

This is just the beginning of reforms in Rajasthan: Vasundhara Raje

Interview with Chief Minister, Rajasthan

Since she became chief minister of Rajasthan for a second time in December last year, winning 163 of the 200 Assembly seats, **Vasundhara Raje**, 61, has announced a series of labour reforms. She has made it easier for companies to fire workers without the government's approval and instituted a new card to transfer benefits to the woman head of the family. In a rare interview, she tells *Rahul Jacob* and *Sahil Makkar* that she has learnt from her previous term (2003-2008). Edited excerpts:

At the beginning of your second term as chief minister, you have hit the ground at full sprint. Is this the result of lessons learnt in the past?

One always lives and learns. Of course, time changes, too. Something that didn't exist then is the rage now. So, one has to move faster. At that time (2003-2008), no one came forward to execute the Bhamashah (biometric benefit cards for women) scheme. We didn't have enough people to make smart cards. Now, it is part of everyone's life. Of course, one has learnt from previous experiences. It wasn't as if one day we woke up and won the elections. We were working towards this; we had prepared backgrounders on schemes and were able to roll those out in a short time.

Have the huge mandates in the Assembly and Lok Sabha elections put pressure on you to perform?

It is not about 163 seats; it is about the awesome faith people have reposed. I have to work flat out to get things done. People had lost faith in their representatives. Prime Minister Narendra Modi recently said nobody was asking for a report card on 10 years of the United Progressive Alliance government but they have already started asking us. There are huge expectations. We are working double time and will be able to deliver and fulfil promises.

Is there a Rajasthan development model?

There is no one-size-fits-all strategy for India. Every state is different in terms of geography and people. Everyone will have their own models. We have to work on the Rajasthan model. At this moment, I have six parameters - government at your doorstep, financial inclusion, skill development, fair price shops, tourism in villages and investment, along with need to create infrastructure for drinking water, electricity, roads, education and health.

What about the radical labour reforms? Now, companies with 300 employees don't need government approval for lay-offs.

This is about jobs. We have been very careful. Earlier, employees weren't given notices. Now, there is a severance pay, a three-month notice and a three-month salary. So, a person has enough time to skill himself for new jobs. Nobody was growing beyond 100 employees. So, with the new changes, people are getting three times the jobs. A lot of these (changes in law) aren't actually hurting anyone. I think this is just the beginning.

Why didn't you raise the limit to 500 rather than 300?

One couldn't. Somehow, you have to (go for the) optimum (level) and that (would be) going too far. So, you take it up slowly.

Were the labour reforms aimed at attracting more investment?

They were. It is more about jobs; people are waiting for jobs. If you don't give a conducive environment, industry will not come. I am not a great economist. I am just looking at how I will be able to do things around me. Just now, officials from Honda, JCB, the Tatas, along with those from some water companies and a lot of solar power companies have met us. We hope to make 2015 exciting.

You have been complaining about the poor financial health of the state.

When I took charge this time, it wasn't a neat and tidy house. It was like a bull in a China shop; everything was shattered. I had to clean the entire house and this is taking some time. Currently, 97 per cent of the state revenue goes into paying salaries, pensions and interest. The rest goes towards development work.

It is surprising that while other states are going after capital-intensive investment, Rajasthan is chasing labour-intensive investment.

I am actually looking to see that SMEs (small and medium enterprises) grow. When I was minister for small and medium enterprises, I studied the model in many countries and discovered the growth engine wasn't big companies. When I was Union minister I sought more money for SMEs from the finance minister because these were providing so much positive energy to the country. I believe we need to bring those in.