Blog

Expert network's first mission finds strong sense of self-determination among Indian economists

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The International Relations Committee of the European System of Central Banks (ESCB) established an informal India expert network in 2021. The network, which I have the honor to chair, serves as a forum for exchange of information about India's economy among ESCB economists. With India's ever-increasing importance in the global economy, Europe's central banks and other key institutions need to sharpen their focus on India.

Eight central banks (the European Central Bank, the national central banks of Austria, Finland, Germany, Hungary, Italy, Slovakia, and Spain), as well as representatives of the Bank of England already participate in our network. Our meetings cover a range of topics related to India's economy, its economic policies and links with Europe. Contributions to our discussions come from network members and experts from other institutions, including the Reserve Bank of India.

Our recent mission to India (Nov. 28 – Dec. 3) sought to gain on-the-ground insights into the Indian economy and make contact with experts who might contribute to our future work. I was joined on the mission by colleagues from the National Bank of Slovakia, Banca D'Italia, and Banque de France.

Our visit included meetings at the Reserve Bank of India, the Centre for Advanced Financial

Research and Learning (CAFRAL), the Indira Gandhi Institute of Development Studies (IGIDR), the National Council of Applied Economic Research (NCAER), and the Research and Information System for Developing Countries (RIS). We also had discussions with experts at the embassies of Italy and Finland about India's economy, policies, and institutions.

We were impressed by the friendly and open expert discussions we encountered at all institutions we visited. Our conversations made it clear that India has a deep pool of outstanding economic talent to draw upon as it navigates its development path. The variety of views we encountered provided us with much food for thought as we form our own views on India's economy.

The key insight for me was the strength of the conviction among experts that India advances along its own idiosyncratic development path rather than follow off-the-shelf development models. While that path is forged in part by policies at the federal level, it also benefits from significant feedback from many stakeholder and interest groups. The vastness and diversity of India, along with its discretionary policies, makes it challenging to predict where its development path will lead.

We have documented some of our experiences in a lightly edited video that hopefully preserves the positive atmosphere we encountered. I want to thank my fellow travelers and hosts for a wonderful and productive mission.

Keywords

BOFIT, economic reform, India, Indian economy