

Speech of Dr Isher Ahluwalia On November 6, 2006

Respected Prime Minister Dr Manmohan Singh ji, my colleagues on the Board of ICRIER, distinguished guests, and members of the ICRIER family. It is my proud privilege to welcome you all on this occasion of the Silver Jubilee celebrations of ICRIER. We mark the occasion with this International Conference on “India and the Global Economy”.

I would like to begin by extending a special welcome to the Prime Minister. I know I speak for all of us here in expressing our thanks to you, Sir, for taking time from your very busy schedule to be with us today. It gives us particular pleasure since you, Sir, were one of the founder members who, along with our Founding Chairman Dr K.B. Lal established ICRIER 25 years ago.

In retrospect, the establishment of ICRIER in 1981 was indeed an act of perfectly timed farsightedness. The founders clearly recognised that the Indian economy was about to enter into a new phase with much greater interaction with the rest of the world, which required detailed examination of policy options that would arise in the new environment. We have tried to live up to this broad mandate. I must acknowledge the enormous debt ICRIER owes to the late Dr I G Patel who taught us to set high standards of excellence and strive hard to achieve them.

The 25 years since ICRIER was founded have seen a sea change in the policy regime in India. The process began in a cautious and limited way in the 1980s followed by a much more decisive movement after 1991, when you, Sir, as Finance Minister, launched our country on the reform trajectory. Twenty five years ago, India was generally viewed as a laggard economy. By contrast, today we are acknowledged as one of the fastest growing economies of the world, well set to become a major player on the global stage. As researchers working on policy options relevant to this transformation, we feel proud to have been witness to the process, and we may be indulged if we feel that we were also part of the process, contributing through our research results which we hope were of use to policy makers.

ICRIER’s research agenda focusses directly on areas relevant to India’s new concerns and policy challenges. The five thrust areas of our research are (i) trade, openness, restructuring and competitiveness, (ii) WTO related issues, (iii) regional and bilateral Issues, (iv) financial liberalization and integration, and (v) macroeconomic management in an open economy. More recently, we have been engaged in preparing a research agenda on strategic aspects of India’s external relations. As a first step, we are about to start work on a study jointly with Tsinghua University of China aimed at developing a better understanding of the development experiences of India and China by each other. We are also supplementing our work on multilateral trade negotiations with detailed research inputs into bilateral and regional Free Trade Agreements that India is entering with different countries or regions.

In addition to doing research, we disseminate our research findings through seminars and policy oriented workshops. In this way we seek to engage with policy makers, academicians, media representatives and other stakeholders in India’s development.

In a globalising world research institutions must build global linkages. Like all research organisations we keep in touch with researchers in other countries and participate in international conferences.

There is one initiative which I would particularly like to mention, and that is the establishment of the South Asia Network of Economic Research Institutes (SANEI). ICRIER played a lead role in the setting up of the network which has participation from 50 or so economic research institutions in India, Pakistan, Bangladesh, Sri Lanka and Nepal. Besides ICRIER, other members of the Governing Board of SANEI are Pakistan Institute of Development Economics, Bangladesh Institute of Development Studies, Institute of Integrated Development Studies in Nepal and Marga Institute in Sri Lanka. SANEI has a rotating secretariat. After 5 years at ICRIER, the secretariat was transferred to the Pakistan Institute of Development Economics in Islamabad two years ago. It will move to a third country after three more years. Annual conferences of SANEI provide a valuable opportunity to researchers from South Asia to meet in the region and discuss the results of their empirical studies on issues of common interest, often done in a collaborative framework.

The key to preserving credibility in research is independence and this is only possible if research institutions can develop a measure of financial independence. Our founding Chairman Dr K.B. Lall was responsible for launching ICRIER and mobilising support initially as a sequence of grants from various sources. We owe to our second Chairman Shri Ram Malhotra further building of the corpus and the acquisition of our premises in the India Habitat Centre. Since then we have worked hard to expand our corpus. Before our 20th anniversary, our corpus was only Rs 6 crores. On the occasion of the 20th anniversary we were able to raise it to Rs 11 crores. For our 25th anniversary, we launched a second major drive, and I am happy to say that as of today we have commitments which raise our corpus to Rs 25 crores. We are still working to build it further.

I would like to take this opportunity to thank our major donors who have contributed Rs 1 crore each. These are the State Bank of India, HDFC, ICICI Bank, Citibank, Infosys, Reliance, Sterlite Industries, ITC and Tata Consultancy Services. Others who have contributed generously to our endowment include Standard Chartered Bank, Ranbaxy, Fortis, Deutsche Bank, Kotak Mahindra Bank, DSP Merrill Lynch and IDFC. We truly appreciate the generosity of our donors and assure them that ICRIER will continue to strive to maintain the highest standards in relevant policy-oriented research.

We hope to play a much larger role in future analyzing the linkages between economic policy and foreign policy, and studying the strategic role of India in world affairs. As demand for ICRIER's services increases, we are gearing up to deliver through a combination of in-house research and the use of external consultants. However, we face space constraint in our present facilities, which are otherwise simply splendid. We have applied to the Government of India for giving us a suitable institutional site that will help us expand our activities over the next 25 years.

With these words let me once again, on behalf of the staff and faculty of ICRIER and indeed the entire ICRIER family thank you all for joining us on this occasion. We now come to the moment we have been waiting for, the Prime Minister's address. Sir, may I request you to address the audience?