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Swadeshi PATRIKA

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RCEP & India


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E-commerce Policy

The New E-Commerce FDI Policy released by Department of Industrial Policy and Promotion (DIPP) is a savior for small traders and Medium and Small-Scale Enterprises (MSME)s. For past decade, they have been facing unfair competition from the E-Commerce giants such Flipkart and Walmart which follow cash burning model by following a predatory pricing and deep discount model. The main objectives of guidelines are to regulate pricing and deep discounting. The Policy also propose for Regulator which keeps a check on the Circumvention of Rules governing E-Commerce. The guidelines made it clear that FDI is permitted in Market place model while it is not permitted in inventory-based model. The policy clarified that an e-commerce entity can provide support services to the sellers, such as logistics, payment collections and facilitation in conformity with Reserve Bank of India guidelines, warehousing, order fulfilment, call centre and other services. Also , sales more than 25% from a single vendor will not be permitted. Overall the guidelines brings clarity in E-Commerce space where companies have been flouting rules.

New guidelines also prohibit E-Commerce Companies from selling products from companies which have stake. Cloudtail which is a subsidiary of Amazon once accounted for 70-80% of sales. Similarly, WS Retail Ltd. of Flipkart accounted 30-40% of Flipkart's overall sales. These E-Commerce companies can no longer have such arrangement. E-Commerce giants get cheaper credit through FDIs and believe in capturing market share through deep discounts which basically are against the principles of Commerce.

While the new policy must be implemented in full rigor, those E-Commerce giants which have circumvented the FDI rules must dealt with according to the law. The current policy has brought in confidence among the small traders who now believe in governments vision for this sector.

– **Anand,** *Hyderabad, Telengana*

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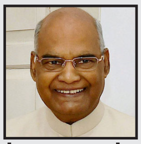
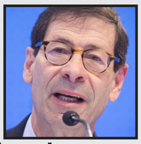


Innovative interventions such as the Mudra Yojana and the outreach to micro, medium & small enterprises are examples of programmes that have enabled millions of individuals. They have enabled job seekers to become job creators.

Ram Nath Kovind
President, Bharat

As we mark the 150th Jayanti of Bapu and the birth centenary of Madiba, we recall their ideals and reiterate our commitment to create a just and compassionate society.

Narendra Modi
Prime Minister, Bharat



"India under the government of PM Narendra Modi has carried out some really fundamental reforms. These include the Goods & Services Tax (GST), the Insolvency and Bankruptcy Code... A lot of what they have done on financial inclusion has been really important"

Maurice Obstfeld
IMF's Chief

Unless common men resolve to make India strong which Indians aspire but for leaders with vested interest who think they are above country one has to choose his path.

Saroj Mitra
National Co-convenor, SJM

Lower oil prices and 'ache din' for Rupee are here to stay

Rupee has started appreciating once again and reached rupees 69.45 per dollar on the first day of 2019. When in the last three months rupee was fast depreciating, many people at important positions in economic policy making made irresponsible statements, saying that rupee is still overvalued and may depreciate further. The Secretary, Department of Economic Affairs, Ministry of Finance, Subhash Garg, said that the rupee could go up to Rs 80 per dollar and that would be its appropriate level. Almost similar statements came from the then Chief Economic Advisor Arvind Subramanyam and also the NITI Aayog. In the first four years of the Narendra Modi government, the value of rupee improved considerably and the rupee which had touched 68.84 rupees against the US dollar in August 2013, improved and reached around 62 rupees. Due to declining oil prices and increasing foreign investment in the first four years of the Narendra Modi government, the balance of payment deficit had come down to a great extent, due to which not only did India's foreign exchange reserves reach $ 424.5 billion by March 2018, rupee also appreciated significantly.

In the last few months, due to the rising oil prices and the exodus of foreign investment, the rupee had weakened. However, this weakness was a short-term weakness, and with the reduction in oil prices in the international market, the rupee began to reinforce and in the process foreign investors also started returning back, making rupee to appreciate. In this way, the forecasts of all those economists and other important people related to policy making were proved wrong, who were predicting exchange rate to be 80 to 85 rupees per dollar. According to analysts, oil prices are not likely to rise in the near future. The main reason for the rise in oil prices in the global market has been cartelisation by (Organisation of the Petroleum Exporting Countries) 'OPEC' countries. History has witnessed that after 1973, this cartel has been impacting crude oil prices substantially by contracting supply. But in the last few years 'OPEC' has weakened significantly. The main reason for this is that the US has increased its production of crude oil to a great extent. In such a situation, Saudi Arabia, which has been a leading OPEC member, was also shying away to reduce its production and for a long period, it abandoned its intention to increase the oil prices by reducing production, after US almost doubled its oil production and as a result iil prices nosedived to $ 42.5 a barrel in 2017. OPEC countries cartel started raising its head again since then and once again they started increasing prices by reducing production. Though, India has been a major importer of oil, it has been paying through its nose, accepting the 'market determined price of oil'. But this time, when prices rose due to the OPEC cartelisation, the Indian Prime Minister, Narendra Modi issued stern warning to OPEC countries that India will not accept this menace and OPEC countries will have to discipline themselves.

At the same time, there started turmoil in international politics, and the United States imposed sanctions on some oil exporting countries such as Iran and Venezuela. Due to this uncertainty, prices of oil started going up once again; which, apart from the other things, made a huge impact on India's foreign exchange outgo. But this time, many countries including India sent a explicit message to US against accepting sanctions against the oil exporting countries, and the US was forced to give exemption to many countries including India. On the other hand Qatar, who has been an important member of OPEC, also announced the decision to leave OPEC. OPEC nations' monopoly has started fading. Now OPEC countries are feeling themselves dwarves, in comparison to huge increase in production of American shell (crude oil company). On the other hand, efforts are being made to increase the use of non conventional sources of energy in the world, due to which the use of oil in future will be reduced and oil exporters will not be able to exploit oil importing countries by reducing their production. It is worth noting that by the end of 2018, the price of crude oil has once again reached 42 dollars per barrel.

International analysts believe that due to these reasons, crude oil prices will not increase in the near future. At the same time, we must not forget that Indian economy is still the fastest growing economy in the world. It's likely to attract huge domestic and foreign investment. Economists and others who say that the value of Indian Rupee is high and should fall, argue that according to the 'real effective exchange rate' (REER) data, the Indian Rupee is overvalued. But the decision can not be taken based on the exchange rate based on any one criteria, especially if the other criterions are significantly different. There are several criterions for indicating the true value of rupee. One such criterion is 'Purchasing Power Parity' (PPP). Many economists believe that the data of purchasing power parity should also be taken into account in the exchange rate, because Indian rupee's or any other currency's actual strength is not its market exchange rate, but it's purchasing power in own home country. Purchasing power of Indian rupee today, is 3.3 times higher than its official exchange rate. While looking at other countries, purchasing power of Chinese currency is 2.05 times higher than its official exchange rate. This is 1.3 times higher in Brazil, in South Africa it is 1.63 times higher, while in Russia PPP is 2.16 times more than official exchange rate. That is, in India, the purchasing power of rupee is the highest in comparison to the official exchange rate amongst all 'BRICS' countries.

The second criterion in this regard, is the 'Big Mac Index' It is estimated by comparing the price of Mac donald's burgers in different countries of the world. According to this too, the purchasing power of Indian Rupee in terms of burgers it can purchase is also significantly high in comparison to official exchange rate. Perhaps this is the reason why the exchange rate of Indian rupee is never based on 'REER'. We have to see how and when official valuation of rupee can be improved on the basis of purchasing power and 'Big Mac index'. This is possible by increasing production in the country and discouraging imports.

Free Trade Agreements (FTAs) & India

Dangers of the proposed Regional Comprehensive Economic Partnership (RCEP) for agriculture & smallholder farmers.

Afsar Jafri

Introduction:

Free Trade Agreements (FTAs) are arrangements between two or more countries or trading blocs that primarily agree to reduce or eliminate customs tariff and non-tariff barriers (NTBs) on their imports and exports. Import and exports make a country's trade balance, if a countries imports exceeds its export, then it has a trade deficit and if the export is more than country's import then it has trade surplus. The Economic Survey of 2015-16 stated that, since the mid 2000s India's FTAs have doubled to about 42 till February 2016 and these have led to more imports than exports. It said, "Increased trade has been more on the import than export side, because India maintains relatively high tariffs and hence, had larger tariff reductions than its FTA partners." The NITI Aayog's "Note on Free Trade Agreements and Their Costs" expressed similar concern that India's trade deficit with ASEAN, South Korea and Japan has widened post-FTAs.

FTAs generally lead to reduction or removal of restrictions that hamper free flow of goods and services between the negotiating nations. This includes removal or reduction of tariff (duties, surcharges and export subsidies) and non-tariff barriers (like licensing rules and regulations, quotas and other requirements like standards). However, unlike World Trade Organisation (WTO), in FTAs tariff reduction is undertaken with reference to the base rate1, i.e. from the applied Most Favoured Nation (MFN) tariff. In WTO, tariff reductions are always from the "bound duty rates2" and not from the MFN applied duties.

Depending on the bargaining power of the countries involved, FTAs go much further in liberalising trade, services and investment than even the multilateral trade agreement like the WTO. FTAs are another way to ensure that governments implement the liberalisation, privatisation and deregulation measures of the corporate globalisation agenda. Traditionally North-South FTAs are quite

comprehensive and are intended to open up new opportunities for TNCs to extract more profits from developing countries. In fact the North-South FTAs are neo-colonial. They turn developing countries into a pool of natural resources or cheap labour for the benefit of northern TNCs. On the other hand, the South-South FTAs (like India-Sri Lanka FTA) tend to be less comprehensive and less oriented towards an overhaul of national laws, but their impacts on livelihoods of farmers and workers can and have been devastating. However, in recent years the nature and scope of FTAs among Southern (or developing) countries are similar to FTAs between developed (North) and developing (South) countries because other than covering trade in goods (such as agricultural or industrial products) or trade in services (such as banking, construction, trading, education and other public services, consultancy etc.), almost every FTAs today cover intellectual property rights (IPRs), investment, global value chain, government procurement and competition policy, etc. Therefore, most of the FTAs today go beyond WTO rules and create legally knowledge systems. In agriculture, FTAs leads to drastic reduction of import tariffs, facilitate entry of agro-processing and retail firms, and provides for strict IPR provisions that could adversely impact small and marginal farmers and their rights to save and sell seeds.

There are different kinds of FTAs; they can be bilateral, regional or multilateral. India has signed all these different kinds of FTAs, e.g. India has separate bilateral trade agreement with Sri Lanka, South Korea, Japan, Malaysia where both trading partners agrees to reduce trade barriers and confer preferred trade status to each other. Some bilateral trade agreements are also for facilitating investment called as bilateral investment treaties (BITs) between a home country and a foreign country or a foreign bloc (of countries) like the European Union (EU).

The Regional Trade Agreements (RTAs) are treaties between two or more neighbouring countries that agree to offer more favorable treatment to trade between themselves than they do to goods/services imported from outside the region. India has signed an RTA with its partners in South Asia in 2004, known as South Asian Free Trade Agreement (SAFTA) in order to improve trade and economic relations amongst the member nations of SAARC (South Asian Association of Regional Cooperation).

In the last few years, a new trend has been to negotiate free trade agreements where member countries (i) comprises of more than two; (ii) who are not strictly regional or from the same continent; and (iii) subject matter that goes much beyond the WTO in both coverage and scope. For example, India is currently negotiating a plurilateral/ trade agreement known as Regional Comprehensive Economic Partnership (RCEP), which has sixteen members that include ten members (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Singapore, Thailand, Vietnam, and the Philippines) of Association of Southeast Nations (ASEAN) plus Australia, China, Japan, New Zealand and South Korea. These plurilateral/multilateral trade agreements are referred as New Age mega regional FTAs not only because of their size in terms of multiple and geographically diverse member countries, but also because of ambitious coverage of issues, which are often referred as 'WTO-plus' issues.

The RCEP reflects the emerging trade and economic architecture globally. The "Guiding Principles and Objectives for Negotiating RCEP", lays down some principles like broader and deeper engagement with significant improvements over the existing FTAs while recognising the individual and diverse circumstances of countries; facilitate countries engagement in global and regional supply chains; taking into account the different levels of development of participating countries. It also identifies the areas for negotiations such as goods, services, investment, economic & technical cooperation, intellectual property, competition and dispute settlement with a flexibility to identify other areas. Once the RCEP is finalised, it would be one of the largest trading bloc in the world, covering 45% of the global population, 30% of the global GDP, 27.4% of the world trade in goods and 23% of the world trade in services.

The RCEP negotiations among the 16 nations are moving on a fast pace and till September 2018, 23 rounds of talks have happened, apart from six round of minister-level meetings. The next round of talks at the chief negotiators level is scheduled to be held in Auckland in October 2018. It was expected that the RCEP negotiations will be concluded by December this year but India's commerce minister recently announced that it won't be over this year because discussions on tariff reduction remain unfinished and there are still differences among members on trade in services, investment and other issues.

Impact of Current FTAs

India is already facing severe impact of FTAs in the industrial and agricultural sectors. In last few years, India's industry groups have constantly raised their concerns on the impact of FTAs which India had signed, for example, with Sri Lanka (1998), Thailand (2003), Singapore (2005), South Korea (2009), ASEAN (2009), Japan (2011), and Malaysia (2011). Almost in all these FTAs, imports have grown at a 3 of 6 faster pace than exports after the India government agreed to slash tariffs. India's trade deficit with Japan was at $3.6 billion in 2010-11 before the FTA but after the FTA was implemented, India's trade deficit almost doubled to $6.3 billion in 2012-13. Similarly, India's import from South Korea increased from $7.8 billion in pre-FTA (2007-08 to 2009-10) to $12.1 billion in post-FTA period (2010-11 to 2012- 13). However, in the same period India's exports to South Korea moved up marginally from $3.4 billion to $4.1 billion, and the trade deficit widened from $4.4 billion (pre-FTA) to $8 billion (post-FTA). RCEP would be India's biggest FTA and we may have to offer much deeper commitments than already made under its existing FTAs with ASEAN, South Korea, Japan, Malaysia and Singapore.

India's largest and oldest apex business body, FICCI (Federation of Indian Chambers Commerce and Industry) had therefore demanded for a moratorium on signing of new FTAs. In August 2013, FICCI issued a 12 Point Manufacturing Mandate which said "these FTAs are supposed to provide mutually beneficial results, but experience so far has not been very healthy particularly with regard to manufacturing sector. Hence, it calls for review of existing FTAs and till the time assessment is done Government should have a moratorium on further FTAs". More recently, on 6th January 2016, the Indian Industry Chambers once again raised their concerns against FTAs. In a meeting with the former Commerce and Industry Minister, Nirmala Sitharaman, the Industry Chambers said that these agreements benefited the partner nations more. FICCI also suggested for a review of existing FTAs before signing of new ones. It said that in many cases, domestic input cost increase is impacting cost of manufacturing but selling price linked to cost of imports leads to erosion of industry's pricing power and squeeze in margins to uneconomic levels.

In agriculture sector as well, the consequences of FTAs are quite worse, as tariffs are commonly not only reduced (as it is the case in WTO) but most often completely eliminated. After the signing of India Sri Lanka FTA, the state of Kerala was severely hit by the increasing imports of cheap black pepper and cardamom from Sri Lanka, as they were imported on a duty-free basis. As of 2015, imports of black pepper from Sri Lanka are still high with the price for the cheaper variation of the crop being $9,500- 9750 per tonne against the Indian offer of $11,400 per tonne. The Indian pepper farmers were further hit by the signing of the India ASEAN FTA, and now most of pepper imports come from Vietnam (the world's largest exporter of black pepper) and Indonesia. In 2015, Vietnam exported black pepper for $9,800 a tonne, Indonesia for $9,700-9,800, which are both still far below the Indian price. The excessive imports of pepper impacted its price in India, in 2011-12, the price of local black pepper was Rs.240 per kilo; but in January 2016, it was Rs.80.

Other than the pepper farmers, the FTA with ASEAN also impacted the India's rubber growers. Till now more than a million rubber farmers have lost their livelihoods3 due to cheap rubber imports from Vietnam and Indonesia. India was self-sufficient in rubber production until 2013, now it is becoming more and more dependent on imports. Between 2013 to 2015 rubber imports almost doubled, from 2.6 lakh metric tonne in 2013 to 4.4 lakh metric tonne at the end of 2015. Exports of rubber are at a record low. In 2015, India exported 1,002 tonne of rubber, against 30,549 tonne in 2013, even as the price of Indian rubber dropped from Rs 207 per kilo to Rs 132.6 per kilo.

Following the signing of the India-ASEAN FTA, coconut farmers in South India also witnessed an unprecedented crisis, with procurement prices of coconut hitting an all-time low to Rs.3 per piece. The primary reason for drop in coconut prices was attributed to the cheap import of coconut oil cakes from Southeast Asian countries like the Philippines and Indonesia.

Despite these serious impacts of FTAs on Indian industry and agriculture, the Indian government is quite enthusiastically negotiating around 18 more FTAs currently, some of which include an FTA with European Free Trade Association (EFTA), the European Union (EU), Israel, New Zealand, Australia, Canada, Colombia, African Continental Free Trade Agreement, Uruguay, Mercosur, and Venezuela.

Besides the impact, the process of negotiating these FTAs are also quite problematic, undemocratic and in complete secrecy. During the negotiations, the general public and their Parliamentary representatives are denied the right to see any text of these secret trade deals. As a result, none of these bilateral trade agreements faced any kind of stiff opposition from any state government, political parties or mass movements except the India-ASEAN FTA which faced political opposition (from the Left Democratic Front Government of Kerala) as well as resistance from farmers and fishworkers groups of southern India states including Kerala. In India, there is no process of ratification of these FTAs by the national Parliament. In almost every FTAs, no process of consultation and ratification by the state governments was undertaken even on subjects like agriculture which is under the purview of the state governments.

Major Concerns about RCEP

Like any other FTA negotiations, RCEP negotiation completely lack any amount of transparency. No text was made available to the public or to the sectoral groups who would be impacted by this trade deal, like the farmers, women, labour, health groups, and neither were they consulted to assess the impact. Though RCEP covers an extensive range of topics, yet the 23 round of negotiations have been conducted without any public disclosure. Some leaked documents of RCEP negotiations, however, indicate how severe impacts the RCEP will have on the access to medicine, tax policy, investor rights and farmers' access to seeds. In last six years4 of negotiations, RCEP was never discussed on the floor of Indian Parliament nor any state government were consulted. The consultations are always limited to the business communities in the member nations.

India already have an FTA with ASEAN and it never benifitted India. After signing of FTA, Indias' trade deficit with ASEAN serged from $4.98 billion in 2010-11 to $9.56 billion in 2016-17.

Another concern is ASEAN, which is at the centre of the RCEP. The 16-member FTA is as much about further integrating ASEAN as a group, as it is about deepening and broadening economic integration amongst the ASEAN plus 6 members. India already have an FTA with ASEAN and it never benifitted India. After signing of FTA, Indias' trade deficit with ASEAN serged from $4.98 billion in 2010-11 to $9.56 billion in 2016-17. This indicates that there can't be a more cogent statement on the inability of Indian producers to compete with their counterparts in this mega sixteen nations trade agreement. It will be a disaster for India's agriculture and manufacturing sector if India agrees to reduce/eliminate import tariffs on 92 per cent of products under RCEP.

Another big concern is China, which is key member of this mega FTA. Even without an FTA, India's trade deficit with China have reached $63 billion in 2017-18, up from $16 billion ten years ago in 2007-08. India is already experiencing flooding of our markets with chinese products and the impact is quite visible in India's toy industry, lock industry, textile machinery sector, Bicycle manufacturing, diesel engines pump sets and others. A study (2013) by the Associated Chambers of Commerce and Industry (Assocham) on the Indian Toy Industry stated that, "the Indian market is flooded with Chinese Toy imports and that Indian toy manufacturers are being decimated as a result". Similarly, the Textile Machinery Manufacturers Association (TMMA) objected to the low-cost and low-tech textile machines imports from China because they are between 30 and 50 per cent cheaper. India's Bicycle industry has been drastically impacted by Chinese imports. According to United Bicycle and Parts Manufacturers Association, "Five to six years ago (around 2008-09, the total volume of exports from Ludhiana was about Rs 1,500 crore. But it is reversed in 2013-14. Export volume has been replaced by imports which range from Rs 1,500 to Rs 2,000 crore". Reduction or elimination of tariff under RCEP would drastically impact India's manufacturing sector. Not only that, there is another provision in RCEP which restrict India to have any kind of export restrictions on minerals and raw material; this may threaten domestic raw material availability for industrialisation and encourage over-mining. Moreover, RCEP will most likely also bring an end of export bans on food (mainly wheat and rice), which India has used strategically in the past to ensure food security.

Another important concern about RCEP is the demand from member countries, especially Japan and South Korea, for 'TRIPS-plus' intellectual property (IP) protection for seeds, medicines and agrichemicals. This will be disastrous for Indian farmers because India, which is so far not a member of UPOV (Union for the Protection of New Plant Varieties Convention) 5, is under pressure to accede to UPOV 1991 or comply with UPOV 1991 standards. UPOV is a system of seed patenting that undermines farmers' rights to save and share patented seeds and plant materials, thus compromising seed sovereignty. It gives primacy to corporate plant breeders and restricts freedom of researchers and breeders to access protected plant varieties for further research and development. TRIPS plus provisions also intensify monopolies over seed, pesticides, fertilisers and animal vaccines and encourages proprietary agriculture technologies. Whilst TRIPs-plus provisions extend the monopoly rights of large corporations, they offer no such protection for the vast amounts of indigenous knowledge held by Indian farmers and local communities. TRIPS plus provisions in the health sector would mean agreeing to data exclusivity, extending patent terms as well as allowing strong enforcement measures which would weaken the entire generic medicine sector but would make generic medicines inaccessible not only for Indian patients but for those in the entire developing world. This would also limit the ability of the Indian government to issue compulsory licenses on medicines as well as compromise the health safeguards provided under India's Patent Act, notably section 3(d) which does not allow evergreening of patents.

Impact on the dairy industry is another big concern for India. Two of the RCEP member countries, New Zealand and Australia, have aggressive interest in dairy sector and if Indian government decides to slash duty on dairy products especially liquid milk, milk powder [Skimmed Milk Powder (SMP), Whole Milk Powder (WMP)], butter, AMF (Anhydrous Milk Fat or butter oil) and cheddar cheese, Indian dairy industry will be heavily impacted because all these products are important export products for New Zealand and Australian Dairy Industry. Compared to India's 150 million dairy farmers, there are only 12,000 in New Zealand and 6,300 in Australia. India is world's largest milk producer with 156 million metric tonne (MMT) and most of it is consumed domestically. There is negligible export of milk or milk products from India. On the other hand, New Zealand produces 22 MMT and exports around 19 MMT while Australia produces 15 MMT and exports 4 MMT. That is the reason, Dairy Corporations like Fonterra (New Zealand) and Saputo (Australia) are looking to RCEP to access India's massive dairy market to dump their products. Therefore India's dairy cooperatives like Amul fear that if import duties on milk and milk products were eliminated under RCEP, it will severely hit not only the dairy industry and cooperatives but livelihoods of around 150 million dairy farmers will be affected.

On the pretext of boosting trade among the sixteen nations, RCEP will undoubtedly deepen corporate concentration in the food and agriculture sector and offer powerful rights and profitable market to multinational corporations (MNCs) in countries like India. And to protect their rights and investment, RCEP has a provision for investor-state dispute settlement (ISDS) where an investor has the right to raise claims against the State. If a member does not follow the commitment made under RCEP, the foreign (and domestic!) company has the right to sue the local government for damages incurred by the company due to a government policy or intervention. This provision greatly undermines policy space and sovereignty of national governments and places unbridled power in the hands of MNCs. India is already facing around 20 cases where investors have sued the Indian government under the Bilateral Investment treaties (BIT) and now there is heavy pressure on India to agree to the ISDS provision in RCEP.

The author is Coordiantor, Focus on the Global South, New Delhi.

1 Base rate is the applied MFN duty of any year, which is decided mutually.

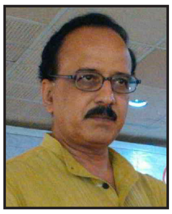
2 "Bound tariff or Bound duty rate" are highest level of duty notified in the WTO that a country can impose and cannot exceed at any point in time. By contrast, "applied rate" refer to tariff that are actually applied at any given point in time. The basic rule is: applied rate may be lower but must not exceed the bound rate. Hence bound rate have special significance as they limit the ability of a country to vary tariff.

3 https://scroll.in/article/801858/cheap-imports-imperil-a-million-rubber-farmers

4 The idea of RCEP was first introduced at an ASEAN Summit in 2011. The formal negotiations for RCEP were launched at an ASEAN Summit in 2012.

5 Among the 16 RCEP members, only Australia, Japan, Republic of Korea, Singapore and Vietnam are parties to UPOV 1991. China and New Zealand are members of the UPOV but have not signed the 1991 version.

India must keep agriculture out of RCEP



India's foray into the proposed RCEP treaty, a mega trade agreement among 16 Asia-Pacific countries, is being seen as a risky adventure. Given the huge trade deficit that India has with China, Korea, Indonesia and Australia, and given the huge domestic market that India will provide by eliminating import duties on a majority of tradable goods, the treaty will invite a flood of cheaper imports.

Devinder Sharma

At a time when the call for deglobalisation is gaining momentum and increasing protectionism has led to pulling down of global growth in merchandise trade for the second quarter this year, India's foray into the Regional Comprehensive Economic Partnership (RCEP) treaty, a mega trade agreement among 16 Asia-Pacific countries, is being seen as a risky adventure. More so at a time when agriculture is passing through a terrible agrarian crisis and manufacturing sector continues to limp.

The latest round of negotiations held in Singapore in November abandoned the proposal of reaching a basic agreement by the year-end, and set a new goal for reaching a final conclusion by the end of 2019. This is primarily because India, Thailand and Indonesia are scheduled to go for general elections next year, and none of these countries is willing to bite the bullet before the formation of the new government. The news agency Nikkei quoted an Indian diplomat as saying: "If a basic deal on lowering tariffs is announced, the government in New Delhi will collapse."

What is RCEP

Seeking greater commitment to liberalising trade, the RCEP is a trade agreement among 10 Asian countries and their six FTA partners — Japan, South Korea, China, Australia, New Zealand and India. This block, when the treaty is signed, will cover 45 per cent of the global population and account for 25 per cent of the global GDP and 40 per cent of global trade. It has been under negotiations for six years, and is focused on three pillars — goods, services and investment. The RCEP will then turn into world's biggest trade block.

Red flag

Since India's trade deficit with the RCEP countries exceeds $100 billion, which is roughly 64 per cent of the total deficit, India is looking forward to

bridging the trade gap. But given the huge trade deficit that India has with China, Korea, Indonesia and Australia, and given the huge domestic market that India will provide by eliminating import duties and bringing these to zero on a majority of tradable goods, it will invite a flood of cheaper imports.

Already, several ministries have raised the red flag, and domestic industries, including steel and metal, pharmaceuticals, food processing and dairy, have expressed concern.

The RCEP framework entails providing zero duty on 92 per cent of the tradable goods, with another five per cent added over the years. This is what the ASEAN nations and Japan, countries with which India has free trade agreements, are insisting on; the three other major non-FTA partners are seeking elimination of import duties on 80 per cent products with an inbuilt margin of six per cent. As per reports, India is willing to provide tariff concessions on 72 to 74 per cent of the goods to China, Australia and New Zealand. It has sought 20 years to remove the tariffs. But with China, it wants more time, for which negotiation are under way.

Over the past few decades, especially after the World Trade Organisation (WTO) came into existence, rich countries have been seeking a steep reduction in farm subsidies and demanding more market access. What was attempted initially under the WTO was subsequently pushed aggressively under the free-trade agreements (FTAs) and numerous bilateral agreements. While a number of studies have shown how reduction in import duties has turned a majority of developing countries into net food importers, destroying in the process millions of farm livelihoods, the implications of the proposed RCEP treaty on India's food security have been least studied. What makes the implications more worrisome is that the RCEP negotiations are being held in secrecy, with not even the industry and NGOs being allowed to participate.

Isn't it strange that six years after the RCEP negotiations began, India is now initiating studies to understand the potential losses from it? It has belatedly entrusted the task to the Centre for Regional Studies, New Delhi, and IIM, Bangalore. Meanwhile, experts and industry representatives, including steel and pharma, have expressed uneasiness. Jayan Mehta, senior official of Amul dairy cooperative, 15 crore livelihoods engaged in dairy farming will be hit from the RCEP negotiations.

What is at stake

Dairy farming: With production exceeding 176 million tonnes this year, India is the biggest producer of milk in the world. Presently, the imports of milk and milk products are allowed with an import duty ranging between 40 and 60 per cent. This provides enough protection for the local industry to build its level of competitiveness. At a time when the US/EU dairy industry is in a crisis, opening the floodgates will inundate India with cheaper milk flowing in from Australia/New Zealand. While Australia, which has only 6,300 dairy farmers, and New Zealand, with 12,000 dairy farmers, are pushing in to protect the interests of their dairy community, India is willing to put the sector on the chopping block.

Food sovereignty: At a time when a reduction in import tariffs has already flooded the country with edible oils, turning it into the world's second biggest importer, and the zero duty import of pulses in the past three years has caused a steep fall in farm gate prices for farmers, opening up for import of wheat from Australia, which has been wanting India to lower import duties, will be the final nail. Coupled with WTO pressure to restrict MSP payments for public stockholding, it will destroy India's ability to retain food sovereignty and erode farm livelihoods.

Farming interests: Worse, such floods of imports coming in food crops, plantation crops, fruits and vegetables as well as in processed foods will strike a severe blow to Indian farming, which is already reeling under distress.

Member-countries, on the other hand, are already seeing tremendous trade opportunities. Australia's Trade Minister Simon Birmingham, who was in New Delhi last week, said the export of almonds from Australia has grown five-fold in the past decade and items such as these showcased the opportunity to diversify the trade basket.

Therefore, agriculture should be kept out of the RCEP. If US President Donald Trump could pull out of the 12-nation Trans-Pacific Partnership treaty to save American jobs, India, too, should protect its food security, built so assiduously over the years. Importing food is akin to importing unemployment, and a vibrant agriculture has the potential to revitalise the economy, more so at a time when the country is faced with jobless growth. ❑❑

Pakistan in Economic Crisis

High foreign debt, constantly depreciating currency, rising inflation etc. are multiplying the problems of Pakistan and hence may push Pakistan to face economic crisis soon.

Dr. Ashwani Mahajan

Pakistan, which is known as a country promoting terrorism, has been going through a serious economic crisis for a long time and recently its crisis has deepen further, so much so that its economic sovereignty is endangered. Its debt, especially from China has been increasing in leaps and bounds and it does not have the capacity to repay the same. Ultimately it has knocked the doors of International Monetary Fund (IMF). Notably Pakistan had borrowed from this institution more than a dozen times earlier. As usual IMF wants to impose several conditions on Pakistan, and perhaps newly elected Pakistani Prime Minister Imran Khan has already conceded for the same, (though he maintains that he is considering other options too) and therefore, he is becoming a target of criticism from his political opponents.

Pakistani Rupee Fast Losing Value

Though, Pakistani rupee has always been weaker as compared to Indian rupee, however, in recent years it has weakened further at a much faster pace. It is notable that in 2007, 65 Pakistani rupees were equal to one US dollar, which weakened to 106 Pakistani rupees equal to one US dollar in December 2017. Since then it has been devalued for 5 times and now 139 Pakistani rupees are equal to one US dollar. If we look in comparison to India, today one Indian rupee is equal to two Pakistani rupees. The major reason for fast weakening Pakistani rupee has been bulging trade and balance of payment deficit of Pakistan. For a long-long time, massive trade and balance of payment deficit has been putting pressure on Pakistan's foreign exchange reserves and now they have turned

negative two billion US dollars. Today Pakistan is not in position to repay its earlier loans and there is a danger of default in the repayment. The fast deteriorating law and order condition in the country and lack of infrastructure development is turning foreign investors away from Pakistan. China has been building several infrastructure projects in Pakistan, which are not only raising debt on Pakistan, but also causing increase in imports of project goods, and therefore, its balance of payment deficit.

Due to rising debt and fast deteriorating condition of foreign exchange reserves, Pakistan has been forced to borrow from abroad and now it has turned to IMF for loan. This is known to all that whenever IMF lends to any country, it is subject to various conditions. Experts believe that Pakistan has been devaluing its currency only to satisfy IMF's conditions. Pakistan government has been saying that they are thinking on other alternatives, rather than using IMF loan. However, these alternatives do not seem to be working.

The matter is not only about the devaluation of Pakistani rupee, it is also about fast rising inflation. According to the latest data the rate of inflation in Pakistan had reached 7.6 percent till October 2018. IMF has predicted that rate of inflation may reach 14 percent by June 2019. Policy rate of interest has been increasing in Pakistan in the past and this may further increase by one percent in near future. The IMF has further predicted that policy interest rate may reach 15 percent by June 2019. This would mean that GDP growth in Pakistan may get dampen in future, which is already at a significantly low level of 3 percent. Therefore, one can say that rising prices and low rate of GDP growth on the one hand and deteriorating balance of trade and balance of payment on the other, are multiplying the worries for Pakistani policy makers.

International Monetary Fund (IMF) has predicted that rate of inflation in Pakistan may reach 14 percent by June 2019.

Options before Pakistan

Imran Khan was elected Prime Minister of Pakistan on the promise that he would bring back black money, stashed abroad by corrupt officials; and implement welfare schemes. Pakistan does not have problem in borrowing from its friendly countries; however, if they take loan from IMF they will have to accept conditions of the IMF. It is well known that in such situations the first and foremost condition of IMF would be to prune government expenditure and cut fiscal deficit. The second condition of IMF is the devaluation of the currency. Imran Khan may not be very comfortable with these conditions of IMF, because his options to raise government expenditure in implementing welfare schemes would be severely restricted after taking IMF loan. However, the irony is that the Pakistan is not getting any favour from its allies like China and Saudi Arabia. In such a scenario, if their diplomatic efforts to raise loan from alternative sources fail, then they will have no choice but to borrow from IMF.

If Pakistan is forced to borrow from IMF they will have to take two decisions immediately. First devalue its currency and second curb government expenditure. Due to rising inflation, they will also have to increase the interest rates, which may disrupt GDP growth. Today Pakistan as a country has been paying for the sins of the past namely, encouraging terrorism, dominance of the army over elected representatives, huge corruption in the army and the administration etc. Today Pakistani government is prisoner of the situation, as it is no longer in position to determine the policy options on its own.

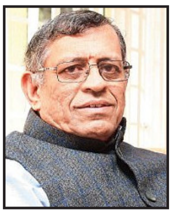
Further crisis of foreign debt, constantly depreciating currency, rising inflation etc. are multiplying the problems of Pakistan, and worsening crisis is looming large on people of Pakistan. Only time can tell how Imran Khan, who comes from the world of cricket will deal with these problems. However, on the face of it, it seems to be very difficult proposition. Pakistan, which still suffers from the mindset of hostility towards India, whose representatives elected by the people still appear dwarf in front of the army, where industrial and infrastructure development is still a non starter, where there is a severe lack of civic facilities; how to fulfill the aspirations of the people, is the horrific question in front of the Pakistan. Question which haunts one and all is, will Pakistan kneel before the imperialist policy of China or will it be able to retain its sovereignty?❑❑

RBI, Demonetisation and Economy
(Part-2)

The Indian rupee gets expanded only when dollar comes in India and when RBI acquires the dollar, it prints Indian rupees and gives it to the banking system. There is no other way the Indian rupee gets generated today. If there is dollar inflow, Indian rupee supply will increase. If $30 billion go out of India, then Indian rupee supply will be withdrawn. Has anyone evaluated economic consequences of it?

The government of India cannot borrow from RBI by firing its securities. The Centre should not borrow excessively is understandable but it should not borrow is not understandable. We pleaded to the Centre, after which they constituted a committee in 2015 to amend the FRBM law which was passed in 2002 when the world thought that there should be no printing of currencies and that the market will take care of the whole thing. It has become an outdated economics because U.S. itself has printed $4.5 trillion.

Japan began printing $40 billion every month from October 2015. Today they have increased the size of printing to $70 billion per month. Have we ever discussed this in the context of India? It is not necessary that if they print we should print. But if we need it, can we print today? There is liquidity problem. Can the government of India say I will give you Rs 100,000 crore worth of government securities, you give me the cash. The government of India cannot do it because it has passed a law giving up that power. Our economists will say that the printing of currency is wrong. You cannot give it to politicians and it should be with RBI. The central bank will only print the currency only when the dollar comes in. Can you have national economics based on the inflow of foreign exchange? These are the issues which will decide the state of the economy in India and the solutions which we need to find.



In order to ensure sustainable economic growth model, there is a need to have India centric thinking in place of global centric thinking in policy decisions process.

S. Gurumurthy

Trump is clear that he is no more for globalism but Americanism. Trump has also decided that US will not print the dollar anymore, we will withdraw the dollar from circulation. US began withdrawing $40 billion from circulation every month from October 2018. On the one hand the dollar is needed more and more and America is withdrawing dollar from circulation so that its value goes up. America is happy with rise in dollar value. However, the Indian economists are thinking that the lower rupee value will benefit exporters. The dollar value was 45 and now it is 70. The exports have not picked up with fall in dollar value, but the economy is continued with lower rupee value as it is a philosophy for us. The imports into America will become cheaper as the dollar appreciates.

Trump has a solution for it: levying import duty so that the goods will not be cheap. If things go according to his expectations, he will impose 25 percent duties from January on $500 billion imports of China. No one knows what will happen to China after that. China has established factories for America.

The foundation of globalisation has been shaken. Multilateralism has been delegitimised. If Trump does it, every country will do it. Trump has unilaterally imposed duties on aluminium, steel imports from EU and Canada. You may find fault with Trump, but he has given growth to America. Whether he is there or not after 2020, Americans can never give up Trump's policies.

Any president will find it difficult not to follow the policy because if consequences are difficult, he will have to take responsibility, so the Trump phenomenon will last beyond Trump. Do you see Indians discussing these subjects? There is a complete failure of economic intellectualism in India.

Now, we have cryptocurrencies. They are private currencies. There are about 100 private currencies in Japan. You can create it and circulate among yourselves.

There are two kinds of polarised economics. America withdrawing dollar and Japan printing yen. America is raising interest rates, while Japan is looking for negative interest rates. People are forced to spend but they are not spending. In a family-based society, people don't spend as the government wants to spend. In America, people spend. These are culturally different situations. So, we have world monetary order in which one country is printing currencies and distributing free. They are investing 5 lakh crore in our high-speed railway. 0.1 percent interest for the next 50 years because they print the money. On the other hand, you have America withdrawing the dollar, raising interest rates and IMF and the World Bank can't do anything. They are onlookers today. They are only rushing to help countries who are in distress. They have become a distress lending institution and no more world's monetary authority.

IMF was constituted to find a common currency for the world. It failed in its main objective. Dollar became the main currency. First, it was backed by gold and then to have common currency to trade between anybody. So, dollar became the necessity and that become strength of the dollar. US, which held the responsibility for the world, is withdrawing from that central position. We need to have an extensive discussion on how it will impact the world and India.

The phoney money decides the value of money. The phoney money has brought about the downfall in the world economy in 2005. The real money in 2010 was $6 trillion, while the phoney money was $600 trillion. This is money built on money which had no relevance to the real economy. The world GDP is $90 trillion. The phoney money is $900 trillion. This is generated by the financial system which will invest in a country and withdraw the money. This is not real money, but it will decide the fate of nations.

Now, we have cryptocurrencies. They are private currencies. There are about 100 private currencies in Japan. You can create it and circulate among yourselves. These private currencies are based on actual trade. There is a group of people admitted into a club. They began investing, trading, which is going through a supercomputer. The demand and supply based on the actual transaction will decide the price. Nobody has control on it. There is an attempt to get it regularised in India.

Geopolitics has never been so complex as it is today. Trump is fighting with his own trusted friends. He is calling Canadian Prime Minister a liar. There is an instability caused in the Western block. U.S. and Russia are friends in one place and they are fighting in another place. Europe says it will have its own army, but they will need NATO also. This kind of a situation have never been witnessed after the second world war.

Globalisation is now a matter of past, and WTO is in ICU. Nobody even talks about it. These were all obsessions 20 years back. The shelf life of all these newly-created institutions, which are fashionable at a particular time, lose relevance because they are not founded on firm foundations of collective behaviour. You can't have a ruling elite saying that we will have globalisation from today onward without the people wanting globalisation. Trump has found out that American people don't want globalisation.

Geopolitically-influenced global economics will be the future. The 2+2 model, in which VIF is engaged in a big way, is not only about economics but also about security. It will not only be the finance secreatry, the defence secretary will also be in the discussions. We are not going to build economic alliances, we are going to build security, civilisational, social, political alliances and more. This was unheard of 5-10 years back. A new model of international relations is developing. We are only talking about NPA, recapitalisation of banks.

There is no towering thinking mind. Everybody is looking through that particular window, but the nation doesn't consist of 10 windows but one building. We need to have a very comprehensive thinking model. There was a time when Japan used to build roads which they will not use. They build only to give employment to people. That was the economics that Japan followed. Then China followed expecting the airports and eight-lane roads to be used in future. But there is no future.

There is a chaotic situation in monetary, trade, economic and political relationship in the world. India is too big a country to be pushed over today. There is some awakening in India. We have gained strength, militarily strong, have atomic power. The Indian passport has become a respectable document today. The world recognises the worth of India.

In an unstable world, how do we handle our situation? I will take you to 1999-2004, 2004-2014 and 2015 onwards. Unless understanding this, the state of economics cannot be understood, and we cannot grasp the solutions for it. I will give you figures of 1999 to 2004 and 2004 to 2010 which is supposed to be the best year of India. 9.8 percent GDP growth. Foreign exchange reserves spiked from $140 billion to $340 billion. This is supposed to be the golden period of the Indian economy.

In 1999-2004, the GDP growth was 5.4 percent. In 2004-10, it was 9.8 percent. Prices were at 4.8 percent in 1999 and 6.8 percent in the next six years. Stock prices rose by 32 percent in 1999-2004, then 311 percent in the next six years. Gold prices 38 percent in the first five years, 320 percent in the next six years. Land prices rose 21 percent in the first five years, 221 percent in the next six years. Jobs generated were 60 million in the first five years and 2.7 million in the next six years.

In 1999-2004, the GDP growth was 5.4 percent. In 2004-10, it was 9.8 percent. Prices were at 4.8 percent in 1999 and 6.8 percent in the next six years.

This is the period of destruction of the Indian economy. In this period, the foreign exchange spiked from $140 billion to $310 billion and transformed into rupees. The banks were saddled with money. YV Reddy (then RBI governor) said don't allow this money to come in because you will not know how to use it. We want that to be taxed, but the finance minister said the whole world wants to put money in India. The money came in the stock market, transformed in rupees, became bank deposits. If the bank has deposits, it has to lend. But there were no borrowers.

The government then brought down the import duty of capital goods to zero and made the banks lend. As a result, bank deposits went to 20 percent from 12 percent. The credit went up to 27 percent from 15 percent. We imported capital goods which we did not need. All this money went to China. We had a trade deficit of $125 billion with China in 14 years, which is equal to three times China's defence expenditure and five times India's defence expenditure. This is because we allowed the money to come in which we did not need, it got converted into rupees, we did not know how to use it, banks were asked to lend it, for which customs duties were brought down and that money is NPA today.

Indian economy could have collapsed if demonetisation hadn't happened. It was a corrective.

I challenge anybody to deny this fact. Raghuram Rajan admitted the fact that excessive lending took place at that time which become bad debt. The RBI at that time headed by the topmost macro-economist, YV Reddy, he was called by U.S. Fed and he addressed all the governors. U.S. Fed had said that if YV Reddy was the U.S. Fed Chair, the world economic meltdown could not have taken place. He advised stopping this money from coming in. but our government didn't follow. The money that came in became NPA today, and this government began grappling with it.

During this period, the revenue deficit went up by Rs 16 lakh crore in five years and tax cuts were Rs 3 lakh crore per year. So, this money was given to spend the foreign exchange which we had received. During the 10-year UPA period, oil imports were $515 billion and capital goods imports were $585 billion. In NDA, capital goods imports were $10 billion. For the first time, only in NDA period for two years we have current account surplus of $25 billion. That is why India was seen as rising power. Everything was reversed as we were getting free flow of money. The phoney money unbacked by production and investments turned the economy into NPAs and saddled it on this government. The only fault of this government is it did not come out with a white paper saying this is what happened.

Asset prices rose because of high denomination currencies. In just 18 months prior to demonetisation, 500-rupee and 1000-rupee notes was Rs 4.8 lakh crore, which funded gold and real estate prices. What had taken place in 2008 in America due to subprime lending could have happened due to high denomination currency in India.

Indian economy could have collapsed if demonetisation hadn't happened. It was a corrective. The people should be congratulated as they stood in a queue to collect money as they put faith in the government that they did the right thing. Nobody welcomed this and said that there will be riots. Even the Supreme Court said there will be riots. So many people died of heart attack and still people weren't rioting.

Then came the GST. Two powerful reforms–one is corrective and the other is reformative. I don't think any other government would have taken this measure. There is no reasoned appraisal of government actions. You can find faults. Opposition parties can do it as they can say wrong even when there is nothing. But what about the media and the intellectuals? They are doing what the American media did when Trump was coming to power.

We need to understand that we are a bank-driven economy and not a market-driven economy. In America, 75 percent of the money comes from the stock market. In India, only 3 percent of savings goes into the stock market. We are not the only fools. Japanese invest 9 percent of savings in stocks. 51 percent of Japanese savings are held in bank deposits. The depositor has to give money to the bank to keep the money. Still 51 percent of savings of the Japanese are invested in bank deposits.

The most modern instruments are traded in the Japanese stock market. But mostly foreigners trade in them. This is the character of a family-based society. Therefore, in India, banks are the lifeline. But the Indian banking policies are based on the American model in which stock market is the prime mover and bank is the subordinate player. In India, the bank is the main player. So, if you restrict the banks then you are restricting the economy and the flow of funds into the economy.

There are certain norms prescribed for banks that you need to have so much capital. The Basel institution which created this model laid down rules that applied for commercial banks and international banks, but not for banks that are not internationally active. We do all kinds of activities, but still, the same Basel norms are imposed on all banks.

In Japan, there are internationally active banks and domestic banks. For internationally active banks, the norm is 8 percent and for domestic banks, it is 4 percent. In India, for both, it is 9 percent. I don't know where this 9 percent was caught up by the regulator. We are doing more than what the Basel wants and so the banks have less money to lend. These are all the things which don't have discourse in India. There are only four internationally active banks in India. All others are domestic banks. They need not have 8 percent capital. But they are also forced to have 9 percent capital because some people think that IMF feels happy if we have 9 percent capital. We create problems for ourselves where they do not exist and you are praised for it all over the world. The same thought guides us and we are not independent.

A saint in Kanchipuram, who guided my life, issued a statement on 15th August 1947 and said, "We have become free, now we can become independent." We do not have original thinking even today.

This government has taken far-reaching original steps by $75 billion swap with Japan. The dollar-rupee relationship is working against rupee for the last several decades. Now, we are moving towards yen. We are having $147 billion in foreign exchange in terms of dollars. Government is probably well-advised in thinking that we should move more towards Yen because it has a natural hedge against dollar and is running a current account surplus with America and has $1 trillion investment in American securities.

Therefore, our financial, investment, trade partner must be Japan. But our mind is hooked to America. America is not wrong, but it is not appropriate for us. We should think of an alternative umbrella. Even if a solution is available, your mind is blocking it. America is necessary for many geopolitical purposes, but it is not necessary that we should have this kind of dollarised integration with them. Even America will not mind it. But you are not a free thinker.

A new thinking is needed. An India-centric thinking is needed. We should not be ideological in thinking.

We have been following the wrong import policy of having capital goods imports exceeding oil imports. We need to go in for heavy import restriction. We have to cut down the CAD, trade deficit in the next one year otherwise we will continue to accentuate this problem on which all the institutions will have to work together. If an import restriction is made, media will say India is moving away from free trade. Your newspapers have nothing to do with reality. They do not understand any of the implications of what is happening in the world. The FRBM law needs to be amended. We have to align the NPA rules to Basel norms and no more. This should be looked upon as a bank-driven economy.

India lacks credit for MSME sector today. Without understanding MSME sector, you will not understand the Indian economy. We see stock markets and say India is at top of the world. All the listed companies put together contribute only 5 percent of India's GDP. The entire corporate sector listed and unlisted put together constitute 15 percent of India's GDP. It is MSME sector which contributes 50 percent of India's GDP and 90 percent of India's employment.

Economic census 2014 says that the number of people employed in the non-formal enterprises is 128 million whereas the entire corporate sector, including the government, employs only 12.8 million employees. It is the MSME sector which was hit by both demonetisation as well as GST. It is this sector which has been robbed of credit. In any other country, this would have collapsed. They are surviving because of community support. They cannot survive for long. When the government said this sector should be funded, the media said the government is now working against the independence of the Reserve Bank.

So, a sector which is driving India and constitutes 70 percent of India's exports, 90 percent of employment, 50 percent of GDP of India, is starved of money. Once the money is released, the growth rate will pick up along with the consumption, investment and savings. It will not be the top-down economy as the stock market coming and flooding the economy which it did between 2004 and 2010.

A new thinking is needed. An India-centric thinking is needed. We should not be ideological in thinking. We have to be rooted to the ground. We should ensure that a proper discourse takes place in Delhi because this is where action is. ❑❑

Redo arithmetic, rework strategies to boost rural economy

The Indian economy is going through a piquant phase. There is a competitive politics on giving succour to the farmers through loan waivers and on the other hand private economy is slowing down. It calls for looking at the economy through a new prism. It cannot be a piecemeal approach. The basic fault is that since 1991's Manmohanomics the farmers are in disarray. The rural economy is in a quandary. The country is keen on GDP growth without realizing that figures though important do not reflect the ground reality.

The loan waivers may earn votes but is taking the public sector banks to a brink. Their NPAs are growing because the governments take four to five years to clear the bank dues. It is making the banks apprehensive about giving further loans. A "good act" may not be that good. The farmers certainly can ask if industry could sit tight over their loans why should there be hullaballoo about them. They forget once a farmer gets a waiver he is marked ineligible for fresh loans.

Such acts are grinding the bank lending to a halt. The politics of waivers is creating a culture of morality. The RBI in its July report said that the waivers are making farmers complacent about repayment. It is being seen as a dole and impacting the public sector banks.

Populism is growing and everybody is keen on collecting the kudos. Finance Minister Arun Jaitley has aptly warned against the populist policies like waivers. The bank depositors are also worried lot as they feel their deposits are in danger.

The latest numbers are worrisome. It possibly also reveals that the nation is finding it difficult to understand the economic development.

The government is seemingly obsessed with fiscal deficit and so is on a spree to fill up its coffers. Coercion is built into the system either through tax terror or

To boost rural economy there is a need to strategise and redo the arithemtic not only of taxes but of all the waivers, fees, charges and road rolls.

Shivaji Sarkar

through levying of compulsive charges on various facilities, increasing fuel prices and consequent free hand to the big businesses to hike prices in the name of freedom to the market.

The country is in the throes of a severe crisis of conviction. The parties that one time criticised waivers today are promoting these. About Rs 1.9 lakh crore have been waived by eight states since UP elections in March 2017.

About 1.47 lakh crore are to be waived in Rajasthan, MP and Chhattisgarh. Loans are mere symptom of the disease. All, however, are silent on diagnosing the malaise.

Farmers need relief. They need remunerative prices. But farm price is key to the economic growth. If it is too high, food prices would be rising and could create a political turmoil apart affecting the growth.

In reality, growth, to speak in a sober way, is moderating, euphemism for slowdown. This is revealed by the July to September GDP figures. The growth during the period fell to 7.1 percent as against 8.2 percent. There is a catch. The economy had grown at a slower pace during the same period in 2017 at 6.3 percent. The present figures are on that low base. So the actual growth is less impressive.

Another interesting aspect is that the non-government or private part of the economy grew at 6.4 percent per year, during the period which was much slower than the overall economy. The non-government part of the economy is calculated by subtracting the government expenditure number from the overall GDP number during the period. This is crucial. This indicates how the less fortunate are doing. This fall in economic growth was clearly visible in other economic indicators like car sales and two-wheeler sales.

About Rs 1.9 lakh crore have been waived by eight states since Uttar Pradesh elections in March 2017.

Domestic car and van sales during the period July to September 2018 fell by 2.42 percent during July to September 2018. Two-wheeler sales grew by 4.9 percent, after having grown by 24.8 percent between January and March 2018 and 13.9 percent between July and September 2018.

This means that despite National Green Tribunal's quixotic order for junking 10-year and 15-year-old vehicles, the sales are not going up. So why not scrap such quixotic orders? It suggests that purchasing power of the people has been affected and they are away from the market. This calls for a detailed study. It is also a reflection that despite higher direct tax realization, overall income is not rising. It is an indirect indicator of falling job opportunities as well. The recent RBI study on impact of demonetization has volumes to say on this kind of stagnation.

One may boast that it has fattened government coffers but at what cost? The collections during the last two financial years have made the government richer by Rs 90,000 crore. The gain in revenue collection comes at a cost more thatn Rs 1.05 lakh crore. The expense towards tax administration is 35.75 percent more cost of tax collection and anti-tax measures accout for 4.32 percent in 2018-19.

It also is a reflection on the policies. It looks nice to say that gross income-tax collection has increased. But it is also a reality that these are mostly people at the threshold level. It indicates that those low-earning persons, including those in businesses, who earlier may have been making minor savings on tax payments, were contributing to the economic growth.

As the country is moving towards an election, it is necessary to look deeper. On an average as the direct taxes are tailored, even at the lowest slab, one would be losing about three months' earnings in filling the government coffers. This is just impoverishing them. This is affecting growth. Taxes are meant to add to the growth if it is not so it calls for a relook at having such tax system.

It is difficult to comprehend while oil prices since 2014, except for a brief patch, has continuously been falling, the public sector oild companies have been increasing the domestic prices continuously. The minor cuts during state polls were deceptive technique. Had oil prices been in sync with international prices, the growth pattern could have been different. That oil companies are earning huge profits is apparent from the doles they paid about Rs 3000 crore for erection of some statues.

Let us redo the arithmetic not only of taxes but of all the waivers, fees, charges and road tolls. Strategies have to be worked out for overall development and just for pacing up the economy. ❑❑

In the Dragon's embrace

Imran Khan has received a reality bite: No sops, austerities and repayment of Chinese loans from 2019, all amidst a disintegrating society.

Sandhya Jain

Pakistan Prime Minister Imran Khan's failure to renegotiate parts of the China-Pakistan Economic Corridor (CPEC) during his visit to Beijing in the first week of November affirms President Xi Jinping's inflexible commitment to making China a leading world power by 2049, the centenary of communist rule in that country. The Border and Road Initiative (B&RI) and military power are keys to this goal. While President Xi is extending the B&RI's reach, he cannot be generous with countries that cannot push back like Malaysia, because China has been facing serious problems even prior to the spat with US President Donald Trump. As early as September 2016, the Bank for International Settlements warned that excessive credit growth in China could trigger a banking crisis within three years.

In May 2017, Moody's Investors Service downgraded China's credit ratings for the first time since 1989, saying growth would slow and debt would rise to 40 per cent of GDP by 2018, and 45 per cent by 2020. In October 2017, Standard & Poor's cut China's sovereign credit rating from A+ to AA- for the first time since 1999, because of risks from soaring debt. It lowered the rating on HSBC China, Hang Seng China and DBS Bank China Ltd. and warned that these banks would be "unlikely to avoid default should the nation default on its sovereign debt". Bloomberg noted growing concerns over China's ability to balance economic growth with cleaning up its financial sector. The International Monetary Fund (IMF) warned (December 2017) that China's growing debt-dependency could trigger a new global financial crisis. Credit growth has surpassed GDP growth; corporate debt is 165 per cent of GDP; household debt has risen 15 percentage points of GDP in the past five years and is linked to asset-price speculation. A serious problem is 'shadow banking' that Moody's in November 2017 put at $9.8 trillion (86.5 per cent of GDP).

While Beijing has cracked down on debt and the shadow banking sector, the

credit squeeze on some sectors has driven companies to the offshore dollar bond market; borrowings touched $322 billion at the beginning of 2017, a 154 per cent increase from 2016, according to China International Capital Corp. By July 2018, the National Institute of Finance and Development, a regime-affiliated think tank, warned of "financial panic", saying the economy may be on the edge of disaster due to increasing bond defaults, currency depreciation, tightening lending and liquidity, and trade tensions with the United States.

Amidst these pressures, Beijing gave Islamabad a one billion dollar loan to buffer its foreign currency reserves, thus lending Pakistan over five billion dollar in this fiscal year. Imran Khan fared better with Riyadh post-Jamal Khashoggi murder, but even six billion dollar in investments cannot keep Pakistan's precarious economy afloat. Khan's attempt to raise two billion dollar for two dams in ecologically fragile terrain will remain a pipe dream; an IMF bailout seems the only hope.

Beijing, meanwhile, will resist Washington's economic aggression with its Yuan-denominated oil futures contracts which, since March 2018, have broken the US Dollar's monopoly over the energy trade. Should the oil futures be convertible into gold, it would attract oil-producing nations like Russia, Venezuela, and Iran. Moscow and Beijing are also striving for a gold-backed post-Bretton Woods exchange system to curtail Dollar hegemony and evade US sanctions. Both have been accumulating gold reserves which, if greater than Washington's, can seriously undermine the US Dollar.

Given the scale of China's ambitions, it is not surprising that the joint communiqué appreciated the progress on early harvest projects, especially in the energy sector, and extolled the all-weather partnership in flowery language. Within Pakistan, the visit was perceived as a grand failure; Dawn columnist Adnan Rasool observed that the Pakistani State "is completely clueless regarding the larger objectives of the Belt and Road Initiative", of which CPEC is only one portion.

The B&RI covers around 60 countries and broadly comprises three overland and three maritime routes. Most projects have not been contracted between governments but between Chinese companies and state-owned enterprises (SOEs). Hence, any attempt to renegotiate contracts (the promise on which Imran Khan came to power) would have to be firm by firm, which is virtually impossible. Moreover, any arbitration involved during renegotiations will go to the B&RI court in Xi'an, under Chinese law, so Islamabad would need a law firm to represent it on each contract to be renegotiated or contest the cases itself.

The B&RI, Rasool asserts, is a system which countries join to share the Chinese Dream of sustained growth for China through trade. Partner countries tie their economic destiny to that of China — as China flourishes, so do others. Since Beijing does the "heavy lifting", it is the senior partner, but others must do their share. The CPEC is a series of projects that serve the larger B&RI scheme, and is not a credit line or bailout package. That is the crux of the matter.

Pakistan has to fix its own economy and use the B&RI to gain market access to other partner-countries, and boost its earnings. Perhaps such a clear understanding could have saved Sri Lanka, Myanmar, The Maldives, Tajikistan, Djibouti, and others from the indebtedness that forced them to make costly debt-for-equity deals with Beijing. With the Asian Development Bank estimating B&RI to cost over $26 trillion by 2030, and China's foreign currency reserves hovering around $3 trillion, Beijing is in no position to cancel or mitigate debt.

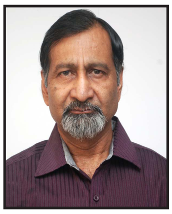
Interestingly, the joint communiqué included a commitment by Islamabad to support China in safeguarding its sovereignty and security, and combating separatism, terrorism and extremism including the East Turkistan Islamic Movement (ETIM). Concerns for the CPEC's security made Beijing build a counter-terrorism base in Afghanistan's Wakhan Corridor in Badakhshan province, where Uyghur militants (ETIM) constitute a serious threat to Muslim-majority Xinjiang province. Kabul has refused to join the B&RI-CPEC because Islamabad continues to host the Taliban and Haqqani terrorist network which attack Afghanistan.

Pakistani doublespeak forced Beijing to take a tough line at the Financial Action Task Force in February 2018, where Pakistan was put on the watch list for financing terror. Imran Khan has received a reality bite: No sops, austerities, and repayment of Chinese loans from 2019, all amidst a disintegrating society as witnessed by the turmoil over Asia Bibi's exoneration by the Supreme Court. Pakistan is caught in a pincer: Faith and a bleak economic landscape make uneasy bedfellows. ❑❑

(The writer is Senior Fellow, Nehru Memorial Museum and Library; the views expressed are personal)

Save Indian Constitution from Indian pseudos

India is a county full of pseudo liberals, pseudo seculars and pseudo democrats. These pseudos always search opportunities to attack majoritarian faiths and beliefs that are normal, unharmful and traditionally helped Indian society to remain stable. They continuously starve to create unrest in Indian societies by confusing minds of commons and challenging every foundation of Indian faiths and beliefs, particularly of Majoritarian hindus. Presently they are worried about the Indian stable government and rising of national spirit among Indian commons and therefore, trying to unstable the government and undermine the national spirit. Propagating falsely against all stable things is their main agenda. Currently these pseudos are talking about saving of Indian constitution. True, Indian Past stable and strong congress governments indeed amended the constitution and even changed its fundamentals. But that was before and during emergency. Thereafter, Indian democracy took lessons and Indian citizens have also become alert making it impossible for any government to change the fundamentals of Indian constitution. This apart, there is no denying that Indian constitution is in danger and this time not because of strong and stable government but because of Indian pseudo liberals, pseudo seculars and pseudo democrats. The need is, therefore, to save India and its constitution from all these pseudos.



The danger to Indian constitution is not from nationalist forces or stable government but from pseudo liberal, pseudo secular and pseudo democratic politicians, journalists, lawyers and intellectuals.

Anil Javalekar

Indian constitution is strong but flexible

As is known, Indian Constitution was written over a period of four years by the Constituent Assembly and is the longest surviving constitution in the

postcolonial world. Important is that the Indians wrote the Indian Constitution, unlike the people of most former British colonies, like Kenya, Malaysia, Ghana, and Sri Lanka, whose constitutions were written by British officials at Whitehall. More important, Indian leaders were also able to agree upon a constitution with all its contents. Indian constitution is strong and flexible and is amendable. Indians carried more than 100 amendments so far. Indian courts took a position that basic structure of Indian constitution cannot be changed though the idea of basic structure of the constitution is still not defined. Indian Supreme Court declared that the basic structure/features of the constitution are resting on the basic foundation of the constitution and the basic foundation of the constitution is the dignity and the freedom of its citizens which is of supreme importance and cannot be destroyed by any legislation of the parliament. The claim of any feature of the Constitution to be a "basic" feature, however, will be determined by the Court in each case that comes before it.

Extreme Activism of Indian court is dangerous

Indian courts helped Indian commons to realize their fundamental rights and made them assert it. And this is a great achievement. Indian constitution was initially considered as by the elite and for the elites of Indian cities. But slowly Indian commons of rural downtrodden strata understood the rule of law and importance of judiciary and started asserting their rights. Indian judiciary also introduced the concepts of public interest litigation for the protection of the public interest. This helped justice system to reach to poorest of poor and helped fight some of social evils. However, the activism of Indian courts has increased in recent years and Indian courts are now not simply interpreting the laws and Indian constitution but making the laws amounting to amendment to the constitution. This can be dangerous and will undermine the Indian legislative system envisaged in the constitution. Similarly, court are intervening in the religious faith of people which was not intended by the Indian constitution. This is one danger that may make people loose their faith in the constitution and judiciary.

Indian courts helped Indian commons to realize their fundamental rights and made them assert it. And this is a great achievement.

Uncontrolled Public Interest litigations (PILs) will harm public interest

True, PILs have indeed played a positive role in Indian society. However, now this good tool is being used by all types of pseudos so to implement their own agendas of confusing Indian minds, diverting attention from governance and wasting judiciary's valuable time. The Supreme Court's intent in permitting public spirited individuals to approach the higher judiciary even in cases where they are not directly affected was an important initiative. The halo around the nearly four-decade-old public interest litigation (PIL) jurisdiction flows from this narrative. Now a days, filing PILs has become a job of many pseudo Indians. There exists a dissonance between how PILs were envisaged and their current content. The type of PILs like to ban sardar jokes or bring back the Kohinoor diamond are examples. Even some NGOs have made filing PILs as their main activity and are allegedly taking the system for ride. Such NGOs and their PILs are dangerous to the Indian constitution.

Pseudo Politicians are non-committal to constitution

Indian politicians are unique and incomparable. Most are committed to only power, political or otherwise, and its manipulation for self-aggrandizement and for establishing dynastic empire in the marked areas. This mentality of Indian politicians is everywhere right from villages to national level. Indian politicians may be one and only who are least bothered about the nation and society and

India has been a liberal country because of its ancient accommodative philosophy and culture. Thus, the danger to Indian constitution is not from nationalist forces or stable govt. but from pseudo liberal, pseudo secular and pseudo democratic politicians, journalists, lawyers and intellectuals. Indian commons need to be alert of their agenda.

not concerned about their actions or how they affect the nation and society. Their only purpose is to win elections and they don't mind dividing the society and create vote banks out of conflicts among socio-economic groups. Result: more and more criminals are entering in state legislative councils and parliament and becoming law makers. This can be dangerous to Indian constitution as law breakers are becoming law makers.

Pseudo journalists endanger Indian constitution

Recently, one case of journalistic fraud came to notice in Germany. One most respected and awarded journalist, Claas Relotius,33, from Der Spiegel, a German weekly, was found creating false stories and reporting for publication. Indian journalism may be full of such journalists. Recent example of editing honorable minister, Sri Nitin Gadkari's interview for giving a false message. It looks that every Indian news is paid one or sponsored one. It can safely be said that Indian journalists for sure are more interested in creating news than investigating the truth. Fake and manipulated stories have become normal. For that matter, Indian Journalists seems committed more to political parties and political leaders in the hope of getting some favours and getting entries to legislators or parliament. This pseudo journalism endanger democratic freedom ideas of Indian constitution for it creates false stories and mislead public opinion.

Pseudo intellectuals are most dangerous

Indian pseudo urban intelligentsia is brought up by Marxist ideas, groomed by communist ideologies and is commitment to create unrest in Indian stable society. It took advantage of Nehru's liberal democracy in the process so to meet their agenda. Their pseudo approach towards Indian history and its interpretation propagated illusory conflicts in Indian society and gave Indian youth a false equality hope. These pseudo intellectuals take opportunistic positions on varied issues whether of liberal democracy or of national integration without much commitment to the basic ideas of democratic freedom or Indian nationalism. Recent example of Sri Ramchandra Guha, so called historian, who being a biographer, considered himself authority on Mahatma Gandhi, posted hypocritically a photo on tweeter while eating beef so to propagate the view of freedom of choice to eat beef knowing fully well that Mahatma Gandhi himself was a vegetarian and was staunch supporter of cow slaughter ban. Therefore, these pseudo opportunistic intellectuals are most dangerous to Indian constitution for they spread a false narrative so to undermine the interest of Indian majoritarian commons.

Save constitution from these pseudos

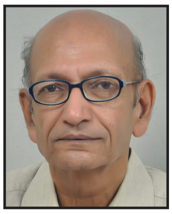
India is an ancient country and is known for its liberal philosophy, liberal ideas, liberal attitude, liberal people and liberal institutions. However, recently, after BJP taking over the reins of Indian government in 2014, there is a rise of pseudos all over India. These pseudos are primarily against the consolidation of Indian national forces desirous of protecting Indian ethos and Indian basic liberal attitude inbuilt in Indian culture and Indian constitution. These pseudos are intolerant of BJP government and its nationalist policy insistence. They believe not in liberalism of any kind as such but intend to destabilize the stable government and stable Indian society with a hope to replace it with a chaotic society where democratic government cannot function. Desirable to remember that India is liberal not because of its constitution nor because of its certain known political leaders from freedom struggle who ruled this country. India has been a liberal country because of its ancient accommodative philosophy and culture. Thus, the danger to Indian constitution is not from nationalist forces or stable government but from pseudo liberal, pseudo secular and pseudo democratic politicians, journalists, lawyers and intellectuals. Indian commons need to be alert of their agenda. ❑❑

Yes! Fifteen Percent Growth Rate can be achieved

The semifinal to the General Elections has brought forth the extreme dissatisfaction with the state of the economy. Seven percent GDP growth rate is not acceptable even if it may be highest among major countries of the world. We need to move and repair the four contributors to growth—capital, labour, technology and institutions—so that we can achieve 15 percent growth rate.

The combined budget of Central and State Governments was Rs 3838,000 crores in 2015-16. In the current financial year ending March 2019 it will be about Rs 4570,000 crores. Of this "development expenditure"—consisting largely of expenditures on education, health and other welfare schemes such as MNREGA would be about Rs 2400,000 crores. Nine out of ten of these welfare activities can be closed down leaving only the essential public services like educational assessment and health research. This would make available Rs 2160,000 crores. Half of this money, that is Rs 1081,000crores can be transferred directly into the bank accounts of the 130 crore citizens giving Rs 8317 per person per year or Rs 41,600 per family of five persons per year. The recipients could use this money to buy health and educational services from the private sector. The other half of Rs 1080,000 crores can be used to augment capital investment by the Government and take the economy to a higher growth trajectory.

I had seen a World Bank report about 20 years ago which said that the salaries of Government employees in India were 4.7 times the per capita income of our people. This was highest among the major countries of the world. The ratio in most countries was 1 to 2 times the per capita income. The salaries, DA and pensions of the Government servants can be frozen at the present levels until the per capita income increases and the ratio is reduced to 2 times. The salaries and pensions of Government servants are about 8 percent of our GDP. The GDP which was Rs



Capital, labour, technology and institutions need to be repaired immediately to achieve 15 percent growth rate money needs to be generated by controlling corruption.

Dr. Bharat Jhunjhunwala

13862,000 crores in 2015-16 and would be 16,495,000 crores in the current year. The salaries of Government servants at present are about Rs 1320,000 crores. This will remain frozen at this level. The GDP will increase and the additional earnings can be used for capital investment by the Government. Gradually release about one-half of this amount, that is, Rs 660,000 crores will become available for capital investment.

More money can be made available by control of corruption. Professor R Vaidyanathan of IIM Bengaluru has estimated about ten years ago that Indians pay Rs 400,000 crores every year in bribes to government servants. Today the amount would be about Rs 800,000 crores. A big chunk of this money can be saved. The Government should set up an independent evaluation agency, perhaps in collaboration with known global agencies, to evaluate the performance of one-fifth of all government servants every year. This evaluation must include taking confidential feedback from the related "customers" of the government services. The Junior Engineer of the State Electricity board should be evaluated confidentially by 1000 customers within his jurisdiction. Those government servants ranked among the lowest 10 percent should be retired compulsorily. I think corruption will reduce by 75 percent if above step is implemented. That will release Rs 600,000 crores for investment by the people.

Govt. should set up an independent evaluation agency to evaluate agency to evaluate the performance of one fifth of all govt servants every year.

The capital investment by the Government was Rs 1028,000 crores in 2015-16. It would be about Rs 1220,000 crores in the current year. We can add Rs. 1080,000 crores from dismantling the welfare state, Rs 660,000 crores from freezing the salaries of Government servants, and Rs 600,000 crores from savings of bribes leading to more than trebling the capital investment by the Govt. to Rs 3560,000 crores. Capital investment by the Government such as in research, e-governance, highways and airports is the backbone of the economy. The rate of GDP will treble from the present 7 percent to 21 percent.Discounting my estimates by one-half, we can still get to 15 percent GDP growth rate.❑❑

Temples in Indian History: Integrative Role

Temples in the Indian History in integrating all the sections of the Indian society specially in the period of regional state formation. The processes of regional state formation in the major geographical areas of the Indian subcontinent spanning over a thousand of years (from the post-Gupta period to the medieval centuries) is an important chapter in the Indian History.

The early medieval and medieval centuries went through formation of regional identities: political, social, economic, cultural and linguistic. And temples of Puranic Hindu religion played a major role in binding disparate social groups into a cohesive regional society supportive of the emerging political and state structure. Secondly, temples played a significant role in supporting the new dynasties with prestigious images, origin, clan and caste.

Historical sources of authentic background clearly indicate a major part played by the priestly class. Whether Brahmanas or Pashupata Shaiva acharyas, these temple priests stabilized state formation processes by linking the local royal dynasty with a Vedic or Puranic authority. Such linkages undoubtedly raised the local royal and political authorities to a greater height.

Both the cults of Shiva and Durga accomplished the larger process of integrating and incorporating all the social components of the Indian subcontinent into a cohesive social structure that assisted the emerging regional states to stabilize and have distinct identities. The landscape of the Indian subcontinent became dotted specially with the temples of Shiva/Mahadeva with those of Durga in all the geographical areas.

Construction and patronage of the temples of Shiva indicate their popularity not only among the ruling elite and royal families but also among the masses.

Ancient Indian history clearly indicates that the temples, priests and pilgrimage centres played a major role in integrating a variegated society into respective regional states and thus giving the stile-continent its cohesive identity.

Prof. Nandini Sinha Kapur

Vakataka Shiva Temple, Ramtek, Nagpur


MAITRAKA COINS

Shaivite temples and brahmanas figured in the royal land-grant charters in stabilizing the Vakataka royal power.

The case of early medieval Gujarat during the period of the Maitraka state is an interesting case in point. When the Maitraka dynasty took over the political reign in Saurashtra in the sixth century the towns of Gujarat had vibrant Buddhist monasteries. The members of the royal family specially the royal ladies made donations to those monasteries and mentioned the head monks in their land grant charters.

On the other hand, royal land grant charters from the villages of Saurastra record donations to a large number of brahmanas and temples with Shaivite affiliation. Coins of the Maitraka period with images of trident (trishul) clearly indicate the Maitraka patronage of Shaivism. It is evident that the Shaiva temples, priests and brahmanas offered prestigious social status to the Maitraka family who rose to royal power from a landlords' and governor's background.

The villages were politico-economically more important than the towns of Saurastra for an emerging regional state for obvious reasons. The villages had to be incorporated into the state-structure and had to be oriented towards taxation system. The long list of taxes appearing in the Maitraka land grant charters have encouraged the Marxist scholars specially the German Indologists to perpetuate the theory of exploitation of the peasantry by the state.

On the contrary, the author analyses a different situation. Because the peasantry was not familiar with the customary list of taxes as propounded in the Dharmashastras nor they had known the Maitraka family in their royal status as the regional "kings" or the taxing authority. But the state needed increasing mobilization of agricultural resources to support its administrative and military apparatus and hence the villages and agriculturists were to be incorporated into the newly emerging political structure. And it were the temples that culturally integrated the local population into the Maitraka state. Emphasizing upon the popularity of Shaivism and the political role that the Shaiva acharyas played, the case of the Vakataka state formation in Vidarbha is an important illustration.

The Vidarbha region of central India is significant in view of its natural resources and more importantly its tribal population. The Vakataka royal family, contemporary to the imperial Guptas. The Vakatakas figure in the Ancient Indian history also because of the Gupta princess, Prabhavati Gupta's marriage to the Vakataka prince, Rudrasena. She came to be the regent queen of the Vakataka kingdom due to untimely demise of her husband. She ruled on behalf of her minor son, Prabhakarvardhan. She issued copper plate landgrant charters in her own right and extolled the fame of her father, Chandragupta-II and the royal family of the imperial Guptas.

A detailed study and analysis of The Vakatakainscriptions clearly indicate once again that the Vakataka state formation intensified under Prabhakarvardhan-II. And Shaivite temples and brahmanas figured in the royal landgrant charters in stabilizing the Vakataka royal power. It is a discovery that the Shivalingas found in the ancient Vakataka temples in the Nagpur region are still found in abundance on the banks of Narmada river.

The cult of the Narashimha (Vishnu's Avatar) in a famous Vakataka temple-complex and royal patronage to the cult of Vishnu during queen Prabhavati Gupta's reign also indicate the beginnings of Vaishnavism in Central India. Let us not forget that Vaishnavism was patronized by no other than the imperial Guptas in northern India. Hence, the growing influence of Vaishnavism in Central India is obvious.

The art of the cult of God Narashimha points towards craftmanship by the local tribal artisans of Nagpur region. Hence, temples and tirthas (pilgrimage centres) played a major role in the pre-colonial period in integrating Indian society and state into a cohesive structure. ❑❑

India China Border Talks: An Analysis

While many observers have pointed to the India China Border Talks turning into a 'customary practice' between both the countries with no concrete results being reached on the subject. The significance of border talk's remain much 'substantial and positive', given the differing positions from both sides on the 4,057 km long Line of Actual Control (LAC) at the border.

The recently concluded 21st round of Border Talks on November 23-24, 2018 at Dujiangyan near the Chengdu, capital city of China's south western Sichuan province between India's National Security Adviser and Wang Yi, Foreign Minister of China holds 'key significance' for bilateral relations between both the countries. Both the officials form the very top position in the government hierarchy of India and China. Wang has become the state councillor; a rank higher than the foreign minister in the China's government structure and Ajit Doval is now head of newly formed Strategic Policy Group (SPG) replacing the cabinet Secretary.

If we look back to history of border talks between India and China, it goes back to the days of Nehru and Mao, when differences between both the countries on the border issue appeared at 'formal level' during the visit of Zhou Enlai in April, 1960 to New Delhi. While talks failed to resolve any agreement on the subject both the countries now decided to start negotiating the border issue. Later on the 1962 war stalled the process, which was again picked up in June 1981, during the visit of Chinese foreign minister Huang Hua to Delhi and also during the visit of India PM to China in 1988. This led to the formation of Joint Working Group (JWG) between both countries, which had around 15 rounds of negotiations, were held under the JWG mechanism from 1988 to 2003. Later during the NDA government, the visit of PM Vajpayee to China in 2003 both the

Maintaining 'relative stability' at the border must be the priority for India-China.
Abhishek Pratap Singh

countries decided to elevate existing mechanism on border talks to special representative (SR) levels in 2003. In between, the Border Peace and Tranquility Agreement (BPTA) of 1993, has been existing as a larger framework for resolving problems bilaterally through dialogue and negotiation between both the countries.

While it was largely observed that the present border talks will not lead to any 'cogent outcome' in terms of resolution of border dispute, but the mutual expression and agreement to 'intensify and advance' border negotiation for a "fair, reasonable and mutually acceptable solution" to the border dispute is a valuable statement. One has to understand the fact that border dispute between India and China has grown to be 'complex issue' drawing on the bitter mix of colonial legacy, different historical claims and geo-strategic context.

There are other larger questions attached to it like as India's concerns on 'One India policy' and other sovereignty issues in the border region. While India's position on Tibet has mostly remained rather 'resolute and clear', China since 2006 has referred some parts in Arunachal Pradesh (AP) as Southern Tibet. Interestingly, what is commonly referred to as the 'border dispute' between India and China manifests itself in two very distinct and separate positions towards their border areas.

Over the years, the 'positive strength' of border talks between India and China has been built upon series of military confidence building measures. These have been devised and regulated within the larger framework of maintaining 'peace and tranquillity' at the border areas which includes border personnel meetings, army flag meetings, and recently agreed upon understanding of issuing 'strategic guidance to their respective militaries" to enhance communications and make for effective border management. As earlier agreed framework of three level solution to the 'border dispute' between both in 2005, both the sides reached an agreement on the 'political parameters and guiding principles' for settlement of the boundary dispute. Despite being moving slow the border talks have evolved as a 'effective and consistent high-level dialogue' between both the countries in last more than a decade. Despite the shadow of Doklam Standoff in 2017, both were able to hold the border talks in the same year with an emphasis on 'Closer Developmental Partnership' between both states.

The mutual agreement to 'intensify and advance' border negotiation and solution for border dispute is a valuable statement.

The significance of border talks remains considerable given its role in maintaining 'relative stability' at the border. These talks have also strengthened 'better border management' from both sides on the issue drawing on certain agreements that have been reached between both the countries. Also with no major flare up in last years at the border, the talks have formed a key platform for 'restoration of trust' between both the powers in challenging times. The 'Wuhan Spirit' as agreed upon by leaders' formed the pretext of meeting as both the sides reiterated the importance of "positive, constructive and forward-looking" approach towards future. To sum up, pending the final resolution of the border dispute which seems 'less likely' possible in near future, the focus must be on maintaining "relative stability" at the border and 'managing differences' properly making sense of broader understanding from both sides. And to this process, the role of border talks between both forms good mechanism for dialogue and consultations. ❑❑

Holds PhD in East Asian Studies from JNU and teaches at University of Delhi.

SJM welcomes curbs on 'predatory behaviour'

Swadeshi Jagran Manch (SJM) has welcomed the government's move to clamp down on "predatory behaviour" of e-commerce giants such as Amazon and Flipkart. New guidelines bar ecomm players from selling products in which they have stakes, and also prohibits them from entering into any exclusive agreement for the sale of a product.

SJM has now asked the Income tax department to intensify its process to "investigate the round tripping of money" by the major ecommerce giants.

"The government has finally come around to addressing the woes of small traders but that doesn't mean these big players who took the system for granted all these months should be allowed to operate unpenalised," SJM head Ashwani Mahajan told ET.

Tightening norms of operations for e-commerce firms like Flipkart and Amazon, the government on Wednesday (26 Dec.18) barred them from selling products of the companies in which they have a stake.

"An entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity," the government's order said.

"Every patriot will welcome the changes. People support FDI without understanding that it needs to plunder in local markets, and goes against the interest of our vendors. The government has finally started realising the pitfalls of FDI going in the wrong direction and is thinking in the interest of its vendors and small e-tailers," he added. As per the current policy, 100 per cent FDI is permitted in marketplace e-commerce activities. It is prohibited in inventory-based activities.

SJM members had met commerce minister Suresh Prabhu only last week to push for the changes, official sources said. The outfit has been pressuring the ministry for months to "improvise press note 3." "That FDI is allowed in B2B so things can be bought from the vendor and parked and go on with their business as usual. Only those bringing cash from outside were being benefited," Mahajan added.

Earlier, the outfit had asked the government to withdraw parts of the draft policy that enabled Indian-owned and Indian-controlled online marketplaces to hold inventory fearing circumvention of FDI in multi-brand retail norms. It had also sought laws to prevent exploitation of vendors who are not paid on time by ecommerce companies.

"The circumventions and flouting of rules should be punished. They have virtually killed small traders. Hundreds of complaints against ecommerce companies have been filed with ED but no action was taken against them for burning money and flouting rules," Mahajan said the press note 3 was itself clear in specifying guidelines for offering discounts. "We have already written to the commerce minister and they have already sent in a memorandum to ED. If small vendors are offenders, we have seen immediate action being taken against them. The same should apply to big players too.

The revised policy on FDI in online retail firms also said that services should be provided by e-commerce marketplace entity or other firms in which e-retail company has a direct or indirect equity participation or common control to vendors on the platform in fair and non-discriminatory manner. The decision comes in the backdrop of several complaints by domestic traders on heavy discounts being given by e-commerce players to consumers.

https://economictimes.indiatimes.com/news/economy/policy/swadeshi-jagran-manch-welcomes-curbs-on-predatory-behaviour/articleshow/67280597.cms

SJM raises concern over Chinese ecommerce apps bypassing laws, duties

Swadeshi Jagran Manch (SJM) is set to train its guns on the thriving new market of Chinese e-commerce apps. The SJM's internal research team is learnt to have assessed that Chinese ecommerce firms currently bag over two lakh orders per day from Indian shoppers and are delivering goods via couriers and postal gift shipments, bypassing and evading a range of Indian laws on payment gateways, custom duties and GST, thereby disrupting the micro, small and medium enterprises (MSME) trade market in India.

ET has learnt that SJM is set to demand that all product shipments from China to India be channelised through the customs route and till then all postal gift shipments from China be stopped, download of non-GST compliant and unregistered Chinese e-commerce apps be banned and payment gateways be shut to them. The RSS affiliate has already red flagged the issue to the Ministry of Commerce and is now preparing to take it to the Prime Minister. ET gathers that the government is considering acting on the issue.

"We have talked to authorities in the commerce ministry on the issue and they are sympathetic to it. We feel that this issue, however, requires a concerted government effort to check the situation and so we will take it up with the PMO and the Reserve Bank of India (RBI) as well as the finance ministry," Ashwani Mahajan, national co-convenor of SJM, told ET.

SJM argues that the China-based ecommerce sites or sellers like Shein, AliExpress and Club Factory among others, are misusing a clause in India's Foreign Trade (Development and Regulation) Act, which exempts gifts of up to Rs 5,000 – received from abroad by persons living in India – from customs and other duties. The exemption was mainly aimed at low-value gifts sent by NRIs to families back home. Customs duties apart, no GST is being levied on these sales, and there are indications that identities of Indian NRI workers employed in the Middle-East are being misused in some of these gift shipments, SJM said.

It also pointed out that China Post appears to be heavily subsidising packages and delivery cost of products shipped to India to promote its own small industry which is targeting India's younger population via social media. Since the ecommerce sites selling these products are not registered as business entities in India, there are no easy processes for grievance redressal and returns, and hence the risk of 'hazardous, prohibited, unsafe or substandard goods arriving in India' also looms large, SJM said.

ET gathers that SJM would demand mandatory registration of e-commerce sites and apps, MRPs and invoices for all their products and higher diligence by India Post including thresholds of shipment booking system to ensure that the FT (D&R) Act is not misused. It would also suggest an integrated system that connects customs, RBI and India Post to track imports better. SJM has also relied on a LocalCircles survey on the issue.

"While the scale of orders to these apps was about a lakh in August or so as per customer feedback, it has now risen to over two lakh per day. There are serious concerns over the impact on India's MSME sector as it is an uneven playing field, with the Chinese apps evading rulebooks and duties. We also flagged off the issue to the government," Sachin Taparia, CEO, LocalCircles, told ET.

https://economictimes.indiatimes.com/industry/services/retail/swadeshi-jagran-manch-raises-concern-over-chinese-ecommerce-apps-bypassing-laws-duties/articleshow/66947421.cms

SJM wants new RBI Governor Shaktikanta to ease ownership rules for private banks

The Swadeshi Jagran Manch (SJM) wants newly-appointed Reserve Bank of India (RBI) Governor Shaktikanta Das to overhaul the country's private bank ownership norms to foster the growth of large home-grown banks. "There is a need for the new RBI Governor to rethink the regulatory framework for private bank ownership," the SJM said in a note of an internal meeting on "Future of Banks in India".

The meeting was held in New Delhi on December 13, a day ahead of RBI's central board meet in Mumbai. The central board will meet amid festering tensions between the Finance Ministry and RBI, which will be chaired by Das. Das, a former Economic Affairs Secretary in the finance ministry, took charge as the 25th RBI governor on December 12, replacing Urjit Patel who resigned on December 10. Patel resigned nine months before his tenure were to end in September 2019, ending a testy relationship with the finance ministry.

"None of us want Indian home-grown banks be allowed into the hands of foreign players. SJM is also of the view that promoters' ownership cap should be reexamined," the SJM note said.

Changes in private banking industry rules are unlikely to be taken up when the RBI central board meets, which has S Gurumurthy, a former co-convener of SJM, as one of the many members.

India regulates the banking sector through a cap on voting rights (defined in the Banking Regulation Act), and through ownership caps (through RBI's administrative circulars).

RBI's universal banking guidelines state that promoters' holding in banks should progressively come down to 15 percent within 15 years of starting operations. The rationale for such an approach is that a widely held/diverse ownership would lead to better governance through lack of concentration of power in the bank. Promoters' voting rights are capped, implying that promoter group cannot "control" the board or push through decisions even if it enjoys greater shareholding.

"The new RBI governor must review this ownership and control policy for banks and create an environment, which motivates high quality Indian entrepreneurs to come forward and build great banks," the SJM note said.

In September, Bandhan Bank, one of India's newest full-fledged private commercial bank, informed stock exchanges that RBI had ordered the freezing of its CEO Chandra Shekhar Ghosh's salary and barred it from opening new branches without the central bank's approval. The bank failed to bring down the promoter's shareholding to 40 percent by August 23, the day it completed three years of operation. The RBI's bank licensing rules mandate that a private bank's promoter will need to pare its holding to 40 percent within three years, 20 percent within 10 years and to 15 percent within 15 years. Bandhan Bank and IDFC Bank were given a universal banking licence under RBI's 2013 guidelines. It had started operations in August 2015 and got listed on stock exchanges in March 2018.

In August, Kotak Mahindra Bank informed stock exchanges about RBI's rejection of its proposal to issue perpetual non-cumulative preference shares (PNCPS) to cut promoter holding.

RBI has asked the bank to trim promoter shareholding to 20 percent of paid up capital by December 31 and 15 percent by March 31, 2020.

Vice Chairman and Managing Director of Kotak Mahindra Bank, Uday Kotak, currently holds a 30.03 percent stake in the bank. The PNPCS issue was part of Kotak's plan to pare his holding and meet the December 2018 deadline.

The RBI's rules on cutting promoter holding in private banks is predicated upon the principle that concentrated ownership can lead to greater governance risks. The instances of Kotak Mahindra Bank and Bandhan Bank show that RBI will not show any leniency in diluting rules on the concentrated ownership.

SJM, however, called for a change in RBI's diversified ownership norms, arguing that on most occasions private bank promoters end diluting their shareholding in favour of foreign investors who now are majority owners of many Indian private banks.

The foreign ownership in HDFC bank is 72

percent, ICICI Bank is 60 percent, Aixs Bank is 52 percent, IndusInd Bank is 73 percent and Kotak Bank is 47 percent, it said. Some speakers in the SJM meeting, attended by several independent directors of public sector banks, pointed out that such shareholding dilution primarily ends up with foreign investors who are now the majority owners of the Indian private sector banks.

The SJM note said that with the widespread acceptance of proxy advisers by foreign institutional investors, they operate in tandem, creating further challenges. "Is diversified ownership really diversified? Effectively, decisions of foreign investors is influenced and controlled by proxy foreign advisors," the note said. "It is important for an alignment of a bank with its country's objectives- such alignment starts from a deep-rooted passion for nation building and which has a long -term vision. Such passion and dedication are typical of entrepreneurs who are domestic," the note added.

https://www.moneycontrol.com/news/business/economy/swadeshi-jagran-manch-wants-new-rbi-governor-shaktikanta-das-to-ease-ownership-rules-for-private-banks-3287911.html

SJM targets Chinese sellers evading duty on Amazon

Swadeshi Jagran Manch (SJM) has identified several Chinese sellers on Amazon's India e-commerce platform who are not paying taxes that Indians have to on the same e-tailing site.

SJM national co-convener Ashwani Mahajan said these Chinese sellers are evading taxes using the international gift route. Currently, four gifts under Rs 5,000 each per year per person are exempted from import duties. But some of the Chinese sellers are said to be marking every sale as a gift. Mahajan said the organisation is taking up the matter with the commerce ministry. Mahajan told TOI that this is causing damage to domestic sellers. "It also sends a signal that the government is fine with losing import duty on these goods

every year. We are going to recommend abolishing it," a person aware of the plans said.

The All India Online Vendors Association (AIOVA) too is working with SJM on the matter. TOI has seen an invoice of one of these sellers where there is no mention of any taxes being paid. Amazon India has a global store for Indian users where products from its US site are sold, but typically all import taxes are included in the final pricing of these products. The Chinese sellers are not part of this global store, but are independently listed sellers on the Indian marketplace.

Sources in Amazon said, while the company has a strong compliance mechanism to ensure adherence to local laws, certain sellers find loopholes to derive unfair advantages. An Amazon India spokesperson said, "Amazon will always be compliant with local laws, have robust processes to ensure this and zero tolerance for any non-compliant seller. We continue to invest in systems and processes that ensure customers have access to high-quality selection and experience from sellers on Amazon." A meeting is expected to take place this week between SJM's Mahajan, other trade associations and commerce minister Suresh Prabhu. The associations are expected to ask the government to do away with the gift policy.

https://timesofindia.indiatimes.com/india/sjm-targets-chinese-sellers-evading-duty-on-amazon/articleshow/67137610.cms

SJM ups pressure on govt over trade plan

The Swadeshi Jagran Manch (SJM) will organise a series of public hearings, starting next month to give industry and trade bodies a platform to air their concerns on the Regional Comprehensive Economic Partnership (RCEP), in an attempt to put pressure on the union government to withdraw from negotiations to sign the agreement. RCEP is a trade agreement between 10 Asean nations and the grouping's six free-trade pact partners Australia, New Zealand, Japan, China, Korea and India. Negotiations for the agreement are expected to end next year.

The SJM has pointed out that the pact will give nations such as Australia and New Zealand that lead in dairy exports an edge over the Indian dairy sector.

"New Zealand for instance is a major global dairy exporter accounting for 30% of global dairy exports; this makes Indian agriculture and dairy sectors totally vulnerable. It is clear these countries will ask for specific access to these markets," said SJM Ashwani Mahajan, national co-convenor.

The SJM which has written to PM Narendra Modi to reconsider the trade agreement, has cited RCEP as a "major threat and not a major opportunity for India". The Centre's decision to involve the Indian Institute of Management-Bangalore, the Indian Council for Research on International Economic Relations and the think tank, Centre for Regional Trade, to come up with the roadmap for the agreement which is likely to be signed in 2019 has not pacified the SJM. A report by these institutes is expected by January.

"There are concerns of various sectors such as steel, dairy, pharma and several other sectors about the impact that RCEP will have on their business if India signs the deal, which pushes for zero duty on a range of products. And given how large this trade bloc is, Indian business will suffer," Mahajan said.

A response from the ministry of external affairs to SJM, indicating that the Indian negotiators are "delicately balancing various competing interests of domestic industry" too has failed to cut ice.

"Issues related to Intellectual Property Chapter, particularly pacts that constrain our farmers' ability to produce, preserve, exchange and sell seeds need to be rejected," Mahajan said.

Biswajit Dhar, of the Centre for Economic Studies and Planning, JNU said: "Signing the RCEP would prove detrimental to India's interests, particularly in the manufacturing and agricultural sectors."

"India will have to give preferential tariff to countries such as Australia, New Zealand and China and that would put us at a disadvantage," Dhar said.

SJM has also pointed out to Modi that India is being asked to improve its offer to RCEP partners including the Asean, China, New Zealand, Australia, Japan and South Korea. "India has major challenges from China in industrial goods. China already accounts for about half India's total trade deficit. Even with

74% of goods offered at Zero duty (which is India's current offer) this deficit will increase manifold and also threaten India's manufacturing growth potential. The survival of Indian SMEs will be in question," WHO said.

https://www.hindustantimes.com/india-news/rss-affiliate-ups-pressure-on-govt-over-trade-plan/story-GJPxNs21er6CGcQE3mfX4J.html

Dollar out - India, UAE to trade in their currencies

In a landmark move, the UAE and India on Tuesday inked a currency swap agreement, which allows rupee and dirham for businesses, instead of dollar. With nearly $50 billion bilateral trade, the two countries are one of the largest trade partners and have made robust investments bilaterally. The latest development will be a big boost to import and export trade. The agreement to this effect was inked during the 2-day visit by Indian External Affairs Minister Sushma Swaraj. The minister co-chaired the 12th session of the UAE-India Joint Commission Meeting with Minister of Foreign Affairs and International Cooperation Sheikh Abdullah bin Zayed Al Nahyan held at the ministry's headquarters in Abu Dhabi.

Both leaders agreed to boost cooperation in trade, security and defence. The leaders also decided to strengthen their resolve to combat extremism and terrorism in all its forms, regardless of the perpetrators and their intent.

Sheikh Abdullah said the UAE has always shared strong historical ties with India and the bilateral ties are based on mutual respect and trust, which are aimed at enhancing mutual benefit of the people. Swaraj congratulated the leadership, government and the people of the UAE on the occasion of the celebration of the National Day. The ministers also oversaw memorandums of understandings signed for development of cooperation in Africa between both the ministries and the currency swap agreement inked between the Central Bank on UAE and the Reserve Bank in India. Mohammed Ali bin Zayed Al Falasi, Deputy Governor of the Central Bank of UAE; and Navdeep Singh Suri, UAE Ambassador to India, signed the agreement.

https://www.khaleejtimes.com/business/economy/dollar-out—india-and-uae-to-trade-in-their-currencies-

Internet access in India has crossed 50-crore milestone

The number of internet connections in India has grown by 65% from March 2016 to cross the 50 crore mark in 2018, in line with the target set by the Narendra Modi government three years ago. As per the latest information from the Telecom Regulatory Authority of India (Trai), by the end of September 2018, there were 56 crore narrowband and broadband connections in India.

Comparatively, there were just 34 crore connections as of March 31, 2016, which increased to 42 crore by March 31, 2017. By March 31, 2018, the total number of internet connections stood at 49 crore. That number increased to 51 crore internet connections at the end of June this year before the figure touched 56 crore as of September 30, 2018.

In December 2015, Union telecom minister Ravi Shankar Prasad had said: "My plan is to make 50 crore internet connections in India by 2018... I'm convinced that in the coming 2-3 years, India will become equal to China as an IT market of the world."

Of the 56 crore connections, 64%, or 36 crore, are in the urban areas and 36%, or 19.4 crore, in the rural areas. While more service providers are focusing on rural areas, experts credit the increase in the hinterland to the infrastructure created by the government. The massive growth in urban centres on the other hand is attributed to the entry of Reliance Jio.

Professor Debabrata Das from the International Institute of Information Technology-Bangalore (IIIT-B), who was an integral part of the Centre's National Information Infrastructure version 2.0 (NII 2.0), says: "The infrastructure created by state-run BSNL and the Centre's BharatNet project that envisages connecting all gram panchayats with internet through an optical fibre network must be seen as crucial for the rural connections."

Just five states— Karnataka, Tamil Nadu, Andhra Pradesh (including Telangana), Gujarat and Maharashtra — account for 20 crore or 36% of all internet connections in India.

Compared to 2016, Karnataka reported a 58% growth in the number of internet connections, while the same was 45% for Tamil Nadu, 76% for Andhra Pradesh, 56% for Maharashtra and 70% for Gujarat.

"The huge increase is largely because of Jio. While BharatNet has created the infrastructure, the actual number of people using it is not much given that most subscribers have wireless connections," Aravind Kumar, senior advisor, TRAI, told TOI.

https://timesofindia.indiatimes.com/india/internet-access-in-india-has-crossed-50-crore-milestone/articleshow/67280341.cms?utm_medium=referral&utm_campaign=iOSapp&utm_source=twitter.com

Dr. Ashwani Mahajan and Sh. Suresh Prabhu conferred Skoch Challenger Award

Prof.Ashwani Mahajan was awarded the Challenger Award as Swadeshi Economist of India by 55th Skoch Summit, The Economic Manifesto on December 22nd. He has been instrumental in getting changes in economic policies, by virtue of his in depth study of economic issues faced by the nation. His successful policy interventions include withdrawal of controversial ordinance on land acquisition, getting field trials of GM crops policy revisited, FDI policy of the government especially retail trade, e-commerce etc. He has been guiding the government on the matters of public policy and also the Foreign Trade Policy. As a researcher and activist on WTO and other international trade agreements, he has attended three ministerial conferences of WTO held at Geneva, Bali, Nairobi and Buenos Aires. ❑

Commerce and Industry Minister Suresh Prabhu has conferred the Skoch Golden Jubilee Challenger Award at the 55th Skoch Summit in New Delhi today.The Commerce and Industry Minister was awarded for his contribution to reforms, particularly in the power sector reforms.Suresh Prabhakar Prabhu is an Indian politician and currently serving as the Minister of Commerce and Industry and Civil Aviationunder the Modi government. He has constantly featured in the list of top five ministers in India from 2014 to 2017 in terms of both performance and accessibility in nation-wide surveys conducted by various institutions. ❑

The **Skoch Awards** celebrate human excellence and agents of change in Indian society. The Awards are based on the philosophy of spearheading positive socio-economic changes through recognising persons who have contributed immensely to salutary transformations in society and governance by displaying exemplary leadership abilities. They are the highest independently instituted civilian honours in India. since 2003, when these were instituted, the Skoch Awards have become the only independent benchmark of best practices in India in the fields of governance, finance, banking, technology, corporate citizenship, economics and inclusive growth.

Skoch Challenger Award celebrates inspirational leadership. It has been instituted to showcase excellence in leadership in the areas of governance, academia, change management, inclusive growth, citizen services delivery, capacity building and social empowerment. The College of Skoch Lifetime Achievement Awardees is consulted for identification of potential Awardees, based on and the pioneering work and qualifications of a project, person or institution. No industry support or endorsement is either, accepted or solicited for Skoch Challenger Award and it remains independently instituted and conferred. The Skoch Challenger Lifetime Achievement Award is accompanied by a video documentation and a published festschrift in honour of the Awardee. ❑❑

Swadeshi Activities

Pictorial Glimpses

A workshop on 'Bridging the gap between education and employbility' by SJM and University of Mumbai at Mumbai (14 Dec. 2018)

Discussion Meeting at Muzaffar Nagar (UP)

District Seminar at Karnal (Haryana)

District Seminar at Panipat (Haryana)

District Seminar at Kurukshetra (Haryana)

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Swadeshi Activities

Pictorial Glimpses

Swadeshi Get-together in New Delhi, 27 Dec. 2018 (Celebration of Sh. Saroj Mitra's Birth Day)

Dr. Ashwani Mahajan awarded 'Skoch Challenger Award' at Skoch Summit 2018

Sangoshthi at Agra (UP)

Panipat Zila Sammelan

Thendgi Smirti Vyakhyanmala at Patna

Tulsi Pujan Divas at Jaipur (Raj.)

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