

Counter View

View Point

Analysis

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GM Technology back in focus

Reckless GEAC Recommendation put on hold



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Be wary of Oversmart US diplomats

US Secretary of State John Kerry on the eve of his departure to India lauded (on recent trip) the developmental plan of Prime Minister Narendra Modi reflected in his poll slogan of "Sabka Saath, Sabka Vikas". It is a great vision, he said in an apparent move to emotionally blackmail Indians. Showering fulsome praise on the developmental agenda encompassing inclusive growth of Modi, Kerry in a major foreign policy speech on India said that the US is ready to be partner with the new Indian government in its endeavour. This is the same USA that was not only denying Narendra Modi the Hon'ble Prime Minister of India a visa to US, but also allowing its soil to be used for all types of anti-India and anti Modi groups. We must understand that it is a devilish ploy to ensure benefits for USA as is evident from the very next line Kerry said in his address to a Washington audience at an event held by the Center for American Progress, a top US think tank. He said, "We believe it's a great vision, and our private sector is eager to be a catalyst in India's economic revitalisation." "American companies lead in exactly the key sectors where India wants to grow: in high-end manufacturing, in infrastructure, in healthcare, information technology, all of them vital to sort of leap-frogging stages of development so you can provide more faster to more people," he added. MNC's of developed countries particularly of USA first lobby to create a policy requirement in tune to suit their business and later use every tactic to get that business.

There is no doubt in the fact that India also needs to have good relations with all the countries of the world, but that must be based on our own national interest and we must not fall a prey to the false charm intended to extract concessions at the cost of Indian interests. We have a lot of trust in the present regime and hope that Kerry will learn a lesson of his life that is not take India for granted.

– Mahender Singh, Sonepat (Haryana)

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Quote-Unquote



You gave me a standing ovation. I would, however, like to request you to give a standing ovation to our farmers who feed the people of India.

Narendra Modi

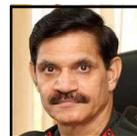
Prime Minister, addressing scientists at the ICAR



We expect Modi government to show the way to the world in areas of environment & corporate governance.

Kashmiri Lal

Rashtriya Sangathak, SJM



I can tell you that our response to any such act (Pakistan's beheading of Indian soldiers) will be more than adequate. It will be intense and immediate.

Gen DS Suhag

Chief of Army Staff



They have taken \$30 billion from us, they still kill our troops and we still pay the cheques.

Christine Fair

South Asian political and military affairs expert in the US, on Pakistan.

Why this haste?

Clearance of open field trials of GM food crops

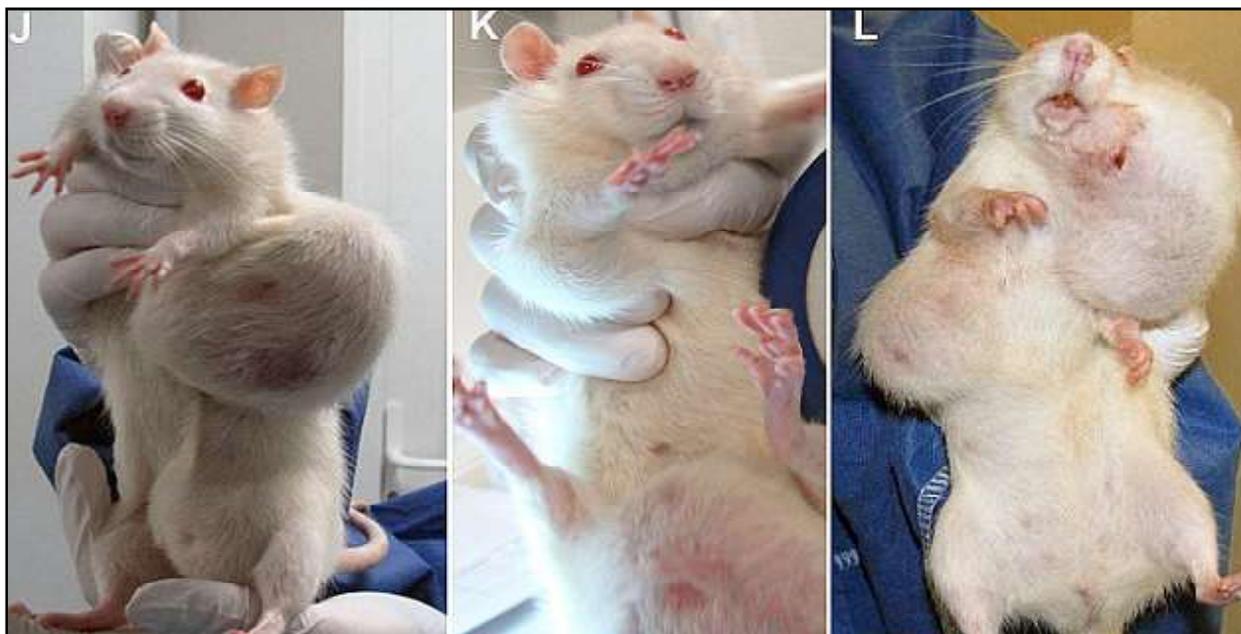
"The opportunity for doing mischief is found a hundred times a day, and of doing good once in a year."

— (Voltaire)

The hasty green signal for open field trials of several genetically modified (GM) food crops by The Genetic Engineering Appraisal Committee (GEAC) is mischievous. It has rightly been opposed immediately by the shocked stake holders, activists and social mobilisation groups. Intensity of the reaction from stake holders like Swadeshi Jagaran Manch (SJM) and Bhartiya Kissan Sangh (BKS) forced the Minister concerned to react promptly clarifying that government has not taken any decision on the recommendations made by GEAC implying the government has put on hold the decision of GEAC. Clarification of the Minister that he repeated in a meeting with the delegation of SJM & BKS came as a relief to the entire nation. These developments have regenerated the debate over GM technology and its utility for human race which is a well come outcome. But a section of media on behest of lobbyists and GM Corporates is trying to make it BJP government vs its ideological affiliates like SJM & BKS. Some vested interests are trying to make it as a rejection of scientific research. Their efforts have, however, not met with any success and country continues to discuss GM technology as a whole including exaggerated claims of its proponents.

There is plenty of secrecy attached to the working of GEAC that was reconstituted in June 2013 by the then UPA government in what was believed, to be a move to cheer the industry in an election year. GEAC has stopped uploading information regarding meetings on its website. Even in the present case Hem Kumar Pande, the chairperson of the GEAC informed media that the "agenda dealt with 15 items and cleared field trials of rabi crops". Members who have been attending the meetings of GEAC have revealed that while companies provide data to support their proposals there is no system of verifying the validity of the data. They have also reportedly objected to not recording the dissenting voices. It is therefore, essential for the country to know in a transparent manner what is actually going on in case of such a sensitive issue and how is GEAC actually working. It is also pertinent to recall that the Parliamentary Committee on Agriculture in its report has not only strongly recommended discontinuation of open field trials of genetically modified crops due to the danger of contamination, while maintaining that GM crops haven't done much to alleviate the condition of cotton farmers in India. Mr Basudeb Acharia, chairperson of the committee, while releasing the report has in fact castigated GEAC said, "Concerns on the potential and actual impacts of genetically modified (GM) crops to our food, farming, health and environment are valid, as result the committee concludes that GM crops are just not the right solution for our country." The committee among other abuses has cited that safety tests that were requested but not carried out ; pressure was brought to bear by industry and the Agriculture Minister on the co-chair of the GM regulator GEAC to approve Bt brinjal; inexplicable changes in the organs and tissues of Bt cottonseed-fed lambs; the grossly inadequate and antiquated regulatory mechanism for assessment and approval of transgenics in food crops ; the serious conflict of interest of various stakeholders involved in the regulatory mechanism and total lack of post-commercialization monitoring. The Committee had asked for an end to all GM field trials; recommended an in-depth probe to track the decision making involved in commercial release of Bt cotton, "including how Bt cotton became a priority when the avowed goal of introduction of transgenics in agricultural crops was to ensure and maintain food security"; and asked the government to take into consideration the effects of GM crops on agricultural exports when considering whether to approve them. BJP as a responsible political organisation had rightly taken a mature stand and promised in its manifesto, "GM foods will not be allowed without full scientific evaluation on the long-term effects on soil, production and biological impact on consumers." It was therefore a shock to know that GEAC under new regime has approved and cleared field trials of rabi crops. One possible reason for this undue haste by GEAC is the paying back by its members to the political masters for being appointed to such a panel by the previous government and possible beneficiaries of the industry. Whatsoever the reason the country needs to be vigilant and ensure proper scientific evaluation before approving open field trials of GM crops particularly the food crops as the evidence shows the damage in most cases is irreversible. No decision should be taken in hurry.

Stop open field trials of GM food crops to safeguard food security & biodiversity



Shocking images of tumours in mice caused by exclusively eating GM corn released by a French research team.

SJM has asked the government not to rely on the biased and manipulated reports of vested interests among the industry and institute enquiries about the likely impact of GM food crops on soil, human and other species' health to ensure that no harm is done to traditional gene pool /biodiversity of the nation, soil, food security and health of the people of India.
Swadeshi Samvad.

Genetically Engineering Appraisal Committee (GEAC), under Ministry of Environment & Forest gave clearance of field trials for 15 Genetically Modified (GM) crops, including major food crops such as rice, sugarcane, chickpea, brinjal and mustard among others, in a meeting of the GEAC held on July 18, 2014.

A delegation of Swadeshi Jagran Manch and Bharatiya Kissan Sangh met Minister of Environment & Forests on 29 July 2014, on the issue of field trials of GM Crops. Minister was apprised about the concerns of Swadeshi Jagran Manch and Bhartiya Kissan Sangh about the reported approval given to field trials of 15 GM crops by Genetic Engineering Appraisal Committee of Ministry of Environment and Forests. The Minister assured the members of SJM and BKS that the decision about field trials of GM crops has been put on hold.

The delegation apprised the Minister that approval of these field trials has been given against policy directions from apex bodies.

Firstly, the Parliamentary Standing Committee on Agriculture in its report on 'GM food crops- prospects and impacts', tabled in the parliament on 9th August, 2013 has clearly recommended the 'stopping of all field trials under any garb'. This is because the committee after detailed deliberations and consultations with various stakeholders was convinced about the potential of GM crops harming human health, livestock and biodiversity and the possibility of field trials to contaminate our regular crops and our food supply. The concern was also because of the inadequacy of the current regulatory system to assess the safety of GM crops and its ability to safely conduct field trials. It is notable that there is a total

absence of adequate regulatory and monitoring mechanisms to ensure that the field trials are conducted following safety protocols and that they do not infect surrounding areas. The record in this regard has been far from satisfactory in India. The basic norm to be followed includes ensuring that there is a 20% non-Bt refuge area around the trial area. Yet, field trials of Bt cotton demonstrated the absence of adequate monitoring of compliance of such rules.

Secondly, the Supreme court appointed Technical Expert Committee comprising of eminent scientists from all relevant fields in their final report also had highlighted the inherent risks associated with open release of GM crops and the absolute failure of the regulatory mechanism in India and strongly recommended against any open release of GM crops including field trials until a robust regulatory mechanism is put in place.

The delegation told the Minister that it is unfortunate that the GEAC has chosen to clear the way for some 15 GM food and other crops to undergo field trials. The introduction of GM mustard was strongly opposed several years back and the field trials were cancelled. Bt brinjal was also cleared for trials but withdrawn in the face of objections from the Ministry of Environment and Forests based on the views of farmers at a series of public hearings around India. Despite this, and the fact that the Supreme Court is currently hearing arguments against field trials of GM crops in the absence of adequate regulatory systems, the GEAC has chosen to go ahead.

In this light former Union Minister of Environment & For-

ests Jayanthi Natrajan refused to sign the file clearing field trials of more than 200 transience varieties of GM crops; and had earlier written to the PMO saying it was not feasible as the issue was pending in the Supreme Court. However the next incumbent in the Ministry of Environment and Forests (under UPA) had chosen to grant permission to the field trials of more than 200 hundred different transgenic varieties of GM crops, including GM varieties of crops like rice, maize etc across the country.

The delegation argued that apart from the fact that the GEAC has chosen to ignore the policy directions given by the two apex bodies namely Parliamentary Standing Committee on Agriculture and Supreme Court, there are many other reasons why GM crops trials should not be allowed—

1. That, the technology, which involves introducing a “foreign” gene, is dangerous because once introduced, it is irreversible. In other words, once you have a GM crop, you cannot reverse the process if you find that it is causing harm. There is no scientific study to prove that GM technology does increase productivity, as is claimed by the promoters of the technology. The delegation pointed out that the environmental costs might outweigh any benefits that the introduction of such a technology brings.
2. That there is major issue of food security of the nation attached to this issue. In India, as in many other parts of the world, a few multinational corporations, principally Monsanto, have a virtual monopoly on the GM technology. If a coun-

There is no scientific study to prove that GM technology does increase productivity.

try’s food production becomes overly dependent on seeds and other inputs from a handful of such companies, will it not compromise its food security?

3. That sustainability of GM Food crops is highly questionable for a country like India where the majority of farmers own small plots of land. To make them dependent on a technology with high initial costs, and without an assurance that it will guarantee higher yields is placing them at a great risk. This has already been evident in the spate of farmers’ suicides witnessed in Andhra Pradesh and Maharashtra in the course of the last decade where farmers fell for the hard-sell of Bt cotton and got entrapped in a debilitating debt cycle due to higher costs without commensurate returns.

SJM urged the Minister that the government should not rely on the biased and manipulated reports of vested interests among the industry and institute enquiries about the likely impact of GM food crops on soil, human and other species’ health to ensure that no harm is done to traditional gene pool /biodiversity of the nation, soil, food security and health of the people of India.

The Minister assured the delegation that the decision about the field trials of GM Crops has been put on hold by the government.□□

The truth about genetically modified foods

There has been a great deal of publicity of late about the necessity of genetically modified (GM) crops for feeding India's masses, while dismissing the widespread concerns about them. These concerns cover health, environmental impacts, farmers' indebtedness, loss of seed diversity and sovereignty. These risks are not activist extremism, but have repeatedly been endorsed by independent investigations—both abroad and in India.

Independent reports on GM: The first serious report in India was in 2010 by former minister of environment Jairam Ramesh, who called for a moratorium on Bt brinjal after inputs at seven public hearings and perusing scientific studies in favour and against its introduction. Then, in 2012 a report by the Parliamentary Standing Committee for Agriculture (PSCA) consisting of 31 members across party lines, unanimously castigated rampant regulatory failures, the exaggerated claims of increases in yield of Bt cotton, the health and environmental risks increasingly being reported across the world, and the stranglehold by large transnational seed corporations, whose expensive patented seeds have to be purchased afresh every year causing economic distress and suicides of farmers. The PSCA called for a complete moratorium on field trials of GM crops until a proper bio-safety regulation based on the best globally available legislation is enacted and regulatory loopholes are plugged. Its report is accessible here as well as a three page press release of it by the Lok Sabha Secretariat.

The most recent report is by a Technical Expert Committee (TEC) appointed by the Supreme Court in a public-Interest Litigation (PIL) on GM (Writ Petition no (Civil) No.260 of 2005). The TEC consisted of six members, of which five submitted a unanimous report calling for the following:

- A moratorium on field trials of **GM food crops** until the “major gaps in the

*Dilnavaz Variava
who has been
involved with the
environmental
movement in India
for close to 40
years and
is Honorary
Convener of the
Consumer Group of
the Alliance for
Sustainable and
Holistic
Agriculture- ASHA
has this to say on
GM crop
Technology*



regulatory system” are addressed, and on commercial release “until there is more definitive information ...about the long term safety of Bt in food crops”;

- A ban on **Herbicide Tolerant (HT) crops** since manual weeding is both feasible and employment generating in India’s small farms;
- A ban on GM crops for which India is the **centre of origin/diversity**

Each of these has been followed by a spate of articles, in some newspapers, attacking the findings of the PSCA, personal denigrations of their authors and fear mongering that without GM, India will be unable to grow the food it needs. GM is one of the most important issues for India as it affects food and seed, vital for us all, and also because the spread of living organisms is irreversible. There is thus the need to sift PR hype from truth.

GM hype and GM truth:

The hype is that GM is cutting edge technology in agriculture, that 170 million hectares are under GM crops, and that India will be left behind if it does not adopt this GM technology. The truth is that 170 million hectares constitutes only 3.4% of the world’s total agricultural land, that only six countries account for 91.8 % of all GM area (USA 40.8%, Brazil 21.4%, Argentina 14%, Canada 6.8%, India 6.3%, and China 2.3%) and that most countries in the world are rejecting or restricting it. The first four countries, accounting for 82% of all GM cropland, have average farm sizes of about 300 to 1000 acres and their main GM crops are Herbicide Tolerant (HT) i.e. designed to withstand herbicides,

SC instituted TEC recommends indefinite moratorium on GM field trials

A committee of technical experts comprising scientists from top public research laboratories and academic institutions set up by the Supreme Court has changed the 10-year moratorium on field trials of Bt transgenics that it recommended in October 2012 to what appears to be an indefinite moratorium on food crops in its final report. Based on “the examination/study of the safety dossiers, it is apparent that there are major gaps in the regulatory system. These need to be addressed before issues related to tests can be meaningfully considered. Till such time it would not be advisable to conduct more field trials,” the experts say in their final report without specifying any time frame.

In other significant recommendations, the panel finds herbicide-tolerant (HT) crops “completely unsuitable” in the Indian context and recommends that field trials and release of HT crops should not be allowed in India.

Noting that a single committee such as GEAC or RCGM-these are the main regulatory agencies for biotech crops-doing all the evaluation is not sufficient, the expert panel has called for the setting up of a secretariat comprising dedicated scientists with area expertise as well as expertise in bio safety. “This will require consultation with experts having experience at the international level in bio safety testing and evaluation of GM safety dossiers in reputed regulatory bodies,” the expert panel said, while suggesting that this should be done in collaboration with the Norwegian government.

Its reason for singling out Norway is that the Norwegian system has “an established commitment” and is one of the few attuned to considering socio-economic issues that would be important in the Indian context. The report said the new regulatory body should have area-wise subcommittees/expert groups in the following fields: health (human and animal); environment and ecology; agro-economics and socio-economics; molecular biology; soil science and microbiology; plant biology and regulatory toxicology among other specializations.

The report signed by its original five members was not endorsed by Rajendra Singh Paroda. A former director-general of the Indian Council of Agricultural Research (ICAR), he was nominated by the National Academy of Agricultural Sciences (NAAS) to fill the gap left by V L Chopra who did not serve on the Technical Expert Committee (TEC), as it is called, for unspecified reasons. Paroda, according to the letter sent by TEC to the Supreme Court on June 30, did not attend the final meeting of the committee in Chennai. Nor has he appended a dissent note. □

which will kill all plants other than the genetically modified HT crop. This actually results in more irresponsible spraying of herbicides, thereby leading to more toxin consumption. It has also led to unprecedented herbicide resistance in weeds. These pose a major prob-

lem to US farmers who cannot eradicate these “super weeds” which have affected 61 million acres of US farmland (Report by *Stratus Agri-Marketing*). The TEC has rightly recommended that there is no justification for HT GM crops in India, where sizes of Indian farms are

Open field trials of GM crops: SC seeks Centre's response

The Supreme Court in April 2014 sought an answer from the Centre as to why there should not be an interim suspension of open field trials of genetically modified crops in view of an expert committee disfavoured it. "We have reports of responsible persons who occupy responsible positions. Don't you think there should be an interim order (against open field trials) till we hear this case?" a bench headed by justice HL Dattu observed. However, the bench, also comprising justice SA Bobde clarified that it was not inclined to halt trial in closed environment or isolated conditions.

Since the single largest number of applications for field trials to GEAC is for Bt transgenics, including in food crops such as rice, the scientists are of the view that the safety of Bt transgenics with regard to chronic toxicity needs to be established before it can be considered safe for human consumption. In this regard it pointed out the largest deployment of transgenics worldwide is in soybean, corn, cotton, and canola, all of which are used primarily for oil or feed after processing.

"Nowhere are Bt-transgenics being widely consumed in large amounts for any major food crop that is directly used for human consumption." The TEC could not find any compelling reason for India to be the first to do so. TEC has, therefore, reiterated its interim recommendations that there should be a moratorium on field trials for Bt in food until there is more definitive information from sufficient number of studies as to the long-term safety of Bt in food crops.

"To date, no GMO that is intended primarily and directly for food production has been commercially released into its centre of origin," says the panel. It notes that the US has restrictions on the growth of Bt-cotton in Hawaii where a weed related to cotton is found. For good measure it emphasizes that cotton is not even a food crop.

Crops in their centres of origin and diversity often have "a deep cultural significance that can easily get lost when utilitarian issues dominate the discourse", says the 94-page report. Ceremonial and medicinal varieties can also be put at risk from GM crops by reduction of diversity and genetic purity, and to justify their release, "there needs to be extraordinarily compelling reasons and only when other choices are not available. GM crops that offer incremental advantages or solutions to specific and limited problems are not sufficient reasons to justify such release." In the present circumstances, there is no such compulsion, according to the scientists, who were categorical that release of GM crops for which India is a centre of origin or diversity should not be allowed. □

only 3 acres on average and manual weeding provides employment to millions of women.

In India, Bt cotton is the only crop permitted so far. Bt crops involve the transfer of a gene from a soil bacterium (*Bacillus thuringiensis*, or Bt) into the seed, to pro-

duce a protein toxic to a targeted pest e.g. the bollworm in cotton. The hype is that Bt cotton yields have made India the second largest exporter of cotton whereas the truth is that very little of this is due to higher yields from Bt cotton. In fact, according to Cotton Adviso-

ry Board figures, cotton yield increased by 69% (i.e. from 278 kgs per hectare in 2000-01 to 470 kgs per hectare in 2004-05) when Bt cotton was less than 6% of total cotton area. However, as Bt cotton expanded to over 90% of the cotton area, yield increased by only about 6%, stagnating at around 500 kg per hectare for the past 5 years. India has also become the world's largest exporter of organic cotton—which does NOT use GM seed. In fact organic cotton exports are now being jeopardised by Bt contamination, as importers of organic cotton do not permit the slightest trace of genetic modification. Moreover, some types of bollworms have developed resistance and, after Bt cotton, there is an unprecedented invasion by other pests—such as sucking pests—which were earlier never a problem with cotton. Farmer risks now include more expensive seeds (5 to 10 times the cost of earlier seeds), pesticide spraying on these secondary pests and crop failures as these seeds need timely irrigation, which 65% of our farmers cannot provide. While some farmers may have benefited, amongst rainfed farmers indebtedness and suicides have not decreased despite wide adoption of Bt cotton. Other possible impacts eg Bt toxin on soil microbes and on animals which consume the plant, allergy in cotton pickers and consumers, and health consequences of Bt cotton seed oil now being liberally mixed into edible oils, need to be monitored through independent and transparent long term studies, which is, unfortunately, not happening. □□

[courtesy: <http://www.brijj.com/group/hotel-management—link—Gm-Crops-Part-1-The-Truth-About-Genetically-Modified-Foods?>]

Indian Scientists Warn over GM Crop Dangers

Around 250 Indian scientists wrote to the Indian PM in November 2013 requesting him to accept the Final Report submitted by the Supreme Court-appointed Technical Expert Committee (TEC) on modern-biotechnology regulation. The contents of the letter are revealing and relevant in the present context also. The letter is reproduced for the benefit of our readers ...

Never in the history of agriculture has a technology been so controversial as Genetic Engineering (GE)/Genetic Modification (GM) of crops. The unpredictability and irreversibility of Genetic Modification (GM) as a technology and the uncontrollability of GMOs (Genetically Modified Organisms) in the environment, coupled with scientific studies pointing at the potential risk to human health and environment, has resulted in a controversy across the world around the safety as well as the very need for introducing such potentially risky organisms into food and farming systems. These concerns, incidentally, have been raised first and foremost by scientists who are free of vested interests, on scientific grounds.

As scientists and experts in our respective subjects we endorse and share concerns related to the irreversible impacts of science and technology of GMOs in our food, farming and environment. There are, in addition, socio economic and other concerns to which, as scientists, we should not be oblivious. The concentration of control of the most important input in agriculture, namely seeds, through a technology implemented with rigidly enforced Intellectual Property Rights is a matter of concern in

view of the ease with which tinkering at the level of genes allows exclusive monopolistic rights to accrue to commercial entities. Since most such IPRs on important components and processes of GM are already in the hands of a handful of MNCs, this will inevitably lead to their monopolistic power over Indian agriculture over time. In the Indian context, there are also concerns on massive displacement of farm labour if Herbicide Tolerant (HT) GM crops are introduced. Given that the world is heavily tilted against the introduction of this controversial technology at this point of time, with a majority of nations not opting for it, this also raises serious issues of impact on India's agricultural exports. The Honourable Supreme Court in a Public Interest Litigation on concerns related to environmental releases of GMOs, has set up a Technical Expert Committee to look into relevant issues for India pertaining to biosafety and other aspects/impacts of GMOs.

We welcome the fact that many relevant issues pertaining to GMOs have been appropriately taken on board in the Final Report of the Technical Expert Committee appointed by the Court. This Final Report has been submitted as a unanimous report to the Su-

preme Court by 5 independent experts of the TEC who have expertise on "safety science" related to GMOs and have been looking into the matter from May 2012. We are of the view that the separate report submitted by the sixth member, appointed into the TEC in November 2012, an agricultural scientist who unfortunately has an objectionable conflict of interest notable of which is the fact that the organisation he heads is funded by the Biotech seed companies like Monsanto, Mahyco, etc, lacks the soundness of content of the Final Report. It is ironical that even this SC appointed committee has had to face such conflict of interest situation, given that this has been the case with almost all GM-related issues in India so far.

The sixth member's approach of equating 'environmental release' of GMOs only as commercial cultivation is not tenable, as every use of GMOs outside any containment, such as in field trials, constitutes a deliberate environmental release. The sixth member is echoing the same arguments as the Agriculture Ministry on food security whereas it has been shown quite convincingly that food security, even in its narrow interpretation, could actually get jeopardised with transgenics, as experience from

elsewhere shows. Many of us have in the past written to the Minister for Environment and Forests on this subject.

From the separate report submitted by the sixth member, it appears that he believes that the current regulatory system with its various guidance procedures is mostly satisfactory, whereas the 5 independent members of the TEC have most convincingly shown with their painstaking work on biosafety analysis that even the most basic capabilities related to biosafety assessment are missing in India, and that the regulatory processes are grossly inadequate.

We write this letter to endorse the Final report of the TEC for the reasons given below:

1. The Final Report rightly recognizes that bringing out GMOs into any open air environment constitutes an environmental release, irrespective of the misleading terminology used in Indian regulatory parlance, where the term 'environmental release' is used only for commercial cultivation, whereas every open air trial even if it is called a 'confined field trial', is actually a deliberate environmental release of GMOs. Moreover when it comes to trials, the GMOs are yet unassessed and their impacts unknown.

2. Further, the Report has clearly understood that not all GMOs are the same in terms of the risks they pose, nor are they needed in the Indian context except when no other options exist. The same approach was adopted by the MS Swaminathan-led Task Force on Agricultural Biotechnology, whose report was accepted by the Government of India in 2004, and which stated inter alia that the transgenic approach should



be "resorted to when other options to achieve the desired objectives are either not available or not feasible".

3. Having considered the available options, risks and benefits, the Final Report has wisely recommended against the deployment of Bt food crops in India until their safety is established, and recommended the avoidance of Herbicide Tolerant GM crops. The Report also recommends a ban on genetic modification of crops for which India is the Centre of Origin/Diversity. These recommendations rightly include any open air field trials.

4. When it comes to sequencing of risk assessment, the Final Report is scientifically sound in recommending that "the sequence of testing should be carried out in order of increasing environmental exposure required to perform the test. Tests should be done under the minimum conditions of exposure required for the test. The testing therefore proceeds in a progressive manner that increases confidence regarding safety, with increasing exposure".

5. Importantly, from their perusal of the biosafety dossiers for GM applications that the Indi-

an regulators had already cleared as safe, the five independent TEC members have once again confirmed the dismal state of regulatory affairs in India. While the Bt brinjal moratorium decision by the Government of India in 2010 indicated something similar, the TEC's own painstaking work on this front is a vindication of the Government of India's decision at that time to stop the commercial cultivation of Bt brinjal. It is also in line with the unanimous report of the Parliamentary Standing Committee on Agriculture tabled on 9th August 2012, after three years of indepth study of GM food crops in India. The TEC main report therefore rightly points out that "it is apparent that there are major gaps in the regulatory system. These need to be addressed before issues related to tests can be meaningfully considered. Till such time it would not be advisable to conduct more field trials". As experts specialising in various fields pertinent to biosafety and sustainable livelihoods, we endorse this important recommendation from the 5 independent members of the TEC.

6. The report makes an important recommendation on

COVER STORY

maintaining the independence (and therefore, scientific integrity) of regulation: Conflict of interest in terms of the location of the regulatory body needs to be avoided. The suggestion of the TEC that the regulatory bodies be located in the MoEF (environmental safety) and the MoHFW (health safety) is correct. It should always be ensured that all members of the regulatory bodies are also free of conflict of interest.

7. We are also of the view that stakeholder participation, need assessment, socioeconomic considerations, sustainability and societal impact should be some of the dimensions to be incorporated in the risk assessment and this should be done at an early stage in the risk assessment process.

8. Other recommendations of the Final report, including asking for assessment of inter-gener-

ational and chronic impacts, or the need for the regulatory regime to be open to new scientific information that may have a bearing on risk assessment even after deregulation of a product, or for India to establish a strong, state-of-the-art biosafety regulatory system are all most welcome and their implementation is, in fact, long-overdue.

The sincere implementation of the recommendations of the Final Report submitted by the 5 eminent and independent members of the Supreme Court appointed Technical Expert Committee will go a long way in restoring societal confidence in science-based independent regulation of GMOs in India.

We urge the Government of India to accept the recommendations of the TEC Final report as it is based on sound science, principles of sustainability and intergen-

erational justice. We sincerely hope that vested interests would not be allowed to prevail and prevent the acceptance of this scientifically sound report. We look forward to the Union of India accepting these recommendations in full in the Supreme Court and thus ensuring the speedy delivery of justice based on the recommendations of these five eminent scientists of unimpeachable credentials.

Sincerely, Sd/-

1. Padma Bhushan Dr P M Bhargava, Founder Director, CCMB, Hyderabad
2. Prof RN Basu, Former Vice Chancellor, Calcutta University
3. Dr VS Vijayan, Former Chairman, Kerala State Biodiversity Board
4. Dr Tushar Chakraborty, Sr Scientist, IICB, Kolkata
5. Dr Dinesh Abrol, Jawaharlal Nehru University, New Delhi. □□

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Towards happier times?



The Prime Minister Modi Government unveiled its much-awaited nascent Union Budget last month. All were agog whether it would inject the much-needed boost to a stagnant economy. Find a solution by infusing massive investment, creation of jobs and turning the economy around. Finance Minister Arun Jaitley did not disappoint and took the plunge by zeroing in on the kitty available which his predecessors were oblivious of to spur domestic investment in the economy by asking public sector undertakings, who sit over huge reserves, to invest Rs 2.47 lakh crores.

Undeniably, the Finance Minister has tried to please too many protagonists of River Ganga (Rs 2037 crore) to Hindutva icons like Shyama Prasad Mukherjee, Deendayal Upadhyay and Sardar Patel as also the common taxpayer. His overhaul left nothing untouched.

Indeed, Jaitley has gone out of the way to ensure that the BJP's pro-poor image does not get a beating especially against the backdrop of ensuing Assembly elections in Maharashtra, Haryana, Jharkhand and J&K. He has left subsidies untouched, maintained funds for MNREGA, raised interest subvention on home loans, personal income tax exemption limits and announced several social welfare schemes.

Goods used by the *aam aadmi* like footwear, TVs, footwear, stainless steel utensils, computer components, diamond and gems have become cheaper. The FM has also laid additional stress on savings through revival of the National Savings Scheme of the 1960s and tax exemption for savings up to Rs 1.5 lakh.

Notably, Jaitley has tried to recreate the principle to ensure the so-called Hindu rate of growth, a low but constant growth coupled with a mix of development of the masses. By amalgamating domestic savings which used to fund Government's welfare programmes during the Socialist budgetary era of Nehru with a new reforms programme, a suggestion harped on by BJP's ideological ally Swadeshi Jagran Manch for long.

Pertinently, the farm sector has got the Government's attention. It has projected a 4 per cent growth of agriculture through a technology-driven second Green Revolution, an indication that possibly the farmers worse days are over. They might no longer have to commit suicide as 13,000 did last year. The Rs 500 crore price stabilization fund is aimed at mitigating the risk of price volatility in agriculture produce.

Recall, two similar funds were set up by the erstwhile Vajpayee Government which helped tea and coffee growers despite raising prices for consumers. But



It is to be seen whether domestic investments through PSUs and other projects turns over the economy or leads to rise in FDI. This mix is likely to ensure a check and balance. Jaitley's FDI move might inspire Indian corporates to invest their reserves in the country, instead of abroad, hopes Shivaji Sarkar

Jaitley asserted this fund would keep a check on prices as well. Simultaneously, Prime Minister Modi's dream of following the Gujarat pattern of soil testing system has been given the go by; instead an additional Rs 56 crore was allocated to set up 100 mobile soil testing labs.

Major change has been made to focus on MNREGA. Whereby, the scheme has now been linked to the farm sector and rural asset creation. Given that farmers had long been complaining that MNREGA had made labour expensive and unavailable during the peak harvest and sowing seasons. This might help reduce corruption as well, whereby only one family got 900 days of work!

A Rs 1000 crore irrigation scheme, agritech infrastructure fund, national adaptation fund, development of indigenous cattle breed with an initial allocation Rs 50 crore, Agricultural Universities in Andhra and Rajasthan, Horticulture Universities in Telengana and Haryana; and farm research institutes in Assam and Jharkhand are expected to give new direction to the farm sector.

Similarly stress on organic farming in the North-East is likely to change production patterns. Besides, Rs 8 lakh crore has been set aside by NABARD and public sector banks for farm credit. A new TV channel would be dedicated to disseminate information to farmers.

Importantly, Jaitley has shown some continuance in policies by raising FDI limit from 26 per cent to 49 per cent in insurance, defence, and e-commerce retail — an indirect route for FDI in retail. Also, public-private partnership (PPP) in

shipping, inland navigation, airports and roads sector.

Nevertheless, it is to be seen whether domestic investments through PSUs and other projects turns over the economy or leads to rise in FDI. This mix is likely to ensure a check and balance. Jaitley's FDI move might inspire Indian corporates to invest their reserves in the country, instead of abroad.

This prescription, Jaitley hopes, would start a flurry of activities and create jobs. Remember, the Economic Survey has been consistently critical of the economy being in mess wherein no jobs were created. Despite 55 per cent growth, the service sector too did not create many jobs and remained confined to 44 per cent.

Undoubtedly, the Government has little funds. Whatever little was available was within limits set by the interim UPA budget in February. However, the FM has managed small moneys, Rs 100 crore each for 29 schemes by re-engineering Chidambaram's interim budget. This is a policy change, which a Government interested in serving the people has done. Each of 29×100 programmes is somewhere part of the BJP manifesto and also aimed at serving its political constituency.

Significantly, UP which added 71MPs to the BJP kitty has got a bonanza. An AIIMS is to be set-up in Purvanchal, eastern UP, Rs 50 crore has been earmarked for Varanasi and eastern UP weavers renowned for exotic saris. The new textile cluster would help zardozi craftsmen in Bareilly and chikan work in Lucknow.

The Buddhist tourism circuit would also benefit the State from Kapilavastu, Sarnath (Varanasi),

Sravasti in east UP to Mathura in the west which are associated with Lord Buddha. Besides, a metro for Lucknow has also been announced. Bringing smiles to Union Ministers Rajnath Singh and Santosh Gangwar as the benefit would be in their constituencies. UP has also set to gain from the largesse to the power sector.

Further, programmes like the Rs 500 crore for displaced Kashmiris (read Pandits) to return to their homeland, AIIMS in Maharashtra's Vidarbaha, West Bengal and Tamil Nadu are targeted to keep new voters and possible allies happy.

The 100 proposed smart cities have been allotted Rs 7060 crore. This is aimed at creating new urban hubs and would be supplemented by the Shyamaprasad Mukherjee Rurban (rural-urban) project to be funded by the PPP mode.

Alas, poor bank depositors were hoping that Jaitley would abolish tax deducted at source (TDS) from bank deposits which resulted in suffering as many of them cannot fill the income tax declaration. Not only leading to Rs 1000-5000 losses in TDS but also making recovery a complicated and expensive process. The Finance Minister still has time to make this small amendment and free interest earning up to Rs 3 lakh from the scope of TDS.

Clearly, Jaitley's budget despite the limitation of the interim budget has tried to set a new direction for the economy as also ensuring benefits to almost all sectors. If it goes as he wishes, the 2015 budget might clear the path to revival of growth and development, thereby setting sail for happier days! — INFA □□

Indo-US Face Off at WTO

Narendra Modi government has told WTO that it will not ratify the Trade Facilitation Agreement (TFA) at the World Trade Organization (WTO) unless its concerns on food security are addressed. India has made it clear to WTO that “To jeopardize the food security of millions at the altar of a mere anomaly in the rules is unacceptable”. This stand of the government has created a situation of a near face off between US and India. To understand and appreciate government’s concern on the whole issue we will have to look at the history of the issue(s) in question.



The whole issue of food security concerns in WTO occurred at developed countries raising the issue of India exceeding the threshold limit of 10 percent of total value of food production, which

could be given as subsidies. Matter gained importance after passage of food security legislation by India, ensuring provision of food grains to nearly 67 percent of population at a very low price of rupees 3 per kilogram for wheat and rupees 2 per kilogram for rice. Fact of the matter is that India has never ever exceeded the threshold limit of 10 percent, nor it is expected to exceed this limit even after full implementation of Food Security Act. Reason, why this issue has arisen is the fact that at the time of signing of WTO agreement, the base price has been pegged at prices of food grains prevailing in 1986-88. This would imply that if the government pays a support price of 1400 per quintal today and between 1986 and 1988 the support price was Rupees 380 per quintal then the subsidy part would be calculated as 1020, which is highly inappropriate. If the same rule continues then threshold limit of 10 percent of total production is bound to increase. What Indian side in WTO wants is this simple correction in the rule that this anomaly is rectified and the base year is revised. Addressing a press conference on December 5, 2014 at Bali, Indonesia at the occasion of 9th Ministerial Conference of WTO, then Commerce Minister said, “I would like to make this absolutely clear that we have not come here as petitioners to beg for a peace clause ... That it is binding on us to accept 1986 to 1988 prices and make ourselves vulnerable to disputes and calculations? The answer is a firm “NO”. This is a fundamental issue, we will never compromise.”



It is better to have no agreement than having a bad agreement. Protecting national interests is the duty of the state and if the government is doing the same by linking trade facilitation with agreement on domestic food security, why should there be any objection to the same, asks

Dr. Ashwani Mahajan

Compromise at Bali

In WTO’s Ninth Ministerial Conference at Bali, Indonesia, the agreement, reached after extending the conference by one more day, states that, “In the interim, until a permanent solution is found, provided that the conditions set out below are met, members shall refrain from challenging through the WTO dispute settlement mechanism compliance of a developing member with its obligations under Articles

6.3 and 7.2(b) of the agreement of agriculture (AoA) in relation to support provided for traditional staple food crops in pursuance of public stockholding programmes for food security purposes existing as of the date of the decision.”

It is notable that developed countries were trying to pressure India to make further gains in WTO negotiations by saying that India subsidies beyond the threshold limit by way of support for public food grain stockholding for food security, against which they can raise disputes.

It was imperative for the government not to buy that argument, as the whole food security programme under the much-celebrated food security act would have been in doldrums. This agreement was celebrated by the then government and was termed as a big victory for the government. The official version was that by virtue of this agreement, international trade-related hurdles with regard to food security programme have been removed, as developed countries have agreed not to dispute about support for public stockholding of foodgrains for food security exceeding the threshold limit of 10 per cent of the total value of agricultural produce.

Present Issue

Now in WTO the Indian side wants that the agreement which was reached in Bali should be taken ahead and efforts are made towards finding a permanent solution in this regard. However, the developed countries want binding commitments from India with regard to Trade Facilitation Agreement (TFA), without really making any commitment towards finding a permanent solution regard-



Signing of TFA is going to cost India both directly and indirectly.

ing food security issue.

It is notable that TFA as pushed by the developed world could hold significant administrative and institutional burdens on LDCs and other developing countries. Meeting the obligations, as proposed, is likely to involve significant cost for the developing countries including India. Apart from building huge infrastructure (both soft and hard) including airports, sea ports, dedicated corridors and roads, it would also involve automation of customs system. It is unfortunate that no cost assessment has been made by the government about implementing the provisions of trade facilitation. This is a fact that meeting this cost would mean a huge diversion of resources from public services such as health care, food security and education to customs administration.

Legitimacy of India's Demand

Insistence for long term solution to the issue of disputes on food security as a bargain for agreeing to TFA is also in no way unjustified. It is notable that the disputes being raised by US against India with regard to so called 'trade distorting subsidies' is a clear attack on our sovereign right to protect food security of our poor. We must understand that the agreement on agriculture signed earlier has been highly skewed in favour

of rich nations, as we find that after this agreement developed countries have not only continued with huge subsidies to their agriculture, but have increased the same manifold, by simply renaming and reclassifying the same as green box subsidies. This cannot be called unjust to find a solution to the possible disputes at a future date as a bargain for what the opposite party wants. Signing of TFA is going to cost India both directly (building infrastructure both soft and hard) and indirectly (in terms of flooding of imports into the country). It is notable to state here that the past Director General of WTO has claimed that the benefits accruing to developed countries from signing of TFA would be equivalent to 10 percent reduction in tariffs by developing countries.

We must understand that trade is like a war and trade negotiations are like war documents. Therefore hard selling is a part of trade negotiations. It is better to have no agreement than having a bad agreement. Protecting national interests is the duty of the state and if the government is doing the same by linking trade facilitation with agreement on domestic food security, why should there be any objection to the same. In the name of globalisation, we cannot continue to bend ourselves to any extent. □□

The good is in the detail

Commentators see facts hidden in budgets as the “devil’s in the detail.” This presumes that only wrong things are buried in the detail. But Gregory Titelman — in the Random House Dictionary of Popular Proverbs and Sayings, Random House Reference March 5, 1996 — finds that “God is in the detail” is the original source of the idiom, “the devil’s in the detail.” Here is something in Union Finance Minister Arun Jaitley’s budget speech which accords with the original idiom — the good is in the detail.

A profound idea of the new government which has the stamp of Prime Minister Narendra Modi is expressed, but not elaborated, in paragraph 102 of the speech. It says: “SMEs form the backbone of our Economy. They account for a large portion of our industrial output and employment. The bulk of service sector enterprises are also SMEs. Most of these SMEs are Own Account Enterprises. Most importantly a majority of these enterprises are owned or run by SCs, STs and OBCs. Financing to this sector is of critical importance, especially as it benefits the weakest sections. There is need to examine the financial architecture for this sector. I propose to appoint a committee with representatives from the Finance Ministry, Ministry of MSME, RBI to give concrete suggestions in three months.” In the budget discourse monopolised by corporates, the financial world and the elite, this profound idea has been completely ignored. That Small and Micro Enterprises (SME) form the backbone of our economy is a slogan that has been a part of the national economic discourse for long. But beyond oral compliments, nothing great has been done for them. Also, there is very little awareness about this vital segment of our economy — within and outside the govern-



The national discourse is so superficial that it only talks of FDI, investment allowance, tax sops and the like which are just about a twentieth to a sixth of the national economy. It did not even notice paragraph 102 in the Union budget speech which is about half of India’s economy, highlights
S. Gurumurthy



ment. What then does this “God is in the detail” paragraph 102 comprehend?

Corporates and the economy

A helicopter view of the nation’s economy and its major components is needed in order to grasp what Mr. Jaitley has said. The Asia/Pacific Equity Research paper of Crédit Suisse — which manages \$1.3 trillion worth of assets — says that corporates constitute just “the tail” of the Indian economy. This report is dated July 2013, after two decades of celebration of the corporate sector. The paper titled “India’s better half: The Informal Economy” adds: “The intuitive habit of drawing macroeconomic conclusions [about India] from the corporate feedback (and vice versa) is fraught with risk. After all, only half of India’s GDP and 10 per cent of India’s employment are in the formal sector. Further, only a fraction of the formal sector is listed.” It also exposes the emperor’s new clothes story — that the corporate sector generates only 15 per cent of national consumption, with the share of the listed ones in it just a fraction, four per cent. Moreover, the celebrated private corporates, with the IT and auto revolution, have added just 3.7 million jobs in 20 years from 1991. The Crédit Suisse report rightly concludes that the corporate “tail is unlikely to wag the dog,” namely the national economy.

Unregistered business is legitimate

If the formal — read corporate — sector is so marginal and provides just over 14 million jobs, then what is the core of the Indian economy? And who provides jobs



The informal economy in India is genuine business.

for the hundreds of million people? It is the informal economy of India, says the Crédit Suisse paper.

What is the informal economy? In the West, the informal economy represents illegal business. But the paper says: “[U]nlike in the developed economies where informality is purely a deliberate choice to avoid taxation or regulations, in India it is more structural: a reflection of the lack of development and limited government reach.” The informal economy in India is genuine business. Yet, the Indian media, policymakers and economic experts look at the legal informal economy like how the West sees its illegal informal economy. This has acted as a mental block in the system against what paragraph 102 describes as “the backbone of the Indian economy.” The informal economy in India represents the unincorporated — namely unregistered — business. What is the size of the Indian unincorporated sector?

The Crédit Suisse study says that unincorporated businesses account for 84 per cent of the non-formal employment in India — against 4-6 per cent in “Developed” nations, according to World Bank. What the study sees as the informal economy, the National Sample Survey Organisation (NSSO) Survey 2011 presents as comprising 57.7 million non-cor-

porate business units outside the huge construction sector. And 70 per cent of them are unregistered, says NSSO. They are the fastest growing since 1991, almost doubling since 1998. In contrast, and post-liberalisation, the share of jobs in the organised sector came down from 8 to 7 per cent.

The first change in the government’s approach to this vital segment, so far derided as the “informal economy,” has been to adopt, in paragraph 102, the NSSO’s description of them — as “Own Account Enterprises” (OAE), that is self-employment units; 85 per cent of 57.7 million units are OAEs. The rest are “Establishments” employing outside labour.

Caste-based entrepreneurship

Here is the unknown picture of this huge sector. A majority of the 57.7 million units operate in rural areas, the most difficult terrain for the government to provide non-farming jobs. They add an aggregate value of Rs.6.28 lakh crore to the national economy, 70 per cent of them in the rural areas, and employ 108 million; 53 million in the rural areas. Their value addition per unit is Rs.1.09 lakh; per worker it is Rs.58,000, and per hired worker it is Rs.47,000, which equals the average per capita income in 2009-10 and is higher than



***Banks are
unable to
finance even
the registered
small units.***

the rural per capita income. The fixed capital employed per unit is Rs.2 lakh, which is not insignificant. More than two-thirds of them are engaged in trade and services and a fourth, in manufacturing.

Another vital, but unknown truth is that it is dominated by the disadvantaged sections — the Other Backward Classes (OBCs) the Scheduled Castes (SC) and Scheduled Tribes (ST). A Harvard Business School (HBS) study titled “Caste and Entrepreneurship in India” links this sector to caste-based entrepreneurship. The NSSO survey says that two-thirds of the sector is owned by STs, SCs and OBCs who operate 71 per cent of manufacturing units and 60 per cent of trading. In rural areas, 72 per cent of OAEs are run by them. The OBCs run 48 per cent of the 57.7 million units and SC units have risen from 10 to 14 per cent in the six year period 2005-2011. This sector generates OBC, SC and ST entrepreneurs almost like an open air university. In contrast, the elite Indian Institutes of Technology and the Indian Institutes of Management generate job seekers, not entrepreneurs.

The Economic Census 2005 revealed that this massive sector which provides 90 per cent of non-farming employment could access — believe it or not — only

4 per cent of institutionalised finance, leaving the rest to usurious money lenders. Banks in India almost monopolise national cash savings. The bank deposit to GDP ratio in India has more than doubled to 71 per cent from 1991 to 2014. With over 70 per cent of the 57.7 million units unregistered, banks, perhaps rightly, do not finance them. Banks are unable to finance even the registered small units whose share of bank credit had halved to just 7 per cent between 1994 and 2008. The bank credit to them now is still less than what it was in 1994. Increasing the ownership of SCs, STs and OBCs in this sector is the best way to ensure social justice. It is doable. Through an affirmative policy launched in the 1970s, Malaysia could increase ownership of discriminated groups in private enterprises from only just 2 per cent in 1970 to 20 per cent in 1990. How? By a systematic redistribution of ownership of private capital in favour of discriminated groups over a period of two decades. (The Hindu, November 30, 2011). This is precisely the agenda of paragraph 102 of Mr. Jaitley’s budget speech.

Finance to formalise

Experts think that it will take half a century for OAEs to become

a part of the formal economy. Till then can credit be denied to the sector that provides 90 per cent of non-farming jobs and half of the nation’s GDP? Actually, as The Economist magazine (September 28, 2013) wrote, providing finance to them is the best way of formalising them. And not providing credit to them is criminal neglect of half the economy and its greatest job creator. Paragraph 102 of Mr. Jaitley’s speech intends to undo this criminal neglect of the most vital sector of the Indian economy. The national discourse is so superficial that it only talks of foreign direct investment (FDI), investment allowance, tax sops and the like which are just about a twentieth to a sixth of the national economy. It did not even notice paragraph 102 which is about half of India’s economy.

The paragraph indicates out-of-the-box thinking. Mr. Modi seems to have discovered the secret to growth and social justice — namely providing the lifeline of finance to the most job productive segment of the national economy operated by the disadvantaged sections of Indian people. The words “there is need to examine the financial architecture for this sector” in paragraph 102 are significant. They imply that the present financial architecture is just not the answer — and it cannot be. A new one is needed. Mr. Modi’s diagnosis is a potential game changer. But the big “if” is whether he will have the willpower to drive the agenda through the headwinds of structuralists in the financial system, the Reserve Bank of India in particular which is against all forms of a non-bank financing model. □□

Present Economic Scenario and the Challenges before Modi Government

The present economic scenario before the New Modi Government is very challenging especially in view of the inherited precarious financial condition of the treasury, high inflation and slowdown of the economic activities. However in the first 60 days the Government has initiated certain bold steps

	2013-14 Revised Estimates	2014-15 Budget Estimates
Revenue Receipts	1029252	1167131
Capital Receipts	561182	596083
Total Receipts	1590434	1763214
Revenue Deficit	370288	382923
	(3.3)	(3.0)
Fiscal Deficit	524539	528631
	(4.6)	(4.1)
Non-Plan Expenditure	1114902	1207892
Plan Expenditure	475532	555322
Total Expenditure	1590434	1763214

Source: Budget at a Glance 2014-2015

as reflected in the Rail Budget and the Union Budget presented in the 2nd week of July 2014. The other few bold measures are constitution of the Special Investigation team (SIT) for unearthing the black money lying in tax heavens including Swiss banks, constitution of new development bank of the BRICS as an alternate to the existing Bretton Wood Institutions, and reestablishing improved relations with the neighboring SAARC nations. The Government has also shown its solidarity while disagreeing to sign the Trade Facilitation Agreement (TFA) of the WTO which was linked to the issue of food security and the subsidy on agriculture as assured through the Food Security Act to almost 67% of the people of this country. Similarly it has asserted positively against the threat of USA for imposition of trade sanction under article 301 of the US trade Commission read with section 182 of the US Trade Act. Thus the issue of economic sovereignty is

being duly addressed. However, at the domestic front the Government needs to be very careful to address several burning issues centering around price rise and economic slowdown.

The biggest challenge before the government is to control the inflation, provide employment to youth and to address the problems of the poor to reduce the number of the people living below the poverty line. It is also a difficult task to identify the poor as different committees of government has given different estimates of poverty and accordingly provide safety net by improving the delivery mechanism of various subsidies only to the desired target group without wasting the precious economic resources of the country. There is also a need for a balanced approach for development of agriculture, manufacturing, and services sector with due fiscal and monetary incentives in the desired area. The Finance Minister has undertaken certain measures for increasing investment and savings by making some policy announcements on FDI policy in infrastructure sector including defence and insurance with a capping of 49% which has also raised some controversies in SanghParivar.

However the immediate task is to clear the projects in pipeline which amounts to more than Rs eight trillion in infrastructure alone. Thus growth and good governance the twin objectives of the election manifesto has to be duly addressed and all policy initiatives including those announced in the Rail Budget and the Union Budget have to be implemented within the given time frame so that at least some results can be manifested and be made visible to the people. The Prime Minister should be able to point out some distinctive achievements in his first address to the nation on the 15th August from the Red Fort a long cherished



The present economic scenario is very grim. The Government needs to accelerate the process of economic growth. The corruption and poverty needs to be eliminated but inflation needs to be controlled as a matter of top priority, suggests
Dr. Dhanpat Ram Agarwal

desire of Mr. Narendra Modi.

Economic Highlights and Budget Proposals: We lay down below some of the economic highlights of the country as visible from the economic survey 2013-14 and from the various budget documents as presented before the Indian Parliament on 10th July 2014. It is a matter of fact that the Budget Proposals have been passed in both houses of the Parliament.

The proposal for reduction in excise duty in several core manufacturing sector may boost the domestic industry and can provide a competitive strength to micro, small and medium enterprises. The increase in custom duty on certain commodities may also provide level playing field to the Indian industry.

The Budget proposal to increase the exemption limit for personal income tax from Rs. 2 lakh to Rs. 2.5 lakh, and upto Rs. 3 lakh

about 3.8% on average in eight years in between 2000 to 2008. However the five years following the crisis, it rose substantially to an average rate of 10.3% (2008-09 to 2013-14). Food inflation is an area of concern for the Modi Government as for an average Indian household food account for almost 50% of the total consumption.

Sectors	Share in GDP	Employment Generation
Agriculture	13.9	48.9
Industry	26.1	24.3
Services	59.9	26.9

Various Economic Segments and Employment: It is to be noted from Table 2 that although the share of Agriculture in GDP is shrinking but it still continues to provide employment to 48.9% of the workforce. It may be noted that the share of agricul-

NDA regime as compared to UPA regime. The decline of workforce in agriculture and allied sector was 36 million between 2004-2005 and 2011-2012. On the other hand, the increase of work force in non-agricultural sector was 51 million with industry and services contributing nearly 31 million and 20 million respectively. Within industry Construction sector contributed 25 million and only 6 million was contributed by manufacturing sector over the last seven years.

Public Debt: Although the Central Government. Liabilities to GDP ratio has declined from 61.6% in 2002-2002 to 49.4% in 2013-2014 the Internal Debt which constitutes 95.5% has gone up to about Rs. 45 trillion and the remaining 4.5% external debt has gone up to about US \$ 400 billion as evident from Table 4 & 5.

GDP and Related Indicators: The Table 6 shows a sharp decline in GDP growth from over 9 percent for three successive years between 2005-06 and 2007-08 to below 5 percent in the recent two fiscal years. The Finance Minister has announced various steps in the budget, which are only the beginning of the journey towards a sustained growth of 7-8 per cent or above within the next 3-4 years along with macro-economic stabilization. The current year's GDP has been projected at around 5-7 percent.

Subsidies: The major subsidies amounted to Rs. 247,596 crores in 2013-2014. It increased sharply from 1.42% of GDP in

Employment	Workforce (mn)	Job Growth
1999-2000	398 or 39.8 cr	Growth 6 crore or 15% in 5 years
2004-2005	458 or 45.8 cr	
2011-2012	473 or 47.3 cr	Growth 1.5 crore or 3% in 7 years

for individuals above 60 years, and the increase in deduction for savings under Section 80C from Rs. 1 lakh to Rs. 1.5 lakh; increase in exemption for interest on housing loan from Rs. 1.5 lakh to Rs. 2 lakh will provide relief to small income group and will also increase household savings besides giving boost to housing industry. Several other majors including introduction of GST, and setting up of Expenditure Management Commission are in offing which may increase tax revenue of Central Govt. and reduce the fiscal deficit in the long run.

Inflation: It may be noted that the food inflation was only

ture in our GDP has declined from about 35% in 1991 to about 14% in 2014 and this is an area of serious concern if we really desire for a balanced and an equitable growth with least income inequality. We also need to provide due incentives to industry especially the MSME sector to generate employment in the country.

The Table 3 shows increase in job creation at a higher rate during

TABLE 4. Public Debt (in Crores of Rs.)			TABLE 5. External Debt	
	Revised 2013-14	Budget 2014-15		in USD Bn
Internal	3998720.26	4562889.24	Mar-2012	360.8
External	23464.75	28175.04	Mar-2013	404.9
TOTAL	4022285.01	4591064.28	Dec-2013	426.0

Table 6. GDP Growth, Savings and Investments

Data categories	Unit	2009-10	2010-11	2011-12	2012-13	2013-14
GDP (current market prices)	Crore	6477827	7784115	9009722	10113281	11355073
Growth Rate	%	15.1	20.2	15.7	12.2	12.3
GDP (factor cost 2004-05 prices)	Crore	4516071	4918533	5247530	5482111	5741791
Growth Rate	%	8.6	8.9	6.7	4.5	4.7
Savings Rate	% of GDP	33.7	33.7	31.3	30.1	na
Capital Formation Rate	% of GDP	36.5	36.5	35.5	34.8	na
Per Capita Net National Income Rs. (factor cost at current prices)	Rs.	46249	54021	61855	67839	74380

Source: Annual Financial Statement 2014-2015

2007-2008 to 2.56% of GDP in 2012-2013 but declined to 2.26% of GDP in 2013-2014.

Food Subsidy: It increased sharply from Rs. 58443 crores in 2009-2010 to Rs. 85000 crores in 2012-2013 and Rs. 92000 crores in 2013-2014. For 2014-15 food subsidy bill is estimated at Rs. 115,000 crores.

Fertilizer Subsidy: It increased marginally from Rs. 61264 crores in 2009-2010 to Rs. 65613 crores in 2012-2013 and Rs. 67971 crores in 2013-2014. For 2014-15 fertilizer subsidy bill is estimated at Rs. 72,970 crores.

Fuel Subsidy: It increased steeply from Rs. 14951 crores in 2009-2010 to Rs. 96880 crores in 2012-2013 but declined Rs. 85480 crores in 2013-2014. For 2014-15 fuel subsidy bill is estimated at a lower figure of Rs. 63,427 crores.

Domestic Savings: It declined from 36.8% in 2007-2008

to 30.1% in 2012-2013. The household sector comprises 21.9% (financial 7.1% and physical 14.8%), private corporate sector 7.1%, and public sector 1.2%. There is a need to increase the same and therefore the Finance Minister has introduced several schemes to motivate more savings by increasing the basic exemption limits for taxation and for small savings.

Food Security: The Finance Minister has addressed reforms in food distribution system by restructuring FCI and to provide wheat and rice at reasonable prices to the weaker section of the society.

Micro, Small and Medium Enterprises (MSME) Sector: The Finance Minister has introduced a very innovative venture capital fund for Rs. 10,000 crores for start-up companies besides several other positive steps.

Gold Imports and BOP: The share of valuables (gold) in

GDP increased from 1.2% in 2006-2007 to 2.6% in 2012-2013 and then declined to 1.5% in 2013-2014. In value terms, the imports of gold and silver increased from US\$ 42.6 billion in 2010-2011 to US\$ 55.8 billion in 2012-2013 (Table 7).

Summary and Conclusion:

The present economic scenario is very grim. The Government needs to accelerate the process of economic growth. The investment climate needs to improve. The two major maladies of corruption and inflation have to be curbed and controlled. The corruption and poverty needs to be eliminated but inflation needs to be controlled as a matter of top priority. The fiscal deficit, the revenue deficit and the trade deficit needs to be controlled and brought down to a reasonable level. Once this is done, India can achieve the goal of development for all 125 crore people. However, long term population policy has to be drawn up because education and health facilities have to be made available for all in order to enrich the quality of human resources and to ultimately make a strong India with high self-respect and high level of self-reliance and by protecting the economic sovereignty of the country in the present era of globalization. □□

TABLE 7. Balance of Payment

	USD in bn (% of GDP) 2013-2014	USD in bn (% of GDP) 2012-2013
Exports	312.6	300.4
Trade Deficits	137.5 (7.9%)	190.3 (10.5%)
CAD (% GDP)	32.4 (1.7%)	88.2 (4.7%)
Capital Flows Net	47.9	92.0
Forex Reserves	304.2 #	292

(as on 20th June 14 forex reserves was USD 314.9 bn)

Source: Economic Survey 2013-2014

Changing of Indian economic Policies - BJP's choice

Indians have brought a great change in Indian polity by giving a chance to BJP for better governance and new economic policies. Congress led Indian polity and shaped all Indian economic policies so far. BJP and communists were considered other forces that are different from congress in polity and socio-economic policy prescriptions. Communists basically stood for state control and BJP positioned itself with national commitments and 'Swadeshi'. In the beginning, Congress accommodated both. Communist's prescriptions were preferred to proclaim socialistic pattern of society and adopt state interventionist approach that led to public sector dominance. BJP's 'Swadeshi' was the preference for economic policies strategizing for self reliance. New Congress leadership, however, changed both the policy modes and preferred new globalised model of development prescribed by new world economic players emerged mainly from the innovations in agriculture and industrial production and thrived on new communication and transport technologies that propagated globalized approach. Increase of trade between the countries and related lifestyle interactions are the outcome of this change. Congress tried to meet new challenges by liberalization, privatization and globalization of Indian economy with the presumption that this will bring prosperity to Indians and place Indian economy on global map. However, this has not happened. Instead it led to present economic crisis. BJP has promised good days for Indians and changing economic policies is one priority condition.



The need is to revisit all the economic policies and reorient those towards fulfilling national commitments. Saving Indian policies from lobbyists should be the first priority. Promoting localized efforts to plan, budget and mobilize resources will help to some extent, feels Anil Javalekar

Get priorities clear

First it is necessary to understand Indian economic problems not from the perspectives of world economic players and or with reference to the economic crisis issues highlighted in the form of GDP growth and fiscal deficit or current account deficit but from the perspective of Indian people and India as nation. Many times these concepts override the main issues and seek solutions from outside players. Priority is to have an economic system that creates opportunities of progress to all with justifiable treatment to weak and small even it mean low GDP growth rate and low level income - price stability. Priority is also to live within capabilities of a nation even it mean low budget and low investments and slow progress. Therefore, BJP need to give up the chasing for high growth rate model based on heavy investments of borrowed funds (foreign capital), a model where strong is preferred and promoted with all facilities and concessions. Instead, prefer a model that ensures sustainable progress of all particularly small and marginal- people and sectors. For this, priority is not of international trade and internationally competitive service sector but agriculture and manufacturing with helpful infrastructure development.

Get government's role clear

The second most important is clearing of government's role in economic development. It is desirable to be facilitator rather than controller and regulator.

Last century saw major interventions of state in economic life of people and Indian government has also played a great role in the socio-economic development. Future also will not be independent of global trends and global developments whether of technology or trade and though more and more globalised agencies and global organizations will be playing important role in defining and settling the international disputes, the idea of nation will remain intact. Indian Government thus will have to make India militarily strong, help develop innovative technologies, ensure stable value for Indian rupee, help increase industrial capabilities and facilitate Indian progress. This only means that Indian government should control foreign affairs, including foreign trade, regulate Indian currency, facilitate economic development and legislate properly.

Let entrepreneurs lead the economy

Government controlling and leading socio-economic development has not helped. Neither helped the corporate led development. These models have not helped societies reach to the goals of sustainable economic development nor brought prosperity to all and hence need some rethinking. India is known more for its localized entrepreneurship at community level that helped increase production, trade and services. These were not corporate in modern terms but individuals and families spread all over India, reaching to every village and dealing with every product and every service. Increasing interference of govern-



Urbanization has been on increase not because of industrial development but due to speculative real estate & educational facilities

ment has killed Indian entrepreneurship. The tragedy is that the government sees everything from 'revenue' and 'law and order' angle and treats entrepreneurs and enterprises accordingly. These are the agents of development and not simply the revenue source. Therefore, first thing government need to do is to free these entrepreneurs and enterprises from revenue system and allow them to grow. There should be no start up hassles of permissions and licenses, no fees, no returns and no document submission at least for small enterprises. Just give them the policies of do's and don'ts and make them open for public scrutiny by legislation with stringent punishments with no protections for wrong doings. Let NGO's and social activists do the job of surveillance. Moreover, let them earn first and then think of taxing. Once was India a prosperous country due to these entrepreneurs and if trusted, they can bring 'good days' back.

Support Indian agriculture

The importance of agriculture in Indian economy is undisputable

and there is no denying that this sector needs government support. First, stabilize the risk management in Indian agriculture as it will remain vulnerable to vagaries of nature and will face more and more risks due to changing climate. All legislations and systems in regard to the agriculture sector whether of production, trade and market contract etc should be more comprehensive with clauses for risk sharing. Second, institutionalize right price discovery for farmers. Present system of fixing of Minimum Support Prices need improvement as these are fixed for certain crops with reference to government procurement option. Future MSPs should provide risk cover for downward pricing and not necessarily through government procurement. Freeing market is one solution but still it may not give good price for agriculture produce. There is thus a need for government to ensure support for the gap in the income by way of direct subsidy. Third, address food security problem through localized agriculture production. Producing somewhere and transferring somewhere is a costly affair and not sustainable. Fourth, promote agriculture sustainability as most agriculture resources are depleting. Fifth, facilitate cautious use of agriculture innovations for it may endanger future agriculture.

Stop subsidizing urban development and Facilitate rural industrialization

Indian urbanization has been on increase not because of industrial development but due to speculative real estate and educational facilities as also many people feel

secured in urban towns than in villages. The agriculture has not remained remunerative and rural village and cottage industry has collapsed leading to migration of villagers to urban areas in the hope of employment. Urban Township is not prepared to meet the needs of growing population nor of infrastructure and public utility services like water, transport and drainage. One way is to minimize the need to migrate to urban areas by creating good infrastructure in rural areas and facilitating rural industrialization. Other is to stop subsidizing urban sector. Urban sector should develop on its own and mobilize its own sources—financial or otherwise and provide utility services in a sustainable manner.

Take responsibility for basic infrastructure development

India is still struggling with infrastructure and this sector is always under experiment as government is not clear whose this responsibility is. By now it is clear that the profitability of this sector is an illusion and PPP model is a liability. Private sector is for profit and expects government to ensure it. Moreover, private sector is not inclined to guarantee transparency in financial and other affairs relating to public utility services nor take responsibility for failed service. Therefore, it is desirable that government first define the limits and responsibilities of private sector in public utility services as also in infrastructure development and then allows their involvement. Projects with clear commercial potentials should be with private sector and those partial should be under PPP model with local authorities and local governments. All other projects which are not profitable

and are basic should be under public sector with full budgetary provision. Involving local NGOs in monitoring and keeping project details open for public scrutiny will help better implementation and efficiency in operations.

Tax not income but wealth, consumption & high end services

Taxation policy is important for revenue but should be justifiable and progressive. First, Let people and small entrepreneurs earn income with no tax because this income creates savings for investments. Their wages and salaries should be exempted and income only from assets should be taxed. Second, Indian inequality is creating disturbed society because of wealth display and lavish lifestyles. The menace of black money is mainly because of its utilization in wealth and luxuries. Therefore, multi asset wealth possessions, high consumptions and high end services need to be taxed progressively. Third, all tax laws and collection system should be simple with minimum government so to make it revenue surplus. Fourth, Government budgetary support process for basic infrastructure projects should be transparent and state and local government should be allowed to mobilize for their development needs with minimum support from centre. Fifth, all subsidies should be direct with clear policy intents and no subsidy should be given to wage and salary earner in any form.

Leave currency and financial sector management with RBI

Indian currency is always under pressure and Indian financial sector reforms are under consideration. Indian government need to

come out with clear policy intent in regard to the financial sector reforms and manage its own funds judiciously apart from giving definite signals to investors. First, there is no need to privatize PSBs and government better give a full stop to this discussion. Second, there is no need to globalize every Indian bank and make every bank a giant bank for Indian financial sector is sufficiently diversified in area spread, clientele, ownership and capital base. Insisting for uniformity will endanger this diversity. Third, capital adequacy requirement and infusing capital all the time for the purpose is illusory for money lent should come back and there is no need to be lenient. Legislation should allow it and banks should ensure it or face the closure. Fourth, allow PSBs to compete with private and foreign banks not in profit making but efficiency in operation and managerial accountability. Better give necessary managerial freedom for the purpose. Fifth, let RBI have final say in currency and financial sector management.

Revisit all economic policies

The need is to revisit all the economic policies and reorient those towards fulfilling national commitments. Saving Indian policies from lobbyists should be the first priority. Important is also to give up the idea of 'unlimited government and government is ultimate'. Promoting localized efforts to plan, budget and mobilize resources will help to some extent. Protecting long term national interest and facilitating socio-economic development with justifiable treatment to weak and vulnerable is possible only through self reliance. BJP will, hopefully, dare to adopt such economic policies. □□

Renegotiate the Bali Accord

India had won a substantial victory at Bali. The developed countries had agreed that developing countries may continue to pay high prices for food procured under the Minimum Support Price mechanism and provide subsidized food to the poor for the next four years. It was provided that in this period a permanent solution to the problem of food subsidies will be found. In return, developing countries have agreed to implement Trade Facilitation measures such as computerization of customs systems and improvement of foreign trade infrastructure such as roads and ports. The developed countries led by the United States were much interested in Trade Facilitation. They believed that these measures would help them increase their exports to the developing countries. Thus, these were often called 'Import Facilitation Measures' by the developing countries. The Bali agreement, therefore, was projected as a happy give-and-take.

Actually, the Bali agreement was mainly in our favour except for the caveat of finding a permanent solution to the food subsidies. The principle hitherto was that food security of the people should be secured through foreign trade; and not through domestic production. That was good as long as the global prices were low. But this became a curse when global prices spiked. Many developing countries found themselves in trouble. They had allowed their domestic production systems such as canals to fall into disrepair as they were getting cheaper food via imports. But food prices have spiked in the last 2-3 years. Now they had to continue to import expensive food because their domestic production systems had since become dilapidated. This has led to food riots in many countries. This principle was diluted at Bali. Developing countries were permitted both to pay higher price to their farmers and also supply subsidized food to the poor—thanks to the strong stance taken by our then Commerce Minister Anand Sharma.

We must accept though that this principle will be equally applicable to the



The problem with Bali accord was that the Trade Facilitation Agreement was a permanent agreement to be signed upfront while the peace clause on food subsidies was provided only for four years. There was no guarantee that an acceptable solution to the food subsidy problem would actually be found, explains

Dr Bharat Jhunjhunwala



developed countries. They will now have a moral anchor to continue to pay subsidies to their farmers. In turn, this will cancel the possible gains to our farmers that may have occurred from the dismantling of subsidies given by the developed countries to their farmers. We should accept this potential loss. Be that as it may, this agreement spelled a death of global trade in essential food products which is as it should be. The developed countries are providing huge subsidies to their farmers to ensure their food security. We should demand and get the same.

In return the developing countries had agreed to implement Trade Facilitation measures. Immediately, this will be more beneficial for the developed countries because the standards are likely to follow the practices followed by them. But the picture in the long run will be exactly the opposite. Harmonization of our customs procedures with global standards will equally benefit our exporters. Our domestic quality standards will become consistent with global standards. Presently our producers face much difficulty in exports because our quality is not at par with the requirements of the global market. They will get adjusted to these global standards. This will help the developing countries push their exports. However, Trade Facilitation will not help the developed countries reduce their trade deficit. The US' trade deficit has risen from USD 166 billion in 1995 to 741 billion in 2012 despite the many measures implemented by the WTO to facilitate global trade. Fact is that the developed countries are losing their competitiveness. Developing countries can pro-

duce at low cost because wage rates are low and they also have access to frontline technologies. Trade facilitation will only worsen the plight of the developed countries.

The Bali accord was, therefore, a win-win proposition for us subject the continuation of food subsidies beyond the four years peace clause. Trade Facilitation will create some problems in the short run but our domestic economy will soon upgrade to global standards and that will help us push our exports.

The Modi Government appears to have made a fundamental change in its stance recently. India, along with 45 other developing countries, is now demanding that a permanent solution to the problem of food subsidies be found *before* the trade facilitation agreement would be signed by them. We are effectively backtracking from the Bali accord. This is wholly welcome. The problem with Bali accord was that the Trade Facilitation Agreement was a permanent agreement to be signed upfront while the peace clause on food subsidies was provided only for four years. There was no guarantee that an acceptable solution to the food subsidy problem would actually be found. We would be in trouble if such an agreement was not reached. We would have given away our bargaining clout in relation to Trade Facilitation measures and we would also be deprived of the permission to give food subsidies. Therefore, it is good that the Government has decided to break the Bali accord if permanent solution to food subsidies is not found upfront. Let us not forget that while signing the original WTO Agreement in 1995 the developed countries had agreed to work towards phasing out the

subsidies being given by them to their farmers. No progress is made on that front. Therefore, it is entirely possible that the developed countries will backtrack on the food subsidies and a permanent solution will not be found within the stipulated four years.

Backtracking from Bali Agreement comes along with the risk of the developed countries also backtracking from the four year peace clause. In other words, the food subsidies being given in India will become contra the WTO agreement and in retaliation the developed countries will be entitled to impose punitive import duties on our imports. This is a risk we must take. It is better to face the problem of food subsidies without a Trade Facilitation Agreement by rubbishing the Bali Agreement; than facing the problem of food subsidies with a Trade Facilitation Agreement by honouring the Bali Agreement. We shall get some additional bargaining space by denying the developed countries of the Trade Facilitation Agreement.

That said we must not forget that the main issues for making a better world are easing movement of natural persons and loosening of the TRIPS agreement. We should make it clear that if developed countries do not concede to a permanent solution to the problem of food subsidies then we will raise these issues and seek a fundamental realignment of the WTO. We should immediately launch an offensive against the developed countries on these issues and make efforts to carry other developing countries with us. The breakup of the Bali accord can be a welcome step towards renegotiation of the WTO treaty. □□

2014 Human Development Report

Investment in Social Protection is necessary to eradicate Poverty

Staggering rates of poverty and high inequality threaten the gains in human development in South Asia. To protect these gains and ensure that all people are benefiting from the region's growth, UNDP's annual Human Development Report, released recently in Tokyo, shows that the combination of social protection floors, universal basic services, full employment and programmes that specifically address discrimination and exclusion can help countries to irreversibly eradicate poverty.

The Report: Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience, shows that despite impressive global progress in improving human development, 2.2 billion people are poor or near-poor. Equally worrying, 80 percent of all people have no social protection net and 50 percent of all workers are in insecure employment, mostly in the informal sector.

South Asia is home to the largest number of *multi-dimensionally* poor people, suffering from low incomes, poor education and inadequate health care. An estimated 800 million people fall into this category and an additional 270 million are *near poor*. The Report examines the causes of vulnerability and shows that people at different stages of life face different threats. People are at greater risk when they are very young, entering the labour market for the first time and when they are leaving as pensioners.

The Report also shows that different categories of people are at high risk because of structural factors. Poor people are the most at risk, women suffer more than men, and the elderly are at particular risk. The disabled represent the largest category of vulnerable people in the world. People are more at risk if they



Comprehensive social protection for India would cost only 4 percent of GDP and help to accelerate the rate of growth. With this message HDR 2014 was launched globally and in Delhi also, says Vidyanand Acharya

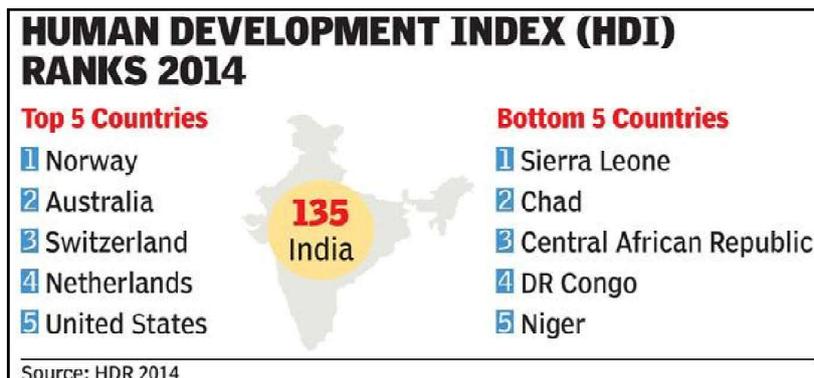


Report

have limited capabilities; if they have less education, poorer health, less income and if they are personally insecure.

In summarizing the Report's analysis of vulnerability, UNDP Administrator Helen Clark said today: "By addressing vulnerabilities, all people may share in development progress, and human development will become increasingly equitable and sustainable."

The Report recommends a number of concrete steps that countries can take to protect the progress they have made and accelerate gains. These include universalizing social protection and basic services and ensuring full employment. In addition, the Report argues that investing in programmes that address life-cycle and structural vulnerabilities and that help communities prepare for disasters will result in greater resilience to climate change, conflict, economic crisis and social unrest. The Report demonstrates that all of these actions are affordable and can be quickly implemented in all countries, regardless of the



level of development they've currently achieved.

Lise Grande, United Nations Resident Coordinator and UNDP Resident Representative says, "As countries debate a new global social contract, the six affordable steps being recommended in this report are pragmatic and can have immediate, decisive impact. Equally important, the Report makes the compelling argument that the time has come to reform global governance through a Brundtland type commission."

In the case of India, the Report estimates that a comprehensive social protection net which would include old age and disability pensions, basic childcare bene-

fits, universal access to essential health care, social assistance and 100 days of employment would cost only four percent of India's GDP.

The Report also singles out India's commitment to disaster preparedness, showing how states have been able to minimize the impact of cyclones and other disasters by helping communities put in place mitigation measures.

As in previous years, the Report includes the Human Development Index (HDI) which ranks 187 countries and UN-recognized territories on their progress on human development. India is ranked 135. The Report includes four other indices. On the Gender Inequality Index, India ranks 127 out of 152 countries; on the Gender Development Index, 132 out of 148 and on the Inequality Adjusted HDI, India loses 28.6% in potential human development due to inequality.

Improvement in human development measures has slowed down in the past few years. Even that small improvement could be at risk of getting reversed given the bleak picture of the vulnerabilities facing people across the world. About 1.5 billion people are afflicted with 'multi-dimensional poverty', that is, they suffer from overlapping deprivations in education, health and living standards. A fur-

Some Parameters for measuring Human Development			
	Life Expectancy at Birth (years)	Expected Schooling Years	Per capita Income (2011 PPP \$)
India	65.4	11.7	5,150
China	75.3	12.9	11,477
Brazil	73.9	15.2	14,275
Russia	68	14	23,617
South Africa	66.0	13.1	11,788
Highly Advanced Countries	80.2	15.3	40,096
World	70.8	12.2	11,721

Source: HDR 2014

ther 800 million are at the brink of falling back into poverty. Nearly 80% of the global population lacks comprehensive social protection. About half of all workers — more than 1.5 billion — work in “informal or precarious” employment.

HDR 2014 introduces a gender development index (GDI) for the first time, which measures gender development gaps among 148 countries. While the overall gender gap is an 8% deficit for women,

GENDER INEQUALITY	
Slovenia	1
Switzerland	2
Germany	3
China	37
Russia	52
Brazil	85
South Africa	94
India	127

Source: HDR 2014

the income gap is shockingly high — per capita income for men is more than double that for women.

Tracking inequality in incomes, health and education, the report says that inequality has declined in health access, remained constant in education but increased by two percentage points with respect to income.

India’s human development index (HDI), a measure of health, education and standard of living, inched up by less than half a per cent between 2012 and 2013, the new Human Development Report 2014 says. While this slow growth is similar to most other countries, it is much below India’s growth in the past. Between 1980 and 2013, India’s HDI increased by nearly

LOSS DUE TO INEQUALITY (% loss)	
India	29
Brazil	27
Russia	12
Highly Advanced Countries	12
World	23

Source: HDR 2014

59%, a yearly growth of about 1.4%. But since 2010, India’s growth in human development measures has slowed down considerably.

India’s life expectancy has increased from 58.5 years in 1990 to 66.4 years in 2013. While this is a significant increase, both Pakistan and Bangladesh have slightly better life expectancy. Among the BRICS countries, only South Africa has a lower expectancy at 56.9 years, primarily due to the HIV/AIDS epidemic. China’s life expectancy is 75.3 years. The average for the whole world is 70.8 years, while among the developed countries with very high human development levels, it is 80.2 years.

On educational indicators, India performs slightly better with 11.7 expected years of schooling, the same as the average for medium human development countries, of which India is a part. This is a measure of how many years of schooling a child is expected to receive if prevailing enrollment patterns continue. The world average is 12.2 years, while the developed countries average 16.3 years. Among the BRICS countries, India’s average is the least. Currently, Indians of 25 years or more have received just 4.4 years of

schooling on average, compared to a global average of 7.7 years.

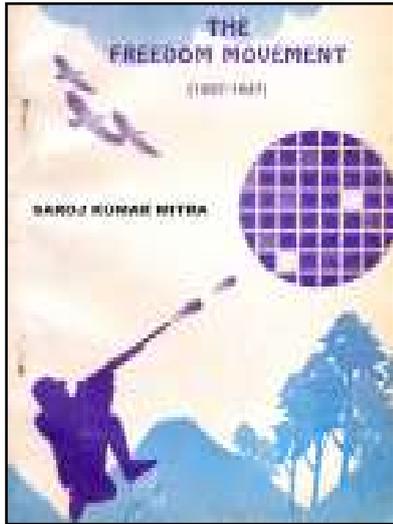
It is on the income measure that India fails dramatically. The annual income per person (measured in purchasing power parity terms) for India is \$5,150, slightly more than our neighbors, but lowest among the BRICS countries, and less than half the global average of \$13,723. The developed countries’ average is way ahead at \$40,046.

MULTIDIMENSIONAL POVERTY	
% of population	
India*	55
China	6
Brazil	3
South Africa	10

* based on 2005-06 data
Source: HDR 2014

Another measure is the multi-dimensional poverty index (MPI), which measures deprivations of families in education, health and standard of living using ten indicators. This gives a better picture of poverty than simply measuring incomes. According to this measure, over 55% of India’s population is multi-dimensionally poor, compared to just 3% in Brazil, 6% in China and about 10% in South Africa. HDR 2014, however, has used 2005-06 data for India, which is quite outdated.

India is ranked 127 out of 152 countries in this, the same as Pakistan and lower than Bangladesh (115). Among the BRICS countries, India is the lowest. China is ranked best at 37, due to its very good women’s health indicators and high female work participation (64%). □□



Secret-Societies and militant nationalism

From 1874 Surendranath Banerjee started lecturing in his eloquent style on “Rise of Sikh Power and Italian movement” led by Mazzini. Wrote Bipin Chandra Pal, “Secrecy has a strange fascination for youthful minds and this was the psychology of our penchant for these secret societies.” S.N. Banerjee was financing some secret societies in Bengal initially.

In 1892 Dadabhai Naoroji became member of the Indian Council established under Indian Council Act. But Aurobindo Ghosh who was pursuing his studies in London started the secret society called, “Lotus and Dagger” with Charu Chandra Dutt in 1891. Charu Chandra Dutt contacted Irish revolutionaries (Sinn Fein) who agreed to give 8 parliamentary seats to Indians on payment of a certain sum which did not materialise.

Tilak introduced mass Ganapati Festival in 1893 and Shivaji festival in 1895. Through such mass programmes Balgangadhar Tilak brought down political fight from Council Halls to the streets to be fought by common men. Earlier under Tilak’s encouragement one

The Freedom Movement (Untold stories)

institution was started at Pune to impart both physical and military training to students where Chapekar brothers obtained training. During the famine in Maharashtra in 1896, Tilak asked people to Gherao Collectors and refuse to pay taxes. Through Shivaji festival Tilak generated militant nationalism and spirit of Swarajya among the masses. Just ten days after the celebration of Shivaji festival, Damodar and Balkrushna Chapekar shot dead special officer Rand, Lt. Ayrest and the Dravid Brothers, the police agents in 1897 at Pune. Again in the same year, Queen Victoria’s statue at Bombay was blackened and shoes were hung round its neck by young boys of Balamaj under Tilak’s influence.

Tilak was sentenced to 18 months imprisonment for justifying murder of Afzal Khan by Shivaji in a public meeting which was held to be seditious by the govt. With Tilak’s suffering the politics came down from oratory to demand sacrifice and suffering. In the Congress session at Amravati in 1897 when the uncrowned king of Bengal S.N. Banerjee praised Tilak, the whole audience stood up in honour of Tilak. Thus Tilak era was started. During this time Pandurang Khankhoje organised Bhils and Gonds under Arya Bandhab Samaj to overthrow British rule in India. In 1901 the said Samaj made contacts with like minded persons in Bengal through Sakharam Deoskar who wrote the

book “Desar Katha” in Bengali. Bandhab Samaj had its branches at Nagpur, Hyderabad and Baroda where Thakur Saheb was running the secret organisation. Khankhoje left for Japan afterwards to obtain military training. Thakur Saheb was in charge of secret societies for Western India. He was attempting to overthrow the govt, through his contact with the military Regiments. Bhai Parmanad and Lajpat Rai kept contact with Bandhab Samaj while Jmnlal Bajaj and Varachand Potdar became its members.

Hanging of Chapekar brothers in 1897 moved young Savarkar at Nasik who took a vow before his family’s deity to overthrow British regime. Savarkar started the organisation called “Mitrarmela” in Nasik in 1900 to carry on lawful activities.

After attending the Congress session in 1897 the nationalist leader of Barisal, Aswini Kumar Dutt declared it to be a three days Tamasha (farce). Aurobindo Ghosh resigning his ICS in London joined Baroda College as Vice-Principal in 1893. Bankim Chatterjee, Rajnarayan Basu and later on Aurobindo and Lajpat Rai criticised Congress leaders for their policy of mendicancy. Thus before the close of 19th Century through Tilak’s declaration that “Swaraj is my birth-right”, the Congress was having two groups, the petitioners and the men in action who were later on distinguished as moderates and nationalists or extremists.

Militant Organisation (1901-1905)

Through Mitra Mela, Savarkar recruited writers, poets and artists who spread the message of nationalism. Vivekananda after meeting Maxim, the inventor of Machine Gun in London intended armed revolution in India. Said Vivekanand... "I have travelled all over India for organising revolution, manufacturing guns etc. I have made friendship with Sir Harim Maxim. But India is in putrefaction. So I want a band of workers who would as Brahmacharins educate the people and revitalise the country." To Sakharam Deoskar he said that there would be a revolution.

On 4 July, 1902 Vivekananda's life came to an end and sister Niveditta severing her ties with the Ramkrishna Math declared, "Swamiji is verily our great national hero" instead of calling him as the great Hindu monk of India. She declared, "My role is to awaken the nation" and in practice was assisting the young revolutionaries.

Savarkar joined Pune Fergusson College and was fined for making bonfire of foreign cloths in a meeting addressed by Tilak in 1905. Savarkar formed the secret organisation called, "Abhinav Bharat" in 1904. His slogan was "Freedom is the objective, armed revolution the means." In 1906, Savarkar left for London for higher studies obtaining a scholarship floated by Shyamji Krishna Verma who had settled in London since 1897 and highlighting India's case through a journal titled, "The Indian Sociologist". After Thakur Saheb left for Japan in his mission, Aurobindo became the President of the secret society in 1901 at Baroda.

Students as members of Abhinav Bharat carried on their activities even after passing out of their

colleges. Abhinav Bharat got its members stationed at important places including the Delhi Secretariat, who used to conduct annual meetings to co-ordinate their activities. Two thousand copies of Mazin's life translated in Mahrati language by Savarkar was sold within 3 months.

Anusilan Samiti

In Calcutta, Anusilan Samiti was formed by Naren Bhattacharya, Sasi Chaudhury, Satis Chandra Basu and Abinash Bhattacharya with Barrister P. Mitra as its patron in 1901 to impart moral lessons and physical training to young men. Soon Arya Bandhab Samaj of Pandurang Khan Khoje merged with Anusilan Samiti in 1902 and P. Mitra remained its president with Aurobindo Ghosh and Barrister Chitaranjan Das as its joint presidents and Surendranath Thakur as its treasurer.

Anusilan Samiti was having one inner circle where revolutionary activities were discussed and in the outer circle physical and moral teaching were given. Even within the inner circle the members were under different grades and were to take vows four times to reach the final grade. Anusilan Samiti was running one counterspy organisation.

Niveditta contributed books to Anusilan Samiti including four volumes containing the auto-biography of Mazini. The chapter on Guerrilla War was cyclostyled and distributed among members of Anusilan Samiti all over Bengal. But Niveditta, according to her French biographer had practical experience of revolutionary activities. She was an admirer of Prince Kropotkin, the Russian revolutionary staying in London and was associated with the Irish Sin Feinn movement. Niveditta contributed funds and also shelter to revolutionaries. "I will

stand by your unto death, whether you work for India or not, whether you give up Vedanta or remain in it. The tusks or elephant come out and never go back. Even so are the words of man," said Vivekanand to Niveditta. From Baroda Aurobindo sent Jatindra Mookerjee who was in the army of Gaekwad to Calcutta to impart military training to the members of Anusilan Samity. Jatindra continued his work from 1902 to 1903 till Barindra Ghosh the younger brother of Aurobindo arrived in Calcutta after learning 'Bomb-making' at Baroda. Barindra developed differences with Jatindra and finally Jatindra left Calcutta and opened one Ashram in his village and assumed the name of Niralamba Swami. In 1903 Aurobindo visited Calcutta secretly and initiated Hemchandra Kanugo of Midnapur into Anusilan Samity by putting sword and Gita on his hands. Barindra holding Gita and sword on his hands was also initiated by Aurobindo with the recitation thus,

"So long as I live and so long as India does not become free, I will maintain the vow of revolution. If I let out any information or do any harm to the secret society death will ensue at the hand of a secret murderer."

In 1902 one Revolutionary Center in the name of Bandhab Sammelan was started at Chandan Nagore in Bengal which was under French Administration, by Prof. Charu Chandra Roy of Duplex College. Here the boys were trained on Revolver shooting. This place became the bomb manufacturing center afterwards and a hide out for the revolutionaries wanted by police in Calcutta.

[to be continued ...]

BSNL suffered Rs 14,979 crore loss

State-run BSNL suffered a loss of Rs 14,979 crore in landline services during 2013-14 whereas its net loss for the period stood at Rs 7,085 crore. In a written reply to the Rajya Sabha, minister of communications and IT Ravi Shankar Prasad said loss for landline business of BSNL for 2013-14 stood at Rs 14,979 crore and net loss at Rs 7085 crore. The figures for the period are provisional and unaudited. The public sector firm's net loss stood at Rs 7,884 crore in 2012-13 and Rs 8,851 crore for 2011-12. The loss for landline business was Rs 13,445 crore for 2012-13 and Rs 12,669 crore in 2011-12.

Prasad said BSNL is preparing a plan for financial revival and comprehensive human resource restructuring for the company, for which details are yet to be finalized. BSNL has taken various steps to improve its landline business such as redeployment of workforce with more focus on sales, distribution and customer care activities. "Migration from public switched telephone network to next generation network in the current five year plan to provide enhanced value added services like personalized ring back tone, broadband VAS, multi media video conferencing and fixed mobile services convergence etc," the minister said.

He also said measures have been taken to retain and enhance the landline connectivity by increasing penetration of broadband whereas sales and marketing set up has been strengthened by having exclusive channel management team consisting of 4,500 exclusive sales representatives. The firm has also introduced call detail record based billing, commercial and fault repair service and work order management system. The value of MTNL land and building assets stood at Rs 1,430.39 crore. □

Spectrum auction expected in Feb

Spectrum auction for GSM and CDMA mobile services may be held in February from which Government plans to raise at least Rs 9,355 crore.

"In Budget Estimates for the current financial year, a projection of Rs 9,355 crore has been made from auction of 800 Mhz (CDMA), 900 Mhz and 1800 Mhz (GSM) spectrum," an official source said.

If the recommendations from Telecom Regulatory Authority of India are finalised as per the expected timeline then the auction can be started from February 3, 2015, the source said, adding that the Government expects to meet the Budget numbers, at the very least.

The Government has set a total revenue target of Rs 45,471 crore from communication services, including proceeds from the three sets of spectrum frequencies and related charges in this financial year. The receipts under the same head were Rs 40,847.06 crore in 2013-14, according to the revised estimates.

As per the proposed plan by Wireless Finance Section of Department of Telecom, the process to select auctioneer — agency that will operate auction process — can be started this month

Conditional nod to Indigo's FDI proposal

FIPB has given conditional approval to the proposal of InterGlobe Aviation which would pave the way for fresh foreign direct investment in private air carrier IndiGo.

"IndiGo's proposal has been cleared subject to

approval of High Court," an official said after a meeting of the Foreign Investment Promotion Board (FIPB) headed by Finance Secretary Arvind Mayaram.

InterGlobe Aviation is the holding company of IndiGo. As per the proposal, equity holding of IndiGo's promoter Rakesh Gangwal through Caelum Investments will be classified as NRI investment and free the FDI limit for fresh investment.

Sonia was never found of Rao

Already creating a political storm over his take on Congress president Sonia Gandhi, former External Affairs Minister Natwar Singh sent shockwaves within the party after his claims that "50 Congressmen" have congratulated him for "telling the truth" in his new book.

Singh while making more revelations against three former Congress Prime Ministers and their Government policies, said that the strong reaction from the Congress chief proves that it has touched a "raw nerve" and something has "upset" her too much.

In his book, Natwar has brought out the frosty relationship between Sonia and late Prime Minister PV Narasimha Rao. He mentions that Sonia was "never fond of" Rao who in turn wondered why she was so "hostile" to him. Natwar also attacked Manmohan Singh and said he leaves no legacy after being in power for 10 years.

Despite his personal fondness for Rajiv Gandhi, Singh says the late Prime Minister "mishandled" the fallout of the Shah Bano case, the Ram Janmabhoomi issue and the agitation in Darjeeling hills. He also faulted

Weak rupee cushions sharp fall in gold prices

The fall in the rupee against the US dollar has cushioned in the domestic market the sharp slide seen in international gold prices in recent days. The rupee fell further to 60.80 against the dollar at noon on August 1, down 24 paise since the previous close. Gold was trading at Rs 27,925 per 10 grams, almost flat from the previous close and representing a premium of \$3 to the landed price. On the previous day, while gold prices fell nearly \$14 or 1 per cent an ounce to 1282.6 dollars, the MCX August contract fell just 0.4 per cent. That was because the rupee fell to Rs 60.56 versus the dollar, down 51 paise from the close on July 30. Weakness in the rupee cushions the fall in the international rate and exacerbates a rise in it.

Local gold rates, which take price cues from the overseas rate, may not fall much from current levels and could even rise if rupee continues to weaken. Analysts including Sudheesh Nambiath of GFMS Thomson Reuters, a precious metals consultancy firm, expect gold to trade between Rs 27,749 and Rs 28,080 per 10 gm over the next week as demand for the metal begins to pick up for marriage and festival seasons. □

him over his handling of the Bofors kickback controversy.

Rajiv's frequent reshuffling of his Council of Ministers—there were over two dozen of them and the only Cabinet Minister to have completed five-year tenure was Railway Minister Madhavrao Scindia—meant they were not able to settle down in their jobs or offer any long-term policy proposals. Manmohan Singh's reign as PM has been severely criticised by Singh. "What will be history's verdict on

China violated BDCA in June

Despite signing the Border Defence Co-Operation Agreement (BDCA) with India to maintain peace on the Line of Actual Control (LAC), China violated the pact in June this year when its troops tailed the Indian patrol in Eastern Ladakh. Taking a serious note of it, India then lodged a strong protest with China through proper channels. Giving this information in the Lok Sabha, Defence Arun Jaitley said, "Since signing of the Border Defence Cooperation Agreement (BDCA), Chinese troops, have on one occasion, violated the provision by tailing our patrol in Eastern Ladakh on June 2. A protest was lodged against this violation in the flag meeting held on July 15." India and China signed the BDCA to maintain peace and tranquility along the LAC in October last year after a 20-day stand-off between the two armies in Depsang Valley in May. As part of the pact, the two sides agreed that they shall not follow or tail patrols of the other sides in areas where there is no common understanding of the LAC in the border areas.

The other salient part of the agreement is that if the two armies come to a face to face situation, both sides shall exercise maximum restraint, refrain from an provocative action, not use force or threaten to use force and treat each other with courtesy and pre-

vent exchange of fire or armed conflict. The setting up of hotline between the Director General of Military Operations (DGMO) of two countries was also proposed and process is now on to have such a mechanism. It will be on the lines of a similar arrangement between India and Pakistan wherein the two DGMOs talk to each other once a week to discuss any issues. After signing the BDCA, the UPA government had warned that the pact was not a guarantee that incursions or transgressions would stop but would help in addressing issues along the border. Army Chief General Dalbir Singh Suhag will visit Ladakh later this month to take stock of the situation on the LAC in the wake recent incursions by the Chinese troops there. He will also visit Siachen in a bid to boost the morale of the troops deployed there.

Air India targets global aviation market

Air India, a new entrant of the 27-member Star Alliance, has said that it is overhauling its systems to take the country's flag carrier to the next level of global aviation market and meet the challenges arising from the new alliance.

Pankaj Srivastava, director-commercial and a board member of Air India, said the carrier will pull all plugs to utilize the opportunities and face the challenges that arise from the deal with the Star Alliance.

Asian Lite, a weekly ethnic newspaper, quoted him as saying this during the celebrations to mark the first anniversary of Air India re-launching flights to Birmingham Airport in the UK. Star Alliance network counts 27 member airlines, offering more than 18,500 daily flights serving 1,316 destinations in 192 countries.

"The young fleet of Dreamliner and the world class Delhi airport as a hub can change the fortunes of Air India and Indian aviation sector," Srivastava said. □□

Gulf countries top generators of food waste

The six-member countries of the Gulf Cooperation Council (GCC) generate over 150 million tonnes of municipal waste every year, standing out among the world's top generators of food waste, according to a new report. The GCC countries comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, are expected to generate more waste during the Muslim fasting month of Ramadan, says a 2014 report released by the Environment Agency — Abu Dhabi. The food waste in the UAE comprises 39 per cent of an average household's organic waste, but during Ramadan, as per the estimates by Dubai municipality, this ratio increases to roughly 55 per cent or 1,850 tonnes.

In Bahrain, food waste is expected to exceed 400 tonnes per day during Ramadan, according to Bahrain's Supreme Council for Environment Waste Disposal. Most GCC countries face a dearth in arable land and fresh water sources thus, depend heavily upon imported food staples to meet domestic food demand. The UAE, Bahrain, Qatar and Oman import over 90 per cent of their food requirements and rely heavily on desalination for their potable water needs.

"Food waste isn't new, and it most definitely isn't just an issue in the GCC, as it forms the third-largest component of generated waste by weight globally. Statistics show one third of the global food supply, around 1.3 billion tonnes, is wasted every year," Vincent said. "High income groups usually generate more food waste per capita, primarily due to the mindset that there always needs to be enough to eat at iftar, even if most of the food ends up in the landfill," he said. □

BRICS's \$100 billion development bank

Leaders of the BRICS emerging market nations launched a \$100 billion development bank and a currency reserve pool in their first concrete step toward reshaping the western-dominated international financial system.

The bank aimed at funding infrastructure projects in developing nations will be based in Shanghai, and India will preside over its operations for the first five years, followed by Brazil and then Russia, leaders of the five-country group announced at a summit.

They also set up a \$100 billion currency reserves pool to help countries forestall short-term liquidity pressures. The long-awaited bank will be called the New Development Bank.

It is the first major achievement of the BRICS countries — Brazil, Russia, India, China and South Africa — since they got together in 2009 to press for a bigger say in the global financial order created by western powers after World War II and centered on the International Monetary Fund and the World Bank.

India against UN investigation team to Sri Lanka

The Indian government has reiterated that it is against sending an United Nations investigation team to Sri Lanka to probe human rights violations allegedly committed by the Sri Lankan security forces during the decades-long war. The previous UPA government of India abstained from voting on the UN resolution adopted in March this year at the UN Hu-

man Rights Council in Geneva mandating the investigation to be led by the Office of the High Commissioner for Human Rights. India voted against the specific paragraph of the resolution, Operative Paragraph 10 that called for sending an international team to Sri Lanka. During the discussions held between India's External Affairs Minister Sushma Swaraj and her Sri Lankan counterpart Minister G. L. Peiris yesterday in New Delhi, the Indian Minister has told Prof. Peiris that there is no change in India's position on the issue.

Speaking at a media briefing following the meeting, India's External Affairs Ministry Spokesperson Syed Akbaruddin recalled that India abstained on the Resolution and also voted against the specific paragraph that wanted to send a team to the island. "Our views are pretty clear on this. This is not about a country specific issue; this is a matter of principle that we have always held," the Spokesperson told the reporters. Akbaruddin said India has articulated why it feels so in terms of India's approach to human rights and explained in great length. "We feel that international bodies need to address human rights through a cooperative framework, not a punitive approach," he said reiterating India's stance. "There is no change in our position on what we stand for in terms of our approach to human rights issues in various countries and specifically relating to Sri Lanka, as has been articulated previously at the appropriate forum in March," the Spokesperson reiterated. He said the Sri Lankan Minister gave a fairly detailed presentation about the initiatives Sri Lanka is taking, of its own national efforts for reconciliation and accountability.

CIA apologises for spying

The chief of the CIA apologised for the US spy agency's surveillance of computers used by lawmakers and their staffers involved in investigating the organisation's harsh interrogation techniques.

In a statement, the CIA said its employees had "acted in a manner inconsistent with the common understanding reached" between the agency and lawmakers in 2009, when a Senate committee started an investigation into the CIA's harsh interrogation techniques. Top senators were fuming over report of CIA spying over them, which was reported by the CIA Inspector General. "This is appalling and deeply threatening to the system of checks and balances," Senate Majority Leader Harry Reid said.

"Congress has a constitutional responsibility to conduct oversight and the CIA's actions were an attempt to undermine that responsibility," he added.

"What is even more disturbing is that the unauthorized CIA actions come in the context of the Senate's effort to complete a report of the CIA's interrogation program.

The deeply troubling CIA actions show to what lengths some in the CIA are willing to stoop in order to prevent the report's release and to avoid accountability," Reid said. Senate Intelligence Committee Chairman, Dianne Feinstein, who was briefed Tuesday by CIA Inspector General David Buckley on the results of an IG investigation, said the CIA personnel inappropriately searched Senate Intelligence Committee computers in violation of an agreement they had reached.

"CIA Director (John) Brennan apologized for these actions and submitted the IG report to an accountability board. These are positive first steps. This IG report corrects the record and it is my understanding that a declassified report will be made available to the public shortly," Feinstein said. □

US adds 209,000 jobs in July, unemployment rises to 6.2%

The US economy generated 209,000 new jobs in July, down from June but maintaining the solid 200,000-plus monthly streak since February, the Commerce Department said. The unemployment rate rose a mere 0.1 point to 6.2 per cent, still near its lowest level since October 2008 and well down from the 7.9 per cent at the start of 2013. The new jobs were well-spread between the construction, manufacturing, professional service and retail sectors, and got a boost as well from 11,000 new jobs in the government sector.

Nevertheless, the number of unemployed rose by nearly 200,000 to 9.67 million, in part because of the constant increase in the number of working-age Americans, as well a return to the labor force by 141,000 people who had dropped out and were not previously counted as unemployed. Average weekly earnings ticked up only slightly, suggesting, as the Federal Reserve said on Wednesday, that there is still slack in the labor market despite the steady gains in job creation.

UN task force to reduce flight risks

In the wake of the downing of the Malaysia Airlines jet over Ukraine, the UN and global aviation bodies have set up a task force to reduce the risks of civilian planes flying over conflict areas and ensure that the "right information reaches the right people at the right time" to prevent similar tragedies.

The decision was taken at a special meeting, convened in Montreal, triggered by the downing of Malaysia Airlines Flight MH17 over eastern Ukraine on July 17 as it was traveling from Amsterdam to Kuala Lumpur, resulting in the death of all its 298 passengers. The agencies stressed the need for accurate and timely information and intelligence that might affect the safety of passengers and crew, while recognising that this is a "highly complex and politically sensitive" endeavour that involves not only civil aviation regulations and procedures but also national security and intelligence gathering activities.

The task force, composed of national and industry experts, will address the civil aviation and national security aspects of the challenge of ensuring that the "right information reaches the right people at the right time," according to the statement. It was also decided at the meeting that ICAO would convene a high-level safety conference with all of its 191 member countries in February, 2015.

In addition, the industry has called for ICAO to address fail-safe channels for essential threat information to be made available to civil aviation authorities and industry. A UN specialised agency that was created in 1944, ICAO works with the 191 signatory States of the Convention on International Civil Aviation and global industry and aviation groups to develop international Standards and Recommended Practices (SARPs) which are then used by States when they develop their legally-binding national civil aviation regulations. □□

India rejects TFA

Deeply concerned over slow progress in finding a permanent solution to the food security issue, India in a stern message to WTO members said it would not be possible to agree on trade facilitation pact which is dear to the developed world. "There is a growing disenchantment, anguish and anger in our domestic constituencies and a sense of déjà vu as once again they see the interests of developing countries being subordinated to the might of the developed world," India has said in its statement at a meeting of WTO members in Geneva.

With the developed countries attempting to sideline the Bali package on food security programmes of developing nations and issues of the least developed countries (LDCs), the whole matter may now result in Doha type of stalemate. India has made it clear that it would not agree to the Trade Facilitation Agreement (TFA) unless there is a "tangible and credible evidence of movement" on arriving at a permanent solution on safeguards to run food security programmes of developing nations without attracting any penalty and a package for LDCs.

WTO rules against US in trade spat

WTO has found the United States violated global trade rules when it imposed tariffs on products from China and India. In response to a 2012 complaint, the WTO said the US improperly imposed tariffs on Chinese steel and solar panels. In a separate ruling, it said the US must change the way it imposes tariffs on India steel products. The US is embroiled in several trade spats with China and India.

"China urges the United States to respect the WTO rulings and correct its wrongdoings of abusively using trade remedy measures, and to ensure an environment of fair competition for Chinese enterprises," said China's foreign trade ministry in a statement. However, the WTO did not agree with all of the complaints filed by India and China. The US - which has argued it imposed the tariffs to combat artificially low prices on products from India and China's state-subsidised industries - has the right to appeal the ruling.

Air 'give' as well as 'take' in talks

WTO agriculture negotiators meeting on 3 July 2014 heard the first, brief, suggestion of how the present draft text might be simplified and were urged

by the chairperson to explore this and other ideas in discussions among themselves. Some members also warned that the agriculture talks and the Doha Round negotiations as a whole could be jeopardized because of a deadlock in trade facilitation talks.

The chairperson, Ambassador John Adank of New Zealand, said he If members are genuinely seeking results, they should take the initiative, meet among themselves and probe each other's proposals in depth, he went on. He asked them to indicate what they could contribute towards reaching agreement rather than repeating existing positions.

Launch of negotiations welcomed

Fourteen members launched plurilateral negotiations for an Environmental Goods Agreement on 8 July 2014 at the WTO. These members said the talks will promote green growth and sustainable development while providing impetus for the conclusion of the Doha Round.

The participants said the talks are open to any WTO member and that the results will be applied in accordance with the most-favoured nation principle, under which WTO members should treat their trading partners in a non-discriminatory manner. Taking part are Australia, Canada, China, Chinese Taipei, Costa Rica, the European Union, Hong Kong China, Japan, New Zealand, Norway, Singapore, the Republic of Korea, Switzerland and the United States, which make up 86 per cent of global environmental goods trade. The talks will build on a list of 54 environmental goods put together by the APEC countries — the Asia-Pacific Economic Cooperation forum — in 2012 to reduce import tariffs to 5 per cent or less by the end of 2015. These include wind turbines, air quality monitors and solar panels. Negotiators said that they will meet regularly to discuss substance and product coverage.

Question on sugar subsidy raised

WTO has raised questions over India's move to subsidise export of sugar. WTO member countries such as Brazil, Columbia, Australia and the European Union (EU) have especially expressed concerned at the WTO's Committee on Agriculture. The issue was raised in the successive meetings of the WTO Agriculture Committee in March and June. But none of the members have threatened to take it up with the Dispute Settlement Body of the WTO. □□