MONTHLY POLICY NOTE

> *"You drown not by falling into a river, but by staying submerged in it"*
>
> ***- Paulo Coelho***

<u>INSIDE:</u> March 2023 EDITION

Dear readers,
Here we are, with our first Monthly Policy Note edition in calendar year 2023, in the last month of the financial year 2022-23!

We continue with the same set of sectors as we believe they form the core of India's ambitious growth story. While manufacturing is a key component that will drive the Indian economy, it is important to also note that today each country's primary aim is to look at what is in their best interests. With that in mind, India has been working tirelessly towards building a stronger infrastructure base across segments, including, roads and railways, digitizing its financial services ecosystem, working towards enhancing the indigenous R&D culture with inclusive participation while parallelly also ensuring new technologies are leveraged as enablers towards the goal. There is also a requirement to ensure that public services like healthcare provide inclusive and hassle-free access to all, while also persistently working towards progressing as a CARE economy.

Our Expert Speak section looks back at the previous issues and acknowledges the value-add inputs that have broadened the horizons of our thought process.

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In this Issue

We hear you!!
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You can also write to us at feedback@primuspartners.in

Policy Square | A Primus Partners initiative to understand the more fundamental questions in policy making

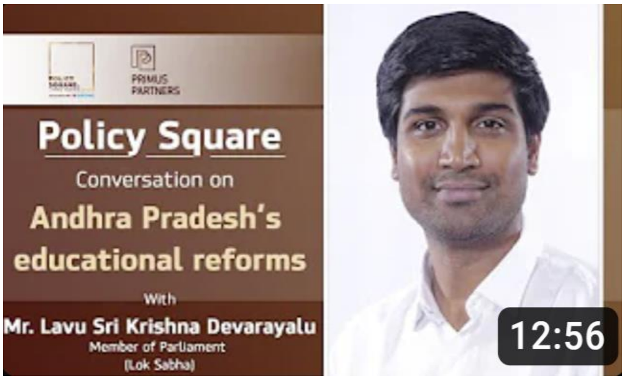
Primus Partners on 28th December 2021, launched **Policy Square**, in association with Businessworld.

Policy Square, an initiative by Primus Partners, is a monthly expert interview series wherein key constituents of the public policy ecosystem – senior policy-makers, civil society members, business executives etc. – are interviewed on critical issues and policies of national importance to explore their impact on the country and industry at-large.

The motivation for the Policy Square series is driven by Primus Partners' rich policy-regulatory knowledge, as well as experience of delivering projects across multiple sectors, with an aim to leverage this knowledge, and create a platform to table in – depth discourse.

With this initiative, we have attempted to engage with experts at various levels within the country's ecosystem. Each expert has brought in a new perspective – all towards enabling India's growth both in absolute and relative terms.

Latest episode…



[Policy Square with Mr Lavu Sri Krishna Devarayalu, MP Lok Sabha]

In our latest episode, we were joined by Hon'ble Member of Parliament Mr Lavu Sri Krishna Devarayalu. He has been serving on the Human Resource Development Standing Committee and since 2021, has been an active participant on various committees including on public undertakings, education, women, child, youth and sports as well as consultative committees on animal husbandry, dairy and fisheries.

In 2022, he was appointed as a member of Joint Committee on Multi State Co-operative Societies Bill 2022. He has also been proactively engaged in Parliament Affairs especially in education

In this episode, Policy Square engages in a conversation with Hon'ble Member of Parliament Mr. Lavu Sri Krishna Devarayalu on the key area of Education. The discussion centers around the diverse programs and endeavours undertaken by the Government of Andhra Pradesh to encourage education in the State, alongside noteworthy legislative initiatives related to the domain of education.

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Manufacturing Industry in India
– The engine required for fast tracking structural transformation in India

"Since the industrial revolution, no country has become a major economy without becoming an industrial power."

Manufacturing has played an integral role and has acted as a backbone in the growth and development of major world economies. However, India's story has been slightly different. India's growth has primarily been driven by the services sector, with contribution to the GDP rising from 45% to 55%, while the growth in manufacturing has remained mostly stagnant at 15% in 2017 and 17% in 2022.

Each sector plays a significant role in the overall development of the economy, but transformations are what build 'Nations'. India continues to shine in an otherwise gloomy global outlook to become one of the fastest growing economies in the decades to come. However, this outlook will need major structural transformations. It is well understood from the histories of leading economies that shifting resources from traditional to new sectors have twin advantages.

First, is that it shifts weight of the economy to high productivity sectors, leading to multiplier effects across other aspects of the economy as well. Secondly, experiencing rapid productivity growth from these resources leads to subsequent dynamic direct and indirect gains. Economies of the US and China grew by transforming into industrial economies and later expanding production and adopting better technologies.

Therefore, for India to become a $5tn economy, it first needs to step out of the structural retrogression. The share of agriculture sector in GDP has declined over the years. However, the sector still holds most of the employment in the country. The country should take the next step in the pace of reform and look towards balancing with other sectors as well which promise better employment opportunities, increased productivity and also ensure environment sustainability.

As per studies, approximately 90mn more workers will be in search of non-farm jobs by 2030. Manufacturing sector is a quintessential component in providing employment, productivity, innovation and sustainability and the players in the manufacturing ecosystem have long performed much below potential. The Central Government's pro-growth agenda towards this sector is evident with various flagship schemes and policies including among others (1) Make in India (2) Skill India, (3) National Manufacturing Policy that aims to increase the GDP of this sector to 25% by 2025 and (4) the PLI scheme covering 14 sectors that aims to scale up domestic manufacturing capability. Aligned to the Atmanirbharta initiative, increased domestic sourcing or higher import substitution is the target with employment generation and skills development being some of the key derivatives or outcomes of the same.

India is regarded as the second most popular country in the world for manufacturing and we as a nation need to push this sector more to tap the growing market opportunities to obtain global cost competitiveness.

Firstly, it is important to have targeted policies at Central and State level to boost manufacturing in various sectors such as ESDM, EVs, Aerospace and Defence, Data centre, MSMEs, textiles etc. It is pertinent to note that the role of state is critical in giving regulatory and fiscal incentives, improving ease of doing business, reducing costs of the investors and helping them in grounding investments. More than 50% of the reforms need to be implemented at the State level and therefore, Centre-State coordination becomes essential. Few other critical aspects in the growth of the manufacturing sector are streamlining of fiscal resources, easy and hassle-free loans to MSMEs, availability of credit to investors and lowering the cost of capital.

We also need to focus on having captive markets, industrial corridors, building export hubs, all of which help in developing end-to-end value creation mindset among individuals.

A favourable investor mindset by bringing favourable market policies, decreasing rigidity of labour regulations and increasing emphasis on skills and education will also help in forming a conducive business environment.

These will further assist in developing, integrating and monitoring a conducive environment for industrial development and boost employment opportunities.

Manufacturing industry with almost a 4x multiplier effect on employment has similar effects on other aspects of the population as well

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Shifting alliances in today's multi polar world

- Horses for courses policy, yes! but it comes down to survival of the fittest, right?

The classic case of bipolarity in global order for afficionados of global politics, is that of the Cold War era of the second half of the twentieth century. The earth has revolved many times since then and a lot has changed on all fronts. The shift of power is not just apparent in absolute terms of political alignments but in distribution of strength as well.

The concept of multipolarity thus came into play with the evolving global dynamics in the post-cold war era. While Russia and China challenged US hegemony, they too did not turn out to be absolute power holders. The rise of multiple governments and international institutions as alternate centres of influence gave way to the adoption of a multipolar world.

The world today is no more dominated by just uni or bi poles - rather the stakeholders dominating global politics are aplenty. While Asia has the strength of populous diversity, the West still has market prosperity. The African continent is amassed with the most defining element of the 21st century – the rare earth metals while Europe leads in innovation. Power is no longer concentrated in the hands of any one mighty player.

Multi-polarity has also made way for greater multilateralism with group of nations coming together to further interest-based partnerships. The twenty most prosperous economies came together as the G20 grouping while the most dynamic continental economies formed the BRICS alliance. However, while multipolarity carved the exit path for a unipolar world, the concept of multipolarity too is fading out sooner than expected.

The rising influence of civil society groups away from national governments and international institutions is paving the way for a transition yet again. The ability to nudge decisions and influence outcomes is now also dependent on the many stakeholders of society which have emerged as potential influence groups. To put in the words of political thinkers - the world today is not just multipolar but heteropolar.

The emergence of non-state actors as potential influencers of change is a new phenomenon in global politics. Emergence of stakeholder groups such as apolitical thinkers, corporate houses, activists and tech-preneurs has distributed the power to ascertain change from state players to the masses. Often an off-shoot of the civil society, the influence of these interest groups is growing exponentially.

- The strength of diaspora as a constituency overseas;
- The threat of terrorism moving away from the hands of well-funded terrorist organisation to lone wolves operating with minimum support;
- The influence wielded by religious organisations and non-governmental organisations;
- The thought leadership being presented by apolitical thinkers and corporate stakeholders; and
- The innovation being led by tech-preneurs have opened newer channels of diplomacy and governance across the globe.

The Covid pandemic is a case in point for the turn of tide in this decade. The resilience of civil society to deal with an unprecedented crisis, which affected civilians on a scale of millions, was put into action. It was when the state machinery started to give up that civil society picked up the mantle to provide last mile services. Technology played its part in minimising movement and yet keep the supply chain running. Religious and social organisations were at the forefront of relief work, and the world touched newer heights of HADR cooperation.

A popular saying goes, nothing but interest remains in the end. This holds true for governance in 21st century more than ever. The pace of change in this century is rapid and so is the evolution of global populace. It is thus time for the leadership of present to shed the reticence of the past to create a future befitting of the values and ethos of the modern-day generation.

Indian Railways
- Propelling India from developing to developed

The Indian Railways, today, is the fourth largest railway network in the world, operating 13,523 passenger trains and 9,146 freight trains daily, apart from being the single largest employer in the country. It is one of the most dynamic modes of transportation and continues to adapt and transform within the framework of the socio-economic, sustainability and geopolitical variabilities of the time.

The 'Atmanirbhar Bharat' or Make in India initiative is central to the Indian government's vision of creating a strong Indian manufacturing base and forms the basis of several schemes including the Production Linked Incentive (PLI) scheme and Development of Enterprises and Services Hub Bill, 2022. The Indian Railways has through its various initiatives also been facilitating the Make in India vision.

This spirit is also witnessed in the contracts awarded in the railways sector. The Indian government issued a Public Procurement (Preference to Make in India), Order, 2017 laying down the policy to encourage 'Make in India' and promote manufacturing and production of goods and services in India.

According to this, only Class I local suppliers are eligible to bid for several opportunities. Class –I local suppliers are service providers whose goods, services or works offered for procurement have local content equal to or more than 60%.

This will in turn encourage partnerships between global industry players and local companies, which will source and supply railway components locally, and contribute towards "value addition" in India. Moreover, this will also generate several new jobs, apart from exponentially increasing the GDP of the country.

In awarding contracts, the Indian Railways provides a percentage of the technical staff to the Technology Partner for manufacturing of trains and performing maintenance tasks. This is beneficial to all stakeholders, because the technology partner is provided with human capital and the Indian railways will benefit from an upskilled workforce and the workers will earn more as they navigate newer technologies.

This will strengthen India's long-term capabilities through innovation and fortify India's position as an alternative destination for major supply chain requirements, allowing the country to fast-track the growth of its high-speed railway ecosystem and in turn producing both for India and least developed countries (LDCs) and other developing countries in the African and Southeast Asian geographies that need assistance in building modern largescale transportation systems. India should aim to emerge as an ethical alternative to Belt and Road Initiative (BRI), drawing from the G7's Build Back Better world (B3W).

Building on the announcements of 400 Vande Bharat trains in 2022, this year's budget has taken India a step further to achieving its modernization goals. In a massive boost to the industry, the budget allocation has increased around 71% to INR 2.4 lakh crore. There has been a significant thrust on modernization of rolling stock, introduction of more semi-high speed trains, laying of new tracks and logistics services for small farmers and Small and Medium Enterprises. The electrification of the Indian Railways will also be prioritized.

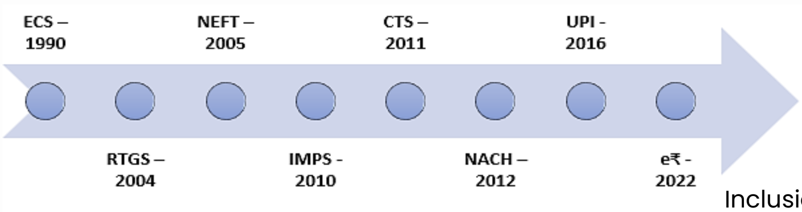
The Indian Railways is projected to be an integral part of India's transition to a developed economy. The accompanying generation of employment, upskilling, penetration of technology and diversification of the economy will fuel a reduction in poverty, increase in per capital income and increase in exports. These among others are essential parameters to measure socio-economic growth and will also further embolden India's soft power in other countries and on discussions on global cooperation and trade.

For India to achieve newer heights, the role of infrastructure and especially railways is very important

Digital Rupee in India

- An opportunity that needs constant review in order to prevent from becoming a hype

India's payment ecosystem has taken giant strides in the past two decades and achieved a high level of maturity, due to constant innovation in payment technologies. The current day state-of-the-art digital payment systems are affordable, accessible, efficient, and available 24x7x365 days a year. This transformation in payment preference has been made possible due to the creation of robust electronic payment systems such as RTGS and NEFT which have facilitated seamless real time or near real time fund transfers. This was followed by the revolutionary launch of IMPS and UPI for instant payment settlement, which have been the most pivotal milestones for transforming the payments ecosystem of the country.



Evolution of India's payment systems

A Central Bank Digital Currency or CBDC is legal tender like paper currency with all the characteristics of the existing fiat currency, but unlike cryptocurrency it is issued and regulated by the central bank. Thus, it has a low risk of being volatile and provides security to its user. The purpose is to create a more efficient and cheaper currency management system. As many as 18 of the G20 countries are exploring a CBDC, with seven already in the pilot stage, according to data from RBI.

The Reserve Bank of India revealed its ambitious plan of launching a CBDC and has consequently issued the e-Rupee (e₹) as a form of digital tokenised version of the Indian rupee on 1st December 2022. It is exchangeable one-to-one with the fiat currency, and unlike cryptocurrencies, the digital Rupee is issued in the same denominations as paper currency and coins. The cost of printing money is predominantly borne by four stakeholders –the general public, businesses, banks, and the Central Bank. The implementation of the Digital Rupee aims to remove the security printing cost borne on physical currency which amounted to ₹4,984.8 crore between April 1, 2021, to March 31, 2022. CBDC will reduce the operational costs e.g. costs related to printing, storage, transportation and replacement of bank notes, etc.

Eight participating banks have launched their digital rupee app to make transactions more accessible.

Residents of Mumbai, Bengaluru, New Delhi and Bhubaneswar can now use digital wallets provided by the partnering bank to exchange digital rupees. One can make transactions using QR codes displayed at shops or malls to pay with an e-rupee. Moreover, one can keep this wallet on mobile or other devices for online transactions. According to the central bank's guidelines, one can carry out digital rupee transactions with merchants and individuals.

There are several benefits associated with using a digital rupee. It is more convenient than using physical currency, as it can be accessed and used from anywhere with an internet connection. Digital currency is also more secure than physical currency, as it is protected with strong encryption and other security measures. In addition, it is more efficient to use, as it can facilitate faster, and cheaper transactions compared to traditional payment methods. Moreover, the e-rupee could potentially increase financial Inclusion, by making it easier for people without access to traditional banking services to participate in the financial system. On one hand, the concept of e-rupee has garnered a lot of attention and interest, seen as a potential solution to financial inclusivity and the efficiency of financial transactions. On the other, there are concerns about the security and privacy of digital financial transactions, as well as the potential for fraud or other financial crime. There may also be concerns about the potential for centralization and control of the digital currency by a single entity, such as the government or a financial institution. Onboarding retail users on this platform could be a challenge as they are already using other quick payment methods like UPI.

RBI has already issued e-rupees worth ₹2.43 crore for the retail segment and ₹115.92 crore for the wholesale segment till 20th January under the pilot program. The pilot has 50,000 users and is accepted by 5,000 merchants, clocking about 770,000 digital rupee transactions processed by eight banks. Overall, the potential for e-rupee as a digital version of the Indian rupee is significant, but it is important to (1) carefully consider the potential benefits and mitigate possible risks, (2) innovate to develop sector-specific use cases, as well as (3) undertake several outreach programs to engage with citizens as well as seek feedback/concerns to encourage wider adoption in the long run. Eventually, the success of e-Rupee would largely depend on its ability to address concerns like network infrastructure, adequate privacy, and seamless integration with existing systems, providing tangible benefits to users.

In the future, digital rupee could also potentially enable a more real-time, cost-effective seamless integration of cross-border payment systems.

Industry and academia collaboration
- Where theory meets practice

The Indian defence ecosystem, now open to private industry with up to 74% FDI on automatic route, is at an inflection point. In the last decade or so, the industry has undergone exponential growth and there is enough and more potential for the same to carry forward into the coming times as well. While significant evolution has taken, and continues to take, place in India, it is still far outpaced by the rate of growth in technology when it comes to innovations in aerospace and defence.

Being a highly capital intensive and long gestation period industry, the one thing that remains constant is the requirement to continue investments in R&D. India on an average reportedly spends only around 6% of its defence budget on R&D while a China or a US spend almost 20% and 12% respectively.

Even as a % of GDP, R&D investments in India are only around 0.6-0.7% on average compared to almost 2.4% and 3.5% in China and the US respectively. Therefore R&D spends need to be enhanced and this can be done by building a more competitive and efficient R&D ecosystem.

What is also important is that R&D needs to be across all strata of the value chain – from academia, to start ups to MSMEs to large industries. Each individual layer in this strata brings in a fresh perspective – all of which is important irrespective of value or volume.

Industry – academia collaborations, especially in the aerospace and defence sector, are the call of the hour today. It is not just a technology-donor relationship but it should be more of an interactive and collaborative approach with a two-way communication towards both roles and contributions.

Across all dimensions within a Science & Technology ecosystem, all aspects of basic and advanced education as well as basic and applied R&D are critical towards achieving desired goals and levels of activities. And it is a win-win for both stakeholders. The industry gains by leveraging academia's knowledge base to improve economics and quality. The academia gains basis more exposure to practical and realistic use cases which can then be incorporated in the teachings to ensure a richer curriculum.

Agreements aligned to this thought process have reportedly also started. For instance, IIT Jodhpur has an MoU with DRDO for setting up a DRDO-Industry-Academia CoE to carry out directed research in identified verticals including desert welfare technologies and AI for information and wargaming technologies.

However, this initiative needs to be further institutionalized in order to be able to further reap benefits more quickly and efficiently.

It is important that the initiative happens top down in the value chain – meaning thereby that the public and private industry (having real time understanding of the requirements basis interactions with end users as well as stakeholders in the Government) should engage with the academia and plan the R&D roadmap. Basis the strengths of the academia group, and similar to the procurement process plan, a 10-year R&D plan should be broken down into long (5-10 years), mid (3-5 years) and short (1-2 years) plans with responsibility assigned and accountability fixed.

The R&D plan should focus on critical fundamental research that can help plug gaps in indigenous technologies. Fundamental research being risk-prone as well as time-consuming is best suited to be taken along with academia as it would not be feasible for the industry to take it up in totality.

Another important area that can be further explored for industry-academia collaboration is in process improvements. Academia can use their basic and applied research in identifying cost effective and efficient innovations thereby supporting the industry. Industry can then dedicate resources to much more productive and related work profiles.

Training programs can be conducted by academia for the industry in order to apprise the latter of domain specific developments. Parallelly, industry could undertake internship programs on a regular basis so that academia can also work on practical use cases. Skill development courses could then be planned basis inputs / learnings derived from both the training and the internship programs.

All of the above require both policy and implementation push in order to get more ingrained in the ecosystem. For this to happen, it is important for all stakeholders to jointly agree on the roadmap.

Industry – academia collaboration is arguably the most efficient way towards institutionalizing the R&D ecosystem in the country

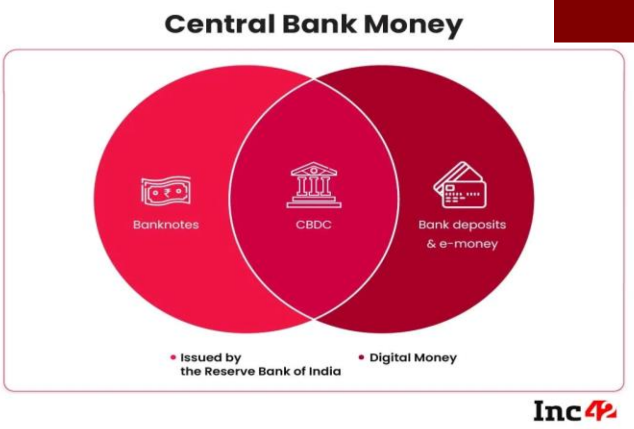
CBDC and Crypto – two sides of the same coin?
- Deep diving into the differences and similarities between CBDC and Crypto

With the roller-coaster ride crypto has been over the past few years, and governments across the globe thinking about **central bank digit currency (CBDC),** digital currency has become the new talk of the town. So, what are digital currencies? It is simply a form of currency that only exists digitally and is used by transferring from one entity or person to another online through a digital platform.

The idea of digital currency dates to late 1980s, with Digicash (1989) and E-gold (1996) issued by the central governments. Then came the era of decentralized digital assets with Bitcoin in 2009. Over the years, various other cryptos like Bitcoin have been accepted and used as digital assets around the world. Now recently, central governments have again started exploring the world of digital currency. The Bahamas issued its digital currency – Sand Dollar – in 2020, Russia also finished its initial trials of CBDCs called the "Digital Ruble" in February 2022, and even China tested its CBDC in April 2020 with plans for full nation launch in 2022. All-in-all, over 105 countries worldwide are exploring the use of Central Bank Digital Currency (CBDC). With progress on this in different stages in every country, **India has set its site to establish leadership in this space.**

India is touted to be one of the leaders in the blockchain space. Ironically, the Reserve Bank of India (RBI) launched the first pilot for the e-rupee or digital rupee on the 14th anniversary of the Bitcoin White Paper. The e-rupee, India's very own CBDC, is a digital alternative to the country's fiat currency. It is aimed at becoming a legal tender, form of payment and a safe store of value for all citizens. The e-rupee is expected to bring down the RBI's expenditure of issuing new currency substantially. An important use case is the low cost to transfer money across borders compared to other means. One of the most important effect of the launch of E-rupee can be the **reach of financial resources to the corners of India**, making it convenient for the unbanked masses to transfer money digitally across the country using the e-rupee.

Wait, are CBDC and crypto the same? Not really. Although the underlying technology behind crypto and CBDC is the same – i.e., blockchain – but the use case and structure differs. Crypto is a recognized digital asset around the world. Its use cases range from reimaging loyalty programs to building binding smart contracts digitally. Crypto also maintains its place as an asset outside the control of any sovereign nation or government and provides complete anonymity to users across borders. CBDC is a **centrally backed digital currency used in place of the local fiat currency.** Like we went from barter system to gold and then gold to paper, now eventually, the world could see a shift from paper currency to digital currency. This will bring down the cost of printing and moving around currency and overall logistical costs for the government. Another major difference is that cryptocurrencies use a permission-less open blockchain network, while CBDCs use a private Blockchain network that has prior permission.



So, can Crypto and CBDC co-exist? Possibly yes. As India is growing to be one of the centers for innovation and acceptability of crypto and blockchain, some will naturally question the co-existence crypto and CBDC. CBDC, potentially, will be at the center stage and play a pivotal role when it comes to making transactions cheaper and quicker. The decentralized players will keep their worth as a private, anonymous and secure digital asset class. **Even though transactional utility will probably favor CBDC, Crypto will continue to sore due to its diverse use cases from logistics to gaming.** Moreover, Crypto available in the current time does not really solve the payment problem, thus, giving an opportunity to something like an e-rupee to come in and co-exist with crypto. E-Rupee also plays an important role as a CBDC by making it simpler for the government to deploy complex monetary policies and give out stimulus packages without having to worry about expensive logistical costs. On the other hand, crypto plays an important role as a mode to increase transparency and privacy in transactions, promote employment growth and boost the FinTech sector of India.

Further, as blockchain powered products will gain more acceptance in the market, people will understand the utility of crypto and CBDCs. With the dawn of greater financial inclusion and simplified financial services infrastructure around the world emerges, crypto might see yet another bull-run. Countries around the world are becoming more and more excited about the faster cross border transactions, greater reach of financial services, and lower cost of transactions that blockchain technology brings. **This will eventually bring down the dependence on the traditional banking system, ushering in a new era in the financial ecosystem worldwide.**

One Nation, One Health Card
- The scheme with many solutions but one major challenge

The One Nation, One Health Card (ONOHC) scheme was announced by PM Modi on the 74th Independence Day of India under the larger Ayushman Bharat Digital Mission. This scheme aims to unify a person's health records and make every individual the owner of their health data with sole access to it. With critical information like doctor consultations, medications, lab reports etc. saved under the *Digital Health ID*, a person can easily access any healthcare facility and seek appropriate medical treatment. Currently the scheme is voluntary for individuals and hospitals and the Unique Health ID will be allotted to the persons who register for the same.

Currently more than 33 lakh people have created their Unique Health ID on the ABDM platform out of which more than 25 lakh Health Records have been linked to accounts. While the rollout has been slow, the Health Card has the potential to disrupt health data record management the same way Aadhar Card did with the universal identification ecosystem.

As a unified platform, The Digital Health ID, also known as the Ayushman Bharat Health Account (ABHA) ID offers many benefits to an average person-

1. **Collation of all Personal Health Data –** The account serves as a safe box for all the essential medical data generated by a patient throughout their lifetime like their diagnostic reports, medicine prescriptions, consultation reports, insurance details etc. This significantly reduces the waiting time for registration at a new health facility and aids in faster consultation with the doctor.

2. **Healthcare Professionals Repository –** The patient can access the country-wide data set of healthcare professionals registered on the platform and choose their providers and this also includes AYUSH professionals. Currently nearly *1,50,000 professionals* are registered on the platform.

3. **Healthcare Facilities Repository –** The account provides access to *over 2,00,000* government and private healthcare facilities which include AYUSH facilities and Health and Wellness Centers. The person can approach any of these facilities and seek medical care.

Source: ABDM website

4. Telemedicine – Due to the Health Records being accessible online, it is much easier to connect and share documents with a healthcare provider via a telemedicine platform. Uptake of telemedicine all over the country has increased significantly since the pandemic and the Health Card will further facilitate ease of access to good quality primary treatment even to the most remote locations.

At the time of registration, the patient submits information like geographical location and demographic details, details of the family members and close relatives, contact information. This increases the scope of applications of the Health Account beyond storing health records, especially in Health Insurance. The repository of all the historical health data of the patient will aid in risk assessment by the Insurance Companies. To facilitate this however, adequate security needs to be placed and the permissions to access health records by the Insurance Companies should lie solely with the patient. As with the Israeli Digital Health Ecosystem, that connects the different stakeholders in healthcare like patients, doctors, hospitals, academicians, researchers, data analysts, pharmaceuticals etc., India can also harness the potential of a unified digital health records database to better assess the threats of future pandemics, study the epidemiology of diseases, analyze primary healthcare gaps and needs.

The major and most critical challenge however remains the data privacy and security. Leaking of sensitive patient information to the private industry then used for commercial purposes will be a major failure and breach of trust.

The only way to drive more people, healthcare professionals and healthcare facilities to be onboarded for the ABHA ID is to create a robust data security system. Enough safeguards need to be ensured in order to protect medical information of the population.

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The CARE economy
- Caring for women's labor force participation

Women's labour force participation in India is around 20%, a fraction of the 70% of that of men. Studies indicate that increasing women's participation would provide equity benefits and may increase GDP by as much as 27%.

One of the most significant barriers for women is their 5 hours per day of unpaid domestic work, as compared to only 1.5 hours done by men. This forces women into part-time work, self-employment or work in the unorganised sector with fewer rights, wages and income insecurity.

Societal expectations of women's role as carers, alongside insufficient care infrastructure and services, leaves women without solutions to the 'care penalty' imposed on them. Where paid care is available, the status quo is a no-win situation for women in need of care solutions as well as for care providers, as paid care tends to be performed by women who are in low-paid or otherwise unregulated / precarious employment.

The ILO has developed a 5R framework for the care economy: **R**ecognize, **R**educe and **R**edistribute unpaid care work; **R**eward: More and decent work for care workers; **R**epresentation, social dialogue and collective bargaining for care workers.

India has taken strong steps towards the **R**ecognize and **R**educe unpaid care work fronts in particular. The Maternity Benefit (Amendment) Act, 2017 provides for 26 weeks maternity leave at 100% pay, with 12 weeks for adopting and commissioning mothers. Depending on the type of work, women may opt for working from home after this period. The Act also requires that establishments with more than 50 employees provide access to creches. While in theory this policy promotes women's ability to remain in and/or return to work, in practice, it may create perverse incentives against hiring of women to avoid the direct and indirect costs of maternity benefits as unlike several other countries, in India, these costs are borne by employers instead of being shared with Government.

While the Act has not covered the over 90% of the female workforce that works in the unorganised workforce (including the gig and platform economy or in self-employment), *Palna* or the National Creche Scheme provides day-care facilities for children (6 months to 6 years) of working mothers working in such sectors. The Code on Social Security, 2020, which remains to be notified, recognises the need to bring unorganised, gig and platform workers into the ambit of maternity benefits. Notification, institutional mechanisms and effective implementation of the Code would be the proof of the pudding.

To further create a conducive environment for women's participation in the workplace, multi-stakeholder society-wide actions are needed. Government may consider the following actions:

- IEC and behaviour change campaigns for gender equitable households and workplaces. Creating a movement wherein men are champions for women
- Paternity leave, or preferably shared parental leave wherein leave can be divided between both parents over the first one or two years of a child's life
- Ensuring children (from 3 to 6 years) are sent for pre-school education being provided through the network of 14 lakh Anganwadis across India
- 'Day care facilities' or trained care workers for the elderly and differently abled
- Rating employers on gender friendly policies and practice through anonymous employee surveys
- Skilling / certification of care workers as a key step to regulating the care economy

Employers also need to take proactive action to create female friendly workplaces including targeted gender ratios at all levels; flexible and part-time work, with work-from-home where possible; 'stay connected' and training programmes for women returning to work and; gender targets in supply chains.

The CARE work is vital for economies in general and India specifically – hence a strategy and action plan towards it is key

EXPERT SPEAK

As we look back to the last dozen or so editions, we realize we have been much enriched by inputs shared by the experts in their respective work areas. From bureaucracy to industry... From media to sports... From EV to steel... From for-profit to non-profit...we have attempted to cover the entire spectrum of segments that have an impact on our daily lives.

As we look back, we also look forward to your, the reader's, inputs on how to make this section of the Monthly Policy Note better and more comprehensive value-read.

Atanu Chakraborty is currently the **Chairman at HDFC Bank**. A 1985 batch IAS officer of Gujarat cadre, Mr Chakraborty retired as Secretary of Department of Economic Affairs in April 2020. Prior to that, he was Secretary of Department of Investment and Public Asset Management (DIPAM).

Dhanendra Kumar, a former IAS officer of 1968 batch (Haryana Cadre) has been the first and **founding Chairperson of CCI** (Feb 09 - June 11) when enforcement of Competition Law was initiated. He was responsible for developing in the initial stages the roll out of enforcement and M&A Regulations, recruit professionals and capacity building. He has four decades of national, state and global experience, having served as Secretary in key Ministries, including Defense Production, Roads and Highways, and Culture (02-04).

CK Mishra is a 1983 batch IAS officer who has led Indian negotiations at important forums such as the UN Framework Convention on **Climate Change** (COP) as well as the Montreal Protocol on Substances that deplete the ozone layer. Spanning a time of more than 37 years, Mr Mishra served as an administrator, policy maker and public health strategist while holding a wide range of assignments in various fields of health, education, industry and power.

Nishant Arya is the **Vice Chairman** of the $2.2bn global Indian conglomerate **JBM Group** and Chairman of Linde Wiemann GmbH, Germany. JBM Group is present across sectors such as Auto Components & Systems, Electric Vehicles & Buses, EV Charging Infra, EV Aggregates, Engineering & Design services, Renewable Energy, Environment Management, Artificial Intelligence, etc.

VK Singh leads the transformation in regional mobility as the **first Managing Director of NCRTC**, which is mandated for designing, developing, implementing, financing, operating and maintaining Regional Rapid Transit System (RRTS) projects in the NCR. Formerly, Mr Singh was the CEO of the High-Speed Rail Corporation, where he played a key role in developing the Mumbai-Ahmedabad HSR project and finalisation of techno–economic agreement between India and Japan for construction of this line.

Vikram Chandra is the **founder of Editorji Technologies** - a start-up that seeks to transform video news through innovation in user experience, using artificial intelligence. Editorji provides personalised video newscasts on mobile phones and can be downloaded at editorji.com/download. In earlier avatars, Vikram was one of India's best-known TV news anchors, presenting shows like "The Big Fight", 9 o'clock News, Gadget Guru together with programs for social transformation such as the Cleanathon, Greenathon and "Save our Tigers".

Vikrant Gupta is the Sports Editor of India Today Group. A renowned sports anchor and journalist, Vikrant has led sports news desks across platforms from Indian Express to India Today. Beginning as a sports journalist for Indian Express to being the sports editor for Aaj Tak and India Today Network, Vikrant is a known face in sports circles with more than two decades of experience in his profession

Smita Purushottam started Science, Indigenous Technology & Advanced Research Accelerator **(SITARA)** to promote development of a high-tech, scientifically advanced nation after her retirement from the Indian Foreign Service. She has served in diverse capacities in India's missions in Berne, Caracas, Berlin, London, Beijing and Brussels and on the Soviet/ Russian, SAARC, Bhutan and other desks in MEA/ MOD. She has actively pursued her academic interests at Harvard, IDSA and other institutions and has been publishing on the need to learn lessons from the economic reforms and innovation ecosystems in different parts of the world.

Gautam Bambawale is the Former Indian ambassador to Bhutan, Pakistan and China. Mr Bambawale, a 1984 batch IFS officer, in his 34 years of service has held various positions including as Ambassador to Bhutan, Pakistan and China, and was also in Washington during the Indo-Nuclear deal. He has had almost 17 years of experience dealing with China in various capacities. He currently is also a senior advisor to Ola Cabs for corporate and international affairs.

Anil Chaudhary is the Group CEO, Metals and Mining Vertical of ESSAR Group, Mumbai. Previously he has been the Chairman of SAIL, ICVL and mjunction services ltd. He had served as Director (F), SAIL for more than seven years. With an experience of over 38 years in steel sector, Mr Chaudhary is known for his balanced decision making based on analysis of techno-economic parameters.

Poul Jensen, the Managing Director at European Business and Technology Centre (EBTC) supports the creation of ecosystems and platforms for Indo-European business, technology and innovation collaboration in dynamic sectors such as mobility, transport, logistics, water, energy, ICT and environment. His emphasis is also towards supporting the internationalization and global innovation of SMEs.

Karan Avtar Singh – Chairman, Punjab Water Regulation and Development Authority (PWRDA) - A 1984 batch IAS officer, Karan Avtar Singh currently chairs the PWRDA. A former Chief Secretary, Mr Singh has had a significant role in implementation of multiple reforms in the state of Punjab.

Baldev Harpal Singh, IAS (1989 batch) is the former Additional Chief Secretary (Industries), Industry, Energy and Labour Department. Prior to this, among other roles, he has also served in various capacities as a Chief Electoral Officer of Maharashtra as well as the Development Commissioner of the Santa Cruz Exclusive Processing Zone, SEZ Mumbai under the Department of Commerce and the Principal Secretary, Labour Department of the Government of Maharashtra.

Dr. G Satheesh Reddy is the Scientific Advisor to Raksha Mantri (SA to RM). Dr Reddy has donned various hats within the scientific and innovation ecosystem in the country both as a distinguished scientist as well as in his prior role as the Secretary, DDR&D and Chairman, DRDO. He has also been instrumental in driving the indigenous design, development and deployment of diversified missiles & strategic systems, guided weapons among other technologies.

Dr Subba Rao Pavuluri is the Founder, Chairman and MD of Ananth Technologies. A visionary spaceman, as called by many, Dr Subba Rao founded the company in 1992 and since then the company has become a strong player in both critical aerospace systems as well as high value geospatial services. Ananth Technologies' offerings extend from mission computers to control systems to sensors as well as subsystems for the Indian space program

About Primus Partners

Primus Partners has been set up to partner with clients in ‘navigating’ India, by experts with decades of experience in doing so for large global firms. Set up on the principle of ‘Idea Realization’, it brings to bear ‘experience in action’. ‘Idea Realization’— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

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