

**“The Political Economy of Regulation in India —
What do we need to do”,
Tuesday, October 16, 2007, Mumbai**

Objective

To debate and evolve a consensus on an effective regulatory regime in India

Context

For the Indian economy to achieve and sustain an annual growth rate of 10 per cent and impact poverty, the creation of quality infrastructure is critically important. It is estimated that India needs more than a trillion dollars investment in infrastructure. At a conference organised by the Planning Commission on 7th November 2006, the Prime Minister spoke about a figure of \$320bn required by 2012 in order that India could compete effectively with China. Subsequently the figure was revised upwards to \$450bn.

It is clear that this order of investment cannot come from the public sector alone. Private sector, too, will have to be persuaded to invest. In order for private sector investment to come in on a meaningful scale, two pre-conditions have to be met. One markets for infrastructure services must be created. And, two, those markets must be regulated properly so that non-market risks are either eliminated, or at least minimised through a predictable legal environment.

The Planning Commission has also prepared a relevant consultation paper: “Approach to Regulation of infrastructure” to push the desired reforms. This is available at (http://planningcommission.nic.in/reports/genrep/infra_reglaw1.pdf). The paper is yet to be finally approved and adopted.

Against this background, CUTS International has undertaken a project and come out with a report titled, “*Competition & Regulation in India--A Status Report, 2007*”. The report highlights various distortions in economic governance of the country and suggests the way forward to promote well-regulated markets.

Dr C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister, New Delhi, would release the above-mentioned report and also Chair the panel discussions.

Format

The panel would comprise of approximately nine distinguished members. Each panellist would take 7-8 minutes to present his/her own views, followed by floor discussions. The audience will mainly comprise of representatives from the business community, regulatory agencies, civil society, policymakers, academia and media.

Venue

National Centre for the Performing Arts (NCPA),
NCPA Marg, Nariman Point, Mumbai

Time 1600-1800 hours, Tuesday October 16th, 2007