

‘Peter was getting extraordinarily rich...  
Let Peter share a little bit with Paul’



(Right to left) Rajiv Kumar, Vice Chairman, NITI Aayog with National Editor (Policy) Shaji Vikraman and National Bureau Chief Ravish Tiwari at the Express Adda in Mumbai



This edition of Express Adda, held at Vivanta by Taj- President, Mumbai, hosted vice-chairman of the NITI Aayog, Rajiv Kumar. In a discussion moderated by National Editor (Policy) Shaji Vikraman and National Bureau Chief Ravish Tiwari, Kumar spoke on universal health insurance, raising farmers' income and why the Budget was not a populist one.

On the Budget and raising farmers' income

It's not an election Budget, it's not populist. Maybe that's why it has not pleased anybody. There is certainly no splurge. There is no attempt to win electoral support. In this context, the challenges are what the Budget points out— farmers' plight, and we must accept that. And this is where the Budget has made a very important statement — that attention must shift from focussing on production and agricultural output to the farmer's income. Farmers' income has to be addressed now. Doubling of it by 2022, I think is possible. We have started 10 pilot projects in NITI (Aayog) to try and demonstrate that.

Farmers' income must be raised and that implies productivity increase, income increase and livelihood improvement in the rural sector. That's the key. Unless you do that, you cannot get sustained high rates of growth in this country.

On the ambitious health insurance scheme

The other challenge is to implement and roll out the ambitious health insurance scheme. It is a complete myth, false propaganda and nonsense to call this scheme underfunded. This is something that has been in preparation for the last five months at NITI Aayog. People have done their sums. The premium payments for bulk procurement are nowhere near the cost of individual health procurement, so the costs are much lower and the Budget has sufficient provisions. Now the challenge is its rollout and implementa-

tion. How quickly and how soon can we do that, that's it.

On employment

It's not employment, it's the quality of employment. The sight of graduates wearing gowns, selling pakodas says, look we want something more than what is on offer. The aspirations of our young people is far ahead of the reality on the ground.

On robbing Peter to pay Paul

The LTCG (proposal to tax long-term capital gains), everybody here must know, was long in coming. It had been an anomaly, a distortion of a very basic tenet of economics that you have to tax all asset classes equally. In fact, it's still not the case and I hope that we will get to that. Given the state of the real estate after demonetisation and GST, it is important to at least try and make an effort that some of the household savings go back to real estate which is now really short of juice. This vacuum cleaning behaviour of the stock market which has happened... this correction had to be made. I don't think there is a question of robbing Peter here in any case. Peter was getting extraordinarily rich and getting windfall gains so just let Peter share a little bit with Paul.

On the National Medical Commission Bill

The National Medical Commission Bill talks only about expanding the supply of



Om Prakash Bhatt, Former Chairperson, State Bank of India, Independent Non-Executive Director, Standard Chartered PLC



Hemendra Kothari, veteran investment banker and Chairman, DSP BlackRock Investment Managers



Neelkanth Mishra, India Equity Strategist, Credit Suisse and columnist with The Indian Express



Gyanendra Badgaiyan, Former IAS officer and CEO, Indiatech.org



Dattatray Padsalgikar, Commissioner of Police, Mumbai



DK Joshi, Chief Economist, CRISIL



Mrunalini Deshmukh, Lawyer and author



Malini Shankar, Director General, Shipping, Ministry of Shipping



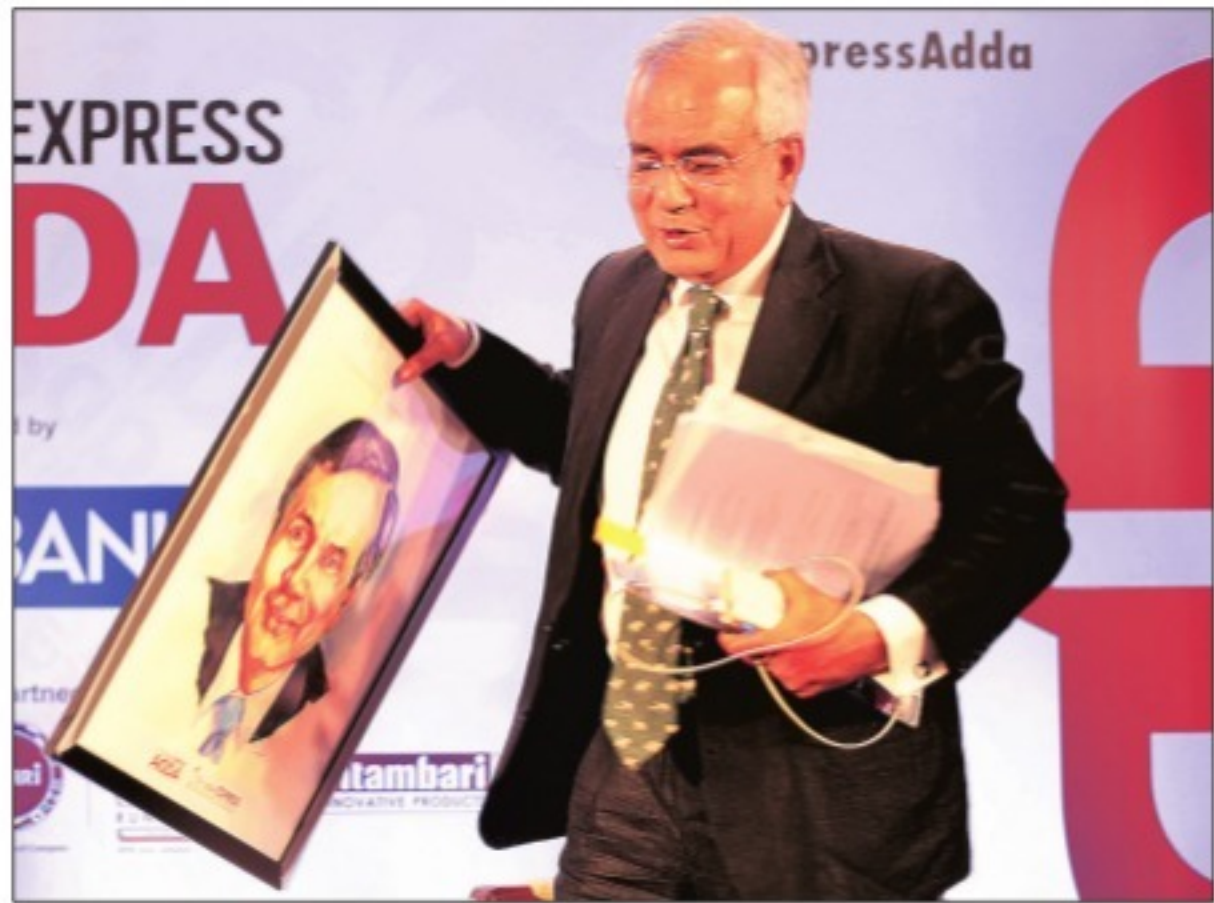
Saroja Sirisena, Consul General of Sri Lanka in Mumbai with Vivek Phansalkar, Additional Director General of Police (ACB)







The audience at the Express Adda held at Vivanta by Taj- President, Mumbai



Rajiv Kumar was presented with a portrait of him done by The Indian Express Chief Designer Subrata Dhar

doctors and nurses and facilities. The purpose of that Bill was that IMA has created an artificial scarcity of specialists and doctors and nurses, and had created a corrupt scene there. Which is what we wanted to remove. And which is what is not going to be easy because of all the vested interests. There is a huge nexus here and you have to prevent that from happening. Which is why the first step in that direction is for the Bill to have gone to the standing committee. It's an incredible Bill. It's a game changer for improving the supply of medical professionals in this country.

On the cess on education

This cess, as was announced, is for the social sectors and not just for education. So that's one change. The good news here is that the NITI Aayog index — the school education quality index is now ready and has been tested and will be rolled out very soon. We will do it for all the states and they will compete on it. It's a real time portal and the idea is to get the states to start competing on the government school quality index and delivery of school education. We are preparing to go back to PISA (Programme for International Students Assessment). Once two of our best states participated in it and both of them came last. But we are going back to that. Along with this index and the figures, you will see improvement in the quality of basic education. The very big, real issue is that this is largely a state subject and Central government intervention at that level is just very difficult. What we have done instead is — ramped up the scholarship programmes. That's something the Central government can do. But to intervene at the level of primary education and secondary education is not something that looks very doable, but nonetheless we can try.

On addressing regional disparity challenges

The challenge method that has been used is for very specific schemes. On the other hand, all our centrally sponsored schemes still have a division of 90:10 for the special states and for the hill states. You also know that the Pradhan Mantri Gram Sadak Yojana (PMJSY) was in favour of the eastern and rural districts. The Northeast has attracted a lot of resources and attention from the Central government because there is a non-lapsable fund that has been created. My understanding is that with the meagre resources that NITI has compared with the Planning Commission — and by the way I do need to emphasise that NITI Aayog has nothing to do with the Planning Commission, it is in no way a successor. It is a brand new idea but some resources that they have and we have, have been distributed much more, relatively to the poorer states.

On NITI Aayog and its future

NITI Aayog is a great idea because this is one organisation that cuts across silos, which has been the bane of the government for a long time. It has the ability to connect the dots. It has the potential to create accountability as was never before in the system. I call it an action tank, not a think tank. What we do is to be completely open to ideas and put them into systems and follow up. It can be a major changemaker. We can achieve a development state in this country and close the gulf between the private and the public. The worst thing I found in the last five months is the sheer acceptance of my colleagues, not all, that we are all like that in the government. We are not like that and NITI Aayog can ensure we are not like that.

On information sharing

This country had the world's best data system upto the mid-70s and we have allowed it to deteriorate without a whimper. Policy making, without hard evidence, is shooting in the dark and that's not done. The amazing news that I just discovered is on potatoes. There is a whole statistical imaging system developed in Shimla by the Potato Research Institute. They do three trials and the final estimate comes six weeks before harvest but lo and behold, it is confidential to the government. But at least we got the advance information, we could do something, give advance information to farmers, it would help. I will do something about it. My predecessor also worked on job data. The first household survey is now in the field for collecting employment data. The first result will come in October. The payroll data and household data will soon be out. The employment will soon not be a matter of conjecture.

On giving access to private parties

This society works on mistrust, it's across every constituency. I think we perhaps enjoy creating more mistrust because that serves some interest. Rather than creating coherence across a diverse pluralistic society like ours, we tend to exaggerate the differences. How will this go, I am not sure. Maybe this is one place where the private sector could make a start, which is to improve its credibility so that it could be trusted by the people of this country more. How will this go, I am not sure. The Chinese have done it by keeping the word mistrust out of their vocabulary. It is a real question, we can try and do it in some other way. It will be very good on the part of the civil society to take the first step and I am sure the government will follow.

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Praveen Pardeshi, Additional Chief Secretary to Maharashtra Chief Minister Devendra Fadnavis



KMM Prasanna, Additional Commissioner of Police, Mumbai



S Adikesavan, Chief General Manager, State Bank of India



Ajit Ranade, Chief Economist, Aditya Birla Group



(From left to right) Bindu Rana Kapoor; Raakhe Kapoor Tandon, Founder and Director, ART Affordable Housing Finance; Roshini Kapoor, Co-founder TTS:IO and ED, ART Capital (India) Private Limited



Saugata Bhattacharya, Chief Economist, Axis Bank



S Parasuraman, Former Director, Tata Institute of Social Sciences (TISS)



Arvind Paranjpye, Director, Nehru Planetarium, Mumbai



Pramod Dalvi from the Kesari Group



Jamshed Mistry, Independent Counsel and Founder, International Legal Alliance

VOICE BANK



AMITABH BANERJEE  
DIRECTOR (FINANCE), KONKAN RAILWAY CORPORATION LIMITED

Recently, the RBI has been quite sceptical about the impact of the waiver of farmer loans. What is your take?

As a true blue blooded economist I was also against farm loan waivers but what do you do in a situation where a community is being left behind incessantly and perpetually. How does a system survive if you don't make some transfer in payments to communities that have been excluded and left behind. This will continue to happen if we don't take steps to improve farmers' income. We have to modernise the sector. Now the RBI taking umbrage of that, I think that is their dharma, they should be doing that. I would rather have this completely end and replace it by that money being spent to improve the basis of productivity and infrastructure.



CHANDRAKANT SALUNKHE  
FOUNDER, SME CHAMBER OF INDIA

The Budget has not given much importance to the SME sector. Can you take responsibility to integrate all the ministries to empower SMEs? I have taken two inter-ministerial meetings on SMEs already. I would rather be known as a think tank who now deals much more with scale up than start up because that's the issue in this country. That is where a lot of hurdles and impediments come and that's where the growth and the drive will come. Raising the cap to Rs 250 crore for 25 per cent tax is not a small step and all the SMEs are now free of any tax oppression. So, that is a big step.



SHUBHADA RAO  
GROUP PRESIDENT AND CHIEF ECONOMIST, YES BANK

How easy or difficult do you view scaling up of the private sector playing a larger and meaningful role in imparting primary and secondary education? Second, do you think oil prices have the risk of upsetting the budget math of the current year?

On oil, I like the Finance Minister's statement, where he said we are in the margins of the comfort zone and if prices rise further then we will be discomforted, which is true. My own understanding is that what is happening is quite an anomaly. I personally think it is transitory and we will not see oil prices rising in the same way. On the other more difficult question, there is the issue of trust. Private providers of education have not given themselves and us, a lot of credit the way it is being done. So, therefore, it goes back to having much better regulatory capability at the state levels for the private providers to be able to play the sort of role they should be playing. They cater to the best and that's where the best education is available within the country. Whether they will be able to provide the same level for the masses...and here I think, the way forward must be digital.



STANLEY PIGNAL  
SOUTH ASIA BUSINESS AND FINANCE CORRESPONDENT, THE ECONOMIST

A couple of weeks ago PM Modi in Davos warned against protectionism. Last week in the Budget, Arun Jaitley increased tariffs on a few dozen items. In your mind, how is it necessary?

I feel that the government has done in its wisdom what it needed to for generating employment in the industry which it thinks has the largest potential, and also industries that are suffering from underpriced imports, which are very difficult to control.



RAMA BIJAPURKAR  
AUTHOR AND MARKET RESEARCH CONSULTANT

Give us a sense of whether it (NITI Aayog) has adequate institutional teeth?

We aren't a constitutional body, so we don't have statutory constitutional backing. Our institutional teeth come from the trust that the PM and chairman of the body places in us. Clearly, that will depend on our ability to deliver. In the last three- and-a-half years, it seems that the powers that be, think that we are beginning to deliver and we are being called upon to do things that we were not doing earlier, so the bite is increasing.