



# An OECD - India Policy Dialogue on

## New Approaches to Economic Challenges (NAEC)

24 February 2015

*Draft Annotated Agenda*

*Jointly organised by*

***National Institute of Public Finance and Policy (NIPFP)***

18/2, Satsang Vihar Marg,  
Special Institutional Area (Near JNU),  
New Delhi 110067  
<http://www.nipfp.org.in/>

**Room: NIPFP Auditorium**

**Time: 9:00 – 18:15**

## **New Approaches to Economic Challenges (NAEC)**

The objective of the New Approaches to Economic Challenges (NAEC) initiative is to learn lessons from the economic and financial crisis and to trigger and accelerate a revision of the OECD's analytical frameworks as well as a renewal and strengthening of its instruments and tools. NAEC is thus proposing and supporting a change in OECD policy perspectives to build up a new agenda for an inclusive and sustainable growth.

The purpose of this seminar is to discuss with Indian experts and policy makers key NAEC projects and the policy messages emerging from them. It is the opportunity for India to contribute to the discussions that orient OECD work and its analytical approaches. It is also the opportunity for the OECD and its Secretariat to learn about Indian-led initiatives and policy responses to economic challenges resulting from the recent global crisis. The seminar will focus on four key topics that are both at the centre of the NAEC initiative and critical in the Indian policy agenda, namely productivity growth and innovation in a long-term perspective, inequality and inclusive growth, the impact of environmental degradation on growth, and how to finance long-term investment in infrastructure.

For more information, contact:

***Ms Mathilde Mesnard***

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Coordinator of the New Approaches to Economic Challenges (NAEC)  
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***and***

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## Draft Annotated Agenda

### Chairpersons of event:

**Dr. Rathin Roy**, Director of National Institute of Public Finance and Policy

**Marcos Bonturi**, Director, Global Relations Secretariat, OECD

9 am

### Opening and Introductory Remarks on NAEC

Opening remarks by:

**Dr Rathin Roy**, Director of National Institute of Public Finance and Policy

Presentation of the NAEC initiative and main messages emerging from it by:

**Marcos Bonturi**, Director, Global Relations Secretariat, OECD

9.30 –  
11:15

### Session 1: Challenges and Changes Ahead

#### Part I: Video

#### Part II: Interactive discussion with the support of OECD Strategic Foresight

**Angela Wilkinson**, Counsellor for Strategic Foresight, OECD

**Dr Pami Dua: Director**, Delhi School of Economics

**Dr KL Prasad**, Economic Advisor, Ministry of Finance

**Dr SP Sharma**, Chief Economist, PHDCCI

This session will explore the new challenges and changes India will face in navigating its future in a shifting world. Which global megatrends are foreseeable and what are the implications of global shifts for policy?

11.15 -  
11:30

### Coffee Break

11.30 –  
13:15

### Session 2 a:

### Productivity Growth and Innovation in the Long Run

**Nick Johnstone**, Head of Division, Structural Policy Division, Directorate for Science, Technology and Innovation, OECD

**Dr Bishwanath Goldar**, Professor, Institute of Economic Growth

**Dr Vinish Kathuria**, Professor, Indian Institute of Technology, Mumbai

**Dr Aditi S Ray**, Economic Advisor, DIPP, Ministry of Commerce & Industry

**Representative from FICCI (tbc)**

In the long run, achieving strong, sustainable and inclusive growth relies heavily on increases in productivity. However, despite large and growing investments in knowledge and innovation, productivity growth has slowed over the past decade in many OECD countries. At the same time, there is an urgent need for more rapid innovation to counter headwinds on growth due inter alia to ageing and environmental constraints. Meanwhile, the productivity challenge facing emerging countries is of a different nature. The objective for

them is to leap frog and position themselves in a third industrial revolution perspective.

This session will discuss factors that explain the productivity growth, both in the shorter term, looking at firm-level productivity and how it is related to firm dynamics, and over the long-run, including rising inequality, immigration patterns, environmental degradation and natural constraints to growth. The session will also discuss policy options to improve productivity growth and innovation in terms of organisational change, resource allocation, and industrial structure, both in OECD economies and in emerging ones.

11.30 –  
13:15

**Session 2 b:**

**Inequality and Inclusive Growth**

**Alain De Serres**, *Head of Division, Structural Surveillance Division, Economics Department, OECD*

**Irène Hors**, *Acting Head of Division, Strategic Partnerships and New Initiatives, Global Relations Secretariat, OECD*

**Dr Nagesh Kumar**, *Chief Economist, UN-ESCAP (tbc)*

**Dr Santosh Mehrotra**, *Professor, Jawaharlal Nehru University*

**Dr Anandi Subramanian**, *Economic Advisor, Ministry of Finance*

**Dr Sudipto Mundle**, *Former Member, 14<sup>th</sup> Finance Commission & NIPFP, (tbc)*

Inclusive growth and the reduction of income inequality has become a major challenge around the world. The inclusive growth framework provides a clear link between individual dimensions of the well-being function and policies, identifying the main channels of transmission and making more explicit the policy trade-offs and synergies.

This session will discuss win-win policies that can deliver stronger multidimensional growth to different population groups in areas such as labour market policies, education and skills, competition and regulation, innovation and entrepreneurship, financial markets, infrastructure and public services, and urban policies. It will be illustrated by the case of China where the “*Structural Reforms for Inclusive Growth in China*” report highlights a number of policies of an inclusive nature.

13:15 –  
14:15

**Lunch Break**

14:15 –  
16:15

**Session 3 a:**

**Costs of environmental policy inaction, environmental stringency and economic outcomes, distributional effects of environmental policy reforms**

**Shardul Agrawala**, *Head of Division, Environment and Economy Integration Division, Environmental Directorate, OECD*

**Dr Ambuj Sagar**, *Professor, Indian Institute of Technology, Delhi*

**Dr Shreekant Gupta**, *Associate Professor, Delhi School of Economics, Delhi*

**Dr Shailly Kedia**, *Fellow, The Energy and Resources Institute*

The continued depletion of natural capital, the emission of greenhouse gases, and continued dependence on increasingly scarce natural resources can compromise prospects for future economic growth and human well-being.

This session will discuss how poor environmental quality, climatic change and resource scarcity affect negatively economic growth. It will also discuss how increasing environmental policy stringency does not harm productivity growth. The session will look at potential

trade-offs and synergies between equity and the environment, looking at the distributional effects of fossil fuel subsidy phase-out in Indonesia.

14:15 –  
16:15

### Session 3 b:

#### Fostering long-term investment

**Stephen Lumpkin**, Senior Economist, Financial Affairs Division, Directorate for Financial and Enterprise Affairs, OECD

**Dr BB Bhattacharya**, Former Director, Institute of Economic Growth

**Dr Arvind Virmani**, Former Chief Economic Advisor, Ministry of Finance (tbc)

**Shri Subhomoy Bhattacharya**, Deputy Editor, Indian Express

**Representative from Brookings India (tbc)**

The recent financial crisis and its consequences in terms of lower growth, uncertainty and strengthened regulation, have strongly reduced the availability of public and private capital for long-term and infrastructure development.

This session will discuss policy options to foster long-term and infrastructure investment, looking at what are the regulatory, legal and governance impediments, what are the needed business models for financial institutions, the role of public participation in solving the transparency and trust issue, etc.

16:15 –  
16:45

### Coffee Break

16.45-  
17.45

### Session 4

#### Discussion of the NAEC synthesis report

**Mathilde Mesnard**, Co-ordinator for New Approaches to Economic Challenges, Senior Advisor to the Secretary General, OECD

This session will discuss what are the necessary changes in policy perspectives that will support a sustainable and inclusive growth agenda. It will discuss in particular what are the new instruments and tools that could be developed, and how to further deepen, generalise and systematise their use in order to enrich economic analysis and provide policy makers with better policy options.

17.45 –  
18:15

### Wrap-up and next steps

**Dr Rathin Roy**, Director of National Institute of Public Finance and Policy

**Mathilde Mesnard**, Co-ordinator for New Approaches to Economic Challenges, Senior Advisor to the Secretary General, OECD

**Irène Hors**, Head of Division, Strategic Partnerships and New Initiatives, Global Relations Secretariat, OECD