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EDITOR
Ajey Bharti

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Sudama Bhardwaj

EDITORIAL OFFICE
'Dharmakshetra' Sector-8, Babu Genu Marg. R.K. Puram, N. D.-22
E-MAIL : swadeshipatrika@rediffmail.com
WEBSITE : www.swadeshionline.in

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Scrap NITI Ayog

I am happy that SJM has taken a very firm view regarding none performance of Niti Aayog. The aim behind the formation of Niti Aayog was to give a fresh look at the policies and initiatives taken by the government in the name of economic and social development. Since Congress led governments were in the power for almost five decades, and they were the responsible for the mismanagement, it was obvious that the new government would make the change in the system for the betterment of the people of India. That's why everybody was bullish for the Niti Aayog. But even after the two years of its working nothing has been changed on the ground. The same Babudom and lack lustier approach can be seen in Niti Aayog working also as it was with Yojna Aayog. I am also for scraping of Niti Aayog if it does not serve the purpose.

People of India, specially youth have great expectation from Modi Government. They want regular employment, opportunity to prosper, but still waiting for the result. It was duty of NITI Ayog to come forward with the schemes and plans where economy can do better and people get their due within the stipulated time, but unfortunately the planning body is sitting idle. In fact they are clueless and even unwilling to take the route of Swadeshi development model.

– **Ayushi Upadhyay,** *Delhi*

EDITORIAL OFFICE

SWADESHI PATRIKA

***'Dharmakshetra'*, Sector-8, Rama Krishna Puram, New Delhi-22**

■Tel. : 26184595, *E-Mail*: swadeshipatrika@rediffmail.com

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Pepsi-Coke are exploiting our precious resources like ground water and worsening ecological crisis.

Arun Ojha
National Convenor, SJM

I distinctly remember the words of Shriman Dattopant Thengdi, the founder of Bharatiya Mazdoor Sangh, the thinker, who deliberated a lot on the working class. He used to remark, on the one hand, inspired by Maoism, 'Workers of the world unite', on the other he would say, workers, come, unite the world. Today when I refer to workers, it is but natural to remember Dattopant Thengdi.

Narendra Modi
Prime Minister of India

"By cutting the number of visas available each year and requiring those visas be given to the highest-wage earners first, this bill directly targests that rely on lower-wage foreign workers to replace equally-qualified US workers..."

Senator Bill Nelson
a sponsor of H1B visa reform legislation.

EDITORIAL

Keep the Rupee Stronger Without Inhibition

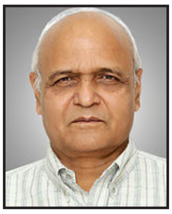
In the first four months of 2017, the rupee rose to Rs 64.26 per dollar by May 01, 2017 from Rs 68.23 per dollar, on January 2, 2017. That is, rupee gained a strength of nearly 5.8 percent in only four months. Though, it is true that the dollar has weakened in comparison to other currencies also; however, the rupee has gone stronger vis a vis most of the other currencies of the world as well. In first three months of 2017 rupee has gone stronger by 3.68 percent as compared to Chinese Yuan, 3.1 percent against British Pounds, 3.0 percent against Euro, 1.1 percent against Singapore Dollar and 7.0 percent against Bangladeshi currency. In a free market economy, exchange rate of any currency via a vis foreign currency is determined by the relative demand and supply of the two currencies. Apart from this, future expectations about the relative demand and supply and speculations also tend to affect the exchange rate. Rupee has been steadily weakening, against dollar over a long period of time. In January 2008, exchange rate of rupee vis a vis dollar was rupees 39.6 per dollar. Since then rupee depreciated to Rs. 68.89 per dollar in August 2013, an all time low.

Why and how rupee got stronger?: It is generally believed that strength of a currency depends upon the demand and supply of foreign currencies. A currency would tend to be stronger vis a vis a foreign currency if demand for foreign currency is less. In the first two months of the last quarter of the financial year 2016-17, February and March 2017, our trade deficit was $18.7 billion, which was higher by $4 billion compared to corresponding months of the financial year 2015-16. However, due to software exports and foreign remittances sent by non-resident Indians, our foreign exchange reserves increased from $ 360 billion in January, to $ 370 billion by March 26. If we look at the past experience we note that strength of rupee is not linked with foreign exchange reserves. We notice that foreign exchange reserves had reached $ 360 billion in 2015-16, increasing from $ 304 billion in 2013-14; however, rupee remained weak at rupees 68 to 69 a dollar. Analysts opine that strength of the rupee vis a vis dollars not only depends upon relative demand and supply of dollars, but also on the future expectations about demand for dollars. For nearly four years due to the decreasing prices of oil, India's trade deficit has continuously been coming down, software exports continued unabated, Indian Diaspora continued to send huge remittances from abroad, barring a few exceptions; and as a result, our foreign exchange reserves kept on booming. However, speculators around the world were successful in keeping Indian rupee weak. We see that the trade deficit in 2012-13 was $ 195.6 billion, which decreased to $ 130 billion by 2015-16. Meanwhile, in these four years, foreign investment of $ 178.5 billion was also received, 260 billion dollars were sent by non-resident Indians; however, the rupee remained at a low level. Pertinent question is; what happened that Rupee appreciated by nearly 6 per cent in first four months of 2017. This has happened despite increase in trade deficit in the last three months due to 17.8 percent increase in oil prices. It is surprising and paradoxical that despite all good conditions for appreciation of rupee, rupee continued to depreciate vis a vis dollar over a long period of time. In reality, this was the game of speculators, which could not last longer and ultimately rupee started appreciating from January 2017 onwards. Apart from this, there is a general agreement amongst the analysts that rupee will appreciate further.

There are other reasons for the strengthening of rupee: One reason could be demonetization. In the past, there was a lot of cash in the country (including black cash). In such cases, the cash hoarders used to take advantage of the increase in the value of dollars, by replacing the same in dollars. The dollars were then used in 'hawala', giving effect to under invoicing of our imports to escape customs and other taxes. Due to this act the demand for dollars used to go up and rupee continued to get weaken. After the monopolization this trend has more or less curbed. In the last one year due to boycott of Chinese goods by people of India, demand for dollars has come down. The result of this boycott is that, the trade deficit with China has gone down by US$ 2 billion by 2016-17 (April to February), when compared with the corresponding period last year. Looking at the feelings of Indian people against China, we can expect imports from China to further go down.

Need to Take Advantage of Strong Rupee: A strong rupee benefits those who have borrowed in foreign currencies (both private sector and the government), because repayment of their principal and interest would be easier. With strengthening of dollars, people demand dollars also as an asset, to take benefit of its appreciation, which furthers the strength of dollars. On the contrary if rupee goes stronger, demand for rupee will increase and it will appreciate, vis a vis dollar. Strong rupee would also encourage other countries to trade with India in rupees. With increased attractiveness of the rupee, we can also raise foreign loans in rupee denomination. Therefore, need of the hour is that the government and RBI both work towards the stronger rupee, without inhibition.

Visa Restrictions:
Need to Trigger Total Deglobalisation



Prof. Bhagwati Prakash Sharma *underlines the deglobalisation by reversing all the multilateral trade agreements, free trade agreements and draculous IPRs would help the vast masses to prosper, instead of facilitating amassing of wealth by the MNCs alone or those on few high profile jobs.*

The industrialized countries have very regretfully been pursuing the course of selective deglobalisation by restricting the entry of human resources from India and other developing countries, after having captured or grabbed the markets of the developing countries for their goods and capital through free access into developing countries with the offer of free access to human resources from developing countries in return for the free mobility of goods and capital, they got in the name of globalisation. After getting free and irreversible access for their goods and capital through various multilateral and free trade agreements, they have tactfully kept the free mobility of manpower, off the agenda of all such multilateral as well as free trade agreements. Now, they are completely backing out of their offer, and denying work visa to the people from India and other developing countries.

Visa Restrictions would Prove Counterproductive for Them:

The visa restrictions being imposed on Indian IT professionals and other skilled people by several countries, including the US, UK, Australia, Singapore etc., by stringent visa norms, in the name of saving jobs for native-born citizens, are bound to prove more counter-productive for them, as well as for the overall

global economy as a whole. Indeed, every advanced degree-holder as well as the skilled Indian immigrant, as a consumer, entrepreneur or executive in the host country, facilitates to generate twice more jobs for the native-born citizens, contributes economic value, advances intellectual wealth and enriches entrepreneurial ecosystem of the host economy. Besides, while negotiating this free access for their goods and capital in the name of globalisation, they (industrialised nations) had promised to give free access to the human resources from the developing countries. So, now the industrialized nations should not regress and betray the developing countries.

Moreover, the industrialized countries should also not forget that the knowledge based Indian Diaspora, serving across the world from Singapore in the far east to the US in the far west, has been visibly contributing to sustained progress and prosperity of the host countries by adding net economic value, raising the GDP, creating extra jobs, generating intellectual wealth, and nurturing entrepreneurial ecosystem for them. So, the restrictions being imposed on the immigrant technocrats and skilled manpower from India by several countries these days would cause unwarranted slowdown in the host economies as well as dampen the overall economic growth worldwide. India-born people and persons of Indian origin are largely behind the success of a vast number of host countries and hundreds of their multinational companies having multi-billion dollar turnovers in these countries already suffering from huge demographic deficit for a variety of knowledge based sector. Indians are either the key executives or even Chief Executive Officers (CEOs) and at least as the key professionals, responsible for several thousand companies of global repute. Though, the Indian CEOs of hundreds of such companies like the Microsoft, Google, Adobe, Soft Bank, MasterCard, PepsiCo, Citibank, Birkshire Hathway Insurance, Global Foundries, Cognizant, Net App, Herman International etc., are drawing hefty salaries between Rs 100-1000 crore per annum, they add manifold and several trillions of dollars in the turnovers, net worth and revenues of these companies and GDP of the host countries. In the US, even IPOs of those companies get more over-subscribed, which have Indian co-promoter(s). Thus, the Indian immigrants constitute the core for economies as value adding talents in the host countries.

Immigrant are not the sole cause of Unemployment:

The industrialized as well as industrilising countries are equally dependent on the Indian immigrant talent as well as the skilled manpower for a broad spectrum of knowledge based or capital based sectors, to sustain employment, maintain economic growth and balance in the trade. As per the latest available data on immigrants, provided by the World Bank and the UN, India leads the world in sending immigrant manpower worldwide, with an outflow of 26 lakh people in 2015 alone, followed by China (18 lakh), Columbia (14.5 lakh), Lebnan (12.5 lakh) and Pakistan (10 lakh). The biggest host country has been the US, accepting 40 lakh in 2015 alone. There are countries, having unbelievably high percentage of immigrants in their total populations upto 80% and above, with all the riches and a very low rate of unemployment. The table 1 reveals

Immigrant population and unemployment rates (2015)

Country	*Share of Immigrants as % of total population in 2015. Figures in brackets show unemployment rate*
UAE	88.4 (4.2)
Qatar	75.5 (0.3)
Kuwait	73.6 (2.2)
Bahrain	54.7 (3.7)
Singapore	42.9 (2.2)
Hong Kong	38.9 (3.3)
Switzerland	29.4 (3.6)
Australia	28.2 (5.9)
New Zealand	25.0 (5.2)
Canada	21.8 (6.6)
Germany	14.9 (3.8)
US	14.5 (4.7)
UK	13.2 (4.7)
Euro region	12.2 (9.6)
France	12.1 (10)
Netherlands	11.7 (5.3)
Italy	9.70 (11.9)

Source: *World Bank and UN Data*

American States with greater numbers of temporary workers in the H-1B program for skilled workers & H-2B program for less-skilled nonagricultural workers had higher employment among US natives.

that countries having very high ratio of immigrants in total population have a very low unemployment rate. Therefore, the restrictions being invoked on the entry of Indian technocrats and skilled manpower is futile and would prove counterproductive.

Indian Diaspora Creator of Jobs:

Scores of studies reveal that immigrants do not kill jobs in the US or any other host country. But, on the other hand, immigrants help to create more jobs as consumers, entrepreneurs and executives in the host country. They also create huge demand for housing wealth into the country to trigger the entire construction value chain. A new research by Americas Society/Council of the Americas (AS/COA) and Partnership for a New American Economy (PNAE) has found that the 40 million immigrants in the United States have created $3.7 trillion in housing wealth to generate manifold turnovers and employment into several allied sectors and downstream or front end value chain. According to a 2011 study, immigrants with advanced degrees or even with some skill, after going to the US, even on temporary visas have created more jobs for native-born workers

The study of American Enterprise Institute and the Partnership for a New American Economy, has analyzed state-level employment data from 2000 to 2007 and found that every 100 foreign-born workers, working with advanced degrees had helped to generate additional 262 jobs for native-born workers. The study also found "that American States with greater numbers of temporary workers in the H-1B program for skilled workers and H-2B program for less-skilled nonagricultural workers had higher employment among US natives." According to this study, the addition of 100 H-1B workers was associated with an additional 183 jobs for native-born workers, while the addition of 100 H-2B workers was associated with an additional 464 jobs for native-born workers. Moreover, it has also been found that the immigrants are more likely than natives to start their own businesses. According to a report from the Kauffman Foundation, "immigrants were more than twice as likely to start businesses each month than were the native-born in 2010." Besides, the immigrants fuel technological and scientific innovations. Even according to a report from the Brooking Institution, "the immigrants with advanced degrees are three times more likely to file patents than the U.S.-born citizens. This higher probability of investments in new businesses as well as in generating intellectual wealth through research provide huge spillover benefits to U.S.-born workers by enhancing job creation and by increasing innovations." Likewise, a study of PwC and London First of immigrants in London reveals that each migrant worker in London alone, with full time jobs contribute an additional £46000 (equal to Rs 32,20,000)in gross value added (GVA) per year to the economy. According to this study, a combined total of £83bn for all of London's 1.8m migrant workers is added, making up approximately 22 per cent of the British capital's GVA. The additional value generated by 10 migrant worker jobs will support additional four jobs in the wider economy, according to this report.

However, the migrants from Islamic countries, especially refugees, creating a rape scare and jehadi activities including suicide bombings in Europe etc. should not be clubbed with Indian Diaspora, the latter has been powering the economies of the host country. Even there are Nobel Laureates like Hargobind Khorana, Subrahmanyan Chandra Shekhar, Venkatraman Ramakrishnan, Amartya Sen who had migrated to the US with Indian degrees and earned Nobel Prize for their innovations. Indeed, from healthcare to space research and from FMCG sector to biotechnology and IT, the people of Indian Origin are the prime resource, not only for the US but several industrialized nations.

Restriction would Affect the Host Economies More

So, by ignoring to see the contribution of Indian diaspora, the countries ranging from Singapore to the US imposing restrictions over Indian immigrants would dampen their growth. It would less affect the bottom line of Indian Companies than the domestic companies of the host countries opting to restrict immigrants from India. If the US proposal to double minimum pay requirement for the H1B visa to $ 1, 30,000 is enacted, it will severely affect the US corporate performance as well as the economy as a whole. Likewise, Singapore has also recently stopped issuing visas to Indian IT professionals and in November last year, the UK government has also tightened visa rules, making it difficult for Indian IT professionals to work there. Recently, on April 18, 2017, Australia has also abolished the 457-visa category, in vogue since 1996 allowing foreign workers to stay for 4 years permitting them to work in 650 occupations. Visa holders could also bring family members to Australia on 457 secondary visa. Now the government is replacing the 457 visa class with 2 new visas. One of them is a two year visa, which can be renewed for another two years and a 4-year visa targeted at specific high level skills. However, the overall protectionist restrictions being applied by countries deriving high economic value from the skills of Indian diaspora would no doubt hit the bottom lines of Indian as well the domestic companies of the host countries. These would also affect the remittances for India to some extent. But the impact on the economies of host countries applying these restrictions would be much more severe.

Indian Diaspora is the largest Contributor of Economic Value

According to the latest United Nations estimates, 244 million people, or 3.3% of the world's population, have been living in a country different than the one where they were born. Their number is even growing at a faster pace than the growth in world population, with enormous economic, social civilisational, cultural and demographic repercussions for native and adopted countries. Mostly, they are concentrated in just 20 countries. Indians make up the largest diaspora as 16 million Indians are spread across the world, which not only reflects the country's demographic size (1.2 billion) but, it youth fullness with median age around 26 and top of all it constitutes the cream of talent to power those host economies.

The US should be reminded that Indian IT firms have paid more than USD 20 billion in taxes from 2011 to 2015 USD 375 million as visa fees, besides creating 1,00,000 jobs in US

The effect of their absence can be enormous for those host economies. These, migrants tend to be mostly young, working-age people with high qualifications of high end skills, which can be a boon to countries like those in Europe where the native population is swiftly aging. India needs to evolve a proactive diaspora strategy with an anticipatory vision.

Estimates reveal that on account of superannuation alone in the next 5 years, a demographic deficit of 57 million persons is likely to be felt by the industrialized countries alone for manning various knowledge based sectors. Out of which, 43 million would be available from India alone. Even today, if we take the case of IBM, it has 1.12 lakh Indians working in India and 43000 in the US out of a workforce of 1 lakh employed in the US. Thus in a total workforce of 2.12 lakh software engineers hired by the IBM in India and US, one lakh fifty five thousand are Indians, working in India and US together. Since India is also a recipient of around $69 billion as private transfers i.e. NRI remittances. Therefore, Indian think tanks, the government and the Indian diaspora need to undertake and sponsor simulated studies with much more empirical support to elucidate the contribution being made by the Indian diaspora across the host nations, to dither the governments away from continuing these restrictions, as well as from imposing fresh restrictions. Indeed the private transfers of around $ 60-70 billion, made by the non-resident Indians (NRIs) from abroad to India is less than 10% of the net economic value being added into the GDPs of the economies of the host countries, wherever they have migrated. So their direct contribution to these economies in particular and the global economy in general is more than $7 trillion, almost around 10% of the global GDP. The US also needs to be reminded that Indian IT firms have paid more than USD 20 billion in taxes from 2011 to 2015 USD 375 million as visa fees, besides creating

1,00,000 jobs in US. So, US needs to weigh the direct benefits arising from the Indian Diaspora.

An Open Betrayal

The pace at which the industrialized countries have been digressing away from their avowed commitments of giving free access to human resources from India and other developing countries, in the name of globalization for securing free access for their goods and capital into developing countries, is deplorable. After getting free access for their goods and capital into various developing countries they are going back on their words unilaterally and are now imposing visa restrictions. The industrialised countries indeed, at that time in late 80s, when the pushed the world for globalisation were severely ailing from economic recession, unemployment, and balooning deficits in fiscal and trade accounts. So, they had compelled the developing countries in the late eighties and in the early nineties to open up their economies, for imports and foreign investments from the industrialised countries in the name of globalisation to get a breather for their economics. Likewise, India was also forced to open trade and investment since July 1991, in pursuance of the twin reports of the IMF and World Bank (The 'Indias strategy for trade reforms' and 'India- an industrializing economy in transition'). Subsequently, all these neoliberal economic policies were mandated under the WTO. The industrialised countries were indeed reeling under worst ever recession in late eighties largely due to the ongoing endeavours of the developing countries, aimed at self reliance through import substitution and development of domestic manufacturing. The OECD nations' growth rate dipped to almost zero with growing turbulence from the wrath of unemployed youth in the US, Western Europe and Japan. There were rioting by the unemployed youth in Los Angeles in the US, racial riots in UK and eruption of neo-Nazism in Germany. They (industrialised nations) were very desperate to get access into the markets of the developing countries for their goods and opportunities to invest into these economies, so as to use their surplus spares for assembling and selling the products of their companies into developing country markets. In order to get access for their goods and capital, they used to impose conditionalities while extending loans from the IMF and World Bank silver coating these conditionalities with offer to give free access to manpower or human resources from the developing countries. They talked of total free mobility to goods, capital and human resources across the globe. But, the free mobility of human resources, which was to the advantage of the developing countries, was never allowed freely from the developing to the developed nations. Moreover, rather than making such free mobility of manpower rule based, while making the free mobility for the goods and capital totally rule based, unconditional and irreversible under the 'General Agreement on Tariffs & Trade' (GATT), Agreement on Trade Related Investments Measures (TRIMS) and the Multilateral Investments Guaranty Agency Convention (MIGA) etc., they always maintained a glass wall of visa norms.

India must now lead the world to counter against the one way access of goods and capital from the industrialized countries, when they are moving towards selective deglobalisation by new visa norms to scuttle the entry of Indian techies and skilled persons. The industrialised countries are also subverting the rules of free trade by raising the issue of environmental, sanitary and phyto-sanitary or labor standards. They have also been clandestinely subsidizing their farm produce as well as industrial goods to cause trade distortions. So, it is time for India to lead for total deglobalisation, when the ongoing globalisation aimed at free mobility to goods and capital from the industrialised countries has been leading to rampant inter country disparities in percapita income, standard of living, and the over all prosperity of all developing countries. Almost two thirds of global GDP is cornered by 2000 multinational corporates from the industrialised world, coming from mere 30 countries out of the total 204 nations of the world. Out of these 30 countries as well most of the top 500 MNCs are from the US, China, Germany, UK, France and Japan. India has 6 corporates into 500 of the world. So, the ongoing globalisation facilitating free access for the goods and capital of large trans-national corporations to the peril of vast masses, leading to job losses, miseries, malnutrition, high cost of subsistence etc. needs to be reversed to counter the selective deglobalisation by visa restrictions. Total deglobalisation by reversing all the multilateral trade agreements, free trade agreements and draculous IPRs would help the vast masses to prosper, instead of facilitating amassing of wealth by the MNCs alone or those on few high profile jobs. ❑❑

'Make in India' Success by Government Procurement

Today a large quantity of products is being imported from China and host of other countries and the same gets included in government procurement. It may be assumed that by giving priority to the purchase of products made in the country, the 'Make in India' program can really be made successful in the country; says **Dr. Ashwani Mahajan**

After assuming power in May 2014, the Prime Minister Narendra Modi, announced the key points of his economic policy, of which the make-in-India was an important one. Significantly, rate of growth of our industrial production, which was more than 15 percent in 2007-08, turned out to become zero and sometimes negative in the years after 2011-12. That is, the industrial development had come to a halt from 2011-12. Electronics, computer hardware, durable and non durable consumer goods, furniture etc. all were being imported from China or other countries. No new factory was coming up in the country and the existing ones were also shifting to China. Not only that manufacturing was standstill, the share of manufacturing in GDP was hardly around 15 percent.

In May 2014, after the formation of the Narendra Modi government, policies like Make in India, Start Up India were announced. In his speech from the Red Fort, Narendra Modi said that his policy is to increase the industrial production in India. He appealed to companies from around the world to come and start production in India. On the other hand, the government called upon the entrepreneurs in India that they should set up industry in the country and they would be relieved from various types of hassles, faced by them earlier. 'Ease of Doing Business' will be improved, to make business environment better for new and old entrepreneurs. For new 'start-ups', the government assured an enabling environment in terms of facilities, tax exemptions and cooperation. For the first time, there was an effort to increase the business on such a large scale. New phrases like Start up, stand up, holding hands etc. were added to the official dictionary.

Although the fruits of all these efforts may take some time to come, it cannot be denied that there has been some improvement in the environment for industrial and business development. The new 'start-ups' started coming and the government's attitude was also of a 'holding hand'.

Whereas, the first condition for increasing industrial production is that industries be established; however, demand for those items in the country is also a precondition for this to happen. Unfortunately for the last several years, the import of industrial goods (whether they are consumer goods or producer goods, such as machinery) has been increasing fast. Exports compared to imports were not increasing at the same pace. However, huge imports also indicate that demand existed in our own country, which is an important precondition for industrial to increase.

WTO Agreements

World Trade Organisation (WTO), came into existence in 1995. According to the agreements reached at WTO, commitment was made by all member countries to keep import tariffs low and eliminate all non-tariff barriers, which could curb imports. Due to cheap labor, government subsidies and unethical practices, and resulting low prices, Chinese goods started dominating the world markets. Impact of the same was also felt on India, and India's trade deficit with China reached $ 52.7 billion by 2015-16.

Government a Big Purchaser

The government is also a big source of demand. At present lot of imported goods enter into government procurement chain due to many reasons. Suppliers of Chinese goods win tenders due to low prices. According to a rough estimate, government makes a purchase of at least 2 trillion rupees (2 lakh crores) every year. It is therefore necessary that in order to increase production in the country, procurement of items made in India, should be preferred in the government. Even before the new economic policy came into force, preference used to be given to small scale industries/Khadi products. But this preference was given up after the new economic policy came into force. At first instance the preference in the purchase was changed to the price preference and subsequently the preference was abated gradually.

Huge imports also indicate that demand existed in our own country

After the WTO agreements, it was being argued that since we are obliged to treat foreign companies / imports, similar to Indian products, we cannot give preference to indigenously produced goods, even from small industries.

Despite WTO, Preference is Possible

Under 'Buy American Act 1933', US made products are preferred in government procurement in USA. According to WTO rules, if a government gives preference to products made from that country for its own consumption, then it would not be treated as violation of WTO rules. But if a commercial entity is forced to give preference to the indigenously produced goods for commercial use or sale, then it would be considered a violation of WTO rules. In Jawahar Lal Nehru Solar Mission, when the condition of the use of local solar equipment was imposed by India, US objected to the same and India lost its case in Dispute Settlement Panel (DSP) and even in the appeal.

Government can bring new policy

Since it is clear that if the government gives preference to products made in India for its own requirements, then WTO Agreements are not violated. Even America gives priority to American goods in government procurement, India can do the same and there cannot be a dispute against India if it decides to give preference to Indian made goods. Recently a committee of Secretaries of the Ministries has made recommendation to the government that to make the 'Make in India' policy successful, the products made in the country should be given preference in government procurement. It is believed that the government will soon announce such a policy and the rules will be issued by the Finance Ministry in this regard. Significantly, today a large quantity of products is being imported from China and host of other countries and the same gets included in government procurement. It may be assumed that by giving priority to the purchase of products made in the country, the 'Make in India' program can really be made successful in the country. The industry is also pleased with such a policy proposal because it will give industry, an assured captive market for its goods. ❑❑

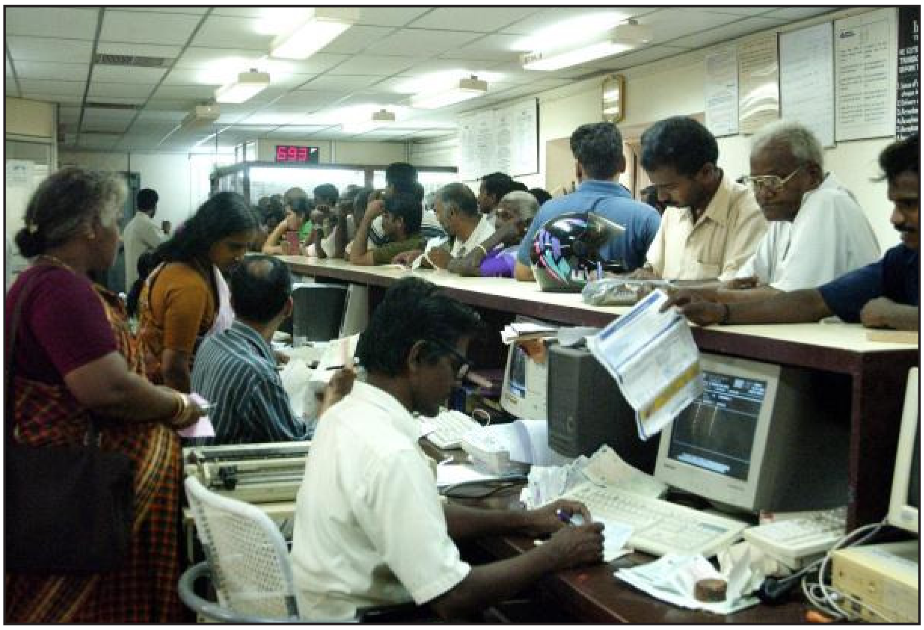
The question of Long term finance & DFIs

Indian infrastructure development needs huge long term finance and Indian financial sector is unable to provide it. The problem is not with Indian financial sector, mainly Indian banking sector, that has short term liabilities restricting long term lending, but also with Infrastructural projects. They fail to generate revenue in short term and their long term commercial viability is always doubtful. The infrastructural projects even with government partnership seek financial support from banks and other financial institutions as Indian capital and bond markets are still in developing stage. The Foreign capital, another most sought after source, has its own problems of profit demands and expectations for easy exit routs. In the circumstances, there is a talk again of establishing long term financing Banks/institutions that can specially cater to the needs of long term finance. Recently Reserve Bank of India has issued one Discussion Paper 'On Wholesale & Long-Term Finance Banks' (April 2017) so to explore the scope for setting up more differentiated banks, specifically wholesale & long-term finance banks in the context of having issued in-principle approvals and licences to set up differentiated banks, such as, payments banks and small finance banks.

Indian DFIs

Indian financial system consists mainly of banks (commercial banks, regional rural banks, local area banks and cooperative banks) and other financial institutions (Non-Banking Financial Companies, and All-India Financial Institutions/ Development Finance Institutions). Tue, Indian financial markets with new financial instruments, innovative products and financial services are in expanding mode and insurance companies, mutual funds, pension funds and other financial sup-

Indian infrastructural requirements can only be financed by full-fledged Government owned and supported DFIs, says **Anil Javalekar**



As per RBI, low-cost funds were made available to DFIs to ensure that the spread on their lending operations did not come under pressure

port service providers are entering in the financial system in a big way. Still, the problem of long term finance continued. After Independence, Indian planners thought of financial institutions that can provide medium to long term finance to different sectors of the economy and set up institutions that can meet the growing demands of different sectors, such as agriculture, export-import, rural housing and small industries. The Industrial Finance Corporation of India (IFCI) was the first Development Finance Institution (DFI) set up in 1948 and marked the beginning of the era of development banking in India. Later, DFIs such as Industrial Credit and Investment Corporation of India (1955), Unit Trust of India (1963) and the Industrial Development Bank of India (1964), various State Financial Corporations (SFCs), Export-Import Bank of India (1982), National Bank for Agriculture and Rural Development (1982) and Small Industries Development Bank of India (1990) were set up to cater to specific needs of various sectors of the economy.

Economic reforms changed the scenario

The scenario and strategies changed with the economic reforms initiated in 1990s and thereafter. The idea of globalisation brought the concepts of universal banking along with the privatisation of public sector banks and financial institutions so to meet efficiency and other supportive needs of the growing economy. That has practically not worked. Indian banks earlier did not have access to long-term funds and used to provide short-term working capital and the DFIs had access to long-term funds with government support and were able to provide term loans. With initiation of financial sector reforms, the operating environment for DFIs changed substantially. The banks are now having access to long-term funds through pension and insurance funds and the DFIs were not able to compete with banks in terms of providing cheap funds and in the process lost their relevance. Thus, the scenario reached to a stage where DFI tag was not necessary for long term finance.

Indian DFIs and their status

RBI's Working Group on Development Financial Institutions (2004) analysed the performance of Indian DFIs. As per the report, historically, low-cost funds were made available to DFIs to ensure that the spread on their lending operations did not come under pressure. DFIs had access to soft window of Long Term Operation (LTO) funds from RBI at concessional rates. They also had access to cheap funds from multilateral and bilateral agencies duly guaranteed by the Government. They were also allowed to issue bonds, which qualified for SLR investment by banks. Report further pointed out that, these DFIs faced little competition for deployment of funds as the banking system mainly concentrated on working capital finance. The supply of low-cost funds was withdrawn forcing DFIs to raise resources at market-related rates and their competition in the areas of term-finance from banks offering lower rates also increased. The change in operating environment coupled with high accumulation of non-performing assets due to a combination of factors caused serious stress to the financial position of term-lending institutions.

RBI report pointed out that, out of nine select all India financial institutions regulated by RBI, three institutions viz., NABARD, NHB and SIDBI extend indirect financial assistance by way of refinance. The financial health of these three institutions was sound as their exposures were to other financial intermediaries, which in certain cases were also supported by State Government guarantees. Of the remaining six institutions, two niche players viz. EXIM Bank and IDFC Ltd. were also quite healthy. The former operated in international trade financing and the latter was a new generation FI with a mandate of leading private capital into the infrastructure sector and was not a direct lender.

The remaining four institutions that were operating as providers of direct assistance, were all in poor financial health. As to the DFIs not regulated by RBI, viz., PFC Ltd., REC Ltd., and IRFC Ltd were making large profits. Same was the case with LIC and GIC (and its erstwhile subsidiaries which have since been delinked) and UTI, being regulated by IRDA and SEBI, respectively.

However, UTI had to undergo a massive restructuring in 2001-02 as it faced severe liquidity problems. While IREDA Ltd. and NEDFi Ltd. Were somewhat profitable, the two venture capital companies seem to be too small to be systemically significant. HUDCO Ltd., being a housing finance company was within the regulatory and supervisory domain of National Housing Bank, and had declared profits. The financial position of state level institutions particularly of SFCs was very poor.

Dismantling of Indian long term structure

After introduction of financial reforms, it was made clear that ultimately there will only be universal banks and restructured NBFCs. The operational guidelines for enabling a DFI to convert to universal bank were issued in 2001. The DFIs were advised that those who choose to convert into bank may formulate a roadmap and should specifically provide for full compliance with prudential norms as applicable to banks. Finally, Over the years, some of the major development finance institutions have amalgamated with their banking outfits (such as ICICI and IDBI) and other DFIs have been reclassified as systemically important non-deposit taking NBFCs (such as IFCI). The remaining four all-India financial institutions - Exim Bank, National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB) and Small Industries Development Bank of India (SIDBI), which are primarily refinancing agencies, are continuing their existence under the supervision of Reserve Bank.

RBI's Discussion paper

RBI's discussion paper 'On Wholesale & Long-Term Finance Banks' referred above has opened the subject of long term finance banks again. The paper has however, neither presented any new analysis nor given any specific recommendation for or against the establishment of wholesale and long-term finance banks. The paper simply mentioned that the specialized banks could cater to the wholesale and long-term financing needs of the growing economy and possibly fill the gap in long-term financing.

The pros and cons of new wholesale and long-term financing institutions

The discussion paper has given the Pros and cons of new structure. Under pros, the paper mentioned that Differentiated banks concentrating on wholesale and long-term financing could act as steady and additional source of funding for small, medium and large businesses and infrastructure sector over a longer term; would further expand the markets and encourage product innovation, appropriate price discovery and superior market liquidity; may ease up the pressure of long maturity loan assets on the books of commercial banks, and in turn, moderate their asset-liability mismatch as these banks are expected to finance infrastructure projects, participate in take-out financing and securitize such assets to generate liquidity; would acquire and maintain high quality assets on their portfolio to be able to generate enough revenues; would help build such expertise through selection of skilled manpower, training and suitable compensation.

Under cons, the paper added points like Raising of long term deposits and debt at competitive cost would not be easy and funding of long term and infrastructure projects at higher interest costs could make the projects economically unviable; Lack of access to savings and other retail deposits would push the cost of funds for

Only specialized banks could cater to the wholesale & long-term financing needs of the growing economy and possibly fill the gap in long-term financing, not a new analysis made by RBI

the WLTF banks upwards; Reputed and well-rated corporates would prefer to access the debt markets directly at comparatively lower interest rates than those offered by WLTF banks; WLTF banks could be subject to ALM mismatches, which may be difficult to manage, whereas commercial banks would have more flexibility in their asset liability structure; Cyclical nature of industrial activities / performance could place enhanced risk of non-performing assets on the books of wholesale banks, which may not have the cushion of sustained earnings that retail credit portfolios normally provide, in times of economic downturn; Lack of enabling market infrastructure and issues such as absence of secondary markets in securitized assets, low demand for long-tenor instruments, and small investor base for such assets among others could be impediments for the WLTF banks; Development Finance Institutions (DFIs) in the past had played a similar role in filling the gap in meeting the financing needs of medium and large enterprises, industry and infrastructure sector; Given the constraints and limited scope for raising long term funds without sovereign guarantees, financing of infrastructure and commercial projects could be a challenge for the WLTF banks and their viability could be an issue for debate. The paper concluded by keeping the issue open for public discussion.

Indian Infrastructure need DFIs

Indian Economy is dependent on infrastructure which in turn dependent on availability of concessional finance through DFI type institutions. The dismantling of Indian DFIs was, therefore, basically wrong. It is good that RBI is rethinking of DFIs in another format. Indian earlier model of commercial banks and development institutions was better as mobilization of resources for short term and long term requirements were from different sources. True, world has changed with technology and global finance is moving fast from one country to another. The problems of DFIs, however, remained same and without government support their survival is doubtful. Global finance and Privatisation will not solve all the problems of Indian economy nor market can be the regulator of all kind. Indian infrastructural requirements can only be financed by full-fledged Government owned and supported DFIs. There is no need to have complicated format for the purpose. ❑❑

Social consensus is necessary for prohibition

The State Government will be hit because of loss of revenue by giving unlimited gain to the mafias and the police, explains ***Dr. Bharat Jhunjhunwala***

Bihar has recently prohibited the sale of alcohol. Alcohol is basically harmful for the health of the people. It subdues the mind. Thus, it is said that an inebriated person does not tell a lie. He does not have control on his mind to be able to tell a lie. The thoughts in his heart come out spontaneously. However, the same lack of control leads to traffic accidents, domestic violence and the likes. Hinduism, Christianity and Islam all, therefore, discourage the consumption of alcohol. In this background, it is alarming that a study by the Organization for Economic Cooperation and Development, found that the per capita liquor consumption in India grew at 55 per cent in the two decades ending 2012. Another study by the World Health Organisation found an increase of 38 per cent in the per capita alcohol consumption in India in the last decade.

Various State Governments have banned the sale of alcohol to save the people from the negative impacts of drinking. However, prohibition has universally failed in controlling the consumption of alcohol. Prohibition was imposed in the United States in 1920. That led to the development of liquor mafias. The supply of liquor continued—only it went underground. The policy had to be reversed in 1933. The liquor mafia had become entrenched in this time though. These mafias started looking for other sources of income such as smuggling to make up the loss of income from the illegal sale of liquor. The short term benefits from prohibition, if any, were cancelled by the creation of this mafia which has created a long term problem. Markandeya Katju, former Justice of the Supreme Court says that the policy of prohibition in Bombay gave rise to the Bombay underworld, and eventually to the development of figures like Haji Mastan

and Karim Lala, and later Dawood Ibrahim. The well-oiled system of "haftas" is the cornerstone of bootlegging, he says. The Government has many times made efforts to ban the imports of gold into the country. That led to an increase in smuggling without a reduction in the imports. Ultimately the Government had to allow imports legally. These ground realities indicate that it is not possible to ban the consumption by legal means. The problem is so widespread that law is helpless. I was once travelling standing in a bus from Udaipur to Ahmedabad. I got tired and persuaded a truck driver to take me to my destination. The driver stopped on the way and loaded liquor filled in tire tubes. The large number of deaths due to the consumption of illicit liquor in Gujarat indicates that the supply remains unabated.

No wonder the Left Democratic Front Government in Kerala is planning to reverse the policy of prohibition implemented by its predecessor United Democratic Front Government. One argument given in favour of this change is that there has been a huge rise in drug consumption in the state. The fact is that people need relief from the day to day troubles of life. They seek this relief in liquor. I was doing some social work in the slums of Bengaluru in the seventies. The breadwinner of one family used to walk miles every day collecting empty tins and bottles. He was tired and distraught by the time he got home. He could not go to sleep and also not go to work the next day unless he took a drink. Banning alcohol deprives such troubled persons of the small relief they get from the consumption of alcohol. By making prohibition we only push them to seek other ways of seeking that same relief. Thus drug consumption increased in Kerala.

Another dimension of the problem is the burden of tax on the people. The Government needs to collect taxes. Liquor provides about 20 percent of the revenue collected by the State Governments. The question is whether these taxes will be collected from harmful products like liquor or from beneficial products like clothes. The Bihar Government has increased the taxes on cloth to make up for the loss from the sale of liquor. This means the Government is providing disincentive to buy clothes. Even this would be acceptable if prohibition was actually implemented. In that case, the people could pay more for the purchase of clothes from the savings made from the purchase of liquor. However, if the consumption of intoxicants only goes underground, then this becomes a cause of double loss. Income of the family continues to be frittered away in the consumption of liquor procured illegally while the people have to also pay more for the purchase of clothes.

The well-oiled system of "haftas" is the cornerstone of bootlegging

Successful implementation of prohibition requires a social consensus. For example, there is consensus in the society that one should not steal. In such case, the people assist the police and the thefts can be somewhat controlled. On the other hand, people believe that they must give money to their daughters in marriage. They often see this as giving share of the daughter in her parent's wealth. Thus the people do not assist the police and the dowry is not controlled. The point is that law works only where there is social consensus. There is no consensus on the harmful effects of liquor hence prohibiting the same is seen by people as an intrusion on their personal lives.

We must take a lesson here from the Islamic countries. Many have created a social consensus against liquor on religious considerations. They advise the troubled to seek relief in religion rather than liquor. Liquor though is still often available despite both social consensus and legal prohibition against it. Prohibition in India is doomed because the Government is not able to build a social consensus. The Government must therefore call a grand conference of the Hindu, Muslim and Christian religious leaders and build a consensus against liquor. Prohibition has half a chance of success after that.

It is counterproductive to impose prohibition without building a social consensus. The drinker will be hit because he has to buy liquor illegally at a high price. The troubled persons in who find relief in liquor, howsoever temporary, will be hit because they will be deprived of the relief. The ordinary consumer will be hit because he has to pay more for cloth and sweets. The State Government will be hit because of loss of revenue. The only gainer will be the mafias and the police.

Author was formerly Professor of Economics at IIM Bengaluru

Art 3 j of India's Patent Law, central to our national sovereignty and national interest

Dr. Vandana Shiva *explains how Monsanto is attempting to undermine India's laws and national sovereignty by subverting Article 3j.*

30 years ago, inspired by our freedom struggle, I had started Navdanya and the Bija satyagraha, to defend our seed freedom and our national sovereignty, in the context of the emerging threat of recolonisation through patents on seeds.

In the 1980s, Monsanto & the Toxic Cartel were imagining that they could impose patents on seeds to collect royalties from every farmer in every country for every seed planted in every season. Intellectual Property Rights (IPRs) expanded to cover living systems and organisms, is a distortion of the "Innovation" and "invention". This distortion was introduced by corporations such as Monsanto in the TRIPS(Trade Related Intellectual Property Rights) Agreement of WTO. Corporate influence on Patent Law began with the drafting of the Trade Related Intellectual Property Rights (TRIPS) Agreement of the WTO by the Intellectual Property Committee (IPC) of the multilateral corporations.

James Enyart, of Monsanto, is on record illustrating just how deeply the TRIPs agreement is aligned to corporate interest and against the interests of nations and their citizens:

"Once created, the first task of the IPC was to repeat the missionary work we did in the US in the early days, this time with the industrial associations of Europe and Japan to convince them that a code was possible….Besides selling our concepts at home, we went to Geneva where [we] presented [our] document to the staff of the GATT Secretariat. We also took the opportunity to present it to the Geneva based representatives of a large number of countries… What I

have described to you is absolutely unprecedented in GATT. Industry has identified a major problem for international trade. It crafted a solution, reduced it to a concrete proposal and sold it to our own and other governments… The industries and traders of world commerce have played simultaneously the role of patients, the diagnosticians and the prescribing physicians."

Countries have sovereign powers to make their IPR laws within TRIPS flexibilities.

We worked with our parliament and our government to ensure that when India amended her patent acts, safeguards consistent with TRIPS were introduced. In TRIPS India had introduced a sui generic option to patents governing seeds and plants, which we implemented as. the Protection of Plant Varieties and Farmers Rights Act, 2001 (the "PPVFRA").

Article 3 of the patents act defines what is not patentable subject matter.

Article 3 (d) excludes as inventions, "the mere discovery of any new property or new use for a known substance".

COTTON WATCH

Cotton balance sheet (October–September)

Year	Acreage (lakh ha)	Production (lakh bales)	Yield (kgs/ha)
2007-08	94.14	307	554.39
2008-09	94.06	290	524.13
2009-10	103.1	305	502.91
2010-11	112.35	339.1	513.1
2011-12	121.78	353	492.77
2012-13*	116.14	334	488.89

1 bale = 170 kgs, *provisional
Source : Ministry of textiles

This was the article under which Novartis's patent claim to a known cancer drug was rejected. This is the article that Novartis tried to challenge in the Supreme court and lost.

Article 3(j) excludes from patentability, "plants and animals in whole or in any part thereof other than microorganisms; but including seeds, varieties, and species, and essentially biological processes for production or propagation of plants and animals".

This was the article used by the Indian patent office to reject a Monsanto patent on climate resilient seeds.

While the Indian patent office rejected. Monsanto's patent claims on claiming to be the inventor and owner of plants and seeds, the US Supreme Court ruled on behalf of Monsanto, against a farmer called Bowman who had not bought seeds from Monsanto but purchased soybeans from an Indiana grain elevator. The US Supreme court ruling creates intellectual property in future generations of a grain or seed. This is biologically and intellectually incorrect because all that Monsanto has done is add a gene for resistance to its proprietary herbicide Round up, to (i) claim ownership of any plant/animal that gene finds it's way into and (ii) to enforce a RoundUp monopoly. Adding a gene of RoundUp resistance does not amount to "inventing" or "creating" a soya bean seed, its future generations and the species the gene pollutes.

In addition to suing farmers like Bowman, Monsanto has sued farmers like Percy Schmeiser of Canada whose fields were contaminated with Monsanto's Roundup ready canola. Instead of the principle of polluter pays, patents allow Monsanto to work on the principle of polluter gets paid. This has recently happened in the Australia in the case of Steve Marsh. While Monsanto does not have a patent on Bt cotton in India, it goes outside the law to collect royalties as "technology fees". Most of the 310000 farmers suicides in India since 1995 when WTO came into force are concentrated in the cotton belt. And 95% cotton is now controlled by Monsanto.

Monsanto is attempting to undermine India's laws and national sovereignty by subverting Article 3 j – which amounts to a subversion of our sovereignty and farmers rights to save, exchange, improve and sell seeds. An attack on 3j is an attack on farmers lives and the country's independence, economic freedom and democracy.

Section 3(j) of the Patents Act specifically provides that plants or any part thereof, including seeds and varieties, are not patentable. As a result, when Monsanto filed its patent claims on Bt cotton in India, out of the 59 claims filed, claims 1–40,41–43,48–56,57,58 and 59 were rejected: as not being allowable under Section 3 of the Patents Act, because they referred to patents on plants.

This was specifically clarified by the Ministry of Agriculture by its letter dated May 13, 1999 in the context of India signing the TRIPS agreement and consequent amendments to the Patents Act where it was stated that "It is, however clarified that GMOs per se only will be patentable. Seeds/planting material or any other parts of the plant or plant varieties containing GMOs would not be patentable. GMO's, if incorporated in a plant variety, would however be regulated under the proposed Plant Varieties & Farmers Rights Protection legislation".

It was further clarified by the Department of Industrial Policy and Promotion, on 27.5.2002, when the amendment to the Patent Act was carried out, with specific reference to Monsanto.It was stated that Clause 30 excludes patentability of seeds – including genetically engineered seeds. It was also stated that Section 3(j) specifically excludes patenting of plants. Therefore, "no patent on Bt cotton can be allowed". It was further stated "No patents for plants including transgenic plants can be allowed under section 3(j). Genetically modified plants are excluded from patenting by implication as the term "plants" includes any type of plants including genetically modified plants."

BT Cotton has been genetically modified by the insertion of one or more genes from a common soil bacterium, Bacillus thuringiensis. These genes encode for the production of insecticidal proteins, and thus, genetically transformed plants produce one or more toxins as they grow.

India is not Canada or USA. In defending and upholding Article 3 j of our patent laws, lies the true test of our freedom, our sovereignty, our civilisation ethic of Vasudhaiv Kutumkam. Article 3j stands as a symbol of intellectual and economic inclusion, guaranteed by our constitution ,and must be upheld in the face of the Monsanto's attempts at exclusion and monopoly which our laws and our civilisation disallow.

In the 1970's, Henry Kissinger declared, 'If you control the oil you control the country; if you control food, you control the population."

In today's context, I would add, if you control seed, you control food and life.

Thomas Sankara, the late revolutionary leader of Burkina Faso had said - "He who controls what you eat also controls you"

Through the Bija Satyagraha we will continue to defend the integrity of life, the rights of farmers to save and exchange seed, and resist Monsanto's immoral, illegal attempts to own life and extract genocidal royalties from our farmers.

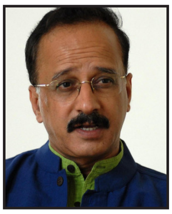
Seed freedom is our birth right.

Monsanto's crimes are now recognised worldwide. The recent opinion of the jury of the Monsanto Tribunal has found Monsanto guilty of crimes against people and the environment.

http://seedfreedom.info/monsanto-tribunals-legal-opinion-reinforces-movements/

A rogue corporation cannot be allowed to destroy our seed sovereignty , food sovereignty and economic sovereignty. ❑❑

Indian Agriculture's Grave Tragedy Has its Genesis in the Failure of Markets



The fall in prices of agricultural commodities is always seen as nothing more than a game of numbers that is played routinely, year after year, pleads **Dr. Devinder Sharma**

When the leader of Congress in Lok Sabha Mallikaarjun Kharge recently urged the government to grant an additional bonus of Rs 1,000 per quintal over the minimum support price (MSP) for tur dal, he was demanding a respite for the farmers who were faced with the collapse in prices pushing them deeper into distress. After two years of back-to-back drought, a bountiful monsoon in 2016 was expected to bring cheers for farmers. Backed with a promise of a higher procurement price, farmers had put in all efforts to achieve a record harvest. But the excitement of a bumper crop was short-lived. Open market prices crashed. Even the MSP failed to provide any assurance. Against the procurement price of Rs 5,050 per quintal, farmers across the country had got not more not more than Rs 4,200. That too after waiting in the mandis for nearly 10 days on an average.

According to the Karnataka Agricultural Prices Commission, the total cost of production works out to Rs 6,403 per quintal. Compare this with the price the farmers were able to get, it was roughly Rs 2,000 per quintal less than what they had invested in. And to make matters worse, Mallikarjun Kharge said this year the government imported 27.86 lakh tonnes of tur dal at the rate of Rs 10,114 per quintal (last year 57 lakh tonnes were imported). He therefore rightly demanded the government to also procure at the same rate from within the country.

Tur dal is not an exceptional case. All pulses crops, including moong and urad, faced the same dreaded consequences. What happened in case of pulses also happened in case of mustard, which recorded a 15 per cent increase in production thanks to an increased area planted, more stable yields and better weather. Against the MSP of Rs 3,700 per quintal, farmers were unable to realize even Rs

3,500 per quintal, and the prices had generally prevailed at about 5 to 9 per cent less. Stories of tomato, potato and onions thrown on to the streets by irate growers in several parts of the country had appeared in the media, and even red chilli, a cash crop in Andhra Pradesh and Telengana had met the same fate.

Unfortunately, the fall in prices of agricultural commodities is always seen as nothing more than a game of numbers that is played routinely year after year. Pick up newspapers of yesteryears or if you were to make a Google search, you will find the prices invariably crashing after every harvest. But what is not being realized is that behind these numbers lies the poor farmers, and their toiling families, the tragic fallout it has on the livelihood security of millions of farmers is never revealed, never talked about. The grave tragedy that Indian agriculture is faced with reflected through the unending spate of farmer suicides, has its genesis in the failure of markets.

The other day a 21-year old young girl, Sheetal Yankat, jumped into the well, ironically located in her own crop fields in Latur, Maharashtra. She left behind a suicide note wherein she wrote that she was ending her life because she didn't want her father to come under more debt. Already, unable to get a higher price with two crop years gone to continuous drought, her father was under a heavy debt. Because the middle-men were not willing to lend him more money, her marriage had been delayed by two years. She could see how her parents were desperately trying to borrow more money to somehow get her married. Ending her life was a better option than to put her parents under more debt.

But I doubt if such stories, poignant tales of the grave human tragedy on the farm, mean anything to mainline economists and policy makers. With the markets crashing after every harvest and with the government reluctant to save farmers by ensuring that they get at least the MSP that has been announced, farmers are pushed deeper and deeper into a never-ending cycle of debt. For instance, when a farmer toils hard for three months, putting all his labour to reap a bountiful harvest of tomato, only to find the prices crashing to 30 to 50 paise a kilo, the government has never come to his rescue. Even the promise of a Rs 500-crore intervention, price stabilisation fund, that we hear about actually has been created to help the consumer and not the farmer.

Cycle of debt

Poor farmers are left to live in indebtedness, which keeps on multiplying with each passing year. Even in Punjab, where 98% of rural households are in debt, 94% of the households under debt have less income and more expenses. In other words, the farm distress that we see is clearly 'market-driven'. The failure of markets results in more indebtedness, and therefore the growing demand for farm loan waiver. The Yogi Adityanath government in Uttar Pradesh therefore took the right decision immediately after being sworn-in by writing off Rs 36,359-crore of farm loans benefiting a little more than 92 lakh small and marginal farmers. This is not only good politics but good economics as well. Imagine how many children can now hope to get married with a maximum of Rs 1-lakh struck off for each family. Not a big amount but ask those who are living under a perennial debt.

Taking a cue from UP, more state governments are likely to waive outstanding loans to farmers. Economists are frowning at it, and so is the business media. Foreign Brokerage firm Merill Lynch has gone a step ahead to estimate that the total burden accruing from such farm loan waivers will touch 2 per cent of country's GDP by the time the country goes into 2019 polls. But I don't remember why Merill Lynch never gave us the estimates of loss to GDP when corporate loans are written-off. Already, India Rating expects Rs 4-lakh crore of corporate loans to be written-off in near future. How much will that be of country's GDP?

Since the corporates were provided with massive tax concessions to the tune of Rs 17.15 lakh crore in the three year period 2013-16, and are routinely given land almost free of cost with promises of cheaper power and water besides income tax holidays, I see no reason why the list of willful defaulters should continue to rise. According to IndiaSpend, Rs 56,521-crore is what 5,275 'wilful' defaulters owe to the banks. But neither does this staggering 9-fold increase in past 13 years worries the economists nor is Merill Lynch willing to tell us the loss it accrues to GDP. I have never heard of any businessman whose company has gone bankrupt taking the fatal route. Their extravagant lifestyle remains the same. The outrage we hear is only when the farmers gets a loan waiver. They are instead expected to commit suicide. ❑❑

Devinder Sharma is an expert on Indian agriculture.

Public sector is adding to inflation woes; Banks, highway toll make India less business friendly

In todays time, the system is being forced to be made exploitative and therefore, India is becoming less business-friendly, says **Shivaji Sarkar**

Rising inflation, not so good performance of the industry and not passing on the benefit of falling fuel prices to consumers are causes of concern. But it is just not the weather, rupee fluctuation, or rising wages that are causing inflation. Much of it is being unfortunately being led by the public sector – a legacy they inherited from the past. The public sector has yet to contribute to the efforts of Prime Minister Narendra Modi's vision of making the country most business friendly.

The government has to tighten up its expenses as inflation hits a new high of 3.85 percent in March, and is projected to rise further. Of course, there is no surprise in it. The country adopted an inflation target of 4 percent in 2016 for a five-year period with a 2 percentage point tolerance on either side. Consumer prices rose by an annual 3.85 percent, fastest since October 2016 compared with 3.65 percent in February.

The inflation was not caused by food items though prices of milk and eggs rose by 4.65 percent and 3.21 percent respectively. Vegetable prices fell by -7.24 percent though fruit prices continued to rise to 9.35 percent from a month's back 8.33 percent. The major cause is stated to be the fuel inflation acceleration to 5.56 percent. The economic sector is worried about uncertain monsoon, as the weatherman has predicted it to be erratic. If this happens, as RBI also indicates, the food prices may again go up. A US government weather forecaster projects possibility of El Nino factor upsetting rainfall.

The capital goods output which reflects the real investment declined by 3.4 percent. Decline in IIP is led by manufacturing constituting 75 percent of the index. It recorded meager growth of 0.6 percent. As many as 15 of the 22 sub-

sectors recorded year-on-year decline.Even some of the big names that came up during the last three years recorded contractions.

The cumulative growth of the country's factory output for the April 2016-February 2017 period works out to 0.4 percent much lower than the cumulative growth of 2015-16. Overall consumer goods production contracted by 5.6 percent and non-durable consumer goods production fell by 8.6 percent. In a way it is a double trouble for economy. On the one hand, it indicates difficult days as consumer prices rise on the other slowing down of activities indicate falling purchasing power despite increasing salaries in the government and some other organized sectors.

It cannot be just attributed to the recent phenomenon. It has happened during the past several years, even before 2014. Correcting it is an uphill task and may have to wait the new vision that the Modi government is planning to unveil at NITI Ayog. The strengthening of rupee from over Rs 68 tot Rs 64.43 has a benevolent impact on oil prices and other imports though domestic oil companies are unhappy as their phenomenal profits are lowered. So is inflation being caused by public sector behemoth, which technically has the least political control?

Inflation is not being caused by rising salaries. Wages are adjusted to match inflation. If despite such raise it is unable to generate demand, it means wage hike is far less than the inflation. What causes inflation? Many of these are listed in IIP. But many more are not. It includes the school fees and bank charges which are eroding the pockets of low-salaried Indians.

And unfortunately many of the inflationary causes are happening at the public sector. The dynamic rise in rail freight and fare is bad economics. It has a cascading effect on all consumer goods and travel costs of trade and corporate sector. It is bad accounting as well for which the railways have earned a reputation.

The strengthening of rupee from over Rs 68 to Rs 64.43 has a significant impact on oil prices & other imports though domestic oil companies.

India has the world's highest road toll. It defies all logic. It adds to surreal profits of the operators, including National Highway Authority of India (NHAI), delays traffic at every toll gate and adds to the cost of transportation. The tolls are impractical because the government also collects 2 percent cess for central road fund. Government has collected Rs 69,809 crore through cess imposed on petrol and diesel in 2015-16, minister of state for finance Santosh Kumar Gangwar told Rajya Sabha on August 2, 2016. It collected Rs 17,217 crore through cess on petrol and Rs 52,592 crore via cess on diesel.

The cumulative cess collection since 2006 amounts to over Rs 5 lakh crore. As such India should not have highway toll as every 0.5 cc moped owner is also paying for a facility he never uses. Toll collections are around Rs 35,000 crore a year across India. The cumulative is about Rs 3 lakh crore during the past ten years. The recent court decision to free Delhi-Noida toll bridge shows that highway toll is an exploitative system and benefits only few companies, including the public sector behemoth NHAI.

If tolls are removed India saves Rs 60,000 crore a year lost because of delays at approximately 374 toll gates, according to a 2013 report of Transport Corporation of India and IIM, Kolkata. Transporters suggested Rs 14,000 crore payment upfront to stop the toll system. Each truck pays Rs 4 to 5 lakh a year as toll. But vested interests are reportedly against doing away with it. The NHAI has also stated that almost 30 percent toll collected is never paid to it. Where does it go? So if toll is done away, India saves Rs 1 lakh crore a year. It would reduce business costs, prices, and boost demand. If railways also rationalises freight and fare, it would add to the economic growth. There are more reasons to do away with such irrational charges. The central government collected Rs 64509 crore from petrol as excise duty in 2016-17 and excise duty from diesel jumped by 36 percent to Rs 3 lakh crore.

Apart municipal corporations are collecting huge parking charges from each vehicle at the time of sale and are enriching themselves by levying sky-high parking fees and that includes the national capital, Delhi. The public sector banks are adding to the woes. They are collecting billions on illegal and irrational charges from all individuals as well as businesses.

The system is being forced to be made exploitative and India is becoming less business-friendly, if not anti-business. This has to end if India wants to compete in the world and be the most inexpensive production destination. ❑❑

Current conflict is essentially between Global and Local

The western world view has dominated for the last 200 or so years and hence their idea of "modern man' is accepted as the "idea". It is supposed to transcend territories and cultures. It assumes that "one size" fits all and enunciates "one model" works for all. In many seminars I am asked by foreigners about India becoming "Europe" or USA after a few decades and how it will impact Indian "values".

Basically it is assumed that the whole world needs to have or follow one model since all humans are same "rational "animals. The main Abrahamic faiths like Christianity and Islam evolved out of this belief. So they went around conquering the world to fashion it in their own mirror image. The Marxian model also believes the same.

The concept of sovereignty evolved as Westphalian consensus in 1548 after the thirty Years' War, in which the major continental European states – the Holy Roman Empire, Spain, France, Sweden and the Dutch Republic – agreed to respect one another's territorial integrity. This obviously did not include later colonies. Christianity and Islam wanted to spread all over the world by sword or colonies or deceit. Both wanted to be global religions.

The essence of governance requires the presence of potential conflict between global and local, opines **Prof R. Vaidyanathan**

Hence there was a fierce battle between these globalisers for "converting" people to their way. There is the idea of my way or Highway. The colonization project was justified since it was to "civilize" the world and converting faith/ religion of people was encouraged in the name of "freedom to choose". Of course that freedom should be exercised to choose the desert faiths. Some times with swords sometimes with subterfuge and inducement. From the Church evolved the modern corporations which in the Post 2nd world war wanted to be "global" and institutions like IMF and World Bank were created to facilitate the process. These institutions reinforced the theory of one size fits all. Modern Globalization project got accelerated in the seventies by multinational corporations tried to formulate theories which are applicable to all societies with perhaps some local variation– as a concession.

Ernst Kantorowicz, in his well-argued and celebrated essay *The King's Two Bodies: A study in Medieval Political Theology,* analyses how the mystical body of Christ, which is central to Christian liturgy, acquired sociological meaning in the later middle Ages. The *corpus mysticum* became the organized body of Christian society and created, in due course, the greatest of artificial persons, namely, "the state." Out of this modular structure or building block, Western capitalism emerged, along with other fictional entities such as the `Joint Stock Company' and `public corporation' (Princeton, 1957). Hence, it is a medieval Christian Anglo-Saxon construct that says that 'corporations' are more evolved forms than, say, joint families or cooperatives or trusts. One is not sure why India should continue to accept this European medieval evolution, which was essential for colonial conquests, driven by joint stock companies such as the East India Company, which considered India 'unorganized' and went about organizing it, with results known to us. So Church handed over idea of "globalization" to corporate.

In these days of political correctness, perhaps the so-called unorganized sector can be termed "corporate challenged", while corporates themselves are "disclosure-" and "transparency-challenged".

They even propounded an idea of "glocal". This is mainly global models but will try to take into account local sensibilities. Whether it is market efficiency or asset valuation every human being in the world should behave as per western models. If not there is a problem with that person or group. They were to be identified as "deviation" from norm.

The entire edifice of modern economics/Finance assumes market to solve all problems since all men are" rational"—in the western sense- and profit maximizers. They have homogenous expectations etc. The poor segments when they become rich behave exactly similar to the current rich people. That assumption helps in "forecasting" income and consumption growth.

Societies were expected to behave as per model rather than modeling societal behavior.

> ***Interestingly, modern versions of Church getting active-in the form of Evangelicals like Pentecostal etc.***

Wounded civilizations like India suffered a double whammy. Its youngsters were taught about the superiority of the Renaissance rationality and they began to fully imitate the homogenous model. Most got educated in Western Universities and this helped a lot for the globalisers.

Hence we have Christian globalisers/Islamic globalisers/Multinational corporate/Marxists. All using the premise of a global man and one size fits all. All of them can be called homogenizers. Among them Marxists are on the retreat after the fall of Berlin Wall.

But there is a problem. All these Homogenizers are run by a clique or elites who look down upon masses with contempt. Why so? Because they are confident that they have the solutions available in their books or models. The modern corporations have modeled academic institutions to suit their requirements. Recruitment/promotion etc. are dependent on reinforcing the belief system through research and training.

Within this so called left wing and right wing have evolved. Both are homogenizers. One is state based and other is big corporate or so called "market "based. But of late left wing has got twisted due to being politically right—it became friendly to Radical Islam and also to other "modernities" like LGBTQ groups. Interestingly soviet model of Stalin shunned these categories.

The Globalisers also created categories like economically "conservatives" but socially "liberal "or socially conservative but economically Liberal –but all within their framework of homogenizing. Also the Christian leaders would accept "Islamic Contribution" and nothing more than that.

For instance Obama claimed in Cairo (June, 2009) that algebra, the decimal system and printing technology were the inventions of the land of sands [Arabia] when these accomplishments owe as much to India and China.

Assertion of the Average: But the Globalisers are on retreat. One is the conflict or rather war waged by Radical Islam which would like to establish a Caliphate in Europe. Church is in retreat in Europe since many are becoming agnostic. Modern versions of Church getting active-in the form of Evangelicals like Pentecostal etc. Post economic crisis of 2008 the big corporates are on the retreat. The average school educated person is unhappy and angry. He is unhappy about unemployment which is running high in G-7 countries—more so in Europe. He is angry about mass migration and what he perceives as Islamic invasion of Europe and even USA.EU which is one of the earliest "Project Europe" to bring together "globalization" within Europe is under threat. The rural/school only educated/unwashed in Britain rejected the rule from Brussels. The Sophisticated elite of London wanted to be in EU. In France and Italy similar situation is developing. In the USA the assertion of average was extra-ordinary. All elites and financial system supported Hillary but she was defeated by again school only educated /poor segments.

Globalization crowd is desperate. Davos meet this year had of all persons Chinese President Xi and he was requested to "lead" globalization. One can imagine the level of desperation of the Davos crowd. Homogenization/one size fits all and Western model is THE model is the major mantras of globalisers. Radical Islam says the same thing except using its own book.

Tony Blair the then Prime Minister of UK in his famous Chicago Address -1999-suggests:

"The most pressing foreign policy problem we face is to identify the circumstances in which we should get actively involved in other people's conflicts. Non -interference has long been considered an important principle of international order…. "But the principle of non-interference must be qualified in important respects". The NATO intervention in Kosovo and Afghanistan as well as US intervention in Iraq provide recent examples of breakdown of idea of Westphalia.

Interestingly Radical Islam also considers that the world order based on Westphalian consensus will collapse. "In the aftermath of the 11 March 2004 Madrid attacks, Lewis 'Atiyyatullah, who claims to represent the terrorist network Al-Qaeda, declared that "the international system built up by the West since the Treaty of Westphalia will collapse; and a new international system will rise under the leadership of a mighty Islamic state."

The spread of ISIS across countries and activities of Boko Haram based in Nigeria in Kenya and Chad re-emphasis this point. Radical Islam does not accept territorial boundaries since it works for a global regime for global Ummah. The talk about Caliphate indicates that they are trans-border organizations.

On the other side we find global corporations transcending sovereignty in search of global profits. For this they use tax havens as a tool. Tax havens–numbering more than 70 jurisdictions–facilitate bank facilities with zero taxes and no-disclosure of the names and in many cases anonymous trusts holding accounts on behalf of beneficiary. In the case of Bahamas one building seems to have had tens of thousands of companies registered there.

USA is literally waging war with major Giants like Amazon/ Google/Microsoft etc. for not paying adequate taxes in USA in spite of being US based companies. Most of these companies have moved their profits to other Tax Havens. A simple method of trade mis-invoicing by global companies using tax-havens have impacted developing countries nearly 730Billion USD in 2012 says Global Financial integrity. There is an increasing clamour in USA and EU about closing down these tax havens.

Radical Islam also considers that the world order based on Westphalian consensus will collapse

Most of America's largest corporations maintain subsidiaries in offshore tax havens. At least 358 companies, nearly 72 percent of the Fortune 500, operate subsidiaries in tax haven jurisdictions –

- All told, these 358 companies maintain at least 7,622 tax haven subsidiaries.
- The thirty companies with the most money officially booked offshore for tax purposes collectively operate 1,225 tax haven subsidiaries.

Fortune 500 companies currently hold more than $2.1 trillion in accumulated profits offshore for tax purposes. Just thirty Fortune 500 companies account for 65 percent of these offshore profits. These thirty companies with the most money offshore have booked $1.4 trillion overseas for tax purposes. Only fifty-seven Fortune 500 companies disclose what they would expect to pay in U.S. taxes if these profits were not officially booked offshore. In total, these fifty-seven companies would owe $184.4 billion in additional federal taxes. Based on these fifty-seven corporations' public disclosures, the average tax rate that they have collectively paid to foreign countries on these profits is a mere 6 percent, indicating that a large portion of this offshore money has been booked in tax havens. If we apply that average tax rate of 6 percent to the entirety of Fortune 500 companies, they would collectively owe $620 billion in additional federal taxes. Some of the worst offenders include: Apple/Nike/ American Express/ PepsiCo / Pfizer/Morgan Stanley/Citi Group/Wall Mart/Bank of America/Google/ Microsoft/ Goldman Sachs etc.

So Globalisation is stuck between Tax havens and Terrorists.

The middle class in UK revolted against EU –seamless borders and trade and in US the victory of Trump is a big blow to Globalisers. He is unenthusiastic about Davos. The rise of Le Pen in France and *Geert Wilders* in Holland represent back to national sovereignty. Le Pen recently said in Koblenz "nation state" is back.

In this, the traditional division of Left and right has lost its meaning. In BREXIT we saw left supporting EU and part of right opposing it. Now, the new divisions are Globalisers versus Nation states both from left and right. There was an agitation by supporters of Gorbyn the rabid left wing leader of Labour party in UK against the most venerable left wing intellectualism personified "New Statesman"

[http://www.huffingtonpost.co.uk/entry/new-statesman-protest-jeremy-corbyn-momentum_uk_58e73c75e4b058f0a02dd696]

Actually this extreme left-winger Corbyn opposed BREXIT and wanted Britain to be in EU.

While as the conservatives in large numbers supported Brexit and from that point the calling of referendum by Cameron was even questioned. Corbyn was supposed to be part of "Remain and Reform" EU group. Anyhow Britain and labour force of Britain overwhelmingly voted for going out of EU which is perceived as a "Globalizing menace"

Le Pen in France wants to come out of EU since it is impacting "French"characteristics. She is considered "extreme" right by the main stream media in France. She

The rise of Le Pen in France and* Geert Wilders *in Holland represent back to national sovereignty

wants France to come out of EU; opposed to Radical Islam; opposed to immigrants and against large French Govt. Interestingly one of her opponent Melonchon who is considered as left extreme also wants to re-negotiate EU and possibly pull out. He is also against large central French Govt. and surprisingly not for the "veil" for the women!! Both Extreme right and Left are against large global corporations and Globalization by the Davos crowd.

In the USA the divisions are becoming interesting with large number of Trump supporters viewing Russia favorably while as Democrats are upset with Russia. Trump supporters view Russia as a good ally against radical Islam. Not that Russia is any more "socialist". Trump is as unhappy as Obama was about large US companies like Google/Amazon/Microsoft etc. not paying adequate taxes in the USA but showing large profits in Tax havens like Cayman Islands.

Large portions of left in Europe are split regarding its attitude to Radical Islam. One segment arguing for total "understanding" of Islam while another segment wanting to uphold traditional values of Europe on women issues, on Homo-sexuality and contraception.

This single model groups are being opposed by smaller "national and Community" sovereignty groups. For instance in Britain poorer rural segments /less educated segments and working class segments voted for BREXIT since all of them felt big Government at Brussels is trampling on their sovereignty. Similarly School educated /older aged/less income segments supported Trump. Both cases it is against "globalization" and "large corporate".

Similarly one witnesses raise of such political forces in Holland/France/ Italy and Germany. All these will have far reaching impact in the coming year due to elections in France and Germany.

Hence today the world is divided between Globalisers –be it corporate or Radical Islam or evangelists and "localisers" both right wing and Left wing. Globalisiers wants homogeneity –all wear Jeans and all drink Coke or all women have Burqa and all men pray 5 times. Localisers want variety and pluralism. Respect for local tradition and customs and recognition of small businesses. ❑❑

Prof R. Vaidyanathan; Cho. S Ramaswamy Visiting Chair Professor of Public Policy SASTRA University; Professor IIMB[Rtd]

Swadeshi Economy is for Right to Happiness

Swadeshi economy is an operative and practical economy. Wherein society leads the state. Therefore it is for right to happiness which consists of People's day to day economic activities including earning of livelyhood, says **Mahadevayya Karadalli**

Freedom Fighters' have sacrificed their family life, health and happiness for the welfare of nation and its people. They have dream of Rama Rajya (welfare state) which is not happened. Independent India practiced either capitalistic or socialistic model of development. Unsatisfied with development & to improve our economy in 1991 new economic policies were adopted. Still 20% people are in below poverty line. About 6.5 lakhs families live by picking waste in the early morning. In place of agriculture service sector, agri industries, Agri service sector got priority. Agriculture that too natural agriculture was neglected. Sri Gurumurthy an economist writes "***A jobless corporate growth****- A study [July 2013] by Credit Suisse Asia Pacific India Equity Research Investment Strategy revealed that after more than two decades of economic liberalisation, the share of the formal sector, (namely the public and private corporate sectors together)* **in national GDP stood at just 15%** *and that of listed corporates was just 5%. Despite all the pampering by the government and economists, the formal sector's share of the nation's* **GDP improved by just 3% i***n more than two decades. In this period, the sector had received* **foreign investment by debt and equity of over $550 billion and also drew over Rs 18 lakh crore f***rom banks as credit. But how many jobs did it add in this period?* **Believe it, just 2.8 million!** *Economists would never mention the huge investment into the formal sector nor the insignificant number of jobs added by it, so that they need not answer either why it produced such jobless growth or ask who else provided the jobs. When I brought this to his notice, a shocked* NR Narayana*murthy told me that as the software sector itself had added 3.5 million jobs, it meant that the rest of the* **corporate sector had actually cut jobs by over 700,000, rather than adding any.** *And where from then did the jobs and people's livelihood come? Credit Suisse study says that 90 per cent of the* **total of 474 million jobs in India is generated by the non-corporate sector which contributes half the national GDP.** *The study labels this sector in the global language as the informal sector. But it adds that unlike in the*

West, where the informal sector is largely an illegal sector, in India it is legal business which remains informal only because the government has been unable to reach out to it. ***The Economic Census (2013-14) says that some 57.7 million non-farming and non-construction businesses The yield 128 million jobs.*** *The census classifies them as Own Account Enterprises (OAEs), implying it is self-employment.* ***The census finds that over 60 per cent of OAEs are run by entrepreneurs belonging to Other Backward Castes, Scheduled Castes and Scheduled Tribes; more than half the OAEs and as many jobs provided by them are in rural areas; and nine out of 10 OAEs are unregistered.*** *But this sector, which ensures both social justice and is rich in generating jobs, gets just 4 per cent of its credit needs from the formal banking system and the rest at usurious rates of interest. Here is a paradox. The banks fund corporates which add very little jobs. They are unable to fund the OAEs (i.e. unfunded job rich sector) which generate ten times the jobs the corporates provide".*

Small Scale Industries, small industries sector which are commonly owned or run by an Individual with family back up are doing their best. Basavakalyan Lorry, Bellary–Jeans, Ludhiana–Cycle, Surath- Diamond, Sarees, Solapur-Bedsheet, Tiruppur–Knitwear, Shivakasi Crackers, Gadag Printing etc., are the best examples. Thus, Family, community, society participation in economy strengthen our economy convert Bharat a Rich economy. With greediness of growing more earning more Agriculturists started to shift to money crops from food crops.

Seven decades of independence, Experiments after Experiments we are still going on. **The question's like Why our life is moved to complexity from simplicity? Why there is difference in talk and action, what are benefits received with the practice of either Capitalism or socialism? What are the future plans to build strong economy are the questions to be answered.** And, it is the time to analyse the reasons for existence of poverty, imparity, inequality, etc.

Policies of governments (low interest rate, tds deduction, transaction tax etc.) are not encouraging to the culture of savings in Banks. General public finding other avenues of savings such as investment in gold, land and building etc., Thus 21st century witnessing the diminishing trend of domestic saving. Our own Swadeshi model of development can only replace expenditure oriented model with saving oriented economy to increase domestic saving. Otherwise Nation has to depend on foreign capital for our development rather than our own domestic capital. According to Dattopanth Thengadiji "sustained family system & practice of patriotism will help to grow culture of saving. Domestic savings as well as their individual income increases, dependency on foreign aid automatically decreases". His statement proved to be true. With opening of Jandhan accounts upward rise in graph of rural and small savings seen. During demonetisation period people peacefully & patiently received their own money in queue, tolerated all hardship to help government in fight against black money, parallel economy etc., People voluntarily give up of subsidy on gas etc. **So, Economy with patriotism is the Swadeshi economy & it is a positive economy. Protects prompt tax payer, evades double/ triple taxes, supports domestic savings. Swadeshi economy is also an interdependent and self reliance economy. Swadeshi economy supports responsible, sustainable development.** Western economy is like tsunami destroys every thing whereas Bharatiya /Swadeshi economy (Artha shastra) is like cool air (Tamgali). It is like lake or river water which is helpful to living and non livings. Increases underground water table, makes greenery at all levels. Thus nation's Samgra vikas is the aim of swadeshi economy. Swadeshi Arthashatra also guarantees basic needs such as food, shelter and dress to the people of the nation. Ultimately no one will be unhappy. All will be happy. It will be a win-win situation. **Swadeshi economy considers "Production by masses rather than mass production. Decentralised rather than centralised. Employment generation to wealth generation".** Common man of the nation shall not strive for his daily food, cloth, shelter and health. We have to be self reliant in food by adding values to native agriculture system, in fuel sector by producing alternate fuel. Power

Swadeshi model of development can only replace expenditure oriented model with saving oriented economy to increase domestic saving

After 17th century and on set of British rule our economy slowly shifted to cities

sector may be powerful with strong base of solar an wind energy. Foreigners are interested in investing their capital in India. India in turn has to show interest in investing our human resource in Foreign countries. Encourage our NRIs to enter manufacturing sector. So that government can control foreign companies activities in India. Swadeshi economy takes care of unorganised, poor, skilled labour at their workplace. Peoples thoughts, attitude, practices, their life style etc will form platform for Swadeshi economy. It is a Decentralised economy village as its base. Agriculturists, Traders, manufacturers are its prominent players. After 17th century and on set of British rule our economy slowly shifted to cities. Educated started to chase modernisation, i.e. the western model of development. Due to which simple life style, decentralized economy gave way to complicated and centralized economy.

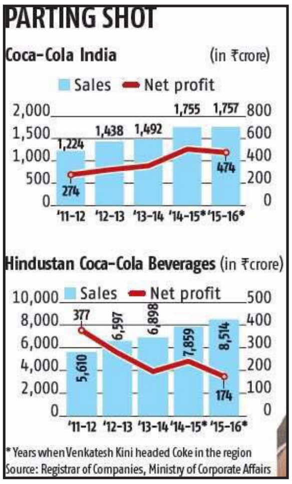
Influenced by western economic life style contradictions entered in our economic policies. For example Instead of banning or stop manufacturing of items which are harmful to health & nature such as liquors, tobacco items, gutakha, matka, cold drinks, pesticides Governments in power doing exact reverse activity by spending thousands of crores of rupees on community education & advertisement etc, to tell people not to drink, not to smoke, use condoms etc., One department of same government works exact against the other department's activities. Instead of taking measures to increase food production it asks farmers to grow cash crops to raise their income level and import food items. **Development is measured in terms of increase in GDP percentage which is not in proportionate with the price rise of essential commodities, unemployment sector etc.,**

Swadeshi economy has its roots in Dharma. Practice of Dharma converts Food into Prasad. And People take Prasad as per ones own requirement, avoid wastage. The practice of Dasoha in Temple, Maths' stops food starvation takes care of Sadhus, Saints, Guests, Non earning members of the society including the orphans, baggers, etc. Volunteering food, cloth and shelter through Dasoha practice helps the government to lower its budget allocation to social sector (janapria plans–widow pension, distribution rice Rs 1/kg, Shaadi Bhagya, etc). Practice of dharma helps to stop Thefts, illegal activities. Thus Temple/Math will prevent doing all kinds of illegal activities. Man is not a simply an economic animal (as believed in western economists). He is more than animanl. He is a spiritual. Has faith, soul, mind & heart. **Bhartiyas live in societies, communities, villages. There attachment to area, community plays vital role in deciding economic activities. Living with available resources without murmuring & greediness are the positive signals of swadeshi economy.** Kautilys the great ancient economist nasti raga sam dukh: nasti tyag sm sukham. Tyaga bhogshcha vithsths trutho ya gati. Money maximum utilization is in tyaga - the sacrifice. Dharma is not an aphim (drug), sacrifice has happinessIns. Raga will creat bhaya (fear), ecurity, creates ill feeling. Swadeshi economy has its deep roots in Dharma. During 2005 in America Katrina tsunami, 2007 England floods, 2010 Spain and Chili earth quake localities, unaffected people snatched ornaments from dead body. When Japan affected by sunami Japan people patiently faced the troubles. Helped each other. Draw money from ATMs in queue. Traders lowered their rates etc., All this because of japan people follows Boudha Dharma. Corruption has got strength to disturb, disrupt the economy of the nation. Corruption crushed local industries. Only swadeshi economy can sustain and curb the corruption. Since people reject the income which against the Dharma. Family income forms sizeable part of domestic savings. Dharma is the basis of Swadeshi Economy, a practical, a meaningful economy. Practice of Dharma includes Naitikate (Morality), Satya (truth), Ahimsa (non violence) etc., which are the basis of our economy. **Economy which in turn guarantees right**

to happiness to one and all. i.e. Sarve Jana Sukhinobhavanto. According to Mahabharata - "Naiva Rajyam, na Rajaseenna dando na cha dandika: Dharmyannaiva praja:" (means- No state, No punishment, No King, People on their own live with the principles of Dharma). Our Artha vyavsta brought up on four purusharthas viz Dharma, Artha, kama moksha, which are the pillers of Swadeshi economy. Money (Artha) gained in the form of income for basic needs. Expenditure to fulfil desire (Kama) within purview of Dharma. Hence, community, society, village life was in order to due to peaceful life. People will feel, they are the trustees of wealth in their possession and not its owner. State administration has minimum role. No police, no courts etc., Voluntary practice of Dharma controls Kama (the unwanted desires). People Life style, food habits, entertainment, work culture etc will influence the economy of the nation. Dharma based economic activities ensures income from good deeds & expenditure to justified heads of accounts and also stops nepotism, corruption, black money etc., Swadeshi thoughts on economics have its roots in Gandhiji's thoughts on economy. Gandhiji is for High thinking, Simple living and for self reliance. And opined that self employment through SSIs utilising available local human resource is the best answer for unemployment. Satya (truthfulness,) Ahimsa are basic principles. All round development through ahimsa was the dream of Gandhiji. Decentralisation of power, need based utilisation of available human resources are the essentials for development of village shall form the basis of Gandhian economy. Swadeshi Economy is nothing but Samagra Vikas of an Individual, a society and a nation having provision for self reliance & protecting one's own self respect and of nation. **Swadeshi economy is an operative and practical economy. Wherein society leads the state. Takes care of common man's needs and ends with happiness. Swadeshi economy is nothing but People's day to day economic activities including earning of livelyhood. Practice first and preach next will be its theory & definition.** Swadeshi economy defines the methodology of leading meaningful life for Individual as well as for society. Since both have to play supportive role. Swadeshi economy takes care of each and every people including their area's welfare through samarasya & by removing social and economic disparity/inequality. Progress with employment (Kayak), and need based distribution of wealth(dasoha) are the essence of Swadeshi economy. There is no place for unemployment, under employment. Employment means self employment. Majority of people will be self employed to earn income necessary for their livelihood. Self reliance, morality, affection, coordination, cooperation, interdependence, helpful, etc., are the qualities & practices promoted by Swadeshi economy. Dharma shall be in every walks of life, There shall be no politics in Dharma.

Now a days Globe is divided into underdeveloped, developing, developed. The measurement of division was not correctly discussed, debated and concluded. Due to which after 7 decades of Independence, our economic thinker not tried to reconstruct economy of the nation on our terms and conditions. Which could help us to measure "Samagra vikasa". In Swadeshi economics Growth, Progress and Development have different meaning. Growth takes its journey along with time and is natural. Progress is a value addition (like income, luxury items etc.,) to Growth. Development denotes welfare of a community/society. Dashavatara has the concept of growth, progress, development and Samagra Vikas. Rama is perfect man for samagra vikas. He is ideal King, son, husband, father, leader, philosopher, friend etc., Man has a body, mind, heart with feelings, morality, God fearing attitude etc., So, western economic thoughts limits itself to development. Materialistic ideology gave birth to men with self centric thoughts to have supremacy on all. It is but natural that materialistic society has men centric thoughts and saw an animal in each individual, a sinner. This attitude of a man exploited whatever available including environment for luxury life. Whereas Bharatiyas has seen God in every living and non living. Aham Brahmasmi. Bharatiya Artha chintana motivate each Individual to think as trustee of natural resources. He has to protect, add and hand over it the new generation. It is pious obligation and also duty of an individual. Swadeshi economics considers Individual and society as two sides of the same coin, Two eyes of the same body. Swadeshi Economy gives right to happiness (Sarve Janha Sukhino Bhavanto). Each Bharatiya has to practice, propagate. ❑❑

CocaCola losing sheen



Since Coca-Cola re-entered India in 1992, its most prominent image has been of a dominant entity in the carbonated drinks market, also known for brands like Thums Up, Sprite and Limca. During the past 25 years, it had several obstacles, from the pesticide crisis to groundwater issues, in the business environment. These have only got tougher since 2014. Increasing taxes, slowing in consumer spending and changing lifestyles have reflected in its sales. Coca-Cola India's revenue growth remained flat between 2014-15 and 2015-16 and its profit plunged 6.4 per cent, as volume sales declined during key months.

Several cases of unrest and protest in and around its manufacturing units in Rajasthan, Gujarat, Uttar Pradesh and Kerala, among others, led to suspension of production. *(http://www.business-standard.com/)*

India needs to shun Chinese goods, enact 'Buy Indian Act': Swadeshi Jagran Manch

India needs to emulate the Buy American Act-1933, which gives preference to US-made products in government procurement, the Swadeshi Jagran Manch (SJM) has said. The economic wing of the Rashtriya Swayamsevak Sangh, which has been commandeering the campaign for indigenous production, wants India to cut down its dependence on exports from other countries – particularly China.

It cites the American Act as a template for India

to follow, to encourage domestic manufacturing and create more jobs. "The Buy American Act applies to all US federal government agency purchases and lists that all goods for public use must be produced in the US, manufactured items must be made from indigenous materials in the US. India must have a similar law," Ashwani Mahajan, national convenor of the SJM, told HT.

The SJM has initiated a year-long campaign to create awareness on how Chinese goods adversely impact domestic production, and push the government to relook at its trade policy. "A committee of secretaries has made a recommendation to the Centre to give preference to indigenous products in government procurement. Hopefully, the government will soon announce such a policy," he said. He pointed out that flagship programmes such as Make in India, Start up India and the promise of ease of doing business will thrive only when imports from China — from plastic toys to rail coaches — are restricted. "The government talks about Make in India and promises more jobs and skilling, but we are heavily dependent on imports from China. Not only is this drying up jobs and domestic manufacturing, it is also allowing inferior quality products into our markets," he said.

The SJM has in the past campaigned against the use of Chinese goods, particularly firecrackers. Ahead of Diwali, when the use of crackers goes up exponentially, the SJM ran campaigns asking people to buy Indian products. The group cited the poor condition of workers at cracker manufacturing units in Sivakasi and West Bengal, who face the brunt of a liberal import policy, to make its point. It has also taken on the government for throwing open sectors such as civil aviation, defence, food processing and pharmaceuticals to foreign direct investment.

Mahajan clarified that India will not be violating WTO agreements by giving preference to indigenous production. "According to WTO rules, if a government gives preference to products made in its own country for its own consumption, it is not a violation. However, if commercial entities are forced to give preference to indigenously produced goods for commercial use or sale, it is considered a violation of WTO rules," he said. *(http://www.hindustantimes.com/)*

Solar power pushes growth in India's electricity generation

Green power is driving the growth in India's elec-

tricity generation as total installed solar capacity, including rooftop and offgrid projects, has crossed 10 giga watts (GW), latest government and market data show. Generation from conventional sources showed an annual growth rate of over 5% in the 11-month period of 2016-2017 financial year, while output from renewable power projects rose more than 26% during this period. Together, the total growth in generation is in excess of 6% from a year-ago period, latest government data shows.

Power Ministry officials say the net growth figure will be higher as generation data from renewable power projects comes with a time lag, and therefore, does not reflect in the Central Electricity Authority's latest report. The officials said the total generation this February showed marginal decline than the year-ago period on account of 2016 being a leap year. Since February 2016 had 29 days as against 28 days in the month this year, it had an additional day's generation.

A day's extra generation in February 2016 affected the February 2017 figure by 3.57%. Had February 2017 also had one extra day, the increase in electricity generation from conventional sources would have been 3.52%, the officials said. Market watchers see renewables continuing to carve a bigger space in the country's generation sphere on the back of the Narendra Modi government's funding push. After coming to power in 2014, the government revised the target for renewables from 20 giga watt (GW) to 175 GW, including 100 GW of grid-connected solar projects, by 2022.

Last month, the government announced an ambitious scheme to double solar power generation capacity under the solar parks scheme to 40,000 mega watts (MW) by 2020, with Rs 8,100 crore assistance to fund 30% of the initial project cost of developers. India is expected to add new solar capacity of 5.1 GW this year, which is a growth of 137% over last year, a recent report by Bridge To India, a green energy-focused consultant, said. It expected an annual capacity addition of about 8-10 GW in 2017.

"India is expected to become the world's third biggest solar market from 2018 onwards after China and the US," it said. Tamil Nadu has the highest installed solar energy capacity, followed by Rajasthan, Andhra Pradesh, Gujarat, Telangana, Madhya Pradesh and Punjab. These seven states collectively accounted for more than 80% of total installed capacity as of mid-November. *(http://timesofindia.indiatimes.com/)*

RSS mows down NITI Aayog's GM proposals?

The BJP's ideological patron, the RSS, has won the GM (genetically modified) crop war with the government's premier policy think-tank NITI Aayog.

In the first authoritative indication, the planning body's draft on the three-year action plan — a copy of which is with Express — admits that "other alternatives (to GM crops) should be explored".

"NITI Aayog officials reached out to senior RSS functionaries for an open debate on the issue, but all efforts proved to be futile," said a senior member. The RSS has been opposed to the introduction of GM crops for many years. As NITI Aayog began to champion GM crops to meet the needs of India's growing population, the RSS dug its heels in, emerging as the principal stumbling block. RSS general secretary Bhaiyaji Joshi had said the strong counter-arguments to the scientific community's espousal of GM crops could not be brushed aside.

In its defence, NITI Aayog furnished scientific approval for GM crops.

"Public policy on agriculture research and development is facing a serious dilemma. The scientific community by and large favours the development and

use of transgenic and GM crops to address future agri-food demands and other challenges," NITI Aayog wrote in the action plan circulated to State governments during the Governing Council meeting on April 16, but added, "However, there is a strong public sensitivity towards the health and environmental safety aspects of these technologies in India and in most of other countries, which cannot be ignored."

The Gujarat government had rejected NITI Aayog's requests for GM crop trials soon after the National Democratic Alliance came to power in 2014.

In India, only GM cotton is cultivated. Activists have been raising the issues of seed monopoly by multinational companies and pest-affected crops leading to losses for farmers. *(http://www.newindianexpress.com/)*

UP's 311 MLAs richer by 82% compared with 2012 : Survey

As many as 311 Uttar Pradesh legislators in the fray for the ongoing assembly elections have shown an average 82 per cent hike in their assets compared with 2012, an analysis of their self-furnished affidavits has revealed. There has been an average increase of Rs 2.84 crore in the assets of these 311 members of the assembly since 2012, an analysis by the Association for Democratic Reforms (ADR) showed.

The highest increase of Rs 64 crore in assets has been declared by the Mubarakpur MLA, Shah Alam alias Guddu Jamali of the Bahujan Samaj Party (BSP), followed by Suar's lawmaker Nawab Kazim Ali Khan, also of the BSP (up by Rs 41 crore), and Maholi legislator Anup Kumar Gupta of the Samajwadi Party (increase of Rs 35 crore).

In the 2012 elections, the total assets of Jamali were valued at Rs 54 crore, which increased to Rs 118 crore (increase of 118 per cent). Those of Kazim Ali Khan were Rs 56 crore, and rose to Rs 97 crore (71 per cent increase), while the assets of Anup Kumar Gupta dramatically rose from Rs 6 crore to Rs 42 crore — a whopping 525 percent. Party-wise, the highest increase in the value of assets was registered by Apna Dal (Soneylal) from Rs 5 lakh to Rs 7 crore.

ADR
Association for Democratic Reforms

The legislators of the SP (162), BSP (57), Lok Dal (3), BJP (55) and the Congress (19) have seen an increase in their assets respectively by 99 per cent, 92 per cent, 88 per cent, 62 per cent and 65 per cent in five years between 2012 and 2017. A decrease in assets by minus 82 per cent was shown by the Peace Party. *(https://www.hindujagruti.org/)*

Assam govt to make Sanskrit compulsory

The Assam government on Wednesday said it will implement the Cabinet decision to make Sanskrit compulsory till Class VIII only after having "general consensus" and removing "practical difficulties". Making a statement on the recent decision which has evoked sharp reactions from all sections of society, Assam Education Minister Himanta Biswa Sarma said, "The decision was taken in-principle but implementation will happen after general consensus and removing practical difficulties". He informed the Assembly that the government will try to build a consensus after taking opinion from all important organisations of the State. Mr Sarma also said there are other issues in implementation of the decision like lack of Sanskrit teachers and the government will not appoint anyone from outside the State. *(http://www.thehindu.com/)*

National level Muslim athlete given 'Triple Talaq' (divorce) for giving birth to girl

A national level netball player was divorced for giving birth to a girl child, in Uttar Pradesh. Shumayala Javed, a national level champion for seven times, hails from Amroha district of UP. She was married to Azam Abbasi, a resident of Lucknow's Gosaiganj area in 2014.

"On February 9, 2014, I got married to Azam Abbasi. From the starting, my in-laws used to torture me for dowry. They used to exploit me. Every now and then, they used to ask for dowry from my father," Shumayala told ANI as her daughter kept crying waiting for her mother to take her into her arms.

Narrating her ordeal, she shares how her in-laws used to harass her post marriage. **"In June 2014, my father gave them Rs. 2 lakh. For some time, they treated me well. My husband's sister even tried to put me on fire. In September, my father again deposited Rs. 1 lakh in their account," she said.**

"When they learnt that I was pregnant, they said they want a son and threatened me of dire consequences if I gave birth to a baby girl. They even conducted an ultrasound to know whether I was pregnant with a baby boy or a baby girl. When I was eight months pregnant, they dragged me out of their house," she added.

"When my daughter was born, they left me stranded. My father took me to my in-laws afterwards but they threatened him as well. My father left me there. But my in-laws kept on abusing me, both physically and mentally. In April, my husband divorced me through triple talaq," she added.

She also alleged that no one helped her, not even the police or the administration.

Now, Shumayala, who has participated in All India championships for four times, has decidd to knock the doors of Prime Minister Narendra Modi and Chief Minister Yogi Adityanath demanding justice.

"I have written a letter to the Prime Minister and Chief Minister Yogi Adityanath. I expect them to help me get justice. I urge the Prime Minister to help me in this grave situation. He should set an example for all such people, who divorce their wives through triple talaq," she said.

In his 'Mann ki Baat' program, Prime Minister Modi dubbed triple talaq as a "bad social practice", saying such practices can be ended by social awakening.

Thousands of Muslim women across the country have since formed pressure groups and spearheaded signature campaigns demanding the abolition of the practice.

The All India Muslim Personal Law Board (AIMPLB) claims Shariat upholds the validity of triple talaq – under which a Muslim husband can divorce his wife by merely pronouncing the word "talaq" three times.

Talaq or divorce can be obtained in either of two ways. Under 'talaq-ul-sunnat', there has to be a three-month period called 'iddat' between the pronouncement of talaq by a husband and a lawful separation. But 'talaq-e-bidat' authorises a man to do so in a single sitting. The AIMPLB has issued appeals to all maulanas and imams of mosques to read out the code of conduct during Friday 'namaz' and emphasise on its implementation.

The board has made it clear that it will not tolerate any interference in the Shariat laws, and claimed that majority of the Muslims in the country do not want any change in their personal law. Earlier this week, the Uttar Pradesh Chief Minister had called for an end to the practice of triple talaq and invoked the disrobing of Draupadi in the Mahabharata to emphasise his point. *(http://www.terrorscoop.com/)*

WTO members welcome new chair of agriculture talks

Ambassador Karau replaces New Zealand Ambassador Vangelis Vitalis who returned to his home country in early 2017. In his address to WTO members, Ambassador Karau said: "I am humbled by the confidence shown in me by the members and would like to assure you that I will carry out my tasks with determination and dedication."

He stressed that the work ahead in agriculture negotiations remained challenging. "The technical and policy issues involved in the negotiations are complex," he said, "but that is not the end of it. Agriculture fills a central place in our discussions at the WTO. And food is an essential part of our lives. Therefore

everyone has a stake in these negotiations."

Outlining his plan for the way forward, Ambassador Karau stressed that he is firmly committed to the consensus and transparency principles in agriculture talks. "I know that trust is absolutely essential in my new role as Chair and I commit to working fairly, objectively and transparently with all delegations. I will always listen to you and respect all points of view," he said.

He informed members of his intention to convene an informal open-ended meeting of the Special Session as well as dedicated sessions on public stockholding for food security purposes and on the special safeguard mechanism for developing countries in the second half of May.

"I know that there is no time to waste with the Buenos Aires Ministerial meeting just around the corner," he told members. Ambassador Karau is the tenth chairperson of the agriculture negotiations since talks began in March 2000.

WTO agriculture negotiations chairs:

- ***March 2000:*** Roger Farrell (New Zealand, ex officio as Goods Council chairperson)
- ***June 2000 to March 2001:*** Jorge Voto-Bernales (Peru)
- ***March 2001 to Doha Ministerial Conference:*** Apiradi Tantraporn (Thailand)
- ***From Doha (Nov 2001, chairing first meeting in March 2002) to Cancún (Sept 2003):*** Stuart Harbinson (Hong Kong, China)
- ***From Cancún (Sept 2003, chairing first meeting in March 2004) to summer (July) 2005:*** Tim Groser (New Zealand)
- ***From summer (Sept) 2005 to April 2009:*** Crawford Falconer (New Zealand)
- ***From April 2009 to June 2011:*** David Walker (New Zealand)
- ***From November 2011 to July 2015:*** John Adank (New Zealand)
- ***From September 2015 to November 2016:*** Vangelis Vitalis (New Zealand) *(https://www.wto.org/)*

Introductory Trade Policy Course for least-developed countries gets under way

The three-week course aims to develop participants' understanding of the WTO and its agreements through a variety of approaches, including presentations, practical exercises and interactive discussions. The overall objective is to provide the participants with key information on WTO issues so that they can improve their awareness of the structure and basic principles of the WTO as well as the main disciplines contained in the WTO agreements, including the flexibilities available to developing countries.

During the course, the participants will have an opportunity to attend a meeting of a WTO body and to take part in a roundtable discussion with Geneva-based delegates. They will explore issues of particular interest to LDCs in the WTO's current work and in the forthcoming WTO Ministerial Conference to be held in Buenos Aires in December.

External speakers from the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD) will share their experiences on technical assistance and capacity building programmes provided by their respective organizations. A visit to the Advisory Centre on WTO Law (ACWL) in Geneva will give the participants the opportunity to learn about the legal advice and training that is available to LDCs.

The course is a Level 1 activity in the WTO's Progressive Learning Strategy. Successful completion of the course allows participants to apply for other, more advanced, WTO training activities. *(https://www.wto.org/)* ❑❑