

Book Reviews

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Jha, Raghendra, *The first Ten K R Narayanan Orations: Essays by Eminent Persons on the Rapidly Transforming Indian Economy*; 2006, Australian National University E. Press, Canberra, Australia, pp. 209, Price US \$ 19.95

The book is a collection of orations by the scholar and policy makers in the honour of K.R. Narayanan, former President of India, a person of high integrity, academic and leadership built. The book presents a rich piece of literature on the emerging strong India.

The text begins with the talks on tax reforms by Chelliah, where he has rightly brought into light the pitfalls of the pre-reform tax structure. In early days post independence, the rates of direct taxes were very high and sometimes, the return after tax even comes to be negative. There have been loopholes in an emerging system of taxes, in the form of tax shelters, tax evasion, perquisites etc. These were the grey areas in the tax system which resulted in plethora of disputes, conflicts and pending litigation cases. Chelliah pointed that the tax system in our country was developed by neglecting the economic aspects of taxation. It was an irrational system of taxation. So the reforms in the area were overdue. Several moves were undertaken at the central level so as to turn the tax system into a more rational one, like MODVAT but they didn't reformed the situation much.

Several types of special treatments given to small scale sector are also referred to as distortions in the taxation system and have been blamed of being a source of substantial tax evasion. In a nutshell, the persistent taxation system in the pre-reform period was criticized on the grounds of irrationality, neglect of economic consequences and the inherent complications. A tax reform committee was set up and certain principles were kept in mind and several steps, like simplification of tax structure, broadening the bases with limited concessions, reduction of high tax rates etc were undertaken to have an appropriate tax system to match the needs of emerging India be not. Computerisation of operations of income tax department, removal of certain tax shelters, introduction of value added tax, the tax on services, etc also proved to be useful in improving the shape of tax structure in India. So it can be said that though the structural reform is far from complete, but quite a bit of ground has been covered.

The second part is based on the talk of space technology by U.R. Rao. It has been rightly felt by Rao that space technology has capability to bring out a socio-economic revolution in the world because of its immense potential to transform even stagnant societies in a most cost effective and timely manner. It has ability to view wide spectrum of vast cosmos, satellites and provide synoptic, repetitive access to any point on planet, virtually, shrinking time and distance.

Space technology has its wide appreciation areas, such as meteorology, communication, TV Broadcast, education, agriculture, resource management, disaster mitigation, flood and drought management etc. Space technology has the potential to deal with several pain giving issues like pollution of poverty, environmental pollution, global warming etc. In short, through space technology and its implementation, the man has got the capacity to control his own environment.

After a convincing discussion on the capabilities of space technology, the author moves towards an insight into India: a retrospect and a prospect. The discussion was interestingly broken down into phases. Phase I talks about India in 1950s highlighting the issue of poverty, then the talk went on to the mishaps and the causes of becoming off track after 1950s. The need for undertaking reforms was highlighted in phase II and the reforms actually initiated forms the later half of phase III.

The fourth section of the book takes one through the insights into the Indian Economy & Polity as a development challenge. Basically, India's rally on growth path has been constrained basically by its infrastructure, quality of India's human resources and the government initiatives and expenditures.

The most visible feature of the Indian polity is the emergence of regional political and social forces and their urge for autonomy and empowerment. The strengthening of the role of the third tier i.e. panchayats in

India's administrative structure was done with an aim of putting in place elected local bodies as institutions of self government and widening their role in development.

The central government has to continue reforms in all these areas to continuously improve the plight of Indian economy. C. Rangarajan view has been presented in the fifth section with the debates on monetary policy in developing country like India. Monetary policy is considered as one of the major instrument of economic management. It is agreed that the major objective of monetary policy should be price stability. In fact, it is felt that inflation is endemic in the process of economic growth. Therefore, the importance of price stability and the need to use monetary policy also assumes great importance in context of developing economies.

A further extension of the book takes us to another important discussion on democracy and development in India's context by Meghnad Desai. He tells us the transition in India's economy since 1946 and also the further prospects which peeps into the future. From 1946-49, the constituent assembly was in action and was developing a lengthiest written constitution for independent India. The framers of the constitution adopted several features from the existing constitutions of developed countries like, universal adult franchise and parliamentary system of government, etc.

When the country faced economic crisis in 1991 with huge balance of payment deficit, there came the huge tide of reforms which shook the very foundation of Indian economic system and after that India was able to stand better in the international arena and with more respectable footings. The seventh section of the book also seems interesting in Indian context ie. Political economy and Governance issues which are discussed by Bardhan. Political economy is basically, the distribution of economic & political power and inequality in such distribution creates a ground for questioning in a democracy. Democracy, itself has two different faces in developed and developing countries, so the story of democracy in India is uncomparable to the countries in west.

The next section is on India on the growth path outline if journey is smooth or shaky? Kelkar suggests that India's growth experience has been mainly devoid of any major shocks. In spite of having adopted the strategy of globalisation, India has been lucky to resist any shocks. India' is fortunate to have a wave growth fundamentals such as demographic transition human capital accomadation, improved incentive structures, difference of new technologies such as 17, total factor productivity accelerators through network industries and improved security environment, which have induced stability. Therefore, India's experience has been of a quiet revolution.

Swaminathan's work look into the agricultural future dependent on science and technology. On global scenario in agriculture two opposite trends can be observed. One in which the farm size is becoming smaller and on the other farm size are becoming larger. The various challenges & prospects are discussed in context of agriculture and technology. In the last section of the book, Kasturirangan has thrown light on India's space enterprise. The vision of space recognised the promotion of space research, besides contributing to societal benefits. The economic aspects of India's space program has also been discussed. Space, in India, has become deeply intertwined with many areas of national development importance.

After having reviewed each section of the book, it can rightly be said that book is comprehensive in its approach and the issues raised and the discussions held are convincing to the readers. As such, the book is enriched with scholarly debates by Scholars and senior policy makers of India. On the whole, it can be said that the book is able to provide insights into the economy of India. The book as such is the result of blend of the brilliant minds and their experiences which can really add value to the readers. Also, the compact size and elegant design makes it rather more attractive from readability perspective. The book is highly useful to the academicians working on India, growth in developing economies research scholars and MBA graduates.

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