

National Seminar on 'Need for Inclusive Reforms: Varying Perspectives'. (21-23 August 2017)

Concept Note:

India introduced a set of economic reforms in 1991 in the midst of severe internal and external crisis in the affairs of the Indian economy. The economic reforms were mostly successful in stabilizing the macroeconomic fundamentals and paved a base for further reforms to accelerate the growth process for the long run benefit of the economy. Repealing socialist legacy laws and creating state capacity is widely argued as necessary to address market failures and to ensure a framework for a well-functioning and evolving market economy. Creating the legal and regulatory framework for a well-functioning market economy involves legislative, regulatory and administrative changes. The reform processes in the past 25 years invariably were directed towards such attempts and are being intensively attempted for creative destructions. In every aspect, there are fundamental differences between the legal and regulatory framework of a command and control economy (Socialist economy) and an evolving market economy. These reforms accelerated economic growth rate which enabled the government to enact some rights based legislations largely favouring the poor during the last ten years. It is argued the necessity of further reforms to get the increased benefits of previous reforms and strengthening our various regulatory bodies and institutions. So the agenda of the government for further reforms needs to be assessed considering the larger interest of our economy, polity and society.

India started moving towards a market economy but still we follow the old socialist and colonial texts for governing economic and political institutions. There are inconsistencies between the texts and context. Some economic laws were framed in the colonial period and some other laws in the zenith of socialist thinking. Almost all labour laws were framed before 1990 and how can this socialist and colonial legacy labour laws suit the evolving market economy? The institutions, governing and regulatory systems we framed on the 1950s, 1960s and 1970s need to be relooked in the changing situations.

But the nature, content and intensity of the economic, political and governing challenges have got much deeper and wider dimensions after the introduction of the New Economic Policy of 1991. Even though our institutions and systems are in the best form of governance to address and accommodate the interests of different sections of our society, many economic and social problems of India remain unresolved and this should prompt initiation of reforms and changes in the priorities of the governments. It is presumed that the democratic system would take care of the diverse interests of the large sections of our population and it is perceived that almost all political parties in last 25 years have a common agenda and consensus on economic reforms.

The consensus on reforms notwithstanding, there is also a view that many vital sectors including agricultural and allied activities, small scale and traditional industries, concerns of retail traders, accelerated environmental degradation and decelerated decline of poverty, inequality, starvation, 38 malnutrition and other vital health issues got back seats in the reform era. The economic and political agenda and policy decisions undermined the vital relevance of state intervention and accelerate the stepping back of the state from ensuring food security, public health and education, waste management and such basic amenities. T

he economic and political ideology of economic reforms is the message that private is good and public is bad, on that market forces are good, and state regulation is bad. The main themes of this paradigm which find a great resonance in the present India state and media are:

- The market always allocates resources where they are most needed;
- Private ownership always ensures incentives to maximize efficiency;
- Private management is intrinsically more efficient than public management;
- Public investment 'crowds out' private investment;
- People will pay for what they need and do not need what they cannot pay for;
- The state should police the effects of inequality but not deal with its causes; • Collective provisions and action are enemies of individual liberty;
- Competition is a sufficient defence against self-interest.

A little reflection would show that the liberal economic policy choices mentioned above are too far-reaching in their consequences, costs and implications, both for the immediate run wellbeing and quality of life of the Indian people as well as the long term future of India, to be justified only in terms of accelerated growth.

But the high rate of growth of GDP seems to be used for concealing the real status of the major problems such as poverty, unemployment, growing inequalities, farmers' suicide, ecological imbalances and the level and rate change of human and social welfare by creating the smokescreen of a 'national' achievement. Thus, in practice reforms mainly aimed at, and influence, the pattern of growth in a manner that advances the interests and agenda of the top echelons of private, mainly the rich. So this form of economic and political governances faces challenges and there are increasing aspirations for making economic reforms and growth process very inclusive.

This issue invites special attention especially in the context of federal form of governance (now widely used co-operative federalism and competitive federalism) with laudable autonomy of the state governments. The most interesting in the era of economic reforms is that the political parties with diverse and mutually opposing interests and constituents of electoral base seem to have agreed on the common agenda of unregulated and unidentified flow of factors of production and products. It was expected that the parliamentary democracy would mitigate the basic livelihood problems of dalits and adivasis, poor farmers and villagers, problems of the workers in the 39 unorganized sector, communities engaged in traditional economic activities and fisher men. But the problems remain unaddressed and seem to have worsened.

The entire issues stated above, therefore raises a series of questions:

- What are the strengths and weaknesses of economic reforms in ensuring all-encompassing development and pro-poor social engineering?
- Whether the parliamentary democracy is failing in genuinely addressing the undesirable social and economic developments in the era of economic reforms?

- Whether we are able to ensure an inclusive development through economic reforms?
- Will the present increased economic growth benefit out of demographic dividend?
- Whether the Judiciary should restrain from interfering the economic policies of the government describing it as policy matters?
- Whether our parliamentary democracy successful in mitigating the negative social developments caused due to economic reforms?.
- What is the relevance of legislations today in the context of economic reforms?
- What is the response of civil society in this regard?

A National seminar on 'Need for Inclusive Reforms: Varying Perspectives' was organised at IIAS during 21-23 August 2017. Dr. Arun Kumar, Associate Professor, Department of Commerce, Feroze Gandhi College, Raebareli was the Convener of the seminar. The welcome address was given by Professor Nirmal Sengupta, National Fellow, IIAS. Dr. Arun Kumar, Convener of the seminar gave introductory remarks. The Keynote address was given by Professor Nageshwar Rao, Vice Chancellor, Uttarakhand Open University, Haldwani. Professor Peeush Ranjan Agarwal, Professor, School of Management Studies, MNNIT, Allahabad gave presidential address.

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