

# Themes of the Symposium

India in the Changing Global Economic Architecture

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India's Future Economic Prospects and Challenges

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Industry and Technology

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Agriculture and Water

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Employment

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Poverty

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Planning the Indian Economy

## India in the Changing Global Economic Architecture

For many years after Independence, India's role was more important on the international stage as a political force rather than as an economic actor. The country participated in the major initiatives undertaken by the developing countries to achieve a fairer world economy such as the New International Economic Order, but these initiatives saw little success. However, globalisation and the opening up of the Indian economy changed the scenario significantly. India was a central participant in the debate on the social clause in international trade, helping to prevent the newly created WTO from making labour standards a condition for trade, and fighting for a restructuring of the rules of the global economy to reduce the bias against developing countries. With its focus on global financial regulation, India has since played an important role in the G-20. Nevertheless, the global economic architecture is still dysfunctional in terms of the achievement of important development goals, and also lacks a strong social foundation. Hence, scholars were invited to contribute papers that document these concerns and suggest ways of designing rules for the global economy that would promote employment creation and poverty reduction, besides ensuring equitable access to global opportunities for all countries.

## India's Future Economic Prospects and Challenges

India's spectacular growth over the last two decades has radically changed perspectives on the country's economic performance, and raised expectations that India can consolidate a modern high productivity economy that permits the elimination of poverty and rising consumption levels across the board. However, this would necessitate sustained growth over several decades. Meanwhile, the Indian economy faces many challenges, including a worsening current account deficit, inflation, a persistent fiscal deficit, declining savings, huge infrastructural lags, and governance shortfalls. What are the key institutional and economic policy challenges that need to be addressed for achieving sustained growth? Papers that address the following particular aspects of this question were invited:

- What economic policies can assure recovery from the present economic crisis and bring back the economy on to a path of stable high growth?
- Are there any internal or external factors that would restrict the capacity for economic growth, especially institutional or political factors? How can these factors be overcome?
- How far is long-term growth dependent on a growing labour force (the demographic dividend), and on investment in the skills and qualifications of this labour force?

## Industry and Technology

Industry accounts for a small share of the Indian economy. There are many possible reasons for this, including the lack of an adequate industrial policy, distorted investment priorities, excessive or ill-conceived regulation, and shortfalls of skills or technology deficits. As regards the latter topic, which has been one of Professor Alagh's constant concerns, it is apparent that Indian technology at the top ranks with the best in the world, built as it is on advanced research in high-quality institutions and applied to the areas of computing, the nuclear industry, the space industry and other advanced sectors. However, it is equally apparent that this technological advantage does not spread to the economy as a whole. Scholars were invited to contribute papers that examine the industrial and technological dimensions of Indian development, and consider how to expand the role and impact of the latter.

## Agriculture and Water

During the last two decades or so, Indian agricultural development has been representing a paradox, as the achievement of near self-sufficiency in foodgrain production has coincided with a growing destabilisation of the livelihood of a large majority of farmers, particularly small and marginal farmers. This raises questions about the sustainability of farming as

an occupation itself. The question of agricultural development can hardly be dissociated from the question of water, of which agriculture is the most important user. The strain of water scarcity leading to conflict in several areas is already evident, and strategies for water conservation and use constitute the key to a sustainable rural economy. In this context, the following specific topics were addressed during the symposium:

- The changing contours of Indian agriculture and implications for rural livelihoods;
- The future of small farms in India;
- Agricultural credit policies, agricultural investment and financial inclusion;
- Agricultural marketing, trade and value chains;
- The sustainable and efficient use of water for agricultural development; and
- Access of the poor to water: usage and livelihood issues.

## Employment

Even after 65 years of Independence, India's employment pattern continues to be characterised by the persistence of subsistence activities, including a high level of self-employment, especially in rural areas. Agriculture still accounts for about half of the total workforce, though it contributes only 15 per cent to the GDP. Meanwhile, organised sector employment is small and the bulk of wage employment is casual and unprotected. Some of the aspects on which papers contributed in these spheres include:

- Ways in which the process and pattern of growth in India could be made more employment-intensive, while at the same time being compatible with the needs and compulsions of globalisation;
- Nature of macro-economic, fiscal and trade policies that are required for achieving employment-intensive growth;

- The manner and extent to which the growth process be modified so that it facilitates a faster rate of growth of formal employment; and
- Implications for the transfer of labour from the agricultural to non-agricultural sectors, and for rural to urban migration?

## Poverty

Employment is closely linked with the issue of poverty, as the challenge posed by the ‘working poor’ is much larger than that posed by unemployment. Productive employment is probably the most important single route for achieving the eradication of poverty and inclusive growth. It is thus imperative to ensure clarity on all aspects of poverty including its measurement and identification, and papers were specially invited on these aspects.

## Planning the Indian Economy

It is unfashionable to be a Planner these days, and though the Planning Commission continues to produce Five-Year Plans, they no longer play the central role in development strategy that they did during the earlier years. Nevertheless, the recent economic and financial fluctuations in the country, and indeed in the world, remind us that too much reliance on markets is risky—they signify a good servant but a poor master, as Keynes put it. A longer-term, socially-oriented perspective is, therefore, needed that can only be provided by the State. Simultaneously, there are important lessons to be learnt from earlier efforts to plan the Indian economy, as also from its successes and failures. There is also good reason to revisit the role of planning in the current state of the Indian economy, for some of the critical problems being observed today result from the unbalanced investment and growth occurring over the past twenty years. Thus, scholars were invited to present papers for the symposium that would provide a critical perspective on planning over the last half century, besides exploring the possible role of planning in the future.