

## **Dr. Chakravarthi Rangarajan**

1. Dr. Chakravarthi Rangarajan is among the foremost economists of the country, who has had a profound, lasting and decisive impact in charting the economic direction of the country over the last quarter century. As Governor of Reserve Bank of India during 1992-97, he was part of the core team of economic administrators involved in the strategy, design and implementation of India's path-breaking economic reforms in the 1990s. Mainstreaming monetary policy as a flexible instrument of economic policy to achieve growth with stability and consolidating India's financial sector to give it a modern outlook and competitive edge will remain his enduring legacy to the economic development of India.

2. Dr. Rangarajan has held several important positions in the government. He was a Member of the Planning Commission (1991), Governor, Reserve Bank of India (1992-97), Governor of Andhra Pradesh (1997-2002), Chairman of Twelfth Finance Commission (2003-04). Chairman of the prestigious Economic Advisory Council to the Prime Minister (in the rank of a Cabinet Minister from January 2005 to August 2008). He was a Member of the Rajya Sabha (August, 2008 to August, 2009). He was reappointed as Chairman, Economic Advisory Council to the Prime Minister, from August 2009, which position he held till May 26, 2014.

3. After graduating with an Honours degree from Madras University, Dr. Rangarajan went to the University of Pennsylvania where he obtained his PhD in economics. Following that, he taught at the Graduate School of Business Administration of New York University. He returned to India in 1966 as Professor at the Indian Institute of Management in Ahmedabad where he remained for the next 16 years.

4. During his academic career, Rangarajan wrote extensively in technical journals on money, banking, finance, fiscal and external sector issues. He pioneered a new methodology for forecasting corporate investment. His monograph on the "Inter-relationship between Agricultural Growth and Industrial Development" (1982) is cited even today as standard reference which testifies to its seminal value.

5. When Rangarajan joined the RBI in 1982 as Deputy Governor, our economic philosophy was dirigiste, dominated by deep apprehensions about market forces and strong faith in government intervention. In the financial sector, this meant an elaborate system of controls and regulation with the RBI even

mandating innumerable interest rates for both depositors and borrowers. Such labyrinth of controls and micro management must have bewildered an entrant from the academia. Rangarajan was, of course, fully sensitive to the development considerations that led to this deviation of practical policy from academic prescription. As Deputy Governor first, and later as Governor of RBI, Rangarajan was a decisive influence in setting a new direction to our monetary policy and making it an integral part of our economic management.

6. Dr. Rangarajan's stint as Governor of RBI coincided with an epochal period in our economic history when the country embarked on wide ranging economic reforms which fundamentally altered the structure and direction of Indian economy. He worked closely with Dr. Manmohan Singh, then Finance Minister, in zealously pursuing reforms to set a new direction for the economy in tune with market forces and competitive impulses. He was the intellectual force in highlighting the importance of monetary policy to growth and development. The path-breaking reforms that he implemented during this period include deregulation of interest rates, strengthening of the banking system by a gradual tightening of prudential norms, creation and nurturing of financial markets giving them depth and vibrancy, shifting to market determined exchange rates, making the rupee convertible on the current account and the cessation of the automatic monetization of the budget deficit.

7. Dr. Rangarajan has always been a cerebral policy maker who brought to bear not only deep scholarship but lateral thinking on the formulation of public policy. His presidential address at the Indian Economic Association on "Issues in Monetary Management" (1988) is considered a landmark statement. His Kutty Memorial Lecture on "Autonomy of Central Banks" (1993) was decisive in putting an end to the 40 year flawed system of monetisation of the fiscal deficit. His Anantha Ramakrishnan Memorial Lecture on "Dimensions of Monetary Policy" (1997) set out the rationale for a strong and unswerving monetary policy and the need for identifying the central objective of monetary policy which has to be the control of inflation.

8. Dr. Rangarajan has chaired a number of high-level committees. As a member of the Sukhumoy Chakravarthi Committee (1985) to review the working of the monetary system, Rangarajan gave a new meaning to the term 'monetary targeting'. The Committee on Balance of Payments (1991) that he chaired laid a firm basis for our external sector management. The Committee on Disinvestment (1992) defined the rationale and framework for government disengagement from public enterprises. The recommendations of his Committee on Petroleum Pricing (2006) have set the framework for calibration of prices and taxes in the petroleum sector in tune with the demands of our economy and global trends. As Chairman of the National Statistical Commission, he reviewed and formulated a new structure for the Indian Statistical System. He was Chairman of the Committee to review the methodology for the estimation of Savings and Investment. More

recently, he chaired the Committee to review the functioning of the sugar industry and made important recommendations for the decontrol of the sector. The Committee on Production Sharing Contract Mechanism in Petroleum Industry and Gas Pricing which he chaired has evoked much debate. A Committee chaired by him also reviewed the working of the Road Projects. The most recent Committee he chaired was the one to review the methodology for the Measurement of Poverty.

9. He was President of the Indian Economic Association in 1988 and he was again honored as the President during 2017, the centenary year of the Association. He was also the President of the Indian Econometric Society in 1994.

10. As Chairman of the Constitutionally mandated 12th Finance Commission, Dr. Rangarajan brought about a paradigm shift in our fiscal federalism, reinforced the imperative of fiscal responsibility for growth and poverty reduction and defined a framework for fiscal adjustment at the centre and in the states.

11. Dr. Rangarajan, like several other distinguished economists, straddled both academia and the government. What makes him unique though is the way he constructively blended what are two disparate worlds. He brought deep scholarship over a range of academic disciplines to bear on public policy. In the reverse direction, through his writings and speeches, he disseminated practical policy dilemmas to the academia. Throughout, he remained deeply sensitive to real life concerns. It is this unique trait that has set him apart as one of today's most credible thinkers and advisors. Fittingly, a critic labeled him as 'philosopher king', and not surprisingly, the Government turns to him for advice whenever it is confronted with any intricate economic issue.

12. Dr. Rangarajan was recipient of several prestigious awards. Notable among them have been the Honorary Fellow of the Indian Institute of Management, Ahmedabad, Alumni Award for Outstanding Leadership by the Wharton India Economic Forum and the 'Finance Man of the Decade' by the Bombay Management Association. The Euromoney paid a glorious tribute to him by including him in a very select list of central bankers (1993). Hall of Fame Award 2008 by Outlook Magazine. He was conferred D.Sc Honoris Causa Degree by University of Hyderabad in 2010. He was also recipient of Life time Achievement Award by Corporate Affairs Ministry in 2009; In 2010, he got Life time Achievement Award by Financial Express and also from Business World. He has also been the recipient of Honorary Doctorate from several Institutions. In recognition of his distinguished service to the country, the government honoured him with Padma Vibhushan in 2002 (Second Highest Civilian Award). Since then, he received the following awards 'P.C. Mahalanobis Life Time Achievement Award' for contribution to official statistics by the Ministry of Statistics and Programme Implementation, Government of India, 2020. First "Dr. C.R. Rao Centenary Gold Medal" for life time achievement by The Indian

**Econometric Society in 2021. ‘Icon of the Indian Economy’ awarded by CNBC TV18 at their silver Jubilee Summit, Mumbai, 2024. ‘Fiscal Heritage Award’ awarded by TIOL Knowledge Foundation, New Delhi, 2024.**

**13. He is currently Chairman, Madras School of Economics, President of C.R. Rao Advanced Institute for Mathematics, Statistics, and Computer Science, and chancellor of IFHE (ICFAI Foundation for Higher Education).**

**14. Many of today’s achievers are eager to acknowledge Dr. Rangarajan as their one time teacher or to flaunt their professional association with him in some capacity or the other. This, above all, is the ultimate testimonial to his lifetime achievement.**