 20,000 square feet in 2003 to the current level of 648 million square feet (an average of 40-fold increase each year over the last eight years). India's green-building products and technologies market is expected to hit US\$ 100 billion by 2012.²⁸



Coordinating Job Creation and Skill Development for Equitable Growth

While “greening” is an important route to achieving sustainable growth within India, coordinating job creation and skill development will be critical to foster equitable growth. The country is poised to capitalize on demographic shifts during the next two decades. The contribution of India's youthful demographics to its economic success is projected to be significantly higher than many other fast-growing Asian economies from now until 2030 (See Figure 7). However, it faces serious challenges in providing the job opportunities, education and training required to integrate its low-income populations into the formal economy. Providing low-income populations with opportunities in the formal economy will require a coordinated effort between business and policy-makers to build the necessary education infrastructure and labour-market conditions.



Strengthening India's manufacturing sector provides the best chance of bringing India's new workers into the formal economy. Small and medium enterprises (SMEs) can play a key role in creating the employment opportunities needed to productively harness India's demographic dividend. Indeed, around a US\$ 2,000 investment in an SME's fixed assets is estimated to create employment for up to four people. But skill deficits still make it difficult for manufacturers to employ most of the new entrants into India's labour force. To enhance workers' skills, some manufacturers are partnering with institutions on technical education initiatives. For instance, Toyota Technical Education Program (T-TEP) works with industrial and technical institutes to provide around 400 students per year to train in leading-edge automotive technology and service techniques.³⁰

Demand-driven skill development will play an important role in expanding India's education infrastructure. There is need to develop India's level of vocational training – business can play an important role here, by contributing to curriculum development to ensure alignment with specific business needs.

For instance, Future Group has tied up with the government-backed National Skill Development Corporation (NSDC) to train seven million people in handloom, carpentry and retail services, among other areas, over 10 years. The company plans to open 1,680 multi-skill training centres across India, according to the agreement with NSDC.³¹ The NSDC aims to contribute at least 30% to the government's target of skilling 500 million youth by 2022.³²

Encouraging Social Integration for Equitable Growth

Beyond skills and jobs, equitable growth depends on a strong and stable social infrastructure to support all sections of the population, especially in terms of providing access to healthcare and financial services.

Financial-services technologies – such as ATMs and mobile banking – have the potential to vastly expand banking facilities. Only 46% of India's 670 million mobile-phone users and 39% of rural Indian adults have bank accounts. Collaboration among business, government and civil society must be improved for India to continue to develop its financial infrastructure. Interestingly, new partnership models between banks and NGOs or companies with longstanding operations in rural areas are bringing bank offerings to rural populations by helping rural individuals build a credit history. The government's Aadhar Universal Identification (UID) initiative – which provides a number-based electronic identity to each individual – is being utilized to expand such collaborative programmes.

In addition to financial services, India's low-income populations also need access to affordable healthcare. But India's healthcare infrastructure remains under-resourced. The current bed-to-population ratio in India is 1:1,000; the World Health Organization has set the acceptable standard at 1:300. Advancements in technology are increasingly offering India an opportunity to develop more cost-effective and efficient solutions to its healthcare provision problems. Telemedicine, for instance, enables doctors to consult and diagnose rural patients remotely; it also reduces physicians' travel costs and the need for expensive localized physical healthcare infrastructure. Some organizations are pioneering telemedicine in India. For example, World Health Partners conducts 80-160 teleconsultations every day across Uttar Pradesh from an office in Delhi. The service-delivery network covers 1,300 rural villages in Uttar Pradesh through 1,300 shops, 120 telemedicine centres, nine diagnostic centres and 16 franchisee clinics. The network was established in less than 18 months – much faster than it would take to build a local clinic of equal capacity.³³

Building Central and State Competitiveness

Honing Indian states' competitiveness could further accelerate India's growth. By cultivating hubs of differentiated expertise at the state level, India has the opportunity to build a sustainable future through a more diversified economic structure. And diversification is a fundamental characteristic of national high performance in an increasingly volatile global economy. Keys to building central and state competitiveness include establishing customer-centric governance, building local infrastructure and developing unique comparative advantages for states.

Establishing Customer-centric Governance

Meeting customer needs has long been a guiding principle for business. With an increasingly technology-savvy and empowered Indian citizenry, customer centricity has become a precondition for effective governance. Indian citizens expect public services that are interactive, responsive and tailored to their needs.

Some state governments have begun using technology to foster customer centricity. For instance, Karnataka's BHOOMI ("land") project has enabled online delivery and management of land-ownership records. The online model provides transparency and has been operationalized throughout Karnataka. Under BHOOMI, 20 million records for 6.7 million farmers have been stored in an online database. BHOOMI has reduced corruption among public officials by introducing provisions for recording requests for transferring land ownership online. Farmers can now access the database instead of having to rely on civil servants to favour their requests, possibly with the aid of a bribe. BHOOMI has not only lowered costs and reduced corruption; it has also helped win recognition for Karnataka as the "Leader in e-Readiness in the country" by India's Department of Information Technology.³⁵

Another case in point is Bihar's Jankari scheme. Jankari enables people living in the remotest corners of the state to submit applications for information under the Right to Information (RTI) Act through just a phone call. The scheme provides a process for first and second appeals for information through the same method. Inspired by Jankari's success, Bihar's State Information Commission (SIC) has also launched a videoconferencing system to more quickly resolve complaints related to the RTI.³⁶

Building customer-centric government bodies also requires adopting local regulations that meet business investor needs. For example, in 2010, Rajasthan introduced an electronic single window system with fixed timelines for investment approval. Under the new system, investors need not visit Rajasthan to file an application; they can apply to the nodal agency remotely.³⁷

Building Local Infrastructure

Equipped with local knowledge, state governments are ideally positioned to guide investments in infrastructure improvement. Consider the Jyotigram initiative implemented by Gujarat, which provides 24-hour, uninterrupted power supply to the state's 18,000 villages and the 9,700 suburbs attached to these villages. The initiative was implemented in just 30 months, and has made Gujarat the first state in India to achieve 100% electrification of villages.³⁸

Public-private partnering can play a vital role in the creation of infrastructure that supports business growth and inclusive economic development. State governments, for example, can create the right incentives to engage the private sector in infrastructure development. Consider Ehealthpoint in Punjab.

With the support of the state government, this organization has built rural clinics that provide safe drinking water, affordable telemedical video consultations by qualified doctors, a wide range of diagnostic tests and a licensed pharmacy. It has conducted more than 11,000 diagnostic investigations and 25,000 medical consultations, and has filled 27,000 prescriptions; every day, it provides more than 100,000 people with safe drinking water.³⁹ These efforts have reduced treatment costs associated with water-borne disease and travel costs that arise when citizens make journey to urban centres for medical care. They have also created job opportunities throughout Punjab's villages.

Developing Comparative Advantage for States

If every state in India could cultivate a unique comparative advantage, it would collectively promote diversification in the Indian economy. Human development will be critical to strengthening individual states' comparative advantage. Some state governments are already making moves in this direction. Take the Rajiv Arogyasri Health Insurance Scheme implemented by the government of Andhra Pradesh to provide quality medical and health services to the rural population. Likewise, the government of Maharashtra has signed a Memorandum of Understanding (MoU) with Microsoft to enhance ICT adoption in schools and build the employability readiness skills of the future workforce in the state.⁴⁰

Many Indian state governments are also launching initiatives to foster entrepreneurship. The government of Maharashtra's Tejaswini Maharashtra Rural Women Empowerment Programme is a case in point. The programme aims to promote women empowerment and social equality by building grassroot institutions of self-help groups (SHGs) and providing them with microfinance. Around 62,675 SHGs from 12,243 villages are expected to be covered under this programme and more than 1 million women are likely to benefit.⁴¹

Building collaborative innovation ecosystems could further help states cultivate comparative advantage. Tamil Nadu, for example, set a target of developing 50 innovation clusters in its 11th Five-Year Plan. Fifteen clusters have been established so far; nine are slated for 2011-2012.⁴² Some states are investing heavily in innovative capacity and research and development. For example, the state government of Karnataka has set up its own innovation council to initiate policy measures that encourage innovation in sectors such as agriculture, education, health, ecology and renewable energy. The Innovation Council will also draw up a roadmap for innovation in governance and public service delivery.

Finally, urban branding can help reinforce a state's comparative advantage. Examples include Mumbai's reputation as a financial centre and Bangalore's as an IT hub. Such brand strength can be built through investment in infrastructure. For instance, Pune has emerged as a major IT centre because of its extensive technical-education infrastructure, which churns out thousands of software engineers every year. It has also gained a reputation for business process outsourcing excellence, owing to the availability of skilled English-speaking talent in the city.

Conclusion

There is a growing consensus that sustainable long-term growth is by no means guaranteed for India, as the global economy will continue to present unfamiliar challenges and opportunities. While India can lay claim to several growth drivers, it cannot afford to become complacent. Poor socio-economic development, failure to keep pace with technological shifts and weak governance – these could all hamstring India's economic health.

To secure a successful future, India will need to establish the usual supply-side conditions essential for growth, such as enough workers with the right skills, sufficient infrastructure, smart use of technology and clear channels to new markets. Such moves will support not only stronger economic development, but also greater competitiveness in the global economy and greater well-being within India.

To deliver on these ambitions, India will need leaders – in government, business and society – who can guide the nation beyond its traditional wellsprings of growth. The right leaders will have the foresight to creatively scale the successful models that India has built so far.

Thoughtful interventions could push the Indian economy onto a more stable and sustainable growth path. While many uncertainties remain, it is clear that India's future will hinge on how well businesses, individuals and governments respond to the new opportunities and challenges facing this vast nation today. If India can master the art of sustaining high economic growth, it will lift millions out of poverty within its own borders – while also enriching economies around the world.

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