



# Sri Sathya Sai Institute of Higher Learning

(Deemed to be University)

Department of Humanities and Social Sciences

Prasanthi Nilayam

## National Workshop on

*Macro Stabilization Policies for India during the Post-Pandemic Period*

**26<sup>th</sup> August 2023**

### A Report

The Department of Humanities and Social Sciences, Sri Sathya Sai Institute of Higher Learning, Prasanthi Nilayam Campus has organised a National Workshop on "**Macro Stabilisation Policies for India during the post-pandemic period**" on 26<sup>th</sup> August 2023 in the Prashanti Nilayam Campus. The workshop comprised a series of eminent lectures, presentations, and discussions.

It brought together experts, academicians, policymakers, and students to discuss macroeconomic policies undertaken during and post-COVID-19 Pandemic crisis that engraved multifaceted challenges on a vast open macroeconomy, such as India.



The workshop started with Vedam chanting, lighting of the ceremonial lamp, and a welcome address from Dr. G Raghavender Raju, Head, Department of Humanities and Social Sciences. He welcomed everyone to the workshop and wholeheartedly thanked all four speakers for kindly accepting their invitation and agreed to be with them, despite their busy schedules to share their knowledge and expertise with us. This was followed by the **inaugural address by Vice-Chancellor Prof. B Raghavendra Prasad.**



He dwelled upon the impact of the pandemic on the Indian economy and applauded the government for prioritizing lives and livelihoods against economic growth, a virtue aligned with India's ethos. He drew parallels between India's economic crisis in the early '90s and the COVID-19 pandemic and admired policymakers' abilities to navigate through adverse situations.

**The first special lecture was delivered by Prof. N R Bhanumurthy, Vice Chancellor, Dr. B R Ambedkar School of Economics University, on the Indian economy during and after the pandemic.**



Prof. Bhanumurthy commenced his discussion by discussing the components of aggregate demand, such as consumption, investment, and government expenditure, and their impact on inflation. Drawing specific attention to the Fiscal Responsibility and Budget Management (FRBM) Act, he stressed the importance of adopting an active fiscal policy paired with an accommodative monetary stance. He concluded by emphasizing the urgent need to reconsider the public debt-to-GDP ratio, suggesting potential policy recalibrations.

**The second special lecture was delivered by Dr. Deba Prasad Rath, Principal Adviser, Department of Economic Policy and Research, Reserve Bank of India (RBI), on the role of fiscal policy in the post-pandemic economic recovery.**



Dr. Rath, with over three decades of experience at the RBI, provided a nuanced understanding of the role of fiscal policy in post-pandemic economic recovery. Drawing upon insights from celebrated economists, he dissected the fiscal policy's direct implications on a particular sector or area of an economy against the lag-prone aggregate impact of monetary policy. Dr. Rath illustrated the proactive measures India undertook during the pandemic and emphasized the significance of cohesive fiscal and monetary policies. His snapshot of the RBI's in-depth analyses of fiscal policy through robust economic models was well received by participants.

**The third special lecture was delivered by Dr. Nadhavael GV, Director of the Division of Reports and Knowledge Dissemination, Department of Economic and Policy Research, RBI, on the Current State of the Global and Domestic Economy: Challenges and Opportunities.**



He opened his session with a panoramic view of the global economic scenario, India's position amongst G-20 economies, and India's macroeconomic performance by analyzing various economic indicators through illustrious graphical representations of time series. He emphasized the conundrum of supply-driven price hikes in India, leading to challenges in managing inflation. In addition, he presented India's medium-term trajectory of major indicators and made compelling cases to focus on environmental concerns, the need for policies to enhance total factor productivity,



the game-changing role of technologies, and the strategic management of human capital to reap potential demographic dividends.

**The fourth special lecture was delivered by Prof. Ashima Goyal, Member of the Monetary Policy Committee of RBI, and Emeritus Professor at the Indira Gandhi Institute of Development Research (IGIDR), on India's Monetary Policy stance during the post-pandemic period.** She discussed the stronger recovery of the economy post-pandemic, despite slow growth in the past decade. She highlighted that India's economic strategies amidst global challenges were successful because of the distinctive approach to monetary policy. As the nation shifted from traditional demand-side policies, she pinpointed the crucial role of credible and flexible inflation targeting and anticipatory measures during the COVID-19 pandemic.



Further, she emphasized several aspects, such as coordinating monetary and fiscal strategies, the need for timely structural reforms, and the role of narratives in the form of clear communications by the central bank to have a grip on policy transmission.



The lectures were followed by four presentations from students on emerging economic issues, such as a shift of interest reference rate from LIBOR, De-dollarization, Central bank digital currency, and ramifications of a ban on non-basmati rice by India. These topics invited thought-provoking input from the participants.



The workshop effectively merged academic knowledge with practical insights and was well-received by the participants.





The event concluded with a vote of thanks from Shri. B Sai Prabhakar, a faculty member from the department, followed by offering Mangala Aarthi to Bhagawan Sri Sathya Sai Baba.