The Stepping Stones in the Post-Pandemic World

What is the issue?

In the process of building global economic partnerships during the post pandemic time, there is a window for India to take on a crucial role.

Why global partnership pandemic is necessary in post pandemic world?

- The COVID-19 pandemic has impacted lives and livelihoods across the world affecting growth, trade and investments, and employment, among others.
- **Building resilience to cope with future threats** has necessitated strengthening global partnerships now more than ever.
- Trade and investment flows have proved to be an engine of growth for many countries, in spite of temporary supply chain glitches.
- Governments, global institutions, industries around the world have joined hands to tackle the global challenge and help countries rebuild their economies.
- Key among these includes economic growth, building competitiveness of the investment climate, ensuring sustainable development paths and adapting to technology acceleration.

How can India benefit from it?

- A world changing at multiple levels combines to offer a window to India to play a more significant role in the global commons.
- India’s role as a reliable and trusted player in the comity of nations stands enhanced.
- India’s recent reforms, role in combating the pandemic, and start up vibrancy, among other factors, have attracted global attention.
- The reforms can help India attain a faster growth path, provided its integration with the world economy and trade gains strategic intensity.
- At the same time Global partnerships help in building mutual trust and understanding by agreeing upon common rules and standards and sharing of best practices.

What needs to be done to sustain economic recovery process?

- **Stimulus packages -** The long-term sustainability of the growth process needs to be strengthened.
- For this massive stimulus packages must be retained for economic and financial stability.
- **Address inequality** – The issue of growing inequality of incomes among countries as well as within countries must be addressed.
- **Inclusive growth -** 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.
- **Supply chains -** As the world emerges from the pandemic, facilitating medical supplies and essentials will continue to remain a top priority. For this, supply chains must be kept flowing.
- **Open and transparent markets –**Free flow of goods, services facilitating trade partnerships at both regional and multilateral levels to better protect consumers and producers is required.
- Enhancing open and transparent markets, technical assistance and reduction of complex process and arrangements must be promoted.
- **Competitiveness –** For promoting competition, new opportunities and avenues across potential high growth sectors such as manufacturing and start-ups must be leveraged.
- **Fill in the technology gaps -** Some structural changes are likely to become permanent in the future.
- 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 as well as building robust infrastructure, and occupational transitions.
- **Skill development -** Skill development and worker training, investments in education and vocational training, and capacity building would be some key areas of focus.
- **Investments in innovations**. 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 development.
- **Climate Change issues -** 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.

What looks promising for India?

- **Data on world trade -** United Nations Conference on Trade and Development (UNCTAD) indicates an increase of 22.4% in the value of global merchandise trade in 2021 compared with 2020.
- 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.
- **The diplomatic advantage –** India 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.

Reference

1. https://www.thehindu.com/todays-paper/tp-opinion/the-stepping-stones-in-the-post-pandemic-world/article37941662.ece

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