

Business cycle must be introduced into Indian economic syllabus, say experts

PRASAD BHOPALE

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TO REVIVE employment in the economy, India needed to increase its fiscal deposit level to seven per cent, said Rajas Parachure, officiating director, Gokhale Institute of Politics and Economics (GIPE), adding that the government should start spending to revive growth to bring jobs. Parachure was speaking at the Dandekar Memorial Series at the Symbiosis College of Arts and Commerce in Pune.

He added, "Previously, the public sector was at commanding heights. All business decisions were made by the Planning Commission, whereas

private players would simply follow suit. The job of the RBI was to collect money as per planned finances. There was no independent monetary policy. Whereas today there is an independent monetary policy, fiscal prudence, most of the investment is made by private players; hence, business cycle must be introduced into Indian economic syllabus."

Another speaker, Prof Sangeeta Shroff from GIPE, said, "India has always been through the Cobweb cycle, where the prices of items rise and fall sharply and suddenly. Thus, the time has come for farmers to learn to bring a balance between demand and supply."

She paid tribute to the late V

M Dandekar by saying, "Prof V M Dandekar played a major role in promoting crop insurance. He brought a shift from individual farm-based insurance to yield-based insurance and this unit is operational to date."

She criticised the practice of giving loan waivers, calling them "unsustainable".

Gautam Bambavale, former ambassador and professor at SIU said, "India's trade to GDP ratio has increased from about 7 per cent to 43 per cent today, which is significant. The share of foreign trade in GDP has risen significantly. Trade has contributed to the GDP. But, on the other hand, India has consistently run into a trade deficit over the years, which indicates that we do not

have enough items to export. This also indicates weakness in our industrial sector."

He added, "The time has come to move to pole vaulting from leap frogging. The good thing is that the government is willing to take risks."

Shridhar Srinivasan, retired general manager, State Bank of India, spoke of issues in banking and financial sector. "Commercial banking decisions are complex as required information is not available. Recent instances of approval policies or contracts being set aside or amended or abrogated have increased the risk in financial sector, examples being cancellation of coal allocations and spectrum allocations."