While presenting the Union budget for 2000-01, the finance minister, Yashwant Sinha, said, “I propose to put India on a sustained, equitable and job creating growth path of seven to eight per cent per year in order to banish the scourge of poverty from our land within a decade. The next 10 years will be India’s decade of development.”

India has a chance to make a tremendous breakthrough in economic development during this decade. Its political system is in consensus about basic reforms. The current government enjoys a strong electoral mandate. A decade of opening the economy has produced dynamism, most dramatically in information technology. The world is waking up to India’s role as the largest democracy and as a dynamic, if low income, economy. New technologies like infotech and biotechnology give new opportunities for economic and social development.

The prime minister should announce specific major national goals of development. These goals will help galvanize domestic public opinion in support of development, provide a gauge against which to judge the progress of policies, help the world appreciate the efforts underway and support them through increased foreign investment. It would be akin to the United States New Deal of the Thirties: a rallying cry for the public, a political base for the reforms. If the government succeeds in these ambitious goals, it would create a lasting legacy of political support. The government should set two broad goals for itself.

First, to double India’s per capita income by 2010. Income doubling within a decade requires annual growth in per capita income of seven per cent per annum. Second, to universalize education until class VIII by 2010, with special efforts for disadvantaged groups.

Additional targets could be set for health conditions and access to basic services like sanitation, clean water, telecommunications, power and so on, particularly in rural India.

Bill Clinton announced national goals for education in his state of the union address in January 2000. Since the US is often portrayed as a free market society, it might be supposed its government shies away from specific domestic goals as smacking too much of “central planning”. To the contrary, Clinton’s address is filled with goals relating to education, public health, child poverty, internet use, science and technology, disease control and so on. It sets broad goals and explains how they can be met. It calls on individual states to meet certain performance standards as in education. This reflects the fact that in the US, like in India, the centre may set goals but implementation rests with the states.

Clinton said, “To 21st century America, let us pledge these things. Every child will begin school ready to learn and graduate ready to succeed. Every family will be able to succeed at home and at work, and no child will be raised in poverty.” He added, “First and foremost, we need a 21st century revolution in education, guided by our faith that every single child can learn. Because
education is more important than ever, more than ever the key to our children’s future.”

India can enunciate comparably bold but achievable goals. India too needs a revolution in education, aimed at literacy for all and a high level of school attendance. To make the first decade of the 21st century a true “decade of development” will require a broad based program of economic and social action. These actions have to be broad based, requiring new approaches and legislative reforms in many areas of public policy. We summarize 10 main areas of reform.

One, universal literacy, based on national goals, backed by coordinated actions of Centre and state. Universal literacy could be achieved through creative mobilization of new infotech approaches, better school attendance and other policies, all with a clear focus on including girls and disadvantaged groups. The Centre could call together the chief ministers to launch a new national commitment in favor of this goal. The economic and social returns from such an initiative would be huge, including higher growth rates and lower fertility rates.

Two, aggressive public health campaigns against major infectious diseases and especially the incipient AIDS epidemic. Three, enhanced family planning policies, to limit the growth of India’s population to below current projection — the United Nations forecasts a 2050 population of 1.5 billion.

Four, the completion of the economic reform agenda. There are several remaining priorities of economic reform.

This includes reducing the fiscal deficit through budget cuts and privatization revenues. This is in order to reduce the ratio of public debt to national income, thereby avoiding future macroeconomic destabilization. Also, export promotion through emphasis on export processing zones, eliminating reservations for small scale industry, encouraging infotech, eliminating administrative barriers to foreign direct investment, and eliminating tax and tariff structures that are anti-export biased.

Improved infrastructure, through liberalization plus regulation. Especially in telecommunications, where privatization and competition are crucial, and power, where reform of state electricity boards is crucial.

Five, efficiency and dynamism will require the transfer of more power to states and local governments, and more democratization at the local level. Dynamic metropolitan areas will constitute the main engines of growth for India in the coming decades. These urban areas will need taxation and regulatory powers to be able to support the business and social environment.

Six, India should assert its leadership role in various venues, including the Group of Twenty, future international summits between North and South, the International Monetary Fund, World Bank, World Trade Organization and the World Health Organization. It is essential India play a significant role in the functioning of, and deliberations at, these international organizations.

Seven, India should sponsor programs and reforms to encourage universal telephony and internet access in all villages as part of the national campaigns in literacy, health and
development. Physical infrastructure for data transmission within India, like fibre optic cables, remains underdeveloped.

Eight, strengthening overall ties with overseas Indian communities. The Indian diaspora constitutes a vital economic and cultural treasure for India. Nonresident Indians can play a critical role in trade, finance, technology, business competition and culture.

Nine, strengthening science and technology in India’s development policies. India can become one of the centres for global science. This is important since India faces a range of challenges like health, environment, agriculture and power where the technologies of the West are inappropriate. The government should sponsor high level science councils, pay greater attention to university-industry links in technology and give more funds to science institutes.

Ten, India’s universities should serve as a core to a knowledge based development strategy. The Indian Institutes of Technology are already world class and must be nurtured further. A dynamic university sector, built on private and public institutions, and much deeper links with foreign universities outside of India should be fostered. Also, the government should foster closer university-business relations, and create tax incentives for charitable contributions.

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