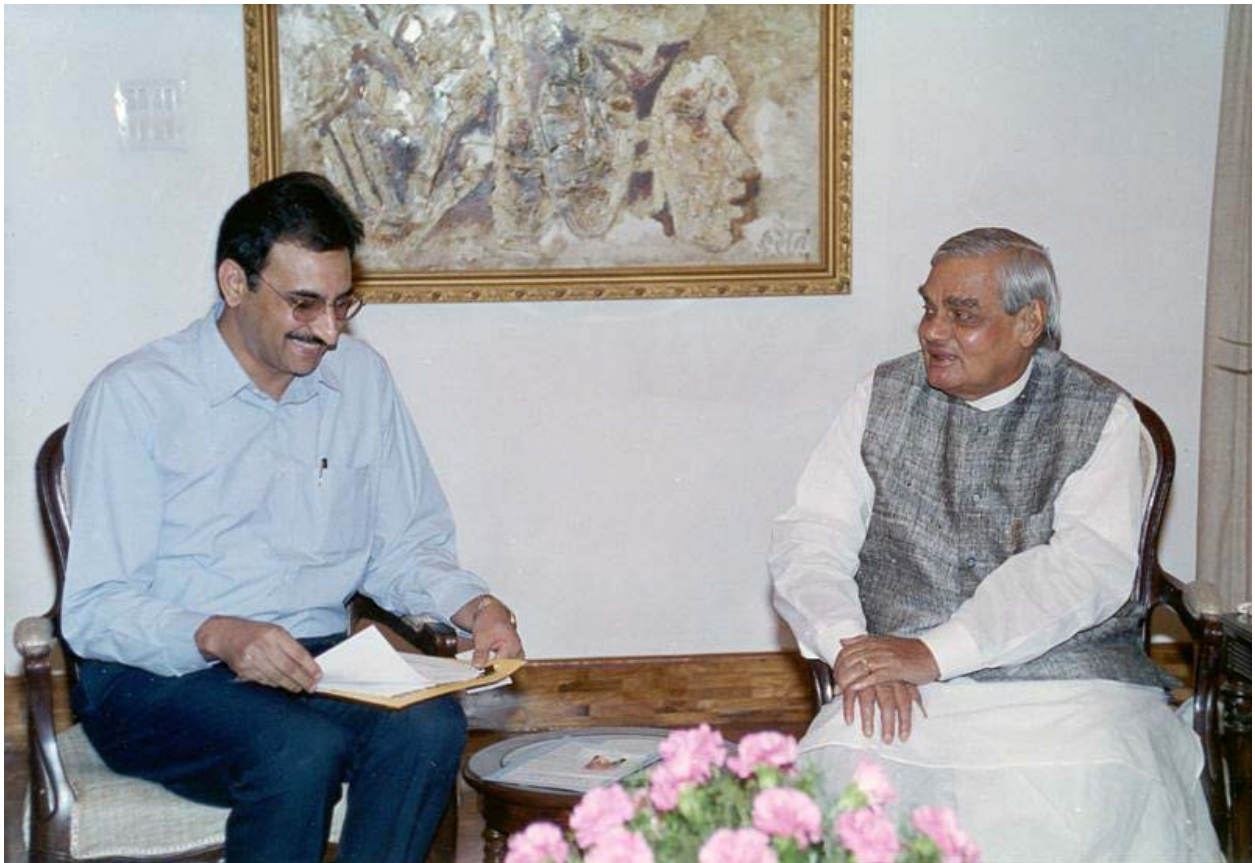


# Strategic Advising to Policymakers in India

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## **SUMMARY**

Since 2002, Columbia University economists Dr. Nirupam Bajpai and Dr. Jeffrey Sachs have led a major policy research program, housed at the Earth Institute, with the aim of deepening understanding of the Indian economy, policy, and society among U.S. academics, policy makers in India and abroad, and the international business community. This endeavor is a continuation of work on Indian economic reform which began in 1995 at the Center for International Development (CID) at Harvard University and which has continued following a transition to Columbia University in 2002. Since 1995, Bajpai and Sachs have conducted advising projects for numerous state governments within India as well as for the central government. Their work focuses mainly on strategies to address regional income inequality; fiscal consolidation and its challenges; comparative studies of the Chinese and Indian reform experiences; foreign direct investment; outsourcing and issues of costs and quality; challenges of state government finances; regional growth patterns; impact of geography and demography on Indian states; and achieving the Millennium Development Goals.

## **ADVISING WORK IN INDIA**

Dr. Bajpai and Dr. Sachs advise policymakers on a variety of issues relating to the Indian economy and India's economic reforms, both at the federal and state levels. Dr. Bajpai has been advising Prime Ministers of India since 1999, having been an advisor to the Honorable Atal Bihari Vajpayee from October 1999 to May 2004 and then serving informally as an advisor to the Honorable Dr. Manmohan Singh from June 2004 to May 2014. Currently, he informally advises Prime Minister Narendra Modi. In addition, Dr. Bajpai has acted as an advisor to the Commerce and Industry Minister, the Minister of Finance and the Minister of Health and Family Welfare, among others. At the state level, Dr. Bajpai has advised the state Governments of Tamil Nadu, Gujarat, Madhya Pradesh and Uttar Pradesh among others. His research and advice has helped implement the following:

- Based on Dr. Bajpai's suggestions, the former Prime Minister of India, the Honorable Atal Bihari Vajpayee, announced major national goals for Indian development during his Address to the Nation on August 15th, 2000. In his speech the Prime Minister declared, "... let us together resolve to make this decade, the Decade of Development. To realise this goal, we have decided to achieve the target of doubling India's per capita income in the next ten years." The Prime Minister added, "The most valuable investment that we can make in India's future is to ensure that every child gets education. We have decided that by 2010, every Indian child will get education up to class eight. We have launched Sarva Shiksha Abhiyan (Education for All campaign) to achieve this goal. Education until graduation has been made free for women."
- In response to the goal of doubling India's per capita income by the year 2010, the Planning Commission of India set an 8%-per-year growth target for India's Tenth Five-Year Plan. Similarly, in response to the goal of attaining universal elementary education by the year 2010, the government invested vast sums of money in expanding school coverage, capacity building, mid-day meal programs, and free school books for children of families living below the poverty line as well as investing in quality improvement measures.
- India's export/import policy for the years 1999 and 2000 draws extensively on Dr. Bajpai's research and advice. Twelve Special Economic Zones are being established in India across nine states, based on his work with Professor Sachs and their recommendations to the then Minister of Commerce and Industry, the late Murasoli Maran.
- In 2002 the chief minister of Tamil Nadu announced several major state-level development goals based on Dr. Bajpai's work. Along with advances in education for girls and disadvantaged groups, these included making the state a leader in information technology and manufacturing, and giving all villages access to electricity, a trunk road, telephone and internet connectivity, a school, clean water and sanitation, a health worker and local self-government. In addition, Dr. Bajpai's work has helped Tamil Nadu implement tax and expenditure reforms.
- Based on Dr. Bajpai's recommendations and the research initiated under the leadership of Professor Sachs, the Government of India has set up a National Commission on Macroeconomics and Health (NCMH). The NCMH,

launched in New Delhi on January 9th, 2003, is co-chaired by the Finance and Health Ministers of India. The Ministry of Health, Government of India published the NCMH report in August 2005.

- The Planning Commission of India, using Dr. Bajpai's research for "Scaling up Services in Rural India" is working with the state governments of Madhya Pradesh, Rajasthan and Uttar Pradesh to scale up public investments in rural primary health and education. The federal government is also helping provide larger resources to the states for these sectors. On Dr. Bajpai's advice, a pilot project to capture and sequester carbon dioxide will be put together at a coal-based thermal power plant in the state of Andhra Pradesh.
- Other economic policy reforms that have utilized his ideas and suggestions include areas of growth strategy, fiscal reform, export orientation and the role of states in promoting export-led growth, small-scale industry, labor laws, information technology and the use of IT in the education and health sectors.