

**DRAFT INAUGURAL ADDRESS by Smt.D.PURANDESWARI**, Hon'ble Minister of State for Human Resource Development, Government of India at the Inaugural Function of 59<sup>th</sup> All India Commerce Conference being organized by Andhra University under the aegis of Indian Commerce Association (ICA) at 10.00 am on Thursday, the 28<sup>th</sup> December 2006 at Convocation Hall, Andhra University, Visakhapatnam.

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Prof.M.B.Shukla, President, Indian Commerce Association (ICA) and President of this Inaugural Session, Prof.L.Venugopal Reddy, Vice-Chancellor, Andhra University and Conference Secretary, Prof.V.Balamohandas, Vice-Chancellor, Acharya Nagarjuna University, eminent dignitaries on the dais, learned members of the Indian Commerce Association, members of the Conference Organizing Committee, distinguished delegates from all over the country, invitees, esteemed Professors of the Andhra University, Research Scholars, Students, members of the fourth estate, ladies and gentlemen.

I deem it a great honour to be invited into your midst as Chief Guest to inaugurate the prestigious 59<sup>th</sup> All India Commerce Conference organized by Andhra University under the auspices of Indian Commerce Association. I am delighted to learn that on this platform itself, ICA steps into the Golden Jubilee year of its existence. Andhra University (*estd. 1926*) being one of the oldest and most reputed seats of higher learning in the country is renowned internationally for its excellence as a repository of knowledge. I am particularly glad to associate with a national event being organized by such a great University, which has produced a Noble Laureate and a President of India, on whose birthday the Nation celebrates Teachers' Day.

I understand that the Department of Commerce and Management Studies (DCMS), Andhra University, *the Organizing Body of this event*, is the first in the South India to start offering Commerce education (1934) and first to start Management Education (1957) in the country. By pioneering both Commerce & Management Education in India, DCMS has a unique role to play in the disciplines at national and international level in this LPG (*Liberalization, Privatization, Globalization*) and ICE (*Information, Communication, Entertainment*) era, where countries' boundaries have become irrelevant. I wish the DCMS, Andhra University all the best in its endeavours in this direction.

The Indian Commerce Association, *established in the year of India's Independence*, being the oldest professional body in the discipline, deserves all appreciation for its relentless efforts in making Commerce education qualitative and contemporary, matching to the needs of the clientele in this dynamic national and international business environment. The WTO era of the global village poses many challenges on a regular basis and professional bodies like ICA should get prepared to welcome all such challenges and be able to transform them into opportunities.

### **Next Wave of Globalization:**

In the age of discontinuity, the next Wave of Globalization assures strong growth prospects. Nevertheless, emerging social and environmental pressures as the by-products of the globalization deserve due attention. The World Bank's recent report on "*Global Economic Prospects-2007*" predicts that the global economy could expand to \$ 75 trillion by 2030. It is set to be driven in an unprecedented manner by strong performance in developing countries. The

number of people living on less than \$ 1 a day could be reduced to half from the present 1.10 billion to 0.55 billion by 2030. However, for want of competitive edge, income inequality might create a gulf among many nations, compounding the current deep concerns over income disparities.

Global trade in goods and services could shot up by more than 3-fold to \$ 27 trillion by 2030 as the share of trade in the global economy is expected to rise from the present one-fourth to a little over one-third while around half of the income is likely to be controlled by the developing nations. The Developing Countries which could provide a mere 14% of manufactured imports of developed countries two decades ago, by now are able to supply to the tune of 40% and by 2030 are likely to supply over 65%.

The benefits of globalization can be harnessed manifold. By 2030, in developing countries, 1.2 billion people are expected to belong to “Global Middle Class (GMC)” against the corresponding figure of 0.4 billion at present. This GMC group of developing nations is expected to have a purchasing power ranging from \$ 4,000 to \$ 17,000 per capita. Thus, the GMC group will enjoy access to international travel, state-of-the-art technology, attain international level of education and play a pivotal role in shaping policies in their respective nations and the world economy. However, challenges of the revolutionary trends of globalization pose threats and put specific burdens on policy matters. Hence, developing nations should ensure that the poor are brought to the mainstream through pro-poor investments in education, infrastructure and various support mechanisms.

**India in the globalized environment:**

It is said that 20<sup>th</sup> Century belonged to the West and Europe while 21<sup>st</sup> Century is set to belong to Asia, India and China being the main players. With over 1.1 billion people, diverse regions and varied languages, India has been able to register unprecedented strides in progress on scale, size and pace in the globalized environment. The paradigm shift since 1991, “*a Watershed Year*” in the history of independent India, presented a new impressive face to the nation globally. The country is able to reduce absolute poverty by more than half, improve literacy dramatically and health conditions vastly. Now, India became one of the fastest growing economies in the world with a growth rate of around 8% over the past three years. The GDP growth rate of the current year is registered at 8.4%. If this track is sustained, today’s child will witness a near 4-fold increase in per capita income of the country by the time he/she becomes a major.

Endowed with quality human resource, India emerged as an important global player in Information Technology, business process outsourcing, telecommunications and pharma sectors. The current annual growth rate in agricultural sector is 3.9%, industry 7.6%, service sector 10.3% while merchandize exports record 23% growth. Amazingly, India now has transformed into the fourth largest economy in terms of purchasing power parity.

Despite the fact that we are able to achieve self-sufficiency in food, one should be reminded that a long road is ahead in this direction as our productivity levels in terms of both land and labour are far from standards. Apart from other

measures, creation of rural infrastructure with urban amenities would enable agricultural sector develop and improve forward and backward linkages.

On the other hand, the country's vulnerability to external crisis remains limited due to its huge foreign exchange reserves now exceeding \$ 160 billions. With a view to make the aforesaid growth more inclusive, Government has taken up several programmes and initiatives viz., Bharat Nirman (Rural Infrastructure), NREGA (address employment), NRHM (rural health), SSA (primary education) and NURM (renew urban infrastructure). For effective implementation and desired outcome of these programmes launched at a greater scale aiming at target groups, the requisite initiatives for institutional reforms are also underway.

### **Partnering for Development:**

As a sequel to the rise in income levels, people demand qualitative core public services including infrastructure. Hence, issues of quality are finding a place in the forefront on the top of the agenda. On the infrastructure front, the rapidly rising economy of India throws huge demands and challenges for appropriate and requisite power and transport networks. The Government having identified the shortages in these sectors, requiring to invest an additional 4% of GDP on infrastructure to sustain its present growth rates, invites private sector partnership in select segments on priority basis. The relative roles of Government and Private sector in infrastructure are being defined in a complimentary manner.

**Human Assets:**

Debates on “*Brain Drain*” have become obsolete and discussions on “*Brain Gain*” draw due attention of the intelligentsia. In this knowledge age, India’s vast and talented human resource pool created waves across the world notably in the information technology and telecommunications industries. As per the estimates, by 2015 India will be endowed with highest number of qualified and talented youth world over in the age group of 21-30 years to cater to the global needs, championing Knowledge Process Outsourcing (KPO) apart from Business Process Outsourcing (BPO). However, NASSCOM and other ITES companies’ reports reveal that as of now, only 4% of the professional graduates produced every year in India have been equipped with the necessary soft skills suiting to the requirements of the Multi National Companies (MNCs) and Trans-National Companies (TNCs). In this context, I am reminded of the commendable efforts put in by the A.P. State Council of Higher Education (APSCHE) and all the Universities in the State of Andhra Pradesh for their initiatives in introducing soft skills as part of the curriculum at graduate level with effect from 2005-06.

Competitiveness is the most important component for the sustainable progress of any nation. At post-graduate level too, the advanced versions of soft skills, mostly applied in nature with full credits if introduced, would enable the University and college products equip their mind-sets with the necessary intellect, wisdom and skill relevant to the needs and requirements of the industry and society yielding multiple positive results. Thus, the products of educational institutions in India would be able to produce prospective leaders in all the sectors, thereby bridging this huge gap accumulated since long. The multiplier

effect would also result in increasing number of Indians being able to enjoy living standards comparable to those in industrialized societies.

### **The Task Ahead:**

I take this opportunity in reminding all the concerned that it is high time to transform our organizations into “*learning organizations*”, where every one looks at problem solving instead of mere concentrating on the fading concept of mere efficiency. Open communication with transparency, team based structures, cross cultural tolerance and appreciation, participative style in strategy formulation ably supplemented by appropriate leadership, would facilitate all segments of the players optimize and synergize their ability in terms of knowledge and skill, thereby enabling gain competitive edge internationally. Educational institutions are not an exception in this pathway. In this context, I appreciate the efforts of Andhra University to get ISO certification in education service sector and commend the initiatives and leadership of its Vice-Chancellor Prof.L.Venugopal Reddy. Also I would like to express my sense of happiness that Andhra University is able to sign MoUs with select foreign universities benefiting the students of this region in a greater magnitude.

Hence, the new “*mantra*” shall be “*education for empowerment*” and India would be able to discover the *Model Man of Democracy*, or the *New Man the Nehruvian socialism* aspired to create and ultimately *robust management and visionary leaders*.

In the aforesaid saga, the role to be played by Commerce fraternity in the nation building and transforming the country into a superpower by 2020 is

pivotal and crucial. I commend the Indian Commerce Association for instituting the Best Business Academic of the Year (BBAY) Award with a view to encourage the youth in the field of research in Commerce and Management. I am also happy to learn that BBAY Award carries one Gold Medal and five Silver Medals. ICA deserves due appreciation for designing Memorial Lectures in the name of intellectuals, as a recognition of their thoughts in the discipline and contribution to the literature, as part of the Conference. I also observe that the technical tracks identified by the organizers are topical and contemporary. The deliberations that are set to take place across the designated technical sessions of the conference, viz., *Brand Marketing Practices in India, Financial Derivatives and Stock Decisions, Outsourcing – Myths and Realities, Infrastructure and Economic Development in India*, and the Seminar on *Value Based Management – Indian perspective*, it is hoped, would lead to the emergence of focused suggestions and recommendations. I wish that “*Vizag Declaration on Commerce and Industry*” would contribute its might in the policy making at national level.

I congratulate all the delegates for having come out with quality research-based papers and look for very active participation in the deliberations of the conference. I also wish the delegates to have a very pleasant, comfortable and memorable stay at Visakhapatnam, *the city of destiny*, which has many attractions around to visit and enjoy.

While thanking the organizers for inviting me to deliver my inaugural address, I hereby declare that the 59<sup>th</sup> All India Commerce Conference inaugurated.

Thank you one and all.