

UPA seeks one final push on reforms

UPA likely to extend monsoon session of Parliament by another week; insurance, PFRDA Bills on the agenda

Inspired by the success with getting the draft security and land acquisition laws approved in the Lok Sabha and driven by fear that the onset of state assembly elections would make this the last effective session, the Congress-led United Progressive Alliance (UPA) is likely to extend the monsoon session of Parliament by another week.

The session, which began on 5 August, was scheduled to end on Friday, but was extended to 6 September. Now, the government is looking to extend it further to have a tilt at passing pending legislation. Most of this session was lost due to disputes with the opposition on a range of issues.

On the agenda are so-called reform-oriented Bills such as the Pension Fund Regulatory Development Authority (PFRDA) Bill and the insurance Bill, both of which have been pending for long. Finance minister **P. Chidambaram** has recently reached out to the main opposition Bharatiya Janata Party (BJP) to reach a consensus over them.

“The government wants to get many key Bills like the Pension Fund Regulatory Development Authority Bill and the insurance Bill passed in this session,” said a person familiar with the development, who declined to be named.

On Friday, Prime Minister **Manmohan Singh** had appealed for political consensus to push reform initiatives, which he argued were critical to pull the country out of the inclement economic circumstances.

“We have the more difficult reforms to do such as reduction of subsidies, insurance and pension reforms, eliminating bureaucratic red tape, and implementing goods and service tax,” Singh said in Parliament. “These are not low-hanging fruit and need political consensus.”

A Congress leader, speaking on condition of anonymity, pointed out that the government needs to pass all the important Bills in this session since the Election Commission is poised to announce dates for assembly elections in five states. The model code of conduct will preclude any fresh policy announcements.

The government wanted to raise the foreign direct investment (FDI) limit in insurance to 49%, which the BJP opposed initially and said it should be capped at 26%. However, the opposition party later suggested that it would consider the government's proposal provided the voting rights of the foreign fund be capped at 26%.

The UPA has managed to get two key Bills, the National Food Security bill and the land acquisition Bill, or the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Bill, 2012, passed in the Lok Sabha, despite being in a minority.

Political analysts and observers argue that the two Bills, which are expected to be passed by the Rajya Sabha later this week, may improve the electoral prospects of the UPA, which has been struggling in the face of corruption scandals and its failure in containing inflation, as well as managing the economic crisis, including an unprecedented drop in the value of rupee against the dollar.

Political analyst **N. Bhaskara Rao** sees the government's move as an attempt to send positive signals ahead of the forthcoming state elections. "The end of the monsoon session will be the beginning of the election campaign in states, which is most likely in October end or November first week," Rao said. "The government is preparing to create hype to make a positive atmosphere."

The BJP declined to comment. "We don't want to comment on this unless we get an official word on it," BJP leader **Ravi Shankar Prasad** said.

(Livemint.com)