A Conference on

India: Reforms, Economic Transformation and the Socially Disadvantaged

The post-1991 reforms, which greatly accelerated growth and placed the status of a global economic power well within India’s grasp, have come to a standstill. With the growth rate having dipped to 6.5 percent in the latest financial year (2011-12) for which we have data from the 8.5 percent level achieved during 2003-04 to 2010-11, it is important that we rebuild the momentum for reforms.

Going by much of the debate following the defeat of the National Democratic Alliance (NDA) in the 2004 general elections, the pause in the reforms came principally as a response to a sense that the growth that the reforms generated had not been inclusive and that it had not benefited the poor and the socially disadvantaged. If this conclusion were indeed true, the pause and recasting of the policies would surely be warranted. But if not, we must return to the reforms and revive the growth process.

Almost all labor-abundant economies such as South Korea and Taiwan in the 1960s and 1970s and China more recently that have grown rapidly for a sustained period have seen poverty rapidly decline. With this evidence in the background, the Columbia Program on Indian Economic Policies recently carried out of a set of studies analyzing how the opening to trade and other reforms have impacted poverty in India in not just the population as a whole but also among the socially disadvantaged Scheduled Castes and Schedule Tribes. Our studies unambiguously vindicate the reforms. Contrary to the
assertions by many that the reforms have left the poor poorer, we find no evidence whatsoever that any of the social groups in either rural or urban areas have been impoverished in the overall sense. Instead, with rare exceptions, the reforms have led to a positive decline in poverty within all social groups in urban as well as rural areas. As regards inequality, it has changed very little. More importantly, the wage and educational attainment gaps between the socially disadvantaged and the general population have significantly declined. In the same vein, the socially disadvantaged have been able to take advantage of accelerated growth as entrepreneurs.

The research at this conference will also looks at why employment in India continues to concentrate heavily in small firms and how reforms have impacted growth and productivity in small versus large enterprises and in the organized versus unorganized sector in both manufacturing and services. Finally, novel analysis of issues of private and public provision in healthcare and of malnutrition will be presented.

The conference will include two high profile policy panels. The first one on the eve of the conference, on “The Politics of Change,” will feature a minister (Salman Khurshid), a leader of the opposition (Arun Jaitley) and a Member of Parliament (N.K. Singh). The second one on “India in the Global Economy: The Next Fifteen Years” will bring together four leading professors and specialists on India: Jagdish Bhagwati (Columbia), Tarun Khanna (Harvard), Mihir Desai (Harvard) and Rakesh Mohan (Yale).