

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**UNION FINANCE MINISTER, SHRI PRANAB MUKHERJEE'S KEY NOTE ADDRESS
AT PRAVASI BHARTIYA DIVAS 2012 AT JAIPUR TODAY ON "INCLUSIVE
GROWTH: TWO DECADES OF ECONOMIC LIBERALISATION."**

New Delhi, January 8, 2012

**Following is the text of the Union Finance Minister Shri Pranab Mukherjee's Key
Note Address at Pravasi Bhartiya Divas 2012 at Jaipur today. The subject of the Session
was "Inclusive Growth: Two decades of Economic Liberalisation."**

It gives me great pleasure to address this distinguished gathering at the Pravasi Bharatiya Divas 2012. As we all know, this day celebrates the achievements of the 'pravasi bharatiya' or the non-resident Indians whose sterling role in nation building efforts of their adopted countries is recognized all across the world. This day also seeks to highlight and encourage their contributions to India's social and economic development. Let me begin by welcoming you all to India on this special occasion.

I am glad that the tenth Pravasi Bharatiya Divas is being held in the culturally vibrant and entrepreneurially renowned state of Rajasthan. I commend the state government for partnering this event.

I feel proud of the achievements of our nation and of Indians. I am using the word “Indian” to mean much more than nationality. The gathering today is a symbol of the larger idea of Indian identity. This is an identity that goes beyond nationality. It refers to our common history and heritage. In that sense this is a gathering of family members who have spread all over the world but who nevertheless share a deep common bond. I welcome you to our motherland

This larger concept of internationalism was repeatedly stressed by our founding fathers. In 1961 Pandit Nehru had reminded us: “Ultimately ... nationalism will prove a narrowing creed, and we shall all be citizens of the world with a truly international vision. ... The nationalism that we build in India should have its doors and windows open to internationalism.” Gurudev Rabindranath Tagore showed us how India might be intensely national and at the same time international with her thought and sympathy embracing the world.

Today India has begun playing a global role unlike ever in the past. Our economy had been relatively stagnant during the initial years after India’s independence. Then from the early 1980s the growth rate picked up. It rose further after the economic reforms of the early 1990s. And since 2005 there has been no looking back. The economy grew for three successive years at rates over 9 per cent. Even during the global recession of 2008-09, India’s GDP grew by nearly 7 per cent.

The year 2011 has been an eventful one. In terms of the time line in the economic history of the country its passage marks two decades on the path of economic liberalisation. Though we have witnessed ups and downs, this period has transformed our country and catapulted it into the centre stage in the world. India is viewed as belonging to the group of the fastest growing nations of the world. We are widely recognized as a major driver of global growth. India is a member of the G20 and, within the G20, it is considered a part of the systemically most important 7.

India’s integration into the world has had a long history. In the colonial era we had witnessed the migration of large numbers of our fellow Indians, often in pursuit of economic opportunities in agro-produce rich colonies. Others moved to pursue business goals. Then in the post-colonial era the trend turned to a movement towards the industrialised nations. When in the

70s a large number of highly qualified Indians were moving abroad, we were warned of the severe consequences of the brain drain. Contrary to conventional, and in hindsight myopic opinions, luckily we made no attempt to stop the flow. Today we are better off due to that.

The movement of the diaspora is no longer unidirectional as it was in the past. What started as a brain drain, has now become a brain gain, not just for India but the world as a whole. Today mobile Indian professionals and entrepreneurs are contributing across the global economy and enhancing its resilience in these troubled times. Many have also returned to the home turf and are engaged in its socio-economic fabric. Still others have set up enterprises or professional relations that span national boundaries.

This movement of global talent has had many consequences. First of all, it has brought in many global best practices into the Indian economy. At the same time, it has created networks and linkages which serve as channels for flows of ideas across boundaries. This has given the Indian economy an edge in the seamlessly connected global economic environment.

The global success of the Indian diaspora in the spheres of science, economics, education, business, public life and the arts is a matter of great pride for us all. The ‘pravasi bharatiya’ has contributed significantly to India’s ‘soft power’ and global image in a multidimensional manner. This has no doubt contributed to its attractiveness as an investment destination. The entrepreneurial skills of the Indian business community settled abroad are a matter of envy for other nations. Foreign firms are increasingly aware of the sharp business acumen of the Indian entrepreneur and managers. They have come to respect our business houses and practices.

I believe however that much still remains to be done. We have not yet reaped the full benefits of India’s great diaspora. The most obvious area remains that of investment and entrepreneurship. For instance, in China a large chunk of foreign direct investment has come from overseas Chinese. I am aware that there have been large ticket investments by non-resident Indian entrepreneurs. But I think it is far less than the potential and perhaps too concentrated on the formal sector. Rather, we must pursue an alternative model. One that is more balanced and holistic in a socio-economic sense.

For this we must rightly turn to the inspiration behind the Pravasi Bharatiya Divas. The 9th of January, marks the return of Mahatma Gandhi from South Africa to India. The subsequent new vigour he granted our freedom movement is well known. But the Mahatma also brought with him a new outlook and social vision: one that gave great emphasis to the dignity of labour, the importance of our rural sector and social equity. He was intensely aware of the need for social inclusion and had great faith in the ability of the rural economic system to provide a balanced, equitable and optimal solution to the issue of economic development and social equity. His model of development was based on the harmonious self sustaining village economy which put minimal pressures on scarce resources while maximizing livelihood and well-being. In today's parlance what he was aiming for was inclusive development coupled with sustainable growth.

India's economic achievements over the last few years have been commendable. The broad-based growth has brought improved opportunities for livelihood and employment across a wide range of skills. There is also a significant increase in public resources through better tax mobilisation. It has created, perhaps, for the first time in India's post-independent history, the means to bridge the chronic deficits in social and economic attainments and reducing the disparities across different population groups and between the regions. But on our social indicators much remains to be done. In this respect there is need to engage in social enterprises in a proactive manner.

1 We have tried to evolve a model of development, which is more inclusive and people centric. It has sought to improve the access of the poor and the vulnerable to vital public services by creating entitlements backed by limited legal guarantees. This includes the right to information, the right to work in rural areas, the right to education and the right to food which is in the process of being enacted. There is progress, in all spheres including education, healthcare, financial inclusion and financial literacy, skill development and mainstreaming of hitherto marginalised sections of society, but there is still a long distance to traverse.

It is here that the pravasi bharatiya can probably make the biggest contributions. This requires not just financial contributions, but rather dedication of time, ideas and endeavour. From the agenda of the pre-conference seminars I am aware that discussions have been held on ‘Solar Energy- Investment and R&D’ and ‘Social Entrepreneurship-Water’. These are extremely relevant topics for our development. I hope some new ideas will emerge from your deliberations.

1 The Indian inclusive growth model - within the framework of democracy and human rights and freedoms, within a diverse and heterogeneous culture - is being recognized the world over as a viable paradigm. The strong diversity also has to be ‘included’ in the agenda for reforms. And though, as we have seen, it may tend to slow down things a little, as long as the direction is positive and forward looking, we can derive some satisfaction. Every incremental step which comes about with consensus is better than imposing big bang reforms without consensus.

Let me conclude by reiterating that a strong foundation is being created through a pro-active policy framework in both economic and social sectors. It should help form the springboard for the inclusive involvement of the overseas Indian in India’s development and its destiny. India presents an opportunity for the world as a whole. Our overseas Indian family with its multifaceted talents, excellent capacity for adapting to and ability to operate within different cultures and environments should make a concerted effort to connect with India’s growth and its prosperity in the times to come.

I wish you all the best in your endeavours.

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