

EDITORIAL

Dear Reader,

One of the biggest challenges of South Asia still lies in attaining education and quality education for the children, especially in rural, remote and vulnerable areas. When gunmen put bullets into Malala Yousafzai's head for aspiring and advocating education for herself and other girls in her native Swat Valley of Northern Pakistan, the issue became an international movement, and the fight won a Nobel Prize not for Malala only but for all girls deprived of education in the world. Malala ignites enormous hope for this generation. But the hope turns to despair when we get to hear the chilling news like brutal killing of hundreds of growing minds within schools premise to extract revenge. It is ironical that the pioneering idea of human development with education as a pivotal component which emerged more than two decades back from the great South Asian minds of Mahbub-ul-Haq and Amartya Sen, is yet to translate into action for the masses. The young students in the remotest parts of South Asian countries are still forced to risk their lives to access formal education, like crossing rivers or walking miles to reach school every day, as many such villages are not connected with alternative safe routes. In conflict-zone areas, many of them are alarmingly trapped in militancy to destroy humanity through violence. In mainstream a large number of them are forced to work as child labour, who are denied off from going to school to aspire for a future of their own choice. It is still a long journey, but efforts need to be ceaseless, and in words of Audrey Hepburn, "Nothing is impossible, the world itself says 'I'm possible'!"

In India, an Annual Survey of Education Report (ASER) brings out the most important survey results on the status of education, both in terms of quantum of enrolment and the quality imparted. It goes a step further from Census report and tries to focus on learning achievement with a unique assessment methodology. The survey was initiated in 2004 and completed its 10th report in 2014, which once again reveals some depressing and dismal scenario, as discussed in the cover story. The key issue on which ASER has been emphasizing from last ten years is the low basic learning levels of children, which had drawn attention of the erstwhile UPA government, who has passed the historic Right to Education Act in 2009 to make education a fundamental right to every child. This according to the survey report has changed the trend, and since 2010, learning levels have improved marginally. Better learning outcome alone can focus on deeper comprehension to make a child confident and think rationally in the long run. Given the present demographic landscape, India seriously needs to improve its human capital base by emphasizing at length on visible learning outcome along with education infrastructure and accessibility, which alone can change the discourse of society, economy and polity towards a more harmonious and equitable one.

Hope our readers enjoy this issue of Policy Watch which also has many more relevant pieces including pre-budget apprehensions and expectations.

We look forward to your comments and feedback.

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COVER STORY

Status of Children's Schooling in Rural India: Annual Status of Education Report (ASER) 2014

Introduction

The Annual Status of Education Report (ASER 2014) was released on January 13th 2015 in New Delhi. This is 10th annual report of ASER, which is the largest annual household survey of children in rural India. It focuses on the status of schooling and basic learning. Facilitated by Pratham, in each rural district, ASER is conducted by local organizations and institutions. ASER 2014 reached 577 districts and 16,497 villages, and about 570,000 children in the age group 3-16 were surveyed from just over 340,000 rural households.

We present here an overview of status of education of children in rural India from the findings of the Annual Status of Education Report (Rural) 2014¹.

Key Findings

- 2014 is the sixth year in a row where enrolment levels are retaining at 96% or higher for the 6-14 age group, taking India close to universal enrolment for the 6-14 age group
- Nationally, the percentage of children out of school (age group 6-14) remains at 3.3%, the same as the figure last year.
- In some states the proportion of girls (age group 11-14) out of school remains higher than 8%. These states are Rajasthan (12.1%) and Uttar Pradesh (9.2%)
- While enrolment levels are very high for the age group covered by the Right to Education Act (i.e. 6 to 14 years), the proportion of 15 to 16 year olds not enrolled in school is substantial. Nationally, for rural areas, 15.9% of boys and 17.3% of girls in this age group are currently out of school.
- In 2014, 30.8% of all 6-14 year old children in rural India are enrolled in private schools. This number is up slightly from 29% in 2013.
- Reading levels remain low and unchanged. In 2014, in Standard (Std) III, only a fourth of all children can read a Std II text fluently. This number rises to just under half in Std V. Even in Std VIII, close to 75% children can read Std II level text.
- The All India (rural) figures for basic arithmetic have remained virtually unchanged over the last few years. In 2014, 25.3% of Std III children could do a two digit subtraction.
- In 2014, about 25% of children enrolled in Std V could read simple English sentences.
- The percentage of schools complying with RTE mandated pupil-teacher ratios has increased from 45.3% last year to 49.3% in 2014.

¹ This is a provisional ASER 2014 report based on the data received from states and districts by December 30, 2014. The final ASER 2014 report will be available on the website (<http://www.asercentre.org/>) on August 1, 2015.

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What is ASER?

ASER is a step ahead to children’s learning from their mere schooling. Whether or not children go to school is a visible phenomenon. Parents, communities, public - everyone can see children going to school (or not). But what happens in school is more “invisible”. The usual assumption is that if a child is going to school, the child must be learning. But, ironically, with parents, especially those who are not literate or do not have much schooling, there is a need to make it possible for mothers, fathers, family members, and people in the community, to see what is meant by learning. To understand what is meant by learning, and for people to grasp it, there is an urgent need to demystify “learning” and make it “visible”.

Thus ASER on its way to estimate the intensity of learning, tries to find answers to following questions:

- Are children enrolled in school?
- Are they able to read simple Grade 1 and Grade 2 level text?
- Can they recognise numbers and do basic arithmetic operations?

By design ASER is a ‘floor’ test: the purpose is to judge whether children are at or below a specific level (Grade 2 level for reading and Grade 3/Grade 4 level for arithmetic).

Figure 1: Salient features of ASER 2014



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What does ASER Depict?

ASER, which was started 10 years back in 2005, is an initiative which clearly depicts the status of children's schooling and their learning during last one decade (the tenures of UPA I and UPA II). The previous government (UPA I & UPA II) during their tenure took a series of measures to improve the educational status of children in India and resulted to a revolutionary change in the education status of children. The expansion of infrastructure and other facilities has led to large numbers of children transitioning to the upper primary stage and beyond. But, it was quite evident with the first ASER survey in 2005 that an improvement of basic learning in reading, writing, and math was the main challenge before India.

To address these above mentioned challenges, various government schemes like Sarva Shiksha Abhiyan (SSA), non-lapsable Prarambhik Shiksha Kosh etc. government were started to improve the quality of learning, but the results have failed to depict any major improvement for first few years of survey. ASER continued reporting low level of learning in subsequent years. Thereafter in 2009, the Right to Education (RTE) Act was passed and suddenly ASER started depicting changes in the schooling status.

In ASER 2010 report, it was highlighted that the proportion of children in private schools was growing, but the learning levels were declining. Further, the paradox of the last ten years is that while governments spent money on building schools and hiring teachers by lakhs, and also provide free textbooks, uniforms, and mid-day meals, the net enrollment in government schools went down and enrollment in private schools went up sharply, especially in the primary stage. Between 2007 and 2013, according to District Information System for Education (DISE), total enrollment in primary schools peaked in 2011 at 137 million while the upper primary enrollment has grown from 51 million to about 67 million. During this period enrollment in government schools (Standard 1-8) declined by about 11.7 million, from 133.7 million to 121 million. In contrast, the enrollment in private schools went up by 27 million, from 51 million to 78 million.

Apart from these fundamental concerns, there exist certain other issues that make India stand as a different case. These issues are mainly those where monitoring becomes even more difficult. These include:

- Expectation of learning is limited- teachers are expected to teach the curriculum, finish the syllabus within a time frame, regardless of whether the children in the class are learning or not. Further, prevalence of multi-grade classrooms across the country and frequent absence of teachers and students makes the situation even worse-off.
- Lack of monitoring of teaching-learning processes- Almost all the monitoring is confined to inputs – enrolment, mid-day meals, distribution of incentives and so on. There is a need to develop such a system that monitors teaching and learning of children.
- Rote learning technique- educators and pedagogy experts blame rote learning as a cause of lack of understanding among the children. They believe that a more child-centric and experiential learning process could reverse the trend.
- Lack of subject knowledge among the teachers- in the wake of Teacher Eligibility Tests (introduced after RTE) and the high proportion of candidates who fail to clear the examination, it has been argued that subject knowledge is poor among our teachers.

The issues mentioned above might not be exhaustive, but certainly identify the lack of administrative control for the prevailing learning crisis which we need to overcome. The lack of proper improvement in the learning of children even after getting enrolled in school, clearly indicates the presence of a problem. This problem might be arising due to insufficient administrative control, which further might be due lack of support from the state authorities, since

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education is part of 'Concurrent List'. Thus even after several initiatives taken by the previous central government, not major improvement could be witnessed in the learning abilities of the children.

Further, in order to address these concerns, the recent initiative of present NDA government- Padhe Bharat Badhe Bharat, sub-scheme of SSA has set an outcome goal of 85% children in Std 1 and 2 reaching specified learning indicators in 2016-17. Though the initiative is focused to create a base for reading, writing, and math fluency, but the success is yet to be seen.

Rural India's Statistics

The proportion of children enrolled in private schools in rural India has increased slightly from the last year. In 2014, 30.8% of all 6-14 year old children in rural India are enrolled in private schools. In the age group 7-10 years, 35.6% of boys are enrolled in private schools as compared with 27.7% of girls. For the age group of 11-14 years, 33.5% of boys are in private schools as compared to 25.9% of girls. Also 5 states have private school enrolment rates in the elementary stage that are greater than 50%. These are Manipur (73.3%), Kerala (62.2%), Haryana (54.2%), Uttar Pradesh (51.7%), and Meghalaya (51.7%).

In standard (Std) III, 14.9% children cannot even read letters, 25% can read letters but not more, 20% can read words but not Std I level text or higher, 16.6% can read Std I level text but not Std II level text, and 23.6% can read Std II level text. For each class, the total of all these exclusive categories is 100%. However in some states, reading levels have improved since last year. For example, in 2014 a higher proportion of children in Std V in Himachal Pradesh, Haryana, Bihar, Odisha and Karnataka can at least read Std II level text than was the case last year. Tamil Nadu shows major gains in reading over last year for Std V.

The percentage of children in Std II who still cannot recognize numbers up to 9 has increased over time, from 11.3% in 2009 to 19.5% in 2014. Similarly, the ability to do division among Std VIII students has been dropping since 2010. The proportion of Std VIII students who could correctly do a three digit by one digit division problem was 68.3% in 2010. This number has dropped to 44.1% in 2014.

Table 1: Percentage of children in different types of schools 2014

Age group	Govt.	Pvt.	Other	Not in school	Total
Age: 6-14 ALL	64.9	30.8	1.0	3.3	100
Age: 7-16 ALL	63.0	30.5	1.0	5.6	100
Age: 7-10 ALL	65.1	31.8	1.1	2.0	100
Age: 7-10 BOYS	61.5	35.6	1.1	1.8	100
Age: 7-10 GIRLS	68.9	27.7	1.2	2.2	100
Age: 11-14 ALL	64.4	29.8	0.9	5.0	100
Age: 11-14 BOYS	61.3	33.5	0.8	4.4	100
Age: 11-14 GIRLS	67.5	25.9	1.0	5.7	100
Age: 15-16 ALL	53.8	28.9	0.7	16.6	100
Age: 15-16 BOYS	52.9	30.7	0.5	15.9	100
Age: 15-16 GIRLS	54.6	27.2	0.9	17.3	100

Note: 'Other' includes children going to madarsa and EGS.
Not in school = dropped out + never enrolled

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Source: ASER 2014

Apart from these measures, ASER 2014 visited 15,206 government schools with primary sections. Of these 8,844 were primary schools and 6,362 were upper primary schools which also had primary sections. It tried to measure the percentage of schools meeting the norms listed by The Right of Children to Free and Compulsory Education (RTE) Act, 2009.

Table 2 depicts the percentage of schools meeting the selected measurable indicators of RTE.

The data clearly indicates that the percentage of schools complying with RTE mandated pupil-teacher ratios has increased from 45.3% last year to 49.3% in 2014. With respect to drinking water provision and availability, drinking water was available in 75.6% of the schools that were visited. In four states (Bihar, Uttar Pradesh, Gujarat and Himachal Pradesh), drinking water was available in more than 85% of schools.

Further, since 2010, there has been significant progress in the availability of useable toilets. Nationally in 2014, 65.2% of schools visited had toilet facilities that were useable. In 2013, this figure was 62.6% and in 2010, it was 47.2%). The proportion of schools visited where girls' toilets were available and useable has gone up from 32.9% in 2010 to 53.3% in 2013 to 55.7% in 2014. In four states, more than 75% of schools visited had useable girls' toilets. These states are Gujarat, Kerala, Himachal Pradesh and Haryana.

Table 2: Percentage of Schools meeting the selected RTE norms 2010-2014

% Schools meeting the following RTE norms:		2010	2011	2012	2013	2014
PTR & CTR	Pupil-teacher ratio (PTR)	38.9	40.8	42.9	45.3	49.3
	Classroom-teacher ratio (CTR)	76.2	74.3	73.7	73.8	72.8
Building	Office/store/office cum store	74.1	74.1	73.5	76.3	76.7
	Playground	62.0	62.8	61.1	62.4	65.3
	Boundary wall/fencing	51.0	53.9	54.7	56.3	58.8
Drinking water	No facility for drinking water	17.0	16.7	16.7	15.2	13.9
	Facility but no drinking water available	10.3	9.9	10.3	11.1	10.5
	Drinking water available	72.7	73.5	73.0	73.8	75.6
	Total	100	100	100	100	100
Toilet	No toilet facility	11.0	12.2	8.5	7.2	6.3
	Facility but toilet not useable	41.8	38.9	35.2	30.2	28.5
	Toilet useable	47.2	49.0	56.4	62.6	65.2
	Total	100	100	100	100	100
Girls' toilet	No separate provision for girls' toilet	31.2	22.7	21.4	19.3	18.8
	Separate provision but locked	18.7	15.0	14.2	13.6	12.9
	Separate provision, unlocked but not useable	17.2	18.7	16.4	13.9	12.6
	Separate provision, unlocked and useable	32.9	43.7	48.1	53.3	55.7
	Total	100	100	100	100	100
Library	No library	37.4	28.7	24.1	22.9	21.9
	Library but no books being used by children on day of visit	24.7	29.1	32.2	36.4	37.4
	Library books being used by children on day of visit	37.9	42.2	43.8	40.7	40.7
	Total	100	100	100	100	100
Mid-day meal	Kitchen shed for cooking mid-day meal	82.1	83.7	84.3	87.0	88.1
	Mid-day meal served in school on day of visit	84.6	87.5	87.0	87.2	85.1

Source: ASER 2014

COVER STORY**Conclusion**

The data presented in the ASER 2014 clearly indicates that improving school infrastructure has remained uniformly at the priority level around the country. But, the biggest problem remains in the quality of teaching. The stagnation or fall in reading levels of schoolchildren indicates a need for improvement. In the light of concerns raised in the report, it is evident that while improving the schooling of children remains a fundamental prerequisite to raising prosperity of the nation, it should be accompanied by better techniques of providing education since that will help improve the learning of children. The transformations that adapt to the new technological methods will help ensuring that progress translates into higher human development for all.

Though India is taking measures to improve the status of children's education, but more smartly designed reforms needs to be effectively implemented. The Right to Education Act that came into effect in 2010, which firmly establishes norms for inputs and infrastructure and has stressed the importance of building solid foundations in the early grades. The expansion of infrastructure and other facilities have led to larger numbers of children transitioning to the upper primary stage and beyond, but learning outcomes need further attention. Thus for a more uniform progress in education, we need to address these concerns and implement more such measures that improve the learning of the children in school, but not just increasing the enrollment of children in school. Further, society and also the administrator should not be insensitive to the all-pervading learning crisis. The education system needs to be reformed for the progress of nation as a whole.

References

- Annual Status of Education Report (Rural) 2014, ASER Centre, Accessed from <http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER%202014/fullaser2014mainreport.pdf>

Prepared By

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HEADLINES

India Inc. Suggests Lower Corporate Tax, Higher Spend for Budget 2015

(*The Economic Times*, January 07, 2015)

This article highlights the wants of India Inc., which corresponds to India's formal sector, from the Budget 2015. India Inc. is rooting for a reduction in corporate tax rate, aggressive disinvestment of government stake in public sector units, higher personal income tax exemption limits and a massive increase in public expenditure to boost growth. Industry heads have also brought up the issue of high interest rates in the pre-Budget consultations.

A progressive and balanced budget would take the economy to the 7-8%, as per CII president Ajay S Shriram. It is expected that a rate of minimum alternate tax will be restricted to 10% to provide a stimulus to manufacturing. CII has suggested all subsidies be limited to only the below poverty households, to rationalise expenditure. FICCI president Jyotsna Suri asked for efforts to move away from the aggressive revenues approach and instead provide "a genuine non-adversarial and conducive tax environment". She requested for rationalisation of tax regime, pointing out that there is a revenue target for tax officers and that they often use irrational demands and coercive methods to meet it. Industry representatives sought deferral of the General Anti-Avoidance Rule (GAAR) by two years to improve the business climate. ASSOCHAM felt the public sector should be provoked into spending more to provide impetus to the investment cycle to generate new business for the infrastructure and adjacent sectors like engineering, capital goods. Exporters sought resumption in interest subsidy benefits and exemption of all indirect taxes. They pitched for exports to be brought under priority sector lending.

There is a perceived focus to spur growth, greater public investment in infrastructure, improving business environment and tax environment.

http://articles.economictimes.indiatimes.com/2015-01-07/news/57791762_1_ajay-s-shriram-income-tax-exemption-cii-president

Date accessed: 15.01.2015
(Kasturi Mishra)

Government Leaves its Imprint, Assent Now a Must for Multilateral Lender Reports

(*Rajesh Ramachandran, Economic Times*, January 14, 2014)

The National Democratic Alliance government has issued a new batch of guidelines for multilateral lenders such as the World Bank, Asian Development Bank etc. According to the

new rules these institutions will need government clearance for sectoral and other studies. In addition, the institutions will also have to outline the "motivation" for such research, take permission for it, accept government data if available and publish reports only after they are approved by the government.

The earlier 2013 guidelines said that the studies where there is no primary data collection and agency uses data which is already in the public domain would require no specific clearance from the DEA if it does not involve areas of national concern like inter-country rivers, border areas and internal and external security. "Now, every study, even if it concerns social sectors such as health or environment, will need to be cleared from the inception stage.

The organisations performing these studies will have to submit a concept note where they have to declare their objective, "origin/motivation of the envisaged benefits", their funding source and the proposed data source which is to be used in the study etc. The new guidelines would be binding on organisations like World Bank, Asian Development Bank, International Fund for Agricultural Development, International Finance Corporation etc. "Under the guidelines, the **DEA will send the terms of reference and the concept note to the concerned ministry or department**, which will nominate a deputy secretary or a senior officer to engage with the institution. **The official will examine "whether the study should at all be undertaken" and will have a view on the methodology of the study.**" In a situation where the DEA has objections, the bank or the organisation will have to convince officials to give clearance through a presentation. When a study is approved, they will have to consult with the nodal officer to prepare draft note and discuss the source of the data to be used. The new guidelines lay out clear data preferences: "Whenever Indian government data sources for a particular description/attribute is available, banks are expected to use the same.

It will be an obligation for the bank or the organisation to include the feedback of the government. If a finding is reached that is opposite of what the government study or data shows then that finding would be taken up for discussion in a presentation for the government departments or ministries involved. Following which they will have to incorporate the view of the ministries. Every such report will also require the government clearance before being published. In case of regional studies where multiple countries are involved they will be allowed to publish section relating to India after getting the due clearance from the government.

http://articles.economictimes.indiatimes.com/2015-01-14/news/58066031_1_bank-team-official-data-new-guidelines

Date Accessed: 16.01.2015
(Rohit Chauhan)

HEADLINES

Private Sector Banks Lag in Opening Jan Dhan Accounts

(Financial Express, January 11, 2015)

As per the Finance Ministry data, private sector banks are lagging behind public sector banks in opening accounts under the Jan Dhan Yojana. Of the total 10.84 crore Jan Dhan accounts opened in the country, only 30 lakh accounts have been opened by the private sector over a period of four months.

For the same period, the state-owned banks have opened 8.62 crore accounts, while accounts opened by regional rural banks amount to 1.92 crore.

The private sector banks hold of 20% of the market share while they constitute only 3% of the accounts under the financial inclusion programme.

Amongst the private sector banks HDFC, ICICI and J&K bank account for two-thirds of all the accounts opened by the private sector banks. HDFC opened 7.8 lakh accounts, ICICI opened 6.67 lakh accounts and J&K bank has opened 6.06 lakh accounts. The third largest private sector bank- Axis bank opened 2.45 lakh accounts while Kotak Mahindra Bank opened a meagre 54,000 accounts.

Amongst the public sector banks SBI has 2.15 crore accounts under Jan Dhan Yojana which was followed by PNB (61.74 lakh), Bank of Baroda (58.47 lakh) and Canara Bank (53.79 lakh).

<http://www.financialexpress.com/article/industry/banking-finance/private-banks-lag-behind-psu-lenders-in-opening-jan-dhan-ac/28656/>

Date Accessed: 12.01.2015

(Afreen Faridi)

ECONOMY

Macro Economic Dimension of India

Table 1: General Inflation Rates in Indian States: January 2015 (%)

States	Rural	Urban	General
All India	4.71	5.32	5.00
Northern Region			
Jammu & Kashmir	4.55	4.72	4.63
Himachal Pradesh	4.66	4.07	4.53
Punjab	5.87	5.01	5.48
Chandigarh	4.18	6.04	5.97
Uttarakhand	3.58	3.48	3.50
Haryana	5.99	5.05	5.66
Delhi	2.31	3.31	3.31
Uttar Pradesh	4.13	4.49	4.24
Western Region			
Rajasthan	6.16	4.49	4.29
Gujarat	4.81	4.44	4.61
Maharashtra	5.53	5.82	5.74
Goa	7.15	4.63	5.87
Lakshadweep	8.87	4.39	6.43
Daman & Diu	5.72	7.70	6.42
Dadra Nagar & Haveli	2.68	2.73	2.65
Central Region			
Madhya Pradesh	4.91	5.00	4.94
Chattisgarh	3.85	6.24	4.64
Southern Region			
Andhra Pradesh	3.68	5.48	4.42
Karnataka	5.45	7.44	6.52
Kerala	6.96	8.40	7.50
Tamil Nadu	5.62	7.29	6.52
Puducherry	4.97	6.38	6.01
Andaman & Nicobar Island	9.33	2.12	5.63
Northeastern Region			
Arunachal Pradesh	8.33	-	-
Assam	2.70	6.06	3.36
Manipur	1.82	3.81	2.57
Meghalaya	11.70	8.91	4.05
Mizoram	4.48	3.66	4.05
Nagaland	10.88	6.61	9.17
Tripura	9.14	6.46	8.36
Sikkim	2.93	7.35	3.88
Eastern Region			
Bihar	4.75	3.23	4.50
Jharkhand	1.17	2.94	1.76
West Bengal	2.86	3.94	3.30
Odisha	5.11	5.49	4.64

Source: State-wise monthly inflation rates are estimated from year on year Consumer Price Index (CPI) data of MOSPI. There is one month time lag in CPI data (New Series 2010=100) provided by MOSPI, Government of India.

Table 2: Inflation Analyses for Last Six Months: All India

Months	Rural	Urban	Combined
August 2014	8.45	7.34	7.96
September 2014	8.35	7.04	7.80
October 2014	6.68	6.34	6.46
November 2014	5.60	5.55	5.60
December 2014	4.02	4.69	4.30
January 2015	4.71	5.32	5.00

The above table 2 shows that All India Inflation rates for rural, urban and combined sectors have seen continuous decline over the months from August 2014 to December 2014. While in January 2015, the rates have increased marginally across its rural, urban and combined sectors.

ECONOMY

Economists Ask Finance Minister to Boost Investment with Fiscal Prudence

(*Business Standard*, January 14, 2015)

Economists asked Finance Minister to balance the need to perk the economy and maintain fiscal prudence in the Budget for 2015-16. They asked the minister not to raise the threshold for income tax exemption, while emphasising on increasing the tax base. In the pre-Budget interactions with economists, the minister said that the government was committed to fiscal discipline, as well as regaining investors confidence and reviving the manufacturing sector. He said the fall in economic growth had stopped and macroeconomic stability had improved.

The economists advised the finance minister to establish an independent fiscal committee and go for a new fiscal framework. Some suggestions on taxes including widening the base, not raising the threshold limit of income tax, having a tax on agricultural income and setting-up more tax tribunals for resolution of disputes in a time-bound manner have also been made. Economists also suggested that focus be given to the domestic market and consumption, as the global economy was still not showing positive signs of growth, except in America, according to the ministry statement. Major suggestions included focus on boosting growth, containing inflation, rationalisation of subsidies and bringing back investors' confidence.

They also called for changing the structure of budget formulation, including adoption of an accrual accounting system in place of cash accounting, and maintaining the credibility of the numbers and a schedule for subsidy rationalisation in food, urea and kerosene.

http://www.business-standard.com/article/economy-policy/economists-ask-jaitley-to-boost-investment-with-fiscal-prudence-115011301431_1.html

Date Accessed: 14.01.2015

(Devyani Bhushan)

Decentralisation Likely to be Key Theme in Union Budget

(Anil Padmanabhan, *Livemint*, January 14, 2015)

Decentralisation is likely to be a key theme of the Union Budget due to be presented in end of February, as decentralisation has been recurrent in the development ideology of the current government. It, therefore, might respond to the recommendations of the 14th Finance Commission that propose a fundamental change in the fiscal relationship between the centre and states. A significant recommendation towards this is that the share of states in the centre's tax revenue be increased from the current 32% to 42%, which is the single largest increase ever

recommended. Such a decision will greatly influence the course of future developments.

Other developments, too, need to be kept in mind while viewing the recommendation. First is the scrapping of the Planning Commission, which earlier took over a large part of the role of the Finance Commission in terms of allocation of revenue to states, and the creation of a new body, the Niti Aayog. Some groups have long believed that the Finance Commission should in fact decide how revenue is allocated to the states. Second is the removal of the distinction between plan and non-plan expenditure. Experts say that these are important expenditure reforms. Media reports suggest that the second could also be one of the 14th Finance Commission's recommendations. The commission's recommendation on a 10 percentage point increase in the revenue allocation to states gives more power to states in determining how they spend this money. It also correspondingly reduces the fiscal resources available to the centre. Politically, such an increase will likely give some confidence to the states which are reluctant on the GST, which will make them forego most of their taxation powers. Even in the budget presented in July 2014, the process of decentralization was accelerated by increasing transfers to states for funding of centrally sponsored schemes by 50% to Rs.7.9 trillion.

According to Arvind Virmani, former chief economic adviser in the finance ministry, the abolition of the Planning Commission has given the Finance Commission the right opportunity for such an increase. Mr. Arvind also expects that there will no longer be any Plan allocation for states in the central budget and it will be directly transferred to states as part of this share recommended by the Finance Commission. Experts also believe that the steep increase in the states' share of central taxes would structurally change the centre's extent of policy intervention.

<http://www.livemint.com/Politics/r0ICwUF1KH4JOSkaVS DQvI/Decentralization-to-be-a-key-budget-theme.html>

Date accessed: 14.01.2015

(Kasturi Mishra)

Government Stake Dilution in Public Sector Banks Not Enough-RBI

(*Financial Express*, January 11, 2015)

The Reserve Bank of India (RBI) on Saturday said dilution of government holding in Public Sector Banks (PSBs) might not be sufficient for meeting Basel III capital adequacy norms. The government is contemplating scaling down its holdings in PSBs to 52 percent. This might not be sufficient to fully meet the capital needs of the PSBs under Basel III norms, as the projections are based on minimum requirements.

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The PSBs would have to chart out a clear capital raising plan over the next five years and should actively consider several options, including non-voting rights share capital, differential voting rights capital and golden voting rights share capital. Banks could also go for long-term bonds flotation for meeting tier II capital requirements.

Regarding Non Performing Assets (NPA) levels of banks, the banks would have to devise a robust risk management system to avoid problems of wilful defaulters. Merger of banks should be considered by the banks depending on various factors and it should not be forced on them by others such as the Government. Non Banking Finance Companies (NBFCs) have a higher risk appetite than banks and could apply for small finance banks licence from the regulator.

<http://www.financialexpress.com/article/economy/govt-stake-dilution-is-not-enough-for-basel-iii-rbi/28596/>

Date Accessed: 13.01.2015

(Devyani Bhushan)

Few Indian Companies have Operational Plan for Transition to Indian Accounting Standards

(Economic Times, January 08, 2015)

As per the survey conducted by Grant Thornton, Only 22 per cent of domestic companies have an operational plan for transition to Indian Accounting Standards (Ind AS), despite a whopping 65 per cent believing it will open up avenues for accessing capital from international markets. According to the assurance, tax, and advisory firm Grant Thornton, only 22 per cent respondents have an operational plan for transition to Ind AS, while just 13 per cent have initiated the impact assessment process.

The government has proposed implementing the Indian Accounting Standards (Ind AS) that are converged with international norms. The new norms are converged with International Financial Reporting Standards (IFRS) which are being followed in over 100 countries. However, in a large number of companies, the awareness of accounting teams about Ind AS is fairly low and the impact of Ind AS on financial statements and organisations as a whole is not yet entirely evaluated.

According to the survey, most of the respondents believe the process of transition to Ind AS shall be completed within a year's time but the cost of transition would be sizeable. Further, a majority of respondents (52 per cent) consider lack of knowledge of their financial reporting staff as a significant bottleneck in implementation of the new accounting standards. About 55 per cent of the respondents have just got a basic level of understanding of Ind AS and a vast majority (68 per cent) would either loop in external

experts to meet the desired objectives or have not yet evaluated on in-house expertise as against external support.

http://articles.economictimes.indiatimes.com/2015-01-08/news/57838295_1_indian-accounting-standards-international-financial-reporting-standards-ind-as

Date Accessed: 11.01.2015

(Devyani Bhushan)

Need to Revisit Rural Indebtedness

(Frontline, January 23, 2015)

In his speech at the Indian Economic Association, Raghuram Rajan, the Governor of Reserve Bank of India, gave arguments against providing cheaper credit to farmers and waiving off agricultural debt as it harms them in the long run.

Banks become reluctant to lend when farm debts are waived off during distress times by government intervention. The government's promise of official support is not kept at times, resulting in restricted credit flow to agriculture.

He further added that implementation of debt waiver schemes are often marred by significant errors that result in inclusion of ineligible candidates and exclusion of those whose would have benefitted from the scheme.

Finally, Raghuram Rajan said that loans that are cheap and subsidized, such as short-term crop loans, may lead to diversion of long-term credit that provides for investments to generate capital.

The access to credit in rural areas remains limited despite a boom in bank credit to agriculture. As per the All India Debt and Investment Survey, conducted by the National Sample Survey Organisation, only 31.4% of rural households in India were indebted as on June 2012. Amongst these, only 17% of the loans were sourced from institutional sources.

The issue of rural credit needs to be relooked at so that credit access can be expanded rather than constricted due to excessive indebtedness and waivers.

http://www.frontline.in/columns/C_P_Chandrasekhar/revisiting-rural-indebtedness/article6756887.ece

Date Accessed: 15.01.2015

(Afreen Faridi)

GOVERNANCE AND DEVELOPMENT

POLITICS AND GOVERNANCE**Funds Stopped to NGOs Working on Impact of Coal Projects****(Mukta Patil, Down to Earth, January 08, 2015)**

Activities of four US-based environmental Non Governmental Organisations(NGO) are being probed by the government for allegedly being against “national interest and security”. Foreign funding to these NGOs has been cut pending clearance from the Ministry of Home Affairs (MHA). The four NGOs are the Bank Information Centre (BIC), Avaaz, Sierra Club and 350.org. They are known for their work on the impact of coal projects. In a similar move, foreign funding to ‘Greenpeace,’ in India was cut following recommendation by the Intelligence Bureau in 2014.

A member of one of the organisations confirmed, that their personal bank account has been frozen since December 17, 2014. The bank received a letter from the ministry of home affairs (MHA) on December 10, asking it to freeze the account until the FCRA or Foreign Contributions (Regulation) Act wing of the MHA was able to ascertain whether the "foreign contribution is utilised for bona fide welfare activities, without compromising on concerns for national interest and security". None of the NGOs were given any notice before the fund cut.

‘BIC’ advocates for equitable development in the operations of the World Bank Group and other regional development banks. ‘350.org’ is a climate movement that works towards reducing CO2 emissions to "preserve a liveable planet". They have been rallying against the \$10 billion Alpha coal project by Adani Enterprises in Australia since 2013. ‘Avaaz’ has also been campaigning against the project. While the proposed project will give the Adani Group, India's largest coal importer, access to massive coal reserves, it is also expected to cause large scale environmental damage to the Great Barrier Reef.

<http://www.downtoearth.org.in/content/india-stops-fund-flow-ngos-working-impact-coal-projects>

Date Accessed: 13.01.2015

(Devyani Bhushan)

The Mines and Minerals (Development and Regulation) Amendment Ordinance, 2015 Passed**(Anupam Chakravartty, Down to Earth, January 08, 2015)**

The Central government has passed The Mines and Minerals (Development and Regulation) Amendment Ordinance, 2015 to facilitate the auction of minerals, including ores

used to produce iron, manganese and aluminium. The government has approved amendments to the 57-year old Mines and Mineral (Development and Regulation) Act. Among other changes, the amendments will allow multinational companies such as Rio Tinto and Vedanta to directly bid for mineral resources in India. Earlier, mineral resources were only allocated to companies by the government.

To facilitate large-scale operations, the Union Ministry of Mines has proposed to expand the area for mineral leases from 10 sq kilometres to 100 sq kilometres. Additionally, the lease period has been extended to 50 years, after which the lease can be re-auctioned. Expanding the lease area for mineral exploitation, may have the potential to bring areas that fall under the ecologically sensitive zones under threat. In Goa, most of the iron ore leases are situated within 10 kilometres of wildlife sanctuaries, where the Supreme Court had banned mining for a year. The apex court-appointed M B Shah Commission had found that hundreds of these mining leases had encroached upon wildlife and national parks in Goa. There will now be a rampant expansion of these leases. Earlier, reconnaissance permits were issued to mining companies to estimate the total quantity of minerals that can be mined from an area. Companies could then evaluate the financial viability and ask for a mining permit. The ordinance has done away with reconnaissance permits issued to the government and private companies. Now, the government will directly issue a lease. Investment decisions in a mining project are not taken on the basis of the estimates of minerals provided by the state, and hence, reconnaissance permits are crucial before mining.

The Ordinance route taken by the Government to covertly pass rules may result in rampant mineral exploitation at the cost of the ecology and make the financial viability of projects uncertain.

<http://www.downtoearth.org.in/content/cabinet-clears-mineral-act-foreign-companies-can-mine-too>

Date accessed: 11.01.2015

(Kasturi Mishra)

The Economic Wing of the RSS Opposed Changes to the Land Act
(The Hindu, January 12, 2015)

The economic wing of the Rashtriya Swayamsevak Sangh (RSS) known as the Swadeshi Jagarn Manch (SJM) was against the changes proposed in the ordinance to amend the Land Acquisition Act, 2013. Besides this the SJM also raised questions against the current government's policy on Intellectual Policy Rights (IPR). The SJM passed a resolution speaking against the think tank appointed by the Union government, to draft an IPR policy. The resolution

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stated that the think tank was functioning “under the shadow of the joint working group with the U.S. and is being influenced by the threats from the U.S. about economic sanctions under the dictates of big pharmaceutical companies for making changes in the existing patent laws of India.”

The SJM through resolution ‘Number 04’ opposed acquisition of fertile and multi-crop irrigated land for many sectors, including industrial sector, without the ‘consent’ of the farmers as envisioned by the amendments to the Land Act. SJM opposed acquisition of fertile land for real estate or Special Economic Zones. The Manohar accepted acquisition only in an exceptional case, after which the farmer should be made a shareholder in the venture.

One of the many recommendations proposed by the SJM, which were not included in the ordinance, was that land ownership should remain only with the farmer and a lease not extending 30 years be granted.

<http://www.thehindu.com/news/national/rss-wing-opposed-changes-to-land-act/article6778076.ece>

Date Accessed: 13.01.2015

(Afreen Faridi)

Centre Proposes to Amend EPF Act

(Anil Sinha, *Deccan Herald*, January 15, 2015)

The National Democratic Alliance government at the centre is now proposing to amend Employees’ Provident Fund (EPF) and Miscellaneous Provisions Act, 1952. If the amendment goes through, any establishment with 10 or more employees will be covered under the changed provident fund law. Currently only those establishments which have 20 or more employees are covered under the law. The amendment has also sought to increase the “quantum of punishment” for defaulting employees under the law.

The Labour Ministry, which administrates the Employees Provident Fund Organisation (EPFO), has explained the move in a note by saying that the amendments are vital to make the existing law suitable for the current economic scenario, employment patterns and social security needs of organised sector employees. Through the amendments, the government is also trying to bring down the number of trustees on the Central Board from 10 to 5, which are drawn from both employee and employer organisations. The Central Board is the organisation which administers the EPFO. “Additionally, the representation from states is proposed to be reduced. Only eight states will be represented on the Central Board. Now, 15 states are on the board.” However the number of representatives from the centre will remain the same. Defaults in enforcing the provisions will attract more penalties. “The penalty for false

representation of Rs 5,000 is proposed to be increased to Rs 35,000.

Penalty for defaulting on payment of the employee contribution after deducting it from the employee’s wages is proposed to increase from Rs 10,000 to Rs 70,000.” For repeat offenders the punishment is being brought up to five years with Rs 2 lakh as fine. The fine levied earlier was up to Rs 25,000 only. The amendments also include a provision for minimum imprisonment of two years. The government is also planning to increase the number of members of the principal appellate tribunal to three. “Currently it is a single-member committee represented by the judiciary only. The government proposes to appoint two members at the joint secretary level.”

<http://www.deccanherald.com/content/452796/centre-proposes-amend-epf-act.html>

Date Accessed: 15.01.2015

(Rohit Chauhan)

GOVERNMENT

States Slip on Rural Road Maintenance Policy

(Archana Jyoti, *The Pioneer*, January 09, 2015)

Even as thousands of kilometres of rural roads constructed under the Pradhan Mantri Gram Sadak Yojna (PMGSY) are getting eroded every year due to poor maintenance across the country causing a huge loss to the national exchequer, States seem to be least interested in ensuring their upkeep. An estimate according to which the resulting loss in value of road assets due to neglect in maintenance is as high as Rs20,000 crore per year, which is equivalent of 50,000 km of roads being eroded annually. National Rural Roads Development Agency of the Rural Development Ministry in collaboration with the International Labour Organisation (ILO) has already framed the policy for the road agencies in the States to have a clear understanding about expectations for rural road maintenance. The States were requested to customise the policy as per their own requirement and come up with a Rural Road Maintenance Policy of the State by mid-December 2014.

The flagship PMGSY scheme was launched with huge central investment in the States as part of a poverty reduction strategy and has created a substantial rural infrastructure asset base in the country to improve rural connectivity. But States are not taking efforts to maintain the roads post construction. So far, about Rs1,00,000 crore has been invested under the PMGSY. Besides this, several States are making their own investments in accelerating the rural connectivity in far-flung areas.

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Rural roads act as facilitators to promote and sustain agricultural growth, improve basic health, provide access to schools and economic opportunities, maintenance of rural roads is not simply a financial and economic issue but also a humanitarian priority as it is a strategy for poverty reduction, improving maternal health and reducing infant mortality and ensuring universal primary education among others.

<http://www.dailypioneer.com/nation/states-slip-on-road-maintenance-policy.html>

Date Accessed: 12.01.2015

(Devyani Bhushan)

Time-use Survey to be Adopted by India (*The Hindu*, January 11, 2014)

In 2014, the International Labour Organization (ILO) suggested countries to explore “time-use survey” method that provides a comprehensive breakdown of “working time hour-by-hour and day-by-day.” T.C.A. Anant, the Chief Statistician of India, described this as a “substantial change in its (ILO) conceptual framework.”

Following ILO’s suggestion to explore ‘time-use survey’ method, the Ministry of Statistics and Programme Implementation is looking at ways to adopt such a method to measure employment in India.

The ‘time-use survey’ method either involves an individual maintaining a diary or being interviewed about the time spent on activities over a stipulated period.

This method of survey allows for accurate measurement of women’s contribution to employment and economy. By analysing and accounting the amount of time a woman spends on certain activities, it would be possible to explain India’s low female work participation rates. This method will also help to bring into the fold different kinds of work undertaken by Indians. For example, economic productive done in households by women will be recorded and reported through this method.

<http://www.thehindu.com/news/national/new-survey-likely-to-gauge-household-work/article6778077.ece>

Date Accessed: 11.01.2014

(Afreen Faridi)

Government Plans to Build 200 New Airports When Airports Authority of India (AAI) Says that Existing Ones are Unprofitable

(Shahkar Abidi, *DNA*, January 14, 2015)

The Civil Aviation ministry under the current National Democratic Alliance government has announced its plans to build more than 200 airports in the next two decades. However, many aviation experts have pointed out that India’s current airports are loss making and financially non-viable in the long run. Analysts have blamed poor planning and execution for the plight of existing platforms. In a balance sheet that was recently released by the Airports Authority of India (AAI) most of the airports lie in the red. “For example, airports in the Western Indian region (except for Goa, Mumbai, and Pune) are loss-making ones. These include airports at Akola, Kandla, Aurangabad, Bhavnagar, Bhopal, Bhuj, Diu, Gondia, Indore, Jabalpur, Jamnagar, Keshod, Kolhapur, Porbandar, Rajkot, Songarh, Soplapur, Surat, Vadodara, Ahmedabad, and Juhu.”

Amber Dubey (partner and India head of aerospace and defense at global consultancy KPMG) has said that the increase in traffic in the coming years maybe concentrated around the top 12-15 old airports, where work for airport expansion should be undertaken. He pointed out that new airports should be constructed in places of economic, tourist and strategic interests like mines, ports, special economic zones, industrial clusters or the country’s borders etc. Devesh Agarwal, analyst and blogger, has explained the sector’s bad performance owing to the lack of a comprehensive civil aviation policy. He blamed the policies of the government, like where the “central government is the major funder of an airport project, with the state or city concerned having negligible or no investment in the project.”

In a recent meeting, Minister of Civil Aviation, P. Ashok Gajapathi Raju has asserted the governments stand to create more airports citing the 6% growth figure of the year 2013-14. India is currently the ninth largest aviation market. “The sector is poised to handle 336 million domestic and 85 million international passengers by 2020, making India the third largest aviation market. The commercial fleet size is expected to grow from 400 today to 1,000 aircraft by 2020.”

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Even though currently there is an increasing demand which is pushing for the expansion of the aviation sector, most of the airlines in the domestic market are under severe financial debt. “Nonetheless, at least half a dozen more airline companies are expected to join the competition this year.”

<http://www.dnaindia.com/india/report-even-as-government-plans-200-new-airports-aai-data-says-most-existing-ones-are-unprofitable-2052322>

Date Accessed: 15.01.2015

(Rohit Chauhan)

SOCIAL AND ECONOMIC EXCLUSION

Skewed Policies Leave Tribes Out of Development Equation

(Dhaval Kulkarni, *Daily News and Analysis*, January 13, 2015)

The report by the high level committee under the economist Vijay Kelkar noted that there is a huge developmental gap between the tribal and other communities in Maharashtra. The committee instituted for study of balanced regional developmental issue of Maharashtra has put forth that tribals are alienated from land, denied rights, deprived of jobs and education. Even the new proposed Delhi-Mumbai Industrial Corridor which will pass through tribal areas, is likely to displace tribals from their land.

Maharashtra state has the largest number of tribals in the country, spread over 15 districts and 80 talukas. “They cover around 9.4% of the population and broadly live in inaccessible forest regions of Sahyadris, Satpudas and Eastern Gondwana. The state has 45 tribal communities, and the Katkaris, Kolams and Madia Gonds have been classified as primitive tribal groups (PTGs).”

Poverty amongst the tribals is almost double while there is a massive inequality in the per capita income of tribal majority districts and the state average. In male literacy rate, they lag behind by 20% and female literacy by 41%. Moreover, the school drop-out rates amongst tribal children is also very high. Such findings are indicative of lop-sided development in the state and the neglect of tribals from benefits of development. Increased discontentment among tribals is becoming visible in the increased extremist activities that have been recorded in regions like Gadchiroli.

“The report suggested creation of eight tribal majority districts, land reforms for tribals, overhaul of the tribal development department, setting up of a tribal development index, income generation for tribals, imparting primary

education in the tribal tongue and designing a tribal health plan.”

<http://www.dnaindia.com/india/report-dna-special-skewed-policies-leave-tribals-out-of-development-equation-2051999>

Date Accessed: 14.01.2015

(Shriyam Gupta)

EDUCATION

Government Slashes Funds for Higher Education, Teacher Training, MOOCs (Brajesh Kumar, *Hindustan Times*, January 15, 2015)

In its revised budget estimates for the financial year 2014-15, the government has reduced funds for higher education, by amounts as large as Rs. 3,900 crores. The government has revised the figure to Rs. 13,000 crore, as against Rs. 16,900 crore for the plan allocation.

According to officials, the revision is likely to hit the eight new IITs that were scheduled to move to their permanent campuses this academic year. The government has reduced the Rs. 2,500 crore originally allocated to the 16 IITs for the year 2014-15, to Rs. 2,337 crore, initiating a cut of Rs. 163 crore. Announced by the UPA government during 2008-12, the eight IITs, were operating out of temporary campuses and six of these were to move to their permanent campuses by July this year. The failure of the HRD ministry to disburse the funds for the final phase of construction of the new campuses will hurt these IITs. The government has also initiated budget cuts for the five IITs and five IIMs announced in last budget session of the Parliament. Out of Rs. 500 crore allocated for these, the government will now disburse only Rs.65 crore.

Funds for new initiatives including have also been slashed. While the government has revised the allocation for Massive Open Online Courses (MOOCs) from Rs. 100 crore to Rs. 5 crore, the allocation for the Madan Mohan Malviya National Mission on Teachers Training has also been revised to Rs. 15 crore as against the original Rs. 100 crore. The government has also cut allocation for Rashtriya Uchcha Siksha Abhiyan, which strives to improve overall quality of higher education in the country. It has been cut to Rs. 397 crore as against Rs. 2,200 crore in the original budget. Such desperate spending cuts highlights the priority of the Government and this is a disastrous move in order to contain fiscal deficits.

<http://www.hindustantimes.com/india-news/govt-cuts-funds-for-higher-education-iits-worst-hit/article1-1306928.aspx>

Date accessed: 15.01.2015

(Kasturi Mishra)

GOVERNANCE AND DEVELOPMENT

HEALTH**Government Gets Notice for Possible Price Hike***(Times of India, January 8, 2015)*

The National Human Rights Commission (NHRC) has issued notices to the government for revoking an order that could have potentially controlled the prices of cardiovascular and anti-diabetes medicines. The Department of Pharmaceuticals (DoP) and National Pharmaceuticals Pricing Authority (NPPA) have been sent notices to submit reports, within 6 weeks, in this regard.

On May 29, 2014, the NPPA had issued the guidelines for putting a cap on the prices of 108 cardiovascular and anti-diabetes drugs so as to protect them from random increases in the market. The guidelines and subsequent orders were challenged in the Bombay and Delhi high courts. However, even before the court reached a decision, the Union government and NPPA withdrew the guidelines on September 22, 2014, thereby leaving the prices vulnerable to market forces. The DoP had issued orders for this withdrawal. This move is likely to cause the cost of the medicines to shoot up.

The government's policy decision to withdraw price-control guidelines is tantamount to the violation/denial of right to health to poor.

<http://timesofindia.indiatimes.com/india/NHRC-notice-over-pharma-bodys-U-turn/articleshow/45802776.cms>

Date accessed: 10.01.2015
(Kasturi Mishra)

Anti-smoking Law Proposal on Track*(The Telegraph, January 13, 2014)*

The Union government has proposed to bring amendments in the existing anti-tobacco legislation. The draft amendment released by the Ministry of Health and Family Welfare proposes a ban on selling loose cigarettes, seeks to raise the minimum age of tobacco consumption from 18 years and a five-fold increase in the fine for smoking in public places to Rs 1,000. The draft proposal have been made public by the Ministry to seek comments from stakeholders as well as the general public.

“The draft bill also seeks to do away with provision to allow ‘designated’ smoking zones in airports, hotels and restaurants, although India's international airports may continue to offer such facilities with adequate safeguards to protect non-smokers. An explanatory note tagged to the bill

suggests the ministry plans to subsequently raise the minimum age for tobacco sale to 23 years and then 25 years - in two phases, after evaluating the impact of raising the age to 21 years.”

The ministry is keen to push these amendments despite concerns expressed by tobacco growers and other arms of the government. An inter-ministerial meeting called in early December; various ministries cautioned Health Minister Mr. J. P. Nadda and requested him to not take any drastic decision on tobacco that might hurt the country's tobacco growers.

Speaking to the Telegraph a spokesperson of Voluntary Health Association of India said, "We're happy the health ministry has made this bill public. We request the government to implement the amendments without delay, in the interests of public health." But public health specialists have cautioned that “implementing the law could pose severe challenges. Cigarettes and tobacco products are sold by retailers and the central and state governments currently lack the mechanisms to rigorously track sales of retailers.”

http://www.telegraphindia.com/1150114/jsp/nation/story_8321.jsp#.VLYCoiuUfGg

Date Accessed: 14.01.2015
(Jeet Singh)

ENVIRONMENT**After 21 Years of SC Monitoring Yamuna Still Excessively Polluted***(Amit Anand Choudhary and Dhanajay Mahapatara, Times of India, January 09, 2015)*

Central Pollution Control Board (PCB) informed the Supreme Court why the Yamuna in its 22-km course through Delhi mostly stinks like a sewer drain - as against the norm of 5,000 MPN coliform per 100 ml of water, Yamuna water in Delhi had between 4 lakh to 16 crore coliform per 100 ml. The norm of 5,000 MPN/100 ml of water is the quality prescribed for 'C' category of water, which is fit for drinking after treatment. But, on January 7, 2014, the total coliform in Yamuna water at Nizamuddin was 54000000 (5.4 crore) and at Kalindi Kunj it was 160000000 (16 crore). But, at Palla the river water is relatively clean.

After 21 years of intense monitoring of government efforts by the Supreme Court to clean the Yamuna, the CPCB, submitted to the court a detailed report on the state of pollution of river water at Palla, Nizamuddin, Kalindi Kunj, Okhla and Madanpur Khadar in the 22-km stretch it flows through Delhi. Despite the SC monitoring, Delhi appeared

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to be the biggest culprit in polluting the river. The CPCB also submitted the quality of water in 22 drains that join Yamuna during its course through Delhi.

A year ago in December 2013, the Supreme Court had sought expert help from the Indian Institute of Technology (IIT) after being told by CPCB that despite Rs 5,000 crore spent for reducing pollution, the river was staring at a catastrophe as over 2,400 million litres of untreated sewage flows into it every day. Since 1994, when the apex court took up monitoring of steps to reduce pollution in Yamuna, Uttar Pradesh has spent Rs 2,052 crore, Delhi government and its civic bodies Rs 2,387 crore and Haryana Rs 549 crore to clean the river, taking the total to Rs 4,988 crore. A joint report by CPCB and DJB had informed the court a year ago that the situation would get worse as "waste water generation due to growth of urban population will be substantial."

<http://timesofindia.indiatimes.com/home/environment/pollution/After-21-years-of-SC-monitoring-Yamuna-still-stinks-like-a-sewer/articleshow/45816354.cms>

Date Accessed: 12.01.2015

(Devyani Bhushan)

Govt Pushes to Ease Industrial Pollution Norms and Inspections

(Economic Times, January 13, 2014)

The union Ministry of Environment and Forest in NDA regime is much concerned about industrial and development projects. The ministry has been working hard to minimize hurdles in setting up industrial and development projects. In its latest steps the ministry asked state Pollution Control Board to revisit the mandatory requirement of 'No Objection Certificate (NoC) for power consuming industrial projects. The order issued by Union Environment Ministry said, "The requirement of 'NoC' or 'Consent to Establish (CTE)' certificate has been mandated by many states on their own although such a condition has not been specified under any guidelines of the Central Pollution Control Board. The order further states, "Since in some of the states, the pre-requisite of CTE certificate for release of electricity connection does not exist, other states and Union Territories may consider revisiting their provision in this regard for improving 'Ease of doing Business' in the states/UTs."

"In many states, Pollution Control Boards (PCBs) and Pollution Control Committees have made it mandatory to obtain the CTE certification as a pre-requisite for getting the industrial electricity connection for establishment of new industries/projects. Further, this requirement of CTE certificate varies from state to state with regards to submission/processing of application and grant/release of

the electricity connection."

The ministry is also planning to decrease powers of state Pollution Control Board. "The central government has tasked a committee to develop norms through which industries will be able to self-certify and self-regulate their environmental impacts. A working group of pollution control board has been asked to finalise a report on the matter by this month. The group will come up with norms through which inspection activities of state authorities will be replaced by 'third-party audits and inspections'. It will also review the frequency with which these inspections are carried out. It has been asked to consider higher penalties against industries providing wrong information through the self-certification regime."

http://economictimes.indiatimes.com/articleshow/45869641.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Date Accessed: 14.01.2015

(Jeet Singh)

SOCIETY

GENDER

Women Account for Less than 4% of Top Management Jobs in BSE 100 Companies

(Business Standard, January 12, 2014)

A recently released International Labour Organisation (ILO) report has established that women currently account for less than 4 per cent of the top management jobs in BSE 100 companies. The report which was prepared by the bureau for Employer Activities at ILO has highlighted that even though the number of women in management job has increased, their number in top decision making positions, as CEO's and board members remains dismal.

The report which was titled "Women in Business and Management: Gaining Momentum" has said that "only 5 per cent or less of the CEOs of the world's largest corporations are women". The bigger the company the less likely it is for women to rise to the top posts. The report is based on a survey conducted among 1, 300 companies in 39 developing countries to assess company policies and measures in place to promote women in management.

"The percentage of women CEOs in public listed companies is topped by China 5.6 per cent followed by nZsX 100 New Zealand 5 per cent, US Fortune 500 4.8 per cent, SGX Singapore 4.6 per cent, BSE 100 India 4 per cent, and UK 4 per cent. CAC 40 France and DAX 30 Germany have no women as CEOs in their public listed companies."

When it comes to percentage of board seats held by women the situation remains the same. "The 2013 Catalyst Inc survey in 44 countries reveals that in just four countries women represent over 20 per cent of board members (Finland, Sweden, Norway and United Kingdom); in 13 countries between 10 and 20 per cent; and in 14 countries between five and 10 per cent and in 13 countries less than 5 per cent." India along with a few other countries falls under the less than five per cent category. A 30% share of women is often considered critical for the representation of women's voices and views to be taken into account.

"The abysmal situation of gender representation is echoed in politics: In March 2014, just 18 women were heads of state, and women were only 22 per cent (22.9 per cent) of all elected parliamentarians worldwide in April 2014." Some commentators are saying that if no steps are taken to bridge the divide now it would take 100 to 200 years to achieve parity at the top. "The ILO company survey found that 87 per cent of the boards of respondent companies had a man as

president while 13 per cent had a woman as president." One reason for such a trend to emerge is the concentration of women in selected profiles.

http://www.business-standard.com/article/pti-stories/4-per-cent-of-top-bse-100-executives-women-115011201375_1.html

Date Accessed: 15.01.2015

(Rohit Chauhan)

SOCIAL CONFLICT AND VIOLENCE

Sharp Fall in Maoists' Violence in Bihar in 2014

(Bihar Times, January 10, 2015)

There has been a massive decline in the Maoist violence in Bihar in 2014 as compared to 2013. Most violence last year took place in the first half, during the Lok Sabha elections.

According to Additional Director General (Headquarters) , Gupteshwar Pandey, even though the number of violence in 2014 was 105 as compared to 103 in 2013, the number of civilians killed was 20 as against 36 in 2013. Number of policemen killed last year was also lesser. Although, more encounters took place between left extremists and the police in 2014 lesser number of police officers were killed. Moreover, in 2014, "the extremists did not succeed in snatching any arms from the forces. In 2013 the police had lost 36 weapons to them." Police has arrested over 354 Maoists and seized about 1,2785 kg of explosives last year.

It would be too early to say whether the reduced violence was a result of political change or because of the police campaign. "In fact Bihar witnessed much less high profile Maoists' attacks as in Chhattisgarh and Jharkhand." However it is evident that assembly elections in Jharkhand saw less violence than in the past.

<http://www.bihartimes.in/Newsbihar/2015/Jan/newsbihar10Jan3.html>

Date Accessed: 14.1.2015

(Shriyam Gupta)

INDIA AND WORLD

INTERNATIONAL AFFAIRS

Asia-Pacific Growth to Pick up Moderately in 2015 – New UN Report

(United Nations News Centre, January 13, 2015)

United Nation's Economic and Social Commission for Asia and the Pacific (ESCAP) in its 'Survey of Asia and Pacific 2014', notes that the developing countries in Asia and Pacific are likely to grow at the rate of 5.8% this year as compared to 5.6% last year. This may be attributed to falling inflation and declining oil prices.

Improvement was noted in countries like Bangladesh, India, Indonesia, Papua New Guinea, Republic of Korea and Thailand. However, ESCAP Executive Secretary, Dr. Shamshad Akhtar noted that there are still structural constraints that are preventing nations from realizing their potential. Infrastructure shortage and lack of jobs still curtail growth. "Structural reforms in India and Indonesia are projected to help increase growth to 6.4 and 5.6 per cent, respectively, from 5.5 and 5.2 per cent, respectively, in 2014." On the domestic side, countries need to build on physical and social infrastructure.

ESCAP estimates that saved fuel subsidy money from declining oil prices could finance income security to elderly and disabled, and provide universal health access and education.

<http://www.un.org/apps/news/story.asp?NewsID=49785#.VLkDw0ttIpEn>

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(Shriyam Gupta)

AFRICA

Central African Republic: UN Agency Warns of Food Insecurity Amid Ongoing Instability

(United Nations News Centre, January 13, 2015)

The United Nations World Food Programme (WFP) noted that the hostile situation in the Central African Republic (CAR) is having a severe impact on the country's population, which is in dire need of humanitarian assistance. As per the recent WFP report, about 30% of the total population (1.5 million people) were considered as being in a moderate to severe food security situation.

Elisabeth Byrs, spokesperson of WFP, noted that "those most affected by food insecurity in the CAR were poor households headed by women, displaced or returned persons, whose primary sources of food were markets, who did not have financial resources and had low levels of education." Sale of food products accounts for 60% of income for people across CAR. Reduction in produce is narrowing income possibilities for the population. People are now adopting coping strategies and are becoming dangerous.

After two years of civil war and sectarian violence about 440,000 people have been internally displaced while 190,000 have sought refuge outside the borders. Moreover, 36,000 remain trapped in enclaves across the country. UN has earlier issued warning of potential explosion of violence between mainly Muslim Séléka alliance and anti-Balaka militia, which are mostly Christian.

<http://www.un.org/apps/news/story.asp?NewsID=49787#.VLkD-UttIpE>

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(Shriyam Gupta)

OPINION/BOOKS

OPINIONS

The Coal India Workers' Demands Merit More than Bland Assurances

(*Economic and Political Weekly*, January 10, 2015)

The five-day strike by Coal India Ltd (CIL) workers was called off after the government agreed to set up a joint committee to look into the demands made by the workers. Government also assured the workers that CIL would not be denationalized.

The demands included removal of the clause that allowed commercial mining in the Coal Mines (Special Provisions) Ordinance, 2014. Moreover, the workers demanded that coal blocks be allocated to CIL, ending contractual jobs and dealing with problems with the Special Female Voluntary Retirement Scheme among others. Protests have been against coal ministry's plan to replace "the institutional regulating system by a private individual, including the posting of corporate/multinational nominee at the helm of CIL."

When coal was nationalized in 1973, it was done to reduce inefficiency of the private players. There was a need to prevent depletion of coal resources while protecting worker's rights. Today, CIL produces 80% of the nation's coal requirement and is now being accused of being ineffective. Those demanding privatization of coal ignore the issues regarding reworking old mines, theft and illegal mining. Emphasis is required on updating technology, precise evaluation "and the need for proper environmental initiatives, particularly around open cast mining." Unions have succeeded in maintaining standard wages with CIL. However, such may not be possible with private players who will employ labour at low cost and sell cheaper to render CIL unviable.

The current agreement is only tentative. Trends show that the government's objective is to move towards privatization of coal. It is ready to do so even if it has to "whittle down whatever few benefits and protections workers have under present laws."

<http://www.epw.in/editorials/paving-way-privatisation.html>

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Amending the Land Acquisition Act Validates Modi Sarkaar as Company Sarkaar

(*Economic and Political Weekly*, January 10, 2015)

The amendment of Land Acquisition Act via ordinance shows that the government is keen on making business friendly at the cost of livelihood of farmers.

In an information note on the ordinance, the government claims that while the procedural difficulties are being amended, farmer interests will be safeguarded. However, the unamended act already has section 105, which guarantees compensation. "The government is thus taking credit for something it had no option but to abide by, and thereby claiming that it has safeguarded the interests of 'the farmers and affected families'."

Earlier, the unamended act had provisions where the clause of 'transparency' did not apply. This meant that social impact assessment and 'informed consent' were not required for projects pertaining to atomic energy, mining, national highways, petroleum and mineral pipelines, coal-bearing areas, electricity, railways, and six others. The new ordinance has added new projects that are now exempted from the transparency clause. These include projects related to defense, rural infrastructure and industrial corridors.

In the new ordinance, a project serving 'public service' has been defined in a manner to include private hospitals and educational institutes. It has also amended the 'retrospective clause', which calls for fresh proceedings for acquiring land if compensation has not been paid or land has not been taken. This has been amended to create difficulties for party that is going to lose the land.

The ordinance allows for silencing people's voice in the guise of 'public purpose' by removing projects from public hearings and informed consent. This would mean that they will lose their livelihood in the name of development and modernization.

<http://www.epw.in/editorials/land-livelihoods-and-company-sarkaar.html>

Date Accessed: 14.1.2015

(Shriyam Gupta)

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