

## THEME NOTE

### *Three Day (3 Day) National Seminar at the Indian Institute of Advanced Study (IIAS), Shimla from 20<sup>th</sup> to 22<sup>nd</sup> November 2023*

#### **Title: 75 Years of Indian Economy and Polity -Way forward in Amritkaal**

India has completed 75 years after independence and it seems to be the most appropriate time to look back to the very formative years of Indian economy and polity, its period of accelerating economic growth during reforms and looking forward to the next 25 years. A country with second largest population in the world, facing challenges of unparalleled in human history including issues related to partition, poverty and food scarcity, poor economic growth etc.

After Independence, we attempted to direct Indian economy and polity in the socialist path with public sector enjoying the commanding heights of the economy. Our political leadership was fascinated by the erst while Soviet Model of development and for that we instituted Planning Commission as the central agency to formulate, implement and evaluate India's five-year plan programs. We led Indian economy into the socialist path by setting up Iron and Steel factories in different parts of India and that too with foreign funds and technical assistance. It seems to be most timely to remind that we started TISCO in Bengal in 1906 exactly 50 years back with funds mobilized within India and that too within a couple of weeks. Here, a question arises that what we were missing after Independence to rediscover our own ideals and genuineness.

The game changing policy interventions after Independence includes many and among them a few need mentioning here mainly because these were not part of any five-year plan of India. They include New Agricultural Strategy (Green Revolution), Bank nationalization of 1969 and 1980 and White Revolution. There still remain some critical issues to be discussed on the varying aspects of green revolution and bank nationalization. However, the people having bank accounts in 2014 was below 40 percent even after 45 years of bank nationalization claiming that bank nationalization was an attempt to reach the poor and needy living in rural areas, hilly areas and tribal areas etc. Intensifying and deepening socialism were another dimension in 1970s even though might be for political reasons need to be assessed and debated.

During the period of 1950-1980 we were having an average growth rate of only 3.5 percent. Experiencing from this low growth rate, the government of India made a few attempts to liberalize Indian economy and industrial activities. However, Indian economy made a U turn in its policy approach in the 1990s. The political party which led India to socialist path in the 1950s was making another attempt to direct the Indian economy and polity to market driven path without much deliberations and debates at the national level. we enacted some laws having huge fiscal implications to the government such as Right to Employment, Right to Education and Right to Food favouring poor. These items were in the Directive Principles of State Policy (DPSP) and now we brought to the fundamental rights through such legislations. Such enactments were empowered by the high growth rate in the post reform period which resulted in enhanced revenue resources. High economic growth rate in the post reform periods provides more revenue to the government. Repealing socialist legacy laws and creating state capacity is a must to address market failures and to ensure a framework for a well-functioning market economy. Creating the legal and regulatory framework for a well-functioning market economy involves legislative, regulatory and administrative changes. 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. At the end of the UPA II, the economic growth came down even below 5 per cent, India was experiencing policy paralysis and investments were going out of India. Investors, traders and the business community in general to feel well and to instill a sense of confidence in them, there must be policy stability, certainty, consistency, continuity and predictability in the approach of the government and its policy ranging from fiscal, tax, industry, power, FDI and so on.

Indian economy and polity have been experiencing a unique policy approach after 2014. India becomes the fastest growing large economy in the world under the NDA Government. It has been a historic year for the Indian Economy. From a period of low growth, high inflation and shrinking production, the NDA Government has not only strengthened our macro-economic fundamentals, but has also propelled the economy to a higher growth trajectory. India's GDP Growth rocketed to 7.4%, which is the fastest among all the large economies of the world. Various rating agencies and think tanks have predicted that India's growth would accelerate sharply in the next few years under the NDA Government. The major policy attempts include ushering in unprecedented transparency, leveraging the power of JAM: Jan Dhan, Aadhar and Mobile, unleashing India's entrepreneurial energy, Namami Gange, connecting India like never before etc.

## **Agenda for Amrit Kaal Embraces all?**

“Our vision for the Amrit Kaal includes technology-driven and knowledge-based economy with strong public finances, and a robust financial sector. To achieve this, Jan Bhagidari through Sabka Saath Sabka Prayas is essential” Union Budget for 2023-2024. The Amrit Kaal envisages economic empowerment of women, inclusive development, reaching the last mile, infrastructure and investment , unleashing the potential, green growth, youth power and increased focus on financial sector and an economic agenda for achieving this vision focuses on three things: first, facilitating ample opportunities for citizens, especially the youth, to fulfil their aspirations; second, providing strong impetus to growth and job creation; and third, strengthening macro-economic stability.

Three-day national seminar on the above theme and priorities attempting to raise the following issues:

1. Had the centrally biased plan formulation and implementation by Union Planning Commission accommodated regionally diverse aspirations of its people?
2. Could we keep up and translate into action that the ideals, values and vision of what inspired India’s freedom struggle in the post-independence economic planning, industrialization and economic development?
3. Where did we go wrong in the post-independent economic development?
4. What were failing us after independence to rebuild India with our own creativity and originality?
5. Why did we fail in achieving financial inclusion even after 45 years of bank nationalization?
6. Amrit Kaal and Aatmanirbhar Bharat will make India hunger free and corruption free and transparency in governance?
7. Need for building new regulatory framework in higher education to meet the challenges of the 21<sup>st</sup> century in the context of National Education Policy 2020 and subsequent policy guidelines of the UGC
8. Economic development and challenges on our environment with very specific policy interventions.

\*\*\*