



## MAKING NORTH INDIAN STATES COMPETITIVE: PATH TO INCLUSIVE AND SUSTAINABLE GROWTH

NOVEMBER 17-19<sup>TH</sup>, 2016 | JAIPUR, RAJASTHAN

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### SUMMARY OF KEY RECOMMENDATIONS

CUTS International in partnership with CII and support from the US Embassy organised a Symposium from 17-19<sup>th</sup> November, 2016 in Jaipur on “Making North Indian States Competitive: Path to Inclusive and Sustainable Growth”. The Symposium brought together close to 100-120 delegates (media, government, policymakers, non-state actors, academia, etc), wherein relevant stakeholders shared experiences and ideas on various topical issues ranging from skills development, MSME’s and job creation, Ease of Doing Business, What should be the role of Government, etc.

**Following are the key recommendations that emerged from discussions:**

- 1. State Level Competition Laws:** Healthy competition is one of the imperatives in a State’s competitiveness. In a big country like India, it is not possible for regulatory actions to be taken up only in the national capital and therefore, state governments should establish their own state regulatory agencies to regulate the businesses in the state, thus, there is a need to adopt a state level competition law. Further, while central government has adopted pro-competitive legislations, capacity within states to promote competition and check market abuses remains limited. Capacity building has to be followed up vigorously.
- 2. Regulatory Impact Assessment:** Need for re-engineering of the regulatory framework in India. Thus, there is a need to use tools such as Regulatory Impact Assessment (cost/benefit analysis) to clean up the laws, and thus reduce the cost of regulations for doing business. Need of the hour is to have guiding regulations and not controlling regulations.
- 3. State Specific Export Policy:** There is a need to look at global value chains (GVCs), when marketing a State and have tailor made export policies to improve the state’s competitiveness. Over 60 percent of international trade now a days is through GVCs. Thus, every State should have its own Export Policy/Strategy and body to implement it.
- 4. Reforms in Education and Health Care System:** The formal education system has failed to contribute significantly towards employability. The education system is not addressing what the real issues are, for example, there are fewer women who are formally trained. Thus, there is need to ensure better coordination between the education system and skills training, and then calibrate that against the labour market. Secondly, healthcare system is also very weak and adversely affects the productive capacity of labour. States must find innovative ways to deliver reasonable health care services to its populations.
- 5. Inclusive Platforms:** There is a need for more multi-stakeholder platforms outside the political arena wherein economic and political economy issues could be discussed, consensus built and then forwarded to the polity and government for implementation.

6. **Analysis of Policy Failures:** There is a cost in implementation of policies and one need to analyse the causes of failures, so as to learn lessons and not repeat them. Thus, the focus should be on analyzing (ex-post) policy implementation failures, so as to learn from one mistake and avoid repetition.
7. **Sharing of good practices among States:** There is a need to share good practices among States and also to learn from non-successes to as to put their best foot forward. For example, the single window service in Punjab is a single roof system under one command, while not so in other states. This can help save huge time and be efficient.
8. **Mapping of Sectors:** Each state should undertake an assessment to map its competitiveness in specific sectors and then focus on design of policies and its effective implementation vis-à-vis the specific sector. For example, the tourism sector in Rajasthan, or food processing in Punjab.

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