

We have political will to undertake financial reform: RBI Guv Raghuram Rajan

Underscoring the need for financial sector reforms, Reserve Bank of India Governor Raghuram Rajan has stressed that the "time to deliver begins now" and there is political will to undertake reforms and improve India's economic growth.

"Financial reform is not difficult - we have the political will to improve," the Indian Consulate here tweeted the RBI governor as saying during an event yesterday.

"Time to deliver begins now. We need to focus on deliverables," another tweet quoting Rajan said.

The head of India's central bank addressed a select gathering of prominent and influential Indian-American businessmen from the finance and investment banking sector at an event organised by the Consulate General in collaboration with the India-America Chamber of Commerce.

Outlining the major areas that require change and immediate implementation, Rajan said it is a good time to invest in the Indian economy now.

Developing infrastructure, improving quality of human capital, optimum regulation for good business and extensive financial sector reform should be the next steps for improvement and development of the Indian economy, according a press statement issued by the Consulate.

Rajan encouraged the Indian-American business community to get involved in the "nitty gritty of the implementation process," saying such involvement was not difficult especially since the Indian government has the political will to reform.

"Over the years, India has outgrown its institutions," Rajan was quoted as saying in the statement.

"Such institutions only worked well when we had the practice of resource allocation, which was a source of revenue. This was a time when coal could be extracted from the ground with your bare hands."

Rajan said the Indian economy can no longer work with this model, adding that just as there were drastic democratic changes that reacted to the economic slump in the past decade, institutions also have reacted.

He emphasized on the need to convert talk about change into delivering and implementing reforms, the press statement said.

Making crucial recommendations to creating a more investment-friendly market in India, Rajan said stalled projects need to get back on track and "clearance should be from capital and on ground."

He further said that complex labor laws need to be improved to benefit both employers and workers and self- certification should be allowed to eliminate the stressful and cumbersome process of inspections.

(Financial Express)