

An Introduction to the Volume

The Australia South Asia Research Centre (henceforth ASARC) was established in 1994 in one of the premier universities of the world — The Australian National University. ASARC was inaugurated by His Excellency Dr K R Narayanan, then Vice President of India and was given the broad mandate of pursuing research into the economics and politics of the South Asia region taking into account Australia's national interests, and the dynamics of economic cooperation and interaction in the Asia–Pacific and Indian Ocean regions.

Whereas such research would be pursued by the faculty and graduate students associated with the centre, ASARC needed a public forum with a truly global reach, to involve the best minds working on the problem of economic development in India as well as to honour its founder, Dr K R Narayanan. The K R Narayanan Oration (henceforth the Oration) series was conceived in response to these twin needs.

The first Oration was held in 1994 and the tenth in 2006. ASARC has decided to collect the texts of these ten lectures in a commemorative volume as a mark of its contribution to the debate on the nascent process of economic reforms in India. This volume contains reflections on several dimensions of this process by eminent economists and policymakers. The topics covered include broad perspectives on tax reforms, India's space program and its role in economic development, prospects for the Indian economy, democratisation of India's reforms, the transformation of India's monetary policy regime from one of excessive control to one guided by market principles, political economy issues, the recent acceleration in India's growth rate and the role of science in shaping India's agricultural future.

These topics cover a very wide canvas and the orators themselves are not just among the leading experts in their respective fields, but have contributed significantly to policymaking in India in general and the reforms in particular and are also household names in India. This has led to widespread recognition of the Narayanan Oration series as one of the very best 'India' oration series anywhere in the world.

This overview of the lectures is organized around five broad themes that the oration has pursued rather than chronologically. I first consider contributions in the economics area by four orators who have played important roles in the formulation of India's economic reforms program. I then consider other contributions in the economics area, the political economy of India's development and two other scientific areas closely related to India's economic development — science and food security and space research. I now briefly discuss the orations organized around these themes.

Although the current phase of India's economic reforms program began in earnest in 1991 when the current Prime Minister, Dr Manmohan Singh, was Minister of Finance, background work for the reforms program had begun earlier, in particular during the period when Mr Rajiv Gandhi was India's Prime Minister. Under his visionary leadership a significant amount of preparatory work for the reforms program was done. Four of the most significant contributors to this work, as well as outstanding articulators of the reforms program, have since delivered the Narayanan Oration. Thus Dr Raja Chelliah, one of the leading experts on public finance and chair of an important government committee constituted by Mr Gandhi to institute tax reforms in India, delivered the first Oration in 1994. Dr Chelliah gave a lucid account of the tax reforms that had taken place in India and laid down a roadmap for subsequent reform. Various governments since then have broadly followed the Chelliah Committee's recommendations in respect of tax reforms. This has not only led to a degree of fiscal consolidation, but also a more harmonised tax structure and an improved revenue performance, among several other benefits.

Professor Jagdish Bhagwati had been a staunch advocate of pro-market reform even in the 1960s when most economists in India were inclined to favour central planning. When Manmohan Singh's reforms were initiated in 1991, Bhagwati (along with T.N. Srinivasan) provided a robust intellectual backdrop and a roadmap for these reforms. In the 1996 Oration Bhagwati gave a succinct account of the reforms program India had embarked upon and the tasks that lay ahead. Although the reforms program had yielded some dividends much remained to be done, he argued.

The 1999 Oration was delivered by Mr P. Chidambaram who, as Minister in Rajiv Gandhi's cabinet and in several subsequent cabinets, had a ringside view and an important direct role in the reforms program. Mr Chidambaram made important contributions to India's tariff reforms program (as Minister of Commerce) as well as to tax and expenditure policies (as Finance Minister, which he is now as well) and to administrative reforms (as Minister of Personnel Affairs). In his oration Mr Chidambaram emphasized the needs for democratisation of the Indian reforms program since, in a democratic country such as India, political support was essential for the success of any reforms program.

Another major policy initiative during Rajiv Gandhi's tenure as Prime Minister was the constitution of a committee to advise on the transition to a monetary policy regime characterised by market-based instruments with the Reserve Bank of India (India's central bank) progressively becoming more independent of the Ministry of Finance. Some of the most significant steps in this direction were begun when Dr C. Rangarajan was Deputy Governor and then Governor of the Reserve Bank of India. Among his many lasting contributions to monetary policy-making in India are the breaking of the, till then, automatic link between

central government deficits and changes in the money supply, the devising of several market-based instruments as well as designing an appropriate monetary policy response to the balance of payments crisis in the early 1990s. In his 2001 Narayanan Oration Dr Rangarajan gave a lucid account of monetary policy reforms in India and the tasks that lay ahead.

The 2004 Narayanan Oration was delivered by Dr Vijay Kelkar who, as a distinguished economist and policymaker, has contributed much to sustaining the economic reforms program. For instance he chaired a recent influential tax reforms committee and worked as Minister of State in the Ministry of Finance until 2004. Dr Kelkar's oration sought to underscore the strengths that the Indian economy has been amassing since the reforms program began as well as the supply side dividends that are expected to last for at least a couple of decades. He emphasized that the role of deep reforms in a number of areas including foreign trade, taxation, financial markets and policy, investment and budgetary consolidation along with important supply side changes such as India's demographic dividend have placed the economy on a path of sustainable higher growth which could well accelerate in the future.

In the 2002 Narayanan Oration Lord Meghnad Desai gave a vivid account of the political dimensions of economic reforms in India. The pro-reform political space in India is small and political parties in opposition have sometimes taken a populist or anti-reforms stance whereas the same political parties may have been pro-reform when in power. Lord Desai pointed out the significance of timing in the reforms strategy and argued that political consensus in favour of reforms needs to be consolidated rapidly in order to ensure that rapid growth is sustained and fruits of reforms percolate to the poor. He argued that only the formation of a German style grand coalition between the Congress and the Bharatiya Janata Party could deliver this.

In his 2003 Oration Professor Pranab Bardhan argued that democracy in India had empowered many marginal groups and had made them assertive partners in the decision-making process. In this transition, however, several disjunctures have appeared. In particular the state has, at the margin, been abdicating its responsibilities in relation to the provision of many basic services like quality education. Addressing these junctures should be a matter of the highest priority for Indian policymakers because in the absence of such efforts it would be difficult to sustain any program of economic reforms. Consequently any reduction in poverty and/or inequality that would attend these reforms would also be hard to achieve.

Apart from these contributions on the economics and political economy aspects of India's economic development the Narayanan Oration has featured the highest quality speakers in two areas intimately linked to sustaining rapid

economic growth — science and food security and space research. In the 2005 Oration the distinguished agricultural scientist Dr M.S. Swaminathan, often known as the father of the Indian Green Revolution, presented an overview of the many difficulties on the food security front that India had successfully faced. He also outlined the emerging challenges in regard to food security as well as to making agricultural growth sustainable with respect to, among other factors, its impact on the environment. Dr Swaminathan outlined the contours of a policy of an evergreen revolution and sketched the implications of this policy for the Indian government as well as global arrangements and agreements.

In the 1995 Oration Professor U R Rao, one of India's foremost space scientists who was then a member of the Space Commission of India gave an account of the role that space research had already played in India's economic development. Indeed applications of space research had revolutionised many critical areas of infrastructure such as weather forecasting, satellite communication and imaging, food security, distance education and the like. Solutions to the ever growing and changing problems faced by Indians, indeed the entire humankind, could not be sought in resources available on earth alone. In fact it was more economical and efficient to address many of these problems by harnessing space research.

In the 2006 Oration Dr K. Kasturirangan, another of India's top space scientists, traced the growth of India's space program over the past forty-five years and argued that this program has distinguished itself through its focus on societal applications of advanced technology, unbroken chain of innovations in the organization of a multidisciplinary venture of high risk nature, and accomplishments of multidimensional character engaging industry, academia and international bodies. The program successfully met the myriads of challenges emanating from difficulties in the creation of scientific organizational culture in a bureaucratic set up; from forging linkages between creators and users of technologies to coping with geopolitical vicissitudes of technology denials; and from sustaining confidence of multi-party democratic political systems to maintaining a conscious drive for cost efficiency, autonomy and the ethic of social responsibility. Dr Kasturirangan also outlined a conceptual model as to how space achievements of India could be shared with neighboring countries.

This collection of the Narayanan Orations is thus at once both an expert account of key aspects of the economic development process in India and a peek into India's potential in the future. As such, the publication of these essays marks a watershed in the intellectual debate on India's economic reforms program and should be welcomed by all those interested in the economic development of India.

Apart from the orators themselves a number of individuals have contributed to the success of the Narayanan Oration series. Dr K R Narayanan sent messages

of introduction for the 1994, 1995, 1996, 1999 and 2001 orations and remained a supporter of the oration almost until his passing away in November 2005. Dr Narayanan was Vice President of India during the 1994, 1995, and 1996 orations and President during the 1999 and 2001 orations. His successor as President of India, His Excellency Dr A.P.J. Abdul Kalam, sent kind messages for the 2002, 2004, 2005 and 2006 orations. These messages are printed along with the respective accompanying orations. ASARC is honoured to have the high office of the President of India continue to be associated with the oration.

We are much obliged to the Australia–India Council (AIC) for its consistent and unflinching financial support for this oration. Members of AIC have participated generously and enthusiastically in the oration series and, additionally, AIC has financially supported the publication of this commemorative volume.

We are also grateful to our other funding agencies over the years: Australian Bureau of Statistics (ABS) (2001), Network Economics Consulting Group (NECG now CRA International) (2001–2003), ANU’s National Institute for Asia & the Pacific (2004), National Institute of Economics & Business (2003–2005) and the Research School of Pacific & Asian Studies (2004 & 2006), as well as the Australian Centre for International Agricultural Research (ACIAR) (2005).

In Canberra the office of the High Commissioner of India has been very helpful in organising the oration. The High Commissioner of India has traditionally read out the message sent by Dr Narayanan to the oration, when he was, first, Vice President and, subsequently, President of India. Since 2002 the Indian High Commissioner has read out the message sent to the oration by the current President of India — Dr A.P.J. Abdul Kalam. We are grateful to Their Excellencies Mr A.M. Khaleeli (1994), Mr G.S. Parthasarathy (1995 & 1996), Mrs Jordana Pavel (Acting 1999), Mr R.S. Rathore (2001–2003) and Mr P.P. Shukla (2004–2006) for reading out these messages.

I would like to thank the previous organizers of the Narayanan Oration, particularly Richard Shand, Kaliappa Kalirajan and Prema-chandra Athukorala, for initiating and sustaining this lecture series in its early years. The oration series in its present form builds upon their hard work.

Over the years a number of ASARC administrators have organized the details of the oration and helped ensure that each oration was a success. Carolyn Sweeney managed the 1994, 1995, 1996, 1999 orations whereas Hilda Heidemanns, Loan Dao-Czewowski and Bonny Allen were associated with the 2001 oration. ASARC is grateful to all of them for their contributions. Stephanie Hancock has worked tirelessly and efficiently in organizing the minutest detail of each of the last five Narayanan Orations. She has also helped the editing and publication of this volume. I would like to thank her for these efforts.

The First Ten K R Narayanan Orations

At ANU E Press Vic Elliott and Lorena Kanellopoulos have been supportive throughout and have seen the book through from conception to final product with efficiency and good humor. My thanks to them and the other staff at ANU E Press involved in the production, storage and distribution of this book.

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