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“Desired Agenda from 2014” By S L RAO

The last decade has shown that some state governments have been quietly competent (Himachal, Madhya Pradesh, Bihar, Chattisgarh, Goa, Tamil Nadu, Rajasthan), or raucously so (Gujarat). Many of them have been ruled by the BJP, not the Congress. Even Rajasthan developed a tradition for competent governance under Bhairon Singh Shekhawat, Vasundhara Raje and now again under Ashok Ghelot. The UPA at the Centre, dominated by the Congress over the last decade, has yet to recognize this. The result is that important proposals get delayed or not implemented; for example, the National Counter Terrorism Centre, goods and services tax, to name just two). The UPA has been accustomed to being a single dominant party at the centre and to tell the states what they should do. The most disgraceful thing today is the sight of Chief Ministers of States visiting Delhi to make their case for Plan funds to the Planning Commission. Like the Finance Commission the Planning commission should travel to the states. In 2014 , whoever is in power, the government must act as if it believes in practicing federalism. The states mentioned at the beginning have shown better results on growth and human development, than the others. The Prime Minister and his Cabinet must be *primus inter ptres*, not a head master to Chief Ministers.

Parliament has passed the The Food Security Bill and the Land Bills. Each will barely begin to take effect when elections come. Each bell (now Act) will cause untold damage to the macro-economy and to industrial development. The next Prime Minister and his Finance Minister must deal with the chaos.

The Indian economy is in terrible shape, and almost at the bottom of the list amongst emerging economies. The Prime Minister has now conceded that this is because of domestic and external factors. But all the present ills- high central government deficit, continuing high inflation for over two years (measured only at wholesale level), high current account deficit, high balance of trade deficit, the collapsed Rupee, huge external commercial borrowings coming up for repayment over 2014, foreign exchange reserves(covering around 9 months' of imports) composed mainly of debts, declining investment and industrial production, an inadequate and

deteriorating infrastructure (power, roads, especially)-are results of poor governance over many years by the UPA.

Lack of coordination between Ministries, poorly drafted contracts for public-private infrastructure projects, poor project implementation and contract management, poor response to potential insolvency and stranded investments in infrastructure investments, lack of accountability in the bureaucracy, absence of independent investigation of corrupt officers and politicians, inadequate opportunities to the poor for health and education, are some of the contextual reasons for the situation.

The new government as top priority must cut the fiscal deficit. Subsidies on oil products (petroleum, diesel, domestic gas), must be eliminated in one swoop and retail prices left to the market, with the independent regulator watching for profiteering. Fertilizer subsidies must be capped so that they do not remain a growing burden. Increases in dearness allowance should be frozen (for a stated period).

Social welfare schemes (PDS, MNREGA, and others) should undergo frequent and reliable social audits. States with high leakages and wrong targeting of beneficiaries should lose funds. The public distribution system is highly corrupt and inefficient. Till cash transfers have means for identifying beneficiaries and bank branches, we should rely on the more effective delivery schemes like the intensive child development services (ICDS) and the school mid-day meals scheme.

State electricity boards should get no financial help till they have a time bound privatization programme. The Finance Commission must restrict central fund transfers to states to a ceiling on populist 'freebies'. Financial support to failing and failed state-owned enterprises (Air India, ITI, HMT, Hindustan Photo Films, etc) must cease. Their assets should be sold. A time-bound programme to privatize all state-owned enterprises, except on national security grounds is necessary.

Manufacturing must be stimulated with a generous investment allowance, more flexible labour laws, and the new land law must be made more helpful to industry.

The g.s.t. (goods and services tax) must be introduced quickly and a generous package of incentives should tempt states.

A law that will allow renegotiation of infrastructure contracts with government must be finalized and enacted quickly. Legislation must give powers for renegotiating stranded projects, to independent regulatory commissions or a new Tribunal. Banks must take greater fiduciary responsibility and monitor events that could threaten cash-flows and viability of projects.

Stranded infrastructure contracts under public-private partnerships must be revived. Government departments must have time limits for their clearances or be penalized.

Independent CBI, police reform, more judges, a commission to fast track corruption charges against judges, must all be in place. Smaller states, administrative reform that enforce individual accountability, performance orientation, time limits for decisions, and ensures coordination between Ministries are urgently needed. Police reforms pending for over thirty years expansion of police forces, training, remuneration, housing, restricted VIP and ceremonial duties and more policing, along with better coordination with and between of intelligence agencies are urgent.

All judicial vacancies must be filled immediately. Judicial appointments must be the prerogative of a Judicial Appointments Commission. The present the present universal right of appeal to higher Courts must be restricted. Electoral and political party reforms must be high on the agenda. The Supreme Court has ruled out the continuance of charge sheeted elected representatives. This must be refined in consultation with the Courts, and implemented so that criminals are not allowed to legislate. Political parties must publish accounts, the low permitted election expenditures by candidates must be increased, and those exceeding it be punished.

The new government whether headed by Manmohan Singh, or Rahul Gandhi, or Narendra Modi or Mulayam Singh, has many things to do. Who is most likely to do them?

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