

Rajasthan Provides 9,08,000 Jobs in two & half years

Many of India's states are in action mode to improve their profile and create a conducive policy environment for investments. Some have, of course, failed to move with the changing times. The seventh of an 11-part series looks at the state of affairs in Rajasthan.

On November 19 last year, state capital Jaipur was bustling with activity. Decked up from airport to roads, welcoming Union ministers and the country's top industrialists, at the second edition of the Resurgent Rajasthan Summit.

There, tycoons joined the queue, singing paeans about how Chief Minister Vasundhara Raje had put the desert state into high-action mode through a series of industry, labour and legal reforms. These had resulted in businesses promising to invest a combined Rs 3.3 lakh crore in the state. Amid this adulation, there was a word of caution from Hero MotoCorp chairman Pawan Munjal, who exhorted the CM to help in speedy clearances of pending projects.

Six months after, it seems Munjal's words did not fade in the milling crowd. Earlier this month, the state government made its existing single-window clearance system, started during the previous Ashok Gehlot-led Congress government, fully online. Both to expedite the clearance of proposals and fix accountability on officials.

This online system covers 11 departments, including the state pollution control board, and 53 services. State officials say an investor can apply online to set up an industry in the state. Once the file moves from one department to the other, a message is sent on the investor's mobile phone, informing him about the status. The investor can also track his application through a login ID and password.

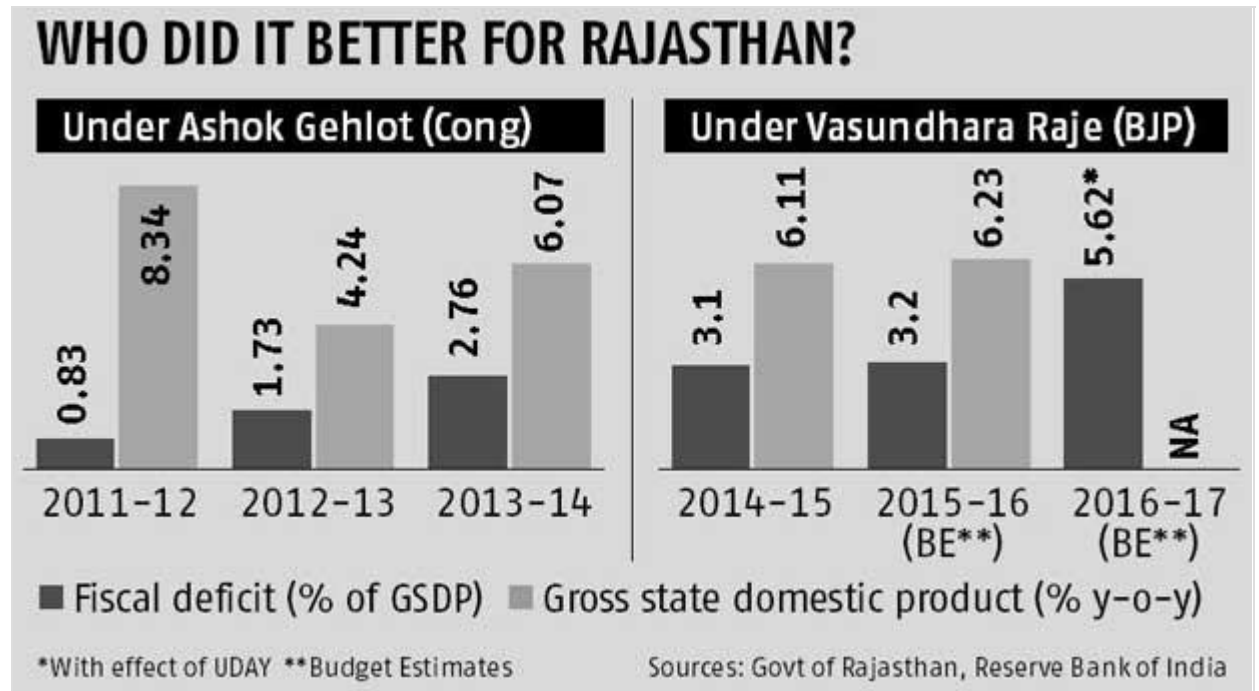
The Rajasthan government is calling this online system another pathbreaking initiative and wants to use to improve its ranking on ease of doing business. Last year, it was ranked sixth in this World Bank-compiled list.

However, the best way to gauge the impact of Raje's various changes, begun two years earlier, would be compare the number of investments cleared in the past five years.

Data reviewed by Business Standard suggest the Raje government scores high on perception but her policies are yet to take root. The amount of total investment cleared each year has mostly remained constant since 2011. For instance, during the Congress government in 2011, 2012, 2013 (till December) the state cleared 63 projects worth Rs 3,297 crore, 60 projects worth Rs 2,640 crore and 20 worth Rs 1,860 crore.

In Raje's government in 2014, 2015 and 2016 (till June), the state saw clearance of 178 projects worth Rs 2,359 crore, 134 projects worth Rs 3,343 crore and 62 projects worth Rs 3,000 crore, respectively. Local industrialists say the current CM has revived investor sentiment through her policies but the success will depend on its implementation.

Raje says her government will have no more new announcements in the state Budget. “In the next two-and-a-half years, we will ensure effective implementation of the reforms and policies undertaken by us,” she told this newspaper.



Her officials say the CM is keen on converting the signed commitments worth a combined Rs 3.5 lakh crore into actual investment, to avoid a repeat of the first Resurgent Rajasthan Summit in 2007. Then, her government got investment proposals amounting to Rs 1,62,607 crore, across 357 projects but only 40-45 per cent actually took off in the state.

In the present term, Raje has cleared more projects and her government claims to have generated a record 908,000 jobs in these two-and-a-half years. Business Standard could not verify these numbers. The officials say the government is more focused on medium and small enterprises, tourism and solar energy sectors.

“There is a renewed focus on tourism. Last year, we announced our tourism policy and it resulted in several responses. During the Rajasthan Resurgent Summit, we signed 220 deals related to this sector. Industrialists and small businessman are reaping the benefits, which include waiver of stamp charges,” says Vaibhav Galriya, commissioner of the Bureau of Investment Promotion in the government.

Beside reviving investor sentiments, the current regime has brought reforms in the social sector. For instance, she brought in the private sector to help deliver health, education, transport and power services. Her outreach programmes like Nyay Aapke Dwar (justice at your doorstep) is already adjudged a success and Raje’s prompt action against erring officials have made her popular.

“I don’t understand why people were deprived of basic services like change in title in land records or correction of name. In some cases, people waited for more than 15-20 years. Through Nyay Aapke Dwar, we have managed to end more than four million such cases,” she says.

Not everything is going well. The government is faced with the big challenge of curtailing a burgeoning fiscal deficit, expected to be around 5.6 per cent of state gross domestic product this year. This has risen after the state decided to take over around Rs 60,000 crore of power distribution companies' debt under the centrally-sponsored Ujwal Discom Assurance Yojana scheme. There is an urgent need for the state government to generate more revenues and cut power losses.

Industry, land & power reforms

- * Signed UDAY to revive power sector
- * Amended the Industrial Disputes Act, 1947, the Factories Act, 1948, and the Contract Labour Act, 1970
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- * Repealed many old laws

Social reforms & schemes

- * PPP in health and education
- * Social outreach programmes like Nyay Aapke Dwar (justice at your doorstep)
- * Mukhyamantri Jal Swavlamban Abhiyan for water conservation

New policies

- * Rajasthan Investment Promotion Scheme (RIPS), 2014
- * Rajasthan Solar Energy Policy, 2014
- * Mineral Policy, 2015
- * Tourism Unit Policy, 2015
- * Allotment of land for different purposes in urban areas, 2015
- * Jan Awas Yojana, 2015
- * Rajasthan Agro-Processing and Agri-Marketing Promotion Policy, 2015
- * Rajasthan eGovernance and IT/ITeS Policy, 2015
- * Rajasthan Startup Policy, 2015
- Micro, Small and Medium Enterprises Policy, 2015

<u>Who did it better?</u>						
	Ashok Gehlot/Congress			Vasundhara Raje/BJP		
Parameters	2011-12	2012-13	2013-14	2014-15	2015-16 (BE)	2016-17 (BE)
Fiscal deficit	0.83	1.73	2.76	3.1	3.2	5.62*
GSDP	8.34	4.24	6.07	6.11	6.23	NA
	2011	2012	2013	2014	2015	2016 (till July)
* with effect of UDAY						
<u>Projects cleared through Single Window System</u>						
Number of projects/total investment (in Rs. Crore)	63/3297	60/2640	20/1860	178/2359	134/3343	62/3000