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## Finance Gap Affecting Growth of Women-Owned Enterprises: IFC study



Source: <http://www.hindu.com/2008/02/25/images/2008022558790501.jpg>

*Compiled by RGICS*

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## **Key Message**

Policy Watch is a key instrument of RGICS's vision and strategy.

RGICS's core vision is opening up the Indian state to peoples' voice -- in its legislative, executive and judicial functions.

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Policy Watch informs elected representatives and other political leaders about key policy developments nationally and globally. This will enable them to intervene in policy decision making and reflect people's voice.

Produced by a dedicated and talented team of scholars at RGICS, led by our young RG-RALs, Policy Watch is a unique product that presents information and analysis about policy for a political audience. Policy Watch has by now covered over a thousand policy issues.

### **Team RGICS**

## Finance Gap Affecting Growth of Women-Owned Enterprises: IFC study

### Introduction:

Financial inclusion is considered to be instrumental in empowering women as advancing credit to women, who own businesses, improves their economic stature across the globe. In the Indian context, encouraging greater access to financial services become more relevant given the various degrees of socio-economic discrimination they are subjected to in their daily lives. The following article discusses the findings of a report titled '*Micro, Small, and Medium Enterprise Finance: Improving Access to Finance for Women-owned Businesses in India*' published on March 11, 2014 by the International Finance Corporation. The research report focuses on the opportunities, challenges, and way forward to improving access to finance for women-owned businesses in India.

#### What is MSME?

As per the provisions of the MSME Development (MSMED) Act, 2006, there are two broad classes of MSMEs. These are:

1. Manufacturing enterprises engaged in the manufacturing or production of goods pertaining to any industry specified in the first schedule of the Industries Development and Regulation Act, 1951, defined in terms of investment in plant and machinery.
2. Service enterprises engaged in providing or rendering of services defined in terms of investment in equipment. The segmentation of industries as micro, small or medium is done on the basis of investment in plant and machinery for manufacturing units or investment in equipment for those enterprises involved in the service sector.

In India, there are around 3.01 million women-owned businesses which account for about 10 percent of the total micro, small and medium enterprises (MSME). They collectively contribute around 3.09 percent of the total industrial output and employ over 8 million people.

As indicated in Figure 1 below, the majority of enterprises owned by women fall under the micro industries category. According to experts, inadequate formal funding is impeding the growth of women-owned businesses in India.

### Classification of women-owned MSMEs

Category	Registered	Unregistered	Total	Total versus all women-owned businesses (percent)	Total versus all MSMEs (percent)
Micro	274,059	2,655,318	2,929,377	97.62	9.40
Small	40,722	30,414	71,136	2.37	0.23
Medium	276	-	276	0.01	0.01
Total	315,057	2,685,732	3,000,789	100.00	10.25

Figure -1

### Geographical distribution of women-owned MSMEs

Prevalence of women-owned businesses	State-wise Share (percent)	Number of states/ union territories (#)	States/union territories	Combined share (percent)
High	>10.00	4	Kerala, Karnataka, Tamil Nadu, West Bengal	51.9
Medium	5.00-10.00	2	Andhra Pradesh, Madhya Pradesh	11.5
Low	2.00-4.99	7	Rajasthan, Maharashtra, Punjab, Uttar Pradesh, Bihar, Gujarat, Odisha	26.7
Very Low	<1.99	20	Rest of India	9.9

Figure –2

\*Source: Quick Results Fourth All India Census of MSMEs 2006-07; Annual Report of Ministry of MSME, 2011-12 projected, MicroSave Analysis

The IFC report highlights the gap in the demand and supply of financial services to women-owned MSMEs in the country. It states that the financing gap for women-owned businesses was Rs. 6.37 trillion in 2012. This accounted for 73 per cent of the total requirements by MSMEs in the country.

Currently, the various funding sources for women-owned business include formal, semi-formal and informal sources. Out of these available sources, women-run enterprises, much like the general trend in the MSME sector, largely depend on informal lending sources that constitute 92 per cent of the total share of funds provided in 2012.

#### **Barriers to financial inclusion of women**

Although the MSME sector in general lacks access to formal financial assistance from public and private banks, the situation is worse with regard to women. However, there are two aspects that come to the fore while discussing the barriers to financial inclusion of women entrepreneurs. These barriers can be viewed in terms of the challenges faced on the demand side, i.e. the beneficiaries, and the supply side involving the formal money ending institutions.

On the suppliers' side, the major issues that prop up are:

**Lack of adequate collateral:** Collateral is the property of asset that a borrower offers to secure a loan. The lending institution or individual can claim the offered property or asset in case the borrower is unable to make loan payments to the lending body, group or person.

Due to persisting social restrictions around inheritance and land ownership, women in India do not have ownership of property or enough assets to use them as collateral for availing loans at low interests from formal funding sources. Even when women do own legal rights to properties, the male members either get them legally transferred to themselves or exercise control over them even without legal rights or title deeds. Therefore, poor financial literacy amongst women and lack of agency of women in terms of title deeds restricts their capacity to ensure collateral for credit.

**Lack of formal loans to women:** As the report mentioned above points out that approximately 90 percent of women-owned enterprises are in the informal sector and 78 percent of them belong to the services sector. Banks traditionally identify the informal and service sectors as high risk group as interest returns remain uncertain. This is mainly because of the following reasons:

1. lack documents and papers essential for banking services, and
2. increased number of smaller loans shoots up the cost for the banks to administer and provide equal financial services to all.

Moreover, with regard to women, lack of documentation presents a big hurdle in availing banking services. Considering that the finance needs of women-owned enterprises are 2.4 times less than the men-owned enterprises, the for-

mer are less attractive for the banks as they involve high cost with smaller and uncertain returns.

**Absence of women employees in bank:** Many women entrepreneurs have complained that banks do not encourage women to avail their products and services. Women employees in banks who can act as mediators for women customers constitute less than 20 percent of the bank's workforce.

#### **Additional factors acting as barriers**

- In some banks the signatures of the father or husband is necessary in order to approve loan applications by women. In other words, the nature and characteristics of not only the informal and service sector, but the social condition and constraints of women India, make women-owned MSMEs a dubious segment for investment for the banks. Consequently, women-owned enterprises seeking credit, much like their male counterparts, tend to turn to informal lending or credit sources like the moneylenders.

In India, around 22 percent of the total funding to MSMEs was received from formal financial sources in 2012. While 75 per cent was acquired through informal sources and around 3 per cent from self-equity.

Equity, as we know, is the ownership of shares of a company that are opened to the market to acquire capital to run businesses. Dividends are offered on these shares to investors.

- On the consumers' or the demand side, the factors that prevent women from taking credit assistance from formal sources include lack of confidence to approach financial institutions, lack of financial awareness and poor understanding of financial services and products and absence of support from the male members of the family.

#### **Government response**

With the broader aim of empowering women, the government has taken a number of measures over the years to improve their economic condition. These include increasing bank credit to women and encouraging ownership rights for women by providing incentives for registration of property as well as purchase of homes like providing tax exemptions and lower stamp duties. This will enable women entrepreneurs to take loans from banks that require collateral.

In 2008, the MSME ministry launched the government's only financing scheme for women entrepreneurs- Trade Related Entrepreneurship Assistance and Development (TREAD). This is the only targeted approach on the part of the government to provide finances focusing on the MSMEs. The objective of the scheme is to provide better access to finance by lending funds through non-governmental organizations. However, as against the target of Rs. 38 million only Rs. 7.7 million were disbursed as loan amount in 2012.

There are a number of central schemes like the Prime Minister's Rozgar Yojana, the Swarna Jayanti Shahari Rozgar Yojana and the Swarna Jayanti Gram Swarozgar Yojana that provide funds to MSMEs including those owned by women. However, the net contribution of these schemes is a mere 7 per cent of the total share of funds supplied to women-owned MSMEs. Other funding sources include public sector banks (through microcredit or otherwise), private sector banks and foreign banks. The largest proportion of funds is provided by the public sector banks.

Lastly, by expanding the reach of Bharatiya Mahila Banks by several branches, the government aims at catering to the banking requirements of women and promote their economic empowerment. Consequently, it has approved Rs. 10 billion as seed capital for this bank. It gave an in-principal approval for the bank in June 2013.

#### **Microfinancing and SHG-bank linking programmes**

Although microfinance plays a key role in encouraging individual women belonging to the low income group, who require loans to run tiny enterprises, it might not be able to cater to the needs of the MSMEs. Microfinance's mono-product environment, singular delivery model, lack of flexibility, and shorter-tenure loans with limited amount of credit limit it to providing working capital to tiny home-based income generating activities.

On the other hand, the SHG-bank linkage program has mostly been considered as a micro-financing institution and is likewise focuses more to cater to low-income women or micro entrepreneurs rather than women-owned MSMEs.

**Conclusion**

One of the major objectives of the report is to advocate formal funding of women entrepreneurs by highlighting the opportunities presented by the segment to lending sources. Emphasising on the need to step up credit lending to women businesses in order to promote their growth, the report argues that out of the total 3 million women entrepreneurs in India, only 3 per cent have access to finance from formal financial institutions. This provides the banks with a unique opportunity to cater to the financial requirements of a formidable mass of customers that is looking for more credit options. Secondly, women have shown better track records than men when it comes to repayment of loan amount, making deposits into savings account, loyalty towards banking institutions and accessing greater number and range of financial services and products from banks. Considering the gradual rise in the number of women entrepreneurs in India, there is an urgent need to narrow the demand-supply gap for financing of women-owned enterprises.

**References**

1. *'Micro, Small, and Medium Enterprise Finance: Improving Access to Finance for Women-owned Businesses in India'* at <http://www.ifc.org/wps/wcm/connect/a17915804336f2c29b1dff384c61d9f7/Womenownedbusiness1.pdf?MOD=AJPERES>
2. State Level Bankers Committee Report for 2012 for all the states, Analysis in the study.
3. *'Micro, Small, and Medium Enterprise Finance: Improving Access to Finance for Women-owned Businesses in India'*, *op.cit.*

## **UN, IOC sign historic accord on sport for peace**

*(DD NEWS, April 29, 2014)*

The United Nations and the International Olympic Committee has signed a historic agreement to use the power of sports to promote peace and economic development, a move that strengthens collaboration between two of the world's major organizations.

UN Secretary-General Ban Ki-moon said the Memorandum of Understanding signed with the IOC was "a logical and historic step after years of ever closer collaboration in using sport to promote development and peace."

The agreement calls for joint sporting initiatives between the IOC, national Olympic committees, international sports federations, organizing committees and international athletes and the 193 UN member states, UN agencies, envoys and goodwill ambassadors.

The two organizations will be promoting education for youth through sport without discrimination of any kind, access to sport for all communities especially the most disadvantaged and marginalized, healthy lifestyles and peace-building and community dialogue.

Ban stressed the importance of sport in reducing stigma and increasing the social and economic integration of marginalized people and in bridging cultural, religious, ethnic and social divides. IOC President Thomas Bach told a UN event celebrating the strengthened relationship that UN Secretary-General Ban Ki-moon was right when he said "Olympic principles are United Nations principles."

He pointed to the UN and Olympic charters, which both call for international cooperation to promote peace, a better life for people around the world and preserving human dignity. "Yes sport can change the world but it cannot change the world alone," Bach said.

<http://www.ddinews.gov.in/Home%20-%20Other%20Stories/Pages/UN.aspx>

Date Accessed: 29.04.2014

(Jeet Singh)

## **India's economic growth prospects dim regardless of election outcomes: Poll**

(Ashrith Rao Doddi, *Reuters*, April 25, 2014)

A Reuters poll reveals that prospects for a strong economic rebound in India are dim as industry remains weak, and although a business-friendly opposition party looks likely to form a new government, its ability to pass sweeping reforms is in doubt.

The latest Reuters poll of over 20 analysts taken this week showed Asia's third-largest economy likely grew 4.7 per cent in the fiscal year that ended this March, with growth seen picking up to 5.5 percent in the current fiscal year. Growth slumped to a decade-low of 4.5 percent in 2012/13 - less than half the almost double-digit rates in 2010.

Senior economist Anubhuti Sahay, states that against this backdrop, and with chances of even higher inflation, a strong government with the ability to legislate change is needed to put the economy back on track.

India's economic gloom deepened in the first quarter of this year. Industrial output shrank and exports fell, underscoring the enormous challenges awaiting whatever new government takes over in May. The current government has been heavily criticized for not implementing economic reforms and for being unable to control persistently high inflation -- both leading to reduced foreign investment and low consumer demand.

The Reserve Bank of India (RBI), which recently shifted its focus to retail price inflation, aims to bring that down from 8.31 percent at present to 6 percent by January 2016. But the poll shows inflation only coming down to 7.5 percent by then. That would leave a 1.5 percentage point gap to close. The RBI is expected to keep its key repo rate steady for another year before a modest cut in the second half of 2015, the poll also showed.

A weak economic outlook for China and the euro zone, India's two biggest trading partners, does not help the outlook for exports, either.

<http://in.reuters.com/article/2014/04/25/economy-poll-india-idINKBN0DB0FR20140425>

Date Accessed: 30.04.2014

(Deepthi Somani)

## **Government may not impose anti-dumping duty on solar equipment imports**

(*Exim News Service*, April 29, 2014)

The Union government, partly to cut dependence on fossil fuels and to cut costs of renewable energy, likely to refrain from imposing an anti-dumping duty on cheap solar power gear imports.

India announced its solar mission in 2009 with the aim to generate 20 gigawatts of energy by 2022. If the plan is successful, it will help reduce blackouts in Asia's third-largest economy where most of the power generation is fuelled by coal. The government has announced a subsidy of Rs 2.5 crore per mw in the second phase of the solar programme.

Government has even invite project developers to set up solar power projects in the PPP (Public Private Partnership) mode with government support through viability gap funding (VGF) of 40% of the project cost.

<http://www.eximin.net/NewsDetails.aspx?name=75569>

Date Accessed: 1.5.2014

(Shruti Issar)

## **Middle-income Countries to play a Crucial Role in Continued Growth**

(Vani Manocha, *Down To Earth*, April 30, 2014)

In a recent report released by the United Nation's International Comparison Program (ICP), study reveals that 50 per cent of the total goods produced by economies worldwide in 2011 came from low and middle-income countries. The report covered 199 economies and found that goods and services worth over \$90 trillion were produced in 2011.

According to the study, six of the world's twelve largest economies were in the middle-income category (based on the World Bank's definition). The report highlights the importance the contribution made by these economies in terms of continued growth as 72 per cent of world's population lives in middle-income countries.

The report also stated that 28 per cent of the world population lives in economies where GDP per capita expenditures are above the world average of \$13,460.

<http://www.downtoearth.org.in/content/half-world-s-economic-output-comes-middle-income-countries-un-report>

Date Accessed: 30.04.2014

(Pallavi Ghosh)

## **Govt. cuts import tariff value on gold and silver**

(*Livemint*, May 1, 2014)

Taking cue from global prices, the government slashed the import tariff value on gold and silver as part of its fortnightly revision process. The tariff value was revised to \$422 per 10 grams and \$632 per kg from \$431 per 10 grams and silver at \$646 per kg from the last evaluation.

The import tariff value is base price at which customs duty is determined to prevent under-invoicing. Due to government restrictions aimed at reducing the current account deficit, gold and silver imports have dropped to \$33.46 billion in 2013-14, as against \$55.79 billion in the previous year. Among other measures taken by the government include raising the import duty to 10% on the metal and also made it mandatory for traders to export 20% of the imported gold.

The commerce and industry ministry is currently advocating easing restrictions on gold imports. This can boost gems and jewellery export, which declined by 8.82% in 2013-14 to \$39.52 billion.

The prices of gold have been falling in Singapore as well with March 1 being the fourth consecutive day in which prices have gone down by 0.3% to \$1,288 per ounce and of silver to \$19.14 per ounce.

<http://www.livemint.com/Money/ddCF1mgImAE3FJcmKeuxkM/Govt-cuts-import-tariff-value-on-gold-silver.html>

Date Accessed: 01.05.2014

(Pallavi Ghosh)

## POLITICS AND GOVERNANCE

### Pension scheme to help 6 Lakh workers in UAE

(*The Statesman*, April 28, 2014)

The Indian government has increased its subsidy to the co-contributory pension scheme Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) launched for the overseas Indian workers. An estimated six lakh blue-collar Indian workers in the Emigration Clearance Required category in the UAE are expected to benefit from this increased subsidy for overseas pension plan.

This contribution, which comes from the Ministry of Overseas Indian Affairs, has now been complemented with another Rs 1,000 from the Pension Fund Regulation and Development Authority (PFRDA) by including MGPSY under PFRDA's Swavalamban Yojana pension scheme.

Hence, the government contribution now stands at Rs 2,900 for male subscribers and Rs 3,900 for female subscribers. The early subscribers in the UAE will be the first to benefit from the scheme as its overseas launch was held here in October last year.

Commenting on the same Mr Ankit Aggarwal (Director, Alankit Assignment) said "We are actively enrolling enthusiastic subscribers in the scheme and are also looking for prospective business partners in all ECR countries including KSA, Bahrain, Kuwait, Oman, Qatar, Malaysia and UAE for widespread accessibility of the service."

The objective of the scheme is to encourage and enable overseas Indian workers by giving co-contribution to save for their return and resettlement in India, save for their pension and obtain complimentary life insurance cover during the period of overseas employment. Workers who have an Emigration Clearance Required (ECR) stamp on their passports are eligible to join the scheme.

<http://www.thestatesman.net/news/52032-blue-collar-workers-to-benefit.html>

Date Accessed: 29.04.2014

(Jeet Singh)

## EDUCATION

### Mumbai schools far from RTE Act goal

(*Deepthi Ramesh Sonawala, The Indian Express*, April 12, 2014)

Three years after the landmark Right of Children to Free & Compulsory Education (RTE) Act was brought in, schools across Mumbai are still a long way off from achieving the goal. "Data obtained from the state education department shows that just one out of every four seats available under RTE quota has been filled in Mumbai (main city) schools. This makes Mumbai the second-worst district in Maharashtra after Latur in terms of admissions under the RTE quota."

As per the data collected by education inspectors of the three zones in the Mumbai Metropolitan Region (MMR), out of 12,818 seats reserved for students from Economically Weaker Section (EWS) under the 25 per cent RTE quota, only 26 per cent or 3,308 have been filled till date. As many as 9,526 reserved seats are still lying vacant. What is even more shocking is that 376 out of the total 554 schools (for whom it is mandatory to reserve seats for EWS students) have failed to admit even a single student under the quota.

"Though the state government has been promoting 25 per cent quota under RTE, the latest admission figures for this academic year are discouraging. In the three zones of MMR, about 74 per cent seats under RTE are vacant as the state government in August 2013 had directed the schools not to admit general category students for these."

<http://indianexpress.com/article/cities/mumbai/mumbai-schools-far-from-rte-act-goal/2/>

Date Accessed: 28.04.2014

(Anjana John)

## HEALTH

### WHO launches new guide for Malaria eradication

*(The New Indian Express, April 25, 2014)*

On the occasion of World Malaria Day (April 25<sup>th</sup>), the World Health Organisation (WHO) launched a new guide to help countries to move towards malaria eradication. The new guide provides countries with a comprehensive framework to assess different scenarios and timelines for moving towards elimination, depending on programme coverage and funding availability. Statistics showed that the malaria mortality rate around the world and the African region has dropped dramatically to 42 per cent and 49 per cent respectively since 2000. However, WHO still estimated that as many as 207 million cases of malaria and over 600,000 deaths were reported in 2012.

“The UN global health agency said that although many countries have the political will to commit to elimination of the disease, technical, operational and financial obstacles remained, particularly in countries and regions with a high disease burden. The new guide will help countries and regions assess what resources they need to reduce malaria transmission to very low levels and provide them with essential knowledge for long term strategic planning for a malaria program.” Begun in 2007, World Malaria Day is an occasion to highlight the need for continued investment and sustained political commitment for malaria control and elimination.

<http://www.newindianexpress.com/world/WHO-Launches-New-Guide-for-Malaria-Eradication/2014/04/25/article2189013.ece>

Date Accessed: 28.04.2014

(Anjana John)

### Government should shift Focus to Safe Deliveries to Reduce Maternal Mortality Rates

*(Kundan Pandey, Down To Earth, April 30, 2014)*

Advocating better approached to secure health security for pregnant women, the Centre for Health and Resource Management (CHARM)- a non-profit organisation in Bihar- has criticised the government’s sole focus on institutional deliveries. The NGO argues that government schemes are based on the assumption that access to public health institutions is the only way to achieve women safety during as well after deliveries.

Even experts like Smita Bajpai of Gujarat-based non-profit Centre for Health Education, Training and Nutrition Awareness states that there need be a multi-pronged approach emphasising improvement in every sector—transport, infrastructure, nutrition and employment. Other suggestion by area experts include supporting home deliveries and suggests integrating midwives, accredited social health activists (ASHAs) and auxiliary nurse midwives (ANMs) for delivery cases.

CHARM has identified underreporting of deaths as one the major concerns with regard to mortality deaths in India. It has found discrepancies in official and actual data in cases like Phulwari Sharif in Patna, where officially there have been no deaths, but the non-profit found 14 deaths in the block in a month.

For example, CHARM found out that 15 out the 22 women died while being taken to health centres maternal deaths in Phulwari Sharif and Maner blocks between 2012 and 2013. Delay in decision-making and reaching health centres emerged as the reason for most deaths, the study states. States should improve access to free ambulances, it says.

The article also builds the case for supporting home deliveries in India muck like Denmark and Netherlands in the 1920s. Even Sri Lanka was able to reduce its MMR to 60 in 2008 by widely using midwives for home deliveries and strengthening the health system. Centre for Global Development, a US-based research organisation, states that 97 per cent of the births in Sri Lanka are attended by skilled midwives. It also provides free medical services to all.

<http://www.downtoearth.org.in/content/delivering-safety>

Date Accessed: 30.04.2014

(Pallavi Ghosh)

## RURAL

### MGNREGS: Rural development ministry may speed up wage payments

(Yogima Seth Sharma, *Economic Times*, April 28, 2014)

The rural development ministry wants states to boost the effectiveness of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) by helping to speed up wage payments that getting delayed up to three months because of low workforce to monitor the work.

The ministry wants to rope programme beneficiaries, to provide them with technical training for assessing the work done under the scheme and then attach them to engineers at the block level. The suggestion will be made to the new government.

“The ministry is in the process of formulating core guidelines to train one beneficiary each from an MGNREGS family across at least a dozen states where the problem is acute. Wages worth Rs 2,700 crore, or 25 per cent of the total, are delayed beyond the stipulated 15 days. In 600-1,000 blocks in states such as Jharkhand, Odisha, Madhya Pradesh, Jammu and Kashmir, Chhattisgarh and the North-East, wages are delayed by 30, 60 and up to 90 days, defeating the social welfare aspect of the scheme.”

[http://economictimes.indiatimes.com/articleshow/34308599.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/34308599.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Date Accessed: 01.05.2014

(Ashwin Varghese)

## ENERGY

### India, Bhutan ink pact to develop hydropower projects

(PTI, April 22, 2014)

India and Bhutan have recently signed an agreement for the development of joint hydropower projects in a bid to further strengthen their bilateral strategic partnership. The framework "Inter-Governmental Agreement" between Bhutan and India for the development of Joint Venture Hydropower Projects through the Public Sector Undertakings of the two governments was inked here.

A statement by Ministry of External Affairs states, "Hydropower cooperation with Bhutan is a classic example of win-win cooperation, providing clean electricity to India, generating export revenues for Bhutan, and further strengthening our bilateral economic linkages." The agreement was signed by P K Sinha, Secretary, Ministry of Power, from the Indian side and Sonam Tshering, Bhutan's Secretary, Ministry of Economic Affairs.

The Inter-Governmental agreement signed provides the framework for implementing four hydro-electric projects (HEPs) - 600 MW Kholongchu project, 180 MW Bunakha project (with 230 MW downstream benefit from Tala, Chukha and Wangchu HEPs), 570 MW Wangchu project and 770 MW Chamkarchu project - totaling 2120 MW. Three more projects totaling 2940 MW - the 1200 MW Punatsangchu-I project, the 1020 MW Punatsangchu-II project and the 720 MW Mangdehchu project - are under construction, and are scheduled to be commissioned by 2018. The implementation of the projects is subject to completion of the due process of appraisal of their detailed project reports including techno-economic viability.

The signing of the Inter-Governmental Agreement is likely to strengthen bilateral hydropower cooperation and further cement India's strategic partnership with Bhutan, the statement said.

[http://www.business-standard.com/article/economy-policy/india-bhutan-ink-pact-to-develop-hydropower-projects-114042200999\\_1.html](http://www.business-standard.com/article/economy-policy/india-bhutan-ink-pact-to-develop-hydropower-projects-114042200999_1.html)

Date Accessed: 30.04.2014

(Deepti Somani)

## Delhi to witness peak power demand in June

(*The Indian Express*, April 29, 2014)

Delhi is expected to witness a peak power demand of 6100 Mega Watt in the first fortnight of June during the summer. Power distribution companies have made adequate arrangements to meet the anticipated peak demand. "Delhi met its peak load of 4090 MW on April 28 this year at 15.33 hrs during which the generation within the national capital was 649 MW and drawal from central sector stations (including bilateral arrangements) was 3441 MW." The peak demand has again crossed 4000 MW after six months. The demand for power further increased on 29<sup>th</sup> April to 4121 MW at 14.50 hrs. "Peak demand anticipated for April, this year was 4200 MW. Till now growth in demand is marginally lower than anticipated demand and in line with the projections."

<http://indianexpress.com/article/cities/delhi/delhi-to-witness-peak-power-demand-in-june/>

Date Accessed: 29.04.2014

(Anjana John)

## TECHNOLOGY

### Policy issues hurting telecom deals in India

(Deepali Gupta and Kalyan Parbat, *Economic Times*, April 26, 2014)

With more than two months since the government notified new merger and acquisition rules, there has been lot of buzz but few concrete movements on telecom deals in India. Operators and analysts blame a clause that require acquirers to pay a market-linked price of the acquired company's spectrum to the government as being the main deterrent, apart from the huge debt on the books of potential acquisition targets that makes them less attractive.

Some of the companies in the sector are also wary about a potential jump in spectrum usage charge for merged entities. Other deterrents include the continuing lack of clarity on spectrum trading and sharing rules as well as the parliamentary elections, the outcome of which may lead to policy changes. Analysts reaffirm the "desperate need" for consolidation in the sector since there are still nearly 10-12 players in some of India's 22 circles, regardless of fierce competition and bitter price wars.

<http://economictimes.indiatimes.com/industry/telecom/policy-issues-hurting-telecom-deals-in-india/articleshow/34217054.cms>

Date Accessed: 30.04.2014

(Deepthi Somani)

### India demands for representative and democratic form of Internet

(*Economic Times*, April 25, 2014)

At the Global Multistakeholder Meeting on the Future of Internet Governance in Sao Paolo, Vinay Kwatra, joint secretary at Ministry of External Affairs stated that India has lamented the lack of truly representative and democratic nature of the existing systems of internet governance, including the management of critical internet resources, and called for cyber jurisprudence to ensure security of the cyberspace.

Representatives from nearly 180 countries are debating the future of the internet in Brazil. The South American nation has criticised the US after NSA snooped the cell phone of its president and critical internet systems.

The proposal for a decentralised internet assumes significance in the wake of Edward Snowden's Wikileaks revelations of mass surveillance in recent months. India has been a vocal critic of the current structures that govern internet system and called for making it more broad-based with multi-stakeholder in the backdrop of Snowden revelations.

Mr. Kwatra further stated that while the world has indeed benefited from the growth of the internet, making it effectively a global commons, we also cannot ignore several serious strategic and public policy challenges that this domain has presented, adding lack of truly representative and democratic nature of the existing systems of internet governance, including the management of critical internet resources, leading to "trust deficit" in the system. He further called for the need for the internet governance ecosystem to be sensitive to the cultures and national interests of all nations, not just of a select set of stakeholders. India feels that there's an apparent inability of the current structures of internet governance to respond to some of the core and strategic concerns of the member states.

Mr. Kwatra asserted the need to ensure security of the cyberspace and institutionalize safeguards against misuse for the protection of internet users, and at the same time, also ensure the free flow and access to information essential to a democratic society and suggested a need for cyber jurisprudence.

With over 200 million internet users, soon going to cross half in billion in coming years, over 900 million mobile telephone subscribers, and a thriving and robust internet ecosystem, India is well poised and willing to play an important and constructive role in evolving the global internet governance ecosystem, and in the process, make it more credible.

India seeks the internet governance system to be representative and democratic, rather than being managed by a few, with the full involvement of governments, the private sector, civil society and international organizations. Internet is used for transactions of core economic, civil and defence assets at the national level and in the process; countries are placing their core national security interests in this medium.

<http://economictimes.indiatimes.com/tech/internet/india-calls-for-cyber-jurisprudence-to-ensure-internet-security/articleshow/34170643.cms>

Date Accessed: 30.04.2014

(Deepthi Somani)

## **ENVIRONMENT**

### **India readies to implement UN's REDD+ programme to incentivize forest conservation**

(Kumar Sambhav Shrivastava, *Down to Earth*, May 02, 2014)

The Ministry of Environment and Forests (MoEF) released its draft policy to implement the mechanism that aims to provide monetary incentives to forest communities for protecting forests, which are major carbon sinks. MoEF's draft policy aims to create the framework for transferring financial benefits from REDD+ to local communities involved in protecting and nurturing forests. During the United Nations 19th Conference of Parties on climate change in Warsaw in November last year, the developed and developing countries had agreed on a framework to implement the REDD+ policy.

"India has 69.20 million ha (21.05 per cent of its total geographical area) under forest cover. It ranks 10th in the world in terms of forest area as per the Global Forest Resource Assessment (GFRA), 2010. REDD was proposed as a mechanism to discourage deforestation and degradation of forests to reduce carbon emissions around eight years ago. Since then India has been hoping to tap the global funds for protecting and increasing the forest cover. For years it has been working on REDD+ preparedness to build an infrastructure to implement REDD+ programmes."

The policy will establish a National REDD+ Authority which will prepare a national inventory of carbon sequestration in forests, an action plan indicating the national reference level for emissions and a national monitoring and reporting system. It will also support creation of sub-national level REDD+ architecture/institutional framework with relevant stakeholders and initiating REDD+ pilot projects for learning.

<http://www.downtoearth.org.in/content/india-readies-implement-un-s-redd-programme-incentivise-forest-conservation>

Date Accessed: 02.05.2014

(Simi Sunny)

## AGRICULTURE

### Farmer's suicides connected to marginality, cash crops and indebtedness

*(im4change)*

A new study; 'The political economy of farmers' suicides in India' by Jonathan Kennedy and Lawrence King observes that "suicide rates will be higher in states where there are more marginal farmers, where more cash crops are grown, and where there are more indebted farmers. The existing body of literature suggests that inter-state variation in suicide rates can, at least to some extent, be explained by the characteristics of the rural political economy" which was undermined by a previous study by Vikram Patel et al (2012).

"The Lancet study (2014) finds that if the state were able to reduce the proportion of marginal farmers, cash crops, or indebted farmers by one percent, the suicide rates (per lakh per year) would be reduced by 0.437, 0.518 and 0.549 respectively, when all other variables are held constant."

The key findings of the study:

1. The proportion of marginal farmers is only associated with higher suicide rates in states where farmers are subject to the vulnerability of cash crop cultivation and indebtedness. West Bengal is an exception
2. There is a clear association between the proportion of cash crops and suicide rate. Gujarat and Rajasthan are two anomalies
3. There is a clear association between the proportion of indebted farmers and suicide rates, Punjab being an exception
4. Proportion of marginal farmers, cash crops, and indebted farmers are better predictors of suicide rates than inequality; and
5. "There is a significant and positive relationship between the percentage of marginal farmers and suicide rates, but only when the study controls for either or both cash crop production and indebted farmers. The study concludes that even if land redistribution is not possible in the real world, state interventions to stabilize the price of cash crops and relieve indebted farmers may be effective at reducing suicide rates in the country."

A survey done by Centre for the Study of Developing Societies found that many farmers "reported domestic problems (41 percent) as most important reason for suicide cases followed by credit/ loan (35 percent) and crop failure (14 percent)."

<http://www.im4change.org/news-alerts/why-farmers-commit-suicides-24803.html>

Date Accessed: 30.04.2014

(Ashwin Varghese)

## GENDER

### Women get a raw deal from parties in ticket distribution

(Namita Bhandare, *LiveMint*, April 30, 2014)

Despite the talk of the need for greater representation and women's empowerment by major political parties, women candidates account for a paltry 8% of the total tickets distributed, according to data released by the Association for Democratic Reforms. The numbers relate to the tickets distributed for the first seven phases of the 2014 election. With 47 women candidates, or 13% of the 364 candidates it has put up, this year's new entrant to the electoral process, the Aam Aadmi Party has outdone both the Congress (41 seats to women, or about 11% of the 369 tickets it has distributed) and the Bharatiya Janata Party (30 seats or 8.6% of the 349 seats it is contesting).

The situation remains grim in parties headed by women. While the All India Anna Dravida Munnetra Kazhagam has given four tickets, or 10%, to women in the 40 seats it is contesting, the Bahujan Samaj Party, headed by Mayawati, has given 22 women, roughly 5.5%, tickets in the 402 seats where it is contesting. Mamata Banerjee's Trinamool Congress has 17 women contestants, about 17%, in the 101 seats it is contesting.

With political parties so miserly in distributing tickets to women, it is no surprise that the bulk of women candidates this year are contesting as independents. Of the 507 women contesting elections, 167 are standing as independents. While it is not immediately clear how many women candidates have connections to political families, 69.5% of all women members of Parliament in the 15th Lok Sabha were hereditary MPs, to use historian Patrick French's term.

ADR's analysis shows that parties tend to be more generous to women with substantial finances. In aggregate, 30% of the women contesting the 2014 general elections are worth over Rs.1 crore. If women candidates on the whole are wealthier than their male counterparts, they also have fewer criminal charges against them. Only around 13% of the women candidates have criminal charges against them, far less than the overall 17%.

In percentage terms, the candidacy of women hasn't changed significantly over the past three elections. In 2004, national parties gave 8.14% of its tickets to women. This went up slightly to 8.26% in 2009 and has fallen to just 8% this election, although it could change marginally once data for all constituencies is analysed.

The 73rd Amendment Act, 1992, mandates the reservation of a minimum of seats for women within local elected governance bodies. In 2009, the government approved 50% reservation in panchayats and states such as Rajasthan and Odisha have passed similar legislation. After pending for close to two decades, the Women's Reservation Bill was finally passed in the Rajya Sabha in March 2010. But it never made it through the Lok Sabha, and minus the law, women continue to be woefully under-represented in Parliament, accounting for just 11.4% of the members in the 15th Lok Sabha.

<http://www.livemint.com/Politics/zwS7f31PCzrIBOTEr3HtvL/Women-get-a-raw-deal-from-parties-in-ticket-distribution.html>

Date Accessed: 30.04.2014

(Deepthi Somani)

## REGIONAL

### NE got importance only in 11th and 12 five year plans: Montek

(Correspondent, *The Sentinel*, April 30, 2014)

While attending a planning commission meeting chaired by Prime Minister Manmohan Singh, Deputy Chairman Montek Singh Aluhwali stated that the "Northeast never got any focus in the plan projects. But in the 11th and 12th five year plans, it received a lot of importance. And in the 12th plan, special importance was given on infrastructure development in the Northeast." "Aluhwalia's statement is an indirect criticism to the NDA government when it was

in power in Delhi, contrary to the fact that the Vajpayee government did establish the Development of North Eastern Region (DoNER) ministry.”

Prime Minister Manmohan Singh while addressing the members stated that the “direct involvement of the planning commission members have succeeded in resolving complex inter–ministerial issues concerning the Northeast.” He added that “the Planning Commission has been a growing resource for the government. BK Chaturvedi’s (member power) works on infrastructure in Northeast are examples of the roles being played by the Commission.”

He further said that the “Cabinet Committee on Infrastructure played a big role in policy formulation” and that the Commission has also “begun anchoring high–level committees to improve coordination in policy formulation.”

<http://www.sentinelassam.com/mainnews/story.php?sec=1&subsec=0&id=190347&dtP=2014-05-01&ppr=1#190347>

Date Accessed: 03.05.2014

(Junty Sharma Pathak)

## **New government to take call on language, ST status for NE communities**

(Correspondent, *The Sentinel*, April 30, 2014)

“A final call on the inclusion of as many as seven languages of the Northeast into the Eighth Schedule of the Indian constitution and ST status to six communities of Assam is likely to be taken after the formation of the new government at the Centre.”

A senior government official engaged with issues related to the north–eastern states reported that both matters are under the consideration of the government and a final decision will be taken by the new government. “At present there are demands for inclusion of 38 more languages in the Eighth Schedule of the Constitution of India. The Home Ministry has received demands for inclusion of seven north–eastern languages, which includes Kamtapuri, Karbi, Khasi, Kokborok, Lepcha, Limbu and Mizo (Lusai), under the Eighth Schedule.”

Official sources reported that “an internal inter–ministerial committee was constituted by the Ministry of Home Affairs to make an in–depth study of the entire issue, including recommendations of the Sitakant Mohapatra Committee to suggest a set of uniform criteria with regards to extent of development of a language, its usage, etc.”

<http://www.sentinelassam.com/mainnews/story.php?sec=1&subsec=0&id=189891&dtP=2014-04-27&ppr=1#189891>

Date Accessed: 03.04.2014

(Junty Sharma Pathak)

## **Vidyasiri scheme to cover 50,000 students in Karnataka**

(*The New Indian Express*, April 30, 2014)

The ‘Vidyasiri’ scheme will cover 20,000 more students from the 2014-15 academic year in Karnataka. At present, 30,000 students from backward communities benefit under the scheme and get a stipend of `1,500 for 10 months if they could not get accommodation in state-run hostels and chose to stay separately. The scheme, launched recently, has helped the beneficiaries in a big way to pursue education. Over 4,883 students from nomadic and semi-nomadic communities and another 27,134 poor students from OBCs benefited from the scheme in 2013-14. “The Karnataka government has so far spent `34.20 crore under the scheme.”

<http://www.newindianexpress.com/states/karnataka/Vidyasiri-Scheme-to-Cover-50000-Students-Minister/2014/04/30/article2197313.ece>

Date Accessed: 30.04.2014

(Anjana John)

## **Study finds Sonitpur to be the hub of trafficking in Assam**

*(The Telegraph, April 29, 2014)*

According to a joint study by UNICEF and the Assam government, Sonitpur district has emerged as the centre of human trafficking in the state. The report revealed that Sonitpur was area that reported maximum activity in human trafficking with 51 women being rescued out of the total 207 reported cases from the region between January 2011 and July 2013.

However, as noted by police officials, the higher number of women rescued from the flesh trade in the district also indicates a positive trend that the NGOs and police are more active in the region. The major reasons that have been identified in the region that make young girls vulnerable to trafficking are poverty, lack of jobs and poor awareness. However, as police authorities have pointed out the need to conduct a thorough study to identify the push and pull factors of trafficking enabling intervention.

The study also marks that the number of girls facing sexual exploitation is higher than the number of girls engaged in labour.

[http://www.telegraphindia.com/1140430/jsp/frontpage/story\\_18291942.jsp#.U2C39vmSyaI](http://www.telegraphindia.com/1140430/jsp/frontpage/story_18291942.jsp#.U2C39vmSyaI)

Date Accessed: 30.04.2014

(Pallavi Ghosh)

## **CHILDREN**

### **Little or no association between economic growth and child nutrition**

*(im4change)*

A recent paper published in the Lancet Global Health journal (April, 2014), based on evidence from 121 Demographic and Health Surveys from 36 low-income and middle-income countries, shows that there exists little or no association between increases in per capita GDP and reductions in early childhood nutrition (measured in terms of stunting, underweight, and wasting).

“Sebastian Vollmer and colleagues in their study conclude that there is a need to focus on direct investments in health and nutrition, and not to rely exclusively on the so-called trickle-down approach of a growth-mediated strategy for improving nutritional status of children.”

The paper offers the following reasons behind weak association between increase in per capita GDP and reductions in early childhood nutrition.

- 1) Growth in incomes could be unequally distributed without improving the prosperity and, thus, nutritional status of poor;
- 2) Rise in incomes is not spent on enhancing the nutritional status of children; and
- 3) Increase in average incomes could be poorly associated with improvements to public services that are essential to improve the nutritional status of the population (e.g., vaccinations against diseases that can precipitate and maintain under-nutrition, prenatal and postnatal care, clean water and sanitation, etc).

<http://www.im4change.org/news-alerts/little-or-no-association-between-economic-growth-and-child-nutrition-24701.html>

Date Accessed: 30.04.2014

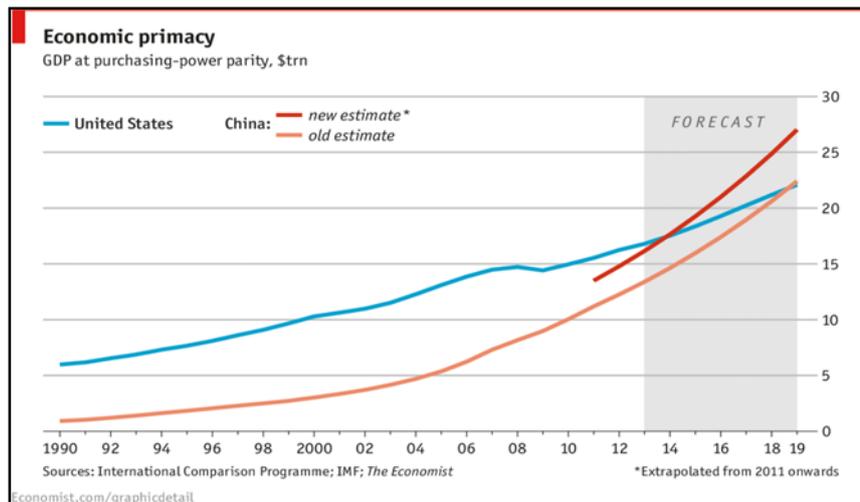
(Ashwin Varghese)

## INTERNATIONAL AFFAIRS

### Crowning the dragon

(J.M.F. and L.P., *The Economist*, April 30, 2014)

China, which had been forecast to overtake America in 2019 by the IMF, will be crowned the world's pre-eminent country by the end of this year according to *The Economist's* calculations. Until 1890 China was the world's largest economy, before America surpassed it. By the end of 2014 China is on track to reclaim its crown.



Comparing economic output is tricky: exchange rates get in the way. Simply converting GDP from renminbi to dollars at market rates may not reflect the true cost of living. Bread and beer may be cheaper in one country than another, for example. To account for these differences, economists make adjustments based on a comparable basket of goods and services across the globe, so-called purchasing-power parity (PPP).

New data released on April 30th from the International Comparison Programme, a part of the UN, calculated the cost of living in 199 countries in 2011. On this basis, China's PPP exchange rate is now higher than economists had previously estimated using data from the previous survey in 2005: a whopping 20% higher. So the American Century ends, and the Pacific Century begins.

<http://www.economist.com/blogs/graphicdetail/2014/04/daily-chart-19>

Date Accessed: 30.04.2014

(Gayatri Verma)

## SOUTH ASIA

### India influences Bangladesh policies: US Report

(Nurul Islam Hasib, *bdnews24.com*, May 01, 2014)

A US State Department Report named "Country Reports on Terrorism 2013" has said that Bangladesh's policy is heavily influenced by regional powers like India. According to the report which gives an annual assessment of trends and events in global terrorism, in the past few years India-Bangladesh relationship has provided "openings for transnational threats", but the present Awami League-led government has "demonstrated strong interest" in regional cooperation to fight terrorism. The report says that though Bangladesh has been an "influential partner" in counter-terrorism in the region and has continued to take strides in the fight against global terrorism, its foreign and domestic policies are "heavily" influenced by the region's major powers, particularly India.

The report says that India remained severely affected by and vulnerable to terrorism, including from Pakistan-based groups and their affiliates as well as left-wing violent extremists. It says, in response, the Indian government continued to undertake efforts to coordinate its counterterrorism efforts “more effectively” and expanded its cooperation and coordination with the international community and regional partners.

<http://bdnews24.com/bangladesh/2014/05/01/india-influences-bangladesh-policies-us-report>

Date Accessed: 03.05.2014

(Simi Sunny)

## **EAST AND SOUTH EAST ASIA**

### **China toughens environment laws as pollution peaks**

***(Domain-b.com, April 24, 2014)***

China has amended its laws on environmental protection to prescribe tougher penalties on polluters as environmental pollution in the country reached unsustainable levels. “The sweeping amendments, the first in 25 years, follow two years of debate among activists and come amid mounting public anger over pollution.” The much-anticipated amendments that follow a two-year debate among scholars, the government and non-governmental organisations, makes environmental protection the overriding priority of the government. But the amendments passed by the Standing Committee of the National People's Congress, China's parliament failed to enthuse NGOs and environmental activists.

[http://www.domain-b.com/environment/20140424\\_pollution.html](http://www.domain-b.com/environment/20140424_pollution.html)

Date Accessed: 28.04.2014

(Anjana John)

### **WHO to seek Universal Health Coverage in Southeast Asia**

***(Nikita Mehta, Livemint, April 24, 2014)***

The World Health Organisations (WHO) regional director Poonam Khetrpal Singh has stated that the organisation will seek to provide access to health services for all in Southeast Asia and put in place robust healthcare systems in the region.

WHO's Southeast Asia ambit covers 11 countries—Bangladesh, Bhutan, North Korea, India, Indonesia, Maldives, Myanmar, Nepal, Sri Lanka, Thailand and Timor-Leste.

In the region, “out-of-pocket payments for health are the highest among all the WHO regions and one-third of new annual poverty is healthcare related. The World Bank has set a goal to reach UHC by 2030, which is considered central to their objective of ending extreme poverty.”

Khetrpal Singh pointed out that India needs to step up public expenditure on health because the out-of-pocket expenditure in the country is one of the highest in the world. She noted, “There is sufficient evidence that if health outcomes are to be improved, ‘cashless access to health services, at all delivery points’ would be required. Some of these approaches are being already considered by the Indian government as part of UHC efforts in India.”

She further observed that the reorganization of healthcare services should focus on increasing all type of services, with higher access to and availability of quality health services, developing effective referral linkages and ensuring “continuity of care” from primary to tertiary care facilities.

<http://www.livemint.com/Politics/7Y222IGSQZPMIQR0Tajd5J/WHO-to-seek-Universal-Health-Coverage-in-Southeast-Asia.html>

Date Accessed: 30.04.2014

(Ashwin Varghese)

## Maldives should repeal the death penalty – UN Human Rights office

(Lucy Lovell, *Minivan News*, April 30th, 2014)

The United Nations Human Rights Office (OHCHR) has voiced deep concern about a new regulation in the Maldives that effectively overturns a 60-year moratorium on the use of capital punishment in the country and allows for children as young as seven to be sentenced to death.

“We urge the Government to retain its moratorium on the use of the death penalty in all circumstances, particularly in cases that involve juvenile offenders and to work towards abolishing the practice altogether,” said Ravina Shamdasani, spokesperson for the Office of the High Commissioner for Human Rights (OHCHR).

Adopted on 27 April, the new regulation provides for the use of the death penalty for the offence of intentional murder, including when committed by individuals under the age of 18. The age of criminal responsibility in the Maldives is ten, but for *hadd* offences, children as young as seven can be held responsible. *Hadd* offences include theft, fornication, adultery, consumption of alcohol, and apostasy.

“According to the new regulation, minors convicted of intentional murder shall be executed once they turn 18. Similar provisions in the recently ratified Penal Code, allowing for the application of the death penalty for crimes committed when below the age of 18, are also deeply regrettable,” Shamdasani said.

Under international law, those who are charged and convicted for offences they commit while they are under 18 years of age should not be sentenced to death or life imprisonment without possibility of release, the spokesperson added.

Meanwhile, President Abdulla Yameen Abdul Gayoom has called for the death penalty to be put into practice in the Maldives from as early as July 2013.

<http://minivannews.com/politics/maldives-should-repeal-the-death-penalty-un-human-rights-office-83772>

Date Accessed: 30.4.2014

(Divashri Mathur)

## AFRICA

### Africa's Tech Edge

(Dayo Olopadeapr, *The Atlantic*, April 16, 2014)

Africa's many obstacles, from widespread poverty and lack of infrastructure investment during the 20th century to failed states, has created all sorts of vacuums to be filled by the 21st-century digital economy and allowed African entrepreneurs to beat the West at reinventing money for the mobile age.

In Kenya, through a service called M-Pesa, the author found you can store mobile money and then, for a small fee, send it to any other phone number in the network, be it a cable company's, a taxi driver's, or a friend's. Payments from other M-Pesa users can be added to your digital balance, which can later be withdrawn in cash from your local agent.

For most Kenyans, the service has been life-changing. Kenya has one ATM for every 18,000 people—the U.S., by contrast, has one for every 740—and across sub-Saharan Africa, more than 75 percent of the adult population had no bank account as of 2011. When Safaricom, the major Kenyan telecommunications firm, launched M-Pesa in 2007, pesa—Swahili for “money”—moved from mattresses to mobile accounts virtually overnight. Suddenly, payment and collection of debts did not require face-to-face interactions. Daylong queues to pay electric- or water-utility bills disappeared. By 2012, 86 percent of Kenyan cellphone subscribers used mobile money, and by 2013, M-Pesa's transactions amounted to some \$35 million daily. Annualized, that's more than a quarter of Kenya's GDP. M-Pesa and its cousins offer a long-sought ability for individuals in poor countries to build assets.

Mobile financial services are projected to generate annual revenues of \$19 billion by 2025. Multinational corporations, fearing what a mass defection from plastic would mean for their growth prospects, have begun sniffing around this complex ecosystem.

Call it the imagination differential: more-advanced economies may never have dreamed of using airtime as currency or a telecom as a bank. Western privilege can actually prevent truly disruptive tools from evolving. Need drove the invention of M-Pesa, but regulatory ambiguity ensured it could scale. Even today, mobile-banking laws in Africa are evolving slower than the technology itself. One hazard, regulators believe, is that mobile payments can be used for money laundering.

<http://www.theatlantic.com/magazine/archive/2014/05/africas-tech-edge/359808/>

Date Accessed: 24.04.2014

(Gayatri Verma)

## **Security Council extends UN Western Sahara mission**

***(UN News Centre, April 29, 2014)***

The Security Council has extended for another year the mandate of the United Nations mission tasked with monitoring the ceasefire in Western Sahara and organizing a referendum on self-determination for the people of the territory.

The UN has been involved in efforts to find a settlement in Western Sahara since 1976, when fighting broke out between Morocco and the Frente Polisario after the Spanish colonial administration of the territory ended.

In a recent resolution, the 15-member Council extended the UN Mission for the Referendum in Western Sahara (MINURSO) until 30 April 2015. MINURSO has been in effect since 1991. The renewed mandate also supports Secretary-General Ban Ki-moon's request for an additional 15 UN military observers, within existing resources.

Earlier this month, the United Nations refugee agency announced that, following months of suspension, family flights between Sahrawi refugees living in camps near Tindouf, Algeria, and their relatives in the territory of Western Sahara had resumed. Nearly 20,000 people have taken part in family visits since the programme began in 2004.

As in previous mandates, the Security Council encourages the parties to continue their efforts to enhance the promotion and protection of human rights in Western Sahara and the Tindouf camps refugee camps in Algeria. Members this year added additional language to these efforts to include "the freedoms of expression and association." The Council also welcomed recent steps and initiatives taken by Morocco to strengthen the National Council on Human Rights Commissions, and the Government's continued interaction Special Procedures of the UN Human Rights Council.

Members also noted that the Office of the High Commissioner for Human Rights (OHCHR) is planning a visit to Western Sahara this year.

<http://www.un.org/apps/news/story.asp?NewsID=47681#.U2DIFfmSyVI>

Date Accessed: 29.4.2014

(Divashri Mathur)

## OPINIONS

### 'Economic openness is best reflected in a country's trade'

(Hamid Ansari, *Business Standard*, April 26, 2014)

India has a long history of being a trading people. In the last 30 years, world trade in merchandise and commercial services has increased by about 7% per year on average, reaching a peak of \$18 trillion and \$4 trillion, respectively. Since the beginning of economic reforms and liberalisation of our trade policies in the early 1990s, India's integration with the rest of the world has grown steadily, compared to the first four decades after independence.

In the last decade, India's share in global exports and imports increased from 0.7% and 0.8% respectively in 2000 to 1.7% and 2.5% in 2011. India's ranking among leading exporters and importers improved from 31 to 19 and 26 to 12 between 2000 and 2011. Despite this, India's share of global trade is disproportionately small, given the size of its economy and population and in comparison to other large emerging economies such as Brazil and China.

Experience shows that development depends largely on a fast pace of economic growth and measured pace of economic openness. While economic growth has its own determinants, economic openness is best reflected in a country's trade and investment flows with the rest of the world. Thus trade remains the most reliable and productive way of integrating into the global economy in many ways.

Today, India is ranked 132<sup>nd</sup> in the "ease of doing business" and 127<sup>th</sup> on "trading across borders". Thus to promote India's export growth and make its external sector an engine for rapid growth, economic openness will help creating that environment in the following ways:

- Fiscal consolidation, managing inflation, and calibrated liberalisation of capital inflows would help create an environment conducive to greater trade and investment flows. So would diversification of exports along the product space, especially technology-intensive products, and across markets.
- Expediting ongoing negotiations for our own FTAs/RTAs/PTAs in Asia, Europe, Africa and Latin America will be essential to counter protectionist tendencies in other parts of the world. Tapping the potential of the service sector, such as tourism, including health tourism, would help mitigate fall in other service exports. On the import side, reducing our dependence on oil imports will remain a perennial challenge.

[http://www.business-standard.com/article/opinion/economic-openness-is-best-reflected-in-a-country-s-trade-114042600952\\_1.html](http://www.business-standard.com/article/opinion/economic-openness-is-best-reflected-in-a-country-s-trade-114042600952_1.html)

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(Shruti Issar)

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