



Press Release

India in the Global Economy: The Next 15 Years
Lecture by Prof. Arvind Panagariya, Columbia University

First in a Distinguished Lecture series organized by NCAER

New Delhi, May 25, 2011: As the first in the series of distinguished lectures by eminent scholars, NCAER today invited internationally renowned Indian economist and Jagdish Bhagwati Professor of Indian Political Economy at Columbia University, **Prof. Arvind Panagariya** for a lecture on “**India in the Global Economy: The Next 15 years**”. Mr T. N. Ninan, Chairman, *Business Standard*, was the discussant for the lecture.

Introducing Prof. Panagariya, NCAER Director-General, Dr. Shekhar Shah, said “We are delighted to have a scholar of such prominence as Prof. Arvind Panagariya with us. Arvind is a long-standing friend of NCAER and an astute observer and commentator on the evolution of Indian economic policy making and outcomes”. Dr. Shah also announced that Prof. Panagariya has accepted NCAER’s invitation to become a visiting Senior Fellow at NCAER.

According to Prof. Panagariya, India will be the world’s third largest economy in less than 15 years with its GDP reaching US\$ 7 trillion in 2025 in 2010-11 dollars. Given the current demographic patterns, the country will also become the provider of a very large, globally mobile work-force that will give it an added dimension to its global presence. Furthermore, having already surpassed China in terms of the GDP growth rate in 2010, India will be the fastest growing major economy in the world in the coming 15 years. Alongside with these heartening developments, India must tackle the major challenge of absorbing the currently underemployed workforce in agriculture into productive employment in manufacturing and services and reallocating the existing workforce in the latter sectors from low- to high-productivity activities. In turn, this transition requires another bout of major economic reforms similar to those India witnessed under Prime Ministers Narasimha Rao and Atal Bihari Vajpayee. Absent such reforms, we run the risk of growth remaining concentrated in capital and skilled-labor-intensive sectors.

He concluded the seminar by noting that as India grows economically and aspires to be a greater geopolitical power, it will need to multiply higher education opportunities to convert its potential demographic dividend into gain for a globally competitive workforce. With slower economic growth predicted for much of the rest of the world and the process of India’s globalization proceeding apace, India has the opportunity to become a major source of the internationally-mobile, professional, global workforce in the next 15 years. But this will not happen automatically; India must undertake far-reaching reforms of its education system to offer both greater quantity and better quality of higher education.

In commenting on Prof. Panagariya lecture, Mr. T. N. Ninan noted that there was little that he could disagree with. He pointed to the very important problem Prof Panagariya had emphasized—the huge number of jobs that are needed in low-skilled manufacturing and services to accommodate the large amounts of surplus labour in agriculture if they are to leave agriculture.

About NCAER: NCAER, established in 1956, is an independent, non-profit policy research institute committed to assist government, civil society and the private sector in making informed, evidence-based policy and program choices and in implementing and evaluating them. NCAER faculty undertake specific assignments at the request of government, industry, and corporate clients and they also pursue independent policy research in a number of priority thematic areas. NCAER faculty and project teams have particular strengths in the analysis and collection of large-scale data at the national, state, sector, industry, firm, and household level. For more information about NCAER and its activities, please visit www.ncaer.org

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