

## *Governor's Address\**

### *Duvvuri Subbarao*

The compendium of key speeches of RBI Governors, entitled 'Perspectives on Central Banking: Governors Speak' is the Reserve Bank of India's Platinum Jubilee tribute to its past leaders. All of us in the Reserve Bank attach immense value to the fact that this book is being released today by the Hon'ble Prime Minister, Dr. Manmohan Singh, who was himself Governor of the Reserve Bank from 1982 to 1985. We are delighted that besides the Prime Minister, three former Governors are also present here today. This book, therefore, is special not only for its content but also for the very special get together that marks its release.

2. Seventy-five years is a relatively short span for an institution. Even so, the journey since its establishment in 1935 has been eventful for the Reserve Bank, shaping not only its intellectual evolution but also securing its preeminent position in the economic policy space of the country. During this time, there have been momentous changes - a paradigm shift in economic ideology, ever new perspectives on economic development, growing aspirations of people, path-breaking financial innovations and game changing technological breakthroughs. All these are changes which have influenced the Reserve Bank, and changes to which the Bank has had to respond in its own unique way.

3. The Reserve Bank's 75 year journey has been marked by a host of historic developments both at home and abroad. Internationally, there were the aftermath of the Great Depression of the 1930s; the Second World War and the consequent challenges of war financing; the establishment of the Bretton Woods system

\* Address by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India on the occasion of release of the book: *Perspectives on Central Banking: Governors Speak* by the Hon'ble Prime Minister, Dr. Manmohan Singh, on January 15, 2010 in New Delhi.

in 1944; the unravelling of the gold standard and the oil price shocks of the 1970s; the Third World debt crisis of the 1980s; the Asian crisis of the mid-1990s; and most recently the global financial turmoil.

4. There were historic developments on the home front too, and they were varied - starting with the launching of five-year plans; and the challenges emanating from one of history's most ambitious and gigantic experiments in economic development, the after-effects of the two wars in the 1960s, the devaluation of the rupee in 1966, bank nationalisation in 1969, the balance of payments crisis of the early 1990s and the follow on path-breaking economic reforms that marked a paradigm shift in our economic policy. The Reserve Bank is proud of the role it has played in addressing these developments, responding to them with sensitivity, professionalism and integrity.

5. The high esteem in which the Reserve Bank is held today owes much to the intellectual leadership and vision of successive Governors. The speeches in this compendium are a testimony to that. The speeches also mark a journey through time and provide a glimpse into the ideas, issues and concerns that engaged the Reserve Bank over the years.

6. The wide-ranging themes covered by the speeches - monetary policy, external sector management, issues in the financial sector and the real economy, economic

development and poverty reduction, regulation of banks and financial markets and challenges of managing economic policy in a globalizing environment - are a reflection of the broad mandate of the Reserve Bank and its enduring concern for the larger public good.

7. For a public policy institution like the Reserve Bank, there is no final destination; the goal posts keep moving with new challenges and tasks replacing current ones. The learning too never stops. From each development and crisis, lessons are drawn and applied to policy and institutional reform.

8. This compendium of speeches is a reminder to us in the Reserve Bank of the need to be constantly pushing the envelope to remain useful and relevant. In this pursuit, the Bank needs to be at the frontiers of domain knowledge while also remaining sensitive to the core concerns of an emerging market economy, one which is still home to hundreds of millions of poor people.

9. We hope this book will provide an appreciation of the Reserve Bank's eventful history and its contribution to nation building.

10. In conclusion, our very warm thanks to the Prime Minister and all the former Governors for making this book release a flagship event in the Reserve Bank's Platinum Jubilee celebrations.