

Economic Development

Speech of His Excellency Shri Murlidhar C. Bhandare, the Governor of Orissa on the Occasion of the Inauguration of Seminar on "Economic Development" Organised by the Institute of Economic Studies, New Delhi at India Habitat Centre, Lodhi Road, New Delhi on 16.10.2007

It is indeed a great pleasure and privilege for me to be amidst a host of intellectuals and economic experts at the inauguration of this seminar on "Economic Development" organized by the Institute of Economic Studies. I am given to understand that this Institute which has been promoting economic studies, and research besides awareness generation has a high profile Board of Management consisting of eminent personalities and it also has members through out the country. Today's seminar is being organized as part of its activities to deliberate on the theme, "economic development." I find the theme as a very relevant one from the country's point of view in present times but the sphere of economic development is so vast that it will be not be easy to touch on every aspect within this short time. Before I deliver my address let me be humble in expressing my gratitude and thanks to the Institute of Economic Studies for bestowing on me with the prestigious "Manav Seva Puraskar" which I understand has been conferred on several outstanding personalities in the past. I am proud to be one among the elite recipients of this award. At this time, I can assure that I shall continue to contribute to the best of my ability in the field of humanity and the downtrodden. As the Governor of Orissa, I have been entrusted the added responsibility to wipe out the tag on Orissa as one among poorest states in the country and we must be knowing that culturally rich Orissa is now on a fast track to achieve progress and prosperity in the wake of massive industrialization in the state.

Today the country's fast pace of economic growth has drawn the attention of the countries world over. In a span of 15 years, more precisely the beginning of era of globalisation and liberalization in 1991, the rate of progress has improved considerably. As a result the country transformed from an under developed economy based on agriculture to a growing market based on knowledge and services and industry driven economy. In the process the country progressed in the path of development and managed to remove poverty to some extent. It is seen that real GDP growth rate has averaged at 8.6% over last three years and it may even touch the 9% mark in next decade. The wave of globalisation and liberalization led to an industry driven economy and the boom witnessed in industrial sector took the country to greater heights where it has carved a niche for itself in developing world class capabilities in sectors like

information technology, biotechnology, pharmaceuticals, etc. This development has made the country as one of the most attractive destination for investment.

The extraordinary economic development did not come suddenly, rather it is the result of the reform era began with the introduction of liberalization policy in 1991, which was continued and practiced by successive governments irrespective of political affiliation. This shows the commitment and confidence on the part of the Government on the benefits of the reforms process.

It is not a mean achievement to get ourselves out from the state of chronic under development to the present state of development. When the country was under the British rule, it hardly experienced economic growth by any means. But with the implementation of Five Year Plans soon after independence, the rate of progress started becoming visible. It is true the country achieved remarkable progress and success in several fields but the rate of development failed to commensurate with the rapid rise in population. The pattern of socialist vision dominated economy continued till 1980s. But with the spread of education sizable number of population was covered under literacy. By 1990, the country achieved over 50% literacy rate, which helps wheel of progress moving at a faster pace in later period.

Then came the glorious period in 1990s with the unfolding of a new chapter in the economic development of the country. The early part of 1990 provided the country a bigger launching pad for big leap into the extraordinary progress. Between 1990-2000 GDP growth gained momentum and between 2000-06 it shot to over 8% annually. The pace of growth seen in India's overall economy is moving so fast that it is expected to match that of any other leading countries in the world in couple of years. India's economic boom resulted due to a solid foundation laid through long-term planning and it is indeed a positive sign to sustain and further accelerate the socio-economic progress.

What is more important is that the benefits of growth are now trickling down resulting in lifting the country's per capita income. Can you imagine the stupendous rise in the sale of automobiles, motorbikes, cell phones and other luxurious items during last few years. This is made possible due to improvement in economy. The rise in sale is always welcome to strengthen our economy, but simultaneously I have a concern that in the run for achieving further growth and the desire to become an economic superpower in the world we might forget the section of our population who are yet to be benefited

from the country's progress since independence. Besides this, it is to be ensured that the large workforce of the country gets proper employment to earn their livelihood.

Another important aspect to ensure rapid economic growth is to invest substantially on the development of infrastructure. The present day buzzword of public-private-partnership is becoming crucial to infrastructure development. Besides this, air, rail and road connectivity have to be improved to get more benefits of economic development.

Education and healthcare are major indicators of socio-economic development. The country needs better educated and healthier workforce not only to improve their personal life but to play vital role in strengthening the economy. For this we have to make sincere efforts to strengthen primary education particularly in rural and remote areas and also strengthen the public healthcare structure, which is handicapped due to shortage of doctors and paramedical staff. Investment towards rural transformation, which is a priority sector for the Government, could result in a considerable rise in terms of economic growth and equity.

With the rapid progress in last few years, the day is not far of when the country will become a leading economic superpower in the world. The test of economic growth must be more concrete – happiness of the common man measured in terms of primary needs – employment, food, cloth, education and other necessities of life. Only when everyone has been assured at least of the minimum conditions of civilized existence and wide disparities in the distribution of national income and wealth have been progressively narrowed will we be able to say that we have achieved economic development with social justice.

Once again I thank the organizers of the seminar for honouring me with the award and for giving me opportunity to share my views and suggestions on economic development.

Jai Hind.