

Montek Singh Ahluwalia asks Chief Ministers to implement manufacturing policy urgently

Lack of consensus, poor coordination among the stakeholders and antiquated labour laws are holding up implementation of the National Manufacturing Policy one and a half years since its introduction, says a Planning Commission paper.

Miffed at the delay, deputy chairman Montek Singh Ahluwalia has written to all the chief ministers asking them to hasten implementation of the policy that aims to increase India's share of manufacturing to GDP from 16 per cent to 25 per cent and create 100 million jobs by 2025.

"Inadequate consensus amongst stakeholders for policy changes and very poor coordination among agencies in execution are the two root causes for poor implementation. These are the root causes for the inability of the Indian system to improve the business regulatory environment, increase depth in technology and improve management of human resources," states the paper, titled "From Policy to Results: A Systematic Process for Achieving India's Manufacturing Goals".

The paper goes on to say there are too many laws in the country, several antiquated, and above all, these are badly administered with too many contradictions, bureaucratic procedures and scope for harassment of employers especially SMEs. "A tuning up of the labour law regime and its administration is necessary, and much of this will have to be done in the states," it said.

Planning Commission member [Arun Maira](#) told ET that there is another cause for the delay. "Stakeholders are still stuck in debate over NMP and national manufacturing investment zones (NMIZs). NMIZ is one part of NMP and will create very few jobs out of the total 100 million additional jobs envisioned in the NMP. We need dispersed jobs across the country and this can be done by making all manufacturing units in the country more competitive besides improving the attractiveness for investment in the country," he said.

According to Maira, the confusion of additional jobs being created through NMIZs is leading to delay in implementation of the policy in non-NMIZ areas and hence action is required on many fronts to ensure the goals of NMP are achieved.

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