

No.I&M-13(15)/2010  
Government of India  
Planning Commission  
(I&M Division)

Yojana Bhavan, Sansad Marg  
New Delhi the 11<sup>th</sup> May, 2010

**ORDER**

**Subject: Constitution of an Expert Group to improve quality of Government- Industry Consultations.**

One of the more important thrusts of the Twelfth Plan is to accelerate the growth of Industry in the country. Industry is an engine pulling the growth of the economy: therefore its rate of growth must significantly exceed the overall growth of the economy, which it has not in the past 15 years.

India must accelerate growth of its industrial sector within an intensely competitive global environment. China may be our principal competitor now, but other developing countries like Korea, Japan, and some Western countries, are also emerging at the same time. Our sustainable competitive advantage will be our ability to learn, change, and improve faster than the competitors. These countries were able to improve the competitiveness of their industries by close collaboration between their Government policy-makers and the productive sectors.

India cannot imitate the collaborative processes of these countries. Nevertheless we must have a process which is at least as effective as theirs. Our process must fit our own conditions and also the present global trade regime. The quality of our process will determine the quality of the industrial strategy and policies we develop. Therefore we should apply ourselves to improvement of the process of consultation between Government and Industry in India.

Our process will have to rely on our industry associations to be principal partners with Government. They can aggregate the needs of industry and, if they are well run, they can help Government to reconcile contradictory claims from different sectors of industry, and distil priorities for the country. Transparent consultation with transparently run associations can help reduce concerns of crony capitalism arising from individual companies and their lobbyists getting too close to Government to influence policies.

As we run up to prepare the Twelfth Plan, in which an industrial strategy supported by a policy framework will have to be a principal thrust, we should improve the process of consultation as a pre-requisite. Accordingly, it has been decided to set up an Expert Group in the Planning Commission to examine the process of Government-Industry consultations and recommend improvements. Some of the questions that would be examined by the Expert Group are:

- Which are the critical areas in which consultation is required
- What are the prevalent processes for consultation —formal as well as informal
- What are opportunities for improving these processes—their weaknesses, and relevant ideas for improvement from other countries
- What is the quality of the interaction with and inputs from industry associations
- How well are industry associations equipped to be effective and trust-worthy partners with Government, in terms of their capabilities, and their governance
- What should be the norms, codes of conduct, and models of processes

The composition of the **Expert Group** would be:

- |  |                   |
|--|-------------------|
| • Member (Industry), Planning Commission   | -Chairman         |
| • Secretary, Ministry of Corporate Affairs                                       | -Member           |
| • Secretary, Department of Commerce  | -Member           |
| • Secretary, DIPP  | -Member           |
| • Shri Tarun Das, former Chief Mentor,<br>Confederation of Indian Industry (CII) | -Member           |
| • Dr. D.H.Pai Panandikar,<br>former Secretary General FICCI                      | -Member           |
| • Shri Kiran Karnik, former President, NASSCOM                                   | -Member           |
| • Shri D. S. Kalha, Sr.Adviser (Industry),<br>Planning Commission                | -Member Secretary |

The Expert Group may co-opt any other Experts as Members of this Group, if considered necessary. The Group may consult with whosoever it considers appropriate, amongst association, industry and government, in India and abroad and shall submit its report within four months of the date of this order to the Planning Commission.

The non-official members of the Group will be entitled to TA/DA as permissible to Grade I officers of the Government of India and this expenditure will be borne by the Planning Commission.

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To  
Chairman and all the Members of the Expert Group.

Copy to

1. PSs to DCH/MOS (Planning)/Members/Member-Secretary, Planning Commission
2. All Principal Advisers/Advisers/HODs in Planning Commission
3. Prime Minister's Office, South Block, New Delhi
4. Cabinet Secretariat, Rashtrapati Bhavan, New Delhi
5. Information Officer, Planning Commission
6. Joint Secretary (Administration), Planning Commission
7. Controller of Accounts, Planning Commission