

## Yes, decision-making has stalled: Kaushik Basu

DELHI: A month after he was forced to backtrack on his comment about gridlock slowing down economic reforms, the government's chief economist, Kaushik Basu, acknowledged on Friday that coalition compulsions and an excessively cautious bureaucracy have snagged decision making.

Asked about the perception of policy logjam, Basu told TOI in an interview, "I agree with this criticism; in my view there has been a slowdown in decision-making because of over-caution on the part of bureaucrats and slowdown in reforms because of the strains of coalition democracy . I expect - or should I say hope - this will change sooner rather than later."

In a lecture in Washington on April 18, Basu had said reforms were unlikely before the elections in 2014. He had also pointed to slowing of decision-making due to a risk-averse bureaucracy following the exposure of scams and due to the government's coalition constraints.

The remarks triggered a volley of protests from ministers , though he merely appeared to be echoing a deeply felt view. The reaction forced Basu to issue a clarification on April 20, saying his reference to 2014 was regarding the unfolding economic crisis in Europe wherein banks would have to begin repaying \$1.3 trillion dollars worth of loans received from the European Central Bank. It was wrongly juxtaposed with the general elections, he said.

However, speaking to TOI on Friday, the chief economic adviser in the finance ministry minced few words as he confirmed the pervasive experience about the delay in critical decisions.

*(Economic Times)*