

CHAPTER 1

INTRODUCTION

The Government of the Union Territory of Pondicherry requested the Madras School of Economics (MSE) in March 2000 to prepare a Vision document for the Union Territory. Later that year, the Pondicherry Government authorized MSE to provide a detailed proposal and terms of reference for the study. The approved terms of reference of the study were as follows:

- To analyse the current status of the various economic sectors – agriculture, industry and services - and the existing trends and issues
- Identification of key growth sectors / activities
- Formulation of policies and programmes necessary to achieve desired targets.
- Options for resource mobilization to finance the programmes over the next twenty years.

The Government of Pondicherry agreed to the terms of reference of the study and asked MSE to also include the following:

- Identify areas / sectors for privatisation with a view to lessening the strain on the Plan budget.
- Human resource management coupled with optimal utilisation of existing work force, should there be a capping on induction of additional work force.

Madras School of Economics officially began the study in December 2000. The Director, Department of Planning and Research, Government of Pondicherry provided space to set up a small office with computer facilities. Since reports and data had to be gathered from various agencies of the Government, he also circulated a letter to all the departments requesting their cooperation. Consultants were identified to assist MSE in carrying out the study. Consultancy agreements were signed with the following individuals / organisations.

1. Dhan Foundation – Agriculture Sector
2. Prof. C.B.S.R. Sharma, Pondicherry University – Environment
3. Prof. Sham Bhat, Pondicherry University – Industry and Financial Services

Subsequently, Mr. Abdul Hameed, formerly of FAO also reviewed the chapter on the Agriculture sector and helped to sharpen the focus. The drafts by the consultants have been used as the base for the preparation of the reports on the various subjects by the MSE staff. Dr.Christopher Guilmoto of the French Institute provided guidance on the demographic projections for the year 2020. Dr.R.Srinivasan, Presidency College prepared the chapter on Human Development.

An initial presentation was made by the Director, Madras School of Economics on April 18, 2001 to representatives of the various departments on the priorities for the Vision document and the need to gather data from their respective departments. In September 2001, interim reports were submitted on the following six areas: Goals and Strategies, Human Development, Economy, Environment, Financial Services and Public Finance. Subsequently, work was taken up on Agriculture, Industry and Power.

A special meeting with tax and budget officials of Pondicherry was held at MSE in January 2002 chaired by the Chairman, Dr. Raja J. Chelliah. Subsequently, a meeting was arranged at Pondicherry with the Secretaries and Directors of key departments, chaired by the Development Commissioner to discuss the major recommendations with Dr. Raja J. Chelliah and MSE staff on February 20, 2002. Meetings were also held with representatives of CII, industries and IT experts in Pondicherry, and later with MCCI and CII representatives at Chennai on April 25, 2002 to gather their views on the future prospects of industrial development in Pondicherry. All these meetings were intended to improve on the recommendations in the vision document.

We are very grateful to the Government of Pondicherry for entrusting the study to MSE, and in particular, Mr. Sreedharan, Director, Planning and Research who has overseen the entire process and who has assisted us in many ways. We wish to thank the following government officials from Pondicherry Union Territory:

Dr. R.Padmanaabhan, I.A.S., Chief Secretary.

Thiru. B.Vijayan, I.A.S., Development Commissioner.

Thiru.G.Narendrakumar, I.A.S.,Secretary (Industries and Commerce, Science, Technology & Environment).

Thiru. R.Anbarasu, I..A.S., Secretary (Tourism).

Thiru. I.Vasantha Kumar Reddy, Secretary to Chief Minister.

Thiru. S.Kanagasabai, Secretary, Pondicherry Housing Board.

We also wish to thank the following government officials and their departments from Pondicherry Union Territory :

Commissioner, Commercial Sales Tax

Commissioner, Department of Transport

Deputy Secretary, Finance Department

Director, Department of Agriculture

Director, Department of Animal Husbandry

Director, Department of Industries

Director, Department of Planning and Research

Director, Department of Port

Director, Department of Science, Technology & Environment

Director, Department of Tourism

Director, Directorate of Accounts and Treasuries

Director, Directorate of Economics and Statistics

Director, Directorate of Fisheries and Fishermen Welfare

Director, Directorate of Health and Family Welfare

Director, District Rural Development Agency

Managing Director, PIPDIC

Principal, Krishi Vidyan Kendra, Pondicherry

Registrar, District Registrar Office and

Superintending Engineer-1, Electricity Department

Internal Consultants / Staff

The report was prepared by the following team of in-house consultants and staff coordinated by the Director, MSE:

- Dr. Ajit Menon, Project Associate was primarily responsible for editing and putting together many of the chapters of the report.

- Dr. K.R. Shanmugam, Associate Professor for preparing the chapter on public finance along with the Chairman
- Dr. R. Hema, Associate Professor, for preparing the chapter on power
- Dr. Sreejata Banerjee, Fellow, for the chapter on financial services .

The drafts by the external consultants had to be abridged and edited to meet the requirements of the report. The Chairman, Dr. Raja J. Chelliah went through all the chapters and offered constructive comments and suggestions to improve the quality of the report. Thanks are due to all the external and in-house consultants and staff who laboured on the study for almost 2 years to prepare the vision document.

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Paul P. Appasamy

Director, Madras School of Economics

Project Staff

Dr. Ajit Menon	Project Associate (January 2001-May2002)
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Mr. N.Kannappan	Project Assistant (January 2001- February 2003)
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Ms. Bhuvananeswari Rajaraman	Research Assistant (September 2001-November 2001)
Ms. Cordelia Fernandez	Research Assistant (July 2001- October 2001)
Ms. Anita Elizabeth Chacko	Research Assistant (April 2001- May 2001)