

# DAILY POST

JOURNALISM OF HOPE

"The way to turn our economy around is not by making rich people poorer, it's by making poor people richer." -MARCO RUBIO

## India in WEF Index

To speed up the infrastructure, we need to increase capital expenditure in the budget 2017-18

PROF M M  
GOEL



According to World Economic Forum (WEF) India stands 39th in 2016-17 Global Competitiveness Index (GCI) among 138 economies of the world. It is news to be noticed and marketed around the world for getting foreign direct investment (FDI). It will reduce the coefficient of distrust for reducing the gap between MOUs signed and the actual FDI coming to India. It is to be noted that India's ranking has greatly improved in the past two years in the opinion of many corporate executives who constitute respondents in the WEF survey. The performance stands improved by institutions, innovations and infrastructure (31).

The score for institutions includes perceptions of corruption and due process and the Central Government has been free from scandals. The innovation score includes private sector R & D, research institutions and is likely driven by explosion of starts up in the technology and service arena. It can further improve by spending the amount under corporate social responsibility (CSR) if R&D is brought under the domain of CSR.

The infrastructure scene in being driven by the activities in roads, rail and power (i. e ministers) in high regard. It appears to be overestimate of the performance in infrastructure sector by the positive consensus by the corporate executive respondents in the survey.

To kick start the Indian economy, the Government of India is trying its best with honesty of purpose which must be appreciated in and out of the parliament.

The writer is confident that the performance of Indian economy with further improve by the implementation of GST w. e. f April 01, 2017. For actual improvement in the performance of Indian economy in tune with the perceptions and expectations, we need investments in infrastructure in all the sectors



Alexandar Williams, Hans Henrick, Hany Sonbaty, and Abdulrahman Al Moayed in discussion at WEF.

FILE PHOTO

of the economy. To speed up the infrastructure, we need to increase the capital expenditure in the forthcoming union budget 2017-18.

To make a difference, we need to hold brain storming sessions more than 'chintan shivers' in a continuous manner with manpower at all levels which can deliver the goods and services at a reasonable price in adequate amount of quantity.

To achieve convergence between the Centre and 29 States and 7 Union Territories (UT) for evolving a long term vision is a challenge. We need to conceptualise middle class for formulating policies not only for them but to stop their conversion in to relatively poor and absolute poor which are also to be redefined.

The Government of India needs to be extra cautious to use NITI Aayog as a fifth wheel like stepney in a car.

The monitoring and evaluation mechanism is required to be developed as of the kind in South Korea with whom we share our independence day on August 15.

There is a strong case for motivation to encourage new ideas and innovations more than inventions including best practices elsewhere in the world. There is a need for de-

veloping a mechanism for working relationship among ministries at the centre and the states with think tanks at the state level.

To convert WEF perceptions in to reality, need to adopt alternative (spiritual) economics which promote 'needonomics' confining to needs and no to greed. Spiritual economics is a simple and practical formula for corporate sector to adopt corporate social responsibility (CSR) as 'Trusteeship' - a socio-economic philosophy. It is the proper, productive and practical (3P) use of head, heart and hands (3H) - the real education for the workers in the knowledge economy. This is a way to balanced and sustainable development for India and its 29 states and 7 union territories (UT).

To boost growth (inclusive), gross domestic product (GDP), human development index (HDI), human happiness index (HHI), capital formation, marginal propensity to invest (MPI) and marginal propensity to save (MPS), we have to say no to corruption, inflation, unemployment, poverty, fear (false evidences appearing real), free rider problem, delays and above all greed. We need user

pay principle to replace subsidies of all kinds. To reduce unit cost of labour, we have to create work culture by promoting work is worship and vice-versa. Peace in every head and heart (consumer, producer, distributor and trader) is necessary and sufficient to say no to stress, tensions and fear which is the need of the day. We have miles to go in Indian economy for creating business environment.

We need to create a national fund for Informal Sector that will focus on enterprises with investment less than Rs 5,00,000. There is a case for a safety net to protect against default for banks that lend to such enterprises. We have to replace subsidy (fiscal policy) with zero interest rate (monetary policy) in order to address the issue of credit constraints faced by informal enterprises, meaning thereby a close coordination between fiscal policies with monetary policy, industrial policy, manufacturing policy along with foreign trade policy.

There is a strong case for protection and welfare of the 93.88 percent workers in the informal sector (NSSO 2011-12) and deserve to be recognized as workers for all practical purposes and need to be issued identity cards for providing definite legal entity by the new Government. We need to make strike ballot as a guiding principle by the labour unions before launching a strike as recommended by Second National Commission on Labour (SNCL). No casual or temporary appointments be made for more than two years against a permanent post is a worth considering recommendation of the SNCL. The Government should adopt a concrete plan of action instead of a lip service for this sector without any ifs and buts. This calls for control on population and need revival of National Population Commission. We have to create an enabling economic environment, working conditions which call for change in the looks, actions and words (LAW) to make it the real law of the land.

(The writer is an economic analyst and former Dean of Colleges, Kurukshetra University, Kurukshetra).