

Hall of fame

Suresh Babu is also an Associate Professor at the Institute for Social and Economic Change, Bengaluru, a Research Associate at the Centre for Development Studies, Thiruvananthapuram, Kerala, and a Lecturer at the Gokhale Institute of Politics and Economics, Pune

₹878

The price of the book on Amazon

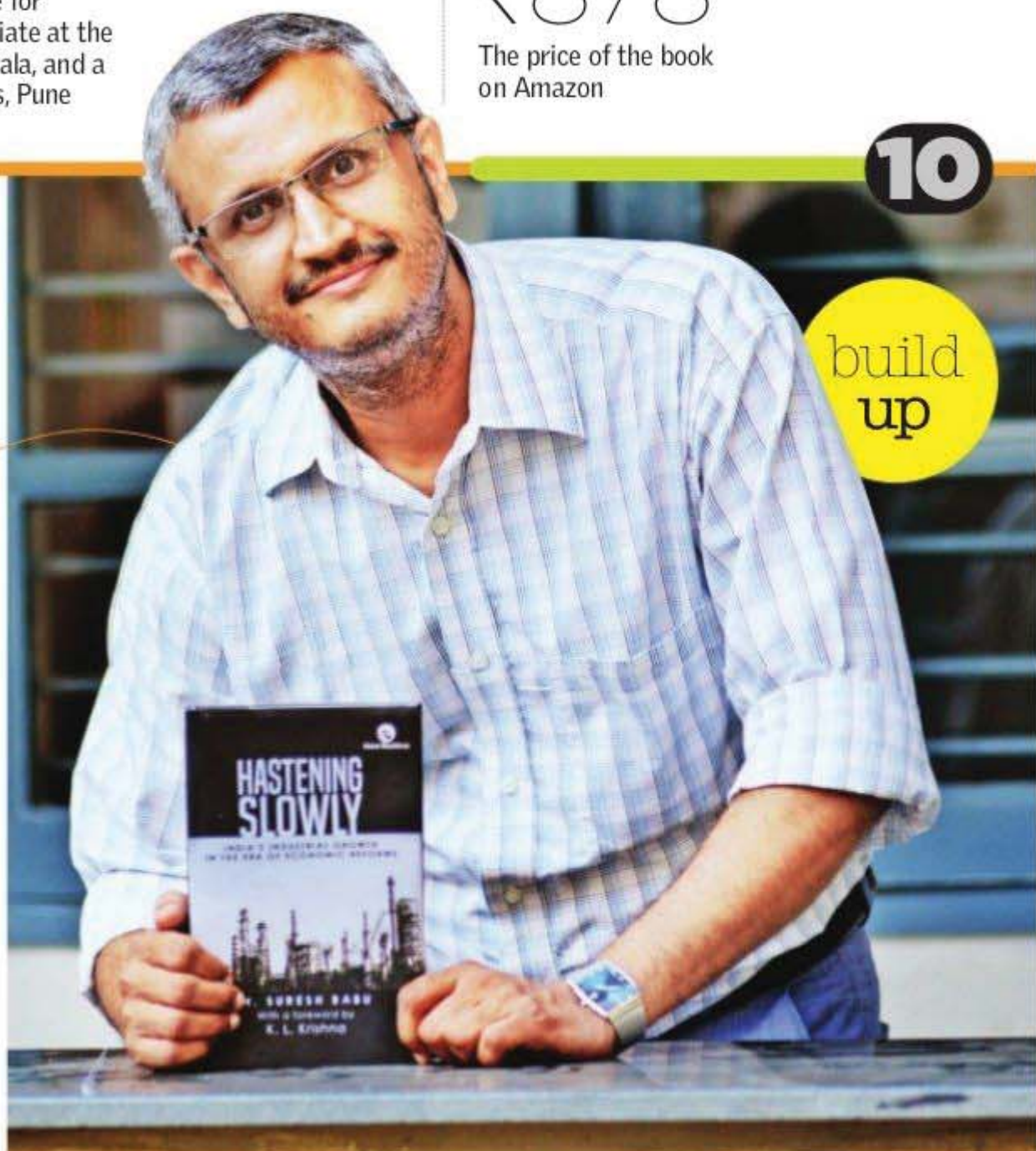
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build up

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In India, employment growth is dominated by traditional industries like textiles, leather and metallic products, but transport equipment and parts is another industry to generate employment at a large scale

Suresh Babu



Pic: Sunish P Surendran

Reshaping India's manufacturing sector

M Suresh Babu, Associate Professor at IIT-M has written a book, *Hastening Slowly*, that talks about India's industrial growth in the era of economic reforms, finds **Damini Goel**



Did you know?

The book briefly studies the productivity of major industries and regional inequality in the manufacturing sector



Award story

Suresh Babu was awarded a PhD from JNU, New Delhi and an M Phil in Applied Economics

In the era of liberalisation, India's economic policies were geared towards economic growth. Post-independence, India's diverse economy witnessed major changes in the 1990s, most of which were aimed at changing the industrial landscape. *Hastening Slowly*, authored by **M Suresh Babu**, Associate Professor, Department of Humanities and Social Sciences, Indian Institute of Technology Madras, provides a comprehensive analysis of the changes in the market structure since the onset of these policy changes. "India has been going through a very peculiar path in terms of industrialisation. It has bypassed industrialisation in the conventional sense. From a predominantly agrarian economy, we have moved to a service-oriented economy unlike a lot of developing countries. So, India has been trying to push this whole pace of industrialisation with a variety of policies. A lot of discussions were doing the rounds in terms of policy constraints. And in 1991, we liberalised the industrial sector to relieve the earlier constrained economy. The idea was that if there is more competition in the industrial sector, there will be good returns and better output," says Suresh. The book examines whether these policies, which were intended to infuse competition into the sector, have been successful in terms of changing the basic structure of the manufacturing sector itself in India — this is the broad narrative the book traverses.

The book also talks about the set of policies banking on de-licensing, deregulating and so on, which have diluted the so-called institutional barriers towards industrialisation and has led to the construction of market barriers. "So, when you have market barriers, entry of new firms becomes difficult. Although these firms can enter, their survival becomes difficult due to the existing firms that have already built market base barriers. Due to this, the basic structure of industries has not undergone much of a change after the reforms. On the whole, the book argues that while the macroeconomic reforms are fine, but what we need now are the microeconomic changes," he adds.

As a lot of industries are moving away from cities to the suburban areas, it has accelerated the growth of the unorganised manufacturing sector in the country. "The scale of operations of enterprises has been a problem now. In India, there is an expansion of unorganised activities due to the new trend of industries moving away from cities to suburban areas, which has accelerated the growth of unorganised manufacturing in the country. But the problem here is that in unorganised manufacturing, the number of manufacturing industries that are growing is not efficient in terms of production. So, this strategy of banking on the unorganised sector itself is not a viable choice in the long run," concludes Suresh.

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