

India and the Knowledge Economy: Leveraging Strengths and Opportunities

Selected Recommendations from the Report

One of the world's largest economies, India has made enormous strides in its economic and social development in the past two decades. But according to a new World Bank report, India can do much more to leverage its strengths in today's knowledge-based global economy.

Improving the Investment Climate

- Promote macroeconomic stability; **competition**; good regulatory policies; legal rules and procedures conducive to **entrepreneurship and risk-taking**
- Simplify and expedite procedures for **entry and exit of firms**
- **Reduce tariff and non-tariff barriers** to trade
- Improve **physical infrastructure**.

Grooming World Class Knowledge Workers

- Expand **access to primary and secondary education and improve quality and relevance**
- Allow the **private sector to fill the burgeoning demand for higher education** by relaxing bureaucratic hurdles and putting in place better accreditation systems for private providers of education and training.
- Increase **university-industry partnerships** to translate research into applications that can yield economic value.
- Develop **lifelong learning programs** to meet the learning needs of all, both within and outside the school system, including using distance learning technologies to expand access to and the quality of formal education and lifelong training programs.

Promoting Innovation

- **Tap into growing stock of global knowledge**, including removing excessive regulations on imports and foreign direct investment
- **Allow national research institutes to collaborate with domestic and foreign firms** forging closer links with industry to create applications that meet the needs of the economy.
- **Create an attractive environment to stimulate private R&D investments, including tax and other incentives.**
- **Create a national fund to support grassroots innovators and to stimulate innovations for the needs of the poor**, and to convert innovations into viable business plans, especially for job creation.

Creating a Center of Excellence for Information and Communication Technology

- **Increase access to ICTs by increasing competition** and reducing import tariffs
- **Move up the value chain in IT** by developing high-value products through R&D,
- **Further develop and scale up ICT applications**, such as community radio, fixed/mobile phones, smart cards, Internet, and satellite television, to bring the benefits of connectivity to rural communities
- **Share successful applications of ICT**, for example, in e-government among different Indian states.

India and the Knowledge Economy: Leveraging Strengths and Opportunities

2005, ISBN 0-8213-6207-0, 210 pages

www.worldbank.org/publications

June 28, 2005