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BODY:

WHILE PRESENTING the Union Budget for 2000-01, the Finance Minister, Mr. Yashwant Sinha, said, "I propose to put India on a sustained, equitable and job creating growth path of 7 to 8 per cent a year to banish the scourge of poverty from our land within a decade. The next 10 years will be **India's decade of development.**" We concur that India has a chance for a tremendous breakthrough in economic development during this decade. The political system is more than ever in consensus about the basic direction of reforms. The current Government enjoys a strong electoral mandate. A decade of opening of the economy has produced new dynamism, most dramatically in the information technology (IT) sector but in others as well. The world is waking up to India's crucial role as the largest democracy and as a dynamic economy, if still a low-income one on average. The new technologies (especially IT and biotechnology) give new opportunities for economic and social development.

All of these positive realities suggest that the Prime Minister should announce specific national goals of development. These will help to galvanise public opinion in support of the objectives of development, provide a gauge against which to judge the progress of policies, and help the world community to appreciate the efforts under way, and support them through increased foreign investment. The goals would be akin to the "New Deal" announced in the 1930s in the United States: a rallying cry for the public, and a political base for the reforms.

In this regard, we suggest at least two broad goals that the government of India may like to set for itself: First, by the year 2010, the per capita income of India would be doubled. Income doubling within a decade requires annual growth in per capita income of 7 per cent. Second, by 2010, there would be universalisation of education until Class VIII, with a special effort for girls and disadvantaged groups. Additional targets could well be set regarding health conditions and access to basic services, such as sanitation, clean water, power, and so on, particularly in rural India.

With regard to education, the U. S. President, Mr. Bill Clinton, announced national goals along these lines in his State of The Union Address on January 27, 2000. Since the U.S. is often portrayed as a free-market society with very limited Government in the domestic sphere, it might be supposed that the Government would shy away from specific domestic goals as smacking too much of "central planning". To the contrary, the President's speech offers a big vision of American society in the 21st century. The address is filled with goals relating to education, public health, commitments to eliminate child poverty, widespread use of the Internet, more resources for science and technology, and disease control, and so on. It sets broad goals, and explains how they can be met. In many places, it literally calls on the individual States to meet certain performance standards as in education, reflecting the fact that the U.S. like India has a federal structure in which the Central Government may set goals, while the implementation rests mainly with the states.

In the Indian context, comparably bold but achievable goals should be enunciated. India too needs a revolution in education, aimed - finally - at literacy for all, and a high-level of school attendance for all children in its vast and differentiated society. And as Mr. Clinton enunciated

goals in health, technology, economics and other areas, so too are comparable goals necessary, and achievable, in the Indian context. To make the first decade of the 21st century a true "decade of development" will require a broad-based programme of economic and social actions. These actions will have to be broad-based, requiring new approaches and legislative reforms in many areas of public policy. We summarise ten main areas of reform as follows:

(1) Universal literacy, based on national goals, backed by coordinated actions of the Central and State Governments. Universal literacy could be achieved through creative mobilisation of new IT approaches, better school attendance, and other policies, all with a clear focus on inclusion of girls and other traditionally disadvantaged groups. The economic and social returns from such an initiative would be huge.

(2) Aggressive public health campaign to address major infectious diseases (pneumonia, diarrheal diseases, malaria) and especially the incipient AIDS epidemic, which now threatens India.

(3) Enhanced family planning policies, to limit the growth of India's population to below current projection (e.g. the U.N. forecast of 1.5 billion population by 2050).

(4) Completion of economic reform agenda. There are several remaining priorities of economic reform, including, reduction of fiscal deficits, export promotion and improved infrastructure.

(5) Political decentralisation. Efficiency and dynamism will require the transfer of more power to States and local governments, and more democratisation at the local level. Dynamic metropolitan areas (built around major cities) will constitute the main engines of growth for India in the coming decades. These urban areas will need taxation and regulatory powers to be effective in supporting the business and social environment.

(6) Enhanced global role for India. India should assert a greater leadership role in various venues, including the G-20, future international summits between developed and developing countries, the International Monetary Fund, World Bank, World Trade Organisation, and the World Health Organisation. Being the world's largest democracy, and a leader of the interests of developing nations, it is essential that India play a significant role in the functioning of, and deliberations at, these international organisations.

(7) Commitment to IT backbone. India should sponsor programmes and reforms to encourage universal telephony and Internet access in all villages in India, as part of the national campaigns in literacy, health, and economic development. Physical infrastructure for data transmission within India (e.g. optic fibre cables) remains underdeveloped despite some recent progress.

(8) Strengthening of economic, cultural, financial, investment, scientific ties with overseas Indian communities. The Indian diaspora, in the U.S., Europe, Africa, and Asia, constitutes a vital economic and cultural treasure for India. Non-resident Indians can play a critical role in trade, finance, technology transfer, business competition, and culture. The NRIs from the Silicon Valley, for example, should be mobilised to help India reap the enormous benefits of the on-going IT revolution.

(9) Strengthening science and technology in India's development Policies. India can become one of the centres for global science. This is especially important since India faces a range of challenges (in health, environment, agriculture, and power) where the technologies of the U.S., Europe, and Japan, are not appropriate, at least not without further R&D. The Government of India should therefore sponsor high-level science councils, pay greater attention to University-industry links in technology, and provide much greater funding for science institutes in public health, environment, and agriculture.

(10) Major commitment to higher education. India's universities should serve as a core to a knowledge-based development strategy. The IITs are already world class, and must be nurtured further. A dynamic university sector, built on private and public institutions, and

much deeper links with U.S., European, and Asian universities outside of India should be fostered. With regard to the international linkages, there can be encouragement of partnership programmes between Indian and foreign universities, as well as student and faculty exchanges, and use of IT for distance learning. Also, the Government should foster closer university- business relations, and should create tax incentives for charitable contributions.

(The writers are respectively, Director of the India Program at the Center for International Development (CID), Harvard University, and the Director of CID and Galen L. Stone Professor of International Trade at Harvard University.)

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