



DEPARTMENT OF ECONOMICS  
MOHANLAL SUKHADIA UNIVERSITY  
UDAIPUR (RAJ.)

REPORT  
OF  
97<sup>TH</sup> ANNUAL CONFERENCE OF THE INDIAN ECONOMIC  
ASSOCIATION  
HELD ON  
DECEMBER 27-29, 2014

# 97TH ANNUAL CONFERENCE OF THE INDIAN ECONOMIC ASSOCIATION

(December 27-29, 2014)

## A BRIEF REPORT

The 97th Annual Conference of the Indian Economic Association was held under the auspices of the

Department of Economics, Mohanlal Sukhadia University, Udaipur, Rajasthan, on 27-29 December,

2014. The main themes of the conference were:

1. Corruption and Black Economy
2. Sustainable Roots out of Poverty—Past Experiences and Future Challenges
3. Emerging Trends in Trade and Capital Flows
4. Challenges for Transforming the Informal Economy in India

**The inaugural session** of the 97th Annual Conference of the IEA started with the welcome address by Prof. I.V. Trivedi, Vice Chancellor, Mohanlal Sukhadia University, Udaipur, Rajasthan. Prof. Trivedi welcomed the Chief Guest Dr. Raghuram Rajan, Governor, Reserve Bank of India.; Prof. Sukhadeo Thorat, Association President, IEA & Chairman, ICSSR; Conference President of IEA, Dr. Y.V. Reddy, Chairman, 14th Finance Commission & Former Governor, Reserve Bank of India; Former Presidents of IEA; Dr. Anil Kumar Thakur, Secretary and Treasurer, IEA; Joint Secretaries; Executive Committee Members; delegates and other guests.



**Dr. Anil Kumar Thakur**, Hon'y Secretary and Treasurer, presented the achievements of the IEA and its efforts in the generation of ideas for the policy formulations and research for the betterment of the society and the country. Dr. Thakur thanked Prof. Arun Prabha Choudhary, Organising Secretary and Head, Department of Economics and Vice-Chancellor, Mohanlal Sukhadia University and its management for organising this event.

**Prof. Sukhadeo Thorat**, President, IEA and Chairman, ICSSR, welcomed the Chief Guest and the Conference President and delegates on behalf of the IEA. Prof. Thorat presented a holistic view of the working of the IEA in the academic field. Prof. Thorat elaborated the relevance of the themes of the conference, special invited guest lectures from the luminary economists and policy makers of the country as well as the Panel Discussions.



The *Presidential Address* was delivered by **Dr. Y.V. Reddy** titled, “A Tale of two Commissions and Missing Links”, discussing about the Planning and the Finance Commission’s role in India. He narrated first about their origins and Speaking next of the linkages between the two commissions, Dr. Reddy said there is an existing overlap in the functioning of the Finance and Planning Commissions, mainly in regard to the fiscal space made available to Union and States respectively, and in regard to the grants-in-aid to States through the recommendations of both and consequently, a member of Planning Commission has invariably been appointed as a part-time member of Finance Commission. There were reservations about the appropriateness of the design of the Planning Commission since inception. There was also dissatisfaction with the outcomes. Prime Minister Modi announced the decision to wind up the Planning Commission in August, 2014. There may be new institutional arrangements to perform some functions, but the demise of the institution of

Planning Commission was pronounced. of future, Dr. Reddy said that the design of new institutions should ensure that they have the skills and capacities to capture the new realities .

**Dr. Raghuram Rajan**, Governor, Reserve Bank of India, delivered the *Inaugural Address* on the topic “Economic Arguments” focussing on the aspect that in a democracy, policy develops through argument and that we take pride in the argumentative Indian. He said that arguments are most useful if they are informed by evidence as presently, according to him, too much of our public discourse consists of a lot of heat and very little light. Further, he said that we also need to understand the theory before we look for evidence, which he elaborated by giving the example of mandate of the RBI for free ATM usage and how it is generally perceived to be. The kind of research which he finds most persuasive is the one that is immediate and relevant and is based upon comparative experience and on randomized control trials. Dr. Rajan explained these ideas of research based argumentative process of development through various contemporary issues. To conclude, Dr. Rajan said that the policy arena is full of new questions that need answering, even while the old ones remain unanswered. While the temptation is to stick to the old chestnuts, he emphasized that the modern India’s policymakers need answers. This, he felt, could be achieved through the informed and well researched arguments and debates among the policy makers and various stake holders.



Post the two highly topical and informative lectures, the inaugural function saw the felicitation of the former President of IEA, Prof. L.K. Mohana Rao by Prof. Thorat and Prof. V. Loganathan, the Vice President of IEA, for his invaluable contribution in the successful

organization of the 96th Annual Conference. After this, the NSE award for the best thesis in financial economics consisting of a cash prize of Rs. 50,000 along with a certificate of appreciation was conferred upon Dr. Neelam Rani for her Ph.D. thesis and Dr. Asha Sablok Gold Medal for the best conference paper was awarded to Dr. Debesh Bhowmik and Dr. Abhishek Kumar. Then released the IEA the IEA Members' Profile 2014, the Special Issues of the Indian Economic Journal consisting of conference papers and publications of a few members of the IEA. The inaugural function came to an end by the vote of thanks proposed by the Local Organising Secretary, **Dr. Arun Prabha Choudhary**.

### Plenary Session: Keynote Papers

The session of keynote papers was held in the post lunch session of 27th December. The session was Chaired by Prof. Mohan Rao, Professor, Social Sciences, Centre of Social Medicine and Community Health, JNU, New Delhi.

The first Key note Address was given by **Prof. Arun Kumar**, CESP, SSS, JNU, New Delhi on India's Black Economy: Implications, Causes and Remedies. He emphasized that the underlying cause of black economy is growing triad between the corrupt businessmen, corrupt politicians and the corrupt executive. He concluded by stating that to remedy this malady this Triad has to be dismantled. Electoral and Judiciary reforms, implementation of accountability and transparency of businesses and RTI will help.



The second keynote paper was read by **Prof. S. Galab** in the absence of **Prof. R. Radhakrishna**, Honorary Professor, Centre for Economic and Social Studies, Hyderabad who had prepared a Key Note Paper on A Comprehensive Analysis of Well Being, Inequality and Poverty in India and Pathways out of Poverty. He said malnutrition, distress of farmers and state of informal workers are other major challenges for India. The author suggested some

solutions to these challenges. Radical land reforms, de-bureaucratization and decentralization of development, improvement of agricultural productivity, facilitation of migration, institution building, technological innovations, SHG federations, Panchayati Raj Institutions, small enterprise clusters, development orientation of poverty alleviation programmes and political commitment to inclusive growth are some of the ways ahead. The third Key Note Address was given by **Prof. C. Veeramani**, Indira Gandhi Institute of Development Research, Mumbai on Emerging Trends in Trade and Capital Flows. He said the Sectoral composition shows that bulk of outward FDI are in capital and skill-intensive groups like pharmaceutical, machinery, chemicals, and electrical equipment. While, the geographical distribution exhibits that more than 80% of overseas acquisitions by Indian companies are in developed countries. On the whole, the problems relating to the overall investment climate remain unresolved. Hence, greater policy focus is required to promote export growth along intensive margin; labourintensive manufacturing; and participation in global production networks.

The fourth Key Note Address was given by **Prof. Parmanand Singh** on Informalization Process in Globalization Process. Prof. Singh stressed the point that the process of globalization has further aggravated the process of informalization. In fact, the trade off between the formal and the informal sectors has changed extensively as the formal sector is increasingly using informal labour to reduce their costs and increase their profits. Gandhian approach of improvising on technological knowledge in the indigenous context can be a potential solution for the informal sector in this age of globalization.

### **Memorial/ Special Lectures**

**NSE sponsored Professor R.H. Patil Special Lecture** was conducted in the evening of the first day of Conference. **Dr. Subir Gokaran**, Director of Research, Brookings India and former Deputy Governor, RBI, Mumbai delivered the lecture and it was Chaired by Dr. Ajit Ranade, Chief Economist, Aditya Birla Group. The title of the lecture was '*The Quest for Bond Market in India*'. Dr. Gokaran explained the need and relevance of bond market wherein bond market provides finance for the faster development of the economy and the stressed prudent use of debt greatly enhances the scale of development Dr. Gokaran concluded his lecture with the remarks that the Indian bond market needs to be placed in the larger institutional context and financial institutions need to keep adequate risk-capital and that in India, bank financing has larger role in the market for longterm funds than bond market.

*Prof. Brahmananda Memorial Lecture* was delivered by **Dr. Ajit Ranade**, Chief Economist, Aditya Birla

Group who spoke on the relationships of growth and inequality. The session was Chaired by **Prof. Biswajit Chatterjee** of Jadhavpur University. Dr. Ranade said that the wealth of the super rich and the income of the highest brackets have risen faster than GDP growth over several years. He said that the inequality in Indian society would be worse when one adds dimensions like access to education, health and livelihood. Inequality is a “public good” that affects all of us uniformly, and can hurt growth rather badly. Genuine redistribution, he said, calls for either direct cash transfers, accurately targeted provision of goods and services to the poor, or the creation of pure public goods.

*Prof. Vera Antsey Memorial Lecture* was delivered by **Dr. Rakesh Mohan**, Executive Director, International Monetary Fund and Prof. Sukhadeo Thorat was the Chairperson for the lecture. Dr. Rakesh Mohan delivered this memorial lecture with the title “Getting India Back to the Growth Turnpike: What will it take?” He started his lecture with Global Economic Outlook and did its assessment. In the analysis part of Global economy, he discussed about robust US Growth, softening oil and other commodities prices, weak growth of Euro region, declining oil prices and uncertainty related to US monetary policy normalization. It is also necessary to increase household savings, to maintain low inflation and positive real deposit interest rate. It is also important to strengthen contractual saving i.e. pension scheme, provide fund and life insurance scheme. For private corporate sector, we have to reduce crowding out effect and focusing on manufacturing sector. For manufacturing growth we have to promote labor using manufacturing, labor legislation reform, urban land reform and environmental issues. He also focused on development of transport infrastructure i.e. railway, ports and multi-modal transport.

The session ended with an interactive session where delegates asked various questions like impact of various schemes launched by Government of India, steps to increase tax/GDP ratio, investment on health



and education sector, rate of saving and capital output ratio. Dr. Rakesh Mohan responded to concerns & questions raised and also discussed the tax reform, changes in tax structures, GST, SEZ and various measures for improving growth rate of GDP in India.

### **Panel Discussions**

*UNDP sponsored Panel Discussion on informal economy* was held on the second day of the conference. It was chaired by **Prof. T. S. Papola**, the former Advisor of Planning Commission, former president of IEA and world renowned labour economist presently emeritus professor, Institute for Studies in Industrial Development, New Delhi. He, as lead speaker, initiated speech on the theme “Introduction to informal economy with special reference to Indian informal sector”. Prof. Papola felt that non applicability of labor laws are responsible for the exploitation of informal labour. **Prof. B.P. Chandramohan** from Deptt. of Economics, Presidency college Chennai, while speaking on the topic “wage employed and self employed in the informal sector globalisation and informalisation”, stated that there is no perfect co-relation between economic growth and generation of employment during the planning period in India, i.e economic growth is not employment elastic. **Prof. N.K. Mishra** from Banaras Hindu University, Varanasi, while speaking on the topic “Enterprises and household relations and data sources for the informal sector” felt that there is rise in new informal enterprises in the global value chain. Informal sector has increased not only in terms of its employment size, its contribution to total industrial output and total exports have also been increasing. **Prof. Ravi Srivastava** of CSRD, Jawaharlal Nehru University, New Delhi referring to the “Dynamics of informal job creation and skill information for informal sector workers”, felt that there is market failure in skill formation of informal workers. Informal enterprises are not showing interest in skill formation rather they need flexible labour force. **Prof. S. Mahendra Dev**, Chairman, Indira Gandhi Institute of Development Research (IGIDR), Mumbai, while speaking on the topic “overall coverage of social security programmes: rights based approach and future policy discourse based upon the emerging approach and various Approach and various programmes of the present government”, said that social security in a broader sense consists of all types of measures viz., preventive, promotional and protective. The social protection aims on mitigating risks and vulnerabilities through income security, access to essential services, social insurance, social assistance and child welfare and maternity protection. Social protection will reduce poverty, reduce inequalities, increases growth, and enhance economic growth.





**The Panel on the Status of Development Economics** included Dr. Ratnesh Jha and Prof. Amrash Dubey and Prof. S. Galab was the Chairperson. In this panel discussion, **Dr. Ratnesh Jha** talked on the status of development economics under the aegis of United Nations Development Programme (UNDP), India. He linked the path of development economics with the Millennium Development Goals (MDGs) of UNDP and regarded it as an important aspect of the development economics. He highlighted UNDP's number of developmental programmes. **Prof. Amrash Dubey**, talked on the issue of status of development economics throughout the 1930s, 1950s, 1960s and onwards that how the evolution of development economics has taken place more specially in the developing economies. The chairperson **Prof. S Galab** in his remarks talked about the evolution of development economics during 1960s and 1970s and argued that trickledown effect strategy has not become instrumental in raising the standards of living of the people. He regarded market imperfections, economic inequality and divergence across the caste and religion on the economic basis as major growth obstacles. . In this panel discussion, a number of delegates including Dr. Madan Mohan Goyal, Prof. Vapna, Prof. Biswajeet, Dr. Ranjan Mishra, Prof. Surj and others gave their observations and comments about the different aspects of the development like women role in development, happiness index, rural and urban inequality and inclusion of per capita or average per capita to measure the development.



In the *IFPRI sponsored Panel Discussion on food security*, **Dr. Anjani Kumar** highlighted the role of public distribution system for achieving food security. States like Tamilnadu, Haryana, Punjab, are the landmarks in working of PDS but in UP, Bihar, Odisha, PDS is not successful in improving the calorie intake in poor as well as rural and ST, SC Population. **Prof. G. Nancharaiiah** explained food security with fiscal access and economic access. Children at the age of 10 suffered from under nourishment. Food grain consumption is higher in poor but even then they are undernourished ST, SC, population is more poor because most of these groups belongs to rural area and more dependent on agriculture. **Prof. R.P. Mangain** highlighted the role of public investment in agriculture. He emphasized the convergence of the policies and programmes for sustainable agriculture. In India, the challenge is need for more food for future as the net sown area is stagnated, quality of land declining fastly and many risks arising due to climate change. **Prof. Ravi Srivastava** raised the question of availability and question of accessibility. He said calorie decline is not the cause of worry but low food consumption is the cause of worry. PDS is a strong linkage between availability and accessibility. **Prof. R.K. Sen** recommended increase in food production which will help in decreasing poverty and malnutrition. We should increase agriculture productivity and its proper distribution is what his recommendation was. At last the Chairperson **Prof. V.S. Vyas** concluded the discussion by recommending the improvement in quality of foodgrain by improving technology, and said that for food security, affordability as well as accessibility of food is very important.



## Technical Sessions

**Theme 1: The technical sessions on the theme of Corruption and Black Economy on 28th and 29th were Chaired by Prof. G.M. Bhat and Prof. Bishwanath Singh, respectively.**

Chair of the first day of the session, Prof. Bhat concluded the session with a note that not need but greed breeds corruption. He suggested that more and micro level and segmented study are being required. In depth research and studies are also being required. Prof. Bishwanath Singh in his Chairperson remarks concluded that we face several challenges relating to black economy, corruption, unemployment, growth and development. As an academician and researcher our focus should be on a wide range of issues that requires immediate attention.



**Theme 2: The technical sessions on the theme of Sustainable Roots out of Poverty: Past Experiences and Future Challenges saw Prof. Ugra Mohan Jha and Prof. Tapan Kr. Shandilya as the Chairpersons for the two days.**

The paper presentations were followed by thoughtprovoking discussions and various suggestions were made by the experts. The discussants were in consensus on the fact that despite implementation of various antipoverty and employment generation programmes, the problems of poverty, unemployment and inequality continue to remain the most daunting challenges before the managers of the economy. The participants expressed serious concern about the leakages, poor governance and insufficient outcomes of public financing of povertyalleviation programmes. Another technical session was devoted to presentations of *abstracts on this theme*. The session was chaired by **Dr. Hanumant Yadav** and in all, 33 papers were presented.



**Theme 3: The technical sessions of two days on the theme of Emerging Trends in Trade and Capital Flows was Chaired by Prof. Biswajith Chatterjee and Prof. Atvir Singh.**

Paper presenters expressed their views that trade in services was found to be an important source of growth in India's service sector as exports of services have increased exponentially in the last decade, pulling up the average growth of this sector. However paradoxically, the services that have grown faster as a proportion of total trade, namely communication and software services, do not have very high shares in employment and GDP. They also explained the four modes for trade in services and the relative share of the four. The global economic crisis has adversely affected the services sector of the Indian economy and increased the risks in the affected period. The session for the *Abstract papers* on the same theme was Chaired by **Prof. G. Savariah.**



**Theme 4: The technical session on “Challenges for Transforming the Informal Economy in India” was chaired by Prof. L.K. Mohana Rao on 28th and by Prof. M.M. Goel on 29th.**

Presenters emphasised the facts that India is the largest informal economy in the world and the informal economic activities do not pay any taxes, has limited access to formal credit and workers in these activities lack formal measures of labour protection. the sector include market stall holders, lottery- ticket sellers, parking attendants, Vendors of food and drink, housemaids, messengers and porters, artisans, repairmen, rickshaw puller, construction and building workers, transporters of private vehicles, rag pickers and scavengers, beggars, pickpockets brick workers and cobblers. There is virtually no political awareness among the brick kiln industry workers. They are politically dwarfed in all respects.



**Special Theme: The special session on The Economy of Rajasthan was Chaired by Prof. Vijay Vir Singh on 28th and by Prof. K.D. Swamy on 29th.**

Various issues of Rajasthan economy, like the working conditions of women workers, nutritional states of children in urban Rajasthan, public finances of Rajasthan, ownership of livelihood assets by the tribes, etc. **Dr. Neha Paliwal** estimated the influence of urbanization on economic growth. In her views, over the years, population has moved towards class I towns. She found a strong correlation between index of urbanization and economic growth. At the district level, few districts have shown some diversification from the trend and were found to be suffering from regional disparity in urban growth. The author emphasized on having a balanced distribution of urban growth and proper urban planning by promoting investment in small and medium towns in order to have sustainable growth of the economy.



## Valedictory Session

The welcome address of the valedictory session was delivered by **Prof. I.V. Trivedi**, Vice Chancellor, Mohanlal Sukhadia University. The Conference President **Dr. Y.V.Reddy**, expressed his deep sense of gratitude to Mohanlal Sukhadia University and said that he was very much impressed by the Vice Chancellor for his cooperation and for taking good care of the IEA. He also thank to **Dr. (Smt.) Arun Prabha Choudhary**, Local Organising Secretary for her hard work in making the conference a success. He expressed his gratitude to **Prof. Sukhadeo Thorat** and acknowledge the all his efforts.

**Prof. V.S. Vyas**, a well known and eminent agricultural economist, in his valedictory lecture spoke on economic reforms in agriculture. In his lecture, he touched upon the following areas where reforms are needed i) Land Relations, ii) Input Subsidies, iii) Agricultural Marketing and iv) Risk Mitigation. As agriculture faces climatic and natural risks he suggested ensuring effective measures for risk mitigation by

reviewing and improving existing programmes. He also advised about avoiding all adhoc measures like loan waivers.



The IEA President and Secretary felicitate **Prof. I. V. Trivedi, Dr. Arun Prabha Choudhary, Dr. G. S. Kumpawat, Prof. S. K. Kataria, Dr. Neha Paliwal** for their remarkable contribution in successfully organising such a mega event.



In the concluding part of the Valedictory Season, the Local Organising Secretary **Dr. (Smt.) Arun Prabha Choudhary** expressed her vote of thanks.



Thanks.