

Seminar on
Industrial Development and Economic Policy Issues

Organised in
Honour of Professor S.K. Goyal

June 27–28, 2008

Inaugural Speech by
Hon`ble Shri I.K. Gujral
Former Prime Minister of India

Professor Arjun Sengupta, Chairman, ISID, Professor Surinder Kumar Goyal, Vice-Chairman, and Professor S.R. Hashim, Director, ISID and Distinguished Guests.

It gives me great pleasure to be here amongst you in this sprawling and beautiful campus to Inaugurate the Seminar on “Industrial Development and Economic Policy Issues” organised in Honour of Professor Surinder Kumar Goyal. Professor Goyal the founder Director and Vice-Chairman of the Institute has been one of the foremost economic policy analysts of his time. His work and career have been informed with social purpose. The Institute that we see today is the results of his life time effort and his indomitable spirit. This Seminar is a fitting tribute to Professor Goyal

The Institute has been established as a specialised centre for policy studies relating to corporate and industrial sectors, the inspiration for which was rooted in the work of Corporate Study Group led by Professor S.K. Goyal at IIPA. A number of senior academics, administrators and public men of high standing leading among them being the former Prime Minister late Shri Chandra Shekhar, contributed to its growth. I am indeed happy that the ISID, after overcoming many a teething trouble, is on its way to play its assigned role among the leading think tanks researching on a wide range of issues such as corporate sector development, monopolies, crony capitalism, international movement of capital, Indian lead industries, small enterprises, urban development, employment and globalization..

There is widespread realisation that globalisation is not a win-win situation for one and all. Probably it cannot be a one-way street for all times to come and in all situations. It opens up opportunities for some and severely hurts the interests of others who are not equipped to face the new environment. The latter could be individuals in a nation or whole nations themselves. No wonder, within a short time, strident voices have been raised to give primacy to development in the WTO agenda. National policy makers cannot afford to ignore this harsh reality which if left unaddressed can cause distortions of catastrophic magnitude. Development is a complex and dynamic process. It cannot be dictated but can only be directed to achieve the desired goals. Nor is there a unique path to achieve those goals. Nations should learn to carve their own path within the broad multilateral framework by continuously seeking ways to minimise the risks and maximise the benefits.

There is no denying the fact that we need to learn from others’ experiences and adapt the same to our own specific conditions instead of blindly transplanting borrowed ideas. In this, local researchers have a definite edge over external advisers and analysts. This does not mean that external advice is always inappropriate and ill-informed. In fact, at times, outsiders can take a more dispassionate view of things. But more often than not it suffers from inadequate exposure to other countries’ social, political and economic conditions. It needs to be underlined that even international bodies are learning from their exposure to developing countries.

All over the developing world capacity building efforts are being made to enable nations to cope up with the pressures of globalisation. In this process, think tanks have a sacred role to inquire, inform and influence policy-making that is in the best interests of national development. I am happy to know that the Indian Council of Social Science Research (ICSSR) is doing a commendable job by promoting a set of national centres of excellence in social sciences in the public domain, of which ISID is a constituent.

The need for independent think tanks to supplement the efforts of the administrators and policy makers in analysing issues and to enlighten the people at large, especially in countries which are undergoing rapid transition in all spheres of life, cannot be overemphasised. I underline the attribute “independent” because otherwise there is a danger of falling prey to partisan interests. Such a risk is more likely when dealing with economic issues. Considerable damage could be done by domestic “ivory tower” researchers and those who come under the influence of interest groups. A wrong policy prescription may result in loss of billions and hurt the interests of millions. When private interests sponsor studies at research establishments the results can be used either to assess a given situation for the sponsors or to impress upon the public authorities about the desirability of extending support to them -- in other words as tools of “legitimised lobbying”. It is the latter that one should be wary about. I am gratified that ISID has, from the beginning, strived to steer clear of funding of any form from sources which could compromise its independence.

In this complex globalized environment, the demands on governments as also on the think tanks are increasing. There never was a time when one needed to know about the day-to-day happenings in so many countries of the world. Compared to the present situation, earlier international trade was a simple affair of demand and supply on the one hand and rules and procedures on the other. International negotiations follow a time-table which means within the given time you have to analyse the available information and come out with the best possible strategy in the given circumstances. Such an analysis is not always possible within the government. It is a welcome sign that research institutes are being increasingly involved in extending support to various ministries in India. We need to broaden and intensify this interaction. This relationship should be used to make the research centres self-reliant without being dependent on partisan interests of any kind for their survival.

Institutions need to follow a two-pronged approach. One, acquire specialisation in some core areas and two, join hands with others having expertise in allied subjects, if necessary by networking with local and foreign institutions. The institutes should focus on two types of research – one, evaluative and that addresses to immediate policy concerns and two, proactive and futuristic.

An institution is known by the faculty it acquires and nurtures. I understand that in the new environment, research institutes are finding it difficult to attract and retain talent. We need to improve service conditions on the one hand and involve the institutes more and more in policy formulation and evaluation so that careers in research become remunerative, command societal respect and offer real life challenges and thereby greater job satisfaction.

I am glad, the Institute has decided to commemorate Professor Goyal’s contribution to research and institution building by way of holding a two-day Seminar during June 27–28, 2008. The various sessions planned for this Two-Day Seminar broadly cover different aspects of economic policies and the themes of the Seminar are very appropriate and topical. I am sure that the Seminar would address number of issues of Industrial Development and Economic Policy. I wish the Seminar a great success. With these words, I have great pleasure in inaugurating the Seminar.

I also wish the ISID shall have all round development in the coming years under the guidance of the Board of Governors led by Professor Arjun Sengupta, Chairman, Professor S.K. Goyal, Vice-Chairman and Professor S.R. Hashim, Director.

Thank you