



ROBBINS REVISITED: THE INDIAN EXPERIENCE

Presented by:

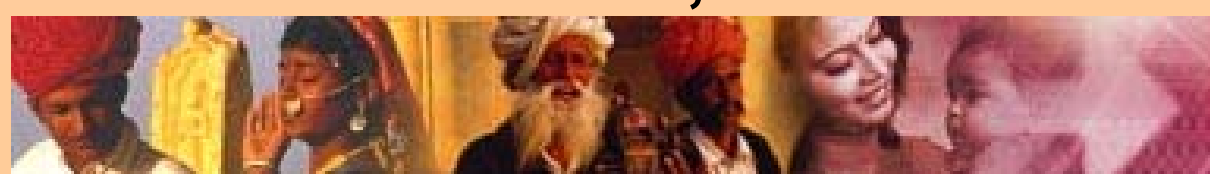
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Mumbai-India

**At the 75th Anniversary Conference
Of Lionel Robbins Essay**

**Organized by STICERD SUNTORY CENTRE
LSE**


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WHY REVISIT ROBBINS?

- Celebration of Three-Quarters of a Century of Robbins Essay on “The Nature and Significance of Economic Science”
- What are we Revisiting-Robbins Essay or Economics
- The paradigm shift in the definition of Economics from Wealth to Welfare to Scarcity and beyond






Contributions of Robbins to Economics

Scarcity definition

Economics as a “Science that studies human behavior as a relationship between ends and scarce means which have alternative uses”

A priori method of reasoning

Positive aspect of Economics to free it from the realm of value judgements



CONTRIBUTIONS contd.

- Economics as a Science
- Opportunity Costs
- Ordinal Measurement Of Utility
- Synchronizes other European views-
Austrian, German



Contributions?

- 'Status of Science'
- Positive economic analysis-value-free
- Ordinal measurement of utility



Problems with Robbins 'Essay'


- Are means actually scarce for all times to come?
- Should economists be reporters of economic events (what is)
- Should economics be value-neutral?
- Can we ignore welfare?
- Are a priori judgments justified?





REVISITING ROBBINS: THE INDIAN EXPERIENCE

- WHY INDIA?
- WHICH INDIA-OLD OR NEW
- POST-LPG/ DANGEROUS DECADE OF NINETIES
- SECOND GENERATION REFORMS
- DEFIANCE TOWARDS THE 'ESSAY'



Reviewing Robbins through the Indian Lens

Is scarcity of resources real?

Can resources be released from the public to private sector?


Can banks expand credit flows and boost consumerism

Can new technologies boost production?

Can financial flows from abroad and remittance transfers solve the resource crunch?

Can the Schumpeterian entrepreneur financed by the banking sector create a breakthrough?

Do functional and systemic changes create new institutions and efficient markets to solve the scarcity problem?



- QUO-VADIS





India at a Glance:

India is one of the oldest civilizations with a kaleidoscopic variety and rich heritage.

Twenty Eight States and Seven Union Territories span the length and breadth of the Country, marked by diversity in culture and geography but bound together by a common chord of Nationalism.

There are 604 Districts in India administered by their respective State/UT Government.



Location:

The Indian peninsula is separated from mainland Asia by the Himalayas.

The Country is surrounded by the Bay of Bengal in the east, the Arabian Sea in the west, and the Indian Ocean to the south.

INDIA



Nationality:

Indian

Ethnic Groups:

All the five major racial types - Australoid, Mongoloid, Europoid, Caucasian, and Negroid find representation among the people of India.

Religions:

According to the 2001 census, out of the total population of 1.028 billion in the Country, Hindus constituted the majority with 80.5 %, Muslims came second at 13.4%, followed by Christians, Sikhs, Buddhists, Jains, and others.



GOVERNMENT

- **Country Name:**
- Republic of India; Bharat Ganrajya
-
- **Government Type:**
- Sovereign Socialist Democratic Republic with a Parliamentary system of Government.
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- **Capital:**
- New Delhi
-
- **Administrative Divisions:**
- 28 States and 7 Union Territories.
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- **Independence:**
- 15th August 1947 (From the British Colonial Rule)





ECONOMY

- ***PRE-NINETIES: 'Relatively closed, controlled, centrally planned' till mid-eighties***
- ***First wave of Liberalization of mid-eighties- 'opening up the economy via trade liberalization'***
- ***From import substitution to export promotion'***
- ***Rising public spending financed by debt***
- ***Increased private debt and debt servicing***



INDIA IN THE POST-NINETIES

- *The story of bust and/or boom?*
- **'TIGER UNCAGED'**
- **WASHINGTON CONSENSUS**
- **FROM 'LEFT' TO 'RIGHT'**
- **The 'NEW ECONOMIC POLICY' (NEP) of 'Liberalization, Privatization, and Globalization' (LPG)**
- **Reforms in major macro-economic policies:**
 - *Financial/ Monetary*
 - *Fiscal*
 - *Trade*
 - *Industrial*



SWOT ANALYSIS

- **Was the U-Turn justified?**
 - ***Strengths and Opportunities***
 - Booming private enterprise and output
 - Surging GDP
 - Rising industrial growth
 - Increasing FDI, FFII, Remittances
 - Large IT and ITeS hub
 - 2ND LARGEST reservoir of technically trained manpower resources
 - BPO/KPO Economy
 - Emerging bio-tech leader in the Pacific
 - Fastest growing market in entertainment and media
 - Largest emerging global retail market
 - 'Young India' and the 'Magic of Numbers'
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- Weaknesses and Threats

- Domestic and International
- Social Issues
- Labor and unemployment
- ‘Jobless Growth’,
- Poverty, and Rising Inequalities-Gender, Class, Religious, Regional
- Lags in Agriculture and Infrastructure
- Environmental concerns beyond the Kyoto Protocol
- ‘Social Clause’ of the WTO
- Doha and Beyond: Free vs. Fair Trade
- Nuclear and security issues: Borders in a Borderless World?



- **VISION 2020**

- **Mega vision for the future via**
 - **Minor ones of 2015 of MDG's**
 - **Environmental and economic growth?**
 - **11th 5-Year Plan and 'Inclusive Growth'**
 - **Towards Sustainable Development**
 - **BACK TO WELFARE-HAS 'TRICKLE DOWN' FAILED?**
 - **From Micro to Macro, as Macro to Micro has not permeated**
 - **MESO ECONOMICS?**
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