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Rajan: Can't get euphoric with the tag of 'fastest-growing'

ALKA KSHIRSAGAR

Pune, April 20



Unfazed by the government's reaction to his likening

India's economy to a one-eyed king in a land of the blind, RBI Governor Raghuram Rajan noted that current growth would have to be repeated for the next 20 years for every Indian to get a decent livelihood.

Addressing the 12th NIBM convocation here, he said that as a pragmatic banker, he could not get euphoric about India being the fastest-growing large economy. "We cannot get carried away by our current superiority... we stop doing all that is required to continue growing. This has played out too many times for us to not know how it ends."

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'Nation must perform well for 20 years to give everyone a decent livelihood'

We are still one of the poorest large countries in the world on a per capita basis: Rajan

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Unfazed by the government's knee-jerk reaction to his likening the Indian economy to a one-eyed king in a land of blind, RBI Governor Raghuram Rajan has sent out a reminder that the current performance on growth would have to be repeated for the next 20 years before every Indian can get a decent livelihood.

"We cannot get carried away by our current superiority in growth, for as soon as we believe in our own superiority and start distributing future wealth as if we al-

ready have it, we stop doing all that is required to continue growing. This movie has played too many times in India's past for us to not know how it ends," Rajan said.

Addressing graduating students at the 12th NIBM convocation in Pune, he argued that as a pragmatic banker, he could not get euphoric about India being the fastest-growing large economy.

"Our current growth certainly reflects the hard work of the government and the peo-

ple of the country, but we have to repeat this performance for the next 20 years before we can give every Indian a decent livelihood. This is not to disparage what has, and is, been done," he said.

Confident that pay-offs were on their way, he added: "Until we have stayed on this path for some time, I remain cautious."

Still among poorest

Rajan pointed out that growth is just one mea-

sure of performance and the per capita level of GDP was also important. "We are still one of the poorest large countries in the world on a per capita basis. We are often compared with China.

But the Chinese economy, which was smaller than ours in the 1960s, is now five times our size at market exchange rates.

"The average Chinese citizen is over four times richer than the average Indian. The sobering thought is we have a long way to go before we can claim we have arrived."

Asserting that our international reputation was that of a country with great promise, which has under-delivered in the past, he said,

"This is why we are still the poorest country on a per capita basis among the BRICS.

"We need to change perceptions by delivering steadily on our promise for a long time — by implementing, implementing and implementing."



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RAGHURAM RAJAN
RBI Governor

