

For Favour of Publication

Patna, December 7. Sushil Kumar Modi, Deputy Chief Minister and Finance Minister of Bihar, has said that Bihar has progressed immensely in terms of various socio-economic indicators over the last fourteen years and highlighted the role and contribution of the Centre for Economic Policy and Public Finance (CEPPF) towards providing policy prescription and academic input. He was inaugurating an international conference titled "Public Finance: Theory, Practice and Challenges" organised on the occasion of the tenth anniversary of CEPPF, which is a think tank established at ADRI by the Government of Bihar in 2008. The deputy chief minister observed that the economic growth rate of Bihar is more than 10 per cent which is higher than the national average and added that Bihar is revenue-surplus state and plan expenditure has shown remarkable growth over the last decade. Bihar's budget has witnessed 7 times increase between 2005-2018. "State has never resorted to over-draft facility during the last fourteen years. Public debt in Bihar is within manageable limits. Sectors like health, power, agriculture all showed remarkable improvements over the last decade", Modi said, and acknowledged the role that CEPPF has played so far in charting out development in Bihar.

Y. V. Reddy, former RBI governor, delivered the CEPPF 10th Anniversary Lecture. Reddy said that high interest rate not only affects private investors but also the government. "RBI operates independently but maintains close coordination with the state," Reddy added. He further said that financial instability and political instability go together, and also highlighted the importance of accounting principles.

M Govinda Rao, renowned public finance expert, drew attention of a over 150-strong audience towards the contribution of research and advocacy in formulating policy making in public finance. He underlined the importance of sectoral allocation within the greater budgetary distribution, and observed that RBI should act in conformity and close coordination with the government.

Errol D'Souza, Director of IIM Ahmedabad, said that the coordination of fiscal and monetary policy is an essential requirement of macro-economic management. He further commented that once a country's public debt reaches its fiscal limits, the chances that it will devalue its debt rises. D'Souza stressed on the fact that fiscal and monetary policy are the two arms of the State and these require coordination. He added that negative financial net worth should not worry the state.

Sukhpal Singh of IIM Ahmedabad discussed various issues of reforming agri-produce market in India. He highlighted the agrarian crisis the country is facing and said that the state has a role to play in mitigating such crisis through better marketing of agricultural produce.

Shaibal Gupta, Director CEPPF, delivered the welcome address. Gupta briefly outlined the chronological growth of CEPPF over the last ten years. He remarked that in today's globalized world challenges before the public finances are manifold. These become further complex and nuanced in a state like Bihar where issues in public finance is directly related to the immediate development aspirations. Gupta stressed on the paramount role of state in development planning and described the contribution of CEPPF in policy development and assistance provided to the state government over the last ten years as a policy think-tank.

Anjan Mukherji, Chairperson, ADRI and emeritus professor at JNU, delivered the vote of thanks on the occasion.

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