

## EDITORIAL

Dear Readers,

*In the past few months, several religious and political leaders have been heard making passionate appeals to the Hindus to have larger families. So much so that Hindu nuclear families with four children or more are being publicly acknowledged. On 13<sup>th</sup> January 2015 the VHP felicitated a Hindu couple (Malati and Sushanta Nath) in Assam for producing eight children. VHP leaders also hailed the couple as patriotic at a public function in Silchar town, 343 kilometres south of Guwahati. VHP leader Dinesh Upadhyay said, "People like Malati and Sushanta Nath are ideal soldiers of this country, ensuring more warriors for our armed forces in the fight against enemies of the motherland." He further said, "Children are the gifts of God, and Hindus have to treasure them to be numerically stronger. If not, they will be outnumbered in 20 years." According to Sakshi Maharaj with every Hindu family producing four children; one child should be sent off to protect borders, one to join RSS, one to become an ascetic and one who stays with the family. According to leaders who are making such statements they have a valid reason for doing so and that reason is that the Hindus are in the danger of being outnumbered in their 'own' country. This kind of propaganda based on statistics of population and fertility growth is being used to create a myth of Muslim majoritarianism becoming a reality in the near future.*

*It is very important that this myth is contested with facts and the truth is revealed. This can be done only when we know the reality behind the population projections being made by certain groups. In this issue, we make an attempt to do exactly that. Unless this malicious propaganda is countered it is going to create deep fissures in our society which will have social and economic implications. Apart from this an increased population will put tremendous strain on the country's natural resources like water and land and will further aggravate the crisis the country is already facing. Advocating higher population (for any social or religious group) is detrimental to the well being of the country. Further, the most affected of these crises would probably be the Hindu population. Increased family size irrespective of income will create downward mobility across classes rather than improve lifestyle. This is in contradiction with the aspiration of the common person. This shows that these political/ religious groups are actually working against the aspirations of the Hindus.*

*As in every issue, we have other policy related articles which you may find relevant.*

*Hoping to hear from you!*

*Dr. Sushree Panigrahi  
Fellow, RGICS*

## IN THIS ISSUE

### COVER STORY:

- Religious Demography in India: Myth and Facts

### HEADLINE OF THE WEEK:

- Parliamentary Committee Led by BJP MP in Denial that Tobacco Causes Cancer
- India's Core Sectors Continue to Slow Down

### SECTION 1: THE ECONOMY

- RBI to Trim Bank Exposure
- Bharatiya Mazdoor Sangh Criticizes Labour Reforms Proposed by the NDA Government
- Government Introduces Uniform Gas Price for Urea Plants
- Clipping Indian Central Bank's Wings is a Bad Idea

### SECTION 2: GOVERNANCE AND DEVELOPMENT

- **Politics and Governance:** MUDRA bank to be launched on April 8; Government makes billions at mobile consumers cost, tariff to go up; Prime

Minister's popularity in rural India punctured by discontent; Gujarat Assembly passes controversial Anti-Terror Bill; Delays, Cost overruns plague infrastructure projects; 56 lakh homes have no toilets in rural Maharashtra

- **Government:** Nanavati Report on 2002 Godhra riots not tabled in Gujarat Assembly; Government, against consent of tribals for displacement
- **Social and Economic Exclusion:** Gujarat lags behind in giving land rights to tribals
- **Education:** 54 Gujarat state-run schools running without teachers: CAG
- **Health:** Government puts brakes on India's universal health plan
- **Environment:** Half-hearted efforts for Ganga rejuvenation; Companies may need to take up afforestation in lieu of using forest land for projects
- **Law and Justice:** Supreme Court asks centre to relook jail term for rash driving

### SECTION 3: OPINION

- Don't mock MNREGA, encourage it

## COVER STORY

## Religious Demography in India: Myth and Facts

### Introduction

The Hindu right wing has been, for quite some time now, propagating the myth of the Hindus as a ‘dying race’, who would soon become a minority in their ‘own country’ – India. Sangh Parivar is the mouthpiece of this puffery. Propaganda similar to this has been in public domain from the beginning of the 20<sup>th</sup> century. Yet 115 years later, Hindus are still the religious majority in India. Official census figure reveals that the share of Muslims in the total population has increased negligibly from 12.56% in 1901 to 13.4% in 2001.

The propaganda that has been around for more than a century has gathered considerable social and political sanction in last few decades. More importantly, in the current regime of NDA government, the propaganda of Sangh Parivar and several other right wing organizations has garnered lot of support and seems to have an underlying agenda of creating a Hindu Rashtra. It was Vinayak Damodar Savarkar (president of Hindu Mahasabha- the precursor to the BJP), who conceptualized the concept of Hindu Rashtra during the freedom movement and opposed Gandhi’s approach of secularism, swaraj and non-violence (Vajpai, 2014). According to Puniyani (2006) Hindu Rashtra is not a religious state; it is a ‘modern’ phenomenon to impose the pre-modern social hierarchies on all sections of society. It is about preserving social, cultural, economical and traditional privileges of powerful and excluding traditionally powerless people. The strategy here is to suppress and suspend rights of the oppressed and weak. Author of ‘Righteous Republic: The Political Foundations of Modern India’, Ananya Vajpeyi in her recent article said, “Today, for the first time the RSS can dream of a restitution of Savarkar in the modern national pantheon.”

Propagating myths against Muslims is part of Sangh Parivar’s strategy of creating communal tensions. Ram Puniyani (2010) argues that the communal politics of Sangh Parivar is a threat to secular democracy of India. He notes that in last few decades, the parivar communicated anti-minority myths in a way that the “propaganda against Muslim minorities, the propaganda based on communal interpretation of history, the propaganda deriving from the poverty and illiteracy of the community, the propaganda taking advantage of the hold of conservative Maulana on the community became the part of social common sense.” To support the claim they refer to official and un-official demographic figures.

This jugglery with demographic numbers by Sangh Parivar is un-scientific and undermines all basic principles of data reading and interpretation. Here is an attempt to understand religious demographic data in a scientific manner that has been misused to create panic.

### **Myth: Muslims have a high Fertility Rate than Hindus**

Only stating that Muslims have a higher fertility rate than the Hindus hides the fact that fertility rate in India is declining irrespective of socio-economic and cultural background. As per the data, fertility is declining NFHS reveals that the deprived groups have higher fertility rate compared to well off communities. (see table below)

Background Characteristic	Total Fertility Rate (TFR)		Absolute Change in TFR
	NFHS-I (1992-93)	NFHS-3 (2005-06)	
Urban	2.70	2.1	0.60
Rural	3.67	3.0	0.67
Illiterate	4.03	3.6	0.43
Hindu	3.30	2.6	0.70
Muslim	4.41	3.4	1.01
Christian	2.87	2.3	0.57
Scheduled Caste	3.92	2.9	1.02
Scheduled Tribe	3.55	3.1	0.45
<b>Total</b>	<b>3.39</b>	<b>2.7</b>	<b>0.65</b>

Source: NFHS-I and NFHS-III

COVER STORY

Between NFHS 1 and NFHS -3, it is important to note that the rate of decline of fertility rate is faster among Muslims (22.9%) than Hindus (21.2%). Fertility rate of Muslims is continuously decreasing. Scientific fertility projection by noted demographers P.N. Mari Bhatt and A. J. Francis Xavier predicts that both Hindu and Muslims will soon attain replacement level. (See table below)

Assumptions of Total Fertility Rate		
Decade	Total Fertility Rate	
	Hindus	Muslims
1991-01	3.6	4.6
2001-11	2.9	3.7
2011-21	2.3	3.0
2021-31	2.1	2.5
2031-41	2.1	2.1
2041-51	2.1	2.1
2051-61	2.1	2.1
2061-71	2.1	2.1
2071-81	2.1	2.1
2081-91	2.1	2.1
2091-01	2.1	2.1

Note: Assumptions were made for each quinquennial interval; those shown here are averages for each decade, starting with 1991 to 2001.

Source: [http://www.epw.in/system/files/pdf/2005\\_40/05/Role\\_of\\_Religion\\_in\\_Fertility\\_Decline.pdf](http://www.epw.in/system/files/pdf/2005_40/05/Role_of_Religion_in_Fertility_Decline.pdf)

Many even claim that fertility rate is high amongst Muslim communities because women reject contraception on religious grounds. However, according to National Family Health Survey-II (NFHS-II) only 2% women reject contraception on religious ground. Therefore, it is baseless to say that the lower acceptance of contraception among Muslims is because of their religious faith. NFHS data shows that the acceptance of contraception amongst Muslims and other deprived social communities has increased tremendously in the years 1992-93 to 2005-06.

As per NHFS III, it has been noted that more Muslim families access family planning services from private sources than Hindu families. Moreover, there is 18.8% unmet need of family planning among Muslims as compared to 11.9% among Hindus. Between the years 1992-93 and 2005-06 there has been an increase in use of family planning among Muslims by 65%. This increase in family planning is higher in Muslims than Hindus (39%). These facts are glossed over by those outside the academia and given communal color.

**Percent distribution of currently married women by contraceptive method currently used, according to background characteristics**

Background	Any Contraceptive Method		Difference	%age Increase
	NFHS-I (1992-93)	NFHS-III (2005-06)		
Hindu	41.6	57.8	16.2	38.94
Muslim	27.7	45.7	18.0	64.98
National Average	40.6	56.3	15.7	38.67

Source: NHFS-I and NFHS-III

## COVER STORY

**Myth: Infant mortality rates of Hindus are much higher than that of Muslims**

The distribution of religious and caste population is not equal across the states in India, thus, looking at such developmental index through the lens of religious divide is not rational. NFHS data shows that the child mortality is comparatively lower among Muslims in India. The attempt should be to understand mortality differential rather than communalizing it. Geruso and Paeers (2014), in their recent research have analyzed causes behind mortality differential. Their study reveals that improper disposal of feces without using a toilet or latrine can spread fecal pathogens that can make people ill and lead to child mortality. NFHS-III data shows that Hindus are more likely than Muslims to openly defecate. About 67% of Hindu household report open defecation, while only 42% of Muslim households do so.

Comparing Hindus and Muslims “who have the same defecation practice and live in similar sanitation environments, the Muslims mortality advantage completely disappears.” One explanation for religious differentials in mortality rates could be explained by varying sanitation practices by communities.

**Myth: High Population Growth Rate of Muslims with high fertility and low infant mortality will make them a majority religion in India.**

The ‘First Report on Religion Data’ generated by Census Department in 2004 based on the 2001 census has caused this confusion leading to a false propaganda about the Muslims becoming the majority community in the years to come. The report showed an increasing trend of decadal Muslim population growth rate from 34.5% in 1981-91 to 36% in 1991-2001. It also revealed that the other major religious groups had marked a negative population growth trend during same period.

However, the truth is that these numbers were soon revised and corrected by the Census directorate. The reason being that two states where census had not been held were erroneously included in the final data calculations. In 1981 Census could not be held Assam and while census did not take place in J & K in 1991. Yet these two states were included in the calculation of growth rate, which distorted facts and presented an incomplete picture. The Directorate of Census later released revised set of data. The revised data showed that Muslim growth rate had in fact declined faster from 32.9% in 1991 to 29.3% in 2001 (3.6 %) in comparison to the Hindu growth rate – from 22.8% in 1991 to 20% in 2001 (2.8%).

Demographic data also shows that the population growth rate in India is declining irrespective of social, cultural and economical differentials.

**Decadal Population Growth Rate (Adjusted)**

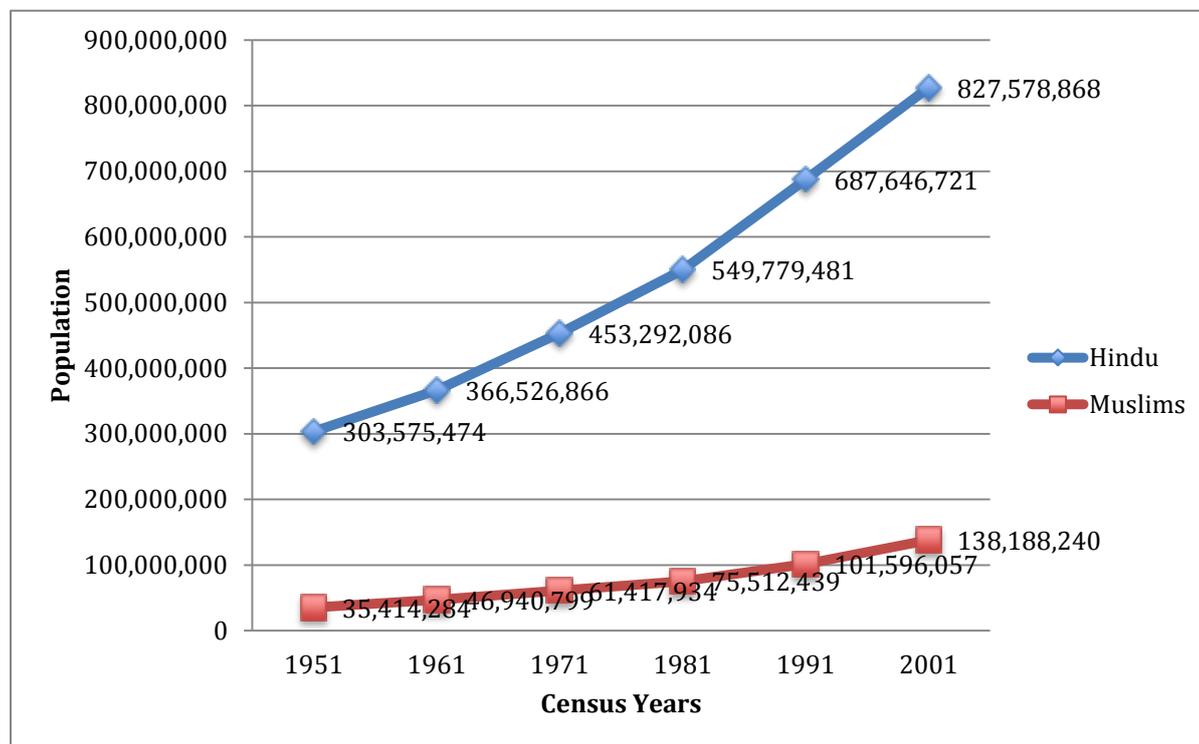
Religious Group	1961-71	1971-81	1981-91	1991-2001
Hindu	23.4%	24.2%	22.8%	20.0%
Muslim	31.2%	30.8%	32.9%	29.3%
All Religious Communities	24.8%	24.8%	23.8%	21.5%

Source: Census, India

Various groups have compared Hindu population of India with the Muslim population of South Asian countries and created a myth, which states that the increased growth rate of Muslims will make them a majority religion in India. According to the Sachar Committee report, those making predictions of majoritarianism of Muslims have also ignored mathematical calculation procedures while projecting population. The demographic data of last half a century (1951 to 2001) revealed that the numerical gap or difference in the population sizes of the two religious communities is continuously increasing from 26.8 crore in 1951 to 68.9 crore in 2001. Therefore, the statement that Muslims will outnumber Hindus very soon is completely misleading.

COVER STORY

Religious Distribution of Population in India (1951-2001)



Source: Census

Population projections involve complex calculations that keep in mind various factors affecting growth rate. These include changing patterns of fertility rate, socio-economic conditions etc. Projections by P.N. Bhat and A.J. Francis shows that the Muslim population will only be about 17.8 % of India’s population in 2061. It is expected to stabilize at 18.8% by 2091. (See table below)

Population Projection by Religion, All India

Year	Population (in Billions)		Per cent Muslims in Total Population
	Hindu	Muslim	
1991	0.69	0.11	12.6
2001	0.83	0.14	13.5
2011	0.95	0.17	14.4
2021	1.06	0.21	15.4
2031	1.14	0.24	16.1
2041	1.21	0.26	16.7
2051	1.25	0.28	17.3
2061	1.27	0.30	17.8
2071	1.28	0.31	18.2
2081	1.27	0.31	18.6
2091	1.27	0.32	18.8
2101	1.27	0.32	18.8

Source: [http://www.epw.in/system/files/pdf/2005\\_40/05/Role\\_of\\_Religion\\_in\\_Fertility\\_Decline.pdf](http://www.epw.in/system/files/pdf/2005_40/05/Role_of_Religion_in_Fertility_Decline.pdf)

## COVER STORY

The Sachar Committee also calculated growth of Muslim and Non-Muslim population using various other methodologies. The report reveals that in the Muslim population will not cross 20% of India's population in next 100 years. (See table below)

Projected Non- Muslim and Muslim Populations under various Alternatives, India, 2011-2101								
Projections	Total Population (In Thousands)				Percent Muslim			
	NM1 +MS1	NM1 +MS2	NM2+MS 3	NM2+MS 4	NM1 +MS1	NM1 +MS2	NM2+ MS3	NM2+M S4
Year								
2001	1028610	1028610	1028610	1028610	13.43	13.43	13.43	13.43
2011	1197671	1198197	1196960	1197496	14.23	14.27	14.23	14.27
2021	1358930	1360900	1355692	1357705	15.12	15.24	15.12	15.25
2031	1480067	1484635	1472743	1477359	15.72	15.98	15.76	16.03
2041	1585808	1593317	1562829	1571218	16.26	16.66	16.39	16.83
2051	1659311	1668615	1610775	1622759	16.80	17.26	17.01	17.63
2061	1707381	1719538	1617796	1634481	17.21	17.80	17.57	18.41
2071	1736136	1750370	1586628	1608094	17.57	18.24	18.10	19.19
2081	1748499	1764950	1524525	1550925	17.81	18.58	18.54	19.92
2091	1768150	1786568	1455139	1485610	17.95	18.79	18.85	20.52
2101	1783308	1802847	1369788	1402827	17.98	18.87	19.08	20.98

Note: NM stands for Non-Muslims and MS for Muslims.

There are two alternative projections for non-Muslims (NM1 and NM2) and four for Muslims (MS1, MS2, MS3, MS4). The fertility assumptions in these are:

NM1: TFR to reach 2.1 by 2021-22 and remain at that level

NM2: TFR to reach 2.1 by 2021-22, decline to 1.6 by 2071-72 and remain at that level

MS1: TFR to reach 2.1 by 2031-32 (lag of 10 years) and remain at that level

MS2: TFR to reach 2.1 by 2041-42 (lag of 20 years) and remain at that level

MS3: TFR to reach 2.1 by 2031-32, decline to 1.6 by 2081-82 and remain at that level (lag of 10 years)

MS4: TFR to reach 2.1 by 2041-42, decline to 1.6 by 2091-92 and remain at that level (lag of 20 years)

The 2001 census age distributions for the respective groups are used as the base.

The projections assumes a gradual decline in mortality (life expectancy rising to 78.7 and 83.7 years by 2101 for males and females respectively for non-Muslims and 79.0 and 84.6 respectively for Muslims) and no migration

Source: Sachar Committee

### Conclusion:

Secularism is one among core values of the Indian freedom movement. Post Independence the agenda of nation building was effectively carried forward through the constitution and democratic institutions. The constitution of India protects the rights of weak and minorities or minority communities and upholds the concept of religious plurality and harmony. The attempt of fringe elements to divide people of country on religious lines by misrepresenting facts is not only an attack on the constitution but also on the unity of the nation. This will have social and economic consequences, as continuous tension between religious groups will undo all the progress the country has made in the past 66 years.

### Prepared by:

Jeet Singh & Shriyam Gupta

### Reference

- Puniyani Ram, 2006, Contours of Hindu Rashtra: Hindutva, SanghParivar, and Contemporary Politics, Kalpaz Publication, New Delhi
- Puniyani Ram, 2010, Communal Threat to Secular Democracy, Kalpaz Publication, New Delhi

## COVER STORY

- Vajpeyi Ananya, 2014, Hind Swaraj vs Hindu Rashtra, The Hindu, New Delhi, Retrieved from: <http://www.thehindu.com/opinion/lead/hind-swaraj-vs-hindu-rashtra/article6201620.ece>, on 25 March 2015
- Bhat, P N Mari and A J Francis Xavier, 2005, Role of Religion in Fertility Decline- The case of Indian Muslim, Economic and Political Weekly, January 29, 2005 Also, Available at: [http://www.epw.in/system/files/pdf/2005\\_40/05/Role\\_of\\_Religion\\_in\\_Fertility\\_Decline.pdf](http://www.epw.in/system/files/pdf/2005_40/05/Role_of_Religion_in_Fertility_Decline.pdf) Accessed on: 11th January 2015
- NFHS, 'National Family Health Survey, IIPS, Mumbai
- 'Government of India', 'Social, Economic and Educational Status of the Muslim Community of India', November 2006, Also Available at: [http://www.minorityaffairs.gov.in/sites/upload\\_files/moma/files/pdfs/sachar\\_comm.pdf](http://www.minorityaffairs.gov.in/sites/upload_files/moma/files/pdfs/sachar_comm.pdf) Accessed on: 20th January 2015
- Census, 2001

## HEADLINES

## Parliamentary Committee Led by BJP MP in Denial that Tobacco Causes Cancer

(Hindustan Times, April 01, 2015)

The Union Health Ministry postponed the introduction of new graphic health warnings on packages of tobacco products that would cover 85% of both sides. The decision was based on a Parliamentary committee report headed by BJP MP Dilip Kumar Gandhi from Ahmednagar. The report cited the absence of Indian studies proving that tobacco

### Tobacco Facts

Tobacco kills up to half of its users.  
6 million people die each year because of tobacco consumption

Tobacco consumption is the second leading cause of death and fourth leading cause of disease worldwide

More than 5 million deaths are due to direct tobacco use while more than 600,000 are from exposure to second-hand smoke

If current smoking patterns continue, it will lead to about 10 million deaths each year by 2020

Smoking causes about 30% of all cancer deaths, 17% of all heart disease deaths, and at least 80% of deaths from bronchitis and emphysema

Over one in two people in India are exposed to second-hand smoke at home and 29% at public places

Tobacco is the only legally available consumer product which kills people when used as directed

Sources: World Health Organization, Global Adult Tobacco Survey India 2010

causes cancer and that implementation of public health measures to reduce tobacco use would only come into play after Indian surveys occur.

As per a notification issued on October 15, 2014 by the Health Ministry, graphic pictures were to cover 60% of the package while text warnings would cover another 25% of the package. In an effort to lower tobacco use, it was decided to increase the legal age of buying and using tobacco and the size of warning labels on packs.

India has one of the weakest tobacco warning regimes with official warning covering only one side of the pack and covering merely 20% of the area. India is ranked 136<sup>th</sup> among 198 countries according to the size of warning labels as per a 2014 report by the Canadian Cancer Society.

Graphic labels help in increasing awareness about the harm caused by tobacco and persuading smokers to avoid smoking near children.

<http://www.hindustantimes.com/india-news/statutory-warning-one-million-tobacco-deaths-in-india-every-year-yet-politicians-in-denial/article1-1332633.aspx>

Date Accessed: 01.04.2015

(Afreen Faridi)

## India's Core Sectors Continue to Slow Down

(Shubhashish, DNA india, April 01, 2015)

The growth in India's core sectors were recorded at 1.4% in February, the lowest in 16 months. The government's efforts to boost domestic manufacturing have not yet shown results and the Make in India campaign has not made sufficient inroads.

As per the data made available by the Ministry of Commerce and Industry, the eight core sectors (coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity) that comprise of 38% of the Index of Industrial Production (IIP), growth in these core sectors have been falling since December (2.4%), January (1.8%). Industry experts are disappointed with the numbers, although they are satisfied by the coal mine auctions that resulted in a 11.6% growth in the coal sector. The slow core sector growth might provide basis to the industry to ask for yet another rate cut. RBI has already cut the rate twice out of turn this year and brought repo rate down from 8% to 7.5%. Banks, however, have failed to pass on the benefit to consumers citing poor liquidity and high deposit rates.

“Besides, credit growth in India continues to slow down. In the month of February, credit growth was recorded at 9.4% as against 14.7% in the corresponding month of last year. Credit growth to India Inc has more than halved from last February.” According to chief economist, CARE Ratings, Madan Sabnavis, the problem lies in the fact no section of the economy is spending, with the government being constrained by fiscal deficit. While interest rates matter, just bringing them down is not likely to provide a turnaround. Revival in investment in takes time, however, the Government needs to take charge by boosting investment as it promised in the Union Budget.

<http://www.dnaindia.com/money/report-why-india-s-infrastructure-sector-continues-to-slow-down-2073680>

Date accessed: 1.4.2015

(Kasturi Mishra)

## ECONOMY

## Macro Economic Dimension of India

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

States	Rural	Urban	General
<b>All India</b>	<b>5.85</b>	<b>5.28</b>	<b>5.41</b>
<b>Northern Region</b>			
Jammu & Kashmir	8.05	5.12	6.74
Himachal Pradesh	10.67	4.91	9.02
Punjab	10.47	7.12	8.87
Chandigarh	12.04	2.60	3.87
Uttarakhand	5.36	5.23	4.99
Haryana	7.85	6.58	6.94
Delhi	8.54	4.74	5.67
Uttar Pradesh	4.78	4.94	4.49
<b>Western Region</b>			
Rajasthan	7.20	6.76	6.76
Gujarat	3.68	5.44	4.69
Maharashtra	7.94	5.62	6.55
Goa	8.72	8.12	7.76
Lakshadweep	17.13	4.91	12.03
Daman & Diu	12.73	12.16	12.53
Dadra Nagar & Haveli	16.56	8.19	
<b>Central Region</b>			5.40
Madhya Pradesh	4.16	7.57	6.08
Chattisgarh	7.70	4.73	
<b>Southern Region</b>			
Andhra Pradesh	7.57	5.00	6.38
Karnataka	6.49	4.65	5.53
Kerala	7.47	3.54	5.90
Tamil Nadu	5.49	4.45	5.09
Puducherry	6.92	4.67	5.63
Andaman & Nicobar Island	16.76	3.05	9.64
<b>Northeastern Region</b>			
Arunachal Pradesh	4.42	-	-
Assam	3.25	4.18	2.89
Manipur	18.94	8.23	14.77
<b>Meghalaya</b>	<b>1.75</b>	<b>9.74</b>	<b>2.43</b>
Mizoram	7.69	3.10	4.57
<b>Nagaland</b>	<b>14.54</b>	<b>6.68</b>	<b>11.05</b>
Tripura	13.09	7.89	11.13
Sikkim	9.22	3.67	8.35
<b>Eastern Region</b>			
Bihar	6.44	6.11	5.80
Jharkhand	3.47	4.54	3.38
West Bengal	0.95	5.09	2.60
Odisha	8.85	2.75	6.75

**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 (From the month February 2015 onwards the New Series would be with base 2012=100) provided by MOSPI, Government of India. The 2014 March data at state-level with base 2010 is here converted to new base 2012 with linking factors of MOSPI 1.22, 1.20 and 1.21 for rural, urban and combined respectively

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

## RBI to Trim Bank Exposure

*(The Hindu, March 29, 2015)*

The Reserve Bank of India (RBI) has proposed to lower the cap on the amount a bank can lend to a single corporate group over concerns of rising non-performing assets (NPA). The RBI proposes to lower the cap from 55% of core capital to 25% from January 1, 2019. This would align the lending caps with the 25% lending norms set by Basel Committee on Banking Supervision, which would also come in effect from the date proposed by the RBI. The proposal is also in tune with the fourth bi-monthly Monetary Policy Statement 2014-15 of the RBI subject.

As per the discussion paper, corporates depend predominantly on banks for their financial needs instead of accessing the market. The paper highlights the need of alternate credit sources in the economy for financing growth, de-risking balance sheets of banks and strengthening the balance sheets of investors and issuers.

“The Reserve Bank considers it desirable that such large corporate groups should gradually start tapping the corporate bonds and commercial paper markets for meeting at least a part of their financing needs. RBI proposes to encourage large borrowers to raise a certain portion of their financing needs through the market mechanism,” said the discussion paper.

<http://www.thehindu.com/business/Economy/rbi-to-trim-bank-exposure/article7044164.ece>

Date Accessed: 31.03.2015

(Afreen Faridi)

## Bharatiya Mazdoor Sangh Criticizes Labour Reforms Proposed by the NDA Government

*(The Hindu, March 28, 2015)*

Baji Nath Rai, the national president of the Bharatiya Mazdoor Sangh (BMS), criticized the BJP led Central government for trying to amend labour laws without holding discussions with the trade unions. BMS is a co-organization of the RSS. While speaking at a panel discussion on ‘Labour Reforms in India’ organized by the Indian Chambers of Commerce (ICC), Mr. Rai said that the BMS objected to the “total reform” initiated by the Centre.

The Centre had sought reforms in the Factories Act and the Apprentices Act besides other labour laws. The BMS opposed such reforms alongside the Centre of Indian Trade Union (CITU) affiliated to the CPI (M).

Mr. Rai questioned the Centre’s policy of setting high-end technology driven large scale industry in terms on

generating employment. “We have told the Centre that you cannot bring in development only on the basis of investment. Unless you provide employment you cannot develop the country,” added Mr. Rai. He also raised the issue of the increase in contractual workers stating that 60-80% of workers were engaged in contractual work. The president of the BMS questioned the idea of development in absence of job security.

<http://www.thehindu.com/news/cities/kolkata/bms-criticises-proposed-labour-law-reforms/article7041751.ece>

Date Accessed: 01.04.2015

(Afreen Faridi)

## Government Introduces Uniform Gas Price for Urea Plants

*(Business Standard, April 01, 2015)*

The government on Tuesday, March 31, 2015, announced a uniform gas pricing policy and pooling of domestic and imported natural gas for urea plants in India. The Cabinet Committee on Economic Affairs approved a policy under which gas would be supplied at a uniform delivered price to all fertilizer plants on the gas grid for production of urea through a pooling mechanism.

The government said the need for such intervention arose because currently, the price of gas supplied to fertilizer units varied across plants, depending upon the combination of domestic gas and regasified liquefied natural gas. Further, there was wide variation in the conversion efficiency of plants. As a result of variation in these two factors, it was necessary to separate the two.

The government also decided to revive the Barauni unit of Hindustan Fertilizer Corporation and the Gorakhpur unit of Fertilizer Corporation India. It is expected the pooling will augment indigenous manufacturing capacities and help revive the three urea plants (Gorakhpur, Barauni and Sindri) which will serve as anchor-load customers for the Jagdishpur-Haldia pipeline.

The Department of Fertilizers has estimated that the above mentioned decision will lead to additional production of 3,713,000 million tonnes (mt) of urea in existing fertilizer units through the next four years (2015-16 to 2018-19). This is in turn expected to reduce the dependence on imports, and save Rs 1,550 crore of subsidy.

The current scenario is as follows:

- Out of 30 urea-producing units in India, 27 are gas-based, while three -Mangalore Chemicals & Fertilizers, Madras Fertilizers and Southern Petrochemical Industries - are naphtha-based.

## ECONOMY

- The total consumption of urea currently stands at 30 mt per year (mtpa). Of this, 30 mtpa, 23 mtpa is produced in the country; 2 mtpa is imported from Oman, under the urea offtake agreement, in place till 2020 and rest 5 mtpa is met through imports.

In 2017-18, urea demand is projected at 34 mtpa and by 2024-25, it is expected to stand at 38 mtpa. It is estimated the saving in subsidy outgo due to revised energy norms of urea units will be Rs 6,979 crore during the next four years (2015-16 to 2018-19).

[http://www.business-standard.com/article/economy-policy/govt-introduces-uniform-gas-price-for-urea-plants-115040100058\\_1.html](http://www.business-standard.com/article/economy-policy/govt-introduces-uniform-gas-price-for-urea-plants-115040100058_1.html)

Date Accessed: 1.4.2015

(Shruti Issar)

### Clipping Indian Central Bank's Wings is a Bad Idea

(Andy Mukherjee, *Reuters*, March 30, 2015)

India's central bank ie Reserve Bank of India (RBI) is facing an assault on its authority. Powerful opponents in New Delhi want to set up a tribunal to second-guess the Reserve Bank of India's decisions. They also want to hand over supervision of bond trading to the stock market watchdog. Undermining the monetary authority of the central bank would be a mistake. Investors would rather live with a bossy RBI than a weak one. The campaign to clip the RBI's wings started gathering momentum after the publication of a controversial 2013 report by an advisory body set up by the finance ministry. The Financial Sector Legislative Reforms Commission (FSLRC) recommended that the central bank concentrate on setting monetary policy and regulating banks. Everything else – including the task of maintaining overall financial stability – would be taken away from it. Most significantly, the RBI would be subjected to a Financial Sector Appellate Tribunal which would, among other things, hear appeals against the central bank's regulatory decisions.

At present, the RBI can order a wayward lender to stop issuing new credit. If judges gain the power to reverse such decisions, India's financial sector would be even more prone to political meddling than it already is. Oddly enough, the campaign to enfeeble the RBI is proceeding with little regard for the damage it might do to India's international reputation. Governor Raghuram Rajan, has publicly expressed his unhappiness over implementing the FSLRC report, including the notion of subjecting the RBI to judicial review.

The country's stock market regulator, SEBI decisions are already subject to judicial review. The Securities and

Exchange Board of India (SEBI) routinely loses important cases at the Securities Appellate Tribunal, especially when the watchdog tries to punish insider trading, or enforce truth-telling by companies when they raise money via public markets. By contrast, the RBI exercises unquestioned authority over lenders, payment systems and India's half-closed capital account. Though its highhandedness is often infuriating, the 80-year-old institution has a reputation for integrity. The central bank is the one Indian institution that investors trust. Its disempowerment could make them react badly. It's still not too late for Prime Minister to put the project to clip the RBI's wings in the deep freeze.

<http://blogs.reuters.com/breakingviews/2015/03/30/clipping-indian-central-banks-wings-is-bad-idea/>

Date Accessed: 31.03.2015

(Devyani Bhushan)

## GOVERNANCE AND DEVELOPMENT

***POLITICS AND GOVERNANCE*****MUDRA Bank to be Launched on April 8***(Governance Now, March 26, 2015)*

Prime Minister Narendra Modi's pet scheme for the micro-finance sector, MUDRA (Micro Units Development and Refinance Agency) Bank is set for launch on April 8. The first announcement for the bank was made in the Budget 2015 speech of Finance Minister Arun Jaitley, where he said that informal sector enterprise that generates maximum employment in the country needs to be assisted for achieving inclusive growth. "Adding further Jaitley said, "There are some 5.77 crore small business units, mostly individual proprietorship, which run small manufacturing, trading or service businesses. 62% of these are owned by SC/ST/OBC. These hard-working entrepreneurs, who lie at the bottom of the social pyramid, find it difficult, if not impossible, to access formal systems of credit. I, therefore, propose to create a Micro Units Development Refinance Agency (MUDRA) Bank, with a corpus of Rs 20,000 crore, and credit guarantee corpus of Rs 3,000 crore.""

MUDRA Bank is all set to refinance Micro-Finance institutions by covering them under Pradhan Mantri Mudra Yojana. Here after, priority would be given to SC/ST enterprises. According to the Finance Minister the bank would boost the entrepreneurial spirit of young, educated and skilled workers; also helping existing small businesses to expand their operations.

To decide on the modalities of functioning of MUDRA bank, a meeting for Stake holder consultation was held under the chairmanship of Hasmukh Adhia, secretary, Department of Financial Services, including a cross section of micro finance institutions. NBFCs, Banks, NABARD, SIDBI and RBI representatives were present. However, the functioning mechanism of MUDRA bank has still not been decided upon or made public. It remains to be seen whether the government would make the details public before making the big announcement on April 8.

<http://www.governancenow.com/news/banking/mudra-bank-be-launched-april-8>

Date Accessed: 01.04.2015

(Rohit Chauhan)

**Government Makes Billions at Mobile Consumers Cost, Tariff to Go Up***(Governance Now, March 26, 2015)*

The celebration around the sale of spectrum is yet to subside. The spectrum was sold at about 68 percent premium, at Rs 1, 09,874.91 crore (\$17.6 billion), which resulted in telecom companies borrowing heavily to finance this buying. The debt burden on telecom companies is near Rs 3.5 lakh crores, which sooner or later would result in a hike in tariff prices to pay for the interests accrued. It remains to be seen who will actually benefit from the government's recent sale of spectrum and the resulting celebrations.

"Telecom industry which was already debt saddled with nearly Rs 2.5 lakh crores is now going to helplessly see it mount to nearly Rs 3.5 lakh crores," Assocham Telecom Council Chairman T V Ramachandran has said in a statement." He added that consumer tariffs are bound to rise because of hyper-competition in the telecom market, but even increased tariff charges wouldn't be enough to cover for the higher cost paid for the spectrum. Even though the sale of spectrum would help balance the fiscal deficit, but at the same time the high cost of spectrum raises concerns not only for telecom companies but also for the common man.

Another concern is the drying up of funds may lead to a slowdown in the roll out of networks and affect the primary task of providing telecom connectivity to people. That may in turn lead to congestion in call connection and dangers of call dropping will be frequent. According to the base price fixed by the government, the value of the spectrum came to be Rs 65,463.40 crore. Many telecom companies participated in the auction for the sole purpose of retaining their licenses, while others participated to increase their acquisition.

Idea Cellular, Airtel, Vodafone and Reliance Communications had to hold on to their operational circles as per their licence, while Reliance Jio, Tata Teleservices, Telewings (Uninor) and Aircel pitched for additional spectrum. **"Even then about 11 per cent remained unsold in 800 Mhz, 1800 Mhz and 2100 Mhz (3G) band."**

The Supreme Court of India has allowed the government to finalise the spectrum auction bids and collect the initial payments amounting to Rs 28,000 crore out of Rs 1.09 lakh crore from the successful companies before March 31. However, the final allocation will be subject to the decision of court, which will be declared after hearing all concerned parties, starting April 16.

## GOVERNANCE AND DEVELOPMENT

<http://www.governancenow.com/news/regular-story/govt-makes-billions-mobile-consumers-cost-tariff-go>

Date Accessed: 31.03.2015

(Rohit Chauhan)

## Prime Minister's Popularity in Rural India Punctured by Discontent

(*Money control*, March 30, 2015)

Over a dozen debt-laden farmers have committed suicide in recent weeks in India, and discontent in many rural areas against government policies is turning into anger against Prime Minister less than a year after he swept into office. Unseasonal storms have badly damaged the winter crop in large parts of the fertile northern plains, most likely contributing to the suicides, and villagers have blamed the Prime Minister for not stepping in to help the distressed farmers or ensuring that crop prices remained stable. The farmer suicides in India's most politically sensitive region are the latest in several setbacks for Bharatiya Janata Party (BJP) Government, which is hoping to consolidate power by winning local elections in large, predominantly rural states over the next two years.

With global food prices at a low level, an anti-inflation policy that has hit rural incomes and the shift from subsidy to investment spending, debt-laden farmers were already suffering when rain devastated standing winter crops across north India. Over 10 million hectares (24.7 million acres) of crops were damaged, but the government says there is no clear link to the suicides.

It is not unusual for federal and state government compensation for crop damage to trickle down slowly, but farmers said they expected more from the Prime Minister, who came to power promising efficient and responsive government.

[http://www.moneycontrol.com/news/economy/modis-popularityrural-india-punctured-by-discontent\\_1343364.html](http://www.moneycontrol.com/news/economy/modis-popularityrural-india-punctured-by-discontent_1343364.html)

Date Accessed: 31.03.2015

(Devyani Bhushan)

## Gujarat Assembly Passes Controversial Anti-Terror Bill

(*dna*, March 31, 2015)

After failing to get Presidential assent for its anti-terror bill thrice, Gujarat government has again gone ahead and passed Gujarat Control of Organised Crime (GUJCOC) Bill in a new form in the Assembly. The new bill still retains some of the controversial provisions.

The GUJCOC bill, which is on the lines of the stringent Maharashtra Control of Organised Crime Act (MCOCA), was rejected in 2004 and 2008 by the then President AJP Abdul Kalam and Pratibha Patil respectively who had suggested some amendments in the provisions related to telephone interception and confession made before police officer being considered as evidence in court. After its passage for the third time in the state assembly, the bill is still pending for clearance from the President.

One such contentious provision is the admissibility of evidence collected through intercepted calls of the accused. This provision empowers the police to intercept calls and admit it as evidence in the court. Justifying the provision, the 'Statement of Objects and Reasons' in the bill states that it is necessary in the contemporary day where organised criminal syndicates make extensive use of wire and oral communication. It says that the interception of such communication to obtain evidence is inevitable and an indispensable aid for the law enforcement. The statement provides a detailed justification on the issue by adding that the existing laws are inadequate to curb the menace of organised crime.

<http://www.dnaindia.com/india/report-gujarat-assembly-passes-controversial-anti-terror-bill-2073460>

Date Accessed: 31.03.2015

(Devyani Bhushan)

## Delays, Cost Overruns Plague Infrastructure Projects

(*Amritha Pillay, live mint*, March 30, 2015)

Four out of every 10 central government infrastructure projects are running behind schedule or have overshot original cost estimates, providing evidence of the heavy toll taken on project execution by delayed regulatory approvals, financial constraints and stalled land acquisition. The cost of one of these projects is expected to increase 20 times and another is set to miss its original completion date by 21 years, according to data shared by the ministry of statistics and programme implementation (Mospi) with the Lok Sabha on 18 March 2015. According to the ministry, which tracks the progress of public works projects that cost Rs.100 crore and above, it was monitoring 738 projects as of 1 January. Out of these, 315 had run past their implementation date, leading to cost escalation. National transporter Indian Railways is implementing seven of the top 10 of these 315 projects facing the longest time overrun, and eight of the top 10 facing the highest cost increase. In one instance, the original cost of a railway track conversion project on the Bankura-Damodar stretch in West Bengal has increased by more than 20 times from Rs.111.9 crore to Rs.2,371.85

## GOVERNANCE AND DEVELOPMENT

crore since 1998, when it was first approved. The project, being executed by South Eastern Railway, is now likely to be commissioned in 2019, a delay of 14 years from its original timeline.

The linear nature of projects has had an impact on the construction of national highways. Of the 315 delayed projects, 98 are national highway projects the highest number in any single sector. Land acquisition, delayed clearances and financial constraints have plagued road building. The oil and gas sector has also seen some significant project delays and cost overruns.

According to Mospi data, 24 projects undertaken by state-run hydrocarbon explorer and producer Oil and Natural Gas Corp. Ltd (ONGC) have been delayed. ONGC's project to develop G1 and GS-15 oilfields off the coast of Andhra Pradesh is facing the second-highest cost overrun of 820% and a delay of more than nine years. In the power sector, 43 projects of state-run Power Grid Corp. of India Ltd are facing delays. Two hydropower projects being overseen by North Eastern Electric Power Corp. Ltd (NEEPC) in Mizoram and Arunachal Pradesh have suffered a cost as well as a time overrun. Most analyst feel that government infrastructure projects need to aim for efficiency in meeting timelines.

<http://www.livemint.com/Politics/tJkxdTZWlvS1kwNgJdbqII/Delays-cost-overruns-plague-infrastructure-projects.html>

Date Accessed: 31.03.2015

(Devyani Bhushan)

### 56 Lakh Homes Have No Toilets in Rural Maharashtra

(Asian Age, March 30, 2015)

Prime Minister may be strongly pitching for the Swachh Bharat Abhiyan, but the sanitation conditions in rural Maharashtra presents a horrific reality. About 56 lakh households in rural Maharashtra have no toilets, admitted the water supply and sanitation minister Babanrao Lonikar. The State Government is aiming to build toilets in 56,91,960 households by 2019 under the Swachh Bharat Mission. An incentive of Rs 12,000 is given to build toilets under the mission. The Centre is funding Rs 9,000 and the state Rs 3,000 per toilet. The aim is to complete 10 lakh toilets every year.

NCP MLC Niranjan Dawkhare alleged that the eight lakh toilets that the government is claiming to have built are only on paper. He even alleged that there was corruption in building toilets and demanded an explanation. As per 2012 survey 65,15,718 families had no toilets in the state. After the survey, the government built 5,59,042 toilets in 2013-14

and 2,64,716 in 2014-15. The Maharashtra government is also going to appoint cleanliness ambassadors or 'swachh doots' in each village, who would be paid honorariums for constructing toilets in rural belts.

The government has made available Rs 490 crore in the budget under the Swachh Bharat Abhiyan to provide rural areas with sanitation.

<http://www.asianage.com/mumbai/56-lakh-homes-have-no-toilets-rural-maharashtra-111>

Date Accessed: 31.03.2015

(Devyani Bhushan)

## GOVERNMENT

### Nanavati Report on 2002 Godhra Riots not Tabled in Gujarat Assembly

(New Indian Express, April 01, 2015)

The Gujarat's Assembly Session ended on April 1<sup>st</sup>, 2015 but the findings of the '2002 riot probe panel' were not tabled though the report was submitted four months ago. The final report on the 2002 riots, in which more than 1,000 people were killed, was submitted to Gujarat Chief Minister Anandiben Patel in November 2014. The riots were probed for around 14 years by retired Supreme Court judge G T Nanavati. Such inquiry panel reports are usually presented in the assembly session once they are submitted to the government. Repeated calls made by PTI to Gujarat government spokesperson and Minister Nitin Patel to comment on the issue provided no response.

The panel's Terms of Reference (TOR) were to inquire into the facts, circumstances and course of events which led to the burning of the S-6 coach of Sabarmati Express. In June, 2002, it was also asked to inquire incidents of violence which took place after the Godhra incident. As per its TOR, the Commission was to look into the roles of the then Chief Minister of Gujarat Narendra Modi and his cabinet colleagues at that time, senior government and police officer along with functionaries of other right-wing organizations during the riots.

In 2008, the Nanavati inquiry panel had submitted a part of its finding with regard to the Godhra train-burning incident. The panel had concluded that the burning of S-6 coach of Sabarmati Express near Godhra railway station was a "planned conspiracy". The findings of this report thus become crucial to unravelling the facts of the riots.

## GOVERNANCE AND DEVELOPMENT

<http://www.newindianexpress.com/nation/2002-Riots-Nanavati-Panel-Report-Not-Tabled-Before-Assembly/2015/04/01/article2740392.ece>

Date Accessed: 01.04.2015

(Kasturi Mishra)

## Government, Against Consent of Tribals for Displacement

(Nitin Sethi, *Business Standard*, March 31, 2015)

The National Democratic Alliance (NDA) government has commuted its message clearly to the World Bank, that "India is not 'comfortable' with mandatory need for free, informed and prior consent of tribals who are displaced for projects funded by the Bank". The Indian submission to the World Bank says the proposed Bank policy "prohibits forced evictions of indigenous peoples. This standard mandates that in three specific circumstances free, informed and prior consent is needed before proceeding with a project affecting indigenous people. We are not comfortable with this provision."

On the one hand, the NDA government told the World Bank that "India has domestic laws and rules that protect tribal rights, including the powers of consent "in some cases" and the Bank should rely on such domestic regulations instead of imposing its own conditions." But, on the other hand, the NDA government is trying to dilute these provisions. They are on the verge of passing executive orders that would do away with the veto powers of tribals that protect their forest lands in most cases.

The Forest Rights Act currently requires governments to seek the prior informed consent of gram sabhas (village councils) of tribals when their traditional forest lands are to be given over to industry or other development projects. Whereas, under the land ordinance, the need for consent while using tribal people's non-forest lands is available only in the limited Schedule V and VI areas and does not extend to all tribal lands in the country.

The NDA government justified this saying, "The proposed clauses like free, prior and informed consent (replacing consultation process) can lead to legal complications, delays, increase in costs and delay in project execution."

Reacting to this submission, Aruna Chandrashekar, Amnesty India's Business and Human Rights Researcher, said, "This further contributes to a disturbing trend of the government's unwillingness to even listen to its citizens' concerns on decisions affecting their lands and resources. Along with recent attempts to bypass the Forest Rights Act for a variety of different projects, its current position on respecting the free, prior, informed consent of adivasi

communities is a distinct reversal from its decision on the Niyamgiri mine in 2013."

[http://www.business-standard.com/article/economy-policy/govt-against-consent-of-tribals-for-displacement-115033100028\\_1.html](http://www.business-standard.com/article/economy-policy/govt-against-consent-of-tribals-for-displacement-115033100028_1.html)

Date Accessed: 1.4.2015

(Shruti Issar)

## SOCIAL AND ECONOMIC EXCLUSION

### Gujarat Lags Behind in Giving Land Rights to Tribals

(Premal Balan, *The Times of India*, March 29, 2015)

"Gujarat government's scheme for tribal development like the Van Bandhu Kalyan Yojna may have become model for a central scheme, but when it comes to giving the tribals forest land rights, Gujarat lags far behind." The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 seeks to recognize and vest forest rights and occupation on forest land to forest dwelling scheduled tribes and other traditional forest dwellers who have been residing in forests for generations but their rights have not been recorded.

The status report on implementation of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, reveals that Gujarat is at the bottom with implementation of mere 39.9% of the total claims received. States like Maharashtra have implementation rate of 120%, followed by Uttar Pradesh (99%), Rajasthan (97%), Chhattisgarh (97%), Kerala (87%) and Madhya Pradesh (83%).

Gujarat has a 15% tribal population and voluntary organizations in tribal areas have alleged that the implementation of the Act was going on at a slow pace because the state government was not following proper verification process. It is claimed that applications get lost before being verified and the verification process itself is not conducted properly as the procedures prescribed in the Act are not followed.

<http://timesofindia.indiatimes.com/city/ahmedabad/Gujarat-lags-behind-in-giving-land-rights-to-tribals/articleshow/46731475.cms>

Date accessed: 30.3.2015

(Kasturi Mishra)

## GOVERNANCE AND DEVELOPMENT

**EDUCATION****54 Gujarat State-Run Schools Running Without Teachers: CAG***(Outlook India, March 31, 2015)*

The Comptroller and Auditor General (CAG) criticised the Gujarat government in its audit report tabled in the Gujarat Assembly on March 31, 2015, for not maintaining teaching staff in schools run by it, resulting in children dropping out of these schools.

“In its audit of the Sarva Siksha Abhiyan (SSA) scheme in Gujarat for the year 2013-14, the CAG stated that out of 43,176 government-run schools in the state, 64 schools having 5,698 students run without any teacher. Further, 874 schools function with merely one teacher as on March 2014.” CAG also slammed the government for not maintaining Pupil-Teacher Ratio (PTR) in more than 6,000 state-run primary schools and upper-primary schools in five tribal-dominated districts of Gujarat, comprising 41% of total tribal population of the state. The report showed that 21.28 per cent of tribal students of primary schools have not enrolled for upper primary section. CAG reported, “Out of 4.37 lakh Scheduled Tribe (ST) students on the rolls in class one to class four during 2009-10, only 3.44 lakh (78.72%) of students could be retained in class five to class eight upto 2013-14.”

The non-retention of these ST students can be attributed to non-maintenance of pupil-teacher ratio and inadequate basic amenities in school, and this needs to be looked into by the government.

<http://www.outlookindia.com/news/article/54-Gujarat-State-Run-Schools-Running-Without-Teachers-CAG/889007>

Date accessed: 31.3.2015

(Kasturi Mishra)

**HEALTH****Government Puts Brakes on India’s Universal Health Plan***(Financial express, March 27, 2015)*

Prime Minister has asked for a drastic cutback of an ambitious health care plan after cost estimates came in at \$18.5 billion over five years, several government sources said, delaying a promise made in his election manifesto. The government’s first full annual budget, announced last month, ramped up infrastructure spending, leaving less federal funding immediately available for social sectors. The

health ministry developed a draft policy on universal health care in coordination with the prime minister’s office last year.

The National Health Assurance Mission aims to provide free drugs, diagnostic services and insurance for serious ailments for India’s 1.2 billion people. The health ministry proposed rolling out the system from April 2015 and in October projected its cost as \$25.5 billion over four years. By the time the project was presented to the Prime Minister in January the costs had been pared to 1.16 trillion rupees (\$18.5 billion) over five years. That was still too much because of which the programme was not approved.

BJP’s manifesto ahead of the election that brought the party to power last year accorded “high priority” to the health sector and promised a universal health assurance plan. India currently spends about 1 percent of its gross domestic product (GDP) on public health, but the badly-managed public health system means funds are not fully utilised. A health ministry vision document in December proposed a rise in spending to 2.5 percent of GDP but did not specify a time period. The health experts were dismayed when the federal budget for the full-year starting April 2015, raised the allocation for the country’s main health department only by about 2 percent from the previous year, less than inflation. The meagre increase dimmed prospects for the proposed massive health plan, they said.

<http://www.financialexpress.com/article/economy/narendra-modi-govt-puts-brakes-on-indias-universal-health-plan/57836/>

Date Accessed: 31.03.2015

(Devyani Bhushan)

**ENVIRONMENT****Half-Hearted Efforts for Ganga Rejuvenation***(Sushmita Sengupta, Millennium Post, March 28, 2015)*

When the BJP-led NDA government came into power, cleaning the Ganga was one of the top most priorities. The government talked about corrective measures and pointed out the failure of GAP, first introduced by Rajiv Gandhi in 1986. The National Ganga River Basin Authority (NGRBA), set up in 2009 as the apex body for revival of River Ganga, with the PM as chief, was severely criticised by the NDA government. The new government decided that NGRBA, which was functioning under the Ministry of Environment, Forest and Climate Change, would be transferred to the Ministry of Water Resources, River Development and Ganga Rejuvenation. An integrated Ganga

## GOVERNANCE AND DEVELOPMENT

Conservation Mission, Namami Ganga, was established. However, these actions are hardly likely to clean up the river.

The Ganga faces a growing pollution load and rising faecal coliform levels in all stretches and higher than acceptable levels in all but upper stretches. However, in the latest budget presented in February, cleaning the river received little attention. The interim budget presented last year talked of over Rs 2,000 crore exclusively for cleaning Ganga. Till date, no implementation has been seen on ground. The only actions observed were arrangement of meetings for discussions, like the Ganga Manthan and Jal Manthan. The Supreme Court has slammed the government several times for not putting its words into action, as the Court deals with a two decades-old PIL filed by environmentalist M C Mehta on the cleaning of the river and setting up sewage treatment plants alongside it since 1985.

The Ministry has presented two reports to the Lok Sabha, one on pollution hot spots and another on Ganga River Basin Management Plan, prepared by a body of seven IITs. However, there is a possibility of an excessive focus being given to things like setting up sewage treatment plants. It needs to be considered that most of the cities along the river have only 20-30 per cent sewered areas. The conveyance of waste needs to be re-conceptualised and implemented at the time of planning treatment plants.

<http://www.millenniumpost.in/NewsContent.aspx?NID=109487>

Date accessed: 30.3.2015  
(Kasturi Mishra)

### Companies May Need To Take Up Afforestation In Lieu Of Using Forest Land For Projects

(Mayank Aggarwal, *Livemint*, March 30, 2015)

As per the India State of Forest Report 2013, the total forest and tree cover is around 789,164 sq. km—around 24.01% of the country's total geographical area. The National Forest Policy of 1988 set a target of putting a minimum of one-third of the geographical area under forest and tree cover. However, due to an increasing pressure on land resources, a funding crunch and activities such as mining which lead to a loss of forest land, India remains far from that target. Faced with a lack of funds, the Ministry of Environment and forests (MoEF) is considering asking the private sector, including industries, to help with the task of rehabilitating degraded forests in lieu of using forest land for projects. The proposal comes as the MoEF realises that the government is not in a position to complete the task on its own.

Around 41,383 sq.km (about 1.26% of India's total geographical area) falls under the degraded forests category, which are forest areas whose capacity to produce ecosystem services, such as carbon storage and wood products, decreases. This happens mainly due to unsustainable logging, agriculture, invasive species, fire, fuelwood gathering and livestock grazing. The Ministry is of the opinion that rehabilitation of degraded forests would increase the supply of wood and non-timber forest produce such as bamboo and medicinal plants from forests. Additionally, an increased supply of wood for wood-based industries for meeting domestic requirement would help the nation save on foreign exchange.

While, the plan to get private companies to undertake compensatory afforestation in lieu of using forest land for non-forestry purposes like setting up of industries, has been drawn up, comments from all state governments are awaited.

<http://www.livemint.com/Politics/FDDxjD4WMVfO472aNHhQPI/Govt-may-ask-private-sector-to-chip-in-to-increase-forest-co.html>

Date accessed: 1.4.2015  
(Kasturi Mishra)

## LAW AND JUSTICE

### Supreme Court asks Centre to Relook Jail Term for Rash Driving

(*Asian Age*, March 31, 2015)

The Supreme Court asked the Centre to revisit the jail term for "rash and negligent" driving. The Court expressed serious concerns over the spate of road accidents occurring in the country and how the powerful get away with lesser punishments. The bench said that it was compelled to observe that India had a disreputable record of accidents on the road and that the drivers had a nonchalant attitude.

Pointing to the insecurity felt by the poor, the pedestrians and careful drivers, the bench of Justices Dipak Mishra and Prafulla C. Pant, asked the legislators to re-visit Section 304A and IPC relating to rash and negligent driving which prescribe a maximum sentence of two years for the crime.

## GOVERNANCE AND DEVELOPMENT

The bench also criticized the tendency of the High Courts to be lenient in case an offender agrees to compensate the accident victim. The bench rejected young age as a plea to be accepted in all circumstances. While the principle of sentencing recognized the idea of corrective measures however, the court claimed that, deterrence was also a necessity at times.

<http://www.asianage.com/india/relook-jail-term-rash-driving-supreme-court-360>

Date Accessed: 01.04.2015

(Afreen Faridi)

## OPINION/BOOKS

## OPINIONS

**Don't Mock MNREGA, Encourage It**(Nikhil D. Thiyar, *MillenniumPost*, April 01, 2015)

Time and again the present NDA government has criticised the Mahatma Gandhi Rural Employment Guarantee Act (MNREGA). In this context, finance minister Arun Jaitley's decision to increase allocation for MNREGA from Rs 34,000 crore to Rs 34,699 crore seems ironical at best. His decision can be based on the fact that the Modi government has not come with an alternative to MNREGA, which it can then sell to the rural poor- who are the biggest beneficiaries of the scheme and a large vote bank for the party. However, it remains to be seen whether the scheme is actually that inefficient that it should be immediately terminated-as the government in power suggests-or can the relevant leakages be plugged?

Governments own data fails its rhetoric. A majority of the works under the scheme had to do with rural sanitation. Sanitation is one area that has been close to the Prime Minister's heart. The present disregard for the scheme-where sanitation projects constitute a big part of the projects undertaken – therefore goes against Mr Modi's own emphasis on sanitation in rural India. Data available in the public domain also suggests that the scheme has helped to create assets, which have helped improve rural connectivity, water conservation and create draught proof infrastructure. Therefore, to brand the scheme as a mere woks scheme discredits the available government's own data.

"It's not surprising that chief ministers across the board do not share Prime Minister Modi's tacit animosity towards the scheme. Various chief ministers-both belonging to the BJP and from opposition-ruled states have written to the Centre, asking it to release MNREGA funds urgently. This was because the previous fiscal year had seen payments related to the scheme getting considerably delayed."

Also, the arguments presented against the scheme that it is holding back India's growth because the outgo towards it contributes towards fiscal deficit. At the same time, fuel subsidies on diesel and LPG are nearly the double of the outgo for MNRGEA. **"So going by the stated logic driving SUV's and cooking food on gas stoves is also holding back India's growth."**

On the issue of the government's push to link MNREGA with the Aadhar card opinions remain divided about its benefits. "Apprehensions amongst economists remain primarily because till date no large scale intensive study has been done to measure the Aadhar card's leakages. Secondly, linking the MNREGA to the Aadhar card will probably end up making it exclusionary in nature. The Unique Identification Authority of India's own "Biometrics Standards Committee" has noted on record that retaining biometric efficiency for a database, which will possibly run into millions, "has not been adequately analysed". Even more problematic is the practical reality of taking fingerprint scans from rural labourers. It is a fact that till date the problem of fingerprint quality in India "has not been studied in depth". The fingers of rural workers, who work with their hands, are prone to cuts and scars while working, which can lead to a negative reading. In other words the fingerprints might not match once the finger has healed from its wounds." In case the government goes through with the linking process many will lose out on work security provided under the scheme due to failure in being secured on the database.

<http://www.millenniumpost.in/NewsContent.aspx?NID=109836>

Date Accessed: 30.03.2015

(Rohit Chauhan)

**Issue Coordinator: Mr. Jeet Singh**

Connect with RGICS at: [info@rgics.org](mailto:info@rgics.org); [www.rgics.org](http://www.rgics.org)



Disclaimer: The articles referenced in RGICS Policy Watch are summaries of the original articles and the headlines have been changed in certain cases. For the original articles please click on the link given below the article. Views presented here are not of the trustees of RGF. The document has been prepared by RGICS staff and not seen by the trustees.

To unsubscribe, please write to us at [info@rgics.org](mailto:info@rgics.org)