

## **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>