

ISS-2 - Government policies

2. There is a need for set-up a body like state Industrial policy Authority for better industrial policy design & implementation.
comment.

vision of \$5 trillion economy lies in growth of Industrial sector. This depends on robust Industrial policy, for a developed Industrial sector by 2047

Global examples

1. Eastern Asian countries - transformed into Industrial behemoths, due to robust designed Industrial policy.

Industrial policy - mean?

It is a set of interventions, to achieve/extract performance from firms with benefits accrued from government

Key Issues

1. Incentives - for firms on achievement of performance targets

2. Ability of states to achieve 2' goals

- i) Economic performance ii) Discipline among Stakeholders

often the interest of '3' not align towards economic goals = { government capital labour }

3. Federal issues - separate policies of central & state - difficult to bring coherence

Evidences.

Robust Industrial policies in states, contributed more to the economic performance of the country
eg: Tamil Nadu, AP Gujarat etc.

Structural bottlenecks

underperforming states - with lack of industrial policies - must ~~be~~ involve suramp in institutions

State Industrial policy authority

Nodal body → ensure to bring down the turnaround time → eg: approval, etc., allocating subsidies, accountability, bringing coherence in industrial policy, and discipline stakeholders - towards achieving the goals of ~~economic~~ implementing Economic policies.

thus the authority can play major role in bridging the issues with industrial policy & ensure economic performances transform India into a developed state by 2047