

Creation of Economic Green Corridor– solution for faster execution

Given the rapid increase in Covid-19 cases, Railways operated Oxygen Express trains to transport liquid medical oxygen and oxygen cylinders for patients across India, using 'green corridors' for expeditious delivery. A green corridor is a demarcated, cleared out special route created for an ambulance or a vehicle to escape traffic congestion and to reach destination in the shortest possible time. While green corridors have been in use for a few years across cities and states to help transport donated or harvested organs to patients, in these trying times the same are being used across the nation to enable faster movement of medical equipment and to ensure speedy supply of medical facilities to the patients without any loss of critical time. Conceptually, a green corridor helps bridge shortages in an area and ensures efficient and fastest satisfaction of demand.

Shortages in almost all areas is what the pandemic has exposed in a large and heavily populated country like India – be it hospitals, manufacturing facilities or transportation facilities. This crisis has clearly made us aware that we need to fix many many things: not just healthcare, but also the economy. Like healthcare emergency, we also need to acknowledge the economic emergency to build significant additional capacity in almost every sector. And we need to execute this capacity addition across the board at great speed. An 'Economic Green Corridor' could be our answer to required speed of execution and capacity creation.

A Green Corridor for setting up an industry could have pre-approved resources such as land, environmental clearance for various industries, water and electricity, infrastructure, transportation, finance, and tax benefits. Potentially, land could be acquired by the government and stored in a digital landbank for specified industries in specified areas. An investor can buy it through a digital platform and have it transferred in their name online by paying the specified price. Using this mechanism, land acquisition and availability could be totally decongested with speedy and transparent execution. Even environment clearance, an otherwise very toxic and subjective subject, could be pre-approved for specified industry types for specified land parcels. The industry should only be required to follow an established set of criteria rather than lobbying for prior approval. Water and electricity connection could be made available online, on demand at a price, and for pre-approved consumption thresholds. Even labor laws and shops and establishments requirements could be based on principle of self-compliance and regulatory supervision instead of going through an approval process. Policies should be clearly defined and put out in the public domain for people to follow. Any non-compliance could be dealt with severely. Of course, financing with time is getting more and more digital with banks adopting highly intelligently automated business rule engines and moving towards pre-approved sanctions and digital disbursement.

Even the judiciary and dispute resolution mechanism are today riddled with inefficiencies and delays, making the business environment more difficult. A green corridor judiciary could be a parallel network on online courts and dispute resolution authorities. Resolution of disputes could be attended, may be even in 24x7 shifts of hearing, in the online court and arbitration platforms.

There are many many more services which could be moved on a green corridor – why can we not buy, transfer, and register our cars and vehicles online, why can we not register a lease agreement online. Why can a house property purchase not be completed online.

We need to move with speed and enable the speed of execution. There is a lot this country needs to do in a short time to build its infrastructure and economy. A new statute of Special Implementation Framework under the Green Corridor should be introduced – the same would override most of the existing laws. It is like to travel from Bombay to Delhi, rather than regularly and constantly repairing the regular road, create an option for people to fly down. Of course, the existing route can stay in parallel, and an investor can have the option on which route to take – the regular one or the Green Corridor.

Our Views

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The Government is not new to this strategy – the introduction of the IBC Code to fix the problem of non-performing assets and the Aadhar implementation both required new laws that applied pan-India. This would be essential to build India holistically and would take India several notches up on the “Ease of doing Business” scale. Overtime, we have come up with great plans but have been saddled with poor execution because of many issues. An Economic Green Corridor would help overcome the execution challenges.

<https://economictimes.indiatimes.com/markets/stocks/news/how-about-an-economic-green-corridor-to-fast-track-execution/articleshow/82372527.cms>

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