

Basic Economy Solution:

Setting macro level variables; and fiscal & monetary management on right track

Economy is vast and has several variables and control points. Therefore, we have divided our solution into two parts: Basic and Comprehensive.

Basic Economy Solution (BES) attempts to regulate the macro level variables of growth, inflation, investment and fiscal & monetary policy. So far as the fiscal management is concerned, the emphasis is on the fiscal deficit, sovereign debt and taxation. Only an outline of sovereign expenditure is dealt with in this solution. Detailed analysis and solution relating to most of the areas of sovereign expenditure is contained in our Comprehensive Economy Solution (CES) and Governance Solution (GS).

BES Objectives

The principal objective is to have the right framework of economy. This is achieved by keeping the macro level variables under control (say inflation or sovereign debt). Once the framework is right, the damage occurring due to macro level excesses or deficiencies can be eliminated. However, this would mainly take care of quantitative aspects of economy. The qualitative aspects, such as providing social security, education, healthcare or building infrastructure for the economy, will also impact the outcome. These aspects have been made a part of either CES or GS solution.

Most of our solutions are unique. Quite often, they may not agree with the traditional or academic thinking. Therefore, a nation adopting our solution will need to look at our solution with open mind and objectively, without any bias. It should try to relate our solution to ground realities and apply the barometer of cause effect relationship (and also law of justice) to what we recommend.

For instance, we have our methodology of controlling inflation. We advocate fixed and reasonable interest rate regime so that the uncertainty on that front is completely removed. Our inflation controlling methodology is simple

to implement, does not cost resources and would produce quick results.

Coverage of BES

Our BES solution deals with 21 broad areas as shown below. Each area may have sub-areas and elements. All of them will need specific policy prescriptions and control points. All these will be taken care of by our model.

Our BES consultancy report will analyse the existing state of affairs relating to these 21 areas and recommend changes required (most of them would need either major overhaul or minor policy fine-tuning). The report will also present a plan of action (some changes can be implemented immediately; some may require a gradual approach) with clear milestones and timelines.

Our report will be to-the-point, concise and unambiguous. It will recommend the solutions and their timing of implementation. Thus, there will be a complete **clarity regarding what needs to be done and why it needs to be done.**

If the government decides to implement our report, it will have to make the necessary changes in its policies and laws. Thereafter, quarterly progress report will have to be prepared in respect of each area (we will provide progress report format along with our BES consultancy report). These reports will be analysed and commented by us. A course correction required, if any, would also be suggested by us. Thus, we will be with you to see through the implementation and monitor the progress. In view of the governance expanse and time required to manage the economy, it is desirable that our services are sought for a period of four years though this is not a condition from our side.

1. Assessment of macro level variables
2. Stewardship of Economy: Planning for growth; fiscal spending; fiscal deficit and sovereign debt
3. Organisational Set-up of Government

4. Budgeting and Revenue Sharing with States
5. Taxation Principles
6. Value Added Tax/ Goods & Services Tax
7. Income Tax
8. Wealth Tax
9. Stamp Duty and Registration of Properties
10. Import and Export Duty
11. Sin Tax – Excise Duty
12. Motor Vehicle Tax
13. Other Taxes
14. Principles of Sovereign Spending
15. Sovereign Expenditure allocation on various areas; pay and pension; and interest on debt
16. State's Procurement Policy
17. Monetary Policy
18. Elements of Monetary and Banking Regulation Framework

19. Control Over Inflation (Specific measures; a part of monetary policy)
20. Construction of realistic inflation index
21. Foreign Exchange management

Consultancy Charges

This will depend upon the scope of work. A preliminary assessment can be carried out (this will include submitting certain broad data/information to us) by us for your country. Based on this, we will be able to quote the amount of our consultancy fee.

Nations will get a good idea about the state of their country's macro level economic affairs from our preliminary assessment. Thereafter, they can take a call regarding whether to hire our services. Therefore, a nation should consider getting a preliminary assessment done from us.

Contact Us

Please send us a mail specifying your requirements. We will get back to you at earliest.