

Ease of Doing Business in Uttarakhand: Fast Climbing the Ladder

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At the Centre's clarion call of 'Make in India', the States were encouraged to move en masse, in the spirit of 'cooperative federalism', to facilitate Ease of Doing Business (EoDB) i.e. to cut red tape to bring down processing time for businesses to be established. Further, in a bid to move up the ladder in the World Bank's Ease of Doing Business ranking of states, the Centre began to evaluate the performance of individual States on the basis of certain action points. Thus emerged a shift from the idea of 'cooperative federalism' to 'competitive federalism', with the States competing with one another to facilitate EoDB and attract investments.

As per the provisional results of an ongoing assessment of States by

the Department of Industrial Policy and Promotion (DIPP), Uttarakhand has emerged as one of the top performers in the country. The State's Industries Department, on board with the Chief Secretary's vision along with political will resulted in the State soaring high in achieving EoDB reforms. The Online Single Window Clearance System (SWCS), the labour reforms and reforms in commercial taxation have been the thrust areas. However, investors and industry associations have raised issues regarding the provision of 'deemed approval' under the SWCS, which is not considered of equivalent value as the 'in principle' approval by the financial institutions.

Further, the State is already undergoing the test of time due to migration of people from hilly areas to plains for better opportunities. Three key issues aid the migration challenge i.e. lack of appropriate

infrastructure, limited access to education facilities and health care. Further, economic growth is lopsided and is limited to three districts of Dehradun, Nainital and Udham Singh Nagar, located in the plains. To address this concern, the State Government has been focusing on supporting MSMEs and women entrepreneurs by implementation of MSME Policy and establishing a Women Entrepreneur Park in the State. The Government has also been consulting the industry associations before formulating the policies and strategies in this regard.

There are concerns regarding the unused land in the State, which has the potential to foster industrial development. In addition, the State is unique in terms of its Himalayan natural resources and thus, its potential to provide 'eco-services'. This would primarily require efforts on part of the Government to undertake

assessment to realise the resource potential of the State, with a view to enhancing economic prosperity and provide livelihoods to the people of the hilly areas. This would also require capacity building and skill development initiatives to be jointly implemented by the Government and industry associations.

Nevertheless, challenges are a part and parcel of the process of one's evolution. With the industry biggies of the country, such as Parle Agro, Coca Cola and Airbus showing confidence in the opportunities being offered by the State, there is great sense of optimism all over. However, what needs to be witnessed is, for how long the State proves to be successful in sustaining this momentum. There is a need for the leaders to plan beyond the next elections and for that there is a need for a long term vision. For, 'once achieved, it is difficult to sustain'.