

# 'Reform, Perform, Transform' mantra of UP Govt

ONCE Hindi heartland Uttar Pradesh featured as a 'lawless and backward state', which was less 'commercially active' and more 'politically active' in the mental atlas of most people. Fast forward to 2021, four years after Yogi Adityanath's government. Under the Business Reform Action Plan ranking of states by DPIIT, Government of India, the state bagged the second position on the 'Ease of Doing Business' index – a jump of 12 positions in last 3 years. The state has been praised by the WHO for its COVID-19 management, and has surged to the second spot on the GSDP list ahead of industrialised states such as Gujarat and Tamil Nadu.

*So, what has brought about this transformation?*

The government's vision of 'Reform, Perform, Transform' backed by a strict approach towards ensuring development on all fronts and 'Zero Tolerance' towards criminals and corruption, is the answer.

Under the new leadership, the state government has been aggressively pursuing industrialization and is working constantly to define the state's industrial brand, to mould its image and put it on the economic powerhouse map. The leadership is working on a two-prong strategy: to get the world's best brands mark their presence in Uttar Pradesh and develop villages as hubs for micro entrepreneurs and consumers. This 'hub and spoke' model is only available in Uttar Pradesh as the densely populated



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state has many young generation consumers. The government is working hard to meet the socio-economic requirements of the state. Soft power has been unveiled in the state, including skilling, water supply, electricity, gram in udyog (for weavers, artisans). Rural Entrepreneurship has been put on the forefront with programmes like ODOP (one district, one product), VSSY (Vishwakarmashram Samman Yojna). Loan schemes have been linked with this programme, where the margin is supported by the state government and the NPA is minimum. There is also the Udyami Mitra portal to coordinate with other departments.

The policy-oriented governance mechanism already adopted by the State Govern-



ment with the launch of Industrial Investment & Employment Promotion Policy in 2017, complemented by 20 sectoral policies, had played a pivotal role in promoting entrepreneurship, innovation and Make in UP.

Better infrastructure, safety, security and flexible attitude of the state government have prompted industrialists to set up their industry in Uttar Pradesh. Industries like Reliance Jio Infocomm Ltd, India's largest wireless operator, plans to build a data centre in Uttar Pradesh at an investment of around \$950 million; AB Morris is establishing the yeast industry by investing Rs 700 crore in Chitrakoot; and the state has received an investment of Rs 4,800 crore

through Samsung display unit, coming from China.

One of the major reforms done by the Government was implementation of one of India's largest digital single window portal 'Nivesh Mitra', providing around 204 services to entrepreneurs. With average NoC application disposal rate of 93%, Nivesh Mitra portal has successfully achieved an outstanding query resolution rate of 98%.

The State Government has attracted major investments under its various policies through Pradeshhiya Industrial and Investment Development Corporation of Uttar Pradesh (PICUP). For instance, under State's IIEPP 2017, 157 applications worth Rs

1,100 crores under SME category, 23 applications worth Rs 1,130 crores under Large category and 22 applications worth Rs 9,019 crores under Mega category have been received. Similarly, under the post-Covid19 Accelerated Investment Promotion Policy 2020 which was a one-year scheme, investment applications worth Rs 1,400 crores with employment potential of 977 have been received.

The increase in GSDP when the economy contracted severely in the first two quarters of the financial year 2020-21 due to pandemic outbreak and lockdown indicates revival of economic activities in manufacturing and services. The MSME sector, once unknown – has now become the backbone of UP economy. UP has the largest number of estimated MSMEs in India, approximately 90 lakhs MSME units. This accounts for 14.2 per cent of the total number of MSMEs in the entire country. With the establishment of around 4.02 lakh new MSMEs, the state's MSME sector generated direct employment for nearly additional 24.41 lakh people in the last three years. Additionally, MSMEs contribute majorly around 80 per cent to the state's exports which have seen an increase of 35 per cent from nearly Rs 88,967 crore in 2017-18 to Rs 1,20,356 crore in 2019-20.

Uttar Pradesh was also ranked in the top 5 in MSME employment generators amid Covid-19. The Uttar Pradesh government not only managed the return of about 40

lakh migrants from all over the country but also took up the onerous task of providing them employment. As many as 13 lakh MSME units in Uttar Pradesh have been given loans worth Rs 42,700 crore in the financial year 2020-21.

This notable economic pickup is being driven by the release of pent-up demand of products both nationally and internationally – and by the fiscal stimulus package the government is giving out.

The government has also unveiled the new MSME Act under which MSME units can start operations within 72 hours of application; to this end, the State Government shall issue Acknowledgement Certificate to the units within 72 hours of application. The Acknowledgement Certificate negates the requirement of various approvals for a period of 1,000 days that is around three years.

The continuous focus on ensuring employment has led to a decline in the unemployment rate which now stands at 4.1%, one of the lowest in the country, according to the Centre for Monitoring Indian Economy (CMIE).

Prior to 2017, unemployment was above 15% and with the arrival of Yogi Adityanath and his commitment towards ensuring employment, the figures drastically came down to 2.1% in 2017 and till 2020 remained well below 10%. Uttar Pradesh is no longer bimarau Pradesh, but rather has become an economic power house of the country.