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THE AWARE CONSUMER

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THE LAST MILE

Don't Blame It On NITI AAYOG

OUT OF THE BOX

Five Regulatory Considerations Startups Should Keep In Mind

IN FOCUS

Working For National Interest

FROM PLANNING TO NITI
TRANSFORMING
INDIA'S DEVELOPMENT AGENDA

PLUS ROUND UP • HORIZONS • THE PRESCRIPTION

SUPPORT THE CAMPAIGN

LOOK OUT FOR THE RED LINE

BE RESPONSIBLE

Medicines such as Antibiotics have a Red Vertical Line on their pack to indicate that these should be consumed only on doctor's prescription. Always complete the full course as prescribed by the doctor.

Campaign Partners

OPPI

MSAI

IAPG

Consortium of Association of community Pharmacist of India & Kuatilya Society for Pharmacoeconomics and Outcome Research

PATIENT SAFETY AND ACCESS INITIATIVE OF INDIA FOUNDATION
a Partnership for Safe Medicines India Initiative

SIGN THE PLEDGE.

HTTP://WWW.CAUSES.COM/CAMPAIGNS/106670-RAISE-AWARENESS-FOR-SALE-USE-OF-ANTIBIOTICS-TO-COMBAT-AMR

VIEW POINT

BEJON KUMAR MISRA | bejonmisra@consumerconexion.org

A Steady Transformation To Sustainable Development

MAHATMA GANDHI OPINED that "Constant development is the law of life, and a man who always tries to maintain his dogmas in order to appear consistent drives himself into a false position". In line with this perspective and the evolving dynamics of India, the Governments and all bodies of strategy, governance and policy have to adapt to new challenges. A nation's wealth is its knowledge and ability of its Government to make efficient policies and sharp strategies based on that knowledge. India is rich in the wealth of knowledge from our civilizational history and its people resources. In line with the foundational principles of the Indian Constitution, The Planning Commission was set up on the 15th of March, 1950. The National Institute for Transforming India (NITI) Aayog now replaces the Planning Commission.

It is a premier policy 'Think Tank' of the Government of India, that provides directional as well as policy inputs. The NITI Aayog not only designs strategic and long term policies and programmes for the Government of India, but it also provides relevant technical advice to the Centre and the States.

Created to replace the Planning Commission in line with the reform agenda of the Government of India, the main objective was of course, to cater to the ever-changing needs and aspirations of the populace of India. A pivotal feature of the NITI Aayog is that it brings together all the states to act as one in the national interest. In this sense a cooperative Federalism is achieved by the Government of the country.

A pivotal feature of the NITI Aayog is that it brings together all the states to act as one in the national interest.

The strength of a nation is dependent on the ability of its Government to strategise and create relevant policies that are in keeping with the need of the hour. Unlike the Aayog,the Planning Commission had a top down approach that no longer could serve the needs of the Indian economy. The NITI Aayog is also recreating itself into a State of the Art Resource Centre, complete with the required resources, knowledge and skills. This will in turn help it to function more efficiently, to speedilypromote research and advancement, provide strategic policy vision for the government, and deal with contingent issues of the nation.

It has lofty objectives and to say the least, some of them are developing mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government, ensuring that the interests of national security are incorporated in economic strategy and policy, special attention is given to the sections of our society that have not progressed in tandem with the rest of the nation, designing strategic and long term policy and programme frameworks and initiatives, and monitoring their evolution and efficacy, build a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.

A progressive initiative that is aimed at bringing radical but sustainable growth and prosperity to India; it is the new tool to attain sustainable development.

B.K.

INSIDE

REGULARS

Prime Minister Narendra Modi asks NITI Aayog to prepare Visionary Roadmap for India's Growth

RESEARCH FEATURE

With the formation of the National Institution for Transforming India (NITI) Aayog on January 1, 2015, as a premier think tank, the planning process witnessed a seminal change. The wrapping up of the 12th Five Year Plan 2012-17 marks the shift with the onset of the Three Year Action Agenda (TYAA) FY18-20 articulated by NITI Aayog.

GOVERNMENT PERSPECTIVE

I urge my countrymen, especially the youth of our country and those who have won under 'Lucky Grahak Yojana' or 'Digi-Dhan Vyapar Yojana' to become ambassadors of these schemes on their own. Lead this movement and fight against corruption and black money.

PM Narendra Modi in Mann Ki Baat, 26 February 2017

INTERVIEW

Dr. Rajiv Kumar
Niti Aayog
Vice Chairperson

NITI Aayog Vice Chairman Rajiv Kumar opined that the outlook for India's GDP is projected to be around 7.5 to 8 % this year, with an estimate of 6.2 % growth for this quarter.

India's rank has significantly improved due to various reforms that have been brought about by the current Government, including setting up of the Atal Innovation Mission and NITI Aayog.

Farmer suicides have been happening at various places. There are also places where production levels are quite high. We are taking steps to ensure that the agricultural sector is done away with middlemen.

Kant's involvement was that of primus inter pares among the groups of secretaries, rather than, strictly, as NITI CEO. Significantly, the presentation and associated document were presented and released on Civil Service Day.

With the Aayog's Governing Council including the Prime Minister and all Chief Ministers who are meant to work together on all aspects of the grand plan, alas!

Given the shortage of infrastructure and human resources, 72% of the rural population and 79% of those living in urban areas have sought access to healthcare in the private sector.

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UNLOCKING CONSUMER POTENTIAL
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SHRI NARENDRA MODI
PRIME MINISTER OF INDIA

The Prime Minister, Shri Narendra Modi said that as a former Chief Minister, he is convinced that the vision of "New India" can only be realised through the combined effort and cooperation of all States and Chief Ministers.

ROUNDUP

DATA BRIEFING

The aim is for India to be in the top three economies of the world, provided that it continues to grow at 8% from now until 2047.

The Quinessential Platform Of The Indian Government

IN JANUARY 2015 the NITI Aayog was formed. It replaced the Planning Commission that had served the country for 65 years post the independence of the country. The objectives of the Aayog were quite different from that of the Planning Commission. Headed by the prime minister Mr.Narendra Modi, it had various other illustrious members including the chief ministers of all the states. Some of the significant initiatives of the Aayog include 15 year road map, 7-year vision, strategy and action plan, AMRUT, Digital India, Atal Innovation Mission, Medical Education Reform, Agriculture reforms (Model Land Leasing Law, Reforms of the Agricultural Produce Marketing Committee Act, Agricultural Marketing and Farmer Friendly Reforms Index for ranking states), Indices Measuring States' Performance in Health, Education and Water Management, Sub-Group of Chief Ministers on Rationalization of Centrally Sponsored Schemes, Sub-Group of

Chief Ministers on Swachh Bharat Abhiyan, Sub-Group of Chief Ministers on Skill Development, Task Forces on Agriculture and Elimination of Poverty, and Transforming India Lecture Series.

The Government's policy think tank-NITI Aayog has ambitious plans for the country. The vision is to build a new India and the mission is to make it happen in the nearest future. A country that is free of poverty, illiteracy, dirt, corruption, terrorism, casteism and communalism. The emphasis is on achieving the cooperative federalism using a bottom-up methodology. This is in absolute contrast to the manner in which the Planning Commission worked. However, it was decided that a radical change was required in the way the Indian economy was to function. Each of its many states was at various levels of development and a standard solution would not bring them all onto par with each other.

The major functions of this policy think tank was to develop a shared vision of national development priorities sectors and actively involving all the states, by fostering a cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis. Strong States make a strong nation.

Developing mechanisms to formulate realistic plans at the rural level and ensuring areas of national security are incorporated in economic strategy and policy was another function. Special attention is to be given to those sections of our society that may not have received the benefits of economic progress.

Designing strategic and long term policy and programme frameworks and initiatives, and then monitoring their progress and efficacy is the third vital function of the Aayog. The feedback and information received from monitoring will be used to make the necessary improvements, including requisite mid-course corrections. The Aayog will also provide advice and encourage partnerships between key stakeholders and national and international like-minded Think tanks, as well as educational and policy research institutions.

Some of the significant initiatives of the Aayog include 15 year road map, 7-year vision, strategy and action plan, AMRUT, Digital India, Atal Innovation Mission, Medical Education Reform, Agriculture reforms (Model Land Leasing Law, Reforms of the Agricultural Produce Marketing Committee Act, Agricultural Marketing and Farmer Friendly Reforms Index for ranking states), Indices Measuring States' Performance in Health, Education and Water Management, Sub-Group of Chief Ministers on Rationalization of Centrally Sponsored Schemes, Sub-Group of Chief Ministers on Swachh Bharat Abhiyan, Sub-Group of Chief Ministers on Skill Development, Task Forces on Agriculture and Elimination of Poverty, and Transforming India Lecture Series.

The think tank aims at creating a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners. It aims to offer a platform for resolution of inter-sectoral and inter departmental issues in order to accelerate the implementation of the development agenda. The Aayog will maintain a state-of-the-art Resource Centre, and it will be a repository of research on good governance and best practices in sustainable and equitable development. The focus is on technology upgradation and capacity building for implementation of programmes and initiatives.

How this is all to come to a pass is the focus of the New India @2022 document. The aim is for India to be in the top three economies of the world, provided that it continues to grow at 8% from now until 2047.

The document envisages that government will be able to connect all villages with habitations over 500 (250 in Special Areas) with all-weather roads by 2019 under Pradhan Mantri Gram Sadak Yojana (PMGSY). The second salient target of the government is that all villages selected under Pradhan Mantri Adarsh Gram Yojana (PMAGY) should attain model village status by 2022. Also by 2022, India shall be poverty free.

SIGNIFICANT AREAS OF IMPETUS OF THE AAYOG

AGRICULTURE: Primarily an agrarian economy, India's farmers and agricultural wealth are its backbone. Irrigation and electricity are major areas of concerns in agriculture even after decades of independence. The Aayog proposes that there should be an expansion in the scope of irrigation so as to increase crop intensity, provide better access to irrigation facilities, enhance the seed replacement rates, and encourage the balanced use of fertilisers. Also, areas like horticulture, dairying, poultry, piggery, fisheries, and forestry will find a new boost as they are the high value propositions in agriculture.

Unemployment and more importantly under employment, have plagued the national economy since the early days of independence of India. Therefore, this is the next area of focus of the Aayog. The current rates of unemployment are between 5-8% according to official reports. With the Make in India program picking up speed, the target would be to increase the number of jobs for the skilled workers and also the semi-skilled and less skilled workers. Not just that, the target is also to reduce underutilisation of human resources by providing job opportunities in the manufacturing sector. One of the other recommendations is also to set up the coastal employment zones so as to increase exports and radically increase the number of job opportunities in these areas.

INFRASTRUCTURE: A country's progress can be measured by its ability to provide infrastructure to its citizens for safer and more convenient travel at economical prices. The Aayog wants to develop better infrastructure in the form of roads and highways connecting the rural to the urban areas and as well as to each other. Well connected roadways and inexpensive travel will ensure free movement of services and goods in the country.

Therefore the plan is to create central and state level road safety boards to set and enforce safety rules across the country. It is not enough to merely connect the rural areas and provide facilities at an inexpensive price. Safety is paramount too. Keeping this in view the, railway fatalities will be reduced drastically and brought to zero levels by 2019. This will be achieved through the establishment of a separate safety department, and the appointment of a national safety officer.Transport and travel of all modes have been analysed and subjected to scrutiny by the NITI Aayog. It focuses not only on the road and railway travel but also aims to lower the cost of air travel. This will be done by bringing down the air turbine fuel costs which account for a large portion of the expense involved in air travel.

PM's address to the Young Entrepreneurs at the "Champions of Change" initiative organised by NITI Aayog

DIGITAL DEVELOPMENT : Another way the villages and urban areas are to achieve inter-connectivity is through the digital mode. The internet revolution that swept the world a couple of decades ago has by-passed 66% of the Indian populace. Such a huge proportion of India's people do not understand the workings of the internet.According to the NITI Aayog reports the best way to get around this is bringing in awareness and educating at the school levels. The scheme is for the government initiatives to bring wireless and broadband connectivity to millions of villages through fibre cables, both underground and over power lines post haste.

SOFT POWER EMERGENCE: Emerging as a world soft power is next on the to-do list of the Aayog. India has been showered with cultural and creative strength in its human resources. Capitalising on this the nation has been slowly but steadily been transforming into a regional soft power. However this is not the end point .The Aayog visualises that India should be a global soft power in the coming years and efforts will be directed in achieving this .Assistance will also be provided to the less fortunate neighbours in Asia and Africa by extending services in the healthcare and humanitarian fields.

REGIONAL DEVELOPMENT: The north eastern and coastal areas as also the Himalayan states have borne the brunt of neglect in the yester years. The Aayog intends to set this right by levelling the developmental efforts across all the states alike.Like never before, the regional development has been made a key area of focus. The country has been segmented into four key areas viz the Northeast, coastal areas, Himalayan states, and the desert and drought-prone areas. Infrastructure will be ramped up in the North-Eastern states, as also bringing connectivity to neighbouring countries such as Myanmar. Tourism will find a new boost in the coastal areas as will the need for infrastructure development here.In the Himalayan region, the Aayog has proposed increasing forest land and promoting animal husbandry, fruit and timber plantation, and floriculture.

JUDICIARY/ BUREAUCRACY: The next area of focus of the Aayog is the judiciary and bureaucracy. Policy making is a specialised activity but in India for a very long period of time, this has been the forte of officers in the public sector alone. As a result the private sector has had little or no voice in policy making matters.

To quote the report "Today, the rising complexity of the economy has meant that policy-making is a specialised activity. Therefore, it is essential that specialists be inducted into the system through lateral entry. Such entry will also have the beneficial side effect of bringing competition to the established career bureaucracy. "

A judicial performance index to track trials and tackle pendency will be introduced. "Such an index could be established to help high courts and high court chief justices keep a track of performance and process improvement at the district courts and subordinate levels for reducing delay," the report said. The increased levels of accountability and the ability to track cases at various stages will help keep tabs on how long it takes to provide justice as also address the causes of delay in delivering justice. Red tape and bureaucracy that have plagued the Indian economic progress will soon slowly but steadily be made a thing of the past.

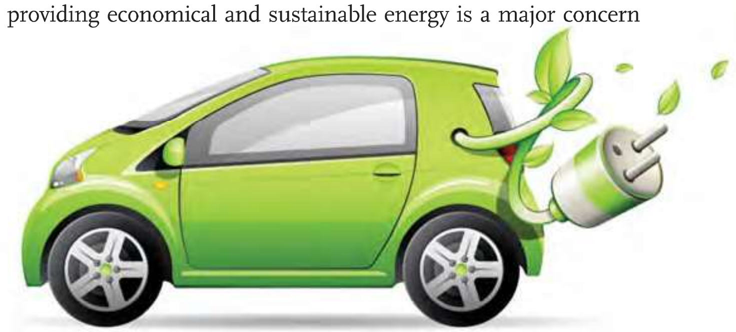
As on date, well over 30 million cases are currently pending due to a shortfall in the number of judges available. To better the policing aspect, the home ministry has been asked to identify non-core functions that can be outsourced to private agents or government departments to reduce the police's workload. Radical as this may sound it may be the only way we can cope up with clearing the large number of pending cases.

SKILL DEVELOPMENT: By 2030 the country will have the world largest working population demographic. Even as we speak it is one of the youngest countries with the average age being 29 years. The current education system does not cater to the skill building aspect. A total revamp of the system to ensure skill building is required. Courses that are aimed providing professional and technical skills to these young workers are vital.In keeping with the above goal, the Aayog has instructed the government to focus on foundational learning, and to conduct a national-level assessment to understand the quality of education, to suggest corrective measures where required. Not only that the Aayog has also recommended that greater autonomy should be given to higher-education institutes. An independent authority to oversee the various skill development programs of the government will also be set up.

HEALTHCARE: Health and well-being is the next on the to-do list of the Aayog. Child and maternal welfare, vaccinations against various diseases, prevention of illnesses like tuberculosis are some of the key points of action in this aspect. A preventive rather than a curative approach will be adopted in this key action area.Universal access to healthcare is important whether it is the urban or the rural areas. Therefore an overhaul of the health care system is required. India spent a paltry 1% of its GDP on public health when compared to the other world powers like the US or China. This has changed to 2.5% yet a larger contribution to the healthcare system will have to be incorporated.

A proposal recommends that all MBBS doctors in rural India should be trained as family physicians and be paid by the government for each patient they treat.

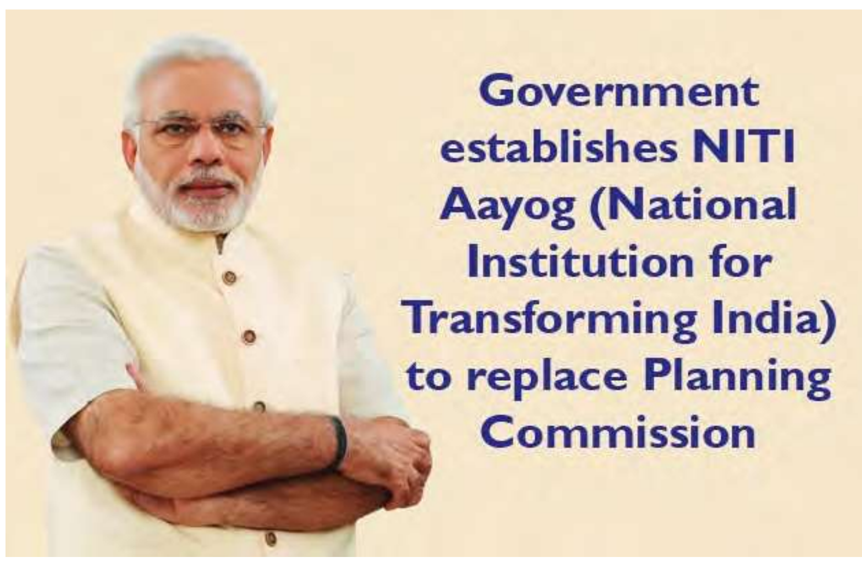
SUSTAINABLE ENERGY SOURCES: In all, the problem of providing economical and sustainable energy is a major concern worldwide today. Last but not the least the Aayog proposes a shift to sustainable sources of energy for transport like CNG, and electric vehicles in our country. Today, ten Indian cities have made it to the list of the top twenty most polluted cities of the world. Also proposed by the Aayog are river linking, river clean ups and afforestation to reduce pollution and conserve the environment.



It is a fact that all round economic development is possible only if the net is spread across a wide area. The budget of 2016-2017 was a well rounded budget. It focussed on maintaining the macroeconomic stability while also spreading the reform measures across a wide variety of sectors and not just taxation and the financial sector. The centre also increased the focus on agriculture and rural economy .The rural areas are the nerve centres of agricultural activity and many small industries. Therefore empowering these nerve centres and making them self sufficient and well connected to the rest of the country is vital for the overall development of the economy. Strengthening of social safety nets similarly, is also one of the action points in the report of the Aayog.

CONSUMERS, AWARE !!

Is NITI AAYOG Able To Replace Planning Commission?



A GROUP DISCUSSION on the topic "Is Niti Aayog able to replace Planning Commission?" (Anish, Manish, Ray, Swati, and Allen & Vimal)

Anish: Today we are here to discuss on the topic "Is NITI AAYOG able to replace planning commission" NITI (National Institution for Transforming India) AYOG is the policy of government of India, introduced by Narendra Modi in the 2015 to replace Planning commission of India which was introduced by former prime minister of India in 1950.Is NITI Ayog a better alternative to planning commission?

Manish: Basically planning commission was established for socio-economic development of a country which is primarily a top-down approach. Whereas NITI Ayog was mainly established as a bottom-down approach with the interpretation that planning commission is of no more use in the modern era.

Ray: Our present economy is more market focused when compared to the socialistic era of 1950's. Planning commission might be quite planned at that time, but with the globalised economy of our country it may not give appropriate results.

Swati: I agree with u Ray. The top-down approach generally means the plans and strategies are formulated by the central governing body of planning commission, once the policies are made then the resources are allocated to the state governing bodies with their respective plans. In contrary to this, NITI Ayog is implementing the bottom up approach, which is formed by the state governments and is supervised by CEO

Allen: I see the NITI Ayog merely another form of planning commission which is wearing another mask with a different name tag. In fact the basic approach is common in both the policy. NITI Ayog doesn't seem to be significantly different from planning commission.

Vimal: Yes, It is simply a representing the Chinese NDRC (National Development and Reform Commission). Chinese NDRC has a macro –economic policy wherein our fiscal policy are formulated by Finance ministry and monetary policies are determined by RBI (Reserve Bank of India).

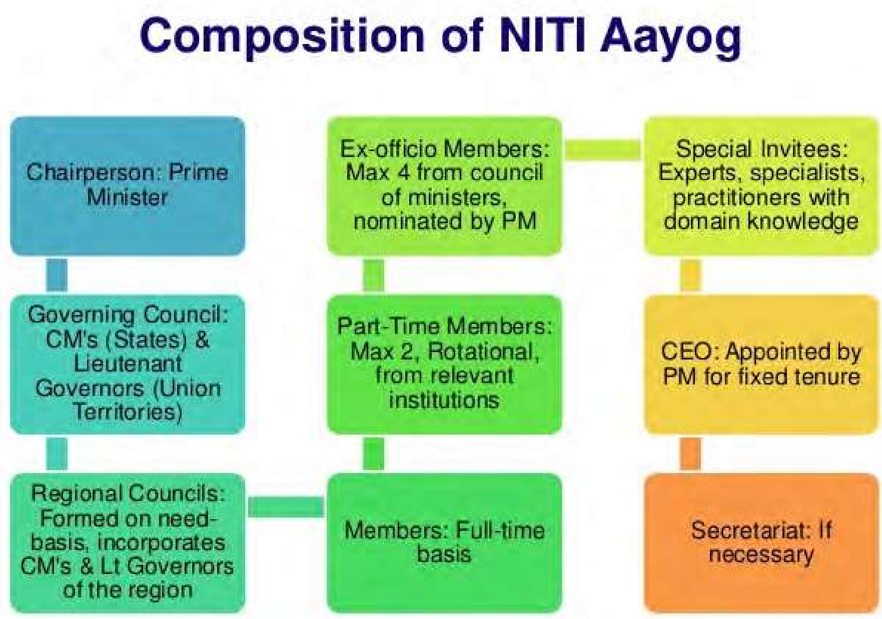
Anish: In fact NITI Ayog was introduced to provide structural inputs and directional strategies to the economic policy and development. It is also based on Co-operative federalism which focuses on empowerment and equality of stakeholders. So, NITI is a better alternative to planning commission.

Allen: I don't agree with you. Planning commission was strong at the centre formulating strategies to implement for the development. The complete power lies in the central body, the state bodies has to ask the necessary funds required by the government to implement the policies. The changes played a great role in the development of a country.

Ray: Might be true, but Planning commission was not successful up to the mark where plans are formulated once for every five years with a specific agenda for a five-year plan. It did not make sufficient remarkable changes to the development of our country. State governments were rarely involved in decision making process.

Swati: It is true. The NITI Ayog mainly plans are formulated based on need and long term with the mechanism which support course correction. It also facilitates the coordination among sectors and departments. It did not have power neither to formulate policies nor to allocate funds.

Anish: NITI Ayog also focuses on sustainable development in both rural and urban. Also encourages entrepreneurial thinking, social media and ICT (Information and Communication Technologies) to maintain transparency. Policies are made to develop social capital and regional councils.



Atlee: It also focuses on National security. It also introduced SETU (Self Employment and Talent Utilisation) which supports technically and financially. It also monitors its activities unlike the Planning commission which primarily concerns about formulation polices and the implementation has very less scope.

Vimal: In contrary to this, Planning commission remained as most powerful body and also it has brought considerable in changes in many sectors like Agriculture, Industry, Education, irrigation, telecommunications, and Transport. There is prominent rise in Net Domestic Product (NDP) and savings

Ray: Of course but there are also failures. Planning commission failed to eradicate poverty and decrease

unemployment. Inequalities in income have also not been reduced.

Anish: Agreed. In order to overcome these discrepancies and to put an end to slow and tardy growth that was implemented by the planning commission.

Conclusion

NITI Ayog is a think tank. Planning commission when introduced was effective in its nature. Then later on, it turned to be ineffective due to high political involvement. Rather the growth has curbed due to the people who lacked the commitment and it lead to more corruption. Both planning commission and NITI Ayog are advisory bodies. Will NITI Ayog be more efficient by replacing Planning commission? The answer may depend since it is also not focusing on the grass root level problems and recommendations (from the villages) and the power is now delivered from central to state governments. So, there are no specific changes. There has been a considerable improvement in the workings and deliverables but can we really expect great development? Eventually, NITI AAyog's success will entirely depend on the people who lead it for transformation.

Sabka Saath, Sabka Vikas :
The 3 Year Action Agenda

With the formation of the National Institution for Transforming India (NITI) Aayog on January 1, 2015, as a premier think tank, the planning process witnessed a seminal change. The wrapping up of the 12th Five Year Plan 2012-17 marks the shift with the onset of the Three Year Action Agenda (TYAA) FY18-20 articulated by NITI Aayog. It will be further reinforced with the Fifteen Year Vision and Seven Year Strategy paper that are in making at NITI Aayog. Growth aspirations are built around inclusive participation on the premise of 'Sabka Saath, Sabka Vikas' (participation of all anddevelopment of all).The three sets of policy papers, 15 years, 7 years and 3 years, will be the reinforced pillars of development to pursue accelerated growth agenda in the years to come.

Constitution of the Niti Aayog

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Shri Narendra Modi, Hon'ble Prime Minister

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Shri Suresh Prabhu, Minister of Railways
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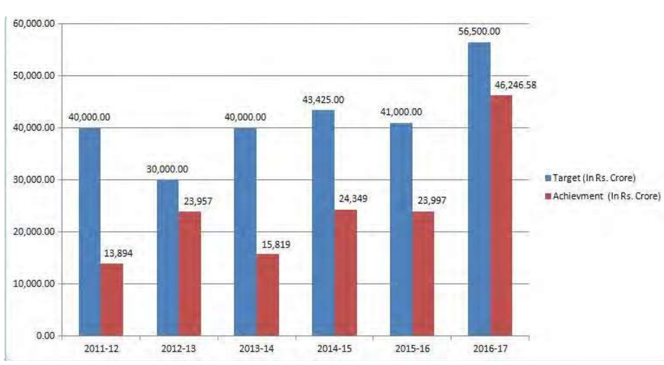


THE COMPREHENSIVE TYAA triggers a coordinated action of not only all ministries/departments at the Centre, but also a meaningful and constructive participation of the 29 states and 7 Union territories. The outlined agenda needs suitable actionable strategies at micro points to realise the contemplated outcomes. The economy is on a firm-footing with a sustained GDP growth of 7%-plus in the last three years. Inflation is hovering below the targeted levels. Interest rates are driving southwards. Exchange rate is competitive. Current account deficit is cruising towards historic lows. The economy is well poised for 8%-plus growth in the near term. Fiscal deficit has been cut from 4.5% of GDP in 2013-14 to 3.5% in 2016-17, while revenue deficit has been reduced from 3.2% to 2.1% of GDP over the same period. In order to continue fiscal prudence, fiscal deficit is set to reach its eventual target of 3% of GDP anchored under the Fiscal Responsibility and Budget Management (FRBM) framework by 2018-19, while revenue deficit is expected to fall to 0.9% of GDP by 2019-20.

In order to continue fiscal prudence, fiscal deficit is set to reach its eventual target of 3% of GDP anchored under the Fiscal Responsibility and Budget Management (FRBM) framework by 2018-19, while revenue deficit is expected to fall to 0.9% of GDP by 2019-20. Doubling of farmers' income by 2022 is based on a combination of efforts to increase farm productivity and provide a concrete framework of remunerative pricing of agriculture output. Efforts include use of more land for farming by adopting better methods of contract farming, connecting hinterland with roads and digital connectivity, and reform of Agricultural Produce Market Committees to enhance reach of markets for farmers. A planned diversification of farming into high-value commodities such as horticulture, dairying, poultry, piggery, small ruminant husbandry, fisheries and forestry will be the path of growth.

Consistently reduced landholding is cause for concern. According to the 2010-11 Agricultural Census, 47% landholdings had become less than half a hectare in size.

FREEDOM 1: POVERTY FREE INDIA

POVERTY FREE INDIA: SOCIAL DEVELOPMENT

Health and Nutrition

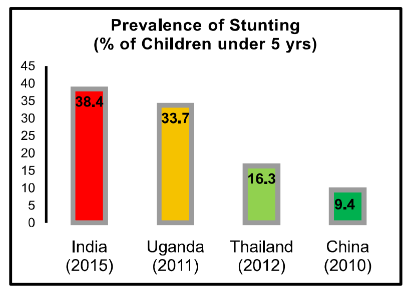
- 1/3rd children under-5 stunted & underweight; 50 % young women anemic
- **Achieve *Kuposhan Mukt Bharat* by 2022**
- *Swasth Bharat:* focus on wellness

Education and Skill Development

- *Padhe India Badhe India*
- Participation in PISA from 2021
- 20 World Class higher education institutions by 2022

Gender Equity

- *Beti Bachao Beti Padhao*
- Catalyzing mindset change in society



POVERTY FREE INDIA: INFRASTRUCTURE & CONNECTIVITY

- Redevelopment of 100 railway stations; bullet train by 2022
- High-Speed Railway Quadrilateral
- Connect all villages with habitations over 500 (250 in Special Areas) with all-weather roads by 2019 under PMGSY
- *Sagarmala*, Inland Waterways, Inter-Linking of Rivers
- *UDAN* scheme for regional connectivity
- 2.5 lakh Gram Panchayats with broadband under BharatNet

POVERTY FREE INDIA: GROWTH ENABLERS

Housing

- *Housing for All by 2022:* Target of 1 crore rural houses by 2019 & 1.2 crore urban houses by 2022

Energy

- *Deendayal Upadhyaya Gram Jyoti Yojana:* Around 2,800 villages remain to be electrified
- *Saubhagya* scheme for electricity connections to 4 crore households by Dec 2018

Financial Inclusion

- Jan Dhan: 30.3 crore new bank accounts;
- JAM Trinity: More than Rs. 2 lakh crore disbursed via DBT

FREEDOM 2: DIRT AND SQUALOR FREE INDIA

Swachh Bharat
- 5 states ODF
- India on track to achieve ODF status by October 2 2019: Gandhi ji's 150th birth anniversary
- Impact: diarrhea cases 46% down among children in ODF villages compared to non-ODF ones

Clean Rivers
- *Namami Gange* – Significant progress

Clean Energy
- By 2022, renewable energy capacity 175 GW
- Electric Vehicles cumulative 1.5-1.6 crore by 2020

FREEDOM 3: CORRUPTION FREE INDIA

Demonetization
- 56 lakh new taxpayers added
- Undisclosed income of Rs. 29,123 crore detected & admitted
- 3 lakh shell companies uncovered & 2.1 lakh shell companies de-registered

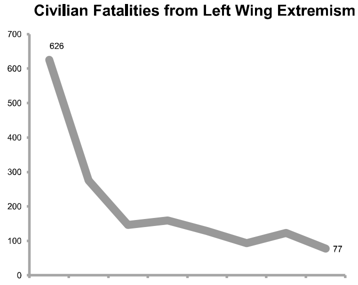
Goods & Services Tax
- One of the biggest tax reforms that is helping formalize Indian businesses
- GSTN collecting significant data to enable analytics on tax filings

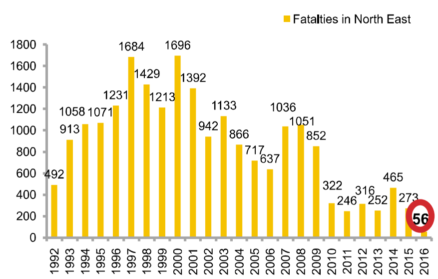
Direct Benefit Transfer
- *Aapka Adhikar, Apne Dwar* : total savings of Rs. 57,000 crore with cumulative benefit transfer of more than Rs. 2 lakh crore till date
- Jan Dhan accounts - 30.3 crore beneficiaries as of September 2017

eGovernance
- Aadhaar: largest biometric identification system in the world. 118 crore Aadhaar Cards issued
- The Government e-Market place has introduced transparency in procurement

Benami Act
- Unprecedented surge in detections after the amendment in 2016

FREEDOM 4: TERRORISM FREE INDIA





TERRORISM FREE INDIA

- Umbrella scheme of *"Modernization of Police Forces"*; 2/5th funding dedicated to LWE, J&K & North East
- Leveraging development & soft power at the global & regional levels to isolate Pakistan
- Dedicated program on 100 backward districts will boost internal & cross-border security
- Measures undertaken, including on foreign soil, to contain militancy & dampen capabilities

These holdings are too small to support all conceivable needs of a farming family. Hence, instead of farming, they seek alternative sources of income. To avoid such drift, a modern land-leasing law will be introduced so that it balances and protects the rights of the tenant and landowners, and works as a potential solution. The advancement of technology, entry of artificial intelligence and use of robots in manufacturing and services sector has creates fears of job losses. Jobless growth has been engaging the attention of policy-makers. Despite best efforts, the unemployment rate ranges between 5-8%. If the demographic dividend is to be harnessed, creating well-paid jobs has to be the priority. According to the NSSO Employment-Unemployment Survey (2011), 49% workforce was employed in agriculture, but the sector contributed only 17% to India's GDP at current prices. Also, in 2010-11, firms with less than 20 workers employed 72% of India's manufacturing workforce but contributed only 12% of manufacturing output.

Services sector is no different. According to the 2006-07 NSSO survey of services firms, the 650 largest enterprises accounted for 38% of services output but only employed 2% of services workers. Put another way, the remaining services firms employed 98% of the workforce but produced only 62% of the output. Such a trend leads to job shrinkage. Engaging well-paid low- and semi-skilled workers is essential to increase employment opportunities. All agencies should work together to improve manufacturing sector and 'Make in India' needs to be aggressively pursued.

Acceleration of growth is contemplated by identifying potential growth areas. Putting them into action in various sectors of the economy is essential. These potential focus areas include infrastructure, digital connectivity, PPPs, energy, science and technology, creation of an effective innovation ecosystem, among others.

The development of transport and connectivity infrastructure, including roadways, railways, shipping and ports, inland waterways and civil aviation, etc, should receive abundant attention across geographies. Continuation of digital connectivity will assume greater significance and shall be an important driver of economic growth. In order to leverage efficiencies of digital, it is essential to develop a physical digital infrastructure network that is accessible to all. It should also create a host of software-driven services including government services that can be provided digitally. Information, communications and technology will continue to be the backbone of the development of the country.

While TYAA has set the tone for growth, it is essential to work out specific strategies to develop entrepreneurial culture across unit levels. Monitoring progress is equally important. In the process, those seeking jobs should become employers of tomorrow. As part of 'ease of doing business', entrepreneurs should be encouraged to set up units under MSME. If growth agenda is to be pursued in the next three years, MSME sector must be provided sufficient bank loans, skilled and semi-skilled workforce. The sector consists of 36 million MSME units, and employs over 80 million people. Though MSME units produce more than 6,000 products, their employing potential is still very low. It contributes about 8% to GDP besides 45%

It contributes about 8% to GDP besides 45% to the total manufacturing output and 40% to exports from the country. In fact, the MSME sector has the potential to spread industrial growth across the country and can be a major partner in the process of inclusive growth. Agriculture, agro processing and manufacturing will continue to be the mainstay of the economy. Taking cue from the TYAA of NITI Aayog, all economic intermediaries will have to rise above their current levels and provide their best to derive the full benefit of the action agenda.

Functions of the NITI AAYOG (NATIONAL INSTITUTION FOR TRANSFORMING INDIA)

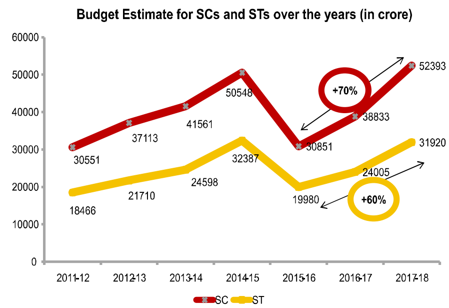
To evolve a shared vision of national development priorities sectors and strategies with the active involvement of States in the light of national objectives

To foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation

To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government

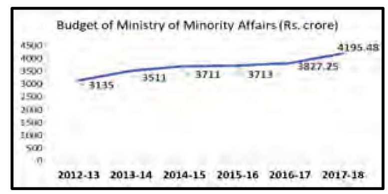
FREEDOM 5: CASTEISM FREE INDIA

- Lower poverty, higher literacy rates for SCs, STs, OBCs but progress on some indicators remains slow
- *Pradhan Mantri Adarsh Gram Yojana* (PMAGY), National SC/ST Hub, *Upgradation of Merit of SC Students*
- All villages selected under PMAGY should attain model village status by 2022



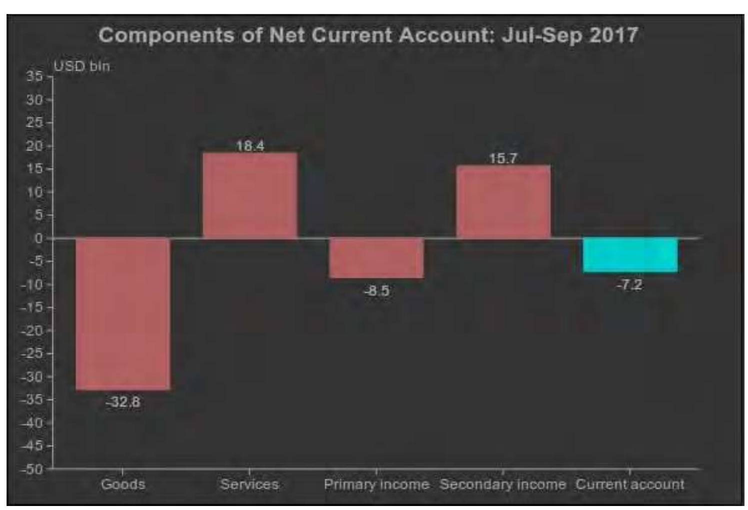
FREEDOM 6: COMMUNALISM FREE INDIA

- India is about Shanti, Ekta & Sadbhavana
- Empowerment vs Entitlement without appeasement
- *Nai Manzil, Nai Roshni, Stand-Up India, Begum Hazrat Mahal Scholarship, Seekho aur Kamao, Padho Pardes, Progress Panchayat, Hunar Haat*
- Let's put a moratorium on such activities for ten years, we shall march ahead to a society which will be free from such tensions – Prime Minister



Achievements of Last 3 Years Specific to Minorities (As of May, 2017)

FOR 2022, WE RESOLVE TO HAVE:



5 Key Changes Niti Aayog Has Made In The Last Couple Of Years

■ A new planning timeline

The Niti Aayog sets a 15-year plan for government actions for achieving social goals such as poverty reduction, and improving health and sanitation.

Another seven-year strategy document for 2017-24 will chart out policy action outlined as the "National Development Agenda".

A three-year "Action Agenda" from 2017-18 to 2019-20 is being worked out to assess funding requirements.

■ Unshackling agriculture

The plan panel proposed major changes in the agricultural produce marketing committee act, the law that sets in place systems to ensure farmers get a fair deal for their produce and are not exploited. Once implemented by states, the APMC changes will be one of the biggest reforms in the country.

The panel has also drawn up an agricultural marketing and farmer-friendly reforms index to assess and encourage states to implement new rules.

■ Preparing for second Green Revolution

Increasing crop yields to feed 1.23 billion Indians is high on the agenda of the government. A task force, headed by Niti Aayog vice chairman Arvind Panagariya, also suggested ways of raising agricultural productivity and making farming remunerative for farmers. The panel suggested reforms in land leasing policies, ramping up of land records and land titles, preparing the country for the second "Green Revolution" in eastern states, and addressing farmers' distress.

■ Cashless transactions

After the demonetisation of high-value notes in November, Niti Aayog has driven new initiatives to push Indians to go for digital payments. It has been training officials of various ministries, at the central and state levels alike, to adopt digital modes of transaction. It announced award programmes for businesses and individuals to use cashless transactions.

The Centre allocated Rs 50 crore to states for moving 5 crore no-frill Jan Dhan accounts to the digital platform.

■ Improving health, education and access to water

The plan panel came up with indices for measuring states' performance in health, education and water management. The indices helping states gauge the results of social programmes, compete with each other and share best practices and innovations.

The Aayog also suggested clubbing various social programmes and centrally-sponsored schemes under 28 umbrella projects.

The panel suggested changes in Swachh Bharat Abhiyan, skill development, poverty measurement, Atal Innovation Mission.

To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy

To pay special attention to the sections of our society that may be at risk of not benefiting adequately from economic progress

To design strategic and long term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary mid-course corrections

To provide advice and encourage partnerships between key stakeholders and national and international like-minded Think tanks, as well as educational and policy research institutions.

To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.

To offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.

To maintain a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their dissemination to stake-holders

To actively monitor and evaluate the implementation of programmes and initiatives, including the identification of the needed resources so as to strengthen the probability of success and scope of delivery

To focus on technology upgradation and capacity building for implementation of programmes and initiatives

To undertake other activities as may be necessary in order to further the execution of the national development agenda, and the objectives mentioned above.

OTHER EMPHATIC CHANGES

Among many functions that Niti Aayog performs, three stand out: promotion of cooperative, competitive federalism; assisting the central government in policy making; and serving as the government's thinktank. These three functions complement each other instead of being mutually exclusive.

The Governing Council of Niti Aayog, which includes all state chief ministers and lieutenant governors of the Union territories, set in motion the first function at its maiden meeting on February 8, 2015. It appointed three subgroups of chief ministers to advise the central government on the subjects of Centrally Sponsored Schemes, Skill Development and Swachh Bharat Mission. It also set up two task forces at the Aayog on Agricultural Development and Elimination of Poverty, with parallel task forces on each subject constituted in the states and Union territories.

Assisted by the Aayog, the subgroups completed their work and submitted the reports in relatively short time. The two task forces followed. The recommendations in the five reports have been either implemented or are under consideration.

The Aayog has also helped promote reforms in the states. It has formulated a model land-leasing law, which Madhya Pradesh has adopted and Uttar Pradesh has substantially incorporated into a pre-existing law. Several other states are actively considering adopting the model law.

The Aayog is also leading a campaign to bring about major reforms in agricultural marketing. Furthermore, it has taken the initiative to help resolve and expedite decisions on numerous issues of states pending for months with various central ministries. It also identifies and spreads the best practices across states in various areas through regular interactions with state officials from relevant ministries.

In its policy making role at the Centre, the Aayog has taken the initiative to identify numerous sick Public Sector units for closure. Action on 17 such units is under way. The Aayog has also identified several functioning units for strategic disinvestment. Finance ministry must now move ahead with the actual sales of these units.

A big bang reform the Aayog has proposed is the replacement of the Indian Medical Council Act, 1956, by a Medical Education Commission Act to overhaul medical education in India. The proposed Act would require entrance and exit examinations and replace input norms in the assessment of medical colleges by outcome norms.

A comprehensive National Energy Policy draft is ready to be placed in public domain for wider consultation. The Aayog is also working on the creation of 20 world-class universities and reform of the University Grants Commission Act, 1956 and All India Council of Technical Education Act, 1987. It has also championed the launch of Coastal Employment Zones to accelerate the creation of well-paid jobs.

As a part of its thinktank function, the Aayog has brought out a book of best practices, conducted workshops of state officials to spread these practices, collaborated with thinktanks, created the utility India Energy Security Scenarios 2047, sponsored policy research and published several occasional papers. It is also in the process of bringing out the 15-year Vision, 7-year Strategy and 3-year Action Plan documents.

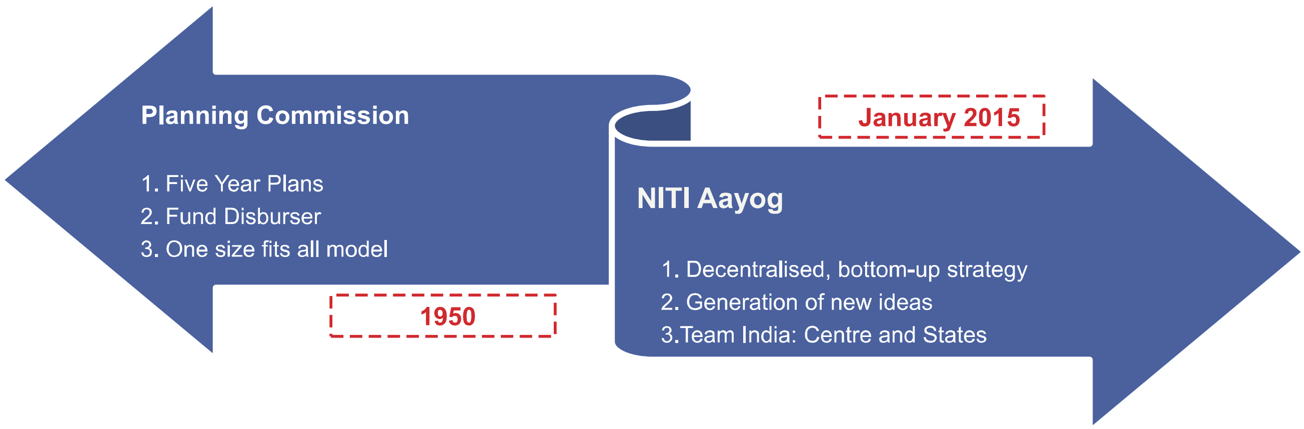
It also organises the Transforming India lecture series featuring such high-profile speakers as Tharman Shanmugaratnam, Deputy Prime Minister of Singapore and Bill Gates. The Prime Minister, the entire Cabinet and the top bureaucrats attend these lectures.

The Aayog has also led the way for the creation of a vibrant innovation and entrepreneurship ecosystem in the country through its Atal Innovation Mission. The mission will soon establish tinkering labs in more than 200 schools as well as several incubators to promote innovation and entrepreneurship.

NITI AAYOG: TRANSFORMING INDIA

"Constant development is the law of life, and a man who always tries to maintain his dogmas in order to appear consistent drives himself into a false position."

– Mahatma Gandhi (as quoted in the Cabinet Resolution constituting NITI Aayog)



Organisationally, the Aayog had inherited 1,200 positions from the Planning Commission, which it downsized to 500. Subsequently, it has taken the initiative to appoint approximately 45 young professionals and a dozen senior officers from outside. These additions have brought great energy to the institution.

India's GDP to grow at 6.7% average for next 5 years

India's economy is expected to grow at an average of 6.7 percent annually in the next five years, according to global ratings agency Fitch Ratings. The report states that country's growth will be driven by a constant increase in the working-age population in the next five years coupled with investment rates. India has an impressive rate of capital accumulation per worker which helps in maintaining the economic growth and also in upping the living standards, added Fitch. However, it has pointed out that India needs to improve its total factor productivity which is currently weak due to low level of GDP per capita.

Current account deficit to rise to 2.7% of GDP in Q3 FY18

The current account deficit fell to USD 7.2 billion during the quarter ended September 2017. This was half of the USD 15 billion deficit recorded during the quarter ended June 2017. We expect this to rise to USD 17.5 billion in the quarter ended December 2017. This would be 2.7 per cent of GDP.

The deficit on goods and services trade, which is the largest component of the current account, declined from USD 23.7 billion in the June 2017 quarter to USD 14.4 billion in the September quarter. This is the biggest source of improvement in the current account deficit in the September 2017 quarter. But, the deficit on the primary account increased to a record USD 8.5 billion. This reflects a big increase in dividends and profits on investments made by foreigners in India. Next, secondary income, which is largely remittances of Indians abroad, contributed to a reduction in the deficit as its net flows increased from USD 14.5 billion in the previous quarter to USD 15.7 billion in the September 2017 quarter.

In spite of the improvement in the current account deficitin the quarter ended September 2017, the CAD appears to be vulnerable to an increase in the coming quarters because data of the recent past show a significant deterioration and because advance information show a continuation of this trend in the December 2017 quarter.

After a near-balancing of net current account inflows in the quarters ended March and June 2016, it quickly slipped into the clearly-negative zone. As a result, the average CAD was substantially higher at Rs.8.4 billion during the past four quarters (December 2016 through September 2017) compared to an average CAD of Rs.2.8 billion in the preceding four quarters (December 2015 through September 2016).

General merchandise trade, which is the biggest source of the deficit on the current account shows an average trade deficit on BoP at USD 34 billion during the four quarters ended September 2017 which was much higher than the USD 27 billion average deficit during the preceding four quarters.

NEW GOVERNANCE PARADIGM

This trend of a rising trade deficit is expected to continue into the third quarter which ends in December 2017 because trade data based on customs movements of goods show a much elevated average monthly deficit of USD 14 billion compared to an average of USD 10.7 billion in the quarter ended September 2017.

Exports and imports, both have been rising in recent months and exports seem more vulnerable to a slowing down because of cash-flow related problems associated with the implementation of GST. At the same time, imports could keep rising as crude oil prices have risen. The average price of the Indian basket of crude oil during October and November 2017 was, at USD 58.7 per barrel, 15 per cent higher than the average USD 51 per barrel in the quarter ended September 2017.

The deficit on account of goods merchandise trade could hit USD 45 billion in the quarter ended December 2017.

Part of the deficit on merchandise trade is offset by trade in services. Against a payments deficit of USD 32.8 billion on merchandise trade, services trade delivered a surplus of USD 18.4 billion in the September 2017 quarter. Almost the entire surplus on the services account comes from IT services. However, this has been delivering diminishing returns since March 2015 when it had peaked at USD 18.9 billion. It is therefore likely that the surplus on services would be lower than USD 18 billion in the quarter ended December 2017. This could leave a deficit on goods and services of about USD 27 billion, almost twice the USD 14 billion deficit in September 2017.

The other two major components of the current account - primary and secondary incomes could reduce this USD 27 billion deficit on account of goods and services to about USD 17.5 billion.

Thedeficit on account of primary income shot up during the quarter ended September 2017. But, this deficit is unlikely to rise any further or even sustain itself in the December quarter. Although external borrowing has increased and interest rates are hardening, the outgo could be tempered because of the seasonal nature of dividends and re-invested profits. Outgo on these accounts would be lower in the December quarter and the primary income account could end with a deficit of USD 6 billion against the USD 8.5 billion deficit in the September 2017 quarter.

On the secondary income account, workers remittances surged during the first two quarters of 2017-18 in contrast to a falling trend. Remittances in particular and secondary incomes as a whole had flattened after March 2012 and had started falling after March 2014. The reversal from March 2017 has sustained itself till September 2017. We expect some moderation in the coming quarter to USD 15.5 billion from USD 15.7 billion in the previous quarter.

As a result, the current account deficit is likely to settle close to USD 17.5 billion. This would be 2.7 per cent of GDP compared to 1.15 per cent in September 2017.

Global lists which rank countries on the ease of doing business tend to look past people with skin in the game – the firms and their managers. A report jointly published by NITI Aayog and the IDFC Institute tries to address this lacuna. We discuss its findings about the state of doing business in India

EASE OF DOING BUSINESS

IF THERE IS one constant in the world of governance, it is this: a government's policy will always appear rosier on paper than on the ground no matter how much effort is put into blurring the distinction. The best administrators understand this law of governance. This doesn't mean they give up. They try even harder to move the needle and therein lies the recipe for success in public policy. Keeping an ear to the ground ensures that politicians don't lose touch with the ground reality and the next election.

The current National Democratic Alliance (NDA) government has vowed to make doing business in the country easy. Prime Minister Narendra Modi wishes to see India break into the list of top 50 countries in World Bank's Doing Business rankings in five years. The success of 'Make in India', the Modi government's flagship programme, hinges on the level of ease the current administration can ensure in the opening and operating of firms in the country. Unease of doing business can reduce the avenues for making in India which can have drastic impact on job creation and that can turn very ugly very fast.

The long and the short of it is that the importance of improving ease of doing business in India can't be overstated. The central government has after all made it one of its top priorities. It understood from the beginning that working with the states is key. It didn't force any reforms down their throats in a top-down manner. It chose the way of carrots rather than that of the stick. The Department of Industrial Policy & Promotion (DIPP) recommended best practices to states in various areas and then started ranking them on the basis of how well they implemented these reforms. Healthy competition has resulted in many states taking up difficult reforms in important areas like land and labour, which would've been impossible to pass with central legislation.

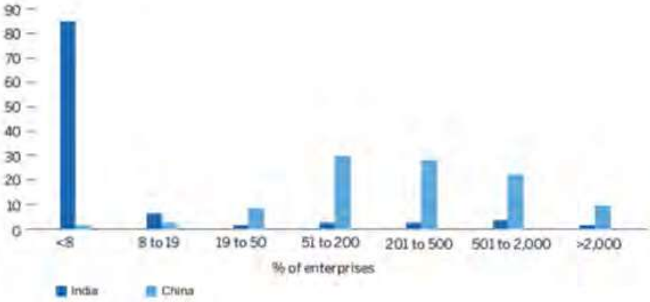
However, all these attempts proved short in making a dent and improving India's position in World Bank's Doing Business rankings. Some ministers said the World Bank failed to take note of the government's stellar attempts at reforming the business climate. Such reactions are uncalled for. First, the government shouldn't put such a high premium on World Bank's rankings, which rates India's performance based solely on surveys in two cities – Delhi and Mumbai. Second, instead of finding fault with the rankings, it should ask itself if the steps taken to improve business environment are actually translating on the ground or do they remain on paper alone.

DIPP and World Bank rankings both have a major flaw: they don't survey the people with skin in the game, i.e., the firms and their managers, to know if the business climate is improving. DIPP bases its rankings on whether the states have implemented the reforms recommended to them while World Bank bases it on what experts, chartered accountants and lawyers in Delhi and Mumbai think about ease of doing business in India. What of the firms and the people running them? Aren't they really the best judge of whether the reforms initiated by the government have materialised on the ground?

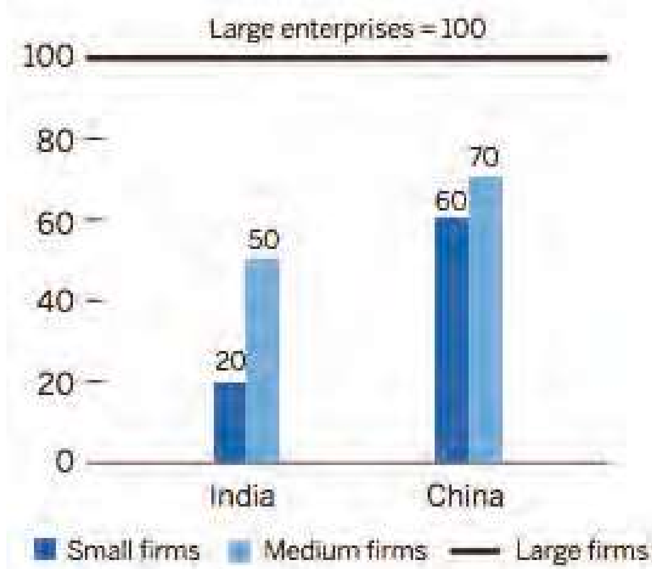
A survey on ease of doing business suggesting that it takes longer time to set up business in India than previous estimates is a research document and did not represent the views of the government, the Niti Aayog has clarified. The report, 'Ease of Doing business — An enterprise survey of Indian states', among other things, said starting a business in India took longer than that estimated by the World Bank. India's stand is that the World Bank had not considered many of its reforms while placing the country at the 130th position in its latest ranking.

The report itself states that it is meant to be a research document and its contents do not represent the views of the Government of India or NITI Aayog. Facing flak over the document released on ease of doing business, the Aayog stated that this was based on an enterprise survey conducted jointly with the IDFC Institute.

Distribution of enterprise size in apparel sector



Relative wages in small, medium and large firms in India and China



The statement drew the distinction between the methodology of the survey and that followed by the World Bank in its ease of doing business rankings.

"It is important to note that the methodology of the present enterprise survey differs from that of the World Bank's Doing Business Survey in that the latter interviews industry leaders while this survey interviews firms along with some experts in large states," it said.

Besides, it pointed out, the World Bank survey focused on Delhi and Mumbai but the NITI Aayog-IDFC study covered almost all states and union territories. It is also a non-standardised survey only for India, the statement added.

The survey had stated that it takes 118 days on an average to set up a business in India. The findings were at sharp variance with the World Bank report, which showed that it took just 26 days to set up a business in India in 2016. While the World Bank's 'Ease of Doing Business' survey, which ranked India at 130, was confined to just Delhi and Mumbai, the NITI-IDFC Survey covered 3,276 manufacturing enterprises spread across India. “The survey was conducted between April 2015 and April 2016 and does not reflect any changes in the ease of doing business since then,” the government think-tank said. Stating that there has been tremendous progress in easing various processes related to doing business in recent years, it said the enterprise responses were based on their past experiences and perceptions on doing business, “dating as far back as 10 years or more”. “Reforms such as single window clearance systems would not be applicable to many firms covered in the survey,” it said.

Stating that the survey only took inputs from firms in the formal manufacturing sector, the statement said, “It did not cover unorganised manufacturing and the services sector that constitutes the vast majority in India.” Further, the statement said it is important to note that the methodology of the present enterprise survey differs from that of the World Bank's doing business survey. According to the statement, the survey found that firms in many states are taking considerably less time in obtaining approvals than reported by the World Bank data. “On average, firms reported taking far less time in getting construction permits,” it observed. Overall, the statement asserted that the Niti Aayog-IDFC Institute Ease of Doing Business report shows that many of the actual experiences of enterprises are better than expert perceptions reported in past surveys.

Yesterday, the Niti Aayog-IDFC Institute Ease of Doing Business report had said that India needs to reform with alacrity with a view to improving ease of doing business as it is the best way to eradicate poverty and give millions a chance for better life.

The survey had pointed out that labour constraints, difficulties in scaling up and information gap, among other issues, were impediments in creating an enterprise-friendly regulatory environment.

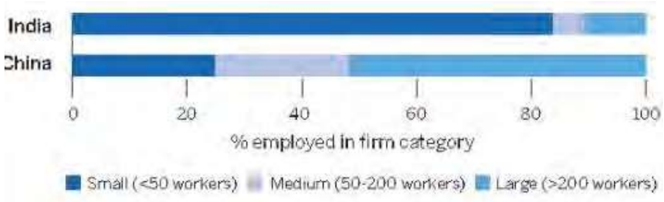
The Aayog said the actual experience of Indian enterprises, especially in obtaining construction permits, was better than the survey results of the World Bank's ease of doing business report, suggesting that efforts of the Narendra Modi government to improve business environment were showing results on the ground.

The average number of days for getting construction permit was 112 days as against 190 days according to the World Bank's 2017 Doing Business Report. The bulk of the enterprises took 35-90 days to obtain a construction permit and all other NOCs related to it,” it said. The World Bank ranked India poorly at 185 out of 187 countries on this parameter.

“Thus, it appears that the actual experience of enterprises is better than the survey results of the World Bank,” the Aayog said, adding that enterprises in states like Madhya Pradesh and Bihar took only 41days and 43 days, respectively, to get construction permits.

According to the Aayog, policies of the present government were particularly more conducive for newer and younger firms. “Experiences of startups or enterprises started during or after 2014 suggest a significant improvement in doing business over time,” it said.“Newer and younger firms take less time in obtaining approvals and most regulatory processes do not constitute a major obstacle to their doing business,

Distribution of manufacturing workforce among small, medium and large firms in India and China



highlighting a more favourable business environment," it said.

Pointing out to the competitive federalism among states in improving the ease of doing business, the survey said the enterprises in highgrowth states were less likely to report major or very severe obstacles in land and construction-related approvals, environmental approvals and water and sanitation availability as compared to those located in low-growth states.

Enterprises in high-growth states also reported taking less time on average for nearly all aspects of doing business, especially in getting construction permits, labour renewals and access to electricity and water connections. The NITI Aayog-IDFC survey covered 3,276 enterprises, including 141 early-stage firms, in 23 manufacturing sectors.

How good the business regulations and the enabling environment really are

The findings of this survey prove the law of governance yet again.

First, firms in states with high growth rates are likely to face less regulations and enjoy a more enabling environment for business compared to firms in less developed states. This is not surprising. Since doing business in the former is easier, it puts them in a high-growth trajectory and they enjoy the fruits of being in a virtuous cycle.

Second, the awareness among the firms of government's actions to improve the business climate is shockingly low. The survey found that only 20 per cent of the firms surveyed reported using single-window systems for setting up a business. Even a majority of well-established firms (59 per cent) didn't know of this tool, which greatly eases compliance burden. It wouldn't be wise to put the blame for this on the government alone. Businesses should know better, but a government committed to making a difference on this front should do more to disseminate information about its efforts in improving the business environment.

Third, unsurprisingly, our irrational labour laws remain a big impediment to job creation in the manufacturing sector. In the survey, labour-intensive firms reported to have found labour-related regulations "particularly onerous" and "finding skilled workers, hiring contract labour, and firing employees... a major obstacle." These regulations have forced our firms to remain small. Over 98 per cent of the firms in India employ 10 workers or less and 44 per cent do not employ even a single worker except the owner himself. Only 16 per cent of India's workforce is employed in medium and large firms with more than 50 workers.

This is a vicious cycle. Regulatory chains of the state do not let firms grow in size, which means their profits remain low and they can't pay more to their workers. And these firms have no capital to invest in boosting their productivity. No wonder the manufacturing sector's productivity in India is abysmal compared to other countries. As the report mentions, the wage in small enterprises in China is almost 60 per cent of that in large enterprises, whereas in India, it is only 20 per cent. The contrast in real wages is starker considering that the top wages in China are higher than that in India

There seems to be a correlation between workforce employed in large enterprises and their productivity. In China's apparel sector, around 57 per cent of the workforce is employed in firms, which have more than 200 workers, and the country's exports stood at $187 billion in 2014. In India, only 5 per cent are employed in large enterprises. Is it any surprise then that its exports were a measly $18 billion – less than 10 times that of China.

The report thus rightly calls for changing labour laws "to allow enterprises to grow larger and reap economies of scale, generatingproductivity improvements, job creation, and higher growth."

Fourth, enterprises in high-growth states on average reported that monthly power shortages were 10 hours less than those reported by low-growth states. This gap is significant, and the states stuck in the vicious cycle of low-growth in a difficult business climate can try making it a priority area to be addressed.

Fifth, startups are springing up in high-growth states rather than low-growth ones and hence incurring lower costs in regulatory and compliance processes. This again creates a virtuous cycle for high-growth states which are more open for business. The low-growth states must lower the entry burden for new players if they wish to get out of their vicious cycle.

Sixth, larger firms disproportionately share compliance and regulatory burden compared to the smaller firms. This difference is likely to persist for obvious reasons, but states should try to reduce the burden on the larger firms as much as possible.

Seventh, 50 per cent of the firms surveyed do not borrow from financial institutions. Thirty-three per cent of those surveyed reported that a lack of access to finance was a major obstacle. Hence, the states which move to address this lacuna will be better placed in the scheme of things.

The NITI Aayog-IDFC report is an important addition to the literature available for policymakers. It gives great insights by offering the viewpoints of those who have skin in the game.

Major takeaway? Greater the ease of doing business, better the chance for states to enjoy higher economic rates of growth. The states have their work cut out for them.

Sync With Good And Bad :

a collation of endeavors for the better and few that backfired

Electric vehicles will bear green number plates; NITI Aayog backs free parking, toll waiver for three years

The electric vehicles in India will be assigned green number plates, this was revealed as the government's think-tank NITI Aayog works out on details of the draft policy on e-vehicles.

Currently, vehicles plying on Indian roads bear four types of number plates – white with black numbers for personal use, yellow for commercial purpose, black with yellow numbers for self-drive rental vehicles, and blue assigned to embassy vehicles.

Apart from that there two special category number plates allotted for select VVIPs. The red coloured plate is used by the President of India and governors of states. And, then there is number plates used by military vehicles, which follow a unique numbering system with the first or third character on an upward-pointing arrow.

The draft policy being drawn by NITI proposes free parking and toll waiver scheme for e-vehicles for three years and seeks residential, office and shopping complexes to set aside 10 percent parking space for electric cars.

Road transport and highways minister Nitin Gadkari has fixed 2030 as deadline for implementation of electric vehicles policy. Concerns related to increasing oil prices and rising pollution levels, mostly in urban centres, have forced the government to push for e-vehicles on Indian roads.

The Niti Aayog charted out a 15-year roadmap for complete electrification after which shared mobility players such as Ola, Uber and Zoom started to tap into electric vehicles market. New Delhi put an order for 10,000 electric vehicles to upgrade fleet at some of agencies, according to ET report

NITI Aayog selects an additional 1,500 schools to setup Atal Tinkering Labs to promote innovation

NITI Aayog has selected an additional 1,500 schools for setting up Atal Tinkering Labs (ATLs) under the government's flagship programme Atal Innovation Mission (AIM) taking the total number of such labs to 2,441.

The addition of these schools will give a major boost to realise the vision of the mission... With this announcement, AIM has selected 2,441 schools across India to establish ATLs to date since it began its operations over a year ago," a statement from NITI Aayog said.

The 2,441 schools have been selected from over 25,000 applications till date from two rounds of applications. "It will enhance the coverage of ATLs to over 98 percent smart cities and over 93 percent of the districts," it said.

ATLs are innovation play workspaces for students between class six to twelve, stimulating innovations combining science and technology. Their aim is to promote innovation and entrepreneurship in schools, universities and industry with a vision to "cultivate one million children in India as the innovators of tomorrow", it said.

"These open-ended innovation workspaces equipped with state of the art technologies like 3D printers, robotics, sensor technology kits, Internet of Things (IoT), miniaturised electronics, enable the students to learn and solve local community problems using emerging technologies," it added.

"The young students who have already got exposure to creative technology platforms to nurture their curiosity, creativity and imagination from ATLs in their schools, have already started designing prototype solutions and started creative projects such as better irrigation management, waste management and sensor based solutions using IoT devices and robotics in their labs," it said.

Lauding the newly selected 1,500 schools, the Mission Director of ATL R. Ramanan said the active engagement of ATLs was extremely important in "the mission to transform India into an innovative country".

India is now the number one country in the world in mobile data consumption

With consumption of 150 crore gigabytes of mobile data per month, India is now the number one country in the world in mobile data consumption.Its mobile data consumption is higher than that of the USA and China put together.In a recent mobility report, the monthly data consumption on every smartphone in India is estimated to grow nearly five times from 3.9 GB in 2017 to 18 GB by 2023.

GDP recovery to continue, EAC-PM's steps will bring stable economic growth

Prime Minister's Economic Advisory Council (EAC-PM) Chairman Bibek Debroy welcomed the GDP growth recovery in the second quarter of the current fiscal and said the trend will continue in the future quarters.

"In the wake of various measures being undertaken by the Central government, this GDP growth trend will continue in the future quarters also," he said, as per a statement from the advisory panel.

The NITI Aayog Member added that the EAC-PM had embarked on several initiatives which will contribute to stable economic growth and employment.

Official data released in December 2017, revealed that a rise in the manufacturing sector's output pushed India's growth rate higher to 6.3 percent during the second quarter of 2017-18 breaking a five quarters slump.

"Economic Advisory Council to the Prime Minister has welcomed the GDP growth recovery in the second quarter of the current fiscal year reversing the declining trend in the last five quarters," the advisory panel said.

EAC-PM since its establishment has been focussing on various driving factors that influence economic growth of the country," it added.

On a sequential basis, India's GDP growth for Q2 of the current fiscal went up to 6.3 percent, from 5.7 percent reported during the first quarter of 2017-18.

No job creation road map set up by PM's economic advisory council so far

The Economic Advisory Council to the Prime Minister set up recently has not laid down any road map for job creation and infrastructure financing, but has taken up wide ranging issues on macro economy, agriculture and health.

The Council has held three meetings so far and deliberated on wide ranging issues including review of macro-economy, agriculture and rural development, skill upgradation, enhancing investments in health, among others, Minister of State for Planning Rao Inderjit Singh said in a written reply in Lok Sabha.

"Based on deliberations, theCouncil has been providing advisory inputs to the government from time to time. However, there is no specific policy paper submitted by the Council for job creation and infrastructure financing avenues," the minister said.

He was responding to a question whether the Council has spelt out a clear road map to ramp up job creation and infrastructure financing avenues. The government constituted the Economic Advisory Council to the Prime Minister on September 26, 2017 under the chairmanship of NITI Aayog member Bibek Debroy for a period of two years.

The Council has been tasked to analyse issues, economic or otherwise, referred to it by the Prime Minister and advice him, address issues of macro-economic importance as well as attend to any task desired by the PM from time to time.

To a separate question if increase in GDP growth is bound to boost growth in employment, the minister said employment elasticity of growth, referred as rate of employment growth that accompanies every percentage of GDP growth, can be positive, negative or zero.

"The rate of growth in GDP and the rate of growth in employment may not commensurate because the rate of increase in employment generation also depends on various other factors such as improved technologies, adoption of technology, which sectors account for growth, skills, cost of capital, labour participation rate etc," Singh said.

He said besides targeted programmes to boost job opportunities, the government has started flagship programmes like Make in India, Digital India, Swachh Bharat Mission, Housing for All, Sagar Mala, among others and introduced reforms like Goods and Services (GST) that have the potential to generate productive employment opportunities.

Pradhan Mantri Rojgar Protsahan Yojana incentivises the industry to promote job creation by reimbursing employer's contribution of 8.33 per cent EPS (Employees' Provident Fund) made to new employees, Singh said.

The government has also announced special packages for textile, leather, footwear and accessories sector where in addition to 8.33 per cent EPS, the government will also bear 3.67 per cent of EPF contribution for all new employees enrolling in EPFO for first three years of their employment.

A United Nations labour report earlier this year had projected India's unemployment to increase in 2017 and 2018 because of stagnation in job creation. Unemployment in India is projected to increase from 17.7 million last year to 17.8 million in 2017 and 18 million next year, the report had said.

NITI Aayog to create cell for women entrepreneurs, provide assistance on legal issues, intellectual property

Buoyed by the success of Global Entrepreneurship Summit (GES) which concluded in November 2017, NITI Aayog announced setting up of women's cell to help women entrepreneurs.

The Telangana government also announced three initiatives including setting up of an incubator to encourage women start-ups.

NITI Ayog, a policy think-tank of the Central government, will create a women's cell to do the handholding for women entrepreneurs. The cell will act as a facilitator and catalyst to provide all help including legal and intellectual property help.

The women entrepreneurs will get financing support from Mudra Fund and financial institutions.

One of the issues discussed at GES was inadequate funding for women. However, it was claimed that under Mudra Loan Scheme, 74 percent funding was given to women.

CEO, Niti Aayog, Amitabh Kant announced that women's schools will get priority in selecting schools for tinkering labs under the Atal Innovation Mission. The selected schools will be provided robots and 3D printers.

He also said the incubator under Atal Innovation Mission will also support startups set up by women or designed for women.

Telangana's Information Technology Minister KT Rama Rao announced that WE-Hub would be modelled on the lines of T-Hub, the country's largest technology incubator which earned appreciation from both Prime Minister Narendra Modi and US President Donald Trump's daughter and adviser Ivanka Trump at the summit.

As the summit was focused on women entrepreneurs, the state government decided to set up the facility to help women startups.

The Atal Innovation Mission would partner with the state government for the WE-Hub.

Rao also announced setting up a Technology Fund (T-Fund) with a corpus of Rs 15 crore exclusively for women entrepreneurs. The women entrepreneurs can get Rs 25 lakh to RS.1 crore under this fund.

Announcing the third initiative, the minister said women entrepreneurs will get one-fourth share in 20 percent of total procurements made by government from the private sector, mostly SMEs.

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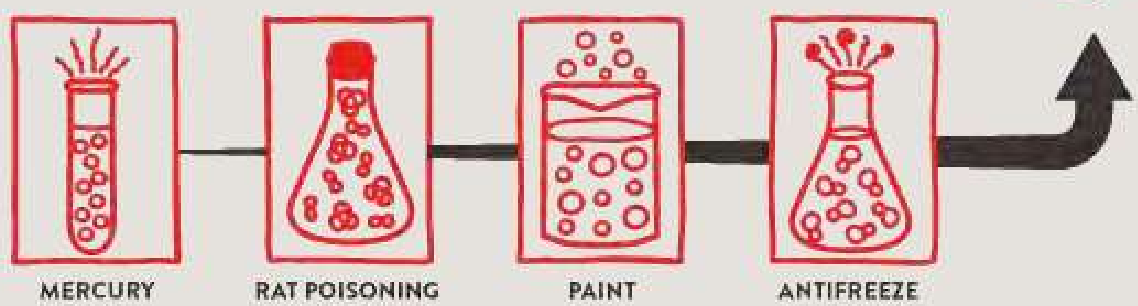
FAKE MEDICINES HARM – NOT HEAL

There are a lot of shady ingredients found in fake medicines that are directly responsible for serious disability and even death. This includes poisons such as mercury, rat poison, paint and antifreeze.



Fake tuberculosis and malaria drugs alone are estimated to

KILL 700,000 PEOPLE A YEAR*.

*International Policy Network

Lucky Graha Yojana & DigiDhan Vyapaar Yojana

I urge my countrymen, especially the youth of our country and those who have won under 'Lucky Grahak Yojana' or 'Digi-Dhan Vyapar Yojana' to become ambassadors of these schemes on their own. **Lead this movement and fight against corruption and black money.**

PM Narendra Modi in Mann Ki Baat, 26 February 2017

We're not likely to forget the 8th of November 2016 all too easily. The demonetization of high denomination notes undertaken by PM Modi and the NDA government has indeed caused quite a stir. Add to this the cash withdrawal restrictions that were put in place and there has been hardly anyone in the country who remains untouched by the move.

Not getting into the wisdom of the move, or lack thereof, one clear trend to have emerged out of the situation is the move towards digital transactions.

Use of cheques, plastic money, and digital transactions help the government track the movement of money, thereby preventing the circulation of black money.

Now, as an incentive to promote the use of digital transactions, NITI Aayog announced cash prizes in the form of a lottery.

IN A BID to make digital payments universally acceptable in the economy, the Government has launched two schemes. The first of these is the Lucky Graha Yojana. The second is the DigiDhan Vyapar Yojana. Both have been immensely successful and 7.6 lakh citizens have received reward money worth Rs.117 crore in 45 days for embracing Digital Payments.

During his 'Mann Ki Baat' session, PM Modi announced `Lucky Grahak Yojana` for consumers and `Digi Dhan Vapar Yojana for small traders. Encouraging the businessmen to go digital and cashless he said, "The businessmen, who make use of digital payments, will also receive Income Tax benefits. This digital movement is a golden opportunity for the youth and start-ups. They can open new avenues through it. We should be at the forefront of using digital means to make payments and transactions."

For both the schemes, the first draw will be launched by Union Minister for Electronics and Information Technology Ravi Shankar Prasad and Union Finance Minister Arun Jaitley. These draws will be held in cities where people will be shown various benefits of digital payment and ways to adopt the idea of digital payment.

- The winners will be selected under the scheme leading upto April 14, 2017, when the schemes will reach to a finale with a mega draw.
- Under the Lucky Grahak Yojana, winners will be selected on daily and weekly basis.
- In Digi Dhan Vyapar Yojana, winners will be selected on a weekly basis.
- Lucky draws will be held in 100 cities in a fair, Digi Dhan Mela is aimed at encouraging the mode of digital payments.
- Banks and other shareholders will set up their booths and help centres in the fairs.
- People who visit these booths and help centres can get their digital payment mobile phone applications downloaded there and will be initiated to the whole process of digital payment.
- Both the schemes will be implemented by National Payments Corporation of India.
- Transactions made using only RuPay cards, USSD, UPI and AEPS are eligible for these schemes.

The National Payments Corporation of India (NPCI) is responsible for the payments and disbursements of the award money. It's data shows that the rewards have been reaped by over 7.6 lakh consumers and merchants, as on February 7, 2017. In addition to the daily cash backs to 15,000 consumers, 90 additional consumers and 3,000 merchants have won Rs1 lakh and Rs.50,000 each as weekly prize money for adopting digital mode of payments.Reports also show that Rs.117.4 crore has been disbursed as reward money in total.

Key Facts

- These schemes aim to give cash awards to consumers and merchants who utilize digital payment instruments for personal consumption expenditures.
- They will specially focuses on bringing the poor, lower middle class and small businesses into the digital payment fold.
- National Payment Corporation of India (NPCI) will be the implementing agency for these schemes.
- Transactions using USSD, UPI, RuPay and AEPS will only be covered under these schemes. Digital payments made through credit cards and e-wallets won't be covered.
- To ensure focus on small transactions incentives will be restricted to transactions within the range of Rs 50 and Rs 3000.
- The winners shall be identified through a random draw of eligible Transaction IDs by software to be especially developed by NPCI for this purpose.

Both men and women have actively taken part in these schemes and the states that have topped the charts are Maharashtra, Tamil Nadu, Andhra Pradesh, Uttar Pradesh and Karnataka, with maximum number of winners.

The largest number of winners belong to the age group of 21 to 30 years, the but there are winners in other age groups as well ranging from 15 to 66 years of age. A pleasant surprise is in the form of the elderly who are often resistant to digital and technological changes. The winners belong to diverse socio-economic backgrounds, from farmers, merchants, small entrepreneurs, professionals, housewives to retired persons, across the various states of the country.

Some salient features :

- All transactions done by consumers and merchants from November 9, 2016 till April 14, 2017 will be eligible for winning prize under the scheme.
- All such transactions irrespective of the fact whether it has won daily / weekly prize, will be eligible for Mega Draw to be conducted on April 14, 2017.
- There are three mega prizes for consumers worth Rs. 1 crore, Rs 50 lakh and Rs 25 lakh. For merchants too there would be three mega prizes worth Rs. 50 lakh, Rs. 25 lakh and Rs. 12 lakh .
- The draw of winners are presented at different centres on each day

by the senior officials of NPCI in the presence of senior minister from GOI, representatives of NITI Aayog and general public.

- Schemes have total outlay of Rs. 340 crore of which - Rs. 300 crores would be spent on consumers and merchants while the remaining Rs. 40 crore on awareness and publicity. Total winners under the scheme are expected to be over 18.75 lakh.

Eligible Mode of Payments For DigiDhan Lucky Draw

The government was giving these rewards for digital payments however every digital payments were not eligible. Only these 4 types of transactions could participate in DigiDhan Lucky draw

1. **Rupay Card –** This may be debit or credit card like Visa and Mastercard. The NPCI has developed this payment gateway. All JanDhan Account holders have got this type of debit card
2. **Unified Payment Interface (UPI) –** This is mobile app based payment system. Most of the banks has integrated the UPI to their existing mobile apps. BHIM, SBI Pay, PNB UPI, Axis Pay, PhonePe are the standalone UPI apps.
3. **USSD *99# Banking –** This system of payment is for those who don't have a smartphone or internet. To use this type of payment you have to dial *99# from your feature phone.
4. **Adhaar Enabled Payment System (AEPS) –** This payment system does not require phone, internet or signature. This is done on the micro ATM using your Adhaar and fingerprint. The merchant uses Aadhaar payment app to get money.

The payment through the digital wallets e. g. Paytm, Mobikwik, Freecharge, pockets, Buddy would not be eligible for this scheme, unless consumer uses the UPI mode of fund transfer. There are many digital wallets which has integrated the UPI with itself. So, if you use Phonepe and pay through the UPI mode, you would be eligible for the lucky draw.

Latur girl gets Rs 1 crore prize from PM Modi for transaction of Rs 1,590

A 20-year-old girl from Maharashtra won Rs 1 crore prize under the Lucky Grahak Yojana scheme, which aims at promoting cashless transactions.

Shradha Mengshette, a second year student of Electrical Engineering from Latur, emerged as the winner of Rs one crore mega draw for consumers.

She was felicitated by Prime Minister Narendra Modi in a function held on 14th April 2017.

She won the reward for making a transaction of Rs 1,590 through her RuPay card online to pay the monthly EMI for her new mobile phone.

The two incentive schemes-- Lucky Grahak Yojana and DigiDhan Vyapar Yojana-- ended after a 100-day information, education and communication campaign led by NITI Aayog to make digital payments a mass movement in India.

Under the schemes, Rs 258 crore of prize money was won by 16 lakh winners, including customers and merchants belonging to various corners of the country.

The winners of the Mega Draw were felicitated by the Prime Minister, who highlighted the need to spread the digital payments revolution in the country.

The second prize of Rs 50 lakh, under the Lucky Grahak Yojana for consumers, was won by Hardik Kumar from Khambhat (Cambay) in Gujarat.

The 29-year-old is a primary school teacher, who used his RuPay card for making a transaction of Rs 1,100.

Another RuPay card transaction, of just Rs 100, won Bharat Singh from the Sherpur village in Uttarakhand Rs 25 lakh.

The first prize of Rs 50 lakh, under the DigiDhan Vyapar Yojana category for merchants, was won by Anand Ananthapadmanabhan for accepting a payment of Rs 300 at GRT Jewellers in Tambaram, Chennai. Anantapadmanabhan donated his prize money to the Clean Ganga campaign.

The second prize of Rs 25 lakh was won by Ragini Rajendra Uttekar, owner of a small beauty parlour in Thane in Maharashtra. She accepted a payment of Rs 510, which won her the prize.

The third prize of Rs 12 lakh was won by 33-year-old Shaik Rafi, who runs a wholesale clothing store in Ameerpet, Telangana. He had accepted a payment of Rs 2,000 on his PoS machine.

Progress made as on April 14, 2017

- 100 Digi Dhan Melas held in 100 cities all over the country.
- 100 day long information, education and communication campaign led by NITI Aayog to make digital payments a mass movement in India.
- At least 15,000 institutions have gone cashless across just these 100 rural and urban cities across each one of the 27 states and 7 UTs.
- With a turnout of over 15 lakh from cities, small towns and villages, the melas have enabled lakhs to open new bank accounts as well as create new Aadhaar cards.
- Rs.258 crore of prize money won by 16 lakh winners, including customers and merchants belonging to different corners of the country and from varied walks of life.
- The lucky winners of the Mega Draw felicitated by the Prime Minister in Nagpur.

Niti Aayog Vice Chairperson, Dr. Rajiv Kumar's Take On Growth, Bad Loans Agriculture And More

सत्यमेव जयते

NITI Aayog

THE INDIAN ECONOMY has shown greater resilience to the shocks of demonetisation and Goods and Services Tax and the growth has bottomed out, according to NITI Aayog Vice-Chairperson Dr. Rajiv Kumar. The economist, who replaced Arvind Panagariya, says the only way to improve businesses and agriculture is to make them globally competitive. In an interview with Contributing Editor Praveen Chakravarty, Dr.Kumar talked about bad loans, and the importance of coordination between the central bank and the finance ministry and much more.

Here are edited excerpts from the interview.

Q There are two schools of thoughts on the growth slowdown. One school of thought blames it on short-term shocks such as GST and demonetisation. The other thought is that growth has been anyway slowing down and this has somehow exacerbated some of the declines for long-term benefits. Which school do you belong to?

Clearly, to the latter. Although the data are not comparable, I do want to point out that the peak growth had come about thirteen quarters ago. My own way of looking at it is: the last two years of the United Progressive Alliance had begun to see a deceleration because of various factors. It transformed into the downswing of the business cycle, which has continued so far. It got impacted by the two big shocks: demonetisation and GST. Any economy in the world would have shown some impact to that shock. I think the Indian economy has shown greater resilience than what we have expected. This downswing is now bottoming out. July is the period when I think the upturn has begun or would have begun.

Q Then you do agree that there can be policy measures that can be taken to revive growth?

I should point to some green shoots, which prompted me to say this. Like the PMI in manufacturing hit its lowest in July at 47 and recovered close to 51 in August. The PMI in services was 47 and it recovered to 49 in August. The automobile sales have increased by 8 percent. Civil aviation is up by 16 percent year-on-year. Even the sales of the heavy commercial vehicles, which are very often considered to be a strong lead indicator, has started improving in India. These are the reasons why I think the growth has bottomed out. Also, because the first quarter—April-June period —saw a lot of de-stocking because of GST measures. We want to give a fillip to growth, yes, but more importantly we have to give a fillip to employment generation. That's been the Achilles' heel of the economic growth for last seven-eight years. That's what is beginning to make a greater noise in the economy than just the GDP growth.

Q Let's look at what's holding up in the economy and what's not, so that we can talk about what can be done. Clearly, what's holding up is that it is only us who seem to be thinking that the economy is in doldrums because foreign investors don't seem to share that view clearly, right?

It's great. India's growth story is holding up hugely abroad.

Q Why is that the case?

I think we are just being terribly impatient. We, perhaps by nature, are pessimistic. You can see in the FDI flows. They have been the highest—the cumulatively in the last 3-4 years it stands at around $256 billion. Therefore, our reserves are up; our rupee, unfortunately, is depreciating as a result of that. If we go anywhere abroad, you will find that India is a good investment story. But our private sector investment has not picked up in line with that.

Q The big conundrum is exports. Exports has been inexplicable in terms of its decline. As a share of GDP, it is at historic lows. Private consumption was holding up but even that has started to slow. So, perhaps some of the pessimism comes from reading these numbers.

Let's go through each one because there is no generic answer. For exports, they declined over 2014-16 but have risen over 2016-17. And from last 12 months, they have seen an anemic but nonetheless a positive growth. Non-petroleum exports are below the 2013-peak but have shown a consistent increase in the last 12 months. Now that the global trade scenario is picking up, I hope we will improve. NITI Aayog has set up a taskforce for employment and exports just for this. What we are finding there is that you need far more granular policy support than a generic, one-size-fits-all or sort of like hammer swat a fly [policy]. Therefore, we are going into sector-specific issues to see what can be done. The second part—you talked about the investment slowdown. I agree, but a part of the credit offtake from the bank has been substituted by the greater bond markets. Corporate bond markets have probably raised close to Rs 8,000-9,000 crore or more. So there has been the substitution. The slowdown in credit offtake is largely confined to public sector banks. The private sector banks—like the HDFC, ICICI Bank—have continued doing better. There again, the banking sector problem is something we need to look at as: why was it precipitated or could it be avoided by relooking at some provisioning norms or relooking at the insistence to try and get to Basel III+I. That's the investment cycle in the story. Finally, on the consumption: yes, it has begun to weaken but if my hypothesis is correct, it should have picked up now after July.

Q Also, a lot of has changed structurally. Whether we like it or not, GST, inflation targeting, monetary policy committee, bankruptcy code are a reality. We have to operate, from a policy perspective, which is unique. Don't you agree?

Qualitatively different but also it is qualitatively a new foundation for a higher, more growth sustainable growth trajectory. It, hopefully, will be devoid of the ups and downs or the 'yo-yo effect' that we have had in the economy in the past. So, it is a new political economy or a new institutional structure for the growth in the country. Also, there is now much greater formalisation pushed by demonetisation and GST. Additionally, we must make note of a rather turbulent international environment. I am not saying, they are down but structural change is because of industry 4.0, the artificial intelligence, the robotics, etc—so, the global environment has become far more uncertain for the domestic investor and the domestic exporter. We can't control it but it is different. It takes time getting used to it. Therefore you are seeing—both domestically and globally—the Indian investor is caught in a completely new game, the rule of which he or she is beginning to understand but has not yet come to grips with.

Q But we have to operate in a politically economic context where we need solutions to work in the immediate term...

I learnt it on the job. When I joined the government in 1989, and the Ministry of Finance in 1991 in the midst of the crises. I learned there first-best exists only in the textbooks. All policymaking has to be done in a second-best scenario—that is what the reality is. A lot of us don't understand that fact and we keep citing first-best conditions. For example, I don't go as far as saying there is no free competition or no fair market out there—some people have argued that, written about it—but nonetheless it is clear that there is a policy you cannot make the perfect enemy of the good.

Q The thing not much talked about is agriculture. The fact is agricultural growth has been tepid. We can talk about structural change in agriculture—like irrigation, APMC reforms, electronic all-India market, all of that—but those things take time. Is there anything that can be done in the immediate like direct benefit transfers?

I begin by saying we have trapped ourselves in agriculture in a low productivity, low income, low growth syndrome. That's because we are refusing to tackle the central issue which is the landholding size. Therefore, this government has come up with the model land leasing law, which two states have adopted and another four are about to. This will assure the owner–the farmer–that the land is safe even if he were to lease it out to others. That's where the prime minister's call of doubling farmers' income by 2022 may seem like how can we achieve it, etc.

Q But mathematically it seems impossible.

Yes, but it means by that is we need to completely modernise our agriculture along with its marketing, logistics, productivity and the fact that you can get scalar effects in agriculture as well. So, the immediate thing we can do is: 1) to think about transferring fertiliser subsidies directly to poor farmers, which can be done through DBT.

2) To remove export bans from agriculture. It will connect to the global markets and give the farmer the ability to sell and earn profits when at current exchange rates because India is fairly competitive in most of these products. I continue to say that "please treat agriculture as a tradable product". It is not a non-tradable strategic product. So that when you have shortages, you can anticipate them and import. Therefore, there is a better style of management that this government can take and start very quickly. Finally, I am trying out few pilot projects where I want to bring in private players to work with farmers and aggregate the land and bring new technologies and economies of scale, which will raise their incomes to higher levels.

Q There is talk of leakage and the Fasal Bima Yojna could be working better. There are some of those efficiency gains to be had.

But the fact is that these schemes are now in place. You have got soil card for the first time, Fasal Bima Yojna and Pradhan Mantri Sinchai Yojna. You got better mobility through Pradhan Mantri Gram Sadak Yojna and better power distribution through electrification of villages. Things have happened which will, hopefully, put agriculture out of the trap, along with some other that I have mentioned.

'Elitist' Export Policy

Q On exports, the fact is that the real effective exchange rate has risen 11-12 percent since the government took over. What are some of the things that can be done for exports? Because even on the currency, the RBI has been intervening in the last few months.

Yes, it has been. I want to say with all emphasis at my command that we need to switch the Indian businessman from a domestic market player to a global market player. That can happen only when we assure the Indian businessman that our rupee will not appreciate.

Q So, guarantee a REER rate?

Yes, that it won't appreciate over the next five years. Because that's the only way to turn them around. The pull of the domestic market is so large that most businessmen will say that they don't want to get into the trouble of exports.

Q So, it's the mindset?

It's a mindset that can only change with an incentive structure. Which comes about by changing the underlying exchange rate regime that you've got. Michael Spence's report did point to a depreciated currency as one of the key conditions for all economies that have achieved sustained 10 percent growth rate for 30 years. The second thing for exports is trade facilitation

Q On the exchange rate, if you want to guarantee currency stability to exporters, there are costs associated with it. On imports, today we are lucky because oil is where it is. There are certainly costs attached to a depreciating rupee. Do you think the benefits will outweigh the costs?

Oh, far more! There is an assumption some people are making that our imports are price inelastic. I don't accept that at all. In this case – given the Prime Minister's insistence on import substitution in energy, which he keeps talking about all the time – I think if you got a depreciated rupee, which made your energy costs higher, you will get both lower consumption and less wastage, but also a nice kick towards producing your own domestic renewables and other sources that you can achieve. I am convinced in my mind. The encouragement to export means greater employment. There is no doubt about that.

Q Especially textiles and footwear, the most employment intensive.

Textiles, garments, handicrafts, agro-processing. We've not done enough for that. Pardon my saying it, but I think our exchange rate policy in some sense is a very elitist policy. It benefits those who have got a large share of imported goods in their consumption basket. It discourages those who want to generate employment. I think we must change it as soon as possible. The RBI is in charge of that, and I hope some people in the RBI are listening to our conversation.

NITI Aayog Vice Chairman Rajiv Kumar opined that the outlook for India's GDP is projected to be around 7.5 to 8 % this year, with an estimate of 6.2 % growth for this quarter.

Q Then you were talking about trade barriers, and trade facilitation agreements. Have you spoken to the Commerce Minister about this?

The facts are amazing. We take 96 hours on average to clear cargo, while in Singapore it takes less than 24 hours. And we've got ourselves a 5-year target to come there. I'm saying why can't we do 48 hours in the next 1 year, or 6 months?

Q Is that possible?

Why not? After all, it is all governance, isn't it?

Q Is it about governance, or is it infrastructure?

No, it is governance. Now, most of your things are on electronic databases, which are talking to each other. I think it is just about getting the right incentive structure there, on our port authorities, customs and the rest of the lot, and getting better coordination there. That can achieve this trade facilitation quite quickly. The other part of it, which is the logistics part of it, our logistics are far too underdeveloped. But that's where too, growth will come. Once you get the foreign trade going.

Q So, for exports, you are very clear about rupee depreciation, and trade facilitation?

Also, some more sector specific granular policy support, identifying the critical constraints on that. I heard, for example, that in garments, you will be surprised to know that 80 percent of garment exports are concentrated in ladies' dresses, blouses etc. We don't do any mens' suits, or outer-wear, and none or close to zero of synthetic fibre based sports-wear. That's because our import duty on synthetic fibre is 11.5-12 percent. It's 0.5 percent in Sri Lanka. Therefore, any garment that needs imported material is pretty much out of our scenario.

Resolving India's Bad Loan Crisis

Q The New Bankruptcy Code will not solve the stock of non-performing assets in the time frame that we want. This was known for three years now. Why were we shying from tackling this?

First, it began to be known for three years. It's only in the last one year or so that the enormity of the problem has really come up in some cases. That some of our public-sector banks are sitting with more than 20 percent or so NPAs, and their net worth has been wiped out.

Q That's because of the asset quality review that the RBI got done.

I think the asset quality review, pardon my saying it, maybe was a bit too harsh. I say that especially because there were a lot of projects which were dependent on government payments, and receipts from government departments, which were delayed inordinately. That made those projects financially unviable.

Q Why should the creditor care?

The point is that that if you are a public-sector bank creditor...

Q So, it's like government's left and right hand...

That's right, so why shouldn't they have cared. You could have had a different treatment for those NPAs that are dependent on government payments. That's one part of it. The second part of it is that 70 percent of your banking system is sovereign guaranteed. It's not going away anywhere. It's not like you are going to get a bank run tomorrow. So that also meant to me that – this whole 360-degree asset quality review – I am not for a minute supporting the evergreening of loans, those who were willful defaulters, they should be given exemplary punishment, as is being done in some cases with the Bankruptcy Code dragging them there – but there are a large number of people, who were probably in a situation, to be able to get back into the black. Those, you have forced banks to push back into the red. The latest that I read was the order from SEBI which said that if you are late by a day, you've to report. I mean, hello!

Q You don't think that's a good idea?

Do you? I think it is time now to be a little more nuanced about the situation. It is also time to take the bull by the horns. Accept that there is a problem here and recapitalize the banks, and increase the budgetary allocation of Rs 10,000 crore, by a factor of...

Q A factor of 10?

Well yes, you said it. Do whatever is needed to get the issue off the problem book.

Q The Interest Rate Trajectory

On interest rates, I don't subscribe to the call for lower interest rates, maybe we disagree there.

Why don't you subscribe to it?

Q The repo rate has gone down by 200 basis points in the last three years, but private investment is still down. Why are interest rates being held up as the villain in this?

On one hand, I think it's the signaling argument, to answer – 'what will the government do to revive private investment, how far will it go?' According to our friend Surjit Bhalla, it is also an argument to say that 'accept your mistake that you got your inflation expectations all wrong, and therefore don't punish the innocent because you think there is some hidden guilt.' That's one part of it.

On the second part – I agree that maybe the interest rate cut may not be a necessary condition, but it's also not a sufficient condition. A sufficient condition is for us to create the demand for credit in the economy.

If you talk to bankers, they will say that they are willing to lend; where are the projects and the investment demand?

That is for two reasons. One – for three or four years, we've suffered with excess capacity and under-utilisation. If your output gap is positive and large, of course there won't be any investment demand. The second thing is – I've argued for the government coming in with large infrastructure, low gestation projects, on an engineering, procurement, construction (EPC) basis, which will revive the investment climate and get the large companies to begin demanding credit on viable projects.

Just to give you one example, in affordable or low-cost housing, in which the Pradhan Mantri Awas Yojana gives a subsidy, if you de-risk that project by acquiring the land and getting all the approvals, say you want to build 1 lakh houses, and then invite private bidders – the same builders, they come in at that point, and go to the bank to get the working capital. That will get the credit demand going. Once you got that and the multipliers working, you have a pump-priming of the economy by not just pushing up consumption demand, but by actually improving the investment climate.

Q You do agree that interest rates being held up as this villain is perhaps a bit unfair?

I grant you that, but with one caveat. Any good, efficient policy meant for reviving the economy has to walk on two legs. It has to be both, monetary and fiscal. And this whole – in my view – nonsense of this against the other, it is just that much. There is a time now for the Mint Road and North Block to work closely together, and in tandem and figure out what is needed to be done, so that on one hand there is better transmission of the interest rate cut and there is greater supply response and that they are in sync, rather than working against each other.

Q So, talk of independence of the central bank is some la la land concept?

Independent of course, but working in close coordination can be achieved. Why is it that if you are independent you should be in opposition? Independent doesn't mean opposition. You don't have to be confrontational. You are part of the government, and the policymaking team.

Stimulating The Economy

Q What is your view on lowering corporate tax rates from 30 percent to 25 percent? Is that enough to stimulate private investment or demand for credit?

In any case, it will be effective only in the long run. The effective corporate tax rate is no more than 22 percent. Therefore, that demand is a little bit unfair because if you are paying 22 percent, then what is it that you want more? If you want 25 percent with continued exemptions, then that's just not right. What you want is to reduce tax administration. The worst thing here is that the kind of tax terrorism those middle and next 1,000 (businesses) that they face is what has got us here. I am referring to the corporate direct tax regime. The tax administration needs to be far more taxpayer-friendly and yet insisting on compliance. I think the two are not incompatible. That can be done. It's time for us to take some major reform efforts on the CBDT (Central Board of Direct Taxes) and the Direct Tax Code. But more than that, get the incentive structure for better governance and less rent-seeking in the CBDT, which is harassment. That tax harassment, especially for the smaller and medium enterprises, which then creates an environment where businessmen don't feel in some sense wanted, needs to be changed very quickly.

Stimulate investment demand through larger public capital expenditure such that there is vigorous crowding-in effect which I think will happen, given where we are.

Q Personal consumption has been robust. But it is starting to show signs of slowing down.

The rate of growth of personal consumption expenditure this year is 6.8 percent as compared to 9.8 percent earlier average. So, it has slowed and which is ominous in some sense.

Q What can be done for that other than lower income tax rates? I have argued that we already have very high-income tax exemption thresholds.

I think so. That's where the interest rates could work. You get a lower EMI on your housing, cars and consumer durables. That's one thing which you can do right away.

Second, we can give direct subsidies for employment generation. For example, there is a scheme in Jharkhand where the government will give Rs 5,000 a month per worker to every employer who goes beyond 100 employees in the textile industry. And it will be Rs 6,000 when the person is from scheduled caste/tribes or women.

Q But a large percentage of the textile sector is informal.

Yes, but you can extend that to informal because this is not related to the payment on ESI (employee state insurance) or EPF (employees' provident fund). This was the reason why the Union Textile Policy didn't work. But here it doesn't make a distinction between formal and informal. Odisha has a similar scheme. Why can't this be extended today across the board for everybody? If you extend your employment beyond what you had at the end of August, the government will give that much money.

Q Like the Apprenticeship Act in Germany.

Yes absolutely. We have an Apprenticeship Act. I am looking at it right now and there are a couple of points which have prevented its better utilisation. I have been arguing that some amount of money that you spend on skill development should be transferred to apprenticeship. When firms take on an apprentices, they take them in places where they need you tomorrow. While very often the skills that you generate could be the skills for yesterday. That's the reason why the uptake—placement of skilled workers—has been less than 10 percent. That aggravates the situation because having got skills, the expectations are higher.

Q The government spending has been growing at 2.5 times the nominal GDP growth. Some would argue that we were already in a stimulus package. In just four months we are already at 92 percent of the targeted annual fiscal deficit. How much more can the government spend?

What I noticed was that the growth in government expenditure have slowed down from last year. It was 16.2 percent last year and it is 9.8 percent this year on a real basis, so that's gone down. I don't want to give a number, but I do want to say that the FRBM, which is the fiscal target, is a self-imposed punishment on yourself. You want to tie yourselves in hand and foot for this. I have insisted even to the NK Singh Committee that you should focus much more on the revenue deficit than on the fiscal deficit. Because if you are going to use your borrowing for capital investment and productivity enhancing investment, I cannot see anyone objecting to it. How much more? If you are going to do bank recapitalisation, large infrastructural projects, low-cost housing and roads and highways, then it is inevitable.

There are a large number of 'spending ministries' in our government like rural development, and urban housing which have not spent what their budget allocation is. So, why not first get that money out of the door?

Q Perhaps because the absorptive capacity of the economy for increased government spending is just not there.

I don't agree. The absorptive capacity can be created by steps taken on governance. If you are going to be innovative enough to de-risk your projects and then invite the private sector; and not take the attitude that 'the private sector is going to make lot of money, I'm not going to let you go in', you have to change the mindset, you have to think of the private sector as a partner to take the economy along.

Q If we breach the deficit, rating's outlook which is positive right now, can potentially change. It can then have an impact on flows. You may argue if there are outflows, it may be better for the currency. Do you think that is the problem to be worried about?

I don't think that is a problem at all because I think, on the other hand, we are into a 1994 situation when I was in Ministry of Finance, where you don't want such foreign capital flows coming in. If they are coming, then it's okay, but at the moment, if the rupee continues to appreciate then they have got a double advantage. They will get much higher interest rates—a differential of 4-6 percent compared to what they could get there—plus an appreciating currency. So, they will be laughing all the way back to the bank. I don't think the outlook will be affected. In fact, now the global investors will reward you by rushing in when they see us taking steps to push growth and employment. As we have discussed, the Indian story is good. If the Indian story appears to be becoming better, and if the denominator seems to be increasing rather than us trying to control the numerator, then I think they will be more gung-ho about it.

Q That's a contrarian view I have not heard so far.

I think so. I know that investors also look at the overall stability of the economy, which includes political stability. After all, every investment bank also has a country risk analyst.

Q What you are essentially saying is that a stimulus is somewhat inevitable, to boost spending.

Pretty much so. The sooner we can do it the better. We have outlined and discussed all the measures that are needed. Those measures need money, and they also need to be done. Then it's up to the government. It may not necessarily increase the fiscal deficit if they are smart about it. But if it does, then we have to make sure that the revenue deficit doesn't increase. And if fiscal deficit increases, I don't think people will punish you for that.

Q Are you putting a condition to it saying the money for that should be obtained through measures such as disinvestment and privatisation or you are not going to tie the two together?

I would want this thing to happen. I want greater resource mobilisation on the part of the government. Then there is also a possibility that you could recapitalise the banks through bonds, which is off the balance sheets. The bottom line is: you need to give helping hand to revive the economy so that it doesn't become too late and it is not too slow. You want it accelerated so people can then begin to see the benefits of huge number of structural reforms and all the work in progress that has happened in three-and-a-half years to bear fruit. And the fruit is the criteria at the moment to get our young people in better jobs.

Q Does Prime Minister Modi need a one-handed economist now?

The Prime Minister is always very clear that he needs only a one-handed, small-talking economist. So, I fall in danger of having talked too much. All policy economists must necessarily be one-handed. There is nothing achieved by telling our political leader this on the one hand, and that on the other. That's the measure of our own words and if we can't do it then we should not be in this business.

Vision and strategy document to follow action plan

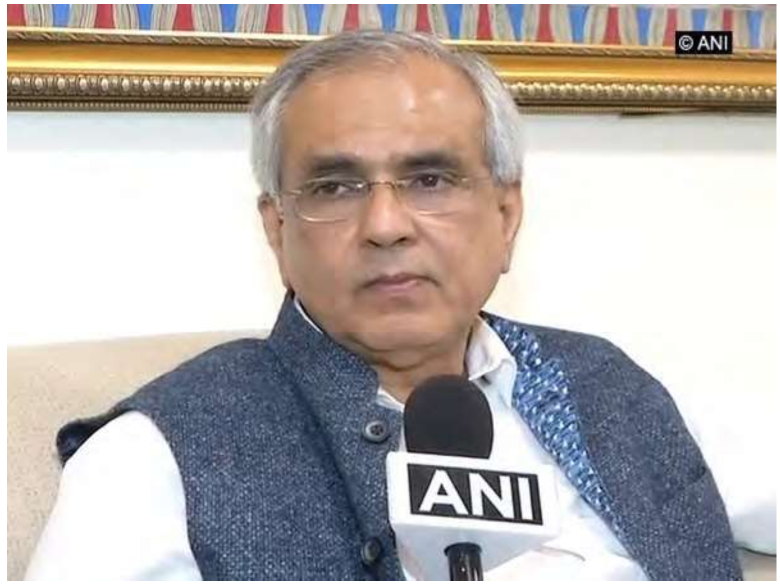
NITIAayog 's draft three-year action plan is just a glimpse of the government's long-term vision for turning around the country's economy. A bigger and more comprehensive document would follow in the form of 15-year vision and seven-year strategy, which will deal with sensitive issues like defence, internal security and may be even privatisation of banks.

Q How has the formulation of the action plan been different from the Five Year Plans?

Rather than compare, let me explain how we have gone about formulating the Action Plan. We began in May 2016 with consultation on a very wide scale --journalists, economists, industry chambers, voluntary organisations and experts in virtually all individual areas. NITI Aayog teams headed by advisers visited nearly all states to consult. Prior to that I wrote to CMs and the CEO wrote to chief secretaries. We also consulted with central ministries. We also sought and got written inputs from many experts. Work on the Vision, Strategy and Action Agenda proceeded in parallel in each area. Under the direction of members, the advisers prepared documents in each area using various inputs. Eventually, these documents came to me and, assisted by a team of six talented policy analysts, I converted them into a unified final document. Initially, we had planned to bring out the Vision and Strategy document first but since we were getting close to the ending date of the 12th Five Year Plan, around February 2017, we decided to fast track the Action Agenda, which is of immediate policy relevance. Work on the Vision and Strategy document is also in advanced stage, however.

Q What are your views on taxing the farmers, something which has led to huge controversy?

As I have explained in several recent interviews, the Action



Agenda does not recommend such a tax. Any such talk is in near direct contradiction of the Prime Minister's push for doubling the farmers' income. Moreover, by taxing farmers, we would be undermining the objective of food security.

Q The chief economic adviser has made this point that states can go ahead with imposing tax on farm income. What do you have to say? Will NITI pursue this with states?

What the CEA is saying is that the tax on agricultural income is a state subject. The finance minister has also made this point. But since such a tax is not a part of our Action Agenda, there is no question of us pursuing it with states. In our Action Agenda, there is a lot that states need to do and we will peruse those action points.

Q When does the implementation of the action plan begin?

Have already written to the states and sought their final comments. After we receive these comments, we will do the necessary revisions and move ahead. However, in the end, the Prime Minister and the PMO will need to do a final review and give us a green signal. But remember that the formal approval of the action agenda is not a prerequisite for implementation. Some of the things mentioned in the Action Agenda are already part of the government policy and work on them is under way.

Q What is your assessment of the economic situation?

Other than NPA, which need to be addressed, my assessment is that the economy is in excellent shape. Of course, we need to continue doing many things to accelerate the growth and development process. Externally the view is that this government wants to do things and want to resolve problems. The government has also generally been swift at making corrections whenever a mistake is made. Overall, we are very well-placed. So, I now hope to see, for instance, our savings rate turning around a bit. We are growing at 7% plus and we say in the action agenda that within next two-three year or may be sooner we would touch the 8% mark.

Q What are your views on addressing the rising problem of NPAs of the banks?

First, more resources are needed to recapitalise the banks. And second, as we suggest in our Action Agenda, we need to move the NPAs out of the banks. Earlier, I had suggested internally that we could create a government-led asset reconstruction company (ARC) or what is sometimes called a "bad bank," and move the assets to this institution. But I have come to realise that building such an institution in the government takes time. So this route would mean substantial delay in action, which we must avoid. We suggest in the Action Agenda that the same objective can be achieved through the existing private ARCs and a strengthened State Bank-led ARC. For each major asset, an ARC could be given a 20% stake with 80% stake remaining with the creditor banks.

This will give the ARC enough skin in the game to seriously try to resolve the asset at maximum possible value. For banks, they still have the 80% stake so they cannot be accused of having sold the assets at a throw away price. Any upside upon resolution will largely come back to the banks. That seems to me to be a plan which is practical, which smoothens out the process for banks worried about allegations that they gave away their asset for a throw away price and it gives enough stake to the ARC to resolve the asset to maximize its value.

Q Is there also a view in NITI on privatising banks?

We haven't done that in the action plan. One obvious hindrance is that the legislation will have to be changed in the absence of which banks cannot lower their stake below 50%. That's the issue we may visit in the Vision document since it has a 15-year horizon.

Q How does strengthening rupee impact India's export competitiveness?

Astronger rupee would mean lower price for exports as a result of which export incentive is reduced. But the exchange rate policy is based on multiple considerations and usually it is something that the RBI must decide.

Q PM made a mention of changing the financial year to calendar year. Where are we on this? Does it bring in any tangible benefits?

No decision has been made in this regard so far. There was a committee appointed on this issue and it has submitted its report. The PM is very keen to get states' view on this subject, which is the reason he raised it in the NITI Aayog meeting.Going to a calendar year better aligns the financial year to the monsoon. It gives better sense as to how financial resource should be allocated, and what assistance is required based on the performance of the monsoon. While this is the main argument the side argument is that the data collection can be aligned to the calendar year. In our country financial year and data collection are aligned which poses a little bit of difficulty for comparison with other countries, which often present their data according to the calendar year.

Q Concerns have been expressed in various quarters of not creating enough jobs. What does the action plan propose in order to address it?

We have a dedicated chapter on industry and services that focusses on job creation. Unemployment in India is lesser of a problem because unemployment rate is usually estimated in the 2-3% range. Our problem is underemployment. People often have jobs but they exhibit low productivity and therefore pay low wages. We need more formal, organized sector jobs that would pay good wage. We offer several general as well as industry-specific recommendations to help boost growth of formal-sector jobs. As part of the general reforms for all sectors, we recommend coastal employment zones, labour market reforms, infrastructure, trade facilitation and trade agreements. Then we take up some specific sectors, particularly the ones where India has the potential to do well. We have suggested reforms in clothing where China has $175 billion worth of exports while ours is $17 billion. Even Bangladesh and Vietnam do better than us in exports of this product. In leather and footwear, again China exports about $55 billion and we do just $3-4 billion. Then we go to electronic and electrical goods China exports about $800 billion while we export less than $10 billion. In clothing, leather and footwear, electronic products, gems and jewellery, tourism, real estate and finance where good jobs can be created we suggest sector specific measures.

Q Government started on a positive note on labour reforms but now it seems that the momentum is lost. What is the action plan going forward?

Some work has been done on codifying labour laws and reducing 44 legislations into four codes. However, in terms of progress on legislative action, it is still an issue whether it will pass the muster in Rajya Sabha or not. Personally, I think we can get this done through the states. Some states like Gujarat, in its SEZs and NMIZs, have amended the Industrial Dispute Act such that any firm regardless of any number of workers can retrench by giving 60 days of salary for each year worked. Central government has given permission for this. Rajasthan, MP and Andhra Pradesh have also reformed the Industrial Disputes Act. So the reform route through the states is open to us and the NITI Aayog encourages states to make use of it.

Q What has been the progress on coastal employment zones which have been in work at NITI for quite some times?

There is a committee under the CEO, Niti Aayog driving the process. We are getting the DPRs done currently for them. Gujarat and Andhra Pradesh are keen on these zones. Such zones can serve to bring the exiting large and export-oriented firms from China to India. Since large firms have to necessarily operate in the export market, they have to be globally competitive as a result of which they exhibit high productivity. Then they also define the domestic standards and create in ecosystem in which the MSMEs also become efficient and pay better wages to their employees.

Pyush Misra
Director
Consumer Online Foundation

Success Of NITI AAYOG Depends On The Quality Of People In It

ONE OF THE more far reaching and refreshing decisions of the Modi government has been the scrapping of the old Planning Commission - a totally fossilised institution, and replacing it with the new NITI Aayog. The old Planning Commission may have been relevant up to the '70s and '80s, when the limited resources available at the nation's command had to be deployed in a manner to ensure equitable growth across all regions and states. This centralised planning body started losing its relevance as soon as the private sector started to come of age to become an engine of growth after we dispensed with the licence-permit-quota raj in 1991.

This nominated body, based on the socialist Soviet model, was created by an executive order rather than by an Act of Parliament. It assumed huge importance because it had the powers to allocate resources to the states, a function which should normally have been part of the finance ministry. Chief ministers were frequently seen lining up outside the deputy chairman's office with begging bowls in hand. The entire process was based on the belief that some favoured retired bureaucrats of the government of the day and some so-called experts sitting in air conditioned offices of the Yojana Bhavan knew more about the state's growth requirements than the elected representatives of the people. It enjoyed huge discretionary powers, and in many cases, used these at the behest of its political masters to benefit the states which were ruled by their party.

The Planning Commission functioned on the presumption that a single model of development suited all states despite their vastly diverse and divergent socio-economic conditions and development needs. Further, it was used as a tool to promote strict fiscal control by the Centre at the cost of the state's autonomy - a vital aspect of federalism.

India has moved away from a system where the same party ruled the centre and most states. Today's India is shaped by a member of national and regional parties; thousands of NGOs; a vibrant media; a sharp private sector; and integration with the global economy.

In such a scenario, the old body which was allocated resources to the states in a top down management and control system has to be dismantled. Keeping in view the diversity of the Indian economy; growing regional aspirations; the need to target double-digit growth to provide jobs to our young population, there is a need for transformative thinking.

What we need now more than an alternative body is an alternative approach. We must get out of the, "Five year plan" syndrome and go back to the Gandhian grassroots approach, in which fiscal powers and the decision-making process percolates to the level of the state, district and panchayat.

The role of the new body should be that of an ideas commission. It should develop strategies for meeting the goals of the new economy by engaging with think-tanks and experts both nationally and internationally. The NITI Aayog should provide a platform for states to learn from each other's experiences from their respective planning process, and help cities to learn from each other as well as from cities in other countries.

We need a body that engages by means of consultations with the private sector as well as the government sector in a fair and transparent manner, particularly on the matters of policy-making. Additionally, we need a body that provides assistance to the systemic grievance redressal mechanism between the various stakeholders and the government. In Japan, such collaboration led to the total quality management doctrine (TQM).

The Aayog could also act as a systems reform commission by giving fresh ideas to various stakeholders on improved ways of evaluating, monitoring and auditing various development and other social schemes of both central and state governments. It must have the scholarship and capacity for 21st century's methods of planning in order to examine the forces that are emerging and bringing reforms.

To achieve these objectives, it is imperative that the Aayog engages with multiple stakeholders through non-bureaucratic and modern communication methods. An efficient, transparent system is the need of the nation.

Irrespective of how laudable its constitution and objectives, the success of the Aayog will depend on the quality of people who are in it to man the project. Merit and merit alone must be the sole criterion for selecting the Aayog team and undoubtedly, we see it happening so.

Five Regulatory Considerations Startups Should Keep In Mind Before Doing Business In India

IN THE RECENT past, the Indian Government has been proactive in encouraging startups, and according to the 'Ease of Doing Business Index of 2018' created by the World Bank, India currently ranks 100 out of 190 countries. It shows how easy or difficult it is for an entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labour market regulation.

India's rank has significantly improved due to various reforms that have been brought about by the current Government, including setting up of the Atal Innovation Mission and NITI Aayog. Several benefits for eligible startups have been provided by the Indian government, including but not limited to compliance regime based on self-certification, providing legal support and fast-tracking patent examination at lower costs, relaxed norms for public procurement, tax exemption on capital gains, tax exemption for three years, providing funding support, and separate institutional trading platforms have been provided by stock exchanges for listing of startups.

It is often felt that startups face numerous legal and regulatory challenges in order to grow into successful organizations.

India's rank has significantly improved due to various reforms that have been brought about by the current Government, including setting up of the Atal Innovation Mission and NITI Aayog.

Here are five key legal and regulatory considerations which startups need to consider before doing business in India:

Business structure: In India, a startup business may be set up either as a limited liability partnership or as a private limited company depending on the nature of the business, tax efficiency, corporate flexibility, cost of formation, compliance requirements and so on. Typically, we have seen that startups in India prefer incorporating a private limited company as it is easier to raise funds from investors.

Licenses and registrations: There are a number of licenses and registrations which are required to be obtained in order to carry out business in India depending on the nature of business of the startup and the entity that is incorporated i.e. Permanent Account Number (PAN), Importer Exporter Code (IEC), Tax Deduction and Collection Account Number (TAN), Goods and Service Tax (GST), Shops and Commercial Establishment certificate, employment related registrations depending on the number of employees, certificate from the Inter-Ministerial Board of Certification (IMBC) for tax benefits and so on.

Intellectual Property (IP): For most technology-centric startups, IP is very important. IP includes copyright, trademarks, patents, design, software development codes, programs, research findings, algorithms etc. and it is imperative that a startup protects these effectively from the very beginning as IP rights may also be licensed and/or sold and thus have financial implications as well.

Contract management: A startup would need to enter into various written contracts to make them legally binding and enforceable, i.e. service agreements with vendors, distribution agreements with distributors, employment agreements with employees, consultancy agreements with consultants, non-disclosure agreement (NDA) with various third parties for protection of confidential information, leave and license or lease agreements for use of premises, shareholder agreements (including subscription agreements and/or share transfer agreements) with investors, partnership agreement between partners, IP-related agreements for protection or assignment of IP, etc. As a startup should ideally try to mitigate risks which it may face from any commercial arrangement that it would be entering into, it is essential that these agreements are not one side and are negotiated properly. Also, startups should keep in mind that most agreements need to be stamped and registered (if required) prior to execution.

Compliance requirements: There are a number of reporting requirements that a startup would need to comply with depending on the nature of the entity that is incorporated and the investment that is made. In the event that the entity is a company, various filings/reportings would need to be made with the relevant registrar of companies and the company would have to comply with the Indian Companies Act, 2013 (including with respect to number of members, directors, shareholder meetings, board meetings, quorum for meetings, annual filings etc.). In the event the entity is a limited liability partnership, then various filings/reportings would need to be made with the relevant registrar of companies and the partnership would have to comply with the Limited Liability Partnership Act, 2008 (including with respect appointment of designated partners, annual filings etc.). Also, in case of foreign investment, relevant filings/reportings would need to be made to the Reserve Bank of India etc.

Keeping the above in mind, entrepreneurs must explore the website https://www.startupindia.gov.in/, set up by the Indian Government to boost startups in India.

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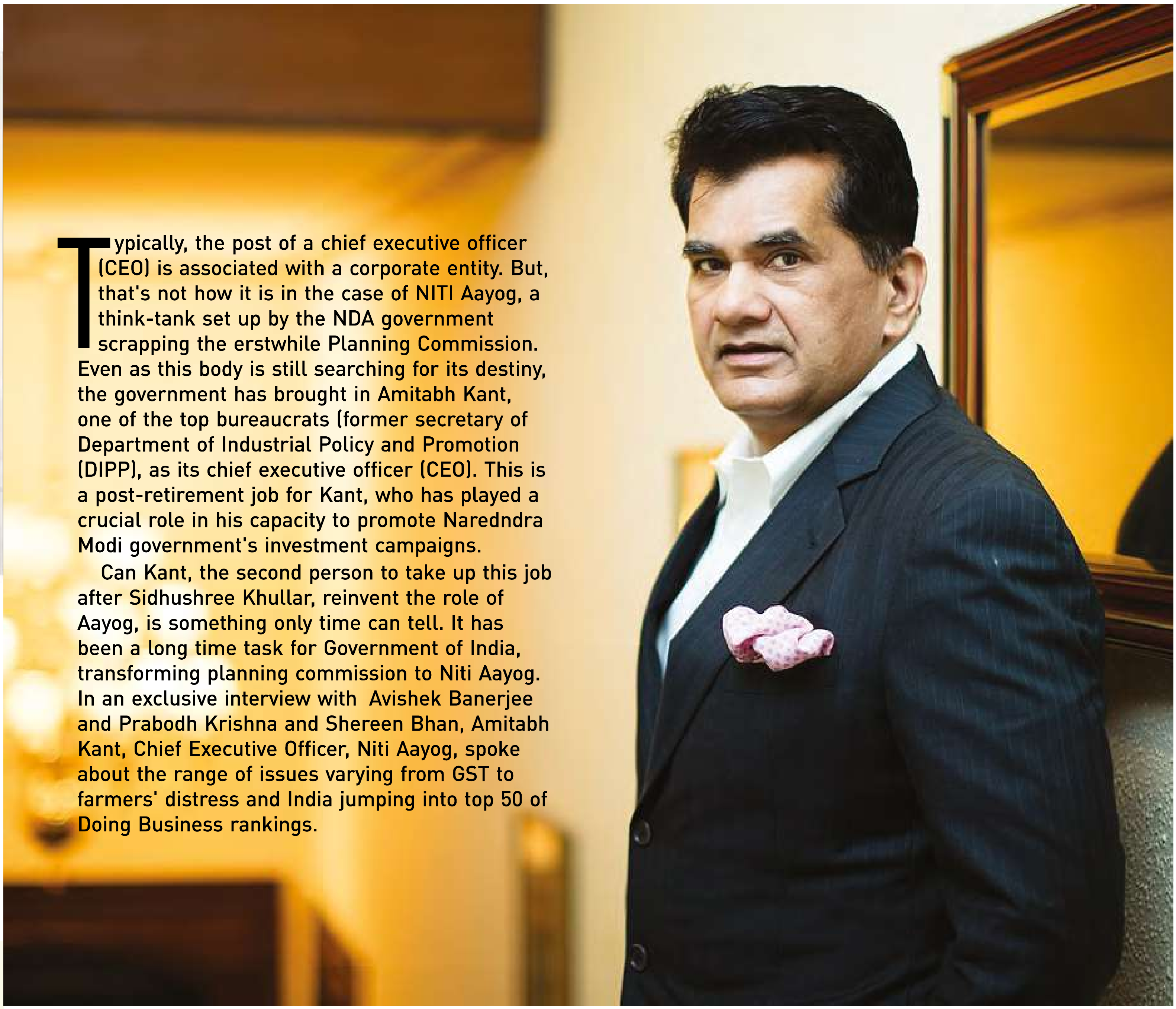
"WORKING FOR NATIONAL INTEREST"
CEO NITI AAYOG, AMITABH KANT



Typically, the post of a chief executive officer (CEO) is associated with a corporate entity. But, that's not how it is in the case of NITI Aayog, a think-tank set up by the NDA government scrapping the erstwhile Planning Commission. Even as this body is still searching for its destiny, the government has brought in Amitabh Kant, one of the top bureaucrats (former secretary of Department of Industrial Policy and Promotion (DIPP), as its chief executive officer (CEO). This is a post-retirement job for Kant, who has played a crucial role in his capacity to promote Naredndra Modi government's investment campaigns.

Can Kant, the second person to take up this job after Sidhushree Khullar, reinvent the role of Aayog, is something only time can tell. It has been a long time task for Government of India, transforming planning commission to Niti Aayog. In an exclusive interview with Avishek Banerjee and Prabodh Krishna and Shereen Bhan, Amitabh Kant, Chief Executive Officer, Niti Aayog, spoke about the range of issues varying from GST to farmers' distress and India jumping into top 50 of Doing Business rankings.

Q How do you see your institution transforming itself from Planning Commission to Niti Aayog? What will be its future in terms of the planning process and implementation thereafter in the next one decade or two decades?

Niti Aayog has moved away from 5-year plans to a 15-year vision document, a 7-year strategy document, and a 3-year action plan which has been put up on the website. That is a forward-looking and progressive document which the govt. is moving forward with. We had active consultations with various chief ministers of various states and have sought their inputs before coming out with an action plan. We have become very action oriented and are doing a lot in terms of partnerships with various states. We are driving a ranking of states across education, water management, health, agriculture, etc. We are also very keen to transform several states in terms of education and health and have selected five states on the same.

Q Do you think Rs 10 lakh will be sufficient for every Atal Tinkering Lab for 5 years? Moreover, for Rs 10 crore earmarked for Atal incubation centres for 5 years, what are the standards of selection?

We are supporting tinkering labs and give hi-tech equipment worth Rs 20 lakh and include 3D Machines, Robots, etc. For the 6th standard student, they need equipment and not money. In addition to that, we give Rs. 2 lakh per year for five years for recurring expenditures of teachers, etc. They will be provided dedicated teachers who can assist them in using the equipment. Apart from expenditure support, we also provide mentoring sessions to them. We also link these entrepreneurs to these tinkering labs. For incubation centres, we will be doing the selection process in a very transparent manner. We have invited 15,000 applications last year and shave selected 5,000 schools for incubation centres and this year, we have invited from schools all across India and would be handpicking around 1,000 of them.

Q How will you manage a huge volume of follow-ups in these applications?

We have an Atal Innovation Mission which is headed by a distinguished person Ramanathan Ramanan, a senior executive of Tata Consultancy Services (TCS). He is heading a team of the young and dedicated bunch of people. They need to do outcome-based monitoring. So I think all that is well in place.

Q Of late, organisations like RSS and Swadeshi Jagran Manch are up in arms against Niti Aayog? So what are you actually doing to carry them along and bring them on the same page where you are?

Niti Aayog, which works for national interests, sometimes tries to push the pace on technology, disruption, etc. There may be some difference of opinion and we are always open to interaction. If we are making a mistake, we will correct it and also change the mind of others. Our end objectives are to fasten the speed of development of this country. We are absolutely confident of bringing everybody on the same page in larger interests of the progress of our nation. Everybody who works for national interest is on the same page.

Q How are you going to scale up the rate of employment growth?

If you look at the (employment) growth of road, rail, civil aviation and power sectors, it has been positive. If you look at EPFO, ESIC and other data, they present a very different picture. India is a very happening economy and we just need to ensure the private sector grows at a rapid pace.

Q What is Niti Aayog doing toward reducing the number of farmer suicides?

These suicides have been happening at various places. There are also places where production levels are quite high. We are taking steps to ensure that the agricultural sector is done away with middlemen. We would make sure that they get the best price for their produce. They should be able to get fertilisers and seeds on time. We want to improve their overall productivity levels go up.

Q GST has been a great move. But why is there a sense of unpreparedness? Are you happy with the progress on the GST front?

What makes you think that we are not prepared? In fact, the govt is fully prepared. GST is a must and you have seen that Octroi posts have been broken down. You have seen the speed at which the buses travel from 200 to 400kms a day, from 20-40kms an hour. GST is necessary to ensure that out the tax to GDP ratio going at a higher rate.

Q You have recommended divestment of Air India. Are you happy with the progress?

We are a recommending body and have made our recommendations. The implementation will be done by Department of Investment and Public Asset Management (DIPAM) and The Minister of Civil Aviation.

Q So you think your Vision 2020 can be achieved?

Yes, why not!

POLITICAL WILL CAN ENSURE INDIA JUMPS INTO TO P50 OF DOING BUSINESS RANKINGS

Q You had said 50 in three years when this government came to office. It is not 50, 100. So we have covered significant ground. But what needs to be done to ensure that we actually improve on this ranking considerably? I will point out some of the areas where we continue to do poorly. For instance, in dealing with construction permits, it has improved from 185 to 181. Starting a business, 155, we are actually down a point to 156. So where do you believe we have fallen short and what more can be done to actually ensure even a better performance?

First of all, I am a great believer that India can easily jump into the top-50 because there is great political will. The first meeting which the Prime Minister had addressed to the secretaries, he talked about making India easy and simple. The Prime Minister has been a great believer in structural reforms.

The country has pushed for major structural reforms, GST, RERA, bankruptcy law, scrapping 1200 laws. All these are major structural changes the kind of which the country has never seen before. Now while we have jumped 30 positions, it is a remarkable achievement. Actually in the last three years, India has jumped 42 positions. From 142 in 2014, we are at 100 now. So we have jumped 42 positions. Now we need to make push this momentum and get into 50. Now my view is very simple. Just focus on one, it is very difficult to get construction permits in Mumbai and Delhi.

You need to make it online, documents are spread in several documents, make it online. No human intervention there. Registering a property is very complex and thirdly, enforcement of contracts. Enforcement of contracts, actually frontier to distance, we have gone worse. The number of days, we have gone worse and this shows that you can reform, you have carried out reforms in the government, but it is very important to carry reforms in commercial courts, ensure that there are no adjournments beyond three days and the number of days within which commercial cases are solved is much quicker, much faster and that we are able to establish commercial courts at district level.

Q So on the issue of enforcing contracts, you are saying we have actually done worse, but if you look at the headline number we have actually done better because we have improved from 172 to 164.

If you do a more detailed, in depth analysis, the number of days is longer, the judicial processes have increased and the distance to frontier has actually increased in enforcement of contracts. So, actually that is the area from 166 position, we need to jump radically. It is very doable.

Q So what will it take to jump radically on that particular parameter?

Just three things. One, establish commercial courts at district level, Delhi, Mumbai. Do online record management of courts, number two. Thirdly, I think it is very important that do not give more than three adjournments which is what the civil procedure court entails. We give adjournments ad nauseam. So we need to bring it down to just three and you will see India making a big jump.

Q On the other issue that you just talked about which is registering property and again, we have dropped quite significantly there. We are at 154 now versus 138, so our performance is actually worse than last year. What do you believe has gone wrong there? You just talked about one of the big structural changes which is RERA for instance, but what seems to have gone wrong here?

Registering property, the complication is that property documents are spread out in too many places. If I have to register a property, I go from court to the land record office to the registering property office, too many places. We need to bring in a titling law and we need to digitise everything. And once you do this, in fact, Niti has prepared a titles law on land records so that it is not just registering, but it will give you the title and we are asking some states to push for that reform. And eventually, in the long run, you need a titling law and you need

to digitise all your land records and ensure that across departments, it is all online transactions.

Q Are you disappointed that on starting a business, we have actually dropped another point. We are down to 156 versus 155. This was our aspiration of making it easier to start a business. You were the one who launched startup India for instance. Is this an area of concern and disappointment?

Actually on starting a business, it has become far more easier in India. It has really become easier. You can register a company in one day. You can do an MSME in half a day actually. But the processes have not yet been cut down. We need to converge integrate, we need to digitise more. We need to make our processes far more easier and simpler and that is work in progress. So you will see a major jump next year on that.

Q On this specific indicator?

On the registering.

Q What are the changes that you anticipate?

There are several. That is a lot of work in process and actually the department of company affairs has made radical changes. But it has not shown up in the respondence. What happens with the World Bank survey is not that you have carried on changes.

Q It is also stakeholder feedback.

Absolutely. It is about whether it has actually been implemented on ground. So while a lot of work has been done, it has not shown up in the respondence and probably next year, this will be the area where India will see a huge jump.

Q At the end of the day, it is great that we have gone up 30 spots and we are now at number 100 as far as the ease of doing business is concerned. But eventually, we would like to see this translate into more investment on the ground. Do you believe that while this is good news from a messaging perspective, especially from a business confidence perspective, it will encourage any change as far as the investment cycle is concerned?

Let me tell you first tell you that it is a huge achievement for India. It is a huge achievement. No country in the world has made such a big quantum jump over 2-3 years, 42 positions. It also shows India's commitment for reform. It also shows that Prime Minister has lived up to what he had talked about, rolling out the red carpet. But it is important to understand that structural changes of this nature take a little while and we need to just continue the momentum in a very big way. Keep pushing for change. Keep pushing for structural reform. Keep ensuring that they get implemented at grassroots level.

But the good thing is that these kind of reforms have actually led to a major inflow of foreign direct investment (FDI). India has been the largest recipient of FDI. We have been the number one recipient beating China. Our FDI has jumped up by over 61 percent at a point of time when FDI across the world has fallen by 16 percent. So we have demonstrated India's great ability to attract foreign investment and now, we need to ensure that like the foreign direct investment, we must push for domestic investment. Indian private sector must have great belief in their ability to create wealth within India.

Q But do you have confidence that we are now on the cusp of seeing the recovery?

I am absolutely confident. With major reforms like this, with the reforms like RERA. Part of the problem is that the private

Farmer suicides have been happening at various places. There are also places where production levels are quite high. We are taking steps to ensure that the agricultural sector is done away with middlemen. We would make sure that they get the best price for their produce.

sector had created overcapacity. Part of the problem is that there was a series of judgements about cancelling telecom licences, coal licences, there was a legacy. So we are at it now with the latest structural reforms of NPAs with the banks, with capitalisation of the banks, a big thrust towards banking sector reforms. And I personally foresee that in the next 7-8 months you will have the private sector getting back into investment as the global economy picks up, as global demand goes big steam ahead, you will see a lot of momentum on the private investment in India.

Q There are different opinions coming in from various quarters of government. The finance minister believes that we should stick to the path of fiscal consolidation and that recapitalisation of banks perhaps is the best form of stimulus at this point in time. Do you believe that fiscal consolidation and the fiscal discipline that this government has exercised over the past three years, that is the path to follow or do you believe if it means a little bit of looseness to try and stimulate the economy at the cost of the fiscal deficit target at 3.2 percent, that is okay?

I am a great believer in fiscal discipline. I strongly believe that the last three years, the government has done a tremendous work in bringing in fiscal discipline. We must stick to it in a very determined manner. This alone will send the right message across the world. But it is also important that you need resources to push for investment. Afterall, the government has more than made up for the private sector investment through its investment in railways, in roads, etc.

And to be able to do that, we need to push for strategic disinvestment in a big way. We need to push for many of our roads which have been completed, many of our airports which have been completed where projects are derisked, where revenue streams are already flowing in and that is what the cabinet has decided through the Bharatmala scheme that a substantial component of it actually will be raised through sales of roads and that will enable them to push for more and more investment.

Q While you are talking about monetisation of road projects, on strategic disinvestment and your former vice chairman was very public about the fact that he was disappointed with what had happened, the slow pace as far as strategic disinvestment is concerned. The government is also concerned on the non-tax revenue front. Do you feel that we could perhaps pick up the pace on strategic disinvestment or do you believe that in this financial year at least, it is going to be hard to see any big ticket divestment?

Actually Department of Investment and Public Asset Management (DIPAM) is going to cross its target.

Q That is largely on account of the OFS, etc. that is going on.

But out of the four tranches of strategic disinvestment that Niti has recommended, over 34 public sector units that we have recommended for strategic disinvestment, three tranches have already been approved by the cabinet. The fourth one is going shortly. But on all these, DIPAM has moved forward and in about 10-11 of these companies, you will have action very quickly.

Q You are still hopeful of that?

I am very hopeful. I think the momentum is happening.

Q So 50 by when? You had said 50 in three years.

If you were to look at, I have done this analysis. I did my due diligence that if India was to focus on construction permits, enforcement of contracts, registering property and trading across borders, definitely we will jump up on starting a business. So these

4-5 areas, the great thing is if we focus on these, we will make a big jump forward. But the important thing is that has moved up the rank in six out of 10 indicators. But in distance to frontier, we have moved up in eight out of 10. That means we are very close to the best practices and therefore, we just need to bash on in a very vigorous, very determined manner and we will be there.

NEED FOR REINVENTING

It is unlikely to be a very promising job for the 1980 batch Kerala-cadre IAS officer, Amitabh Kant. The simple reason is that there are serious doubts over the scope and relevance of the very establishment with respect to its mandate and efficacy in dealing with state governments' development plans. That is especially so in the context of fourteenth finance commission promising more power to the states to decide their expenditure plans and the Aayog lacking any special powers.

By the very design, NITI Aayog is a weaker body compared with the planning commission. It doesn't have the power to allocate funds but can only make recommendations. The funding part will be decided by the finance ministry unlike Planning Commission which had the power to allocate funds. Second, the Aayog cannot impose policies that state governments should follow, again something where the Planning Commission had a strong say. In short, the Planning Commission was a body that had an independent stature and character of its own, whereas the NITI Aayog is a powerless institution.

To be sure, this was a good step since the states didn't need to go to the government or Planning Commission with begging bowls. But, there is another side to it too.

The Planning Commission also acted as a body that could nudge the finance ministry to protect the plan expenditure for the sake of meeting deficit targets. In the case of NITI Aayog, even this power to intervene is practically nil.

Secondly, the Planning Commission was the point of interface between the union government and state governments for Centrally Sponsored Schemes (CSS). The NITI Aayog doesn't have this mandate. More critically, the Planning Commission used to have a performance evaluation exercise on various government schemes after a specific period of the roll out. It is unlikely that the Aayog will do any such performance review. Hence, the question of what is its relevance arises.

In the last three years, the Modi government has scrapped 1200 laws. You can register a company in one day now. They are cutting out layers and layers of middlemen and bureaucracy. Those are astonishing numbers for India.

Much of the acton is in the states. This (Modi) Govt is making states compete. First time they have ranked states and Gujarat came out on top. In the next year, Telangana and Andhra knocked out Gujarat. Ranking states and naming and shaming helps. They are doing it across sectors, including education, sanitation, water etc.

India's foreign direct investment has grown by 61% where world FDI worldwide has fallen by 16%.

How will India manage its process of urbanisation? By 2050, over 500 million rural Indians would have moved to the cities. When the West urbanised, they had the luxury of creating cities customised for gas guzzling vehicles. Challenge for India is that our urbanisation is happening at a time of shrinking natural resources. India has been a reluctant urbaniser. How to urbanise in a sustainable and innovative manner is a fundamental challenge before us.

Since its inception, the NITI Aayog has been mandated to promote Prime Minister Narendra Modi's idea of cooperative federalism with a bottom-up approach unlike Planning Commission, which had a top-down approach. But, this, anyway, is happening when the 14th Finance Commission proposed a higher share of tax revenues to states. As per this, 42 percent of the taxes collected by the Centre will go to the states as against the 32 percent earlier -- the largest increase in tax devolution since the 7th Finance Commission doubled the states' share of excise duties from 20 percent to 40 percent in the mid-eighties.

But the other side of it is the very relevance of bodies like Planning Commission diminished to a great extent. One would expect a body such as NITI Aayog to come with some path-breaking ideas that facilitate policy implementation eventually.

The India story is woefully incomplete until the country's seven states and 200 districts that are lagging behind thrive, until their children are healthier and enjoy more robust education standards states NITI Aayog CEO Amitabh Kant while making an energetic pitch for more equitable India growth path which does not reward only the Western and Southern states which are pulling away from other regions.

Amitabh Kant has laid out the broad brushstrokes of the Modi government's overall push to make states compete for a place on the national pecking order.

Kant moves to name and shame states on performance criteria which will ratchet up several notches to become a model where outlays are linked to performance. Not right now but eventually, yes. "Why not? Voting patterns must move towards roads and infrastructure and health and education as the deciders. If a state does not perform, vote that government out," Kant states.

India's underperformance in education and health, thinking about urbanisation in a sustainable way, monitoring outcomes more aggressively and frequently and the Modi government's move to dismantling knotty regulation have been dominant areas of concern for the enterprising CEO.

"The mandate (Modi's, in 2014) was for change. The government has pushed through major structural reforms. Everybody wants India to grow. Emphasis in government has shifted to outcomes. Nearly 47% of India will soon be middle class. We need a remodelled education and health system for India. We cannot do that (health reform) with a corrupt Medical Council of India (MCI). We need many more teachers. Our school level performance for reading and math is far below where we need to be. How can we grow at high levels with this kind of math performance in our schools?"

"In the next two months, we will have a ranking across states on education, followed by one on health," said Mr.Kant.

The good part is that the Aayogcould get a leg-up with a top bureaucrat like Kant, who has significant experience in policy implementation coming on board. With more voices questioning the Aayog's existence now, there lies greater challenge for Kant which maybe met by reinventing its role.

Don't Blame It On NITI AAYOG

THE UNION GOVERNMENT, under the imprimatur of NITI Aayog, released a blueprint of sorts for the Indian economy to achieve a gross domestic product (GDP) of $10 trillion by the year 2032. This document, Creating a movement for change—it is a PowerPoint deck of 24 slides, not a full-fledged report—has been sharply criticized.

Some questioned the choice of terminal date—2032—which would happen to be the centenary of the former prime minister, Manmohan Singh. But, it is highly doubtful if this was the motivation for the choice of date! More seriously, most criticisms centered on the $10 trillion target and on how the government expected to go about achieving it.

An editorial in this newspaper (The long road to a $10 trillion economy, 25 April) pointed to the absence of the articulation of a "strategic path" to achieve the $10 trillion goal. It also pointed to the fact that the goal of a $10 trillion GDP hinges both on the nominal growth rate of the economy, in rupees, as well as the nominal dollar-rupee exchange rate.

Another way of making the same point is to question whether the target is envisaged in nominal or real (that is, inflation-adjusted terms). If the former, the target will be easily achieved, projecting recent trends forward; if the latter, it may be a tall order indeed.

Meanwhile, rounding out a trifecta of criticisms, the "big gorillas" that may bedevil the political economy of achieving the target, in particular, state capacity at the centre and the states, broadly construed.

With all due respect to these valid criticisms, they perhaps misfire altogether. The document in question is not a "vision" statement, nor is it an economic policy plan that an economist would produce. It is noteworthy, but oddly scarcely remarked upon, that the document was presented to Prime Minister Narendra Modi, not by the vice-chairperson of NITI Aayog, but by its chief executive officer, Amitabh Kant, a distinguished IAS officer who completed his tenure as secretary in the department of industrial policy and promotion before joining the NITI Aayog.

This fact points to the genesis of the report: that the prime minister tasked all of the secretaries to the Union government to produce a series of practical, actionable recommendations which would serve to improve the bureaucratic functioning of government.

The secretaries were then divided into groups of eight, each of which had a nodal individual. Finally, it fell to Kant, as CEO of NITI Aayog and thereby holding secretary rank, to pull together all of these disparate elements into a concise PowerPoint deck which could then be succinctly presented to the prime minister in eight or 10 minutes.

In other words, Kant's involvement was that of primus inter pares among the groups of secretaries, rather than, strictly, as NITI CEO. Significantly, the presentation and associated document were presented and released on Civil Service Day, 21 April.

Knowing this background, it is, therefore, self-evident that the document is not, strictly, a NITI Aayog document, even though it was presented by the NITI CEO; even less is it an economic report of a type which would bear comparison to the Economic Survey, which is produced in advance of the Union budget by the chief economic adviser. Such comparisons, therefore, miss the point of the document altogether, which is better understood as a manual of sorts for the upper echelons of the bureaucracy to improve the functioning of the machinery of government.

Judged on its own terms, therefore, Creating a movement for change does a credible job of achieving what was intended, which is to galvanize the bureaucracy into making the government function better—which, indeed, has always been central to Modi's mantra of governance, starting from his days as chief minister of Gujarat and continuing under his tenure as prime minister.

Having said this, it is a perfectly valid criticism that the actual purpose of the report has not been well explained by the government, so much so that even the leading lights of the business media are measuring it against a benchmark which was altogether unintended.

The unfortunate consequence may be that NITI Aayog gets a bum rap, which is entirely undeserved. Despite much criticism in the media, some of it poorly informed, NITI Aayog represents a significant departure from the now deservedly rubbished Planning Commission. Freed from the responsibility to dole out monies, NITI Aayog is attempting valiantly and with no little success to function simultaneously as a think tank for the government, and a friend and partner within the Union for all of the states.

It is, therefore, incumbent on those around the prime minister to better explain the mandate and intended use of Creating a movement for change. Else, it may paradoxically retard the very process it is intended to enable.

Optimism Mixed With A Dash Of Apprehension

CHANGE IS THE only constant. The winds of change have swept over the Indian economy over the past few decades many a times. This time they replaced the Planning Commission with the NITI Aayog. An advisory body was replaced with a policy think tank. How did this affect the country, the individual as a consumer and the general economy so far?

The framework of the Aayog allows greater autonomy to the individual states. Ideally this is a powerful tool for choosing those courses of action that are most appropriate to one's needs based on the resources available and the advice from the think tank. The objective of such a course of action is cooperative federalism for the achievement of sustainable developmental goals. The other major change is that the Five year plans have been replaced by the three year action agenda. This is itself to be part of a seven-year strategy that would in turn help realise a 15-year long-term vision.

With the Aayog's Governing Council including the Prime Minister and all Chief Ministers who are meant to work together on all aspects of the grand plan, alas! Only a draft action agenda for the three years till 2019-20, with 300 specific action points was formulated. This is meant to be the first step towards fulfilling the envisioned objectives by 2031-32.In the 'New India', as NITI Aayog Vice Chairman Arvind Panagariya terms it, there would be housing for all, toilets, LPG, power and digital connections; access to personal vehicles, air conditioners and other white goods and a fully literate population with universal health care and facilities.

Unlike the Planning Commission the Aayog is a much leaner organisation. It emphasises on the participation of the member states for their benefit. The concept of Sabka Saath Sabka Vikas is based on this very principle.The Action plan was drafted out based on inputs from individual states. That all the states in India are not on an equal footing development wise is a fact. Therefore a fits all sizes kind of a solution does not work in the scenario. When the regional development has been lopsided with the coastal areas, Himalayan regions, and with the north eastern states lagging behind, one cannot expect that standard solutions across the board will work.

Also, it is for the states to determine based on their variables, what is the best course of action to achieve progress. In theory this is what the Aayog is supposed to facilitate. The two core hubs of the Aayog being the Team India Hub and the Knowledge and Innovation Hub have been set up to help the Aayog in its endeavours.

The Team India Hub leads the engagement of states with the Central government, while the Knowledge and Innovation Hub builds NITI's think-tank capabilities. The NITI Aayog is also developing itself as a State of the Art Resource Centre, with the necessary resources, knowledge and skills, that will facilitate it to act with speed, promote research and innovation, offer strategic policy vision for the government, and deal with contingent issues.

The states are likely to have a larger say in their developmental plans and execution of the same unlike in the era of the Planning Commission. The top down control and command approach of the Planning Commission is replaced by the bottom up approach of the Aayog. This is a very powerful tool to bring change and development at the grassroots levels where it is most needed. Where the Planning Commission subscribed holistic solutions for the economy at a broader scale, the Aayog is meant to deal with problems that arise at local levels and finding solutions to those problems too.The Aayog is only a think tank and an advisory body. It does not have the powers to allocate funds or impose policies. It also does not have the ability to command or control. These features are quite in contrast to the days of the Planning Commission.

The states are expected to have a more significant role in their own development in the Aayog days than they did in the raj of the Planning Commission. The approach is more participative than controlling. While in theory it sounds idealistic, the efficiency of the same cannot be determined just yet. It will be a combined effort of all the states if the economy has to flourish and the stakes are that much higher and definitely more personal to the individual states.

The sustainable development goals are the next area of concern. Any plan that has so many areas to look into could fall short of expectations in its performance. The seventeen SDGs are indeed praiseworthy but will they all be achievable in the timeframe that has been set out for them is yet to be seen. The goals are varied and their achievement is a formidable task in any economy. Given the size of the Indian economy, the challenge also multiplies proportionally. Resources in terms of time, money and people would be spread out rather thinly across such a wide variety of goals.

A focussed approach that deals with the development of specific areas is vital rather than one that is spread out across diverse areas. Dilution of attention and effort that may result in the process is a very real plausible threat to the success of the Aayog. This is especially true in bridging the gap between the rural and the urban areas.

The other concern is the timeframe set out to achieve these SDGs. Will the planned timeframes suffice or fall short given that there is a Herculean task on hand; it is yet to be seen. The Five Year Plans had the advantage of being a fixed period in which certain fixed goals were set out for achievement. With the new framework however, it is a new experiment and an unknown experience.

All in all the overall feeling is one of optimism mixed with a dash of apprehension. If the Aayog is able to pull off the hat trick and succeed in attaining the predetermined SDGs, it will be a vastly applauded and successful experiment for this Government. However, if the opposite proves to be the case, the recovery of the economy would be painful and slow.

Privatizing Urban Health Care

POOJA KHAITAN

Given the shortage of infrastructure and human resources, 72% of the rural population and 79% of those living in urban areas have sought access to healthcare in the private sector.

CONCERNED OVER THE rise in non-communicable diseases in urban India, the Centre is working on a policy that will increase the role of private hospitals in the health sector.

Niti Aayog and the Union ministry for health and family welfare have proposed a model contract to work on this. The agreement, which has been been shared with states for their comments, allows private hospitals to bid for 30 year leases over parts of district hospital buildings and land to set up 50 or 100 bed hospitals in towns other than India's eight largest metropolises.

According to the model contact, the district hospitals will need to share their back-end services such as blood banks and ambulance services with the private players. The state government could also provide part of the funds needed by these private players to set up the new hospitals. The district health administration will ensure referrals for treatment from primary health centres, community health centres, disease screening centres and other government health programmes and ventures are made to these private hospitals.

However, States like Tamil Nadu have rejected the scheme stating they have been able to provide quality care through the state health insurance scheme that covers 70% of the population at 10% of the health budget.

To ensure that adequate numbers of patients are available for the private hospitals to treat, Niti Aayog and Union health ministry has suggested only district hospitals that have at least a two-year record of treating more than 1,000 cases in the outpatient department every day should be privatised.

The World Bank was engaged as “technical partner” to prepare the document. The Niti Aayog in its note said it had set up working groups comprising industry, ministry of health and representatives of few states to come up with the document. It claimed that consultations with states, industry and other stakeholders took place across the country to prepare the draft.

Objective of the policy

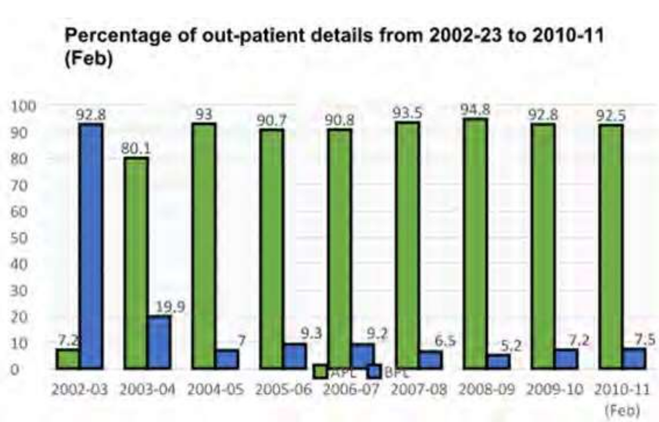
The main objective of the National Health Policy 2017 is to achieve the highest possible level of good health and well-being, through a preventive and promotive health care orientation in all developmental policies, and to achieve universal access to good quality health care services without anyone having to face financial hardship as a consequence. In

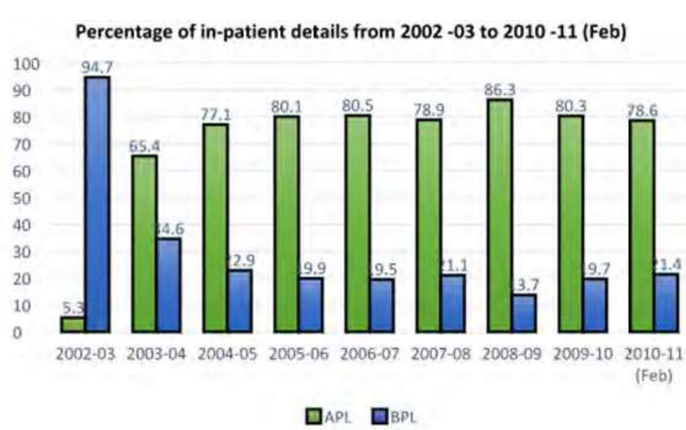
Given the shortage of infrastructure and human resources, 72% of the rural population and 79% of those living in urban areas have sought access to healthcare in the private sector.

order to provide access and financial protection, the policy proposes free drugs, free diagnostics and free emergency care services in all public hospitals. The primary aim of the policy is to inform, clarify, strengthen and prioritize the role of the Government in shaping health systems.

However, under the model contract, the private hospitals will be providing treatment for cancer, heart diseases and respiratory tract ailments at prices that are not higher than that of government health insurance schemes. Also, the district government hospital will be expected to share its ambulance services, blood blank, physiotherapy services, bio-medical waste disposal system, mortuary services, parking facilities, electricity load, in-patient payment counters and hospital security with the private enterprise running out of its campus. The contract also says that for treating non-communicable diseases, the hospitals will need to have out-patient departments, in-patient beds, beds for intensive care, operation theatres, centre for angioplasty and angiography, laboratories and radiology services.

Beneficiaries of the government insurance schemes will be able to get treatment at these hospitals but there will be no reserved beds or quota of beds for free services. General patients will also be allowed to seek treatment. Patients not covered by the state insurance and health schemes would be required to pay the full cost.





The private hospitals operating from these public hospital campuses will be able to refer complicated cases either to other government hospitals or other empanelled private hospitals. However, sending patients further to other private hospitals would require the permission of the medical superintendent of the district hospital.

Two-stage bidding process

The infrastructure of district hospitals would be provided to the private sector players through a two-stage bidding carried out based on technical and financial parameters. The amount of money the private healthcare company seeks as a viability gap fund (a one-time grant for setting up the hospital) would be one of the criteria to identify the private player. The bidders would be able to apply as a single entity or as a consortium of private companies.

The winner of these bids besides running the hospital services could also be allowed to run other non-medical commercial activities such as an out-patient pharmacy, cafeterias and other concessions.

Going by this draft contract, the district hospitals would be required to lease out 30,000 square feet for a 50-bed private hospital or 60,000 square feet for a 100-bed operation. If the state government agrees initially to a 50-bed private hospital, the district administration will have to provide 75% of this space within the already-built part of the government hospital. For the 100-bed private hospital, the government hospital will have to provide 30,000 square feet of built-up area.

The government plans to firm up this model of private participation in the health sector by trying out such as an arrangement in select district hospitals in one or two states on a pilot basis.

Health as a subject falls under the purview of the state governments. Consequently, the Centre will produce this model agreement as a template for willing state governments to adopt. The states have the powers to adopt the model in entirety or modify it. Government officials said that as in several other areas of governance that fall under the purview of state governments, it is likely that the model agreement would be adopted at first by states where the Bharatiya Janata Party or its allies are at the helm. Though they pointed out that several states, regardless of which party is governing, have already privatised parts of their public health system.

Subsequently, the draft policy was revised and adopted by the government this year. It made a stronger case for private sector participation but not quite along the lines that the model concession agreement now advocates.

The National Health policy of 2017 stated, "Given the large presence of private sector in urban areas, policy recommends exploring the possibilities of developing sustainable models of partnership with for profit and not for profit sector for urban health care delivery."

Karnataka's public-private partnership healthcare models show that regulations are often flouted and profit-making supersede patients' needs. NITI Aayog should learn from this.

NITI Aayog has justified its suggestion by saying that despite there being 'concerted efforts' to establish services to tackle non-communicable diseases, the system remains constrained. Given the shortage of infrastructure and human resources, 72% of the rural population and 79% of those living in urban areas have sought access to healthcare in the private sector.

While there is little or no evidence of any 'concerted efforts', the logical solution to enact a change would be to invest in public sector infrastructure and human resources instead of pushing the entire population towards the private sector. It is also of great concern that the World Bank continues to push for the PPP model of healthcare services despite there being evidence of its failure, for instance in Karnataka.

In 2012, the Planning Commission identifiedtwo PPP models in Karnataka that "can be considered wherever appropriate for replication and upscaling" – the Rajiv Gandhi Super-Speciality hospital (RGSSH) in Raichur, Karnataka, for tertiary care; and the PPP model with NGO Karuna Trust and the state government to manage primary health centres and provide rural healthcare delivery. These two models of healthcare delivery have failed and are not a viable option in the interest of comprehensiveand cost effective healthcare delivery.

Rajiv Gandhi Super-Speciality Hospital

In 1997, the Karnataka government's department of health and family welfare undertook a project to set up the RGSSH, a super specialty healthcare facility in Raichur, on a 73 acre campus with Rs 60-crore in financial aid from the Organisation of Petroleum Exporting Companies.

The Karuna Trust are a passionate charity working with local community groups to help South Asias's poorest people escape poverty and discrimination.

A government evaluation team visited the RGSSH to review overall functioning of PPP as a model of tertiary care. The report showed that no third party evaluations had been conducted on the hospital for the decade prior by either partner (the state government and Apollo Hospitals Enterprise Limited) nor was there any baseline data to assess if there had been any change in the project performance or the quality of services. The hospital had not maintained an inventory of assets.

A total of 70 items of equipment had been procured by the hospital authorities at a total cost of Rs 3,46,47,243 and 40 items of non-medical equipment had been acquired at Rs 1,02,76,140 from the One Time Grant. In addition, 28 computers and related items worth Rs 1,00,31,033, 11 items of furniture worth Rs 46,33,331 and three vehicles at a cost of Rs. 20,85,459 had also been procured. However, the hospital had not maintained a log book for equipment, furniture or fixtures. Out of 84 of the total equipment items available in the hospital, ten had not functioned since 2007 and there has been no structured system for conducting annual stock verification in the hospital.

One of the key objectives of establishing the RGSSH was to provide quality healthcare to patients below the poverty line (BPL) in the districts of the Gulbarga division, where the BPL population has been identified by the food and civil supplies department to constitute the majority (67%) of the population. However, data on the utilisation of the hospital services reveals that not more than 25% of the in-patient services and 15% of the out-patient services has been utilised by the BPL patients over the 10-year period.

As seen in Figure 1 and 2 below, the utilisation of in-patient and out-patient services by BPL patients has not been successful in achieving its primary objective of providing services to them.

The evaluation team also found that only 154 of the total bed strength of 350 were operational. Of these, only 40 beds were available for BPL patients – only 11.4% of the total bed strength and 25.9% of total operational beds. The evaluation report states that “this sub-optimal capacity utilisation has seriously affected the sustainability of the hospital, thereby leading to serious question on the commitment towards the PPP model of functioning”.

Karuna Trust model of primary healthcare

A public hearing in V.K. Salgar, a village in Karnataka's Gulbarga district, brought out critical failures in the PHC run by Karuna Trust. It revealed poor quality of antenatal care that had led to the deaths of mothers and infants, poor infrastructure, charging patients anywhere between Rs. 5200 -10,000 for deliveries, the lack of basic amenities like drinking water and toilets, poor documentation and management of children with acute malnutrition.

It was only in January 6, 2016 that the Karuna Trust was asked by the Karnataka government to hand over all the PPP PHCs. The government passed an order doing away with the Arogya Bandhu Scheme, under which it had partnered with NGOs, charitable trusts and private medical colleges to run 52 of its PHCs. In fact, the government decided to take back all PHCs following complaints of non-compliance of rules, misuse of funds, lack of accountability and failure to provide quality service to patients. The health minister had said at the time, “On evaluation, we have also found that there is no accountability, and some of the NGOs do not even have the required number of doctors and paramedical staff. The NGOs have employed AYUSH doctors and untrained nurses in some PHCs”.

The Vajpayee Arogyashree Insurance scheme in Karnataka uses empanelled private hospitals similar to the model suggested by the NITI Aayog. The scheme has complicated and fragmented clinical care provisioning to such an extent that it is nearly impossible to hold any single entity accountable. Such a system is opaque, complex and unaccountable, and characterised by exclusion at multiple levels of everyday illnesses, outpatient care and non-surgical medical conditions, with a particularly detrimental outcome for women, the marginalised and vulnerable.

While several efforts are made by state governments to appease private hospitals, the cost of this to the public healthcare system is ignored. Often, the already scarce government human resources, become agents who are made to transfer certain patients, seen as more lucrative, to private empanelled hospitals. The private sector utilises these publicly funded insurance schemes to expand its market in the rural areas at the cost of patient care, rights and lives. Several primary and secondary level public facilities across the state, including in urban Bengaluru, are largely dysfunctional, without doctors, and essential medicines and equipment, leading to unnecessary maternal/neonatal complications and deaths.

In this backdrop, the NITI Aayog's decision to go ahead with the PPP model, taking scant note of the abysmal failure of existing models, comes as a shock. In theory, Indian policymakers may talk about evidence but in reality, all forms of evidence are pushed aside by the strong arm tactics of international agencies such as the World Bank and the corporate mafia. The failure of the PPP model in Karnataka raises a pertinent question – has anyone been held accountable for the damage caused to the public health system and people's health?

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Praise For The Action Agenda In The Media

"The analysis and proposals provided in the Three Year Action Agenda range from the actionable to the aspirational. We shall, in the fullness of time, see how many of its proposals are taken up and implemented. Be that as it may, we believe that its primary contribution will be in serving as a base of knowledge and analysis to support any future discussions on policy reform; it should be welcomed."

– Pravin Krishna and Vivek Dahejia, Livemint, 4 May 2017.

"It must be stated that for the first time, a comprehensive reform agenda has been placed before the Union and State governments for implementation. The report, thus, provides a practitioners' guide to policy reforms."

– M. Govinda Rao, Financial Express, 2 May 2017

"The "Three Year Action Agenda" augurs well for a better India."

– N.K. Singh, Indian Express, 20 May 2017.

"There is much value in terms of actionable reforms for the government in the Action Agenda. If the government just focuses on those that create good jobs, the exercise would have been more than worth it."

- R.Jagannathan, Swarajya, 4 May 2017.

"The action plan is a mix of corrective measures, new ideas and model proposals and statutes that can be tried elsewhere. If the NITI Aayog was set up to provide a holistic structure to the dozens of programmes that the government wants to implement to achieve certain lofty goals, it has made a good beginning. And if that is the case, the three year agenda is providing a clear view of the broad contours of the seven year strategy and the 15 year vision of the government."

–Joe. C. Matthew, Business Today, 21 May 2017.

"Economists have endorsed the three-year growth outlook of federal policy think-tank NITI Aayog banking on the reforms currently underway such as the introduction of goods and services tax (GST), the resolution of stressed assets in the banking sector and a planned turnaround in the power sector"

– Livemint, 10 May 2017.

"NITI Aayog's recommendations must be implemented honestly, and without fear or favour, to generate leadership in science",

- Gautam Desiraju, Swarajya, 30 April 2017.

"The suggestion to unify customs duties at 7% is worth following since, apart from removing the issue of inverted duties, it will send out a powerful message on India lowering import duties."

– Financial Express, 29 April 2017

"The document provides a useful blue print for India policy environment and can be considered a significant step forward."

– Citi Research

"Giving special emphasis on the energy sector, the Aayog in its 208 page document, has laid down a comprehensive list of measures the government should take in the next three years so as to develop the one of most key essentials of growth of the country."

– Energy World, 3 May 2017.

"The three-year draft action agenda released by the Aayog today stressed on reforms in taxation, agriculture and governance, among others with a view to accelerate the all-round development of the country"

– Economic Times, 28 April, 2017.

"The Niti Aayog has made a few suggestions that need to be immediately implemented in the next three years to bring about much needed critical reforms in the Indian judicial system".

– Ritika Jain, Daily News And Analysis, 1 May 2017.

POINTS TO NOTE

- The NITI will act like a 'Think Tank' of the government and provide strategic and technical advice to government at the central and state levels.
- NITI governing council will include chief ministers and lieutenant governors of states and union territories apart from experts, specialists and practitioners as special invitees.
- Prime minister will be the chairperson the NITI Aayog and one vice chairperson appointed by the PM. Apart from that there will be full-time and part-time members (maximum of 2), ex-officio members (maximum of 4) and chief executive officer.
- It aims to develop mechanism to formulate credible plans at the village level and aggregate these progressively at higher levels of the government.
- The major difference between the two bodies is the approach. The planning commission followed a top-down approach while the Aayog follows a bottom up approach.
- The second major difference is that the Aayog cannot allocate any fund, that is the role of the Finance Ministry.
- Thirdly, it has less number of members when compared to the Planning Commission. There however can be more members added temporarily, based on the need of the hour. While the Planning Commission was an advisory body,with powers to allocate funds, the Aayog is an advisory body that purely concentrates on policy formulation. Now the power to allocate funds to other ministries and the states lies with the Finance Ministry.
- The National institution for transforming India was formed under the aegis of the Prime Minister, Mr. Narendra Modi. It has several other elite members and chief ministers of all the states as well. The CEO is Amitabh Kant and the first Vice Chairperson of the Aayog is Arvind Panagariya.
- The Aayog is a policy think tank whose most important function is to foster cooperative federalism between the states so as to improve the coordination of the State Governments with the Central Government. This is a salient feature that was absent in the days of the Planning Commission.
- National security will be a part of the economic policy under the Aayog. Unlike the Planning commission, the Aayog will not be formulating any Central Plans, but it has the responsibility of evaluating the execution of programmes and plans.
- The model followed by the think tank is one of achieving the specified sustainable goals namely elimination of poverty, zero hunger ,good health and well being for all, improvement in the quality of education, gender equality, provision of clean water and sanitation, affordable and clean energy for all, decent work and economic growth in all sections of the country, increased emphasis on innovation industry and infrastructure, reduced inequalities building of sustainable cities and communities, responsible consumption and production, climate action, protection of life below water and life on land , peace, justice and partnerships for the achievement of the above goals.
- The planning commission era was of 'centre-to-state one-way flow of policy', while NITI is set to provide bigger role to the states.
- NITI Aayog will create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and partners.
- NITI Aayog will monitor and evaluate the implementation of programmes, focus on technology upgradation and in capacity building.
- NITI Aayog willoffer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.
- NITI Aayog will offer policy support to more than 50 million small businesses in India, which are a major source of employment creation.
- The new aayog will leverage India's demographic dividend, and enable realisation of the potential of youth through education and skill development.
- It will ensure that the economically vibrant middle-class remains engaged, and its potential is fully realized.
- NITI Aayog will leverage India's pool of entrepreneurial, scientific and intellectual human capital.
- It will use technology to reduce opacity and potential for misadventures in governance.
- The Three Year Action Agenda of the Aayog is a comprehensive action plan of how to achieve the sustainable development goals mentioned above. It sets out the strategy and targets for the years to come. Whether it is harnessing the potential of a young populace or developing the rural areas or building the levels of connectivity between destinations in the country, the action Agenda details the steps for the same.
- A detailed analysis of the country's economy is also a part of the Action Agenda. Doubling farmers' incomes, raising agricultural productivity, improved methods of irrigation, The Fasal Bima yojana, Animal husbandry, the blue economy, horticulture, floriculture, land leasing laws and relief measures are dealt with in the Agenda with reference to agriculture.
- In a bid to make digital payments universally acceptable in the economy,the Government has launched two schemes.The first of these is the Lucky Graha Yojana.The second is the DigiDhan Vyapar Yojana. Both have been immensely successful and 7.6 lakh citizens have received reward money worth Rs.117 crore in 45 days for embracing Digital Payments.
- All in all the overall feeling is one of optimism mixed with a dash of apprehension. If the Aayog is able to pull off the hat trick and succeed in attaining the predetermined SDGs, it will be a vastly applauded and successful experiment for this Government. However, if the opposite proves to be the case, the recovery of the economy would be painful and slow.

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