

Colloquium on EMERGING INDIA: ISSUES AND CONCERNS

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Colloquium on **Emerging India: Issue and Concerns** was held at Justice K S Hegde Institute of Management, at Nitte on 26th February 2007. Its focus was on the managerial and organisational issues involved in facilitating the emergence of the Indian economy as a globally competitive economy. Five experts from various fields were the key speakers, making significant contribution to its deliberations.

Dr .M S Moodithaya, Director, J K S H Institute of Management, set the tone for the deliberations by examining the growth prospects of the Indian economy, as the current rate of growth of GDP indicates. The economy has certainly travelled a long way from the days of Hindu rate of growth. It is expected to move into a stage of double-digit growth rate in the near future. But problems of adjustments and assimilation are likely to crop up, retarding the pace of development. While the growth engines originating from IT sector have promoted a vibrant and globally competitive Emergent India, the structural imbalances in the economy are contributing to the creation of a Dismal India. Numerically the latter segment is much bigger than the former. Bridging the yawning gap between the two is an imperative need at this stage of our growth. Equally important is the strategies required to be adopted for sustaining the anticipated growth rate

The major issues, which require immediate attention of the policy makers and all the players in the arena for reaping the benefits of globalisation, are:

1. Moulding the Economic Policies

2. Facilitating Industrial Expansion
3. Enhancing the Primary Sector's Contribution
4. Harnessing the Service Sector
5. Humanising the Developmental Process.

The key speakers made their presentations on these issues, drawing from empirical evidences and their own experiences in the related areas.

Moulding the Economic Policies:

Dr. M Govinda Rao, a member of the Economic Advisory Council to the Prime Minister of India, initiating the discussion on these issues, emphasised the need for a through review of the fiscal policy particularly from the present thinking of providing huge fiscal incentives for the promotion of Special Economic Zones. There is the danger of all the lucrative incentives offered in the SEZs being misused and the national exchequer losing heavily on account of tax concessions. Excessive land also is being acquired for the establishment of SEZs, causing concern about the displacement of many poor families.

Facilitating Industrial Expansion:

Dr. N D Desai, Chairman of Apar Industries Ltd, Mumbai explained that the expansion of the industrial sector is necessary to sustain the remarkable progress continuously being made by the service sector. In certain segments like manufacturing automobile parts, garments and pharmaceuticals, Indian products have gained worldwide acceptance. The growth however is not uniform in many other segments, which are facing hurdles, like power shortage or technological obselance. The policy framework needed to boost the performance of the Small and Medium

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Enterprises sector deserves special attention. Sri H R Alva, Industrial Consultant, Bangalore, who has managed big industrial unit in the public sector made a critical appraisal of the industrial scenario in India and the need for adopting some pro-active measures to enhance its capabilities. Development of infra structure facilities is the most crucial need for achieving faster industrial growth. Formulating a long-term policy for the optimum utilisation of all resources and developing entrepreneurial capabilities are the most important need of the hour.

Enhancing the Primary Sector's Contribution:

Dr N S Shetty, a former UNDP consultant, made a detailed analysis of domestic constraints and the export potentialities of Indian farming. Indian agriculture has been caricatured in traditional literature as a gamble in the monsoon. It is sad that even after the remarkable progress made in the first round of green revolution, it is witnessing near stagnation in growth. The road map for revival of agricultural sector requires its commercialization, through agribusiness to improve farm income. Instead of continuing it as a parking lot for the poor people, the rural sector should become a place for lucrative returns and ample employment opportunities.

Harnessing the Service Sector:

Sri. Ananthakrishna, chairman of one of the most progressive private sector banks, Karnataka Bank Ltd, Mangalore, dwelt at length on the issues relating to the harnessing of the financial sector. The service sector accounts for nearly 60 percent of the GDP in India. The development of the basic infrastructure facilities is of crucial importance in maintaining the growth rate of the economy. Banking sector is one of the prominent parts of the service sector. With the liberalisation of the financial

sector, the banking scenario in India is changing very fast. Financial inclusion is the latest objective. Micro finance is attracting even foreign financial institutions.

Humanising the Developmental Process:

Dr. N A Mujumdar, a renowned economist from the Bombay School of Economics, and the former Adviser, Reserve Bank of India, unveiled the human face of economic development. "Avoid mindless pursuit of market theology and initiate actions to ensure that the benefits of the accelerated growth rate of GDP, percolate down to the poor" he asserted. Economics is often criticized as a dismal science, which deals with money rather than welfare of human beings. The ultimate objective of economic development should be mitigation of the pangs of poverty and hunger, if not its total elimination. Care has to be taken to ensure that the benefits of rapid economic development percolate down to the poor reeling under the ubiquitous poverty line.

Sri V K Talithaya, who has managed the human resources of one of the big petrochemical complexes in this part of the country - Mangalore Refineries and Petro-chemicals Ltd- explained in detail the complexities of humanizing the developmental process. He suggested that at least 25 to 50 percent of the profits generated by a new industrial unit should be invested in its neighbourhood for rehabilitating the uprooted households. Improving labour efficiency has to be part of strategic plans for achieving higher industrial growth rate.

Concluding the deliberations, Dr N K Thingalaya, Professor-Emeritus, JKSH Institute of Management pointed out that the common thread running throughout the presentations was the need for ameliorating the living conditions of the poor. The 9 per cent GDP growth rate may not have any

relevance to a majority of them, unless the economic benefits trickle down to them. A marginal fall in the output of certain crops like onion is capable of igniting inflationary trends, leading to political commotion. Republic of Hunger is the name of a popular TV serial, which highlights the unequal distribution of food supplies in India, one of the biggest republic nations in the world.

The developmental strategies adopted to be globally competitive are not free from creating further economic disparities. Dislocation of people

for the promotion of Special Economic Zones, for example, has resulted in strong dissent from the land-deprived farmers, acquiring political overtones. The ruthless growth, which aggravates income inequalities, is not a desirable strategy. Land acquisitions for green field industrial development have raised major controversies, politically very sensitive. More problems like that of Singur and Nandigram are likely to become speed breakers. A practical solution in the form of a comprehensive policy has to be formulated for this problem.



Seen in the picture : Dr. N K Thingalaya summing up the deliberations of the Colloquium.

Others, sitting are: Prof. R K Chadaga, Sri. Ananthakrishna, Dr. N D Desai, Dr. M Govinda Rao, Dr. N A Mujumdar, Dr. M S Moodithaya, Sri. H R Alva, Sri. V K Talithaya, Dr. N S Shetty and Prof. Ramesh Karnik.