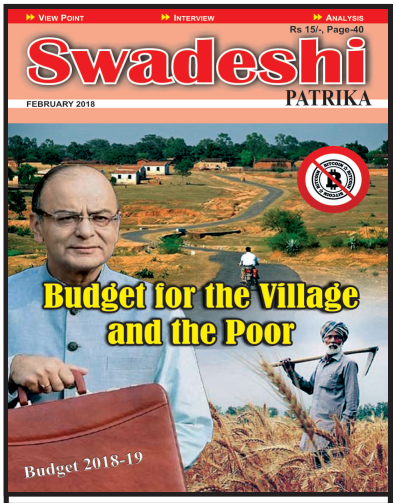

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LETTERS 3

NEWS 35

CONTENTS

COVER ARTICLE 6

Budget for the village and the poor

Dr. Ashwani Mahajan

1 Cover Page
2. Cover Inside Page

08 COVER STORY-II
Budget 2018-19 talks of better Bharat
..... **Anil Javalekar**

13 VIEW POINT
Fight for Justice or Fishing Expedition?
..... **Sandhya Jain**

15 ANALYSIS
Need to Revisit Developmental Priorities to Bridge Growing Disparities & Deprivation
..... **Prof. Bhagwati Prakash Sharma**

18 FOCUS
Green Revolution - Myth and Reality
..... **Bharat Dogra**

20 PERSPECTIVE
Will Rajini change the paradigm of Tamil Nadu politics?
..... **S. Gurumurthy**

22 SCRUTINY
Asean central pillar of Act East; Indian trade to boom in Asia, Pacific
..... **Shivaji Sarkar**

24 ISSUE
Youth Unemployment and National Skill Development Corporation
..... **Prof. Nandini Sinha Kapur**

28 DISCUSSSION
What SJM should propose to the Govt. to create Jobs
..... **Sameer Banerjee**

30 REPORT
WTO: The way forward

33 INTERVIEW
'Focus should be on jobs, not GDP'

39 Back Inside Cover
40 Back Cover

Swadeshi Patrika: A Economy Viewer

Swadeshi Patrika the journal of the SJM has been beacon of light for the major economic issues plaguing the nation in recent times. It highlights all major sectors of the national economic scenario which affect economic sovereignty of the country people at grass-root level specially the agricultural population, WTO and globalization are detrimental not only to the developing nations but even to a developed nation of the western world such as USA. A decline in employment even in USA is a direct impact of policies of WTO.

Essays in this journal are specially focused on the above issues. Domestic businesses and small enterprises posting livelihood and employment for the common masses are major concerns which would directly benefit the public and the nation. It is indeed gratifying that Swadeshi Maharally organized by Swadeshi Jagran Manch (SJM) on October 29, 2017 at Ramlila Ground, Delhi, asking for the expulsion and boycott of Chinese goods not only mobilized Indian masses but was supported and attended by people from Nepal, Bhutan and Tibet. South Asian support buds leadership to Indian policy makers.

Letter to the respected Prime Minister Sh. Narendra Modiji by the Chief coordinator and Abhiyan Pramukh 'Rashtriya Swadeshi Suraksha Abhiyan' pointed out Chinese intrusion into every important facet of Indian economy damaging out competitive strength. On the other hand, China has been escalating problems on the Indo-China border. Nation feels grateful to the efforts of government of Bharat for curbing Chinese imports through the imposition of anti-dumping duties on nearly 100 items of imported Chinese goods. This brief write-up is concluded by an extract from the headline (In a first e-goods made in India pull ahead of imports) of Times of India published on 30th December 2017. The centre's efforts to promote local manufacturing through the 'Make in India' programme seem to be repeating dividends with the domestic production of electronics.

– Prof. Nandini Sinha Kapur, *IGNOU, Delhi*

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The views expressed within are those of the writers and do not necessarily represent the views of Swadeshi Patrika. Swadeshi Patrika often present views that we do not entirely agree with, because they may still contain information which we think is valuable for our readers.

Quote-Unquote

Today, we talk about 'Beti Bachao, Beti Padhao', 'save the girl child, educate her'. But centuries ago, it has been mentioned in our ancient texts, in the Skand Puran 'A daughter is the equivalent of ten sons'.

Narendra Modi
Prime Minister

We are strengthening ties between Israel and this important global power (India). This serves our security, economic, trade and tourism interest, as well as many other areas. This is a great blessing for the State of Israel.

Benjamin Netanyahu
Israel Prime Minister

The government does not consider cryptocurrencies as legal tender or coin and will take all measures to eliminate use of these cryptoassets in financing illegitimate activities, or as part of the payment system.

Arun Jaitley
Finance Minister (On Budget 2018)

Protectionism and saturation are global trends. India is poised well to identify new markets and expand the economy.

Suresh Prabhu
Commerce & Industry Minister

EDITORIAL

FSSAI's Partnership with MNCs: A Cause of Concern

Recently Swadeshi Jagran Manch (SJM) has raised concerns against Food Safety and Standards Authority of India (FSSAI), collaborating with multinational companies(MNC's) and circumventing the law to facilitate the very same companies. A couple of years back Food Safety and Standards Authority of India (FSSAI) launched a project called "Diet4Life" in which one of the key partners is the Infant and Young Child Nutrition Council of India (IYNCI). The fact is that 4 leading baby food companies namely Abbot, Nestle, Danone and Mead Johnson have launched IYNCI as a NGO. Incidentally IYNCI claims "Diet4Life" to be "our project". It is no rocket science to understand why these companies are interested in joining hands with FSSAI and why they have floated IYNCI. It is obviously to interfere at the highest policy development in the office of India's food safety regulator. It is a serious institutional conflict of interest when FSSAI partners with baby food companies. While this partnership has resulted in undermining a national policy, concerns grow deeper. This partnership project has flourished over these years. Other than its objectives to provide access to foods for special medical purposes, it has already begun to show its results to benefit these baby food companies. These companies sponsored medical conference, which is prohibited under the IMS Act; a recent example is Abbot and Danone sponsorship of National Conference of the National Neonatology Forum held at Lemon Tree Hotel in the Aero city in December 2017. When asked about this being in violation; the organisers claimed "We have got the permission from the government". The Infant Milk Substitutes (IMS) Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 (and amended in 2003), was enacted primarily to protect breastfeeding and bars promotional activities by baby food manufacturers. Specifically, IMS Act section 9 subsection 1 clearly prohibits any direct or indirect financial inducements to health workers. Subsection 2 further mentions the financial inducements also cannot be in the form of seminars, conferences, fellowship and so on. If the government gave the permission then the government is to be blamed, and if the government did not, then the organisers committed perjury which again a serious offence.

Why would companies sponsor the doctor's conferences, in particular of paediatricians and neonatologists, when such sponsorships are banned under the IMS Act? The bottom line is all baby food companies have to make money for their shareholders and health system makes a credible partner to achieve this. Obviously to make inroads into health system where these companies have a huge stake to undermine breastfeeding and push their products systematically increasing their relationship with health workers. The key partners of "Diet4Life", the baby food companies, FSSAI and Neonatology Forum claim to indicate that the objective of this activity is to promote the use of 'Food for special medical purposes' (FSMP), which must be imported to be given to children who are at risk of dying because lack of such special foods in India. There is a concerted effort by the FSSAI to subvert this definition and exempt certain 'Foods for Special Medical Purposes (FMSP)' from the provisions of the IMS Act in collusion with four major baby food corporations Nestle, Abbot, Danone, Mead Johnson. These companies have come in under the guise of an NGO called Infant and young child nutrition council of India. So far as the import of products for use of IEM (Infant Error Metabolism) purpose, it is permissible under the law, however, the basic intention of FSSAI is to provide leverage to these companies and proposed exemption of their FSMPs from complying with the provisions of the IMS Act. We support the implementation of the IMS Act and calls for adhering to the definitions of 'Infant Milk Substitutes' and it should apply to FSMPs as well. SJM does not agree with the interpretation of FSSAI that FSMPs are not infant milk substitutes and also believe that FSSAI does not have the mandate to change the definitions under the IMS Act."

SJM has clarified that it does not object to the import of products for use by IEM patients and stated that the FSSAI has provided leverage to these companies and proposed exemption of their FSMPs from complying with the provisions of the IMS Act. We support the implementation of the IMS Act and calls for adhering to the definitions of 'Infant Milk Substitutes' and it should apply to FSMPs as well. SJM does not agree with the interpretation of FSSAI that FSMPs are not infant milk substitutes and also believe that FSSAI does not have the mandate to change the definitions under the IMS Act. The Comptroller and Auditor General of India (CAG) has also raised issues about Regulatory and administrative framework of FSSAI and about Status of food laboratories and also about the quality of human resources. However, it seems that FSSAI is more interested in fostering partnerships with the companies with conflict of interest with the regulatory status of FSSAI compromising larger public interest.

Budget for the village and the poor

Last 'full budget' presented by Modi government, has been dedicated to the villages and the poor, says **Dr. Ashwani Mahajan**

Last 'full budget' presented by Modi government, has been dedicated to the villages and the poor. The world's largest health protection scheme (even bigger than Obama care) has been announced in the budget; in conformity with Bharatiya Janata Party's Election Manifesto, Finance Minister has announced government's intent to give Minimum Support Price (MSP) not less than cost plus 50 percent and thereby has given in principle approval to implementation of Swaminathan Committee Report of 2004, which no government upto now could gather courage to do; to help additional job creation, government will now contribute 12 percent to the Employee Provident Fund (EPF) to additional employees in all sectors.

Middle class is not so happy

Though, Finance Minister underlined the contribution of salaried class to exchequer, both in aggregate terms and also average tax paid per tax payer, correspondingly, salaried tax payers feel that they have not been rewarded suitably, except providing for standard deduction, which had become the history and exemption given to interest income upto 50 thousand rupees annually.

Farmer should be a happy lot

In tune with election promise of Bharatiya Janata Party, Finance Minister has ultimately accepted to offer cost plus 50 percent MSP to the farmers, without exception (as MSP has been accepted for all crops) and therefore, given rest to the opposition's criticism of the government. Notable is the fact that this government has done it, whereas it's predecessor government failed to implement Swaminathan Commission's recommendations. Notable is the fact that even in this

regime people in government were not so confident of implementing this measure to improve the condition of the farmers. This act of the government is likely to not only benefit farmers, it can go a long way in protecting food security of the nation. In addition to this, those who are landless and are engaged in animal husbandry, fishing etc., would be offered Kisan Credit Card. This act of the government can help creation of non farm employment opportunities. Even the farming community had not imagined all these drastic steps by the government.

Job creation

This has been felt that the growth model adopted in the era of globalisation has failed to create sufficient job opportunities and this been proved to be a jobless growth. All facilities were used to be given for investment and that too by corporate. However, in the last couple of years, government started giving concessions to additional job creation and government also started contributing towards EPF for those new employed in a limited way. However, in Budget this contribution of 12 percent towards EPF has been extended to all sectors for next 3 years, which is a welcome step.

Several measures to creat employment ranging from MSME to rural non farm employment have been initiated in the budget. Finance, skill development, encouragement to bamboo produce, food processing etc are some examples.

Health for Poor

Today, Poor is suffering because of lack of public health facilities, and has been a major cause of their indebtedness. By providing

Those who are landless and are engaged in animal husbandry, fishing etc., would be offered Kisan Credit Card.

health cover to 10 crore households, that is, 50 crore people, government has given a big relief to poor.

We will have to vouch for its rightful implementation, without falling prey to the foreign insurance majors. Rupees 500 support to all TB patients is yet another welcome step.

In the first almost 4 years of the regime, we have seen real game changing measures and policies which people and even the political class didn't really thought about or even imagined. JAM (Jandhan Yojna, Aadhar, Mobile Banking) trinity was almost conceptualised by this government, which could be made possible by Jandhan scheme, MUDRA scheme to fund the sections, which so far were untouched by our organised financial sector. Saving on expenditure by not cutting support, but by bringing efficiency.

This budget could be seen as a culmination of the pro poor, pro deprived and pro agriculture policies and programs, which was expected from different regimes. May it be an issue of MSP, rural non farm employment boost by extending Kisan Credit Card to those in fishing, animal husbandry etc. can empower those landless villagers, engaged in non farm activities.

Extension of EPF contribution for additional employment for all sectors is something which indicates towards move away from corporate investment centric allocation to employment centric approach, which should be welcomed.

However, government needs to be cautious that the ambitious scheme of providing health cover to 50 crore people does not fall into the hands of foreign insurance companies causing outflow of resources overseas. This means that we need to evolve a mechanism whereby the health scheme envisaged in the budget does not become a cause of exploitation by the MNCs. ❑❑

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Budget 2018-19 talks of better Bharat

The Budget presented on February 1, 2018 can be termed as BJP's last budget of this tenure as next year will be an election year. All earlier budgets were simply continuance of old policy and presented as per the routine practice. BJP has indeed tried in its earlier budgets to take some line and tried to give some shape to policy intents that PM was speaking all around regarding Farmer's welfare, rural development, make in India, skill development, Swachta Bharat, Support to poor, transparency in governance, strengthening of panchayat raj institutions and so on but seems not found the right formula. Now with this budget of 2018-19, BJP government seems found that sure win formula of matching the desires with the policy prescriptions. True, there is a long way to go and more is required to fulfil the promises and assurances and coming months will see how government will do it in practice.

Budget 2018 is on right path

As is known, BJP government has already taken up programmes to direct the benefits of structural changes and good growth to reach farmers, poor and other vulnerable sections of Indian society and to uplift the under-developed regions. This year's Budget (2018-19) has consolidated gains of such schemes and now focused on strengthening agriculture and rural economy, provision of good health care to economically less privileged, taking care of senior citizens, infrastructure creation and working with the States to provide more resources for improving the quality of education in the country. The BJP seems on right path and finally taking steps to build the nation and bring good days to common Bhartiya.

Farmers in focus but still far away from realising good income

BJP government has proposed to double the farmers' income by 2022 but lacked concrete plan for this. Announcement of MSP for all crops at least at one

In the last full budget, BJP seems to be on its promised agenda that it announced in 2014, but to achieve its budget's promises still look like far way.
Anil Javalekar

and half times of their production cost and assuring farmers that they will get full benefit of the announced MSP was overdue and BJP government has rightly proposed to do so in its current budget. However, declaring higher MSP is not the solution; farmer should realise the same. Budget is still struggling to help it out. No concrete proposal made out in the budget except assurance. It would have been better had it provided for direct support to farmers as referred to in economic survey. There is a need to give the guarantee of MSP to farmer or fill the gap of MSP and realised market price by way of direct support to farmers and better government act on this suggestion. Hope government will formulate the plan early and help farmers earn on its produce.

Protecting health of all citizens is important

Providing comprehensive health care, including for noncommunicable diseases and maternal and child health services and flagship National Health Protection Scheme to cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year can be termed as this budget's biggest announcement. The proposal of new medical colleges in the ratio of one college per three parliamentary constituencies is also good. However, government need to understand that health is an issue not of poor alone but of entire population. Leaving health to private sector is not the solution nor health insurance is panacea for all health problems. Private sector thinks of profit and health insurance help insurance companies to benefit more. The proposed protection scheme may cost government heavily (rough estimates by experts is Rs1 lakh or more crores) and this directly goes to insurance companies. It is Desirable for government to spend more on health centres or on improving government hospitals in rural areas and provide more facilities to all citizens instead of focusing on health insurance and helping companies to profit.

Employment generation is still an issue

Government is helping generation of employment by way of skill development, contributing towards EPF, deduction of certain wages of new employees under Income tax and helping industries to get concessional financial assistance etc. The expected employment generation this year is presumed at 70 lakh in formal sector. These efforts however, cannot be termed as sufficient and government need to do more. Best option is to exploit Domestic market with government entrepreneurship and government direct investments in public sector units and infrastructure. Private sector enterprises and export-oriented industrialisation may not be sufficient source for generation more employment as both adopt modern technologies that offer no employment to Indian commons.

Employment Generation and Protection of Health can not be achieved by granting more tax relexations to corporates & providing friendly environment to MNCs.

Middle class and pensioners need to be cared more

This budget has ill-treated Indian tax payer middle class. Showing something given and taking away the same is bad policy signal. Indian tax payers also need to be treated respectfully and incentivised more. It looks that government is incentivising Indian citizens to be poor and get benefits under government schemes than earn and contribute towards govt revenue. Indian commons who are not falling under BPL but earn survival income need to be cared for. Similarly, care must be taken of all those who earn marginally higher and fall under middle class, include pensioners. As informed by FM, the excess revenue collected in the last two financial years from personal income tax compared to the average buoyancy pre-2016-17 amounts to a total of about Rs 90,000 crores. Thus, the case was for giving more concessional treatment to middle class and pensioners. Govt lost a great opportunity to help its strong support base by keeping Income tax slabs and rates unchanged. The increasing the financial limits for vaya Vandana scheme is good but limiting the scheme for ten years has no logic. The Sr Citizens are living for longer period after retirement and thus the scheme should be at least for 20 years with fixed interest rate or fixed return (inflation plus) on the amount deposited. Most saving schemes for Sr citizens are for five years and earn less. Hope govt will do more while approving the budget.

Searching for more tax avenues is not good

BJP has been proposing for one nation one tax and implemented GST with that intension. However, this budget shows that government is searching more tax avenues. The reintroduction of LT capital gain tax falls under this category. Minimising number of taxes and simplifying its procedural systems help good governance. This budget has done a wrong precedence by introducing LTCG tax and should withdraw it because it affects small Indian investors particularly the mutual fund investors.

Furthering Development agenda is good

The proposal to improve the quality of life in 115 districts by investing in social services like health, education, nutrition, skill upgradation, financial inclusion and infrastructure like irrigation, rural electrification, potable drinking water and access to toilets at an accelerated pace and in a time bound manner; Providing Rs 3794 crore to MSME Sector for giving credit support, capital and interest subsidy and innovations; allocation to rail and road sectors; provision of key linkages like coal for power, power for railways and railway rakes for coal; providing an outlay of Rs 7148 crore for the textile sector in 2018-19 to boost the apparel and made-up segments; developing ten prominent tourist sites into Iconic Tourism destinations by following a holistic approach involving infrastructure and skill development, development of technology, attracting private investment, branding and marketing; programme focusing on providing water supply to all households in 500 cities; ambitious Bharatmala Pariyojana for providing seamless connectivity of interior and backward areas and borders of the country to develop about 35000 kms in Phase-I at an estimated cost of Rs 5,35,000 crore; strengthening the railway network and enhancing Railways' carrying capacity and providing Rs1,48,528 crore for the purpose; proposal to set-up five lakh wi-fi hotspots which will provide broadband access to five crore rural citizens and providing Rs 10000 crore in 2018-19 for creation and augmentation of Telecom infrastructure; proposal to establish a system of consumer friendly and trade efficient system of regulated gold exchanges in the country, allowing hundred per cent deduction to companies registered as Farmer Producer Companies and having annual turnover up to Rs100 crores in respect of their profit derived from such activities for a period of five years from financial year 2018-19, proposal that no adjustment shall be made in a case where the circle rate value does not exceed 5% of the consideration in real estate transactions and proposal to extend the benefit of reduced rate of 25% to companies who have reported turnover up to Rs 250 crore in the financial year 2016-17 are other laudable announcements.

Need cautious approach

Opening up private investment in defence production including liberalizing foreign direct investment, proposal for a Scheme to assign every individual enterprise in India a unique ID as like Aadhar, restructuring proposal for Food Corporation of India to enhance its equity and raise long-term debt for meeting its standing working capital requirement, strategic disinvestment in 24 CPSEs including strategic privatization of Air India, merger of three public sector general insurance companies, National Insurance Company Ltd., United India Assurance Company Limited and Oriental India Insurance Company Limited into a single insurance entity and its subsequently listing, allowing strong Regional Rural Banks to raise capital from the market, proposal for introduction of Hybrid instruments for attracting foreign investments in several niche areas, especially for the start-ups and venture capital firms, proposed law to provide automatic revision of emoluments every five years indexed to inflation to Members of Parliament and proposal of disallowing payments exceeding Rs10,000/- in cash made by trust and institutions are some announcements that need to be read with caution as these will have a long term effect.

Fiscal management

There is shortfall in Non-Tax revenues and this shortfall has been made up through higher direct tax revenues and bigger disinvestment receipts which can be said as bad precedent. Projecting Fiscal Deficit at 3.3% of GDP for the year 2018-19 is likely to go up if insurance premium payable is included. Government has not done much to reduce its revenue expenditure as revenue deficit continues to be there. Overall this budget can be termed as better and if all proposal implemented in true spirit the good days will come to Indian commons. Budget talks of better Bharat. ❑❑

The author is a retired NABARD officer and Co-editor of books on 'India's Perspective Policy on Agriculture' and 'Indian Droughts and way Forward'. **aniljavalekar@outlook.com**

Budget 2018-19 Highlights

Budget guided by mission to strengthen agriculture, rural development, health, education, employment, MSME and infrastructure sectors

- Government says, a series of structural reforms will propel India among the fastest growing economies of the world. The nation is firmly on course to achieve over 8 % growth as manufacturing, services and exports back on good growth path.
- MSP for all unannounced kharif crops will be one and half times of their production cost like majority of rabi crops: Institutional Farm Credit raised to 11 lakh crore in 2018-19 from 8.5 lakh crore in 2014-15.
- 22,000 rural haats to be developed and upgraded into Gramin Agricultural Markets to protect the interests of 86% small and marginal farmers.
- "Operation Green" launched to address price fluctuations in potato, tomato and onion for benefit of farmers and consumers.
- Two New Funds of Rs 10,000 crore announced for Fisheries and Animal Husbandary sectors, Re-structured National Bamboo Mission gets Rs 1290 crore.
- Loans to Women Self Help Groups will increase to Rs.75,000 crore in 2019 from 42,500 crore last year.
- Higher targets for Ujjwala, Saubhagya and Swachh Mission to cater to lower and middle class in providing free LPG connections, electricity and toilets.
- Outlay on health, education and social protection will be 1.38 lakh crore. Tribal students to get Ekalavya Residential School in each tribal block by 2022. Welfare fund for SCs gets a boost.
- World's largest Health Protection Scheme covering over 10 crore poor and vulnerable families launched with a family limit upto 5 lakh rupees for secondary and tertiary treatment.
- Fiscal Deficit pegged at 3.5%, projected at 3.3% for 2018-19.
- Rs 5.97 lakh crore allocation for infrastructure.
- Ten prominent sites to be developed as Iconic tourist destinations.
- NITI Aayog to initiate a national programme on Artificial Intelligence (AI) and centres of excellence will be set up on robotics, AI, Internet of things etc.
- Disinvestment crossed target of Rs 72,500 crore to reach Rs 1,00,000 crore.
- Comprehensive Gold Policy on the anvil to develop yellow metal as an asset class.
- 100% deduction proposed to companies registered as Farmer Producer Companies with an annual turnover upto Rs 100 crore on profit derived from such activities, for five years from 2018-19.
- Deduction of 30% on emoluments paid to new employees Under Section 80-JJAA to be relaxed to 150 days for footwear and leather industry, to create more employment.
- No adjustment in respect of transactions in immovable property where Circle Rate value does not exceed 5% of consideration.
- Proposal to extend reduced rate of 25% currently available for companies with turnover of less than 50 crore (in Financial Year 2015-16), to companies reporting turnover up to Rs. 250 crore in Financial Year 2016-17, to benefit micro, small and medium enterprises.

Relief to Senior Citizens proposed

- Exemption of interest income on deposits with banks and post offices to be increased from Rs 10,000 to Rs 50,000.
- TDS not required to be deducted under section 194A. Benefit also available for interest from all fixed deposit schemes and recurring deposit schemes.
- Hike in deduction limit for health insurance premium and/or medical expenditure from Rs 30,000 to Rs 50,000 under section 80D.
- Increase in deduction limit for medical expenditure for certain critical illness from Rs 60,000 (in case of senior citizens) and from Rs 80,000 (in case of very senior citizens) to Rs 1 lakh for all senior citizens, under section 80DDB.
- Proposed to extend Pradhan Mantri Vaya Vandana Yojana up to March, 2020.
- Current investment limit proposed to be increased to Rs 15 lakh from the existing limit of Rs 7.5 lakh per senior citizen. ❑

What is new for salaried person in this budget?

1. No change in income tax slabs for individuals

Stating that the government had made many positive changes in the personal income-tax rate applicable to individuals in the last three years, Jaitley left the income tax slabs unchanged this Budget.

2. Cess on income tax hiked to 4%

Budget 2018 has proposed to hike the cess on income tax from 3% to 4% thereby increasing the tax payable by all categories of tax payers. Due to this change, the tax liability for highest tax bracket (assuming Rs 15 lakh income) goes up by Rs 2,625. For middle income tax payers (between Rs 5 lakh and Rs 10 lakh) the tax liability increases by Rs 1,125 and for lowest tax brackets (Rs 2.5 lakhs to Rs 5 lakhs) by Rs 125.

3. Standard deduction reintroduced

Budget 2018 has proposed to provide a standard deduction of Rs 40,000 from salary income to employees. Standard deduction is essentially a flat amount subtracted from the salary income before calculation of taxable income. The standard deduction was a part of the Income-tax Act until former finance minister, P. Chidambaram, withdrew it in the Union budget of 2005-06.

4. Medical reimbursement and transport allowance knocked out of your salary

While the Budget 2018 proposes to provide a standard deduction of Rs 40,000 from salary income to employees, it also proposes to take away existing annual transport allowance of Rs 19,200 and Rs 15,000 medical reimbursement. Prima facie income exempted from tax after setting off the gain and loss is Rs 5,800 only. The tax saved for each employee on this income would depend on the tax slab that income falls into. Consequently, individuals with income above Rs 5 lakh would end up shelling out more tax after taking into account the standard deduction, the removal of the allowances and the increase in cess.

5. EPF contribution of new women workers capped at 8%

Women joining the workforce for the first time will have to contribute only 8% instead of 12% or 10% as the case may be, for the first three years. The proposed move will enhance their take-home pay. Further, for new employees coming under the ambit of EPFO would be provided 12 percent contribution from the government.

6. LTCG exceeding Rs 1 lakh to be taxed at 10%

The FM in his Budget 2018 speech proposed to re-introduce long-term capital gains (LTCG) tax on gains arising from the transfer of listed equity shares exceeding Rs 1 Lakh at 10 percent, without allowing any indexation benefit. However, all gains up to January 31, 2018 will be exempt. Currently, long-term capital gains from the sale of equity shares and equity-oriented mutual funds on which securities transaction tax (STT) has been charged on sell transactions are completely exempt from tax. This means that any gains from sale of equity shares or mutual funds held for more than a year are not subject to any kind of tax whatsoever.

7. Section 80D limit proposed to be hiked to Rs 50,000 for senior citizens

The limit of deduction under section 80 D for senior citizens has been proposed to be hiked Rs 30,000 to Rs 50,000. This is good news for senior citizens.

8. Exemption of interest income on deposits to be hiked for senior citizens

It has been proposed to hike the exemption on the interest income on bank and post office deposits for senior citizens from Rs. 10,000 to Rs. 50,000. This is for all FDs and RDs.

9. FM proposes DDT on equity MF, dividend seekers to be hit

It has been proposed to introduce a dividend distribution tax on equity-oriented mutual funds at the rate of 10% percent, to provide a level field across growth oriented and dividend distributing schemes. This reduce the investor's in-hand return.

10. Budget proposes to hike PMVVY limit to Rs 15 lakh

More good news for senior citizens. The FM has proposed to increase the investment limit the pension scheme, Pradhanmantri Vaya Vandana Yojana (PMVVY), to Rs 15 lakh from the present Rs 7.5 lakh. ❑

https://economictimes.indiatimes.com/wealth/tax/budget-2018-10-personal-finance-highlights-not-to-be-missed/articleshow/62741731.cms?utm_source=APPusers&utm_medium=whatsapp&share&utm_campaign=socialsharebutton

Fight for Justice or Fishing Expedition?

Chief Justice of India Dipak Misra has taken charge of the case of the allegedly mysterious death of Special Central Bureau of Investigation judge Brijgopal Harkishan Loya after a bench headed by Justice Arun Mishra recused itself over perceived slights from members of the judicial fraternity. It is surprising that the apex court has chosen to hear a case based on media innuendo, allegations from family members who talk to select journalists from certain media outlets after avoiding every legal avenue to establish (if true) that the judge died an unnatural death (read murder).

Judge BH Loya was hearing the alleged encounter killing of alleged Lashkar-e-Tayyeba member Sohrabuddin Sheikh in 2005, in which the then Gujarat Minister of State for Home, Amit Shah, was accused. The apex court had shifted the trial to Maharashtra in 2012 and ordered that the same judge hear it from start to finish. However, Special CBI judge JT Utpat was transferred on June 25, 2014, after insisting on Amit Shah's presence on June 26. It is said that Loya too demanded Shah's presence on December 15; he died on December 1. However, Sohrabuddin's brother never protested as Utpat had sought transfer for his children's education.

The question arises why the court has permitted a fishing expedition. Previously, it indulged activist Teesta Setalvad in the Gujarat riot cases, even admitting an unsigned document moved at her behest by the National Human Rights Commission, despite it being debunked by star witness, Zahira Sheikh. Now, it has agreed to hear public interest litigations seeking inquiry into Loya's death, by journalist BR Lone and Tehseen Poonawalla, brother-in-law of Robert Vadra, neither of whom has knowledge of the matter.

Niranjan Takle (*Caravan*, November 20, 2017) was approached in November 2016, two years after Loya's death, and met his sisters, Anuradha Biyani (a medical doctor) and Sarita Mandhane, and father, Harkishan, and tracked persons present at Loya's death. Briefly, Loya spoke to his wife, Sharmila, for 40 minutes on the night of November 30, 2014, describing the wedding and reception of a colleague's daughter in Nagpur. Next morning, the judge's wife in Mumbai, father in Latur city, and sisters in Jalgaon and Aurangabad were informed that the judge had passed away on December 1, 2014. He had developed chest

It is unfortunate that family members of Judge Loya are fuelling conspiracy theories while remaining in the shadows. Sadly, the apex court is giving credence to this mud-slinging exercise.
Sandhya Jain

pain in the night, was taken to a private hospital, Dande Hospital, by auto rickshaw, given medication and shifted to a larger private hospital, Meditrina Hospital, where he was declared dead on arrival.

Loya's wife and son did not speak to the journalist, but the sisters said they were informed of the death by local judge Vijaykumar Barde; Harkishan said an Rashtriya Swayamsevak Sangh (RSS) worker, Ishwar Baheti, offered to arrange for the body to reach their ancestral village, Gategaon, in Latur district (a journey of 12 hours). The body reached around 11.30 pm with only the ambulance driver. Loya's wife and children arrived from Mumbai with some judges, one of whom allegedly told them not to speak to anybody.

The family claims there were bloodstains on Loya's neck and shirt, and an injury on the head. Biyani claims she wanted a second post-mortem, but the friends and colleagues present discouraged the family from complicating the issue further, whatever that means. Harkishan said the family was scared (of whom?) and was forced to carry out Loya's funeral (by whom?). If the family was frightened in December 2014, what made the fear vanish in November 2016 when they approached the *Caravan* reporter, who took one year to publish the story?

The family said Baheti returned Loya's mobile phone a few days later (to the wife or father?), with all SMS messages deleted, including one that said, 'Sir, stay safe from these people'. Biyani alleged that Loya told her during the family's Diwali celebration in Gategaon, that Chief Justice Mohit Shah had offered him a bribe of Rs 100 crore for a favourable verdict before December 30, when it wouldn't attract attention because there was going to be an explosive story. This was MS Dhoni's retirement from Test cricket; was this also planned?

Harkishan said Loya was planning to resign. It seems pertinent that despite being under pressure, Loya does not seem to have explicitly refused the bribe, and though allegedly fearing for his life, he did not file a case of bribery and intimidation, or seek police protection. Nor did he recuse from the case.

Chief Justice of Bombay High Court and the Mumbai High Court being a part of conspiracy to murder of Loya tends to a criminal defamation.

Chief Justice Mohit Shah reportedly visited the family in Mumbai only on February 18, 2015; Loya's son, Anuj, wrote to the family (grandfather?) the same day, "I fear that these politicians can harm any person from my family..." But why would anyone harm the family when Loya was dead and Amit Shah already exonerated by the next judge? Anuj recently addressed a Press conference stating he believes the death was natural and urging peace for the family.

The *Indian Express* (on January 17, 2018) reported that an investigation by Sadar police station under Section 174 of the CrPC showed nothing suspicious about Loya's death; the autopsy ruled out poisoning. Nor was he ferried to the hospital in an auto-rickshaw; local judge Vijaykumar Barde drove him to Dande Hospital in his own car, followed by Rupesh Rathi, then deputy registrar, Nagpur bench of the High Court. A relative, Rukmesh Jakhotia of Aurangabad, was alerted by the brother judges in Nagpur and he asked Prashant Rathi, a Nagpur resident, to visit the hospital; Rathi signed the post-mortem report and accepted judge Loya"fs body. Two civil judges, Yogesh Rahangdale and Swayam Chopda, followed the ambulance in their car, which developed a snag and, hence, they arrived at the funeral a little late, with constable Prashant Thakre.

It is unfortunate that family members of judge Loya are fuelling conspiracy theories while remaining in the shadows. They cannot explain their failure to call the police and ensure a second post-mortem after receiving the body in an allegedly dubious condition. Yet, they insinuate that the two judges, who attended the Nagpur wedding with Loya, the Chief Justice of Bombay High Court and the Mumbai judges who attended the funeral, were all party to a conspiracy to murder Loya. This is ridiculous; it is also criminal defamation.

Sadly, the Supreme Court is giving credence to this mud-slinging exercise. There is no body, no witness, no evidence, no complainant with locus standi, but the accusation is being heard by the highest judge in the land. We have fallen on hard times. ❑❑

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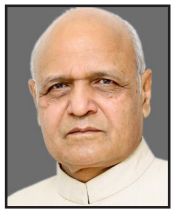
Need to Revisit Developmental Priorities to Bridge Growing Disparities & Deprivation

The socio-economic diversities of Bharat, with highly pluralistic techno-economic profiles and vast multiplicity of occupations, spread across an area exceeding over 5259 times the size of entire singapore, need well customized interventions for development, focused at inclusive growth. On reviewing the pluralistic techno-economic profiles of the country, we find the high profile Non-Resident Indians (NRIs), drawing as high as up to Rs. 525 crores p.a. as the chief executive officers (CEOs) of large MNCs, as well as the traditional tribal communities,solely or largely dependent over collection of minor forest produce as their sole means of livehood with an income as low as Rs 5000 p.m. or Rs 166 per day . Geographically, there are most sparsely populated blocks in the districts of Barmer, Jaisalmer or Leh-Laddakh, characterised by acute water scarcities, occupational hardships and highly under-developed infrastructure, including paucity of all civic amenities. To the contrary, there are metros with best possible infrastructural support, high comfort generating civic amenities and very advanced commercial and financial architecture to facilitate and sustain the best state of the art IT and commercial services of all kinds. India needs to harness there pluralistic capabilities, comprising a sprawling core sector; vast heritage of agriculture, allied activities and various crafts; one of the most developed service sector of the world; and an elaborate manufacturing sector spread across 400 industry clusters and manifold industrial estates, though mostly characterised by assembly lines, based largely on outsourced original equipments and sub-assemblies. Besides, Bharat is home to 17.5% of global population and 20% of the world's youth. But, it has the second highest rate of youth idleness, after South Africa, where 30.8% of our youth between 15-29 years of age are with "no employment, education or training" (NEET) status. To the contrary, there are countries like the Singapore, Sweeden, Switzerland, Germany etc., finding paucity of working age youth to man various positions in the knowledge based sectors, falling vacant on account of superannuation, and finding it difficult to sustain their present state of manufacturing and exports. On the other hand India has been finding it next to impossible, to generate requisite investment in the domestically owned manufacturing capacities, necessary to generate employment for atleast a million of the youth per month or 1.20 core youth in aggregate per annum, acquiring working age per month or per annum respectively. India also has to bridge the vast gap in its contribution towards world manufacturing, as it has a paltry share of 2.1% in world manufacturing vis a vis 22 % share of China in the world manufacturing, which has even pushed the US at number two with just 17.6 %. Now Japan has just 1.6% of world population, but has a 7% contribution in world manufacturing. China too had 2.4% of contribution in world manufacturing in 1991. But, by virtue of acquiring a robust share in the world manufacturing, China could succeed in



We need to revised Developmental priorities to reduce income disparities, make proper investment and generate employment for sustainable development.
Prof. Bhagwati Prakash Sharma

having highest ratio of middle income group in its total population, vis a vis all other countries of the world, by generating quality employment in manufacturing and allied activities.

Rampant unemployment and lack of quality employment in our economy, leading to poor nutrition as well as malnourishment has led India to 100th place in the world hunger index with highest rate of child death rate in the world comprising 4.8% for the children, dying below the age of 5. There are 77% families in the country, which do not have a single regular wage earner and 60.6 of the workers are such who also do not even get a casual job throughout the year. There are only 17% workers who are on regular wage or salary and 71.2% of the workers do not have any kind social security, related to their jobs.

The data from socioeconomic caste census(SECC), released by the government on July 4, 2015, further reveal that the rural India accounts for 73 per cent of households and 74 per cent of these rural households survive on a monthly income of less than Rs 5,000 (Rs. 166 per day) for its highest earner. The largest number of such households is in Chhattisgarh — over 90 per cent., which is reflective of almost a nightmarish life of such a vast number of households even after six and half decades of Independence, Moreover, according to these data, 51 per cent of the households are engaged in casual, manual labour subjecting them to dark and random forces of uncertainty for their survival and subsistence. Now only 30 per cent in cultivation, revealing that now agriculture is also not in a position to support more that a third of rural households. According to the SECC data, still, after 24 years of economic reforms, 31.26 per cent of the total rural households as are in the category of "Poorest of the poor" where the main earner of the family has an "insecure and uncertain" source of income and these households too live in a "one room house with kutcha walls and kutcha roof". Among the SCs and STs only 17.70 per cent of SC and 10.50 per cent of ST households have their own houses. The miseries of rural India do not end here, as 44.5% of rural households live in kuccha houses.

Bharat has to move on a multipronged approach to incorporate all of the multiple economic profiles including agriculture, industry, commerce and services to place disposable income enough for a descent living.

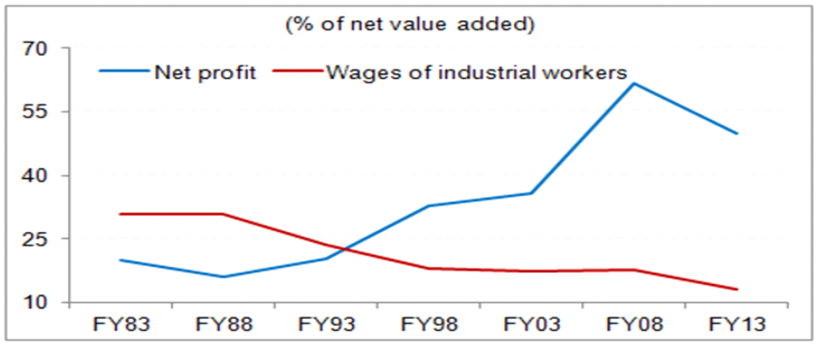
The neo-liberal economic policies in last 26 years largely aimed at liberalising foreign direct investments (FDI) in trade, commerce and Industry; leading to erosion of tax-GDP ratio, especially via reducing indirect tax to GDP; trimming the welfare and social security net, rendering the massed over dependent over Public-Private-Partnership (PPP) for delivery of publicly funded services appear to be counterproductive to our developmental goals.

The automatically excluded households devoid of any tangible variable of inclusiveness as per the SECC found to constitute 39.4 per cent of the total rural population and constitute households with none of the following: motorised vehicles, mechanised agricultural equipment, kisan credit card with credit limit of Rs 50,000 and above, households with any member as a government employee, households with non-agricultural enterprises registered with the government, any family member earning more than Rs 10,000 a month, those paying income/professional tax, living in houses with three or more rooms with all having pucca walls and roof, owning a refrigerator, landline phone, possessing irrigated land etc. Thus almost 40% of the rural population falls below the poverty line on the basis of this automatic exclusion. How long should these families wait to get at least one of these tangible variables of inclusiveness is not certain. Whether in the same generation or in their next generation.

The big surprise in the SECC was that, even after the preliminary results are out, there does not appear any tangible progress in rural as well as urban India even after a quarter century of the reforms process started in 1991, to take economy on a new growth trajectory with its focus on farmers, agriculture industry and commerce, the SECC shows that over 51% of rural India survives on manual casual labour, while only 30% lives on cultivation. Thus, now agriculture is no more able to sustain the rural households as well, after a level, it was believed to be doing so till yet. Of the rest, 1.61% are non-agricultural enterprise owners, while less than 1% are either beggars or ragpickers. But their num-

ber is also above one crore in number almost 157 countries in the world have a population of less than 1 crore. Besides on a rational analysis one finds that the poorer working class is regressing back.

Between 1990 and 2015 India's per capita income is reported to have gone up 3 times with an average annual growth in per capita income by more than 5%. But, the annual wage growth for the industrial workers had been only 1% during the same period, as revealed from the annual survey of industries. To the contrary, the corporate profits in the net value added have grown from 20% to 45%. The share of wages in the net value added of the corporate sector has gone down from 32% to 12% between 1983-2013 the number of dollar billionaires from India in the Forbes' list rose from 1 to 49 by 2010 and 90 in 2014 almost third largest number in the world. This fast growing income divide between India's rich and poor can be largely attributed to the dismal rate at which real wages of industrial workers have grown over the past three decades. It is clearly evident from the data from Annual Survey of Industries, published by Mint, whereby the real wages have grew by just 1% per annum between 1983 and 2013! In fact, the real wages appears to have grown or far less than the growth in per capita income or productivity leading to worst miseries for the wage earners. This completely overrules the trickle down theory based on western economic assumption that the two (growth rate and wages) move in tandem. Moreover the rise in corporate profitability, particularly 1991 onwards is phenomenal and the wage rise has kept on lagging far more and more behind.



Share of net corporate profits as percentage of net value added in corporate sector has more than doubled. To the contrary the share of wages has gone down to less than half in the net value added in corporate sector.

The ensuing labour reforms if undertaken are further likely to considerably erode the bargaining power of workers and their unions for having better terms of employment including better wages. In such a case the divide would be much wide leading to stagnation in the purchasing power of the workers and demand necessary for sustainable growth.

For the policy makers and economic planners as well as investors it is important to bear in mind that the ensuing 8-10% GDP growth will be meaningful only if people have disposable income to spend which would happen if the income divide can be bridged to some extent and real wages grow in tandem with growth and per capita income. Without substantial rise in per capita real wages, India's growth story will hardly take off to generate turnovers and growth. The proposed labour reforms likely to take out wind from the sails of bargaining power of labour would further strangulate growth in wages eluding the economy of requisite rise in income, demand, output, investment and employment to facilitate sustained growth.

Bharat, therefore has to move on a multipronged approach to incorporate all of the multiple economic profiles and occupation including agriculture, industry, commerce and services to place increased disposable income in the hands of all the sections, enough for a descent living. Agriculture: Agriculture needs to get precedence over all sectors, as more than half of our population is solely dependent over agriculture. Moreover India has world's highest arable area of 189 million hectares and second highest irrigated area of 67 million hectares. Almost 20 crore hectare meters of water going in ocean without being utilized, can raise our irrigation potential to 165-170 million hectare, that can help us, feed two third of the world's population. Our yield in the unirrigated area is 700 kg cereals per ha, while for the irrigated area, it is 3000 kg per ha. The countries like Netherland, largely dependent over organic manures reap 9 tonnes food grains per ha. Therefore, enhanced public investment in agriculture can revolutionaries agriculture even if we can raise our average yield of cereals to 7 Tonnes per ha, by raising our irrigation potential and productivity. It would be discussed in the concluding article. ***(To be concluded)***

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Green Revolution - Myth and Reality

One of the most enduring myths of the development experience of India has been that without the green revolution (GR) varieties India would've starved as enough food could not have been produced. Faced with mounting evidence of the adverse impacts of green revolution, these diehard supporters of GR say, "Oh! all this is very sad, but unfortunately this price had to be paid as otherwise India could never have produced enough food for its people."

However there is a lot of evidence that the yield in the pre-green revolution years was increasing at a reasonably good pace, and in the case of some important crops like rice the increase in pre-green revolution years was in fact higher than in the post green revolution years.

There are several studies by eminent experts who studied India's agriculture based on indigenous varieties and the accompanying technology and found that the farmers were making very good use of their resources and conditions, and that the technologies followed by them were very sound and suitable to their conditions.

There is evidence that many indigenous varieties have yields higher than GR varieties without using the heavy doses of agri-chemicals needed by GR varieties. Before G.R. seeds were introduced, far from facing emergency conditions, India's scientists were on the verge of a major breakthrough for raising yields based on indigenous varieties, at least in the case of the most important food crop.

Land-reforms too would've opened up the doors for increasing productivity significantly, but this path was neglected badly.

In many contexts GR seeds increased problems right from the early days, and that several warnings about this were given by senior scientists of India.

Very briefly we present here some of adverse impacts of green revolution on the the existing food, agriculture and nutrition situation in India-

- Persistence of very high levels of malnutrition and under-nutrition, a problem

Instead of Green Revolution, focus should be on indigenous varieties with high yields and watershed schemes of low budget would give benefits to organic and small famers, seed-savers & seed protectors.
Bharat Dogra

which has many aspects.

- High rates of depletion of natural fertility of farmland, including alarming loss of several micro-nutrients.
- High fall in water table in vast areas.
- Many cases of poisoning of people by pesticides, other agri-chemicals, as well as loss of other forms of life and spread of serious diseases.
- Botanic holocaust in the form of loss of thousands of crop varieties and threats to others.
- Loss of invaluable traditional wisdom relating to agriculture and seeds and break-down of system of passing knowledge from one generation to another.
- Heavy burden of food, fertiliser and agriculture subsidies often as a result of the intolerably high costs of transporting food across vast areas.
- Much diminished per capita availability of pulses & legumes.
- Loss of taste and nutrition in food-crops.
- Reduced availability of fodder.
- Serious hazards and pollution in more intensive G.R. areas.
- High drain on foreign exchange as India has emerged as the highest importer of chemical fertilisers. Most feedstocks of domestic production of fertilisers are also imported. High imports of ediable oil and pulses are also a drain.

Clearly the GR approach to agricultural development should be given up. The following alternative approach should be emphasised.

- Protecting vast diversity of indigenous seed varieties and organic, low-cost, ecologically protective, self-reliant, local resource based farming methods.
- Using scientific knowledge to promote the above approach and the 'agro-ecology' approach in better ways. Priorities of farm research and extension network to be entirely changed in this direction.
- Land-reforms to be implemented effectively.
- Much higher allocation for agriculture & allied activities with direct benefits to organic farmers and seed-savers, seed protectors.
- Better implementation of watershed schemes with low-budget small projects implemented with close involvement of rural communities and small farmers.
- Increasing greenery in villages with emphasis on indigeneous species. ❑❑

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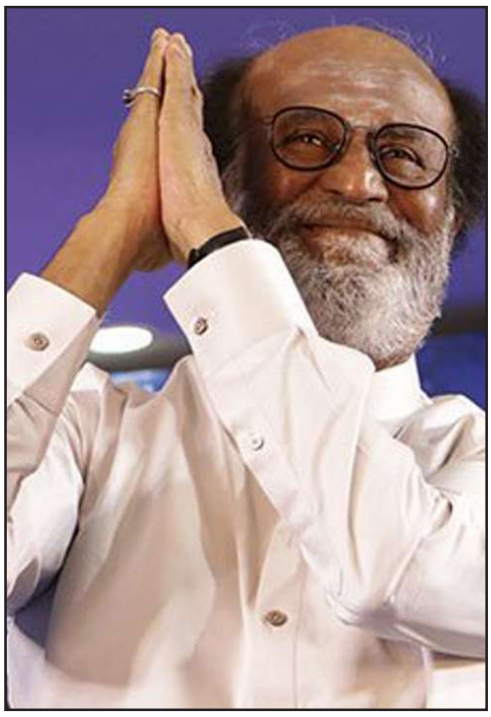
Will Rajini change the paradigm of Tamil Nadu politics?



Never after the legendary MGR, as the famed cine actor MG Ramachandran was adored, has Tamil Nadu politics seen such tumult and quake as when Rajinikanth announced his entry into politics on December 31, 2017. His decision to enter public life is contextualised by the huge vacuum in Tamil Nadu politics after the demise of Jayalalithaa [Jaya] and the age-related inactivation of M Karunanidhi [MK]. To understand what Rajini's entry means to Tamil Nadu politics, one needs to recall how the two Dravidian parties — the DMK and the AIADMK that split from the DMK in 1972 — came to occupy almost both the ruling and the opposition spaces in the State.

Anti-DMK votes

After the ouster of the Congress by a DMK-led alliance from power in 1967, the DMK emerged as the dominant force in Tamil Nadu politics, with the Congress led by the redoubtable K Kamaraj weakening after the 1971 general elections and disintegrating during the Emergency in 1975-77 and after. This tectonic shift and its impact on the course that Tamil Nadu politics took then, has huge relevance for understanding what impact Rajini's entry may have on Tamil Nadu politics now and in future.

Many analysts thought that the division of the DMK into two parts in 1972 would clear the way for the return of the Congress, which, though split in 1969, had largely retained its base in Tamil Nadu thanks to the grand old Kamaraj. With 38 per cent vote share in the 1971 polls and the vertical split in the DMK, the Congress under Kamaraj thought it would be back in power soon.

There was a flaw in this analysis. While most of the DMK votes in 1971 were its "own", a significant part of the Congress votes were "anti-DMK votes" of generally the educated and the middle class. The Congress benefited by the anti-DMK votes that did not belong to it. The aim of the anti-DMK voters was to defeat the DMK more than electing the Congress to power. Anyone who could show the potential to defeat the DMK stood a chance to get the anti-DMK votes.

Rajini will be the first political leader with mass following to refuse the Dravidian legacy and project nationalist views.
S. Gurumurthy

MGR as beneficiary

When MGR exploded into the political sphere after he was expelled from the DMK, the massive reception he got and the intense anger he generated against the DMK, particularly MK, made the anti-DMK voters look at the AIADMK as the potential winner and not the tired and fatigued Congress led by the noble and gentle Kamaraj. Though national minded, their antipathy to the DMK compelled them to shift to the AIADMK from the Congress.

The shift of the anti-DMK voters from the Congress to the AIADMK was proved in the Dindigul bypoll to Parliament in which the MGR-led AIADMK entered the electoral fray for the first time after the split. While the AIADMK

won it with 52% votes, the Kamaraj Congress got less than 16% in the 1971 poll and the DMK polled 36%, which together constituted the AIADMK votes. MGR's entry was therefore not a split in the DMK but proved to be a paradigm shift in Tamil Nadu politics, with the AIADMK emerging as the pseudo national party fighting the DMK. With the rise of the AIADMK, the alliance between either of the two Dravidian parties and national party de-Dravidianised Tamil Nadu politics, which had gone Dravidian in 1967.

Rajini — natural choice

What is the relevance of the advent of MGR in 1972-73 to that of Rajini now? An analysis of the elections since 1973 in Tamil Nadu proves that the anti-DMK votes — which later changed in character as anti-MK votes, against the MK dynasty — played a critical role to make the AIADMK win all elections except perhaps 1996, which the AIADMK supremo Jayalalithaa lost due to public anger at the ostentatious wedding of her adopted son.

By any calculation the anti-DMK votes would constitute at least 15% of the total votes in Tamil Nadu — a third of the AIADMK votes, if not more. Rajini will be the natural choice of the anti-DMK votes, which is actually a hidden national party vote bank. With the AIADMK, leaderless after Jaya, seeming to be no longer potent to defeat the DMK, the anti-DMK voters are bound to seek a credible asylum. Rajini is the most obvious candidate for the anti-DMK voters who are most likely to desert the AIADMK just as they deserted the Congress in 1973. Apart from millions of his own fans, Rajini will have the bonus of the anti-DMK votes.

Non-Kazhagam votes

The next factor is the educated and middle class Tamil Nadu, which has been seeking alternatives to the Kazhagams — the DMK and the AIADMK — for long. This will include those who have been voting for the DMK because they dislike the AIADMK and also those who have been voting for either of the two as the lesser evil in any given election. This is a shifting number and floating votes, which belong to neither of the two, but still alternates between them only for lack of a credible alternative.

These two factors will mean a chemical change and affect both the DMK and the AIADMK in a manner that the frozen support base of both had never betrayed in the last 45 years. Another factor is the addition of some 37 lakh new voters who would have just turned 18 by 2019, which would increase by a further 23 lakh voters by 2021. At present, no political party or leader in Tamil Nadu has the charisma to attract this new avalanche of voters.

DMK leader M K Stalin has said that youth do not get attracted to politics — meaning they do not get attracted to the DMK as well. Maybe some of them may look to Narendra Modi who has definitely a great appeal among the youth and to an extent Rahul Gandhi. While the Congress is keen to commit sati with the DMK without attempting to do anything on its own, the BJP has not yet put its act together in Tamil Nadu. As yet Tamil Nadu is not in the radar of the redoubtable Modi-Shah combine, which has built the BJP from scratch.

Undoubtedly Rajini has a huge following in and outside Tamil Nadu and all over the world.

The new avalanche of voters who have no attraction for the existing players and faces, will be looking for a new, credible face and Rajini is the most obvious candidate. While Rajini has a large and independent vote base, the other factors are not just add-ons, as each of them is a huge constituency in itself. Undoubtedly Rajini has a huge following in and outside Tamil Nadu and all over the world. His simple announcement of political entry, without even specifying when exactly, has sent shock waves and aroused huge enthusiasm all over. More. He will be the first political leader with mass following to refuse the Dravidian legacy and project nationalist views.

By his significantly new, well advised political brand "spiritual politics" he marks himself out from the anti-God politics, concealing within it the Dravidian anti-Hindu sentiments, which has become outdated and counterproductive in Tamil Nadu's increasingly pervasive religiosity. With these potential ground-shifts the question that remains is: will Rajini be able to change the paradigm of Tamil Nadu politics? ❑❑

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Asean central pillar of Act East;
Indian trade to boom in Asia, Pacific

Netanyahu's recent visit has not strengthened Indo-Israeli economic bonds in terms of trade and significant investment in areas like tourism, technology, agriculture and innovation but has encouraged India in reviewing its various FTAs with South Korea, Brunei, Cambodia, Indonesia, Malaysia, Laos, Myanmar, Philippines, Singapore, Thailand, Vietnam and Sri Lanka.

Shivaji Sarkar

It is a great stride. The Indo-Asean commemorative meet is projected to pave ways for an Asian prominence and double the present level of India's trade to around $ 125 billion with Asean countries by 2025. That is not the only gain. The engagement will be at many stages right from defence to various levels of economic engagement beyond the region with Japan, Australia and New Zealand in the wake of India, US, Japan and Australian round of talks on cooperation in the Indo-Pacific region. Asean is central pillar for Act East policy.

A significant involvement is with The Philippines, which with President Duterte is looking to free itself from the US domination to develop independent ties with China and India. It is the process of reconnecting with East Asia through the 10-nation Asean – Indonesia, Singapore, Indonesia, the Philippines, Malaysia, Brunei, Thailand, Cambodia and Vietnam.

This is in continuation with Prime Minister Narendra Modi's plenary address to the global community at the world Economic Forum on January 22 and his visit to Manila for the 15th ASEAN-India summit and the 12th East Asia summit held in Manila in November 2017. The present commemorative meet brings India closer with the ten-nation ASEAN as their heads discuss the future of Southeast Asia and also becomes the bridge with the East and the West paving way for a dynamic world that would have to look more towards Asia for global progress.

Trade with Asean has touched $ 71 billion, 25 times which was at the onset of the relations in 1992. The meet and bilateral talks held with each of the leaders is likely to increase business of Indian IT companies and maritime involvement manifold.

The maritime involvement is significant. It entrusts Indian Navy (IN) with the task to fight against Southeast Asian nations' drive to eliminate piracy. The wolrdls' 52 percent of the piracy takes place in this area since the international action controlled piracy with active involvement of IN around Somalia, western parts of Indian Ocean and West Asia.

The engagement is strategic and is to give Indian defence sells a boost. It is also to speed up international trade and the major beneficiary is likely to be Indian trade and shipping activities.

A major part of the engagement with ASEAN would benefit the North-Eastern parts of the country the trilateral highway through Myanmar to Bangkok

and is to be completed by 2019 with huge Indian investments. Entire cost of this strategic road is being borne by India and benefits Indian construction sector.

Many countries are increasing infrastructure activities. The trilateral highway is likely to emerge as the brand India icon to multiply demand for building infrastructure and related activities. It could replace the Gulf in the coming years as the job destination for Indian techies.

The International Monetary Fund (IMF) and World Bank (WB) find Malaysia, Indonesia and Thailand having large economic potential and the fast growing economies. India apart from multilateral relations with these countries also has bilateral ties. So while these countries would have direct trade with India these would also aid in multilateral action to help India.

The ASEAN engagement is in the backdrop of increasingly aggressive China triggering insecurities among its Asian neighbours that arises with Beijing's claims of almost 80 percent of the resource-rich South China Sea (SCS0. At least four nations – Vietnam, Malaysia, Nrunei and the Philippines – are party to territorial disputes with China. Singapore and Vietnam have repeatedly urged India to increase its security profile in southeast Asia. India's recent tough stand with China at Doklam has raised its potential.

The present range of talks moved around implementation of various projects in the fields of agriculture, science and technology, space, environment, human resource, capacity building, tourism and connectivity. From Asean, the Philippines has wintesssed a steep rise in services trade. Several Indian companies have opened offices at Manila in the last few years in IT-enabled and research and development services.

The Indian IT companies are now looking for deeper ties with the region. The Philippines is keen on having an Aadhar-based system and looks for Indian assistance. Another growing area is the medical services.

The rare mention of "countering cross border terror" stresses and shares the need Asean's vision for peace and prosperity through a rule-based order for the oceans and seas, Modi said at the plenary of the summit.

This was critical as Asean and India reaffirmed the importance of ensuring freedom of navigation and overflight in the region, and other lawful uses of the seas and unimpeded lawful maritime commerce and to promote peaceful resolution of disputes. These are virtually in the context of the SCS.

Inclusion of China in RCEP may cause an uncanny feeling. India would like the move of Asean to do it away from China.

A free SCS and the Strait of Malacca is in the interest of the region and engagement with India and trade across Asia. India has free trade agreements with the ten countries. The trade, however, has been growing at a pace less than the deserving.

The trade is growing at 10 percent. Asean wants it increase it and insists on the Regional Comprehensive Economic Partnership (RCEP) that is being talked about.. Indonesian President Joko Widodo and Singaporean prime minister Lee Hsien Loong are keen that RCEP is signed this year itself.

The RCEP is a FTA involving Asean nations and India, Australia, New Zealand, South Korea, China and Japan. Asean demands tariff cuts. India is wary of it as it is building its indigenous manufacturing. Apart it has apprehensions that it would flood Indian markets with Chinese goods, which is politically volatile apart from its adverse economic impact on the country.

Singapore feels it would create an integrated Asian market comprising half the world's population and a third of GDP.

In the official circles, the Asean demand for RCEP and inclusion of China causes an uncanny feeling. There may be further negotiations and India would like the Asean to do it without China.

But some Asean nations are also interested in having closer bilateral ties including Vietnam, Myanmar, the Philippines, Sinapore and Brunei. They want to trade on many areas are also interested in knowing more about the cashless economy.

Closer cooperation in the energy sector power, oil and gas exploration is a possibility as it happening with Vietnam. Other feasible areas are nuclear energy and mineral exploration.

The commemorative summit in the long run, is likely to create an Indian aspirational area and boost trade and business in the neighbourhood. ❑❑

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Youth Unemployment and National Skill Development Corporation

There has been an increase in higher education and unemployment concurrently in urban India. An educated unemployment is one who is qualified and willing to join the workforce but doest no get suitable work, nor even underpaid jobs. India has the largest population of youth in the world with about 66% of the total population is under the age of 35. Declining job-market and financial equilibrium are responsible for increasing unemployment for the educated youth in urban India. Low-income groups in urban areas and their lack of access to skill-based education and work experience are some of the major factors responsible for unemployment and under employment on one hand, India has made huge strides in higher education (literacy has also increased) but the unfortunately phenomenon of unemployment and under employment for the educated is also staggering. There are three main types of unemployment: fractional unemployment, frictional unemployment and structural unemployment seasonal when people wait for their first jobs. This kind of unemployment can be handled by creating awareness about new opportunities and openings. Seasonal unemployment happens in industries like tourism and farming. Hence, people engaged in these two industries should be encouraged to take up other off-seasonal jobs. The structural one is the worst type of unemployment as it involves a change in the structure of an economy. This type of real situation can have a long term impact on job-market. Structural unemployment is usually triggered by machines replacing human, behavioral change among the consumers and related factors. Our policy makers both in public and private sectors must address this issue through retraining on job training in more than one occupation.

The Labour Bureau under Union Ministry of Labour and Employment released an Annual Employment & Unemployment Survey report. The report for 2012-13 states that Sikkim has the maximum number of unemployed people where

Inspire of increasing higher education, there has been an increase in unemployment among the educated youth in urban India. National Skill Development Corporation under the Ministry of Skill Development through its multiple training-layers is addressing the issue of job-creation.
Prof. Nandini Sinha Kapur

as Chhattisgarh has the minimum number of unemployed people in the country. Overall unemployment rate of the country is 4.7%. In Northern India, Jammu and Kashmir has the maximum unemployment rate followed by Himachal Pradesh, Delhi, Chandigarh, Punjab and Haryana. Unemployment rate in rural area is 4.4% whereas in urban area it is 5.7%.

90 Lakhs women lost employment in rural sector from 2009 to 2012. On the other hand 35 lakhs women were added to the workforce in urban areas. However, this addition has not brought much relief to increasing when unemployment among the youth and labour force participation rate in much lower for females than for males. The number of unemployed youth in urban India has reached an alarming proportion and still the number is increasing every year. The figure of unemployment listed by National Sample Survey office (NSSO) has gone done to 38.6% in 2011-12 (July-June) from 39.2% in 2009-10. Annual employment and unemployment survey for 2015-16 mentions only 50.3 percent rate for labour forces participation. In 2016, India's unemployment rate was 7.92 percent, with rural unemployment at 7.15 percent and urban unemployment at 9.62 percent. Analytical views of this phenomenon with reference to youth unemployment are as follows:

a. ***Alarming growth rate of population:*** The most important factor is the alarming growth of population. The population of our country has exceeded 1.2 billion. We see that the population is growing fast but there is no expansion of corresponding avenues of employment.
b. ***Inadequate growth of economic opportunities:*** In comparison with the growth of population, the economic opportunities in the country in trade, industry, commerce, and agriculture have not proportionately increased, with the result that there are more young men seeking employment than there are opportunities to absorb them.
c. ***Defective Education System:*** Our system of education is also defective. It is not satisfactorily related to the socio-economic needs of our people. Since the western system of education was introduced in this country; people have all along shown a general tendency towards general higher education. A certain degree of general education was also considered essential for securing services in public offices and jobs in merchant offices. The lure of lucrative opportunities in liberal profession have all along attracted the bulk of the young men with the result that gradually all these lines have become crowded.

The Govt of India is strengthening its Ministry of Skill Development and Entrepreneurship to help the educated unemployment in urban India.

d. ***Lack of technical qualification:*** They do not possess such technical qualifications as would enable them to take to some technical lines. The society is thus confronted with the problem of finding openings for the educated young people.
e. ***Unplanned Automation:*** Unplanned automation has thrown thousands of young people out of their work.
f. ***Industrial Unrest:*** Industrial unrest has also led to lockouts and layoffs.

Presently, the Government of India is strengthening its Ministry of Skill Development and Entrepreneurship which would address the issue of educated unemployment in urban India. We quote our Prime Minister, Narander Modi "Let us make India the Skill Capital of the World". The highlights of this Ministry of create job opportunities is through the training imparted National Skill Development Corporation. The National Skill Development Corporation India (NSDC) was setup as a one of its kind, Public Private Partnership Company with the primary mandate of catalysing the skills landscape in India. NSDC is a unique model created with a well thought through underlying philosophy based on the following pillars:

1. ***Create:*** Proactively catalyse creation of large, quality vocational training institutions.
2. ***Fund:*** Reduce risk by providing patient capital. Including grants and equity.
3. ***Enable:*** the creation and sustainability of support systems required for skill development. This includes the Industry led Sector Skill Councils.

The main objectives of the NSDC are to:

- Upgrade skills to international

standards through significant industry involvement and develop necessary frameworks for standards, curriculum and quality assurance

- Enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models; strive for significant operational and financial involvement from the private sector
- Play the role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing
- Prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

Partnerships

NSDC operates through partnerships with multiple stakeholders in catalysing and evolving the skilling ecosystem.

Private Sector – Areas of partnerships include awareness building, capacity creation, loan financing, creation and operations of Sector Skill Councils, assessment leading to certification, employment generation, Corporate Social Responsibility, World Skills competitions and participation in Special Initiatives like Udaan focused on J&K.

International Engagement – Investments, technical assistance, transnational standards, overseas jobs and other areas.

Central Ministries – Participation in flagship programmes like Make in India, Swachh Bharat, Pradhan Mantri Jan Dhan Yojana, Smart City, Digital India & Namami Ganga, among many others.

State Governments – Development of programs and schemes, alignment to NSQF and capacity building, operationalization of program, capacity building efforts among others.

University/School systems – Vocationalisation of education through specific training programs, evolution of credit framework, entrepreneur development, etc.

Non-profit organizations – Capacity building of marginalized and special groups, development of livelihood, self-employment and entrepreneurship programs.

Innovation – Support to early-stage social entrepreneurs working on innovative business models to address gaps in the skilling ecosystem, including programs for persons with disability.

Capacity building of marginalized and special groups, development of livelihood, self-employment and entrepreneurship programs.

Achievements of NSDC have been impressive including training of Over 5.2 million students 235 private sector partnerships for training and capacity building, each to train at least 50,000 persons over a 10-year period. 38 Sector Skill Councils (SSC) approved in services, manufacturing, agriculture & allied services, and informal sectors. Sectors include 19 of 20 high priority sectors identified by the Government and 25 of the sectors under Make in India initiative. 1386 Qualification Packs with 6,744 unique National Occupational Standards (NOS). These have been validated by over 1000 companies. Vocational training introduced in 10 States, covering 2400+ schools, 2 Boards, benefitting over 2.5 lakh students. Curriculum based on National Occupational Standards (NOS) and SSC certification. NSDC is working with 21 universities, Community Colleges under UGC/AICTE for alignment of education and training to NSQF. Designated implementation agency for the largest voucher-based skill development program, is Pradhan Mantri Kaushal Vikas Yojana. Skill Development Management System (SDMS) is yet another national project with 1400 training partners, 28179 training centres, 16479 trainers, 20 Job portals, 77 assessment agencies and 4983 empanelled assessors. Hosting infrastructure certified by ISO 20000/27000 supported by dedicated personnel.

Recently Government of India organized India-Africa Knowledge exchange mission under the AEGIS (30th October to 3rd November, 2017).

The key objectives of India-Africa exchange collaboration –

- Identification of challenges for addressing the skill development needs in the informal sector across India and Africa.
- Discussions on way to increase human resource productivity through reforms at national and state level: both India & Africa
- Study of innovative models of corporate-led skill development programmes for increasing industry competitiveness. ❑❑

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What SJM should propose to the Govt. to create Jobs

One of today's crying needs is job creation: not creation of parasitic jobs within the confines of the bureaucracy but in those areas where the job output can be converted to wealth. This argument applies equally to agriculture as well. Many prophesise that the future of the present NDA regime will depend not on how they manage the Govt finances, not on how they control opposition and disruptive elements, not on rapid successes in economic or scientific arenas but on how theyare able to tackle growing unemployment problem notably in rural and semi urban India. That is agenda number one before the NDA Govt at the Center.

What is the best and quickest possible solution? Let's take the case of Maharashtra -50% of rural industries in the MIDC are down. In Maharashtra alone, several MIDC are totally down and property is being developed for non-industrial purposes. These are known as industrial graveyards. This is very sad indeed and makes the employment situation in the rural and semi-urban areas very grim.

This happened mainly due to shift of focus from manufacturing to services that resulted in the large scale collapse of the local industry resulting in huge retrenchment. Since 1990s under the so called Great Policy of Dr Manmohan Singh [Liberalisation and Globalisation] is largely responsible for the biggest collapse of rural SMEs. Both UPA and NDA governments allowed rural industries to shrivel and die. The NDA govt came out with a "VRS" for manufacturing companies to enable them to pay off their bank debts. It was a negative policy aimed more to pay off the SFCs (State Financial Corporations) which had all gone bankrupt due to the collapse of the SMEs [as a fall out of the Great Policy of Dr MMS] than to help revive the local indigenous industry. This policy of

SJM to present job-creation proposal to the government should include revival of our Swadeshi manufacturing capabilities to make our new policy, "Make in India" dream possible and transform India into a manufacturing hub and small & medium enterprises to create rural job opportunities.
Sameer Banerjee

shifting from manufacturing to services has had long term effects on our overall economic growth. In fact a whole new generation of Indians has grown up into an India largely bereft of local small rural indigenous industries.

Today, we are paying the price now when our income from these services has suffered due to global competition and recession. Unless a determined effort is made to revive our own manufacturing capabilities, our new policy of "Make in India" will remain a dream only. The Make in India initiative was launched by our Hon'blePrime Minister in September 2014 as part of a wider set of nation-building initiatives. It is devised to transform India into a global design and manufacturing hub. Make in India was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade. Make in India was launched against the backdrop of this crisis, and quickly became a rallying cry for India's stakeholders and partners. It was a powerful, galvanising call to action to India's citizens and business leaders, and an invitation to potential partners and investors around the world.

From this it appears that the dream of "Make in India" is for large gigantic projects with free flow of foreign capital. But for real rural employment generation, the thrust ought to be in developing or reviving rural SMEs to create rural job opportunities and improving the quality of life in the rural population. Simple example: an MNC with an outlay of Rs 100 crores will generate employment of say 1000 to 10,000 persons (direct & indirect). And a group or cluster of SMEs with the same combined outlay of Rs 100 crores will generate employment from 50,000 to 100,000 persons. This fact has been acknowledged by many circles both inside and outside the echelons of power.

What is the best and quickest possible solution for reviving rural industrial areas? Here are my suggestions: 60% of rural industries (in MIDC) are down or running under capacity or going slow. Many places like MIDC in A'nagar, Jalna, Kudaletc are almost totally dead. During the benign "protective" economy local industries were comfortably protected from ruthless international competition. Naturally they were thriving nodes of industrial growth and rural development, creating large work force in the rural areas. Many such industrial areas already have an inbuilt infrastructure. They have good schools, colleges, social clubs, etc. many have hospitals and various other social needs that will make the staff and workers of these rural areas happy and content to be far from the madding crowd of exploding cities. No crowding, no rush and bustle of city life, no traffic jams, no parking problems, no lining up for admissions everywhere, no nothing.

For rural employment generation, thrust ought to be in reviving rural SMEs to create rural job opportunities and improving the quality of life in the rural population.

Today most of those SMEs are in the doldrums. They have the machinery, the technology, knowledge and the infra structure and need the impetus to re-start, resume production and engage in re-employment. This to my mind will be the shortest possible route to job creation in the rural areas of Maharashtra. How this can be done is for all of us to get together and find out.

In Maharashtra alone, there are about 225 industrial complexes with 1,300,000 acres (5,300 km^2) of land. Developed specialized parks for different industrial sectors, including IT, BT, wine (grape processing) Park, Silver Zone, gems and jewellery, textiles, leather, chemical industry, electronics, food processing, floriculture, milk and sugar cooperatives, discreet engineering manufacturing, among others. Elaborate network of industrial & domestic water supply, total quantity supplied 1,285 MLD. Thus you can see that the basic ground work and infrastructure has already been created by the MIDC for the development of the industries. All we have to do is revive these industrial areas to bring life and spirit back into those areas to gain a thrust to the sagging employment situation in rural and semi-urban areas of the country.

Unfortunately for several other reasons a sizeable number of SME are not doing well or are completely downed their shutters. Let us assume that total number of industrial units in these areas is about [100 X 225] =22,500 and if 50% of these units in the 225 industrial areas are in a bad shape, and these units have an employment potential of say 500,000, then we are talking about a huge surge in

rural employment. And mind you, this is a conservative estimate and when we extrapolate to the all India level, one can see how we can achieve a quantum jump in the employment in rural and semi-urban India

At this juncture we are discussing only for those SMEs whose plants have the basic P&M and the necessary infra-structure needed to re-start with some assistance in the form of capital and labour work force.

My humble suggestions to the state Govt.are:

1. To completely protect or insulate the SMEs from all pressures of labour laws, unions, minimum wages, pressures from local goons and political parties. This is perhaps one of the most important but also the most difficult to implement in our present local politics ridden country.
2. To subsidise part of the salary or wages (upto a maximum of 50%) of the educated youth employed by the SME (in rural India). This will help the educated rural youth to take up employment in the rural SME and not run to the cities for jobs. This policy was in vogue in the early 1990s, SMEs were given incentives to employ engineers, chemists and technical staff. It did help to a large extant and I'm sure it will help at this juncture as well. If the same system of allotting the subsidy to the SME employer as was done in earlier is now re-implemented the scheme can be flagged off on urgent basis.
3. Othersteps to be taken to help revive SMEs should include-

a. increasing customs tariffs on imports wherever possible to regulate the import of foreign goods into India,
b. 90% subsidy to solar & wind power systems,
c. exemption of state excise duties on electricity supplied to SMEs,
d. creation of SME friendly banks: simplification and quick disposal of banking facilities, short term lending schemes (including local L/C) for purchase and bill discounting scheme on product sales.

4. India's largest employer is the "Unorganised" sector or by the MSMEs all across all states. In contrast there is no substantial employment generation by the Corporate Sector that in fact corners most of the Banking Finance. In simple terms, the unorganised sector takes up the task of employment with little support from the Govt or financial institutions.
5. That is why S. Gurumurthyji suggested development of the MUDRA Bank (an acronym for Micro Units Development & Refinance Authority) to the Govt that they have accepted in principle. This however needs to be formalised into a large network of Banks providing the MSMEs with small finance (Rs. 10,000 to Rs. 5,00,000) at affordable rates of interest with low volume of documentation in an organized way of say a cluster of 8-10 small entrepreneurs grouped together with a leader taking up the responsibility of repayments into easy EMIs within as short a time span of say 12-24 months.
6. The industry has been availing of medium quantum financing schemes from the banks of say Rs. 5 -50 lakhs for specific requirements against confirmed purchase orders from their customers, repayments for which can be planned on the basis of payments from customers on satisfaction of their purchase requirements within a reasonably short time span. This scheme should be made broad based and extended to the rural and semi urban areas. For the processing industries in the chemical, food processing and textile industries, against specific needs, medium quantum of finances can be made available at affordable rates of interest and within medium term timelines again of EMI basis within 2-5 years.
7. For all these some kind of financial discipline needs to be maintained by the industry in drafting precise Project Reports, adherence to timelines mentioned in the Project Reports and realistic timelines drawn up for project completion. Project Financing needs risk adequate coverage for timely compliances and commercial risk coverage policies need to be creatively devised to ensure compliance.
8. Good track records by the finance availing industries will also attract larger and easier term financing options that the Banks can devise within the general ambit of their products and powers to facilitate.

Even if some of these suggestions are implemented, they will eventuallycontribute to an increase in the employment potential. If by mid 2018, NDA can create a significant job drive in the rural areas, half their battle for 2019 is won.❑❑

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Press Release

Round Table Conference (February 2, 2018)

WTO: The way forward

In view of the upcoming Mini-Ministerial Conference which is scheduled to be held in March 2018, Swadeshi Jagran Manch organised a Round Table Conference on February 2, 2018 to discuss about appropriate agenda that should be considered by Government of India. Dr. Murali Manohar Joshi, MP and Former HRD Minister, Government of India, Sh. Arun Ojha, convenor SJM, Sh. Bhagwati Prakash Sharma, Co-convenor SJM, Sh. Kashmiri Lal, ogranisor SJM, Sh. K.C. Tyagi (MP) and leader Janta Dal, JDU, Prof. Abhijit Das, Chief Centre for WTO, Prof. Vishwajit Dhar, Ms. Anu Mathai, member India Negotiation Team WTO, Prof. James, Ms. Vandana Shiva, Ms. Mira Shiva, Sh. Yudhvir Singh (General Secretary Bharatiya Kisan Union), Sh. Krishan Vir Chaudhary and many exports on WTO attended this Round Table.

Background

On the completion of World Trade Organisation's (WTO) 11th Ministerial Conference (MC11) at Buenos Aires, India might have returned empty handed as a permanent solution to the issue of Public Stock Holding remained elusive due to the adamant attitude of US, despite the fact that it was on the mandated agenda of the MC11.

In the last ministerial conference, MC10, held at Nairobi in 2015, it was decided by all member countries unanimously that a permanent solution would be found by 2017. But the United States went back on its promise and said it was not ready to give a permanent solution to PSH, at least this time, and by its adamant posture over new issues, the US became instrumental in causing the collapse of Buenos Aires MC11.

From the very beginning, the US made it very clear that this issue was not going to get resolved as its interest primarily was in a fast track work program on rule-making in e-commerce, investment facilitation and also limiting fisheries subsidies for illegal and unreported fisheries. Out of these issues, only fisheries subsidy was part of the Doha development Agenda. However, India wanted that this issue should be sorted out in such a manner that interests of our traditional fishermen do not get hurt. It may be noted that so far as rules of WTO are concerned, unless there is an 'explicit consensus' among member countries about inclusion of one or more issues, it can't be done unless all members agree. However, it is equally true that US and other developed countries have been able to get new issues included by way of pressure, lure or even 'arm twisting'.

Agriculture is a key issue for India and the majority of its population. But developed country subsidies, in particular the AMS (Aggregate Measurement of Support) are hurting farmers in India. Swadeshi Jagran Manch support the proposal by India on eliminating the AMS, while making it very clear that the development subsidies we get cannot be touched as these represent an important tool to support farmers in developing countries. More than 100 developing countries support us in this endeavour. Billions of small farmers stand united to end injust and unethical subsidies being given by developed world. This is a urgent need to eliminate AMS as it brings large disparities between developed and developing countries. Rich countries get more subsidy entitlements because of AMS and can also concentrate subsidies on a few products which get large subsidies such as rice, wheat, dairy products etc.

Permanent Solution of Public Stockholding: Swadeshi Jagran Manch strongly believing in permanent solution on public stockholding, which has to be allowed without limits. We do not accept very difficult compliance conditions, including those set out under the Peace Clause which makes it almost impossible to use.

Special Safeguard Mechanism (SSM): Every country has the right to adopt special measure in order to curb sudden surge in supply of agricultural produce, to safeguard the interest of the farmers, by increasing tariff. An agreement on these SSMs is pending for many years, which needs to be pushed to protect our farmers against surge in import of agricultural produce. Therefore, there was on urgent need for earliest conclusion for SSMs, which should not be linked with further market access (tariff cuts). The market is already distorted by developed country subsidies and standard barriers.The developed countries already enjoy the Special Agricultural Safeguard (SSG) which is very simple to use. Then, why not SSM for developing countries?

Commerce Minister Suresh Prabhu in his speech at the Plenary session made it very clear that the public food stock holding issue is very dear to India, as it is not a matter of trade. It's a matter of life and death for more than 800 million people worldwide, a large proportion of whom live in India.Their food security depends upon the public distribution system, based on stock of food maintained by the government. In his later speeches, he stated that this issue is important for poor children suffering from malnutrition who are provided food by public programmes like 'Anganwadis'. School-going children are provided mid-day meals in schools, which fulfils their food needs. It thus increases enrolment ratios and reduces drop outs. He also said that improving food security is a global goal, and India is committed to take care of its needs.

The most important thing is that calculation of subsidy for public stock holdings for nations is flawed. On the one hand, WTO rules are circumvented by developed countries. For instance, US provides a total subsidy of more than $60,000 per farmer and still doesn't face any hurdle and India which pays hardly $108 per farmer faces objections. The US and other developed countries have cleverly shifted their subsidies to green box, which they are legally not bound to reduce. Further they are also allowed to give aggregate measure of support, which developing countries can't. Adding insult to injury, the formula for calculating subsidy has been made such that 1986-88 prices are taken as reference prices. According to this provision, if during 1986-88 price of wheat was Rs 385 per quintal, and government is procuring wheat today at a price of Rs 1600, Rs 1215 would be considered as subsidy. From any angle this provision is absurd; still US is finding ways and means not to correct it. Therefore, a permanent solution to the issue of PSH is not a concession; it's merely correction of a wrong done, previously.

E-commerce: E-commerce is a complex and unknown area where the entire future of the country is potentially impacted. It can restrict future economic policy making and curb the government's ability to regulate giant e-commerce companies. It is not in best interest of our country to give away a critical raw material like data for free to large corporations in the west to profit from affecting future manufacturing policy space; and allow the WTO to decide on rules shaping key policies on health, agriculture, finance. Losing all tariff revenue on e-commerce as well as the regulatory control it exerts over imports is also unthinkable for a country like India. When we do not know how and what future e-technology will develop and what regulation it will need, the question of freeing up regulation in this area should not even arise at this juncture. Therefore, it is imperative to not allow permanent waiver of customs duties on e-trading as e-trading is growing fast, more and more digitised goods, and even physical manufactured goods can come in as China wants duty waiver even on manufactured goods ordered online for Alibaba. In the future even software can come in and threaten domestic manufacturing through 3-D printing.

E-commerce is not just about trading. It has more impact on manufacturing. Data is the new raw material for the 4th industrial revolution. It is the new oil. E-commerce proposals ask for free flow of data.

Entire e-economy is controlled by huge monopolies; a few giant corporations control the data, the technology. They want uninhibited access to data, and no regulation. The argument that it will benefit SMEs is limited. SMEs will benefit for a short while but will be at the mercy of the corporations and will have to accept prices and terms set by these giant corporations who own the platforms.

We want to enjoy access to these services but with regulation and ensure these services continue to remain beneficial for us.

So most important to remember, we do not know how the e-economy and the technology there will evolve so cannot give up regulatory space. E-commerce proposals challenge regulatory space of at least 13 ministries of Government of India, including finance, labour, trade, industry, agriculture, health and so on.

About e-commerce, India's stand has been that it is an emerging area, and it can benefit the people in many ways. Therefore, it should develop further. However, Prabhu rightly pointed out that, "India's view is that gains from e-commerce must not be confused with gains from negotiating binding rules in this area. It is for this reason that we support continuation of the 1998 Work Programme with its non-negotiating mandate." India made it clear that different issues including e-commerce could be discussed in WTO. But we need to follow a process, and can't circumvent the defined procedures to accommodate one or more members. Moreover, constantly changing technology in e-commerce calls for a wait-and-watch policy.

During MC11, Prabhu while addressing a press conference said it is advisable to first conclude the agenda mandated in MC10 Nairobi and then move on to other issues. Since, there is a limited scope in WTO to discuss issues, old issues will die down if we burden WTO with new issues. And this can't be allowed to happen. The issue of development as underlined in Doha Development Round is important, and that is related to unjustified subsidies given by developed nations, and this can't be sacrificed. Discussion on Doha Development Round is still pending and that has to be completed.

Fisheries: There was a proposal to push rules on fisheries subsidies at the December Ministerial. While we support sustainable fishing and think big industrial fishing needs to be discouraged, we are extremely worried that the current proposals being discussed will actually allow developed countries to continue with their subsidies while banning subsidies that are for small scale informal fishing in developing countries. The special and differential treatment which our fisher folk urgently needs is not at all visible or actionable in the current proposals. SJM has had close connections with small scale fishers in India and has been fighting for their cause against mechanised deep sea fishing and therefore, it would be detrimental to the interests of traditional fisherman. If we agree to current proposals, as they can affect their lives and livelihoods. It is better to reject bad outcomes than to try to improve them without doing thorough research on the implications. Such discussions can be taken up later.

It was proposed to disallow subsidy for illegal and unreported fishing. The argument behind the proposal is to encourage sustainable fishing to avoid overfishing. However, India's concern is that there is no mechanism of reporting by Indian traditional fishermen. Therefore, any agreement on Fisheries Subsidies must take into the consideration interests of traditional fishermen.

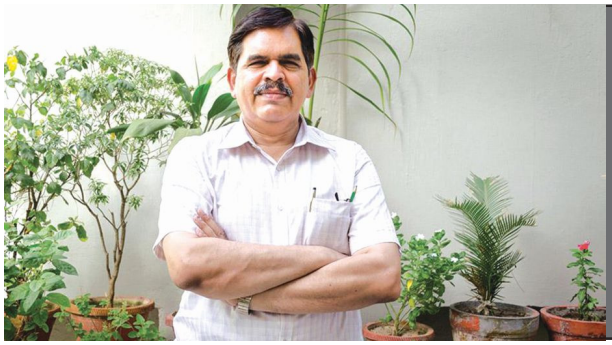
Investment Facilitation: Proposals on investment facilitation that was being pushed in the negotiations, is a matter of great concern. We know very well from the history of the WTO that what starts off as simple 'facilitation' can end up as crucial commitments on investor protection and market access. India is trying to revise its approach on investment protection as it faces millions of rupee damages in investment lawsuits. To take up an additional commitment in a multilateral forum on investment may pose a major problem at this point in time. We support our government's position of totally rejecting any negotiations on investment, 'facilitation' or otherwise as it has done in Geneva this year.

Conclusion: Denial of a solution to PSH, which was the primary concern of India due to the adamant attitude of the US, on the one hand and obvious opposition to the introduction of new issues by a majority of member countries, leading to an inconclusive MC11, underlines the fact that the Ministerial Conference at Buenos Aires actually failed. Legitimate concerns of developing countries like food security are not getting addressed and developed countries are trying to bind developing countries in a web of rules in e-commerce, investment facilitation etc. to serve the interests of their companies.

Indications from US's Trump administration are that Washington will follow 'America First' with utter disregard for WTO rules. If this attitude of US continues, multilateral institutions like WTO may lose their legitimacy. Indian representatives at WTO might be disappointed that they could not get a permanent solution; they should rather be proud for not getting cowed down by developed countries, as they had to be satisfied with formation of a 70-nation group that would discuss ways to evolve a consensus to bring e-commerce under the WTO ambit.

For the time being, thanks to India's tough stand, new issues have been kept at bay and issues of DDR are once again in focus. Though there is no guarantee that they will be actually discussed, the developing world has been able to put its point of view across.

Why not exit agriculture from WTO (agri-exit)?: Ministry of Commerce is going to host a mini-ministerial meeting in which several developed and developing countries are going to participate. Under the sidelines of this meeting, SJM wishes to raise the issue of keeping Agriculture out of WTO in concordance with the aspirations of Indian farmers and also farmers of several developing countries. Farmers across the countries feel that Agriculture in WTO has only deteriorated their position rather than improving. SJM proposes to take forward this issue and open it to a public debate which would create enough awareness on gaining consensus on this important issue. ❑❑



'Focus should be on jobs, not GDP'

The Swadeshi Jagran Manch(SJM), a vocal critic of the economic policies of the government at the Centre including the Goods and Services Tax (GST) and opening of the retail market for foreign direct investment (FDI).

SJM national co-convener Ashwani Mahajan feels the government has been in a state of 'confusion' and is not following Deendayal Upadhyaya's principles of integral humanism to the extent it should. He also finds fault with the present 'GDP-centric' economic growth. In an interview with Dipankar Chakaraborty, Mahajan says dependence on FDI is no solution to fund the development of infrastructure sector and accelerate growth. Excerpts:

Q: At the Davos World Economic Forum (WEF) summit recently Prime Minister Narendra Modi showcased India as the most attractive destination for foreign direct investment. Knowing your opposition to FDI what do you have to say about the PM's speech?

A: One day before the Davos summit they came out with an inclusive development report to rank countries. They have taken unemployment as one of the parameters of inequalities. Across the globe it has been found the growth is not reaching the common people. The whole FDI and GDP centric growth model has failed to deliver to the masses in India.

Though we are not against increasing investment in the country, SJM feels we need domestic investment and in small scale industries, more decentralisation, self-employment, and welfare of masses in terms of education, health, etc.

Though we don't outright reject what the Prime Minister said at Davos, the government must look at the domestic reality as well. Rather than a GDP or FDI-centric growth model we have been advocating an integrated model of development with focus on output, decentralisation and equality. The compartmentalised first growth and then redistribution approach does not work.

Q: India needs huge investments to improve its infrastructure to propel growth. Where will domestic investment come from to meet the huge fund shortfall as suggested by you?

A: Do you have many examples where FDI has created infrastructure of any sort? Perhaps not. Most of the foreign investment is coming in the brownfield sectors. No investment is coming to infrastructure sectors. Foreign investors want to purchase only already well-run companies in cement, pharmaceutical and other sectors.

We understand the government compulsion for FDI which has to do with a 26-year-old developmental model. Globalisation has failed us in terms of foreign exchange earnings. Balance of payment deficit is too huge and for that we need foreign investment. We have been advising governments since our inception in 1991 to refrain from too much globalisation.

Q: But it seems the government is not bothered about your arguments against FDI or globalisation?

A: I won't say that this government is not bothered. It has acted positively in response to our yearlong campaign against import of Chinese goods. Both policy makers and SJM have made people aware of the uncontrolled import of Chinese goods. We find that people have started boycotting Chinese goods.

The government has imposed anti-dumping duties on over 100 goods being imported from China. In areas where China was not allowing us to enter, we too have reciprocated by doing the same. This has given protection to domestic industries vis-a-vis China. So, I don't agree that the government doesn't listen to us. We don't agree with the idea to let other countries be protectionists and we remain open to others.

Q: SJM no longer appears to be its previous aggressive self with street protests and open

show of defiance against government policies, etc…

A: This is not true. We find the government falling in line on so many issues raised by us despite the fact that we are not such a powerful entity to get things done. For example land acquisition law, GM, etc.

Q: What has been your communication to government on FDI?

A: We are meeting on 3 and 4 February to discuss among other things the issue of unbridled FDI into the country. We have been telling the government such an approach to FDI is not going to help the country. We are going to discuss and take a decision on the impact of the government move to do away with mandatory 30 per cent procurement from domestic market in single brand retail.

We have told the government that it is not only a bad idea but also against its own 'Make in India' policy. The concession being given to foreign investors should be stopped for ensuring a level playing field to domestic companies. More investment will create more GDP but no employment?.

We should change this by focusing more on employment rather than GDP. We have been suggesting to the government that it contribute 25 per cent to wages of newly employed people rather than PF. With that the cost of labour vis-a-vis capital will go down. Instead of compensating the cost of capital the government can compensate the cost of labour.

Q: By the time the SJM meets the government, it will have tabled the Budget proposals. Has the government invited you to discuss and incorporate your various suggestions and sort out points of disagreement?

A: Yes, we have already met. There is no disagreement between the SJM and the government. The government is only afraid of any crisis on foreign exchange reserve front. Therefore, to avoid those problems the government is perhaps inviting more and more foreign investment.

Yet another set of people in the government underlines the need for supplementing development with domestic resources. Therefore, we have not opposed the move to widen the tax net or even GST. But we expect the government to take care of small industries and business organisations in the GST. We are therefore happy with the various reforms undertaken by the government.

Q: The SJM is for reducing dependence on imports and exports to drive economic growth engines. How is it possible when a big chunk of our foreign exchange earnings is spent on importing fossil fuels?

A: We cannot like China heavily subsidise exports and then dump goods across countries. We should focus more on domestic production. We are not against imports and exports. We want the imbalance with too much dependence on imports to go. We are aware about the need for importing fossil fuel.

But like China we have to focus on solar to meet our energy needs. To offset high import bills we should increase exports of domestically produced goods. We can send PSLV, launch multiple satellites into orbit, so can't we produce a mobile phone? This is ridiculous. We have to excel in production of IT hardware alongside the software.

Q: But how do you generate employment without any means of revenue generation?

A: Our production system is such that it does not create jobs. Nowhere in ancient Sanskrit scriptures is the word unemployment found. Because employment, decentralisation, equality are inherent in our economic heritage which has been well explained in the socio-economic principles of Pandit Deendayal Upadhyaya, ideologue of the Rashtriya Swayamsevak Sangh.

His concept of 'Integral Humanism' states that whenever you are making a policy the last man standing in the queue, as Gandhiji also said, should be in your mind. The SJM is opposed to redistribution of wealth by giving away doles to masses such as food security and MNREGA, etc.

We have no doubts about the government's intentions to generate jobs. We don't have an integrated approach to development as Deendayal ji wanted.

Q: Are you suggesting the government is deviating from Deendayal Upadhyaya's path of integral humanism?

A: I am not saying they are deviating. But somehow the continuation of the policy of globalisation has rather confused the government. It is trying to create jobs in other areas. But there has to be a clear-cut fundamental declaration from the policy makers that integral humanism is the philosophy to be followed.

Start Up and Mudra are steps in that direction. However, we need to make a fundamental change in the mindset. ❑❑

https://www.thestatesman.com/opinion/focus-jobs-not-gdp-1502578639.html

Govt Needed to be Alert to Bitcoin Demand Spike Post Demonetisation: SJM

The government should have been vigilant to the spike in demand for bitcoins post the note ban, Swadeshi Jagran Manch (SJM) co-convener Ashwani Mahajan said, expressing dismay over lack of estimates about the "size and quantum" of black money till date. He also said that there exists conflict of interest at various institutions, including regulators such as FSSAI. Besides, Mahajan said, the government should have looked into the way technology was used to launder black money outside India. He was speaking at the launch of a book, 'On the Trail of the Black', written by Bibek Debroy — Chairman of the Economic Advisory Council to the Prime Minister. Home minister Rajnath Singh as well as NITI Aayog CEO Amitabh Kant were present at the function.

"Till date nobody knows the size and quantum of black money in India... We should have utilised technology. Through its misuse, black money was shipped out of the country. We should have been alert to that.

(https://timesofindia.indiatimes.com/business/india-business/govt-needed-to-be-alert-to-bitcoin-demand-spike-post-demonetisation-sjm/articleshow/62673136.cms)

SJM opposes FDI in single brand retail, foreign investment in Air India

The SJM strongly opposed the Centre's decision to allow 100 percent FDI under automatic route for single brand retail and foreign investment up to 49 percent in Air India, saying these decisions are not in "interest of the country".

The Union Cabinet meeting, chaired by Prime Minister Narendra Modi has allowed 100 percent Foreign Direct Investment (FDI) in single brand retail

and construction development under the automatic route. It also permitted foreign airlines to invest up to 49 percent under the approval route in the debt-ridden, loss making national carrier.

Expressing strong resentment on the government's decisions of easing FDI investments, SJM said, the organisation, "firmly believes that easing the norms for FDI in SBRT would go against the best interest of the country." It would go against the government's own policy of encouraging 'Make in India', he said, adding the SJM calls upon the governments to revisit this decision and do not tinker with the 30 percent mandatory procurement by MNCs from within the country.

Opposing the disinvestment of Air India, it said the finances of national airline are in deep trouble, but allowing foreign investment is not the best of the solutions for ending its troubles.

http://www.firstpost.com/business/rss-affiliated-swadeshi-jagaran-manch-opposes-fdi-in-single-brand-retail-foreign-investment-in-air-india-4298843.html

SJM trains guns at FSSAI for baby food import, alleges violation

SJM has accused Food Safety and Standards Authority of India (FSSAI) for collaborating with multinational companies to import food for the infants, which is not permitted under the law. The Infant Milk Substitutes (IMS) Feeding Bottles and In-

fant Foods (Regulation of Production, Supply and Distribution) Act, 1992, and amended in 2003, seeks to protect breastfeeding and bars promotional activities by baby food manufacturers.

The SJM, which works on economic issues and pitches for indigenous production, has raised concerns over allowing the import of infant foods by FSSAI under its 'Diet 4 Life' programme for infants suffering from Inborn Errors of Metabolism (IEM).

https://www.hindustantimes.com/india-news/rss-affiliate-trains-guns-at-fssai-for-baby-food-import-alleges-violation/story-1kJyuX1UzWxRZHNS4crYJL.html

SJM leader sees conflict of interest

Raising red flags about an excessive thrust by NITI Aayog on use of technology in financial transactions, Ashwani Mahajan, co-convenor of RSS affiliate Swadeshi Jagran Manch (SJM), on Saturday wondered why there had been a 25 per cent jump in demand for Bitcoins in the days following demonetisation in 2016. Countering assertions by NITI Aayog CEO Amitabh Kant that a Lokpal isn't needed in the country for curbing black money, Mahajan said that there had been no clear assessment yet of the quantum of black money in the country.

Taking part in a panel discussion during a book release event in the presence of Union Minister for Home Affairs Rajnath Singh, Mahajan rejected claims by NITI Aayog that simplification of rules and laws, instead of having a Lokpal, could tackle black money. Warning of a conflict of interest in policymaking in the country, the SJM co-convenor rued that not much attention was being paid to this. "Our research says that there are issues of conflict of interests in important committees, working groups, regulators. Not less than 350 consultants were working in the Ministry of Health who were on the payrolls of MNCs, who have now been removed. Similar situation is prevailing in Food Safety and Standards Authority of India," added Mahajan.

http://www.newindianexpress.com/nation/2018/jan/28/sjm-leader-sees-conflict-of-interest-1764488.html

Job & farm alert: SJM, BKS & BMS

SJM and Bharatiya Kisan Sangh (BKS) have urged the government to address joblessness and agrarian distress in the budget, sounding an alert before the 2019 general election campaign. The Manch, the Sangh's economic wing, has suggested the government shift focus and provide incentives to indigenous small-scale industries to generate more jobs.

BKS has advocated measures to make agricultural remunerative and demanded support for the small farm-linked industries to help generate jobs and check migration to the cities. It has advised the government to raise the minimum support prices for crops and provide compensation for the goods and services tax on agricultural produce.

"There is a need to generate more jobs. To achieve this we need to shift from a GDP-growth-centric model to an employment-generation model. We need to provide greater support to sunrise sectors that will generate jobs," said Swadeshi Jagran Manch.

Labour wing Bharatiya Mazdoor Sangh, says the demonetisation and the goods and services tax have led to massive job losses in the small and medium enterprises. It wants the government to provide incentives to the economy.

https://www.telegraphindia.com/india/job-and-farm-alert-from-sangh-outfits-204004

India ranks 177 out of 180 in EPI

India is among the bottom five countries on the Environmental Performance Index (EPI) 2018, plummeting 36 places from 141 in 2016, according to a biennial report by Yale and Columbia Universities along with the World Economic Forum. While India is at the bottom of the list in the environmental health category, it ranks 178 out of 180 as far as air quality is concerned. Its overall low ranking-177 among 180 countries was linked to poor performance in the environmental health policy and deaths due to air pollution categories. The report was released on the sidelines of the ongoing World Economic Forum in Davos, Switzerland. Overall, India (at 177) and Bangladesh (179) come in near the bottom of the rankings, with Burundi, the Democratic Republic of the Congo and Nepal rounding out the bottom five.

"India's low scores are influenced by poor per-

formance in in the Environmental Health policy objective. Deaths attributed to PM 2.5 have risen over the past decade and are estimated at 1,640,113, annually (Institute for Health Metrics and Evaluation, 2017).

"Of the emerging economies, China and India rank 120 and 177 respectively, reflecting the strain population pressures and rapid economic growth impose on the environment," the researchers noted.

The EPI said air quality remains the leading environmental threat to public health.

"Pollution is particularly severe in places such as India and China, where greater levels of economic development contribute to higher pollution levels (World Bank and Institute for Health Metrics and Evaluation, 2016).

http://www.thehindu.com/sci-tech/energy-and-environment/india-ranks-177-out-of-180-in-environmental-performance-index/article22513016.ece

Woolworths to stop selling pesticide linked to global bee decline

Woolworths in Australia has joined a growing list of companies to stop supplying a controversial pesticide linked to global declines in bee populations.

The grocery giant announced it would join Bunnings in pulling Yates Confidor, a class of pesticide which some international studies have found damage the survival of honeybee colonies. A spokesman for Woolworths said the company would cease selling the product from the end of June.

"We can confirm that we'll cease the sale of Confidor in Woolworths supermarkets and we're currently working with the supplier around this decision," the spokesman said. "We expect the product will no longer be on our shelves from the end of June this year."

Contamination from the pesticides has also been found in honey, and the European Union has banned its use on flowering crops. Last year the British environment secretary, Michael Gove, backed a total ban on the pesticides in fields across Europe.

https://www.theguardian.com/environment/2018/jan/23/woolworths-to-stop-selling-pesticide-linked-to-global-bee-decline

As India dithers, funding agency waits

Amid an in-principle decision by the government against introduction of a cervical cancer vaccine in the national immunisation programme, the international organisation that was to have funded the initial rollout has stressed the safety and efficacy of the vaccine while being in no position to influence the government decision-making process.

Even as the National Technical Advisory Group on Immunisation is in the process of deliberating on the recommendation of a subcommittee in favour of Human Papilloma Virus (HPV) vaccine, the health ministry has made it clear that HPV is not among its immediate priorities. The revelation by a top ministry functionary came days after the Swadeshi Jagran Manch wrote to Prime Minister Narendra Modi against HPV in the national programme citing cost and safety concerns.

The initial rollout was to have been funded by GAVI, the international vaccine alliance. "We know that immunisation is a top priority for the government," GAVI deputy CEO Anuradha Gupta told The Indian Express from Geneva. "Right now, the focus is on raising coverage to over 90%, for which the Prime Minister has set out his vision, and continuing the nationwide rollout of measles, rubella, pneumococcal and rotavirus vaccines. We understand the decision on introducing HPV into the national programme is currently going through the due governance processes."

http://indianexpress.com/article/lifestyle/health/as-india-dithers-funding-agency-waits-says-cervical-cancer-vaccine-effective-5036780/

Most children in UK's poorest areas now growing up in poverty

More than half of all children in the UK's very poorest areas are now growing up in poverty as the impact of cuts to benefits continues to be felt by the least well-off families, according to a new study. An analysis published by the End Child Poverty coalition of charities shows that the biggest increases in child poverty in the past two years have occurred in areas already identified as deprivation hotspots.

In four parliamentary constituencies – Bethnal

Green and Bow, and Poplar and Limehouse in east London, and Ladywood and Hodge Hill in Birmingham – children are for the first time in recent years more likely than not to grow up poor.

"It is scandalous that a child born in some parts of the UK now has a greater chance of growing up in poverty, than being in a family above the breadline," said Sam Royston, the chair of End Child Poverty and the director of policy and research at the Children's Society. The study comes as the Institute for Fiscal Studies warns that child poverty levels – a child is said to live in poverty if they are in a family living on less than 60% of median household income – are set to rise significantly over the next three years.

In 25 constituencies – mostly in London, Birmingham and Greater Manchester – more than 40% of children now live below the poverty line. Three constituencies have seen double-digit increases in child poverty rates over the past two years.

https://www.theguardian.com/society/2018/jan/24/most-children-in-uks-poorest-areas-now-growing-up-in-poverty

Trump hits solar imports with tariff but still concedes millions of jobs to China

President Donald Trump decided to slap a 30 percent tariff on imported solar cells and panels, the White House announced. The tariff comes after the U.S. International Trade Commission ruled last year that China had harmed the domestic solar manufacturing industry with policies aimed at taking over the global market.

While the administration claimed the president was acting to protect American jobs, the new tariff is only the latest in a series of efforts by the White House to slow the installation of renewable energy in this country in favor of fossil fuels — a strategy that kills jobs in both the near term and long term.

In the long term, many millions of jobs are at risk from Trump administration's long list of anti-clean energy policies. Ironically, in justifying this tariff, the White House Office of the U.S. Trade Representative asserted that "from 2012 to 2016, the volume of solar generation capacity installed annually in the United States more than tripled." They attributed that to artificially low prices driven by "China's industrial planning… a focus on increasing Chinese capacity and production of solar cells and modules, using state incentives, subsidies, and tariffs to dominate the global supply chain."

https://thinkprogress.org/trump-solar-import-tariff-decb0e7b4000/

South Korea bans anonymous cryptocurrency trades

The move is aimed at stopping virtual currencies being used for crimes such as money laundering. The regulations will bring the country closer into line with financial rules in other markets. South Korea is believed to be the world's third-biggest market for trades in Bitcoin and other cryptocurrencies, behind Japan and the US. And its importance in the world of digital currency has meant that decisions made in Seoul can result in large, sudden price swings. The new policy, which had been discussed for some time, will kick in on 30 January. Separately, underage investors and foreigners will also be banned from opening crypto currency accounts in South Korea. ❑❑

http://www.bbc.com/news/business-42784384