

'Banking sector to see widespread changes'

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Pune: The country's banking sector is going to see widespread changes in the next few years, opening up floodgates of opportunities for those qualified in the field of banking and financial services, Reserve Bank of India governor Raghuram Rajan said on Friday.

Rajan was addressing students of the 11th outgoing batch of postgraduate diploma in management (banking and financial services) at the National Institute of Bank Management (NIBM).

He said that there will be more specialised institutions in the banking arena soon and suitably qualified youngsters will have a wider choice. These institutions will include small banks, payment banks or postal banks, Rajan said, adding that there will be opportunities in the banking derivatives segment as well as in technology that specifically addresses the banking sector.

Rajan, who is the chairman of NIBM's governing board, exhorted the students to listen to their inner voice to know whether they are enjoying their profession or job and to make work exciting and interesting. "The country's economic progress has created so many career opportunities that you have a vast choice. Be in a job you like by changing the firm where you work or create your own firm to be in the job you enjoy doing," Rajan said, citing the example of a marine engineer in Goa who has chosen to become a professional deep sea diving



RBI governor Raghuram Rajan (R) with chief economic adviser Arvind Subramanian at NIBM on Friday

coach.

Chief financial adviser to the Union government Arvind Subramanian, while delivering the convocation address, said that the Indian economy is on a roll thanks to a political mandate in favour of change and a benign world economy marked by the slide in oil prices. The transformation in the economy is on a firm footing as the country has progressed despite umpteen social differences, including caste, religion and language, which tend to create a conflict of economic priorities, he said. He added that other countries that had achieved significant economic progress are more homogenous societies.

The country's democracy is getting stronger despite very low income levels and vast population diversity, Subramanian said. India has recorded an average economic growth of 4.5% in the last 35 years or so, a feat which very few countries have managed, other than

the autocratic regimes of East Asia and the oil-producing countries, he said.

Subramanian said the push for reforms by the Centre has triggered a sense among the states to become more efficient and competitive in terms of governance and industry friendliness. "Global studies have concluded that in the last three election cycles, the electorate has penalised bad performance and rewarded good performance. Even the 2014 general election showed that people have rejected poor performance and voted in favour of a hope for change," he said. This trend of politics driving economics will lead to a "competitive federalism" that will mean the states will strive to become better and better to attract investments, Subramanian added.

The outgoing batch consisted of 54 students who have all been placed in various private sector banks, financial service providers and consultancy firms.