

## **From GDP to GDKP India: the making of India's Historical innovation**

**India has calculated the provisional GDKP for 2011 and 2012. The team that made this calculation was led by Mr. Ashish Kumar, until December 2015 General Director of Government of India Center of Statistical Office (CSO). Mr. Ashish Kumar with his team made also the preliminary table for calculating the GDKP of 50 countries.**

Sulpasso's model had come in India through a long road of model evaluation and appreciation. Important institutions, top qualified scholar and Gov't members have valued the model as a proper way to assess a modern form of Wealth of Nation linked to the emergence of Digital Age. **ICRIER**. The important think tank, under the guidance of Dr. Rajiv Kumar was the first institution to express full appreciation of the model. ICRIER made a provisional agreement with Prof. Sulpasso to use his model for the calculation of GDKP-India.

**FICCI**. When Dr. Rajiv Kumar became Secretary General of this institution he moved the process of calculating the GDKP India within the powerful Federation of industry and Chamber of Commerce. A formal agreement was established with Prof. Sulpasso deciding budget, special team operators and time. (see the attachment, extracts of FICCI appraisal)

**MINISTER ANANT**. A special meeting was set by FICCI with the Minister Anant in order to gain the support of Statistical Office. The minister made a favorable decision and appointed a top official to the project. **CHIEF OF ECONOMIC ADVISOR, ARVIND SUBRAMANIAN**. The PMO set a first meeting with CEA, with Prof. Sulpasso and the other Indian members of the team. The CEA expressed full appreciation of GDKP with the only limitation of feasibility within the CSO structure.

**CSO**. To provide a proper answer to those problems Dr. Ashish Kumar, then Director General of CSO organized a full meeting with Prof. Sulpasso and all senior members of the structure. **Mr. ASHISH KUMAR**. Following that meeting the DG of CSO, not only made a full appreciation of the model, and in order to prove its feasibility made a provisional calculation of two years GDKP – INDIA and subsequently with his own personal effort produced confront tables for preliminary calculations of almost 50 countries!

**FINAL APPROVAL**. At this point, having received the top institutional and scholars approval and demonstrated its feasibility within the CSO, Mr Ashish Kumar wrote in a formal letter directed to the PMO:

*... Ministry of Statistics & Programme Implementation has to take lead in the following terms: (i)*

*Immediately set up system for compilation of Supply Use Tables for each year it brings out its estimates of GDP growth. Even quarterly estimates should also be compiled using*

*SUT to ensure consistency and regular Validation of quality of estimates released. (ii) Should take up compilation of GDKP each year and release it along with GDP and other*

*aggregates following the same calendar of release.*

*. (iii) There is a need to improve the quality of services sector data in the system of National Accounts. Special surveys to get robust estimates of value addition in knowledge generation and knowledge dissemination should be taken up.*

*. (iv) There is a need to develop system for training of policy makers, statisticians and economists in use of GDKP and related aggregates for their policy analysis and policy making function.*

*And concluded*

It is worth emphasizing that this is a new measure and should be accepted at the highest level for its adoption in United Nations so that it may become a metric to be generated by all the developed and developing economies. This project has been taken up by a team of four Experts including Ambassador Fabian, Professor Umberto Sulpasso, Senior Fellow, Center for Digital Future, University of Southern California, Los Angeles, Ambassador Shetty and Mr. Ashish Kumar, Former Director General Central Statistics Office, Government of India. There is a need to carry on this work further to refine the statistic in consultation with Prof Umberto Sulpasso. It is therefore suggested that he may be invited to India to work on this project.

Mr. Ashish Kumar”.

## **INDIAN TEAM**

*There were many people involved into Indian Historical initiative to calculate the GDKP - India*

**MR. Ashish KUMAR**, former General Director of Central Statistic Office of India brought GDKP India from theory to practice with two basic personal contributions: first the preliminary quantification of GDKP India for 2011 and 2012, second with comparative basic preliminary data (first step of the model) for 12 years for 50 countries! (here we initially report tables of 16 countries). Since he presently retired from CSO, his work can be considered a qualified legacy for the structure he has served for so many years. Dr. Kumar has worked for more than 38 years in Indian Statistical Service in various

capacities in Indian Statistical System. Worked as head of National Accounts and Economic Statistics for more than five years. Presently, he is International Consultant with Food & Agriculture Organization (FAO), Consultant to UNICEF and Technical Adviser to National Foundation of India.

To focus on his special skills The Central Statistics Office of India established an historical change and is now following a revised methodology to capture manufacturing sector productivity through an enterprise rather than an establishment approach, which is partly responsible for the sharp spurt in performance of the sector. In reference to this innovation Ashish Kumar, noticing that the data is now available on the MCA21 database, added “We have moved from the earlier establishment approach to measure

manufacturing sector growth to an enterprise approach. functions such as those performed in head offices and ancillary activities such as marketing and financial operations of a manufacturing unit is also captured under manufacturing sector,”

Ambassador **K. P. Fabian**, in the is called “Father of GDKP India” for his continuous concern in getting the Sulpasso’s model to government attention. His dedicated efforts to make India the first country in the world to apply GDKP, before catching government attention, had captured the approval of the most important India think tank (ICRIER) and that of the powerful entrepreneurial association (FICCI). He also brought Prof. Sulpasso to inaugurate India education satellite (Gora University).

Within the team he is focusing on critical diplomatic implications for India relations with developing countries and BRICS. As an Indian Diplomat who served in the Indian Foreign Service between 1964 and 2000, during which time he was posted to Madagascar, Austria, Iran, Sri Lanka, Canada, Finland, Qatar and Italy.<sup>[2]</sup> During his time in the diplomatic service, he spent three years in Iran (from 1976 to 1979), witnessing the Iranian Revolution first hand. As Joint Secretary (Gulf), Fabian coordinated the evacuation of over 176,000 Indian nationals from Iraq and Kuwait in 1990–91. His multilateral experience includes representing India at the United Nations Industrial Development Organization, International Atomic Energy Agency, International Civil Aviation Organization, Food and Agricultural Organization, World Food Programme and the International Fund for Agricultural Development. He is

also the author of two very much successful books, Commonsense on the War on Iraq, which was published in 2003 and Diplomacy: Indian Style.

Ambassador **Balkrishna Shetty** is providing to GDKP India a most important contribution in terms of mathematical model, which once formalized in proper software, could be used by other countries. He is also a strong supporter of providing a basic simulation software to the UNESCO to be given for free to developing countries. Between 1997 and 2001, he was posted at the Embassy of India, Paris, as Minister (Economic), dealing with all bilateral economic matters and relations with Organisation for Economic Cooperation and Development (OECD). He was appointed as Ambassador to the Republic of Senegal and was concurrently accredited to the Cape Verde Islands, Guinea Bissau, Mali, Mauritania and the Gambia from 2001 to 2005. He was associated with the establishment of TEAM-9 (Techno-Economic Cooperation for Africa-India Movement), a regional economic cooperation mechanism

between India and eight West African countries. From September 2005 to January 2009, he was Ambassador of India to Bahrain. In January 2009 he was appointed the Ambassador to Sweden with additional charge of Latvia and continued in this post until he retired on 16 July 2010 Ambassador Shetty is a well recognized scholar in Mathematic on which matter he published an important book “what is Mathematics” that has gained much credit in the science sector.

### **BASIC INFORMATION WHICH WILL BE PROVIDED BY GDKP INDIA**

*GDKP - INDIA will provide Government of India with new proper economy growth assessment of GDP of a country (K national factor), and in addition:*

1. optimal gov't budgeting spending for maximization of sectors' GDP (MATRIX)
2. Knowledge multipliers of GDP different sector of economy (agriculture, industry, services, etc)
3. Comparable GDKP of each State of India and possibly of Great Urban Areas

*It will provide all set of new information for private investors:*

4. Optimization knowledge capital investment of companies vis-à-vis other capital investments

5. Triple K-H integrative of triple A-B classical country's risk analysis

6. P/K ratio on the stock market in addition to P/E ratio

*But for private investors and government agencies will determine for the first time the knowledge texture of market country's economy through*

7. Country Knowledge Production Matrix, what knowledge is produced by who 8. Country Knowledge Consumer Matrix, what knowledge is consumed by who

*Finally for social balance and young generation employment and income opportunities will determine the*

9. Individual cost of learning for urban or rural areas, age brackets, and for status of employment

*Those are some of the basic new types of information provided by GDKP, but a huge new set of statistical data will be collected through confrontation with parallel GDP an organizational plan should be elaborated.*

a. A presentation to the UN should be organized by Government with India Statistical Office data

b. An international agency could be established to follow on international level the implications and specify the international rules

c. New statistical official publication could follow the international development of GDKP following the historical example of Wall Street Journal

*And as a specific business opportunity for Indian IT economy a software house could provide:*

d. A simulation software to be promoted to the countries that want to calculate the GDKP for national adaptation

e. A basic simulation software to be given to the UNESCO to help developing countries to appreciate their knowledge policy impact on their GDP.