



Pondicherry

### Single Window Policy

#### **Creating the Right Investment Climate**

Increasing emphasis is being placed throughout the world on establishing an 'investment friendly' climate. Even in India, states are being ranked according to their investment climate. This ranking is being taken very seriously by foreign investors especially those who do not want to be met with too much red-tapism. While infrastructure development is key to creating the right investment climate, an equally important component is hastening the process of obtaining clearance for establishing industries. While Pondicherry's industrial policy has emphasised a single window clearance system, in practice this system is not operational. Though the District Industries Centre is the nodal agency for the single window clearance system, i.e. it is supposed to forward the applications of industrialists to the concerned municipality/commune panchayat after getting the necessary clearances, industrialists are still made to run around to the concerned departments to pursue their applications. This is an extremely tedious job as it involves getting a NOC from the Department of Science, Technology and Environment, approval of the factory lay out from the Inspectorate of Factories, site clearance from the Town and Country Planning Department, permission of land conversion from the Agricultural Department, power feasibility certificate from the Electricity Department, building plan approval from the Pondicherry Planning Authority, clearance from the Health, Fire Service, and Revenue Departments and licenses from the Food and Drugs Administration and Civil Supplies Department. The government's priority, therefore, should be to operationalise this single window clearance system in such a manner that investing in Pondicherry is not a cumbersome process. In the Draft Tenth Five Year Plan for Industries, the government has stressed the need for simplifying procedures but not in line with a single window clearance system. Thus, slow clearance procedures are likely to continue. Even if multiple permissions are required, a nodal agency such as the Industries Department can act as the coordinator so that the entrepreneur does not have to run from department to department. A single window clearance system can only be effective if the process itself is computerised in order to facilitate inter-department transactions. Once this is done, it will be possible for industrialists

to pursue their applications on-line and consequently speed up the process. A redressal cell should also be established so that any unnecessary delays can be expeditiously pursued. For all of this to happen, considerable effort will have to be taken to improve the overall efficiency of government departments. While the computerisation of line departments will help to a great extent, equally as important is improving the 'friendliness' of public servants. Government employees need to undergo training for the necessary attitudinal changes so that they perceive of the public as customers. Also, central to creating the right environment is promoting Pondicherry as an industrial location. Pondicherry needs to much more actively seek out industries to invest in the Union Territory by holding industrial trade fairs, meeting with industrialists on a one to one basis and actively advertising the infrastructural and economic incentives it has to offer. This is all the more important in a climate where states are competing with each other for industrial investment. A single big investor in Pondicherry could lead to more investment in basic infrastructure which will lead to more interest in Pondicherry. At present, Pondicherry is not pro-active enough in doing so, and as a result investors are going elsewhere.