

### **Policies for efficiency and productivity**

7.52 There has been a major change in the nature of industrial policy in the light of economic reforms. The essence of the reforms process, has been the quest for efficiency, or the establishment of a framework of incentives whereby the highest possible value added is obtained using a given stock of labour and capital. This is expected

to lead to rapid economic growth, through improvements in productivity of the old stock of labour and capital, and the best possible utilisation of the incremental labour and capital which come on stream each year. A wide variety of policy initiatives are underway, which span across many different government agencies, which foster efficiency and productivity. These areas have now become the main focus of industrial policy.