

**The Times of India**

**Title : Licence raj gone, but inspector raj persists: RBI gov**

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Pitching for better business environment for startups, RBI governor Raghuram Rajan on Saturday said India has done away with the licence raj, but `inspector raj' still persists.

To mitigate this, he suggested a system of selfcertification for the industries with some checks on the part of the authorities to prevent any misuse. Advocating an easier set of regulations for small and medium enterprises, Rajan gave examples of UK and Italy saying, “ while regulations are liberal in UK, it is very heavy in Italy. Thus, the start ups in UK grow faster than their Italian counterparts.” Addressing ministers, bankers, bureaucrats and other stakeholders at the 4th Odisha Knowledge Hub here, the RBI chief said the economy is in the midst of recovery but some areas are still under stress.

Calling for a need to focus on development of SMEs, that require `hand-holding' by state governments and other agencies, Rajan mooted setting up institutions to finance them to ensure easy access to funds. A good monsoon will be helpful for the growth of the economy , he added.

Rajan said he was optimistic about growth of start ups if provided required facilities to grow. “Provision of easy entry and easy exit, smooth availability of finance, access to input and output market, protection from creditable taxes and healthy competition in the sector are the areas need to be focused by the planners and the governments,” Rajan said.

Stating that the government needed to create proper environment for the start ups, he said, “Though India has done away with the licence raj, inspector raj continues to some extent.”



**GIVING SMEs A LEG UP**