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India Economic Conclave 2020 organized by The Bengal Chamber at The Park on 15th January 2020

Most govt policies fail due to faulty design, says Ashok Lahiri

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Most policies taken by the government fail to succeed in India owing to faulty design of those policies and ineffective implementation of them, said member of 15th Finance Commission Ashok Lahiri at the inaugural session of the second edition of India Economic Conclave organised by the Bengal Chamber of Commerce and Industry (BCCI) here today.

Speaking at the session, Mr Lahiri said, "Although there is no dearth of policies in India, most of them fall short of fulfilling their promises. This happens chiefly due to faulty design of the policies along with ineffective implementation and promising too much because of electoral dividends. Politicians exaggerate the outcome of any policy in their electoral manifestoes but it must be kept in

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B. B. CHATTERJEE
BCCI PRESIDENT

mind that unrealistic and exaggerated promises can never become a reality as the state capacity is inadequate. Although there has been improvement in the state capacity over the years, we still have a long way to go before the state can deliver the basic amenities to all its citizens."

Highlighting the failure of many policies in trickling down to the masses, he said, "Consider the laws like Fiscal Responsibility and Budget Management Act, The Right to Education Act, The Electricity Act and Goods and Services Tax. Despite their enactments

years back, the problems such as revenue deficit, lack of basic education, messy tax collection and absence of regulatory bodies for electricity transmission still prevail." We need to have realistic target-setting and vigorous implementation to solve this problem, he added. Former BCCI president and chairman of a private group of hospital Dr. Alok Roy lamented, "Although health infrastructure plays an important role in the economic growth of any country, it is deplorable that a meagre 2-2.5 percent of the GDP of our country is spent on health. Successive governments in independent India did not invest in the health sector."

Underlining the recent economic slowdown, BCCI president B B Chatterjee said, "The policies favouring economic growth and development in India need to evolve gradually after building a social consensus on these issues."