

# Taking the current reform agenda forward

CII's 'manifesto', on how the new govt must sustain a growth of 8%, create jobs, revive investments and alleviate rural distress

CHANDRAJIT BANERJEE

**W**ith the announcement of general elections, political parties across the country will finalise their manifestos, outlining their aspirations for the country. As a key participant in the national development endeavour, industry's suggestions can contribute to the reform agenda of the incoming government.

The Confederation of Indian Industry (CII), through a consultative process, has drafted the 'CII Suggested Election Manifesto' which has been shared with prominent national and regional political parties. It aligns with CII's India@75 vision of development evolved in 2008 for a nation of economic strength, technological vitality and moral leadership by 2022.

The recent flood of path-breaking reforms such as Goods and Services Tax (GST), Insolvency and Bankruptcy Code, ease of doing business, and others have set a new climate for business. Over the coming five years, it is imperative for the government to maintain an average annual pace of growth of 8 per

cent or more, slightly over the 7.5 per cent for the past four years.

With the fiscal deficit and inflation rates within the comfort zone, all attempts should be made to keep them at a reasonable level. Gross fixed capital formation is beginning to pick up, and maintaining the growth pace for private investments assumes priority.

With the imperative to generate livelihoods, the incoming government would focus on the twin objectives of enterprise development and job creation.

A range of initiatives such as converging labour laws into four codes, providing social security and simplification of procedures are underway and need to be fast-tracked. A national employment policy may be considered.

To ensure GST's further success as an economic booster, it should be comprehensive across sectors with just three tax slabs and procedural simplifications, including single registration for companies with pan-India operations.

Expansion of tax base, quick resolution of tax disputes and a stable tax regime are other issues that the incoming government would need



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to keep in mind. With lower corporate tax rates globally, India too should bring down its rate structure, recommended at 18 per cent with no exemptions.

The suggested election manifesto places high emphasis on administrative, judicial, police and electoral reforms to infuse greater efficiency and efficacy in the governance system. A board of administrative and industry members is proposed to oversee ease of doing business at all levels.

To ensure alignment of workers with industry needs, education and skill development must be scaled up greatly, with a strong focus on quality. Our universities should be places of great vibrancy to lead research, innovation and start-ups. They should be able to achieve global top rankings with support.

## District plans

It is also suggested to draft basic district plans in consultation with state governments to provide universal facilities such as hospitals, skill centres, and infrastructure in every district. The rural economy and agriculture deserve continued special attention in the next government. Farmers too should be considered as dynamic and savvy entrepreneurs and greater freedom is required for agricultural markets. A committee may be set up to bring large and wealthy farmers into the tax net. A national agriculture mission is also required for improving productivity to global bests.

A wide range of measures is further proposed across sectors such as manufacturing, technology, micro, small and medium enterprises

(MSME), and exports. Competitiveness of manufacturing can be strengthened with thrust on industrial corridors and manufacturing zones. Value addition in manufacturing is required and MSME clusters need special attention. MSME can gain from sector specific virtual technology centres, earmarked land availability and state level procurement policies.

For the infrastructure sector, the key areas to be addressed include long-term capital availability, dispute resolution, delayed payments and strengthening the public-private partnership model. The suggested manifesto includes stress on employment generating services sectors such as tourism, healthcare and retail. Environmental sustainability, R&D and energy are other key areas that need new solutions.

The objective is to ensure an ecosystem that best propels a development model taking into account the needs of citizens and the environment. With the right atmosphere, enterprises can take a lead role in transforming India.

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*The writer is Director-General, Confederation of Indian Industry*