



## INSIDE THE ISSUE

- Diluting labour-material ratio in MGNREGA and focusing exclusively on select blocks will adversely impact rural poor
- Gas pricing decision may benefit RIL in the long run
- No legislation to stop paid news

Disclaimer: The articles are summaries of the original article and the headlines have been changed in certain cases. For the original articles please click on the link given below the article.

## 2014 Global Hunger Index: Case of India



Source: <http://www.ifpri.org/sites/default/files/publications/ishi08.pdf>

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**COVER STORY:**

- 2014 Global Hunger Index: Case of India

**HEADLINE OF THE WEEK:**

- Diluting labour-material ratio in MGNREGA and focusing exclusively on select blocks will adversely impact rural poor
- Gas pricing decision may benefit RIL in the long run
- No legislation to stop paid news

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## Key Message

The Rajiv Gandhi Institute for Contemporary Studies (RGICS) is a 23 year old independent national policy think tank promoted by the Rajiv Gandhi Foundation. RGICS carries out research and policy development on contemporary challenges facing India.

We live in an era of paradigmatic change – local, national and global. Our aim is to understand and direct this paradigmatic change -- social, economic and political -- towards a more equitable social order.

We seek to do so by (i) providing knowledge inputs training and strategic advice to political leaders, civil society activists and the general public on the nature of paradigmatic change and role of politics in directing change; and (ii) designing institutional structures and policies that would achieve this purpose.

The three main areas of paradigmatic change we are working on currently are (i) de-concentration, decentralization and devolution of Government power to empower the citizen; and democratization of public policy decision making and of executive and judicial institutions; (ii) dissipation of structures of social hierarchy and inequality such as caste and gender; and (iii) dissipation of economic monopolies and concentration of economic power by promoting a democratic, socially sensitive and competitive market economy that advances Constitutional values.

We explore these themes in the context of a range of contemporary issues such as (i) economic growth; (ii) poverty and social exclusion; (iii) labour rights including informal sector workers; (iv) migration; (v) urbanization; (vi) regionally balanced development; (vii) social justice; (viii) human rights; (ix) electoral and political reforms; (x) social movements; (xi) good governance and public administration (including judicial reform and corruption); (xii) environmental protection and natural resources including land and water; (xiii) land reforms; (xiv) globalization; and (xv) knowledge creation and sharing, socially constructed modes of thought an education.

Policy Watch is a key instrument of RGICS's vision and strategy. Policy Watch informs political leaders, civil society organizations and general public 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**

## 2014 Global Hunger Index: Case of India

### **Introduction**

Hunger and under-nutrition have been one of the persistent challenges faced by many countries in the world, but with recent years countries themselves and the international community have given more ambition to the challenge. In 2014, International Food Policy Research Institute (IFPRI) has calculated Global Hunger Index for the ninth term. It has analyzed and recorded the state of hunger worldwide and highlighted and regions where action is most needed.

We present here an overview of how global hunger index is calculated particularly focusing at the state of India by summarizing the 2014 Global Hunger Index Report.

### **Key Findings**

- India's 2014 GHI fell by 26 percent, or 6.4 points, between the 2005 GHI and the 2014 GHI, outpacing the drop seen in other countries in South Asia in the same time period. India now ranks 55th out of 76 countries, before Bangladesh and Pakistan, but still trails behind neighboring Nepal (rank 44) and Sri Lanka (rank 39).
- Despite an improved 2014 Global Hunger Index ranking (55th), and an upgrade from the "alarming" to the "serious" category, India continues as home to the highest number of chronically malnourished (stunted) children under five: Nearly every second child is stunted (UNICEF 2014b).
- Regionally, the highest GHI scores—and therefore the highest hunger levels—are in Africa south of the Sahara and South Asia. South Asia saw the steepest absolute decline in GHI scores since 1990 majorly addressed by the progress in child underweight.
- From the 1990 GHI to the 2014 GHI, 26 countries reduced their scores by 50 percent or more. In terms of absolute progress, comparing the 1990 GHI and the 2014 GHI, Angola, Bangladesh, -Cambodia, Chad, Ghana, Malawi, Niger, Rwanda, Thailand, and Vietnam saw the biggest improvements in scores.
- Despite progress made, the level of hunger in the world is still "serious," with 805 million people continuing to go hungry.
- Levels of hunger are "extremely alarming" or "alarming" in 16 countries, with Burundi and Eritrea both classified as "extremely alarming," according to the 2014 GHI. Most of the countries with "alarming" GHI scores are in Africa south of the Sahara.
- One form of hunger that is often ignored or overshadowed by hunger related to energy deficits is hidden hunger—also called micronutrient deficiency—which affects some 2 billion people around the world. By affecting people's productivity, it can also take a toll on countries' economies.
- To eliminate hidden hunger, governments must demonstrate political commitment by making it a priority. Governments and multilateral institutions need to invest in and develop human and financial resources, increase coordination, and ensure transparent monitoring and evaluation to build capacity on nutrition.

### **What is Global Hunger Index?**

The Global Hunger Index (GHI) is a tool designed to comprehensively measure and track hunger globally and by region and country. It highlights successes and failures in hunger reduction and provides insights into the drivers of hunger and nutrition insecurity. To reflect the multidimensional nature of Hunger, the GHI combines following three equally weighted indicators into one index:

<p style="text-align: center;"><b>Undernourishment</b></p> <ul style="list-style-type: none"> <li>• The proportion of undernourished people as a percentage of the population (reflecting the share of the population with insufficient caloric intake)</li> </ul>	<p style="text-align: center;"><b>Child Underweight</b></p> <ul style="list-style-type: none"> <li>• The proportion of children under the age of five who are underweight (that is, have low weight for their age, reflecting wasting, stunted growth, or both), which is one indicator of child undernutrition</li> </ul>	<p style="text-align: center;"><b>Child Mortality</b></p> <ul style="list-style-type: none"> <li>• The mortality rate of children under the age of five (partially reflecting the fatal synergy of inadequate food intake and unhealthy environments)</li> </ul>
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This multidimensional nature of estimating hunger provides certain advantages. It reflects the nutrition situation not only of the population as a whole, but also of children—for whom a lack of dietary energy, protein, or micronutrients (that is, essential vitamins and minerals) leads to a high risk of illness, poor physical and cognitive development, or death. 2014 GHI has been calculated for 120 countries.

**India and Global Hunger Index**

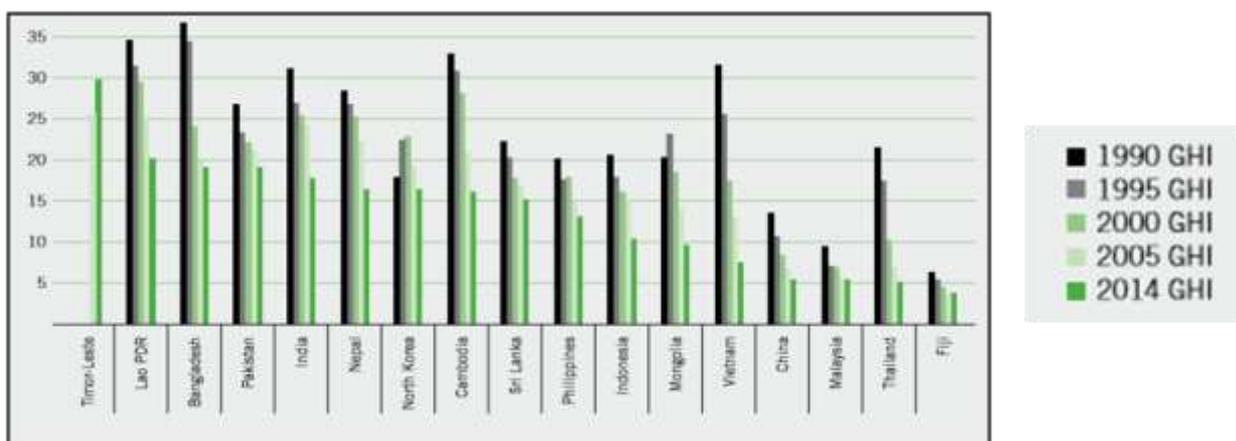
According to the most recent survey data from India, underweight in children fell by almost 13 percentage points between 2005–2006 and 2013–2014 (India, Ministry of Women and Child Development, and UNICEF 2014). A range of programs and initiatives launched by India’s central and state governments in the past decade seem to finally have made a difference for child nutrition.

Table 1: India’s GHI score since 1990 to 2014

Country	Rank	1990	1995	2000	2005	2014
India	55	31.2	26.9	25.5	24.2	17.8

Source: 2014 Global Hunger Index Report, IFPRI

Figure 1: GHI in South, East and Southeast Asia



Source: 2014 Global Hunger Index Report, IFPRI

India no longer ranks second to last on underweight in children, but 120th among 128 countries with data on child under-nutrition from 2009–2013. Progress in dealing with underweight helped India’s 2014 GHI score fall to 17.8. In the last decade, India outpaced other South Asian nations in decline of Hunger. It’s GHI score fell by 26 percent, or 6.4 points, which places it at 55<sup>th</sup> position out of 76 countries. However, Nepal (rank 44) and Sri Lanka (rank 39) are still ahead in the rankings (Figure 1).

Table 2: Status of 3 components of GHI in India

Proportion of undernourished in the population (%)					Prevalence of underweight in children under five years (%)					Under-five mortality rate (%)				
1990-92	1994-96	1999-2001	2004-06	2011-13	1988-92	1993-97	1998-02	2003-07	2009-13	1990	1995	2000	2005	2012
25.5	24.9	21.1	21.5	17.0	55.5	44.8	46.3	43.5	30.7	12.6	10.9	9.2	7.5	5.6

Source: 2014 Global Hunger Index Report, IFPRI

**The Indian State Hunger Index (ISHI)**

The India State Hunger Index was prepared by the IFPRI and was published in February 2009. This was the last time such a report was presented for Indian states. It is calculated using a procedure similar to that used for calculating the GHI scores. Hunger and malnutrition in Indian states can thus be compared with hunger and malnutrition in other countries.

**Results of the India State Hunger Index**

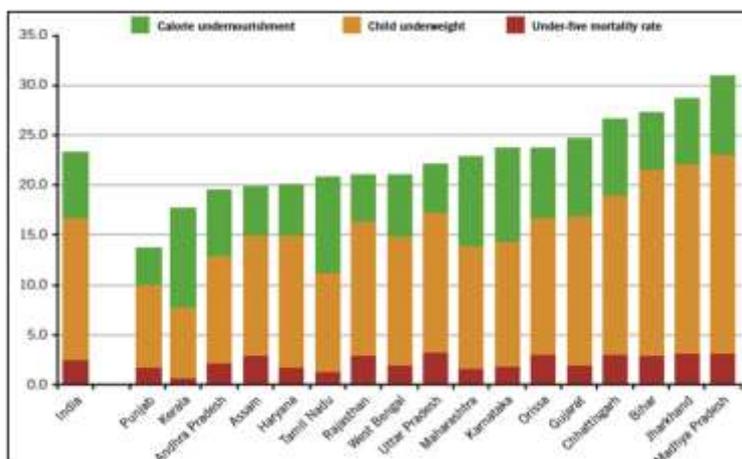
In 2008, when the report was prepared, India was ranked 66th out of the 88 developing countries and countries in transition for which the index was calculated.

- All 17 states have ISHI scores that are significantly worse than the “low” and “moderate” hunger categories. Twelve of the 17 states fall into the “alarming” category, and one—Madhya Pradesh—falls into the “extremely alarming” category.
- The ranks of the different states in relation to the Global Hunger Index range from 34th for the state of Punjab (whose ISHI score places it between Nicaragua and Ghana) to 82nd for Madhya Pradesh (whose ISHI score places it between Chad and Ethiopia)
- Ten of the 17 states have an ISHI rank that is above India’s (66th)—these states are relative outperformers (relative to the Indian average). Even the best-performing state in India, however—Punjab—ranks below such countries as Gabon, Honduras, and Vietnam.

For the majority of states, child underweight is responsible for the largest variation between states (Figure 2). In addition, for most states, overall scores are high because of particularly high child underweight rates.

When compared with the majority of states, the contribution of low calorie consumption levels to the hunger index is higher for Kerala and Tamil Nadu, as well as, to a lesser extent, for Maharashtra and Karnataka. The contribution of child mortality to the hunger index scores, however, is relatively small and less variable across all the states when compared with the contributions of child underweight and calorie undernourishment.

Figure 2: ISHI for 17 states in India in 2008



Source: India State Hunger Index, IFPRI, 2009

**India’s Initiatives for a Better GHI Score**

As per the scholars, many factors have contributed to the improvement witnessed in India. Since the last under-nutrition data became available, the Indian government rolled out and expanded several programs that targeted a mix of direct and indirect causes of under-nutrition. Nutrition-specific interventions that were scaled up after 2006 include:

- A final push to expand the *Integrated Child Development Services (ICDS)* program that aims to improve the health, nutrition, and development of children in India and establish 1.4 million centers
- The launch of the *National Rural Health Mission*, a community-based outreach and facility-based health initiative to deliver essential health services to rural India (Avula et al. 2013).

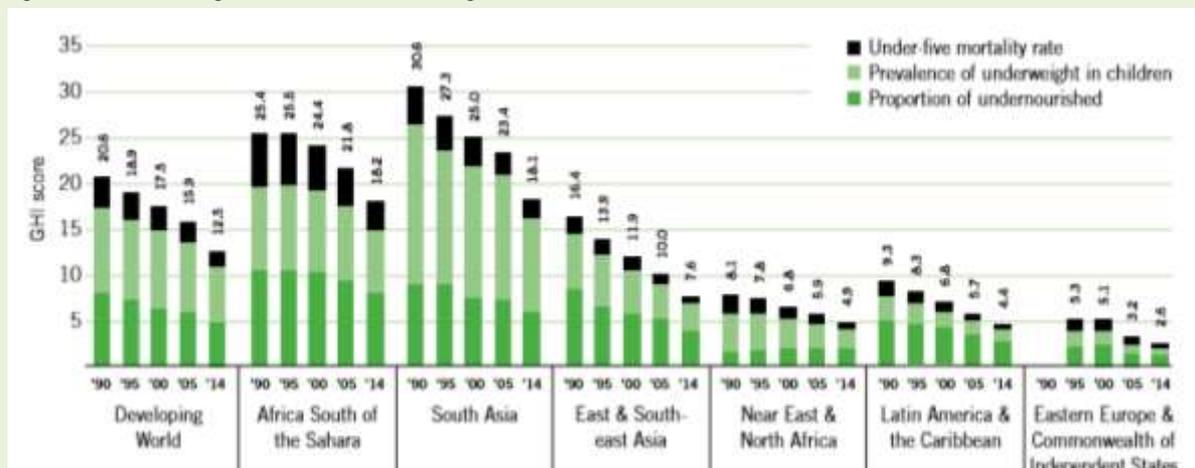
Indirect factors may have included the *National Rural Employment Guarantee Scheme*, a rural jobs program, and reforms in several states to the *Public Distribution System*, which distributes food to the poor.

Another key element in enabling environment for food security and nutrition was the creation of a body called ‘*The Commissioners to the Supreme Court on the Right to Food Act*’, a group that supports independent monitoring of the delivery of food-based programs like the Integrated Child Development Services program and the Public Distribution System.

While India has made significant progress, much work still needs to be done at the national and state level so that a greater population enjoys nutrition security.

**Global and Regional Trends in GHI**

Since 1990, significant progress has been made in the fight against hunger. The Global Hunger Index (GHI) score in 1990 was 20.6 for the developing world. The 2014 GHI stands at 12.5, representing a reduction of 39 percent (Figure3). Despite this progress, the number of hungry people in the world remains unacceptably high. Figure3: Global Hunger Index score across regions since 1990 to 2014



Source: 2014 Global Hunger Index Report, IFPRI

These global averages mask dramatic differences among regions and countries. Compared with the 1990 score, the 2014 GHI score is 28 percent lower in Africa south of the Sahara, 41 percent lower in South Asia, and 40 percent lower in the Near East and North Africa (Figure 1). Progress in East and Southeast Asia and Latin America and the Caribbean was even more remarkable, with the GHI scores falling by 54 percent and 53 percent respectively. In Eastern Europe and the Commonwealth of Independent States, the 2014 GHI score is 51 percent lower than the 1995 score.

In absolute terms, South Asia and East and Southeast Asia experienced the greatest improvements. South Asia saw the steepest absolute decline in GHI scores since 1990, amounting to more than 12 points. The region reduced its GHI score by 3 points between 1990 and 1995—mainly through a decline of almost 9 percentage points in underweight in children—and, following a ten-year slowdown, made considerable progress again since 2005. The decrease of more than 5 points in South Asia’s GHI score since 2005 can be largely attributed to recent successes in the fight against child under-nutrition.

### **Hidden Hunger**

Hidden hunger is a form of under-nutrition that occurs when intake and absorption of vitamins and minerals (such as zinc, iodine, and iron) are too low to sustain good health and development. Factors that contribute to micronutrient deficiencies include poor diet, increased micronutrient needs during certain life stages, such as pregnancy, and health problems. The effect of the deficiency become visible after a severe deficit, most of the population is affected by less obvious “invisible” effects. That is why micronutrient deficiencies are often referred to as hidden hunger.

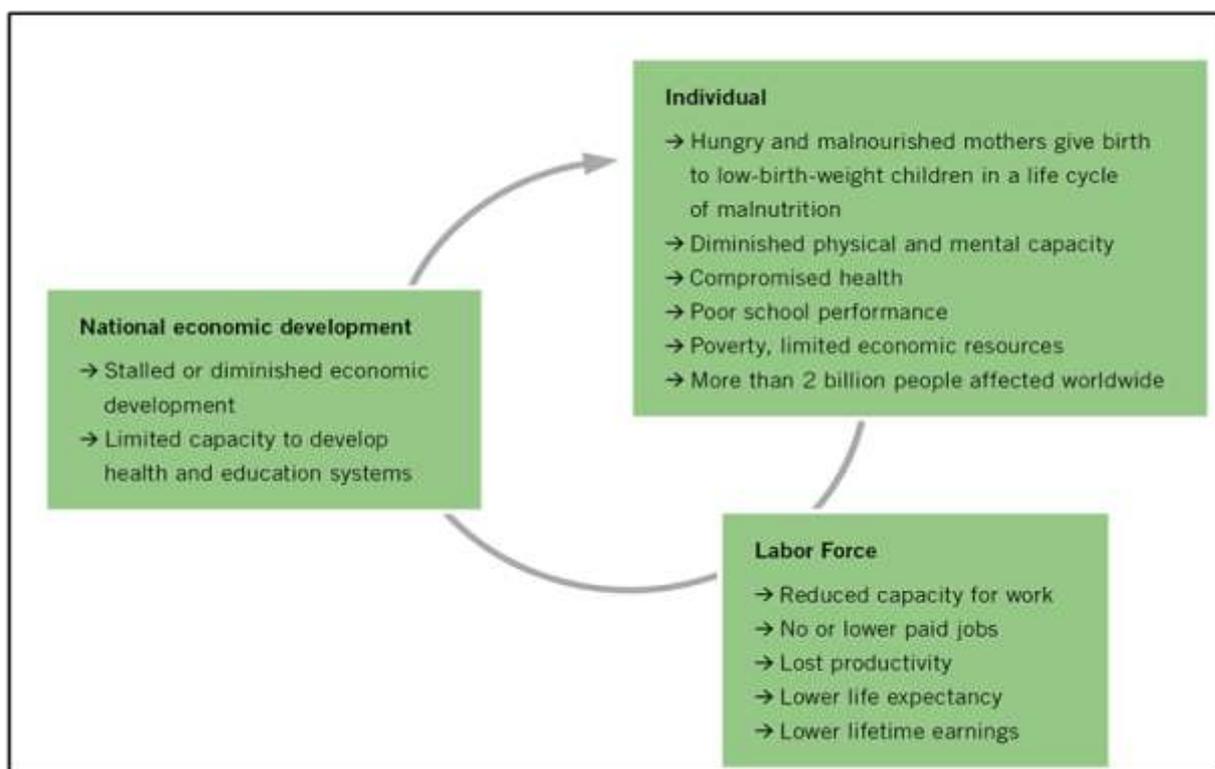
Currently over two billion people or one in three people are affected by it. Micronutrient deficiencies cause an estimated 1.1 million of the 3.1 million child deaths that occur each year as a result of under-nutrition.

- Much of Africa south of the Sahara and the South Asian subcontinent are hotspots where the prevalence of hidden hunger is high.
- The rates are relatively low in Latin America and the Caribbean where diets rely less on single staples and are more affected by widespread deployment of micronutrient interventions, nutrition education, and basic health services (Weisstaub and Araya 2008).
- Although a larger proportion of the burden of hidden hunger is found in the developing world, micronutrient deficiency, particularly iron and iodine deficiency, is also widespread in the developed world

Vitamin and mineral deficiencies impose a significant burden on the affected persons and societies, both in terms of health costs and negative impacts in lost human capital and reduced economic productivity. Anemia, caused primarily by deficiency of Iron, remains a critical public health problem impacting 70 percent of children under five in India.

Hidden hunger impairs physical growth and learning, limits productivity, and ultimately perpetuates poverty (Figure 4) in a continuous cycle.

Figure 4: Cycle of Hidden Hunger, Poverty and Stalled Development



Source: 2014 Global Hunger Index Report, IFPRI

The economic costs of all forms of micronutrient deficiency can be considerable cutting gross domestic product by 0.7–2 percent in most developing countries (Micronutrient Initiative and UNICEF 2004). It is estimated that India sustains a 1 percent loss in GDP and Afghanistan a 2.3 percent loss. Global losses in economic productivity due to macronutrient and micronutrient deficiencies reach more than 2 to 3 percent of GDP (World Bank 2006) at a global cost of US\$1.4 to 2.1 trillion per year (FAO 2013).

### **Policy Recommendations**

In order to address the problem of hunger and under-nutrition, a holistic approach must be adopted. This requires coordinating local, national and international efforts for a comprehensive policy response. The report suggests following policy recommendations:

- Political commitment and leadership on food and nutrition security must now address the enormous challenge of hidden hunger. The international community must ensure that the post-2015 framework includes a universal goal to end hunger and malnutrition in all its forms.
- Integrate approaches across relevant ministries and stakeholders. National governments should engage health, agriculture, and education ministries, as well as ministries of planning, finance, and water and sanitation to reach a shared understanding of how national policies will work to reduce under-nutrition, including micronutrient deficiencies.
- Increase access to nutritious foods by endorsing targeted social safety nets and support for the poorest, particularly focusing on pregnant or lactating women, infants under two, and adolescents.
- Invest in increasing the number and building the capacity of nutrition and health experts at national and sub-national levels, supporting greater coordination and joint interventions across the range of ministries and at lower levels, including between health workers and agriculture extension services.
- Governments must incentivize private sector entities, such as seed and food companies, to develop more nutritious seeds and foods. Transparent accountability systems should be installed to control conflict of interest more systematically and ensure that investments contribute to public health interests.

### **Conclusion**

While the international community has long recognized the importance of food security and hunger, it needs to understand the complex causes promoting it as well. The index shows that child underweight is a major contributor to the low GHI score. Thus as policies focus on the hunger, there needs to be special provisions dealing with issues of undernourishment, child underweight and child mortality. Moreover nutrition security has not been accorded the attention it deserves, which has created a significant void in policy dealing with hunger.

India has taken its first to address the concern of nutrition security by adopting the revised calorie plus methodology for defining the food component of the poverty line basket. The new methodology refers to average requirement of calorie, proteins and fats per capita per day. This has to be seriously implemented in order to eliminate the problem of under-nutrition and hunger. More focus has to be developed around smart policy design, effective implementation and increased monitoring and accountability.

Every man, woman, and child has the right to adequate food and right nutrition in a quantity and quality sufficient to satisfy their dietary needs.

#### References

- 2014 Global Hunger Index, The challenge of Hidden Hunger. International Food Policy Research Institute (IFPRI). (2014). <http://www.ifpri.org/sites/default/files/publications/ib83.pdf>
- India State Hunger Index, Comparisons of Hunger Across States. International Food Policy Research Institute (IFPRI). (2009). <http://www.ifpri.org/sites/default/files/publications/ishi08.pdf>

Prepared by  
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## Macro Economic Dimension of India: Inflation Rates for the Month of September, 2014

### General Inflation Rates in Indian States: September, 2014 (%)

States	Rural	Urban	General
<b>All India</b>	<b>6.68</b>	<b>6.34</b>	<b>6.46</b>
<b>Northern Region</b>			
Jammu & Kashmir	5.49	5.73	5.57
Himachal Pradesh	6.11	5.99	6.05
Punjab	6.96	5.84	6.40
Chandigarh	7.29	7.39	7.41
Uttarakhand	7.09	5.03	6.19
Haryana	5.19	7.10	5.86
Delhi	3.53	4.89	4.89
Uttar Pradesh	7.47	6.18	7.39
<b>Western Region</b>			
Rajasthan	7.55	6.18	7.02
Gujarat	6.08	5.33	5.75
Maharashtra	5.82	5.29	5.46
Goa	7.16	5.84	6.54
Lakshadweep	9.87	10.10	10.02
Daman & Die	7.70	7.34	7.56
Dadra Nagar & Haveli	-2.95	3.49	5.19
<b>Central Region</b>			
Madhya Pradesh	5.18	5.70	5.34
Chattishgarh	6.92	5.83	6.56
<b>Southern Region</b>			
Andhra Pradesh	3.93	5.59	4.53
Karnakata	3.47	8.00	5.78
Kerala	8.73	9.49	8.98
Tamil Nadu	5.39	5.67	5.50
Puducherry	5.46	5.89	5.78
Andaman & Nicobar Island	10.13	3.67	6.81
<b>Northeastern Region</b>			
Arunachal Pradesh	7.43	-	-
Assam	8.37	8.82	8.49
Manipur	1.74	7.27	3.69
Meghalaya	15.72	9.41	14.30
Mizoram	11.09	4.58	7.57
Nagaland	15.54	7.53	12.21

States	Rural	Urban	General
Tripura	16.24	11.93	15
Sikkim	7.55	8.62	7.72
<b>Eastern Region</b>			
Bihar	8.64	7.13	8.33
Jharkhand	3.95	7.84	5.19
West Bengal	6.76	7.26	6.94
Odisha	11.89	9.24	11.23

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

All – India Inflation rate has come down from 7.86% in the month of August to 6.46% in the month of September 2014 along with its rural and urban decline. Amongst the states also the inflation rate has come down except for few states like Kerala, where its rural and combined rates have gone high from its previous month. Similarly in Odisha and Gujarat, the combined inflation rate has gone high from the previous month. For the month of September, Meghalaya has seen highest inflation with 14.30% and Andhra Pradesh has seen lowest inflation with 4.53%.

## **Diluting Labour-Material Ratio in MGNREGA and Focusing Exclusively on Select Blocks will Adversely Impact Rural Poor**

(Pramathesh Ambasta, *Indian Express*, October 16, 2014)

The government recently proposed the dilution of the labor-material ratio to 51:49, as against 60:40 mandated in the MNREGA act. Moreover, officials report that they may cap expenditure under the act to the 2,500 most backward districts of the country. Such moves to dilute MGNREGA will be detrimental to the Adivasi poor and rural development in the country.

The move to create cluster facilitation team (CFT) that will work with group of 15 panchayats to plug gaps in the program and create effective delivery mechanisms is welcomed. “However, to restrict financial allocations to states in the guise of such focus is to violate the act”. People who demand work should have the right and access to work. This is the objective of the act.

Increasing material ratio is not logical, as material costs have not gone beyond 27 percent since 2011-12. Also, reduction in labor means declining employment or government will have to increase spending by about 8,000 crores. “Thus, if employment demand were to increase, greater increases in overall expenditure would be necessitated with a higher material ratio. Given that the government is trying to lower the fiscal burden, this is inexplicable and indefensible.”

“Misconceptions about the schemes include the notion that earthen work under the scheme is kutchha (temporary) and unskilled or, worse, de-skilling”, therefore, it just doles poverty rather than pulling the poor out of poverty. “This view shows deep ignorance of the tradition of earthen water-harvesting — the johads and talabs of Rajasthan, the ahars and pokhars of eastern India, the keres of Karnataka or the zabo or cheo-ozih of Nagaland, which have helped combat drought, provide irrigation and contain flood damage in India for centuries.”

Independent studies have proved that the MNREGA has reached the poor and helped marginalized groups especially women, helped increase income and has helped cut down migration. The way forward is to work on the central aspects of implementation. These include “ensuring there are sufficient human resources to carry out planning, implementation and monitoring.”

<http://indianexpress.com/article/opinion/columns/telling-the-right-reform-from-the-wrong/>

Date Accessed: 20.10.2014

(Shriyam Gupta)

## **Gas Pricing Decision May Benefit RIL in the Long Run**

(Promit Mukherjee, *Livemint*, October 20, 2014)

Although Reliance industries remains tied up in arbitration with the government, the government’s decision to raise prices paid to domestic gas producers may end up benefitting the conglomerate in the long run, even if it has no immediate impact. The gas pricing policy announced on 18<sup>th</sup> October 2014 says that companies operating in deep- and ultra-deep-water blocks will get a premium over and above the prevalent natural gas prices in the country. The premium would only be applicable for new discoveries. The move to provide a premium finds basis in the principle that investors must get an appropriate reward for the risk they undertake in deep-water blocks, as deeper blocks are typically more expensive to develop.

‘The notification revised the current price of natural gas to \$5.6 per million British thermal units (mBtu) from \$4.2 per mBtu’. The same will be revised every six months. Though the government notification does not specify how this premium would be arrived at, it states “For all the discoveries after this decision, in ultra-deep-water areas, deep-water areas and high pressure-high temperature areas, a premium would be given on the gas price to be determined as per the prescribed procedure.” RIL is not poised to gain immediately as it remains locked in arbitration under issues of shortfall in output in the KG basin. It is the fourth year since fiscal 2011, when the government disallowed the company from recovering the cost incurred in exploration and production of oil and gas from the KG basin due to a shortfall in production.

However, over time, this policy would work to RIL’s advantage as most of its ongoing exploration activities are located in the deep-water area of the Bay of Bengal. RIL’s hydrocarbon blocks such as CYD5 in the Cauvery basin, NEC25 in the Mahanadi basin and the flagship D6 block in the Krishna-Godavari (KG) basin are all deep-water blocks and hence the government’s offer of a premium over and above the domestic natural gas price is an incentive for it to develop them further. Moreover, a September report by IIFL Institutional Equities observed that almost 7.5 trillion cu. ft of gas reserves could be developed by RIL if it were to get a better price. This can translate into almost 30 million standard cu. m of total production for the company; thereby benefitting the conglomerate.

<http://www.livemint.com/Companies/5XsrrCINOQUqnrALRxJ8zM/Gas-pricing-decision-has-a-silver-lining-for-RIL.html>

Date Accessed: 20.10.2014

(Kasturi Mishra)

## **No Legislation to Stop Paid News**

(*Free Press Journal*, October 20, 2014)

Information and Broadcasting Minister Prakash Javadekar is not in favour of enacting any law to stop incidences of paid news during elections. Speaking at the Indian Institute of Mass Communication (IIMC) convocation function, the minister laid stress on upholding press freedom and self-regulation.

Raising the issue of paid news, he said during his recent election campaign in Maharashtra, he saw the menace was still prevalent there. “I saw in elections that paid news has not ended and is increasing. This has to end and media can only stop it. Media houses should come forward and proudly say that have stopped paid news. Making law alone won’t work,” he said.

On the contrary, the chief election commissioner of India V.S. Sampath had argued to make paid news an electoral offence that attracts disqualification. Last month he said inadequacies in legal framework were not allowing the poll panel to effectively check this and other malpractices.

The minister also voiced his objection to news sensationalism, asking the budding reporters to stay away from it as it distorts the real facts. Journalism, he said, has to be pursued with a passion and “responsible” journalism is the need of the hour.

<http://freepressjournal.in/javadekar-slams-states-for-imposing-ban-on-tv-channels/>

Date Accessed: 21.10.2014

(Jeet Singh)

## **Inadequate Decontrol Policy**

*(Indian Express, October 20, 2014)*

The NDA government undertook its first major reform by decontrolling the diesel prices, which will be market controlled from now on. This decision was taken in the background of softening international oil prices. However, it is unsure if the government is prepared for consequences of any renewed spike in the global crude prices or a weakening of the rupee.

The decontrol policy of the government is inadequate. At the moment only Oil Marketing Companies (OMCs) have the freedom to fix retail prices based on import parity costs. Actual decontrol would have opened up import of petrol and diesel to all players, including standalone fuel retailers. For the consumers to benefit from decontrol and competition, the right to market transportation fuels by only OMCs or those with refining/ exploration operations in India needs to end.

Further, the new gas pricing formula that grants a modest price increase (from \$ 4.2 to \$ 5.6/ mmBtu) to domestic gas producers fails to incentivise domestic exploration and production.

The Rs 77,000 crore-odd subsidy on cooking fuels is yet not targeted. For this burden to subsidise all consumers must pay the market price for LPG and kerosene, and the difference with any subsidised rate should be transferred directly into the bank accounts of beneficiaries. As per the article, “the latter must be carefully identified, to include only low-income or vulnerable households deserving of subsidy”

<http://indianexpress.com/article/opinion/editorials/decontrol-further/>

Date Accessed: 20.10.2014

(Afreen Faridi)

## **Half-Baked Energy Reforms**

*(Business Standard, October 21, 2014)*

This article provides a deeper and realistic perspective to the much talked about reforms pertaining to the question of fuel availability and prices. Recently, the Cabinet Committee on Economic Affairs announced that diesel prices would be market-determined. This has resulted after a process of gradual change of prices that allowed end-users to get used to the demise of a subsidy regime. Further, the Petroleum Minister has suggested that even the question of LPG subsidy is to be addressed. The ministry is working out methods to put a cap on the total subsidy for a cylinder. In the current regime, there is a cap on the number of subsidized LPG cylinders at 12, requiring a taxpayer to pay Rs. 466 per cylinder. The idea is to cap this amount, or keep it steady, so as to check the burden of LPG subsidy on the fiscal; along with getting the consumers used to price movements. However, this opportunity must be used, coupled with the direct benefits transfer scheme, to lay the cornerstone for further reforms – removing families above the poverty line from being eligible for LPG subsidy being one of them. Another constructive move could be to remove taxpayers from under the ambit of this cushioning, while still protecting the truly needy. These reflect precisely the sort of slow reforms that helped in the diesel case - increasing the price by 50 paisa/litre a month.

In this regard, the government's ordinance on coal is not so positive signal. It is true that it seeks to end the immediate shortfall of domestic coal production in the country, which is the reason why it is being lauded by the private sector. It also introduces e-auctioning, to eliminate the muddy, concealed and discretionary allocation process followed in the past. Another plus is the fact that it promises to divert the money from the auction to the states where the mines are, which only furthers the concept of economic federalism and a more equitable sharing with the states. However, the purported reforms fail to deliver what a true reformist government must strike.

The idea should be to strike the root cause of the problem – which, in this case is the monopoly of Coal India in coal mining. The government has only implied that commercial mining might be possible sometime in the future, however, it should have been allowed immediately. This move would have allowed actual users of coal to mine the blocks after acquiring them through legitimate e-auctions. More importantly, it would have provided a constructive,

potent and independent regulator. Apart from this, it would have unambiguously separated the process of all decision-making on coal block auctioning from the coal ministry that would ensure political interests would not influence these decisions. These true concerns have not yet been addressed. The government should not postpone the real structural change that is needed and provide real solutions to root problems.

[http://www.business-standard.com/article/opinion/forward-and-back-114102101427\\_1.html](http://www.business-standard.com/article/opinion/forward-and-back-114102101427_1.html)

Date Accessed: 21.10.2014

(Kasturi Mishra)

## **India Home to 11th Largest Population of Ultra-Rich People**

***(Financial Express, October 15, 2014)***

According to the Credit Suisse Global Wealth report, India has 1,800 ultra high net worth (UHNW), making it home to the 11<sup>th</sup> largest group globally. However, India also maintains its position among countries with "very high wealth inequality" with a large number of its residents being in the lower wealth strata. The report mentions that while India had rampant economic growth, not everybody has enjoyed the fruits of the growth and therefore, India harbors a great level of poverty. India has just 3% of the global middle class, and that share has changed very little during the past decade.

This is evident as 95 per cent of the adult population has wealth below US \$10,000. On the other hand, a very small proportion of the population (just 0.3 per cent) has a net worth over US \$100,000. According to the report, there are 1,000 adults who have wealth over US \$50 million and 650 people own more than US \$100 million. The report stresses on the fact that residents of India are heavily concentrated in the lower wealth strata, accounting for over a quarter of people in the bottom half of the distribution. Moreover, it mentions that the entire period since 2000, wealth inequality has increased in Latin America and Africa, and to a greater extent in India and China.

The millionaire segment is projected to grow at the fastest rate. It is perceived to grow at 53 per cent from 35 million today to 53 million in five years' time. It is important to take note of the fact that the country housing 11<sup>th</sup> largest population of ultra-rich people is also home to 30% of those living in 'extreme poverty', according to World Bank's Global Monitoring Report for 2014-15. Any policies aimed at enhancing economic growth must therefore include and further the interests of those at the very bottom, and protect their status.

<http://www.financialexpress.com/news/india-home-to-11th-largest-population-of-uberrich-people/1298717/1>

<https://publications.credit-suisse.com/tasks/render/file/?fileID=60931FDE-A2D2-F568-B041B58C5EA591A4>

Date Accessed: 16.10.2014

(Kasturi Mishra)

## **POLITICS AND GOVERNANCE**

### **Election Commission Seeks Debarring of Candidates Charged with Heinous Offences**

(Business Standard, October 20, 2014)

The Election Commission sought debarring of candidates from elections on framing of charges in cases of heinous offences. This comes after the Supreme Court's intervention leading to instantaneous disqualification of those convicted of serious offences.

The Election Commission also proposed that filing of false affidavits along with nomination papers be a ground for disqualification with enhanced punishment in order to check such malpractices.

"Those who are facing criminal charges, the Commission has made a proposal to the Law Ministry (that) at least in such of the criminal cases where the (minimum) punishment is imprisonment of five years, if a person is accused of that and if charges have been framed by the competent magistrate at least six months before the scheduled date of election, they should be disqualified from contesting elections," Chief Election Commissioner V S Sampath told the Press Trust of India.

A safeguard has also been included in the proposals to prevent the misuse of the mentioned provision. When the charges, for an alleged crime, have been framed six months before the announcement of elections, only then can the provisions of barring persons from contesting polls can be applied.

The proposals of the poll panel have been referred to the Law Commission which is working on making recommendations on electoral reforms.

[http://www.business-standard.com/article/pti-stories/ec-wants-debarring-of-candidates-charged-with-heinous-offences-114102000399\\_1.html](http://www.business-standard.com/article/pti-stories/ec-wants-debarring-of-candidates-charged-with-heinous-offences-114102000399_1.html)

Date Accessed: 21.10.2014

(Afreen Faridi)

### **Over 10 Lakh Unusable Toilets in Chhattisgarh**

(Sandeep Pai, *Hindustan Times*, October 16, 2014)

Under the right to information (RTI) Act, it has been found that in Chhattisgarh, more than 10.31 lakh toilets which were built under the previous Nirmal Bharat Abhiyaan (now restructured and replaced by Swachh Bharat Abhiyaan), have become unusable. A letter written by Chhattisgarh chief minister, to Union minister of rural development on July 3, 2014 stated that, "The 2011 census, scheme management information system and 2013 baseline survey show that 10.31 lakh toilets in Chhattisgarh are currently not usable. It is necessary to reconstruct them if the goal of no open defecation by 2022 is to be achieved."

Chhattisgarh public health engineering (PHE) minister said that the state had requested for reconstructing these toilets, which were built 2-3 years ago. Apart from these unusable toilets, there are many other toilets built under Nirmal Bharat Abhiyaan, which are still unfinished. The appeared situation happened because of the inability of the state to insure that funds from various schemes, utilised for the construction of these toilets, are effectively converged. The inability of the Chhattisgarh Government to effectively utilize the funds provided by the then United Progressive Alliance Government (UPA) has resulted in the lack of construction of toilets thereby making over 10 lakh toilets unusable.

Earlier for the construction of individual toilets, material cost was being provided under the Nirmal Bharat Abhiyaan while labour cost came from Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGA) and another sum came from each eligible household, in the shape of labour contributed by them. While the Nirmal Bharat Abhiyan funds were being routed through district water and sanitation committees, MGNREGA funds came through Panchayati Raj institutions. This requires effective convergence of funds at the field level which was not

being done by the State Government. However, under the new scheme, all the funds will now come from Swachh Bharat Abhiyaan fund and not through different institutions.

<http://www.hindustantimes.com/india-news/over-10-lakh-unusable-toilets-in-chhattisgarh-admits-govt/article1-1275847.aspx>

Date Accessed: 18.10.2014

(Devyani Bhushan)

## **In the Season of Ebola Virus Scare, National Disaster Agency is Adrift and Headless**

(Praveen Swami, *Indian Express*, October 17, 2014)

This article comprehensively studies the NDRF, but in the summary here I have highlighted a few issues using only the first two parts of the article.

- The National Disaster Response Force (NDRF), which is the nodal agency of our country to lead a specialised response to natural and man-made disasters (like earthquakes, a tsunami or an explosion at a nuclear reactor) does not have a full time head.
- The part time chief does not have an office and top position gets juggled between various colleagues who share the building.

Recent examination of preparedness in the country have shown that our states have little infrastructure or institution-alised process to deal with disasters.

NDRF today has just 18 headquarters staff. The plight of the department can be ascertained from the fact that the chief of the organization which has to protect the country lacks the authority to requisition an aircraft to move personnel in case of an emergency. “During the recent floods in Kashmir, and during last year’s catastrophic landslides and flooding in Uttarkhand, the NDRF had to wait for the Home Ministry to route its requests for air support to the armed forces — leading, an officer said, to delays of 48 hours and more.”

The top position at NDRF remains vacant even though the National Disaster Management Authority Act provides for a director-general reporting to the National Disaster Management Authority. “O.P Singh, NDRF director-general, is also director-general of the 10,000-strong Central Industrial Security Force personnel charged with Airport security- a gargantuan task in itself.”

Training of personnel has suffered over the years. NDRF battalions are training intensive: each group has 1,149 people divided into 18 independent teams, equipped with everything from technicians to operations specialist cutting equipment, dog squad experts, and paramedics. Funds amounting to 100 Crore Rs were sanctioned in 2007 to build a training facility in Nagpur. However, the proposal to release funds has not been sent to the cabinet till date by the MHA, despite the fact that three years have elapsed since the Union Government approved it.

Today no NDRF battalion is working out of permanent building. “India’s disaster relief force lives and trains in refugee camps”.

The formation of NDRF was proposed after the Kargil War. In 2005, the Bill that would lead to setting up of the NDMA was formed. One can say that the problem lays in the power struggle which the bill initiates. “The MHA wanted the NDRF run by one of its secretaries, but the UPA government thought it would be better off under an autonomous body, the NDMA.” The MHA has reacted with obstructionism. Plans formed by the former have never been notified by the MHA through the official gazette- which means the states are free not to implement them. Due to this the states continued to receive funding for infrastructure, but with no framework for implementing best practises., which include long term building and urban planning standards to prevent disasters.

“Therefore, the district disaster plan for Udhampur, in Jammu and Kashmir, had no instructions for what to do if communications were knocked out by an earthquake or large flood, nor how resources were to be mobilised in a calamity.”

Legally speaking, the NDMA has no authority to independently implement schemes on its own. The MHA controls all funding and execution. The NDMA thus remains an advisory body with no real power.

Prime Minister Narendra Modi’s government has removed the organisation’s entire board — and there is no word when one might be appointed.

<http://indianexpress.com/article/india/india-others/in-the-season-of-ebola-scare-national-disaster-agency-is-adrift-and-headless/>

Date Accessed: 20.10.2014

(Rohit Chauhan)

## GOVERNMENT

### Labour Reforms by the Government to be Protested by Central Trade Unions

(The Hindu, October 17, 2014)

The labour reforms initiated by the Narendra Modi government have been criticized by trade unions. The central trade unions, including Bhartiya Mazdoor Sangh, affiliated with the BJP will hold a nationwide stir on December 5. The reforms were termed as pro-corporate and anti-worker by Gurudas Dasgupta, the General Secretary of the All India Trade Union Congress (AITUC). He also added that 70 per cent of small and medium enterprises will remain out of the purview of the labour laws after the proposed amendments.

The shift towards self-certification by industries and inspections based on computer-drawn lots, from mandatory inspections, were sharply criticized by trade union leaders. The proposals are said to benefit the employers to carry out hire-and-fire actions and will result in a tendency in the industry to keep apprentices at low wages rather than recognising them as workers even after training.

Disinvestment of Public Sector Units and allowing Foreign Direct Investment in defence production, railways and insurance are also being opposed by the unions, said Centre of Indian Trade Unions (CITU) president A K Padmanabhan.

<http://www.samachar.com/Trade-unions-to-hold-joint-protest-against-labour-laws-reforms-okstpdhdage.html>

[http://www.thehindu.com/news/national/central-trade-unions-to-launch-protest-on-dec-5/article6509230.ece?](http://www.thehindu.com/news/national/central-trade-unions-to-launch-protest-on-dec-5/article6509230.ece?ref=relatedNews)

[ref=relatedNews](#)

Date Accessed: 21.10.2014

(Afreen Faridi)

<b>LABOUR OVERHAUL</b>		PM MODI LAUNCHES FIVE SCHEMES TO BOOST TRANSPARENCY, CREATE BUSINESS FRIENDLY ENVIRONMENT
<b>1. SHRAM SUVIDHA PORTAL</b> • Allots Labour Identification Number to nearly <b>6 lakh</b> firms • Allows e-filing of compliance reports	<b>2. RANDOM INSPECTION SCHEME</b> • Computerised system to select units for inspection • Reports to be uploaded within <b>72 hours</b> of inspection	
<b>3. UNIVERSAL ACCOUNT NUMBER</b> <b>4.17 crore</b> employees to be given portable Provident Fund accounts		
<b>4. APPRENTICE PROTSAHAN YOJANA</b> Government to reimburse <b>50%</b> of stipend paid to apprentices during first two years of training		
<b>5. REVAMPED RASHTRIYA SWASTHYA BIMA YOJANA:</b> Smart cards of unorganised sector workers to be seeded with <b>two more</b> social security schemes		

## SECURITY

### Home Ministry lax in Implementing Bazbaruah Panel Report: Hate Crimes Against People from North East Increase

(Nishit Dolbhai, *The Telegraph*, October 19, 2014)

While people from the North-East suffered renewed attacks in Delhi and other parts of the country, the Centre and States continue to remain silent on the M.P. Bazbaruah Panel Report on containing discrimination against people from North-East. The Union Home Ministry is scheduled to submit an Action Taken Report to Delhi High Court next month on the said report. The Bazbaruah panel was set up in February, 2014 in the wake of lynching of Arunachal Pradesh student Nido Tania in Lajpat Nagar market, New Delhi in January, 2014. Tania's death sparked off widespread protests against racial discrimination faced by people from the North-East.

Bazbaruah panel stressed the need for a specific law covering the type of experiences the North-East people have. "The Committee recommends that either a new law should be promulgated as directed by the High Court of Delhi or IPC should be amended", it said. Although the report was submitted on June 11, 2014, Home Ministry sent it for comments to the State Governments and other Ministries only in September, 2014. In the meantime, there has been a spate of attacks in Bangalore, Gurgaon, Delhi, against people from the region.

The Committee found that existing Scheduled Castes (SC) and Scheduled Tribes (ST) Prevention of Atrocities Act, 1989 does not cover people from North-East. Bazbaruah Panel said, many citizens from the North-East are not members of the SC/ST communities and hence cannot seek protection under the Act. Many ethnic groups in Assam and the Meiteis are not Scheduled Castes. The Committee felt that within the broad framework of the Constitution, the legal, strategic and philosophical aspects of the demand for an anti-racial law should be debated.

All Chief Ministers of North-Eastern States have stressed that the Centre needs to take steps to prevent incidents against people from the region as well as the discrimination suffered by them, which, if unchecked, would affect national integrity.

[http://www.telegraphindia.com/1141019/jsp/frontpage/story\\_18941404.jsp#.VESg2vmUdgh](http://www.telegraphindia.com/1141019/jsp/frontpage/story_18941404.jsp#.VESg2vmUdgh)

Date Accessed: 20.10.2014

(Devyani Bhushan)

## SOCIAL AND ECONOMIC EXCLUSION

### Karnataka Brings in Act Curbing Forceful Land Grabbing

(*Daily News and Analysis*, October 21, 2014)

The 'Karnataka Land Grabbing Prohibition Act' hopes to curb government land grabbing, with punishment up to three years for its violation. The punishment may also entail a fine of Rs. 25,000.

"The Act provides for a special court to try land-grabbing cases and it will consist of a chairman and a four members to be appointed by the government." The time frame within which the courts will be setup will be decided after talks with the Karnataka High Court.

The act is a means to prevent curb organized attempts to grab lands belonging to the government, Wakf or Hindu Religious institutions and Charitable endowments, local authorities or other statutory or non statutory bodies owned, controlled or managed by the government.

<http://www.dnaindia.com/india/report-karnataka-brings-in-act-curbing-forceful-land-grabbing-2028156>

Date Accessed: 22.10.2014

(Shriyam Gupta)

## ENVIRONMENT

### Costs of Climate Change Destruction Unmitigated due to Low Insurance Penetration in India

(Frontline, October 31, 2014)

In 2013, India was third on the list of countries affected most by climate-related disasters such as storms, floods, extreme temperatures, drought, forest fire etc. Moreover, India had the highest recorded fatalities, with over 7,000 deaths and was seventh in terms of economic losses. However, it was nowhere in the top 10 when it came to insured loss.

Climate change delivers a double punch to India. On one side human fatalities and destruction due to extreme climate could rise, on the other hand compensation through insurance paybacks will remain low due to inadequate insurance penetration.

The article stated that, “the floods in June 2013, which affected Uttarakhand mainly, and Himachal Pradesh, Jammu and Kashmir and Uttar Pradesh to a great extent, caused 5,500 deaths. It recorded an overall loss of \$1.5 billion with an insured loss of \$600 million.”

When a climate-related event strikes India, it is the common citizen who bears the brunt of it not the insurers. When financial shock gets added to the emotional trauma many families find it difficult to recover. In countries such as the U.S., the insurance payout is high which mitigates the economic loss resulting from a disaster. Of course, so is the cost of buying and maintaining the cover.

A safety net against climate-related risks is sorely needed in India. Government intervention is required to assess risks and cover them judiciously. Insurance by private or public institutions or a combination of both can generate such a safety net. However, the State needs to ensure that the cost of buying insurance stays within limits.

<http://www.frontline.in/other/data-card/climate-change-and-insurance/article6491670.ece?homepage=true>

Date Accessed: 20.10.2014

(Afreen Faridi)

### Food Price, Poverty will Rise in Asia by 2030, Warns New IPCC Report

(Vineet Kumr & Arjuna Srinidhi, *Down To Earth*, October 18, 2014)

The InterGovernmental Panel on Climate Change (IPCC) has released on 16th October, 2014, the full version of its 5th Assessment Report which reiterates what the draft report (released in March, 2014), had said about a looming food crisis and health risks. The report entitled “Impacts, Adaptation and Vulnerability” has stated that growing food could become harder because of the climate change and could lead to farmers moving away from agriculture due to repeated droughts across Asia. The report also warns that livelihoods of indigenous communities in Asia are in danger and climate change will help -control food inflation, increase in cost of living and will further exacerbate rural poverty.

Some of the projections made in the report, which would have an impact on India are –

- Temperatures are projected to increase as will summer-monsoon precipitation.
- Reduction in groundwater recharge is expected, 36% of springs have dried, heads of perennial streams have dried and water discharge in springs and streams have decreased considerably.
- Considerable bleaching has been observed in the corals of Andaman Islands. 34% to 39% forests of India will change forest type.

- Reduction in wheat growing areas by as much as 50% in the most favourable and high yielding zones of the Indo-Gigantic plains due to heat stress.

The report reiterates that all these changes would lead to loss of livelihoods of indigenous people and declining biodiversity.

<http://www.downtoearth.org.in/content/food-price-poverty-will-increase-asia-2030-warns-new-ipcc-report>

Date Accessed: 19.10.2014

(Devyani Bhushan)

## **More Electricity Access in India Entailed Small Climate**

### **Impact: Researchers**

(*NDTV*, October 21, 2014)

A recent research has indicated that India's growing energy consumption, a result of improving and increasing household connectivity over the time span of last 30 years, has contributed only marginally to the nation's total carbon emissions. On the world stage many first world countries have raised concerns about this increasing consumption, calling for stricter emission reduction targets to be imposed.

"This study shows that the climate impacts of expanding access are in fact very small," said researcher Shonali Pachauri from the International Institute for Applied Systems Analysis in Laxenburg, Austria."

"Using two data sources, the study found that improved electricity access in India from 1981 to 2011 accounted for approximately 50 million tonnes of carbon dioxide (CO<sub>2</sub>), or three-four percent of the rise in total national CO<sub>2</sub> emissions."

The assumption of increased emissions is based on the fact that electrification usually leads to increased wealth and participation in economy. Since electrification also tends to lead to increased wealth and participation in economy, it can also lead to additional increases in emissions from indirect energy use.

"Pachauri found that when she took these factors into account, household electricity use would account for 156 to 363 million tonnes CO<sub>2</sub>, or an 11 to 25 percent growth of emissions in the country."

However, an average Indian household is still consuming less energy than an average Chinese household. 1992 is when the UN framework convention on climate change was signed. The division was the basis for the 1997 Kyoto protocol- the world's first and only, binding emissions treaty- which the US refused to ratify, as it did not include targets for India and China.

India asked for the prolongation of the division at the recent U.N. climate change summit held at New York recently, amid protests from other member nations. India's stuck to its stand that developed nations and not emerging economies should shoulder most of the burden for cutting emissions. This research may prove beneficial to India to justify its stand at United Nations climate negotiations in Paris next year.

Although India still lacks electricity access for much of its population - around 40 crore people - it has vastly increased access in the last 30 years.

"From 1981 to 2011, household electricity access in the country improved from around 25 percent to between 67-74 percent of the population, an increase of approximately 65 crore people." India is at a similar stage to many other developing countries in terms of energy access. So we believe that these findings will be applicable on a broad scale to other developing countries," said Pachauri."

India is responsible for just 3 percent of cumulative carbon dioxide emissions from 1870 to 2013, according to a new review paper published Sunday in *Nature Geosciences*. The U.S., by contrast, is responsible for about 26 per-

cent of all historic carbon emissions and the European Union for 23 percent. China accounts for about one-tenth of the 1,430 gigatons of worldwide emissions over that period.

The finding of this research can go a long way in sustaining India's demand of relaxed emissions cut targets on the global scale.

<http://www.ndtv.com/article/india/more-electricity-access-in-india-entailed-small-climate-impact-researchers-609800>

Date Accessed: 21.10.2014  
(Rohit Chauhan)

## **'Profit Over Security': Business Trumps Climate Targets – Oxfam, UK**

**(*Rt.com*, October 17, 2014)**

Oxfam, United Kingdom warned that the combination of political inaction, short-sighted economic policy and profit driven fossil fuel advocates are likely to raise global temperatures and put the lives of 400 million in jeopardy by 2060. The report, 'Food, Fossil Fuels and Filthy Finance' asked the government to resist the lobby pressures of €44 million a year to take on pro-environment policies.

The report states that government needs to "cut carbon dioxide emissions by a minimum of 55 percent, introduce energy savings of at least 40 percent" and introduce renewable energy initiatives. European Union (EU) is meeting on the 23<sup>rd</sup> October to discuss emission-cutting targets by 2030. The two-day conference is a prequel to the 2015 United Nation's climate change conference in Paris.

EU is expected to pledge a 40 percent cut down of emission, which Oxfam says, won't be enough. It's report claims that \$674bn was spent on fossil fuel energy in 2012, which was possible due to convenient tax-break policies of the government. "The NGO predicts fossil fuel firms will spend up to \$6tn in further developing the industry over the next 10 years."

The world's poor are the worst affected and millions more are likely to go hungry because of climate change. Though there are critics of the report provided by the conservative wings, Prime Minister David Cameron recognized climate change as the greatest threat facing the world today. Oxfam is asking for greater transparency with respect to lobbying and more environment friendly policies.

<http://rt.com/uk/196884-inaction-climate-change-lobbying/>

Date Accessed: 21.10.2014  
(Shriyam Gupta)

## **AGRICULTURE**

### **Farmer Distressed in Telangana- 250 Suicides in 4 Months**

**(Balakoteshwara Rao, *Times of India*, October 17, 2014)**

Nearly 250 farmers in Telangana have committed suicide in the past four months due to insurmountable debts. On an average, at least two farmers have been committing suicide a day in the state during this Kharif season. Incidentally, of the 40 farmer suicides in Medak district since Telangana Rahtravadi Samiti (TRS) assumed power, 18 of them were in chief minister's assembly constituency of Gajwel. Warangal district continues to have the dubious distinction of highest such deaths with 54 recorded so far in the past four months.

As per a Government Order (GO), issued in 2004, which is still in force, the government is required to provide immediate financial and rehabilitation assistance to families of farmers who commit suicide irrespective of the reason for such an act. The TRS had announced to waive off loans of the farmers in their election manifesto, However, the

delays in implementing the loan waiver scheme and the riders attached to it, has resulted in farmers who had hoped to be free from the vicious cycle of debts, being left out in the lurch.

The GO does not differentiate reasons for such deaths but lays down that irrespective of the reason, the government has to provide certain amount of relief, not exceeding Rs 2 lakh per family. The GO mandates the government to take steps to rehabilitate the family of the deceased farmer.

Activists point out that the present government should have taken the issue of compliance of the GO seriously. They hold the government responsible for the sad plight of farmers caused by a total neglect of rural power supply and irrigation sectors.

<http://timesofindia.indiatimes.com/india/250-farmers-committed-suicide-in-4-months-in-Telangana/articleshow/44844566.cms>

Date Accessed: 18.10.2014

(Devyani Bhushan)

## **FAO: Small Farms in India Key to Removing Hunger**

**(Report, *Food and Agricultural Organization*, October 16, 2014)**

The Food and Agricultural Organization (FAO) of the United Nations released its annual State of Food and Agriculture report on 16<sup>th</sup> October 2014. The report establishes that family farms need to be given due attention for achieving food security and sustainable rural development. Small farms produce a higher share of the world's food relative to the share of land they use, as they tend to have higher yields than larger farms within the same countries and agro-ecological settings.

India accounts for 24 per cent (%) of the world's 570 million farms and in India, 47% of the farms are smaller than 0.5 hectares. Of the global public expenditure on agricultural research and development, India's share is 7% while it is 12% for the US and 19% for China. As for private agricultural R&D, evidence from India suggests that it has grown. The report also acknowledged the fact that smaller farms are less likely to interact with agricultural extension agents than larger one. In this regard, the report observed that, in India, only 40% of farmers obtained some information on modern technology. What is of greater concern here is the fact that, the most common sources of information were other progressive farmers and input dealers and only a mere 6% of farmers reported receiving information from government extension workers—12% of large farms, and 5 % of small ones. It is reported that a study of the benefits of providing SMS-based market and weather information to farmers in India found no significant effect on prices received by farmers, crop value-added, crop losses resulting from rainstorms, or the likelihood of changing crop varieties and cultivation practices.

In this regard, the report prescribes a transparent legal and regulatory regime; secure property rights, risk management tools and market infrastructure to individual family farms. Secure property rights go a long way in ensuring stability in government regime. The report also suggests that public investment in agricultural R&D should be increased to aid sustainable intensification and to close yield and labour productivity gaps. Herein, the inherent diversity in family farms needs to be catered to, through innovation systems.

<http://www.fao.org/3/a-i4040e.pdf>

Date Accessed: 20.10.2014

(Kasturi Mishra)

## **LAW AND JUSTICE**

### **Death Penalty Fuels Violence in Iraq, Says U.N. Report**

**(*Newsweek*, October 19, 2014)**

Iraq hanged 60 people by the end of August this year says a United Nations (UN) Report. Though, this number is less than the last year 177 executions, the country still has 1,724 people remained on death row. The UN Mission in Iraq and UN Human Rights Office published the report. The report says that the death penalty is unjust and only

fuels violence that it hopes to deter.

"Iraq tends to carry out the sentence in batches because President Jalal Talabani opposes the death penalty, so the Vice President orders executions when he is out of the country." Moreover, death sentences are given based on disputed confessions and evidence provided by secret informant. Most of the times accused did not have a defense lawyer till they arrived in the court.

"Such miscarriage of justice merely compound the effects of the crime by potentially claiming the life of another innocent person and by undermining any real justice that the victims." The report mentions instances where convicts could avoid the death sentence by hiring a lawyer worth \$100,000, while sometimes women have been detained in place of male detainees. U.N. High Commissioner for Human Rights and U.N. Special Representative for Iraq have asked Iraq to put a moratorium on the death penalty.

The report said that the death penalty has not deterred crime as extremists are prepared to die for their cause. "The report also rejected the government's claim that its use of the death penalty enjoyed popular support in Iraq." Kurdistan region has a de facto moratorium on the death penalty. The report urges it to ban it completely.

<http://www.newsweek.com/death-penalty-fuels-violence-iraq-says-un-report-278392>

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(Shriyam Gupta)

## **DEFENCE**

### **Border Row: China, India to Set up Hotlines Between Military Headquarters**

*(Deccan Chronicle, October 21, 2014)*

Chinese president Xi Jinping's visit to India last month and declarations of a joint army drills being held has done little to ease the tension over the border dispute between India and China. The month of September witnessed two army standoffs in the Ladakh region.

The External Affairs Ministry held talks with their Chinese counterparts last week. After the talks, the Ministry said the confidence building measures (CBMs) include inter-alia regular interaction between the Army Headquarters and Field Commands of the two sides: additional border personnel meeting points and more telecommunication linkages between forward posts of the two sides at mutually agreed locations.

The meeting was held under the framework of Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC), the talks discussed various issues pertaining to the maintenance of peace and tranquillity in border areas. This was the first interaction between the two sides since the new government took over in the backdrop of China sharply reacting to India's plan to construct a road network along the McMahon Line in Arunachal Pradesh. The Western Sector has also witnessed other stand off's in the recent past.

India and China have now agreed set hotlines between the army headquarters and establish new border meeting posts to address incidents of incursions like the one in Ladakh area last month, Chinese Foreign Ministry said on Monday following the meeting last week.

"Both sides agreed to establish regular meeting mechanism between the two military headquarters of neighbouring military areas and border troops, to set up new border meeting posts in the border areas between the two countries, set up hotlines between military headquarters of two sides," Chinese Ministry spokesperson Hua Chunying said.

"We also believe these measures will help to build communication and connections between two militaries especially the two border troops and will help the two sides to properly deal with border affairs," she said.

"The stable and sound development of China and India relations serves the fundamental interests of the two countries. We would like to make efforts to properly deal with border related affairs through consultations and maintain peace and tranquillity in the border areas," she said."

The Chinese representatives appreciated India's effort to peacefully and amicably dissolve the tension which arose after the standoff at Chumar in Ladakh, which coincided with the visit of the Chinese president.

The talks ended with both the sides agreeing to withdraw to positions they held on September 1, 2014. The armies have agreed to consider overall interests to safeguard peace and tranquillity, so that a nurturing environment for bilateral relations can be sustained.

<http://www.deccanchronicle.com/141020/nation-current-affairs/article/border-row-china-india-set-hotlines-between-military>

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(Rohit Chauhan)

## ELDERLY

### India has the Weakest Retirement System Globally

*(Deccan Herald, October 16, 2014)*

India's retirement system continues to rank the lowest amongst the 25 countries, with less than 6 per cent of the working population in the country covered under private pension plans. The country's score largely remained unchanged at a grade of 'D', which is between 35 and 50, indicating that it has some sound features but there are major omissions or weaknesses, according to 2014 Melbourne Mercer Global Pension Index (MMGPI).

The report states that the public sector in India has adequate retirement benefits through other additional retirement benefits provided, but they represent only a small fraction of the entire population of India, it explained. Economic and regulatory changes have put a lot of pressure on the pension mechanism with less than 6 per cent of the working population in India covered under private pension plans (including pension plans for public sector employees and the military) .

The report further points out that there is no pension or support for the poor and aged. Further lack of retirement coverage for the informal sector and less than adequate retirement income expected to be generated from contributions made to Employee's Provident Fund (EPF) and Gratuity benefits continues to hold India back.

As per the MMGPI India has scored well in the integrity of their retirement system, which is because of the strong regulations on governance and protection of employee benefits. However, improving the minimum level of support for the poor, improving the regulations of private pension plans and addressing issues on increasing life expectancy will help India raise its position in the future.

The projected old age dependency ratio for 2035 range from 12 per cent in South Africa and 13 per cent in India to 55 percent in Germany and 58 percent in Japan . This ratio highlights the impact of the ageing population between now and 2035, and the likely effects on the funding requirements for pensions, health and aged care.

<http://www.deccanherald.com/content/436295/india-has-weakest-retirement-system.html>

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(Devyani Bhushan)

## INDIA IN THE WORLD

### India Gains Little from FTAs on Services Front

(Sidhartha, *Samachar*, October 22, 2014)

This article looks into the possibility of any real benefits arising from the Free Trade Agreement signed, in the services sector, with the 10-member ASEAN bloc. Although the government has been optimistic about such moves, similar agreements with South Korea and Japan, which was supposed to help Indian nurses, architects and even yoga professionals have not resulted in any visas.

Even though India and Japan and South Korea reduced customs on duty on goods, the subsequent trade in professionals has not taken place as the countries have failed to sign mutual recognition agreements that honour the educational and professional qualifications. Due to unrest among nurses in Japan, the negotiations have also come to a standstill. Thus, India's agreements are only a matter on paper. As recognition of Indian engineering colleges remains an issue, Indian engineers, consultants and professionals have limited access, still.

In any case, with the ASEAN pact, the government is not likely to gain any noticeable benefits in services sector. This is because even the goods negotiations have been de-linked, so there is no possibility of give and take. Meanwhile, the government is yet to disclose the list of services to be covered by the pact. An official who was a part of the negotiations said, "If you agree to cut duties it does not mean the item will be imported. Similarly, it isn't necessary that a services agreement will actually lead to an immediate use of the provisions." Keeping this in mind, it is imperative for the Government to pursue mutual recognition agreements relating to academic and professional qualifications; in order to reap any significant fruits from the ASEAN pact.

<http://www.samachar.com/India-gains-little-from-FTAs-on-services-front-okwfp2fjddd.html>

Date Accessed: 22.10.2014

(Kasturi Mishra)

## EAST & SOUTH EAST ASIA

### China's Economy Grows By Slowest Rate in Five Years

(Finbarr Bermingham, *International Business Times*, October 21, 2014)

China's growth at 7.3 percent in the third quarter of the year is the slowest in the last five years. In 2009, the lowest growth rate was recorded at 6.9 per cent. While the earlier slow rates were attributed to the global crises, the current decline points to domestic issues. The major reason for the slight slump is ascribed to the decline in the property market.

"As it has sought to restructure its economy, moving away from an investment-based model to consumption-based, Beijing has voiced willingness to accept slightly lower growth." Government has introduced more measured stimulatory injections, which will be added by the coming months. "The government is also thought to be looking at slashing interest rates in an effort to loosen the flow of capital in China."

Stephen Kitts, Asia Managing Partner at law firm Eversheds, notes that the slow growth rate indicates that China is not immune from the vagaries of the world economy. Moreover, all changes that will happen will probably be 'behind the scenes' with the objective of keeping the consumer classes onside.

However, the data speaks of positive growth too. Export and import has performed better and the economy has a sire of trade surplus by \$31 billion dollars in the last month. Moreover, growth in employment has also been steady.

"Given recent rhetoric from Li Keqiang, the Chinese Premier, that growth slightly under 7.5% this year would be acceptable so long as the job market was stable. It is unlikely that the new data will spark panic in Beijing."

<http://www.ibtimes.co.uk/chinas-economy-grows-by-slowest-rate-five-years-1470989>

Date Accessed: 22.10.2014

(Shriyam Gupta)

## OPINIONS

### North-East Denied from Huge Chinese Investment

(Subir Bhaumik, *The Telegraph*, October 21, 2014)

The grand media fanfare of Indian Prime Ministers' business meetings with Chinese President Xi Jinping during his recent visit to India missed the China's business plan, strategy, perspective and actual investment promises. Subir Bhaumik in his exploration reveals the truth of so-called successful business dealing between two countries.

Chinese officials accompanying Jinping in his India visit revealed to Bhaumik that The Chinese had planned much of their investments in the proposed BCIM corridor in eastern and northeastern India to develop its infrastructure. He says, "they also wanted to get a clear idea of how India proposed to go about the proposed corridor and the Maritime Silk route. By avoiding concrete discussions on this corridor, Modi sent a clear message to Xi that India was not keen on the BCIM economic corridor."

Bhaumik argued that when Indian government denied Chinese preference of business locations in India, Xi and his team felt badly let down. It further led Chinese to step back from their promises of investment in India. Chinese wanted to bring huge investment for the BCIM corridor, which is key to its 'land-to-sea access' strategy but India offered them to invest in Gujarat and Maharashtra or elsewhere in India. According to him, "the Chinese see it as a lack of trust after they had made it clear that they are willing to treat India as a 'partner' in Asia's future, even after the Modi-Abe bonhomie in Tokyo." He further argued, "as a business-friendly leader who claims commerce is in his blood, Modi needs to understand that investors not only prefer to choose countries carefully when they invest but they also like to choose locations more carefully and after several considerations."

Other than the business immaturity, of the NDA government China is also upset with the interference of Rashtriya Swayamsevak Sangh (RSS) in the Tibetan issue. Reportedly saffron leaders like Indresh Kumar are on record saying "India should internationalize the Tibetan issue (the West would love India to do so) and Delhi must try to hurt China economically." According to Bhaumik, "Nothing would be a bigger red rag to the Chinese bull than a revival of the Tibetan question, especially when Beijing is battling a festering Uighur insurgency in Xinjiang amidst reports that the 'East Turkestan' underground is trying to strike a workable understanding with Tibetan hardliners."

Modi's ignorance to the Chinese business plan in India not only created a dis-trust between two countries but also denied huge investment in the poor, under developed and difficult areas of east and northeast. He argues, "with none else willing to invest in this backward region, Chinese investment in its poor infrastructure may have been a game-changer. That has been denied, by Delhi's double standards." Bhaumik further says, "if the East and the Northeast are denied Chinese investments and Modi plans to take them all away to Gujarat and Maharashtra, law-makers in the region need to raise the issue more strongly than starting a mayhem in Parliament to block a deal seeking the exchange of a few enclaves with Bangladesh."

[http://www.telegraphindia.com/1141021/jsp/opinion/story\\_18939641.jsp#.VEX3XvmSwrk](http://www.telegraphindia.com/1141021/jsp/opinion/story_18939641.jsp#.VEX3XvmSwrk)

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(Jeet Singh)

### Microfinance: To Hell and Back

(Tamal Bandhopadhyay, *Livemint*)

The microfinance industry in India has witnessed a boom in the last decade. The basic reason is the failure of the formal banking sector to reach out to the masses. This can be made out from the successful listing of SKS Microfinance Ltd in July 2010, and strong growth of loan assets. This in turn created a demand for new funding in the industry, which until then was lightly regulated by the Reserve Bank of India (RBI).

However, in October 2010, the Andhra Pradesh Government brought an ordinance which curbed the industry. The reason it gave was the coercive collection policy of microfinance institutions (MFIs) that lead to suicides in some cases. Under the new ordinance the MFIs had to specify their area of operation, rate of interest and recovery prac-

tises. It also became mandatory for MFIs to seek government approval before issuing fresh loans.

In the five years between 2005 and 2010, the Indian microfinance sector emerged as one of the largest in the world with Andhra Pradesh as its hub. Following the ordinance the activity of the MFIs came down significantly. This led to bad loans piling up as borrowers refused to pay back. Following this banks stopped giving loans to MFIs.

The crisis triggered a strong response from RBI. Based on the recommendation of a committee, headed by Y.H. Malegam, RBI put in place regulations for the industry in December 2011. The margin between the cost of borrowing and the price at which loans were given was capped, interest rates were regulated and loan norms were defined.

The central government also introduced a Bill in Parliament. Over the past four years, the industry witnessed the creation of two credit bureaus—Equifax Credit Information Services Pvt. Ltd and CRIF High Mark Credit Information Services Pvt. Ltd—to help it take appropriate credit decisions and arrest multiple lending; the introduction of a code of conduct; diversification of the product basket; and adoption of new practices to focus on customers' needs.

“The code of conduct ensures governance and client protection, and creates an ethos for responsible lending, something many MFIs did not do till the crisis broke out”. The credit bureaus now house records for millions of loan records. Following the Andhra Pradesh crisis the industry spread to other areas. The latest data indicates the spread, with the west and the east accounting for 23% and 28%, respectively, of the gross loan portfolio on MFIs in 2013-14. MFIs have established a strong foothold in Maharashtra, West Bengal and Tamil Nadu. “It is absolutely critical for microfinance firms, particularly those MFIs that operate as non-banking financial companies (NBFCs), to be continuously on guard and not succumb to the greed of expanding business at any cost”.

According to the latest data from 30 June, 2014, the NBFC-MFIs has a client base of 28 million, with the base expanding 23% in the first quarter of the current fiscal year from a year earlier. Things are set on the right course with states including Assam and Kerala accepting RBI as the sole regulator for the industry. The industry has come a long way from 2010, microfinance today is highly regulated industry with the segments of clients, size of loans, purpose and even price being regulated. However, the microfinance lobby is in consultation with the RBI for the relaxation of the framework guiding the rules and regulations. But the process may take some time to convince the central bank about the maturity that this industry has attained.

<http://www.livemint.com/Opinion/Z3YLSgcdQxb4VygrbRW6EL/Microfinance-To-hell-and-back.html>

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(Rohit Chauhan)

## **The Decision to Reduce the Powers of the Drug Pricing Body Goes Against the Interest of Public Health**

*(Economic and Political Weekly, October 18, 2014)*

The government recently reduced the powers of the National Pharmaceutical Pricing Authority (NPPA) to control prices of only essential list of list of drugs listed on the National List of Essential Medicines (NLEM). The decision is not in tandem with the interest of public health in the country.

The Drug Price Control Order (DPCO) marked 348 drugs as essential drugs for price control. However, the order applies to less than 15 percent of the 80,000 crore domestic pharmaceutical market leaving out important life saving drugs. Even though cardiovascular disease affects 10 percent of the population while one in 20 Indian suffers from diabetes, “only 15% of the anti diabetics market and 29% of the cardiovascular market were under price control.” To prevent public health crises, NPPA was set up to look into such discrepancies. In July, NPPA put 108 drugs, mostly cardiovascular and antibiotics, under price control.

The lobby groups and pharmaceutical companies lobbied hard against this move and subsequent filed cases for stay order in the courts, which was not granted. However, Department of Pharmaceutical was convinced to limit NPAA reach. “The NPPA had planned to put under price control many more life-saving “non-essential” drugs of anti-

asthmatics, anti-malarials, immunologicals (sera/vaccines), anti-TB, HIV, cancer, etc. This now stands stymied.” Such has been possible because of a narrow interpretation of Para 19 of the DPCO guidelines offered by the solicitor general.

The interpretation by the solicitor general has chose to ignore the “public interest” aspect of Para 19 and has chosen to focus only on “extraordinary circumstances.” It has therefore called the actions of NPAA “not a valid exercise of power.”

Though the pharma companies have been assured of no more price control, public health has suffered. “What this episode reveals is that mechanically confining price control to the list of 348 essential drugs and leaving out a whole lot of life-saving drugs is short-sighted.”

[http://www.epw.in/system/files/pdf/2014\\_49/42/Mala\\_Fide\\_Decision\\_on\\_Drug\\_Prices.pdf](http://www.epw.in/system/files/pdf/2014_49/42/Mala_Fide_Decision_on_Drug_Prices.pdf)

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(Shriyam Gupta)

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