

## Report on the Talk: “PM's Economic Package: Different Strokes”



**FOUNTAINHEAD OF EXCELLENCE**

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**Live Event on ZOOM/MMA Facebook/  
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**under the 'Leaders Speak Series'  
on the theme**

**"PM's Economic Package: Different Strokes"**

**by**

**Dr S Narayan, IAS (Retd)**

**Former Economic Advisor to Prime Minister &  
Former Finance Secretary, Government of India**

**in conversation with**

**Mr R Srinivasan**

**Editor, The Hindu BusinessLine**

**held on Tuesday, 26 May 2020 at 6.00 pm**

**Partner:**

# PM's Economic Package: Different Strokes

**Tuesday, 26 May 2020**

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ZOOM/MMA Facebook/Live IBC/Youtube  
under the 'Leaders Speak Series' on the theme

**Leaders Speak**

# PM's Economic Package: Different Strokes



by

**Dr S Narayan, IAS (Retd)**

Former Economic Advisor to Prime Minister &  
Finance Secretary, Government of India

*in conversation with:*

**Mr Srinivasan R**

Editor, The Hindu Business Line

at 6.00 pm Tuesday, 26 May 2020

Event Partner:

## The Context

The outbreak of Covid-19 and the subsequent lockdowns announced in different phases have seriously crippled the nation's economy. A substantial stimulus package that could energise the economic engines was eagerly awaited.

Now that the Indian Prime Minister Mr Narendra Modi has announced a massive Rs 20-lakh crore package for the nation's economic revival. There is a need to look ahead-to visualise the scenario, one year from now, so that the industry and individuals can plan ahead, not only for this year, but also a couple of more to follow.

These announcements are intended to take the economy forward from the shock of the coronavirus epidemic and bring it back to the path of achieving the \$5 trillion goal that the PM had promised earlier on. Today, the nation is teeming with demands for going 'Swadeshi' and for 'Aatmanirbhar', as PM Modi has put it. While the term 'Swadeshi' dates back to the Gandhian days of the freedom movement, the current context is very different, and self-reliance includes inviting FDIs in sectors like defence and even space.

The approach appears to be to make India self-reliant, as well as technologically advanced. While different sections of the economy have welcomed the sectoral announcements made by Union Finance Minister Ms Nirmala Sitharaman, questions about increasing the demand for goods and services still remain the central issue for economic revival, with or without Covid-19.

The Madras Management Association (MMA), in association with Konrad-Adenauer-Stiftung (KAS) and Observer Research Foundation (ORF) is organising a series of Online Talks under the title, 'COVID-19: Leaders Speak Series,' aimed at getting experts from both the present and the past, with experience at the Centre and/or in the States, to share their valuable views and ideas, to understand the issues at hand and enable the nation to take steps in the right direction. Given this background, the talk on 'PM's economic package' aims to examine the stimulus package announced by the government in detail, to find out where the economy is headed and how the Prime Minister's dream can come true.

## Programme Overview

**MMA-KAS** in association with **ORF** presented a talk under “**Leaders Speak Series**” through Webinar on the theme “**PM’s Economic Package: Different Strokes**” at 6 pm on Tuesday, **26 May 2020** for the benefit of MMA Members and Management professionals.

In view of the restrictions in place due to COVID – 19 with respect to social distancing and keeping in view the safety and well-being of our members, the event was conducted online and beamed live on ZOOM/ MMA Webcast / YouTube and Facebook.

- ♣ **Group Captain R Vijayakumar (Retd)**, Executive Director, MMA initiated the meet and introduced all the speakers.
- ♣ **Mr P Ravichandran**, Sr Vice President, MMA delivered the welcome address.
- ♣ **Mr Peter Rimmele**, Resident Representative to India of Konrad-Adenauer-Stiftung delivered the Introductory Remarks.
- ♣ **Mr R Srinivasan**, Editor, The Hindu BusinessLine moderated the discussion with **Dr S Narayan**, IAS (Retd), former Economic Advisor to Prime Minister.

A Q & A session was scheduled where viewers could send in their questions through SMS / WhatsApp / Zoom. This was handled by **Mr R Srinivasan**, the moderator. **Dr S Narayan** answered all the questions.

**Mr R Vijayakumar** proposed the **Vote of Thanks** and the event concluded at 7.45 PM.

## Profile of the Speakers

## **Dr S Narayan, IAS (Retd)**

An IAS Officer from 1965 batch, he spent nearly four decades (1965 to 2004) in Public Service in the State and Central Governments, in Development Administration. He was the Economic Adviser to the Prime Minister during 2003-04.

Prior to this assignment, Dr. S. Narayan served the Government of India as Finance and Economic Affairs Secretary, Secretary in the Departments of Revenue, Petroleum and Industrial Development.

Dr.S.Narayan obtained his Ph.D from the Indian Institute of Technology in New Delhi. He has an M.Phil (Development Economics) from Cambridge University and Master of Business Management (Finance) from the University of Adelaide. He graduated with an M.Sc (Physics) from the University of Madras (Madras Christian College).

Dr Narayan has authored two books, edited two books and written numerous policy papers, reports and book chapters. He also writes regularly in newspapers, both locally and internationally on issues relating to Public Policy, Governance, Public Finance, Trade and Energy.

He has been a visiting Senior Research Fellow at the Institute of South Asian Studies, National University of Singapore since 2005.



**R Srinivasan**



A mass-media communications specialist, he spent a decade in sales and marketing, before becoming a journalist. The motives that impelled him towards that shift - a desire to tell the truth, a need to be a change agent, rather than a passive participant, and just the enjoyment of writing and telling the tale - are central to what he is and what he does, either in his professional or personal life.

He has good analytical, networking and communication skills. His experience spans all areas of journalism, in general and business dailies.

Assessing, valuating and analysing trends and potential outcomes of macro-economic, political and business environment developments is his core skill set.

**Specialties:** News and quality management and ethical 'gate keeping'. Writing, editing and design; Product development and strategy; People management, Training and Communications.

## Peter Rimmele

Peter Rimmele is currently the Resident Representative to India of Konrad-Adenauer-Stiftung (KAS).

He has a First Law Degree from Freiburg University, as well as a Second Law Degree from the Ministry of Justice Baden-Württemberg, Germany and a M.A. in Geography.

After working as a jurist, judge and lecturer, he took public office as Ministerialrat, Head of Division at the State Ministry of the Interior in Saxony, Germany, from November 1991 on until 2000. There he first served in the Police and Security and later in the Local Government Department. On behalf of the German Foreign Ministry, he served in East Timor as Registrar General, Head of Civil Registry and Notary Services (UNTAET), and became later the principal Advisor for Governance Reform for GIZ (German International Cooperation) to the Ministry of Administrative Reform and the Anti-Corruption-Commission of the Republic of Indonesia, where he served for 7 years. He then moved to Rwanda, also as Principal Advisor Good Governance/Justice Program. Earlier he was Resident Representative to Lebanon, Director of Rule of Law Program- Middle East, North Africa, Konrad-Adenauer-Stiftung.



## **P Ravichandran**

❖ Business Leader with over 25 years of experience in various roles ranging from Sales & Marketing, Strategy, General management, M&A and globalizing businesses across Asia Pacific, Europe & India. Member of Global management team, Board member and Global Mentor.



- ❖ Active member of CII FACE Center of Excellence in food processing; Chairs the task force on Cold Supply chain logistics.
- ❖ He chairs CII GBC Energy efficiency Council and works in promoting Energy efficiency, Industry 4.0 technologies and Net Zero Buildings extensively.
- ❖ Senior Vice President of Madras Management Association.
- ❖ Actively engaged in Start-up ecosystem and Industry-University engagement.
- ❖ Alumnus of College of Engineering, Guindy, IIM-A and Singularity University, California.

## Key Statements



- German politicians are now divided between those who want to remain in lockdown and those who want to reopen- **Mr Peter Rimmele**, Resident Representative to India of KAS.



- Our banks are remarkably reluctant to lend. Nothing has changed to remove that risk aversion - **Mr R Srinivasan**, Editor, The Hindu BusinessLine



- A totally different paradigm is now thought of. Allowing big industries to grow leads to wealth and GDP growth but it does not lead to equity. Is it possible to look at small industries, localised and dispersed industries? - **Dr S Narayan**, IAS (Retd), former Economic Advisor to the Prime Minister



- Doing away with labour law is not reform but implementation of labour law is real reform - **Mr R Srinivasan**, Editor, The Hindu BusinessLine



- The government has to simply put money in the hands of the people and sweeten the spending cycle. I feel that the government is holding this up in its sleeve - **Dr S Narayan**, IAS (Retd), former Economic Advisor to the Prime Minister

## Key Takeaways

### **From Mr Peter Rimmel's Address:**

- With infections on the rise and casualties mounting, Germany is primarily concerned with containing the threat by all means possible. The means, however, do not come cheap.
- In 2020, GDP of Germany is expected to contract by 6%. Service and Transport sectors, especially, aviation have suffered badly.
- Germany is basically an export driven nation. Production issues in countries like China have seriously hampered the production capacities and ability to re-export, apart from shrinkage of domestic consumption.
- There is suggestion from Germany's federal health minister to repatriate important pharmaceutical production to Europe and which is a sensible approach. This is the European version of '*Aatmanirbhar*.'
- Around the world, we see a political knee-jerk reaction to increase autonomy and reduce reliance on foreign goods. On the other hand, we have global peace because of economic and trade inter-linkages. We cannot risk that.
- A balanced and comprehensive approach is the best option: Nationalising production of strategic goods but keeping the supply chain fit for the future. Some coined the term, '*Gated Globalisation*.'
- Thanks to pushing for fiscal responsibility on the part of federal and state governments and reducing new borrowings, Germany has ample resources to draw from, to tackle the Corona crisis.
- The federal government has put aside 450 billion € to aid the economy. As in India, its main goal is to prevent a deadly wave of defaults across the board.
- Germany operates a social security system whereby the state compensates for the pay reduction for workers who have to go into shorter-time working.
- Additionally, Germany contributes to the measures taken by the European Union. In the Merkel-Macron press conference, around 500 billion Euros package was announced for other struggling members of the EU.
- Germany is now trying to ease the lockdown and restart our economic life. As in India and other countries, Germany's politics are now divided between those, who want to remain in lockdown and those who want to "reopen". We have not seen the end of this debate.

### **From Mr R Srinivasan's Remarks**

- Two recent studies- one released by SBI's Economic Research Wing and the other by CRISIL have reported that Indian economy is falling off a cliff. Next year's GDP growth will be -6.5% (negative) and in next quarter, it will shrink by 25%. This is a direct result of lockdown which started in the last week of March.
- After analysis of the highly publicised stimulus package of Rs 20 lakh crores, the actual size of fiscal stimulus is less than 10% of what is announced. The rest comes from the monetary measures announced by the RBI, more in the nature of having potential for injecting liquidity in the economy.
- All RBI announcements have one thing in common. They depend on the banking system to deliver. Our banks are remarkably reluctant to lend. Nothing has changed to remove that risk aversion. Measures like the suspension of IBC will make the banks even more reluctant.
- Banks park huge amounts with RBI every day, instead of lending.
- Centre has come up with sovereign guarantee for loans extended to MSME. This addresses the problem partly. Execution remains to be seen. The statement of intent is there but the details are missing.
- Regarding the disease response, after 3 months of lockdown, we are one of the highest infected countries. Our testing rate is very low relative to our population.

### **From Dr R Narayan's Address:**

- Even before Covid, our economy was struggling. There will be zero growth for this year.
- Lockdown was well timed. But the government did not anticipate the large magnitude of informal labour movement. With foresight, lot of pain could have been avoided.
- On the positive side, lockdown gave two to three months to enable the government to prepare better. Except Maharashtra, other states have more beds than patients so far. Recovery rate of close to 40% is good. The death rate is low compared to other countries, if official data are correct.
- PM's stimulus package can be fitted into 3 boxes: Survival, Revival and Economic Growth.

### Survival:

- One card, one ration card for PDS (Public Distribution System) is a very important step. Both the labourers, who are on the move and their families can get their rations.
- We have 72 million tons of food. Distribution is important. Starvation death has not been reported, in spite of other problems like migrants walking or cycling to their homes.
- Once the labourer goes to his village, he will be covered under MGNREGA and he can get Rs 100 per day. Skilled people will not do this job.
- Banks have increased working capital limit of MSMEs by 20% without any collateral. This will improve liquidity.
- Monetary easing for NBFCs by providing them with Rs 45000 crores of credit guarantee will help them immensely, as there are so many Mutual Fund withdrawals and closures.

### Revival:

- We have had bumper crop this year. The second sowing has also been excellent. Normal monsoon is expected. So our agriculture output will be equal to that of an average year and not a bad one.
- Lots of things are going to be taken out of essential commodities act. The agricultural product marketing act is proposed to be amended. The earlier these are done, the better; agricultural markets can open up especially inter-state, rather than restrict them to designated markets. **This will be a big thing for agriculture, similar to what happened for industry in 1991.**
- Pumping of a lakh of crores into Agri based infrastructure like food processing, cold chain, etc. augur well for revival of agriculture.
- Some of the BJP ruled states have announced major changes in labour laws. They have suspended 35 laws for a period of 3 years. This will be a boon for FDI.
- UP Government is working on the concept of –One district, One skill. This is to provide gainful employment to the labour when they return.
- Existing industries can get themselves listed overseas.

## Growth:

- From the FM's narrative, the government feels that 1991 reforms were inadequate. The 1991 reforms provided for industries to grow.
- **A totally different paradigm is thought of. There is a new wave of thinking that pure industrial reform and allowing big industries to grow does not lead to equity. It leads to wealth and GDP growth but it is fragmented. Is it possible to look at small industries, localized and dispersed industries?**
- 11 states are competing for foreign companies to open shops in their states, in the areas of new technology and value chains.
- The announcements made in the stimulus package have to be operationalised. Many details are not clear.
- Migrant labour issue is holding up economic revival.
- India is self-sufficient in PPE, face masks and ventilators. Pharma industry is ramping up. Large imports of China will get reduced.
- People who run business face lot of pain. They lack clarity.
- To stimulate demand, the government should put money in people's hands.

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## Welcome Address

**Mr Ravichandran P, Senior Vice President, MMA & President - India Region, Danfoss Industries Pvt Ltd**



Mr R Vijayakumar, ED, MMA initiated the online panel discussion organised through webinar and livestreamed on YouTube and Facebook. He listed out the series of MMA activities planned over the next few days to keep the members actively engaged and provide the policy makers with inputs for decision making. He introduced **Mr P Ravichandran**, Vice President, MMA and requested him to deliver the Welcome Address

**Mr P Ravichandran** extended a hearty welcome to all the viewers, Mr Peter Rimmele, Resident Representative to India of KAS, Mr Pankaj Madan, Head of Programmes of KAS, Mr R Srinivasan, Editor, The Hindu BusinessLine and the moderator and the key note speaker Dr S Narayan, IAS (Retd), former Economic Advisor to Prime Minister.

He welcomed the members of MMA, KAS and ORF. He gave an overview of MMA and its signature activities and applauded its six decades of yeoman service in promoting management movement among the corporate members, students and educational institutions. He thanked Mr Peter Rimmele and Mr Pankaj Madan of KAS for their great support to MMA.

Mr R Vijayakumar introduced Mr Peter Rimmele of KAS and requested him to deliver the Introductory Remarks.

## Introductory Remarks

## Mr. Peter Rimmele, Resident Representative to India of Konrad Adenauer Stiftung (KAS)



**Mr Peter Rimmele** delivered the introductory remarks explaining Germany’s response to the Covid crisis and set the context for the session.

“Politicians and economists were expecting an economic downturn to hit Germany in 2020/21. So, when Corona made our lives grind to a halt unexpectedly, Germans were at least partially prepared. Nonetheless, closures hit us hard too,” he said.

He estimated that Germany expects its GDP to shrink by more than 6% in 2020 compared to last year and said that the service sector and transport sector were badly hit by the crisis, similar to India. He underlined the fact that Germany is an ‘exporting’ nation and that production stoppage in China and the supply chain and trade link breakages have not only dented Germany’s domestic consumption but also affected its production and re-export capacities.

He cautioned against the political knee-jerk reaction towards more autonomy and reducing reliance on foreign goods. He welcomed Germany’s federal health minister, Jens Spahn’s statement that one of the tenets of Germany’s EU council presidency will be to repatriate important pharmaceutical production back to Europe. “Our global economy is unthinkable without the fine network of trade that spans the world. It guarantees our prosperity as well as a certain degree of international peace. We cannot risk that,” he argued.

As a solution, he advocated a balanced and comprehensive approach- Nationalising or regionalising strategic goods production, mainly to alleviate dependency on one

country, but at the same time trying to make our supply chains fit for the future. “Some people have coined the term *Gated Globalisation*,” he observed.

He stated that Germany’s much-criticised call for ‘Black Zero,’ had the aim of reducing new borrowing and balancing the budget of the federal and state governments. “It has helped our financial position. That Germany has ample resources to draw from, to tackle the Corona-crisis now, shows us that this approach was right,” he stressed.

He detailed out the elements of Germany’s relief package of 450 billion €. Apart from the federal response, he explained, each of the 16 states has come up with relief packages totaling to 147 billion €. He also said that Germany additionally contributes to the measures taken by the European Union and in the Merkel-Macron press conference, around 500 billion € package was announced for other struggling members of the EU.

To restart economic activity, he said that lockdowns are being eased in Germany and there is unending debate, like in India and elsewhere, on saving ‘lives versus livelihood’. “The politicians are now divided between those who want to remain in lockdown and those who want to reopen,” he commented.

He concluded his address, expressing his keenness to listen to the discussion on the Indian Prime Minister’s economic package.

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## Opening Remarks by the Moderator:

### Mr R Srinivasan



Mr R Srinivasan commenced his speech recalling The Hindu BusinessLine newspaper's birth 27 years ago and its long and fruitful association with MMA since then. He applauded MMA for conducting programs that are very effective, relevant and packed with many lessons.

He drew attention to two recent studies –one done by SBI's Economic Research wing and the other by CRISIL. Both have reported that our economy is falling off a cliff; Next year's GDP growth will be -6.5% and the next quarter's GDP will shrink by 25%. "This," he said, "is the direct result of lockdown which started in the last week of March 2020."

Commenting on the stimulus package of Rs 20 lakh crores, he observed that after a detailed analysis, the actual size of fiscal stimulus is less than 10% of what is announced. The rest comes from the monetary measures announced by the RBI, more in the nature of potential for injecting liquidity in the economy.

He lamented that RBI depends on the banking system to deliver and that our banks are remarkably reluctant to lend. "Nothing has changed to remove that risk aversion. Measures like the suspension of IBC will make the banks even more reluctant," he noted.

The Centre has come up with sovereign guarantee for loans extended to MSME. This, he felt, addresses the problem partly but the execution remains to be seen. He said, "The statement of intent is there. But the details are missing."

On managing the Covid-19 pandemic, he felt that India's testing rate is very low relative to our population. "After 3 months of lockdown, we are one of the highest infected countries. But the opening of economy is inevitable," he argued.

He requested Dr Narayan to examine the quality of India's response, if it is adequate and if the timing and sequence of tranches announced are all right. Since we shall have minimum 6 months of struggle ahead, what will be the new normal? Should we have kept something in store for a future package? Who are the different people impacted by the stimulus?

He invited Dr Narayan to deliberate on the above questions in his initial remarks before opening up a discussion.

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## Address by the Speaker – Dr S Narayan, IAS (Retd)

**Dr S Narayan, IAS (Retd)**



Dr Narayan stated that even before Covid-19, Indian economy was struggling and that the pandemic has ruined our economy. “There will be zero growth this year,” he said.

According to him, the lockdown was well timed but the government grossly failed to see the migrant labour issue coming up. “This and the resultant pain could have been easily avoided. The lockdown, however, gave two to three months’ time for the government to prepare better and take the disease head on, with an armoury of PPEs, face masks and ventilators,” he said. He added that the recovery rate of close to 40% is good and our death rate is low compared to other countries, if official data are correct.

Dissecting and analyzing the PM’s economic stimulus package of 20 lakh crores, Dr Narayan sounded an overall note of optimism. He broadly put the package into 3 boxes, namely:

- **Survival**
- **Revival** and
- **Growth.**

Under **Survival**, he listed out the announcement of one nation, one ration card for public distribution system. This, he said, is a big reform and will help the migrant labour immensely. “This proposal was in fact initiated by Dr Manmohan Singh’s UPA government and was lying in cold storage. The present government has taken it up,” he noted. He also emphasized that we have enough food stock. Additional funds

allocated for MGNREGA will help the migrant labour who go back to their villages. He pointed out that banks have automatically increased the working capital limit of MSMEs by 20% without asking for any collateral. Also, he commended Centre for easing the monetary strain of NBFCs by providing them credit guarantee to the tune of 45,000 crores.

Under **Revival**, Dr Narayan pointed out the proposed amendment to agricultural product marketing act and taking out many things from essential commodities act. These measures will open up the agricultural markets in a very big way. He even bracketed this step with the 1991 reforms. **“This will be a big thing for agriculture, similar to what happened for industry in 1991,” he observed.** He also said that pumping of a lakh of crores into Agri based infrastructure like food processing, cold chain, etc. augur well for revival of agriculture.

He pointed out the efforts taken by some BJP state governments to suspend many labour laws temporarily, for a period of 3 years. Though this is not the right way, this will help in more employment opportunities for the migrant and returning labour and will be a boon to attract FDI. He lauded UP government’s initiative of ‘One district, one skill,’ by which each district will be developed with a particular skill of people– for example, Kanpur will focus on leather industry, Banaras on textiles, etc.

Under **Growth** measures, he opined that the government perhaps feels that the 1991 reforms were inadequate. “The 91 reforms provided openings for large industries to grow. When big industries grow, it leads to wealth and GDP growth. ***There is now a paradigm shift in government’s thinking.*** Is it possible to look at small industries and localized and dispersed industries?”

He said that we are self-sufficient in PPE, face masks and ventilators. “Pharma industry is ramping up. Large imports of China will get reduced.”

On a concluding note, he said that the devil is in the details and many details of the stimulus package are not clear. People who run the business should not feel the pain. Whatever schemes have been announced, they have to be made operational. To spur demand, government has to put money in people’s hands.

## Panel Discussion

After Dr S Narayan's address, Mr R Srinivasan, the moderator and Dr S Narayan discussed and debated some of the important issues facing the nation, in a freewheeling chat.

### **Suspending Labour Laws:**

Mr Srinivasan said that doing away with labour law or suspending some of the provisions is not labour reform but implementation is real reform. Labour rights have to be respected. Dr Narayan agreed but added that the present archaic labour laws need to be changed, so that the industries can comply with them, without resorting to circumventing the laws. This will help to reduce the 90% unorganised labour force in the country and solve many of the issues like the ongoing migrant labour problem.

### **Only Supply Side Stimulus?**

Mr Srinivasan noted that the PM's stimulus package focuses only on the supply side and demand has been neglected. Dr Narayan concurred and suggested that the government, as a short-term measure, should put money in the hands of the people by way of dole outs.

### **Outdated Budget?**

Mr Srinivasan said that the Union Budget announced in Feb 2020 is no longer valid. Dr Narayan also agreed with former Finance Minister Mr P Chidambaram's suggestion that the government has to come up with a revised budget, as many of the assumptions in the budget are no longer valid.

### **Middle Class Woes:**

Mr Srinivasan referred to the sharp reduction of manpower in the organised sector. There have been job losses, pay cuts, rationalization of work force, etc. which have increased the pressure on middle class people. It doesn't help consumption. Dr Narayan noted that we need to look at this issue from specific sectors. Pharma industry will do well. FDA will give more approvals to Indian formulations. Food and food processing, agriculture related businesses and logistics will pick up. Real estate and construction and automobile industry will have a tough time. IT industry will save a

lot of money by asking people to work from home (WFH) for 2 to 3 days in a week. This will be the new normal.

**Centre –State Finance:**

Mr Srinivasan pointed out that the lockdown was imposed by the Centre and the exit from lockdown has been left to the states. They don't have money. Their main sources of income, namely taxes from fuel and liquor and land registration charges have been affected. GST compensation is also delayed.

Dr Narayan agreed that many states struggle to even pay salaries. The states must be allowed to borrow at reduced interest rates from the centre. The Centre should not link it to reforms like Power sector reforms. All these have to be stopped now. It will give Rs 1,40,000 crores in the hands of the states which is substantial. States should also seriously look at their expenditure and prune their freebies to restore fiscal health.

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## Q & A: Dr S Narayanan, IAS (Retd)'s Answers to Viewers' Questions

**Q:** How do you see the situation with respect to environment and energy, especially renewable energy and coal?

**A:** In terms of environment, we have benefitted by Covid. Rivers are cleaner. Polluting industries have stopped. We know the origin of the pollutants. It is now easier to implement programs like Clean-Ganga and Clean-Yamuna. Coal consumption has come down. Renewable energy usage like that of solar power will pick up.

**Q:** Is the Finance Ministry not able to match the vision and grandeur of the Prime Minister?

**A:** Their ideas are good. But implementation has been a problem. The capability down the line has not been encouraging. Take for instance the demonetization exercise. The size of the new currency notes was changed but they did not think of ATM calibration beforehand.

**Q:** I work for a foundry in Coimbatore. The employer invested in labour. But with lockdown, many have left. When we restart now, there are restrictions like 'only 50% labour are allowed'. We need more than 50% for certain operations. How can the government address these practical issues?

**A:** Definitely, the District Industries Officer (DIO) must understand the nature of such factories and relax the 50% labour criteria. There has to be a cell in each state for migrant labour. Skill analysis has to be done. Uttarakhand government recently did this exercise of categorising labour who came back to their state post lockdown into skilled, unskilled and those who will return to their workplace outside the state. This is a laudable effort.

**Q:** Will you support South Asian economic recovery led by India through forums like SAARC and ASEAN?

**A:** I am not an expert in international relations. Mr Srinivasan being a media person can answer this.

**R Srinivasan:** It is true that SAARC's potential is unrealized. The SAARC nations together have market, population, skill and they constitute an enormous

economic engine. But politics have come in the way. The recent trend is also against globalisation and there is a pitch for nationalism and self-reliance. So because of the political challenges, the possibility is remote.

**Question by Mr Peter Rimmele of KAS:**



**Q:** In your talk, you mentioned about the need to stimulate demand. A stimulus package for consumption is not sustainable. Don't you think that if we can formalize the 90% informal labour, purchasing power can be greatly enhanced?

**A:** Absolutely. We should have labour laws that will encourage companies to have more people in the formal environment. We need to change the labour laws. Now I see a glimmer of hope, though some states have gone the wrong way. But to stimulate demand in the short term, there have to be cash dole outs. The government has to simply put money in the hands of the people and sweeten the spending cycle. I feel that the government is holding this up in its sleeve.

**Q:** During your last speech at MMA on the Union Budget, you spoke of the ideological shift in the government's thinking. Is PM's Aatmanirbhar a step in that direction?

**A:** It is part of a larger canvas. At the moment, it is equally driven by economic consideration. We discovered that even for manufacture of N95 masks, we needed things from outside. We could make ventilators considerably cheaper than what we import. The PM has realized the fact that this kind of dependence for core sectors does not make sense. Remember, all countries now talk of self-reliance.

**Q:** When do you think will the global economy and Indian economy be back to normal?

**A:** I am sure that by 2025, the global economy will be back to normal and Indian economy will be doing very well. Our food safety is good. We'll get lot of foreign investments by then.

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## Vote of Thanks

### Group Captain R Vijayakumar (Retd), VSM, Executive Director, MMA



At the end of the Q & A session, **Group Captain R Vijayakumar**, ED, MMA thanked the moderator Mr R Srinivasan, Editor, The Hindu BusinessLine and the key note speaker **Dr S Narayan, IAS (Retd)** for their valuable insights on the PM's economic package. He thanked Mr Peter Rimmele, Resident Representative to India of KAS for his introductory remarks and support extended to MMA. He also thanked Mr Pankaj Madan, Head of Programs of KAS, Mr P Ravichandran, Vice President, MMA, Mr Satyamurthy of ORF and all the viewers before signing off.

The event concluded at 7:45 PM.

# Photos

## Photographs taken during the Live Talk under the 'Leaders Speak Series' on the theme: "PM's Economic Package: Different Strokes"

The image shows a Facebook post from the page 'MMA, Chennai'. The post is titled 'MMA, Chennai was live.' and is dated '26 May at 17:54'. The main content of the post is a video player showing a Zoom meeting. The meeting has four participants visible in a grid: Srinivasan R, subbar amannarayan, Ravi, and Gp Capt R Vijayakumar VS... The Zoom interface includes the 'zoom' logo and a play button in the center. Below the video player, there are options to 'Watch together with friends or with a group' and a 'Start' button. The post has 14 likes and 11 comments, with 351 views.

The image shows a YouTube video player for the video 'PM's Economic Package: Different Strokes by Mr Narayanan'. The video is from the channel 'madras management association'. The video player shows the same Zoom meeting recording as seen in the Facebook post, with four participants: Srinivasan R, subbar amannarayan, Ravi, and Gp Capt R Vijayakumar VS... The video player includes standard controls like play, volume, and a progress bar showing 0:01 / 1:44:35. Below the video player, the video title is 'PM's Economic Package: Different Strokes by Mr Narayanan', and it shows 143 views, streamed live on May 26, 2020. There are 2 likes and 0 dislikes, and options for share, save, and more.



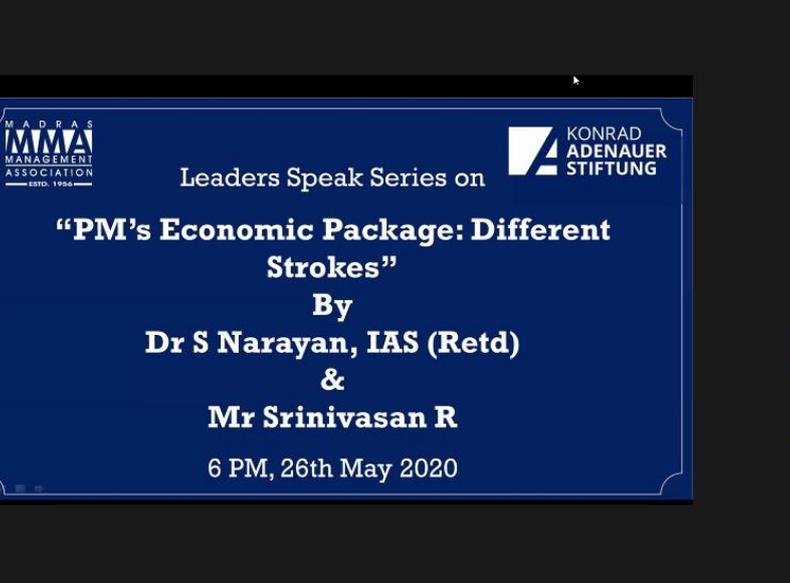
LIVE on Custom Live Streaming Service Total non-video participants: 23



**Leaders Speak Series on**  
**“PM’s Economic Package: Different Strokes”**  
**By**  
**Dr S Narayan, IAS (Retd)**  
**&**  
**Mr Srinivasan R**  
**6 PM, 26th May 2020**







Activate Windows  
Go to Settings to activate Windows.

## Links for the Recording

### PM's Economic Package: Different Strokes

We are pleased to share that the recording of the event is available for viewing pleasure through the links indicated below:

#### Website:

[www.liveibc.com/mma/](http://www.liveibc.com/mma/)

#### YouTube:

<https://www.youtube.com/watch?v=rXHKmuzPV10>

#### Facebook:

<https://www.facebook.com/watch/?v=2326954610944946>



The response to the event has been excellent and we had larger number of viewers logged in live through Zoom, MMA Live webinar, YouTube and Facebook.

#### Total Number of Participants:

Zoom: 80

YouTube: 143

Facebook: 351

MMA Webinar: 267

**Total number of participants at the event - 841**



## The Partners – MMA, KAS and ORF

### About Madras Management Association (MMA)

**Madras Management Association (MMA)** was established in 1956 with the prime objective of promoting management education, training and development activities in this part of the country. The vision of MMA is “To be the Fountainhead of World class Management Excellence in India”.

Over the past six decades, MMA has striven for development and nurturing management expertise, combining Indian ethos with International Management thoughts and practices. MMA has contributed immensely to the enhancement of management capability in this part of the country, and in particular Tamil Nadu and Puducherry. MMA has over 7000 corporate houses, industries, professionals, academics and executives on its rolls as members. MMA annually organizes about 725 executive development activities, including seminars for top management with a total participation of fifty-nine thousand executives and entrepreneurs.

MMA is the largest affiliate association of All India Management Association (AIMA) in the country and has been adjudged as the Best Management Association in India by AIMA for ten times in a row including the “National Excellence Award” for the year 2017-18.

The activities of MMA are planned to achieve managerial excellence in the functioning of industries and professional managers in Tamil Nadu and Puducherry. In this direction, MMA chapters have been established at various towns in Tamil Nadu mainly to cater to the needs of SMEs. Nine such MMA Local Chapters at Ambur, Attur, Erode, Hosur, Namakkal, Salem, Sri City, Trichy and Puducherry are functioning effectively.

Apart from corporate leaders, MMA has, in its Managing Committee, the Vice Chancellors of Madras University & Anna University, the Directors of IIT Madras and IFMR and the Chief Secretary, Government of Tamil Nadu, as members.

### **OUR VISION**

To be the Fountainhead of World Class Management Excellence in India

### **OUR MISSION**

- Synthesise Indian Ethos with international management thought
- Be a reservoir of expertise in management
- Inspire individuals to actualise their potential
- Nurture creativity and originality

## **About Konrad-Adenauer-Stiftung (KAS)**

**The Konrad-Adenauer-Stiftung (KAS)** is a German political foundation, with a strong presence throughout Germany and all over the world. Freedom, justice and solidarity are the basic underlying principles of the work of the Konrad-Adenauer-Stiftung.

With more than 100 offices abroad and projects in over 120 countries, it makes a unique contribution to the promotion of democracy, the rule of law and social market economy. To foster peace and freedom KAS encourages a continuous dialogue at the national and international levels.

Human beings in their distinctive dignity and with their rights and responsibilities are at the heart of its work. KAS is guided by the conviction that human beings are the starting point in the effort to bring about social justice and democratic freedom while promoting sustainable economic activity. By bringing people together who embrace their responsibilities in society, KAS develops active networks in the political and economic spheres as well as in society itself. The guidance it provides on the basis of political know-how and knowledge helps to shape the globalisation process along more socially equitable, ecologically sustainable and economically efficient lines.

KAS cooperates with governmental institutions, political parties and civil society organizations building strong partnerships along the way. In particular, we seek to intensify political cooperation at the national and international levels on the foundations of our objectives and values. Together with our partners we contribute to the creation of an international order that enables every country to develop in freedom and under its own responsibility.

The Konrad-Adenauer-Stiftung has organised its program priorities in India into the following working areas:

1. Foreign and Security Policy
2. Economic and Energy Policy
3. Rule of Law and local Self-Government
4. Social and Political Training and Development
5. Indo-German Parliamentary Dialogue programmes

The Konrad-Adenauer-Stiftung's India office takes great pride in its cooperation with Indian partner organisations who implement jointly curated projects and programmes.

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## **About Observer Research Foundation (ORF)**

### **The Beginning**

ORF began its journey in 1990 at the juncture of ideation tempered by pragmatism. During the period of India's transition to a new engagement with the international economic order, several challenges emerged, evoking a need for an independent forum that could critically examine the problems facing the country and help develop coherent policy responses. ORF was thus formed, and brought together, for the first time, leading Indian economists and policymakers to present the agenda for India's economic reforms.

### **What We Are Today**

Propelled by the process of reforms initiated in the 1990s, ORF, over the past 30 years of its existence, has effectively narrated and participated in India's story as the country has acquired an unmistakable global footprint. From primarily looking inward and engaging with domestic reforms, to gradually forging global partnerships, ORF today plays a seminal role in building political and policy consensus that enables India to interact with the world.

As new powers re-emerge onto the global stage, existing systems face challenges of agreeing on a new set of rules to control and regulate the new frontiers of space, the oceans, the internet and the human mind. The world continues, also, to navigate persisting concerns related to security and strategy, economy and development, energy and resources. As India begins to play a larger role in the 21st century, ORF continues to push normative boundaries, bring new ideas into the policy discourse and provide a platform to a new generation of thinkers. It is supported in its mission by leading intellectuals, academicians, policymakers, business leaders, institutions and civil society actors.

ORF's aim is to encourage voices from all quarters, geographies and gender, both those that fall in and those that question dominant narratives. It is this plurality of thought and voice — in a country of over a billion individuals — that ORF seeks to carry abroad, while simultaneously bringing contemporary global debates to India.

### **The Mandate**

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ORF seeks to lead and aid policy thinking towards building a strong and prosperous India in a fair and equitable world. It sees India as a country poised to play a leading role in the knowledge age — a role in which it shall be increasingly called upon to proactively ideate in order to shape global conversations, even as it sets course along its own trajectory of long-term sustainable growth.

ORF helps discover and inform India's choices. It carries Indian voices and ideas to forums shaping global debates. It provides non-partisan, independent, well-researched analyses and inputs to diverse decision-makers in governments, business communities, and academia and to civil society around the world.

Our mandate is to conduct in-depth research, provide inclusive platforms and invest in tomorrow's thought leaders today.

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