

To Our Readers



he New Year is with us. This is the time that astrologers are most in demand. From individuals to nations, they will interpret the year for everyone. The more prosaic of us are, however, constrained to look at the future not in the gentle lights of the stars, but in the far harsher glare of economic realities.

Nevertheless, for possibly the first time in many years, the new year has opened on a confirmed note of cheer. If the record reserves of foreign exchange were not enough, there is now the added news of India having broken the 8% barrier in growth of GDP. The feel-good factor has become part of the vocabulary of the man on the street, and that, perhaps, is one of the best things that could have happened.

People are comparing India and China on more positive criteria than ever before, and some experts have also started doubting China's long term growth potential as compared to India. Doubtless, Chinese experts are doing the same thing with respect to India.

Are we really then on the glorious road to finally becoming an economic power to be reckoned with. Many will have it so, and with good reason. Many others, not so well disposed, point out that literacy rate is still at an abysmal 55%, that \$2000 a year is considered by the young graduates to be a good enough salary, and that neither the number of urban homeless, nor the number of people below the poverty line have shown a great deal of reduction.

What concerns us amidst all this euphoria is the shape that the services sector is likely to take. Although we are concerned with the accountancy sector primarily, the reality is that accountancy is only one of the hundred-odd business services that make up the WTO directory. And the point of concern is that we are not at all sure about what is happening in most of those services. How many of the people who are concerned with policy are fully aware of developments, say in the services sector of midwifery, or ship painting or chandlery? Not many. At least there is no public evidence of such business services having received the academic and policy attention that services like IT, or accountancy, or law have generated. As it is data on most other services is scanty at best, unreliability of the data being the order of the day; 'official' statistics on such services having hardly any sanctity from the true economist's point of view.

And yet, some little bird seems to say, there may come a day when the balloon of call-centres may burst, in spite of the optimists' insistence that Dell and others like them are just aberrations. There may come a day when not many legal firms will be able to compete with global giants who routinely employ five to six hundred lawyers and charge hourly rates of four hundred and more. It is at that time - and that day may not be too far off - that these so far neglected business services- quite a few of which are closely connected to the rural economy which at the end of it all is the engine for the growth of the Indian economy as a whole- will look like fall back options whose potentials were never realized. And as usual, we as a nation shall be looking around for scapegoats.

The point is, how many times should we repeat our mistake of not knowing enough about our economy? When shall we be really commit ourselves to collecting hard information on all those parts of our economy which are covered in mist from the windows of our air-conditioned rooms?

We sincerely hope that the New Year will provide an answer.

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