



## "India's Leadership in Global Policy - Shaping Tomorrow's World Today"

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### "Bridging Divides, Building Futures - The Power of Policy and People"

**Intro:** This week on **Socio-economic Voices**, we dig deep into the heart of global policy shaping and India's pivotal role within it. In this insightful interview, **Pradeep S. Mehta, Secretary General, CUTS International**, shares compelling insights on India's influence in critical areas like climate change, trade, and social equity. From debunking myths to proposing actionable solutions, this exclusive conversation, with senior journalist **Mahima Sharma of Indiastat**, aims to challenge perceptions and inspire action for a better, more inclusive world. Take a read...

**MS: How do you foresee India's role evolving in shaping global public policy frameworks over the next decade, particularly in key areas like climate change mitigation, trade and security?**

**PSM:** India stands on the cusp of global leadership, poised to reshape public policy frameworks worldwide in the coming decade, particularly in climate change mitigation, trade, and security. With a target of achieving 450 GW of installed renewable energy capacity by 2030 and a commitment to reducing its emissions intensity of GDP by 33-35% below 2005 levels, India is a key player in global climate change efforts. Its leadership in the International Solar Alliance and promotion of clean energy technologies are crucial for driving global climate action.

India's economy was projected to grow at 7.2% in 2023-24 and it did. And this positions it as one of the fastest-growing major economies. This economic clout will enhance India's influence in shaping global trade policies. Participation in multilateral trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP) and the India-EU Free Trade Agreement, will significantly impact international trade dynamics.

On the security front, India's strategic location and growing military capabilities make it integral to regional and global security frameworks. Initiatives like the Quadrilateral Security Dialogue (Quad) and the Indo-Pacific Economic Framework (IPEF) highlight India's commitment to a free and open Indo-Pacific. Additionally, India's role in peacekeeping and counter-terrorism efforts will bolster global security and stability. Consequently, India's rising economic and geopolitical influence will make it an essential partner in addressing global challenges. This should also be viewed in the backdrop of a highly successful G20 summit in September, 2023 in New Delhi when a unanimous declaration was adopted in spite of the Russian-Ukraine Conflict.

**MS: We see a great ranking of the Indian economy on various international podiums, but the fact of the matter is that the wide gap between the rich and poor is getting wider. What is the tough framework or tough quick steps needed to make this narrower at least, if not bridged?**

**PSM:** According to the Household Consumption Expenditure Survey of 2022-23, welfare, inequality, and poverty in India have shown improvement since the NSSO report of 2011-12. A positive shift in consumption patterns has been observed, with increased expenditure on non-food items indicating economic growth. Notably, Monthly Per Capita Consumer Expenditure (MPCE) has risen by 33.5% in urban households and by 40.42% in rural households since 2011-12. Sikkim ranks highest in MPCE for both rural and urban areas, while Meghalaya and Chhattisgarh exhibit the largest rural-urban expenditure differences.

However, despite these improvements, India has not achieved zero poverty. The gap between the rich and poor, as well as urban and rural areas, continues to widen. This phenomenon is real as far as society is concerned. There will always be inequality in the society in whichever country we look at. The main problem in India, and many in the Global South, is poverty and hunger. While NSSO reports indicate robust GDP growth, this is not matched by proportional increases in household expenditure, which is a more accurate measure of economic well-being. The distributional impact is missing.

Addressing this disparity requires a multi-faceted approach. A uniform representation of all economic categories is necessary to ensure inclusive growth. NITI Aayog and its predecessor, Planning Commission, have emphasised the importance of inclusive and broad-based growth numerous times over the past many years, highlighting the need to address rural economic distress. **The increasing number of working poor and the decline in real wages underscores the need to examine labour market conditions.** Furthermore, India's low share of food expenditures compared to developed countries indicates room for improvement in living standards. Strengthening social safety nets, welfare programmes, and implementing universal health coverage with minimal out-of-pocket expenses are essential steps towards reducing inequality, poverty and improving overall well-being.

All this requires much more dedication and commitment from the civil service who are required to deliver them. Corruption is quite prevalent everywhere which only causes much delay and higher costs. For this purpose, **we need administrative reforms, with fool proof accountability systems, on which several committees have deliberated. Sadly, the implementation is poor.**

Importantly, the union government must actively promote cooperative federalism particularly considering the hostile history of electioneering which only distances parties from a national agenda for no good reason. There could also be some differences in opinions. However, there are some good past practices which have overcome the differences, such as the formulation of the Goods and Service Tax which has been able to stitch the country together. It was managed by a Council composed of Finance Ministers of States headed by a diplomatic and clever Finance Minister, late Arun Jaitley. Ironically, this is also referred to India having signed an FTA with India.

**MS: CUTS International has an ongoing global campaign for 'Innovative Finance for Climate and the Planet.' Can you break this down for our readers, on how this works and how this will benefit India and the world, amid the current climatic crisis?**

**PSM:** The climate and biodiversity crises are real but our powers have adopted an ostrich approach, or feel that it will either disappear or settle on its own. The biggest polluters, the US and China, are so complacent. Both UNFCCC and the UN Group of Eminent Experts have forecasted the need of US \$7-9tn by 2030 to salvage the situation. Alas, as it stands only a few billion dollars have been committed. The type of erratic and averse weather behaviour impact on habitats and human beings is so unpredictable. As I type this in the midst of Summers of 2024, the temperatures have risen to nearly 50 degrees in places. In Delhi the maximum is about 47 degrees which too is intolerable. Consequently, glaciers are melting faster than anticipated which leads to floods and rise in sea levels.

One of the most pressing concerns is the fate of island nations like the Maldives in the Arabian Sea, which are at risk of disappearing due to rising sea levels caused by climate change. This potential loss underscores the urgent need for a global response that goes beyond traditional funding mechanisms.

Our campaign is to create a narrative that one can find innovative means to fund the campaign to salvage both climate and biodiversity. This should be an agnostic fund to be administered by a neutral body which should collect funds or proposals from various sources to support the efforts. These could be blended finance, transaction tax or carbon tax or even donations. If the people are made sufficiently aware then even crowdfunding can be done.

**MS: For a sustainable future, every nation leads the latest technology. But in India, the accessibility to the same is not inclusive. What kind of a future policy is needed, to make it inclusive and accessible for all? And how must India walk the talk in a short span of time?**

**PSM:** India has emerged as the third largest digitised country globally, trailing only behind the US and China, according to the State of India Digital Economy report 2024. While technologies like cloud computing and artificial intelligence have propelled India's economic growth by enhancing efficiency and productivity, technological accessibility remains a persistent challenge.

The government's initiatives, such as Digital India and IndiaAI, aims to leverage transformative technologies to foster inclusion, innovation, and social impact. This collaborative effort between the government and private sector has been instrumental in driving technological innovation and adoption across various sectors. With respect to this, we must highlight that the foundational technology which acts as a key driver of this change is Aadhaar, India's biometric-based digital identification system, which has received almost universal adoption by India's 1.3 billion citizens.

The gender gap in internet access in India has also narrowed between 2020 and 2022 with significant improvements in access for rural women, according to the State of India Digital Economy report 2024. UPI transactions took place in India in FY 2022-23, the highest volume for any country.

**For adoption of better technology, our Intellectual Property System needs to be strengthened. Our Patent Offices are inadequately staffed.**

The government has said that steps taken by the government have helped India improve its global innovation index rankings. India retained its 40th rank out of 132 economies in the Global Innovation Index (GII) 2023 rankings, according to a report by the Geneva-based World Intellectual Property Organization. Though the ranking is improving, noted a government spokesperson at a conference on IPRs in September, 2023. However, despite significant progress, challenges such as inadequate infrastructure and affordability persist, hindering the full realisation of India's digital potential.

**MS: As part of the GLOBAL SOUTH, India's skills do not match that of the GLOBAL skills or the West. The skilled workforce is keen at moving abroad. How must India bridge this divide, where we not only skill our youth but also ensure that brain-drain is minimised?**

**PSM:** To address this issue and ensure that India's youth are adequately skilled while minimising brain drain, a comprehensive approach is necessary:

- One of the key strategies is upgrading the education system to align with global standards and industry needs, and implementing it seriously. Studies have shown that improving the quality of education in both public and

private institutions, introducing industry-relevant curricula and practical training, problem-solving, and entrepreneurial skills, and investing in research and development to promote innovation can significantly enhance the employability of Indian graduates. For instance, the Indian government's National Education Policy 2020 aims to transform the education system by emphasising skill development, vocational training, and research (Ministry of Education, 2020) is a positive step in this direction.

- Strengthening skill development and vocational training programmes is another crucial aspect of bridging the skills gap. There needs to be a clear road map in this area which needs collaboration with industry partners to design and implement skill development programs, providing incentives for companies to invest in employee training and upskilling, and promoting apprenticeship programs to provide hands-on experience to students. More investment must be taken in this direction.
- Finally, tapping in the Indian diaspora can help bridge the skills gap and minimise brain drain. Encouraging the diaspora to invest in India through favourable policies and incentives, facilitating knowledge transfer and collaboration between the diaspora and Indian institutions, providing opportunities for the diaspora to contribute to India's development through mentorship, consulting, and joint ventures. The Overseas Citizenship of India (OCI) scheme and the Pravasi Bharatiya Divas (Non-Resident Indian Day) are examples of initiatives aimed at engaging the Indian diaspora (Ministry of External Affairs, 2021).

**A new phenomenon happening in India is the establishment of Global Capability Centres by multinationals, which are engaging bright youngsters to perform a myriad of analytical and compliance tasks, much more than the routine back-office work. This will help prevent brain drain and may also result in brain gain as most of these GCCs are offering the same compensation package as the staff would have got in the West. Examples include Accenture, Boston Consulting Group etc.**

**MS: Looking ahead, what do you see as the biggest challenges and opportunities for India in the realm of global public policy research and advocacy? And how can stakeholders across government, academia, and civil society collaborate to address these effectively?**

**PSM: India's growing prominence on the global stage presents both challenges and opportunities when it comes to public policy research and advocacy.**

- One key challenge is the complexity of **navigating the diverse interests and development trajectories of the "Global South" countries**. Effectively representing and advocating for the collective interests of this heterogeneous group will require strategies that go beyond simplistic North-South binaries.
- Another challenge is the **need to balance India's dual role as both a developing economy and a strategic partner to the developed world**. This "identity conundrum" means India must carefully navigate its positioning to assert its influence while maintaining meaningful relationships with major powers.
- **India should leverage its strategic positioning within the Global South which presents opportunities for research, career development, and policy advocacy**, enabling the country to enhance its footprint in the non-Western world by promoting "triangular cooperation" between Western powers and developing countries. This can lead to policy research jobs involving analysing policy problems, developing solutions, and evaluating policy effectiveness, advising on policy matters, and working closely with government officials, business leaders, and other stakeholders. Besides, developing local capacities as CUTS International has done for many years.
- There is a **need for a conducive ecosystem wherein interdisciplinary research involving academia, government, and civil society organisations like CUTS International can provide holistic insights**, while

policy dialogues and forums can facilitate knowledge sharing and consensus-building among diverse stakeholders, which can have a deep impact on policy outcomes.

- The government must recognise this as a new and important stream of work which Indian think tanks and CSOs can provide which would mean exports and foreign exchange, and therefore must provide all encouragement, funding and facilities for this sector to grow.

**MS: How can India leverage its demographic dividend and economic potential to contribute meaningfully to global development initiatives and shape the discourse on issues like sustainable development, poverty alleviation, and healthcare access?**

**PSM:** India can leverage its demographic dividend and economic potential to contribute meaningfully to global development initiatives and shape the discourse on issues like sustainable development, poverty alleviation, and healthcare access in several ways:

- **Investing in Human Capital**

India, particularly its States, needs to invest heavily in building human capital through healthcare, quality education, jobs and skills training to empower its large working-age population. Investing in people is key to supporting economic growth, ending extreme poverty, and creating a more inclusive society. Enhancing educational levels by properly investing in primary, secondary and higher education is crucial, as India has almost 41% of its population below the age of 20 years (Census, 2011). This sector along with skills and healthcare require much more funding and a cooperative federalism approach, because primarily the responsibility lies with the States.

- **Promoting Entrepreneurship and Job Creation** India needs to create 10 million jobs per year to absorb the addition of young people into the workforce (India Employment Report, 2024). Promoting business interests and entrepreneurship would help in job creation to provide employment to the large working-age population. India's improved ranking in the World Bank's Ease of Doing Business Index is a good sign as that will improve the entrepreneurs' efforts.

- **Investing in the Youth** India has a unique opportunity to develop and grow richer before aging sets in. With falling fertility (currently 2.0), rising median age (from 24 years in 2011 to 29 years now and expected to be 36 years by 2036), and a falling dependency ratio (expected to decrease from 65% to 54% in the coming decade taking 15-59 years as the working age population), India is in the middle of a demographic transition providing a window of opportunity towards faster economic growth (UNFPA, 2022).

However, realising the benefits of the potential demographic dividend is not automatic and presents many challenges. Without proper policies, the increase in the working-age population may lead to rising unemployment, fuelling economic and social risks. This calls for forward-looking policies incorporating population dynamics, education and skills, healthcare, gender sensitivity, and providing rights and choices to the younger generation.

### **About pradeep S. Mehta**

Student of law and economics, Pradeep S. Mehta is the Secretary General, CUTS International, a 40 year old global public policy research & advocacy group. He is a well known public policy advocate globally. He has been a Visiting Fellow at Loyola University, Chicago; Manchester University, UK and HCM Institute for Public Administration, Jaipur. Currently, Mr. Mehta serves on the NGO Advisory Body of the Director General of the World Trade Organisation, for the third time. He has served on the GOI's Board of Trade, National Advisory Committee on Trade and the Commerce and Industries Minister of India and Zambia, among various other bodies. He has written and or published over 45

books and journal articles and nearly 2000 op-ed articles in leading newspapers of India and the world, which included Financial Times.

### About the Interviewer

Mahima Sharma is an Independent Journalist based in Delhi NCR. She has been in the field of TV, Print & Online Journalism since 2005 and previously an additional three years in allied media. In her span of work she has been associated with CNN-News18, ANI - Asian News International (A collaboration with Reuters), Voice of India, Hindustan Times and various other top media brands of their times. In recent times, she has diversified her work as a Digital Media Marketing Consultant & Content Strategist as well. Starting March 2021, she is also a pan-India Entrepreneurship Education Mentor at Women Will - An Entrepreneurship Program by Google in Collaboration with SHEROES. Mahima can be reached at [media@indiastat.com](mailto:media@indiastat.com)

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Provides election data for all 543 parliamentary and 4120 state assembly constituencies

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