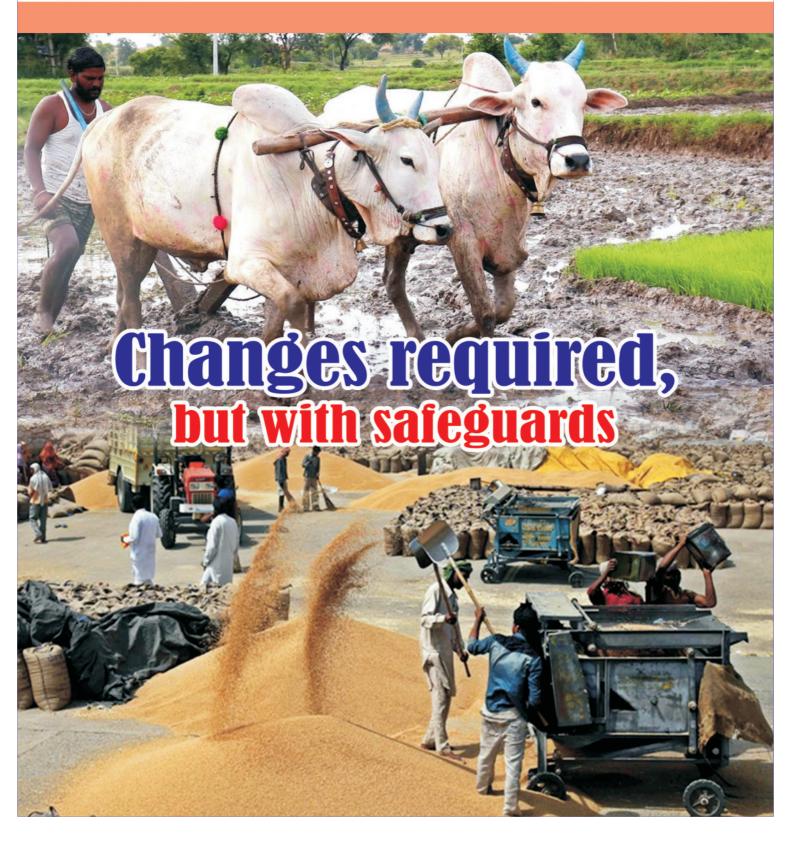


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Swadeshi Activities

Wealth and Employment Creators' Felicitation Program

Pictorial Glimpses







































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Steve Jobs relied on AYUSH

The recent announcement by the Union Government to engage AYUSH based Covid-19 management protocol is a welcome step. The pandemic is a challenge to everyone. Everyone is supposed to cooperate rather than to compete. It's a challenge to the humanity. The reliance of the Indian population on traditional medical related knowledge for survival and curing disease is deep embedded in non-urban areas. But the Indian Medical Association officials are questioning the move without due diligence. This is a topic in which only serious and credible persons from the respective fraternity should open their mouth. IMA officials are compromising their personal credibility as well as exposing the irrational functioning of the IMA.

Steve Jobs, the founder of the best brand till date i.e. Apple also relied on Ayurveda for his health management. The opponents of AYUSH can come and say that's the reason why Steve Jobs is not here. And when they fail a patient they label it as a collateral treatment risk of modern medicine. It's the dual mindset which is responsible for non collaborative engagement of AYUSH with modern medicine. The highest earning profession used to be of lawyers or of doctors. Today it has been replaced by law firms and hospitals and not necessarily the owners of law firms or hospitals are either lawyers or doctors. The health is in the hands of money mining individuals. The best scientists listens carefully what a five year children is saying and these IMA officials are unwilling to listen to AYUSH. It's not they; it's their conference and foreign trip financiers who are asking them to do so. These puppets also opposed NEET and many other medical science related reforms. China is the destination for Indian students to earn medical degrees. This demands separate analysis.

- Alok Singh, Delhi

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Quote-Unquote



I am a Hindu, I respect the places of reverence associated with all faiths. But I am firm regarding my own place of reverence. I have got my sanskar from my family, and it is matru shakti, which teaches us so.

Dr. Mohan Bhagwat Sarsanghchalak, RSS



The country's agricultural sector, farmers and villages are the basis of a self-sufficient India. If these are strong then the foundation of self-reliant India will be strengthened.

Narendra Modi Prime Minister, India



Atal Tunnel will prove to be a major boon for the entire region. People will now have access to better healthcare facilities, business opportunities & essential items. It will also strengthen our defence preparedness & generate employment by giving impetus to the tourism sector.

Amit Shah
Union Home Minister, Bharat

Crisis turned into opportunity

Prime Minister Modi launched a special scheme called Pradhan Mantri Garib Kalyan Rozgar Abhiyan on June 20, 2020. The campaign was launched to help migrant laborers who returned to their villages, and provide them employment opportunities. This campaign was carried out in mission mode in 116 districts of the 6 states most affected by the return of migrant laborers and it was targeted to spend an amount of Rs. 50 thousand crores in this program. In this campaign, 25 types of works were selected prominently. The implementation of this campaign was linked with 12 government departments/ministries, including Rural Development, Panchayati Raj, Road Transport, Railways, Ministry of Defense, Department of Telecommunications, Department of New and Renewable Energy, Ministry of Petroleum and Natural Gas, Ministry of Mining. According to a press release by the government, 1.37 lakh water conservation structures, 4.31 lakh rural houses, 38,287 thousand animal sheds, 26.5 thousand ponds, 18 thousand sanitisation complexes were constructed, in addition to internet facility in 2,123 gram panchayats, and many other works were completed during 16 weeks of this program. This work was completed by providing employment for 33 crore labor days, while Rs. 33,114 crore were spent on this scheme.

Significantly, during the Corona period, due to the lockdown, unemployed laborers returned to their native villages. They naturally needed government support due to their economic woes. In such a situation, the government implemented a plan to provide 10 kg of grain every month to 80 crore people for at least 6 months, but gainful employment for the laborers reached in the villages still remained a challenge.

Meanwhile, the government had gathered detailed information about the laborers who reached their villages through the railway department, quarantine centers and other means. With the government having knowledge of their skills and occupations, it was thought that by providing gainful employment to migrant workers near their villages, the development of villages can also be accelerated. In fact, the government launched the Prime Minister's Garib Kalyan Rozgar Abhiyan with the objective of turning the situation of the Corona pandemic into an opportunity.

A large number of schemes have been included in the Pradhan Mantri Garib Kalyan Rozgar Abhiyan and 12 Ministries/Departments have been included with it. All skilled and unskilled laborers were included in the Pradhan Mantri Garib Kalyan Rozgar Abhiyan. Various types of work were included in this scheme. Rural houses, ponds, solar plants, community sanitation complexes, gram panchayat buildings, national highways, water conservation and irrigation, anganwadi centers, village road plans and internet connectivity was included in the scheme. Shyama Prasad Mukherjee Rurban Mission, was A wide variety of skills have been used in this and different types of departments and ministries have been coordinating in this work. Shyama Prasad Mukherjee Rurban Mission has been associated with this program.

Since independence, till date governments have never thought of an all-round development of villages. Rather, from the beginning most of our economists kept saying that the experience of economic development around the world has been that development could be possible only through urbanization. They kept saying that the chances of increasing productivity in agriculture are extremely low; Therefore, if the villagers are brought to the cities and settled, then economic development can be accelerated by putting them in more productive occupations.

For these economists, industrialization is necessary for rapid economic development in the country, but this does not mean that we don't make efforts for overall development of villages or improvement in the lives of the rural people. Even today, where only 30 percent of the population lives in the city; schools, colleges, universities, big hospitals, and all the entertainment facilities are all concentrated there. The villages where 70 per cent of the people live do not have sufficient facilities for education, health, drinking water, sanitation; and means of employment are generally lacking. In 2014, 63 per cent agricultural land was still rain fed.

Former President APJ Abdul Kalam had conceptualized this idea of 'Provision of Urban Amanities in Rural Areas' (PURA). This concept should ideally be the mantra of rural development in India. It was proposed by PURA that all services including infrastructure and education and health, should be made available in rural areas. This will not only improve the lives in the villages, but will also increase the income and employment in the villages. In the concept of PURA, villages should have good roads, drinking water, health facilities, educational and technology institutes etc. From the year 2004, this scheme continued to run half heartedly. Shyama Prasad Mukherjee Ruraban Mission, which started from the year 2016, is an improved version of the same scheme.

Though initially the Prime Minister Garib Kalyan Rojgar Abhiyan has been implemented with a view to providing employment to migrant laborers for only 125 days and its 16-week report card has also been published, but the unprecedented success of this campaign and in view of the changes coming in the rural areas, this campaign not only needs to continue further, but it needs to be taken to all the districts of the country with a view to all round development of villages. Through this, facilities should be created for employment and income generation in villages including dairy, animal husbandry, poultry, fisheries, bamboo production, food processing etc. With this, not only APJ Abdul Kalam's dream of PURA will be fulfilled, but the employment and income generation in villages will also be implemented. With this, Rural-Urban inequalities will reduce and migration of laborers to cities will also come down.

'Changes required, but with safeguards'

Dr. Ashwani Mahajan, National Co-convener of the SJM, while categorically stating that the organisation was not in solidarity with the political parties leading the farmers' agitation in different States, told *Frontline* that it stood for farmers and traders. Excerpts from an interview:



Why has the government bypassed the opportunity to implement the Swaminathan Commission reports on farmers?

I cannot answer that. It is the government's prerogative to prioritise an issue and work on it. However, one thing I will say that these three farm Bills, now Acts, are steps in the right direction. The intent behind the new legislation is good. However, no matter how good an intent, there is always scope for improvement.

The SJM has raised the issue of minimum support price (MSP).

We have suggested to the government that MSP should also be applicable to purchases taking place outside mandis. There is a logic behind this. We are moving towards a new system of agricultural commerce. Now private parties, individuals or corporations can directly buy without going to mandis. Inside mandis, there is a fee and commissions of agents, which have to be borne by farmers. Therefore, naturally, purchase outside mandis, sans these fees and commissions, would be more attractive for farmers and procurers, and the farmer will have an opportunity to get a better price. But, private buyers will be in a dominant position. We understand that farmers have weak bargaining power, and outside agents may try to exploit the same by offering lower prices to farmers. Our point of view is that they should be offered at least an MSP that is scientific and not arbitrarily declared. This is the demand of various other farmers' organisations also.

Let us draw a parallel with MRP [maximum re-

tail price]. It is the price at which companies and manufacturers sell their produce. But it is arbitrary. It is not based on cost considerations but fixed on an unscientific basis. The SJM has, from the very beginning, demanded that manufacturers should announce their cost of production. We are not saying they

should sell at that rate, but they should at least announce it so that the consumers can be aware of it. The SJM's demand is when MRP, which is decided arbitrarily by the manufactures, is considered legitimate, how can the demand for MSP for farmers for purchases made outside mandis lack merit?

Now the argument is often given by market apologists that the market should function, and farmers get the price offered in the market. But markets do not always function as free markets should. There are dominant players who skew the benefits towards themselves. Now it's possible that farmers will not have an alternative and will be forced to sell at the rates quoted by the dominant players. The government had announced some time ago that it would set up 2,200 farmers' markets. It should expedite this so that farmers get more alternatives where they can sell their produce. Ideally speaking, the government should announce a floor price below which the produce of the farmer cannot be sold even outside the mandi, which ideally is the MSP that is scientifically calculated by the government itself from time to time.

Will not the big corporates exploit the small farmer?

Our country is made up of small farmers who are unable to enjoy the benefits of market forces. When the government encourages contract farming, and if there is an opportunity for the small farmer to enter into a contract, then the best farm practices can be made use of. But again, in a contract, a few things need to be taken care of. So far, the system is that when the farmer is selling in the mandi, he is able to

get an advance from the trader, or *arthiya*. The *arthiya* is assured that farmer will bring his produce to him, and so he gives him the advance. But in the new system that assurance is not there. Therefore, an assurance needs to be made in the contract that the farmer will get his price in instalments. When you have sown, one instalment can be given. Then next instalment can be given after a few months. Otherwise, the farmer will be forced to go to the moneylender.

When there is some conflict, the dispute resolution mechanism should favour the farmer. At present, arbitration is on the basis of arbitrators appointed by the farmer and corporations. If the farmer does not get resolution through this process, then he can go to the SDM [sub-divisional magistrate]. Now, the SDM is already burdened with a lot of other work. We have suggested that "farmer courts" be set up on the lines of consumer courts. These will help settle disputes at the village level and reduce the burden on normal courts too.

Farmers have wondered why the Agricultural Produce Marketing Committees (APMCs) cannot be reformed rather than being made redundant.

When the APMC was brought in, laws were enacted to save the farmer from malpractices in marketing and weighing. Mandis were reformed where fees and commissions were fixed. Now, mandis have lived their lives out. Today, in the time of computers and online trading, why should farmers be constrained to sell only in their own State? Why should the APMC be reformed when a better system can be put in place?



Those who are poor or less privileged need to be protected. These changes being brought in are very much required but equally important are certain safeguards for farmers.

At the same time, we must ensure that the farmer gets the correct price.

Your concerns with the farm Bills are similar to those of tfarmers agitating against them. Are you in solidarity with them on these specific issues?

There is no question of being with them or not. We are for the overall benefit of farmers. We are for small farmers, traders, small scale artisans and workers. We are also for the development of the economy. We are not against the corporates. However, those who are poor or less privileged need to be protected. These changes being brought in are very much required but equally important are certain safeguards for farmers. $\Box\Box$

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Swadeshi Jagaran Manch flags need to protect farmers, have 'Farmers court'

Even as the NDA government's farm bills triage continues being met with strong protest by opposition parties as well as farmer groups, Swadeshi Jagaran Manch (SJM) has asked for assured MSP for farmers, saying this should also be available in the non 'regulated' open market that exists for the corporates.

Both Houses of Parliament cleared the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020; the Essential Commodities (Amendment) Bill, 2020; and the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020. Speaking to The Federal, SJM's national co-convenor while welcoming the intent of the bill has however raised the issue of lack of mention of MSP related issues in the bill and has asked for new legislation (or an amendment in the existing ones) that protects farmers from corporate exploitation. He also flagged the issue of the need for a 'Farmers Court' since it is not fair to expect a farmer to approach a Sub Divisional Magistrates court to resolve their disputes.

https://thefederal.com/podcast/swadeshi-jagaran-manch-flags-need-to-protect-farmers-have-farmers-court,

Recovery needs a calibrated road map

The Indian Economy is reverting from the depths of pandemic induced crisis. It is facing an uphill climb that will be long, uneven, and uncertain, also prone to setbacks. India faces a precarious situation with weak health system, depending on sectors having fallen prey to declining demand, high unemployment and loss of income etc. Several years of stagnating investments – primarily in the private sector – and, more recently, decelerating consumption are growth killers for the economy. The fast moving consumer goods (FMCG) sector, however, is somewhat upbeat on second quarter numbers, pointing towards inching of demand revival to pre-Covid levels, driven by the relaxation in restrictions as well as the consumers adjusting to the new normal. This revival was primarily driven by consumers in semi urban and rural areas, thanks to good harvest, normal monsoon, rural welfare schemes, and relatively less impact of the virus.

The revival, however, is rather disappointing. While the credit deposit ratio of banks as on 27 March 2020 stood at 76.4%, it fell to 71.8% on 11 Sep. 2020. This implies that both corporates and individuals are going slow on borrowing given the brutality of economic constriction. Those with in-

Demand Boost Index				
(Pre-Covid=100)				
Month	Metro	Tier-1	Rural	
June	87	91	108	
July	93	99	117	
August	86	89	104	

come have been cutting down on spending and saving more for the tough times being anticipated to lie ahead. This is also witnessed in consumer goods companies' tapering value growth rates in urban markets, as customers opt for lower priced products and job losses in informal and services sectors in cities, as well as due to lack of sops for the urban poor. Pantry loading in cities has stopped now. A lot of sectors witnessed salary cuts, and job losses, which shrunk income of urban consumers who are spending gingerly. Yes, it is not that the economy is not growing. GST collection stood at over Rs. 95,000 crore in September, rising 4% YOY after 6 months of contraction; record 57 million e-way bills were generated; manufacturing PMI rose to 56.8, highest since January, 2012; and car sales, freight traffic too have shown an uptick. There were 2 stimulus packages – Pradhan Mantri Garib Kalyan Package and Atmanirbhar Bharat Package, aggregating to Rs. 20 trillion, or 10% of the country's GDP. All the money and assistance have gone directly through DBT into bank accounts and in the hands of deserving people. Refunds to the tune of Rs. 1.18 trillion in direct taxes and Rs. 66,861 crore in indirect taxes further boosted liquidity in the system. Rs. 2.17 trillion were transferred to states as devolution of central taxes in the first 5 months of 2020-21. Recent trends of economic recovery bear the testimony of timely intervention by the Govt. to mitigate the fallout from the Covid induced lockdown.

But the recent data should be cautiously interpreted. Recovery in manufacturing could be due to the pent up demand of first quarter. GST collection may be looking good because of the filing for previous month. It is still to be seen if



Unusual times
need bold steps;
what is needed for
revival is rightly
targeted and timed
adequate fiscal
sop.
KK Srivastava

the recovery will be sustained, especially when credit and investment demand is still tepid. While the virus infection curve is showing initial signs of flattening, the prevalence of it and the not unlikely possibility of a trend reversal, will continue to impact adversely many sectors of the economy, especially hospitality and tour-

ism. The course of stable economic recovery will be sustained only when Covid does not trouble any more and there are right kind of policy interventions.

Since the problem exists from aggregate demand side, it is no time for timidity; rather, the Govt. needs to be more open fisted. The slow pace of normalization of economic activity could partly be attributed to the prolonged period of stringent lockdown on one hand and the inherent vulnerabilities of the domestic economy on the other. No doubt the previous policy intervention was critical as it was a rescue and relief package preventing the firms from going bust; it tried to support business through extension of credit, macro prudential norms and regulatory forbearance. Now another round of stimulus, in view of the fact that a bulk of economic activity has been permitted across states, and the threat of the outbreak of pandemic is receding, could be provided to revive economic recovery. A fiscal package should revive aggregate demand. Thus a Keynesian stimulus in the form of higher govt. spending greater transfer to federal bodies, conditional tax cuts/deferment, and DBTs should help.

India may have a current ac-



count surplus of \$30 billion this year, which in simple words means that we are failing to invest all that we have saved, and are exporting our savings. Govt. is falling shy to borrow and spend, in turn weakening economic recovery. True, tax receipts have been positive in September, and the PMI indicates strong growth, but this is from a low base. Borrowing at the current level is unlikely to leave much for additional spending which in turn may mean a near double digit economic contraction in the current fiscal. Minus positive decent growth millions will be condemned to poverty and joblessness.

The Govt. has been of late talking of stimulus package 2.0. If the noises in the air are right, it would likely consist of production linked incentive schemes for a clutch of sectors, including steel, textiles, and food processing, more incentives for infrastructure and construction sectors, given their high labour content, and an employment guarantee scheme for the urban poor. Besides, a host of additional welfare/relief measures targeted at the vulnerable sections are likely to be announced. But the Govt., in all likelihood, will act conservative. Budgetary cost of stimulus 2.0 may be limited to Rs. 1.0-1.5 lakh crore. Extra burden on budget from stimuli to be announced so far are below Rs. 3 lakh crore. Centre is likely to keep its budget size for this fiscal to be within 30.4 lakh crore.

Instead, the Govt. needs a clear road map for fiscal intervention to maximise its impact on the economy. A clear roadmap will help all stakeholders, including finan-

cial markets and the Govt. itself. The RBI will be in a better position to make necessary intervention in the form of borrowings from domestic and international sources to raise resources. The RBI's currency market interventions to prevent the rupee from appreciating can create surplus liquidity which can be routed to funding Govt. borrowing through policy measures.

Equally, for effective revival, first of all we should analyse how the economic loss of 8-10% decline in GDP (for FY 21) is being borne by different sectors- govt., wage earners, informal business, or formal business. This will give us a clue about the points of intervention. It is widely believed, and rightly so, that the most ravaged segments have been wage workers, informal workers, and informal enterprises. Agriculture and formal business has been relatively unscathed. Thus the policy makers need to devise schemes for fund transfers to them without leakages and misdirection.

To sum it all, there is a need to revive the aggregate demand through bold fiscal measures. And the package should be targeted at vulnerable segments. A visionary-rather than bureaucratic — approach will work.

The author is Associate Professor, PDGAV Collage, University of Delhi

Farm bills and Indian farmers

Indian democracy is full of politics. The major players in this politics are Indian Apolitical parties and their committed intellectuals. They use Indian farmers and Indian labourers for most of their politics. Their politics starts with the opposing of any reforms that are carried out by present government, particularly reforms that affect Indian farmers and Indian labourers. Many times, in the process, they oppose reforms that they themselves once demanded and cried for government's inaction. One such recent reform that is being politically opposed is that of Indian agriculture marketing. Indian parliament passed Farmers Produce Trade and Commerce (Promotion and Facilitation) Bill and the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill amid protests by opposition parties. The bills were supposed to give freedom of choice to the farmer or trader to conduct trade and commerce anywhere and allow farmers to get a share of post-contract price surge under contract farming with private players. While these bills have no link with that of MSP (Minimum Support Price) and related procurement systems that are currently operational, entire opposition stood up to oppose it. The idea of opposing the bills, therefore, is more political than protecting farmer's interests.



The major players of Indian democracy the Indian political parties and their committed intellectuals begin by opposing any reforms and end up by using Indian farmers and labourers for most of their politics. Anil Javalekar

Bills intend to help farmers

The three bills that were recently passed by Indian parliament are 'The Farmers Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020', 'The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020' and 'The Essential Commodities (Amendment) Bill, 2020'. First, out of three, two bills (The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020' and 'The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020') are



not to override (a) the Minimum Support Price (MSP) mechanism and (b) adequate protection of land ownership - that is currently in place to protect farmer interests. That means, the MSP system and procurement of crops by Government agencies will continue and farmer's land ownership will not be touched by any of the contracts entered by farmers. All contracts will be related to the crops only. **Second**, these bills are intended to help small farmers who cannot invest in technology/better practices to improve the productivity of farms. These bills will accelerate this progress through private sector investment in building infrastructure and supply chains for farm produce in national and global markets. Third, these bills allow farmers to sell their produce to buyers at places other than 'mandis' (market) regulated by Agricultural Produce Market Committee (APMC). That means, farmers can sell to private buyers too. It will also add the option of selling outside the state of the farmer. This way, the small farmers will also have better bargaining power for their produce. Fourth, these bills allow agreement between farmers and buyers before the production so to fix a price before the production for the produce to be sold. Fifth, these bills prohibit state governments from imposing market fee on "farmers, traders, and electronic trading platforms" for trading outside the 'trade area' or with a buyer other than the mandi so to reduce the financial burden on farmers. The third bill, 'The Essential Commodities (Amendment) Bill, 2020' removes cereals, pulses, onion, potatoes, etc from the "list of essential commodities" as also



The reforms mainly intend to open the agriculture marketing that was earlier confined to APMC and such regulated markets.

removes restrictions on storing essential items and affect no way to farmers. This will mainly help traders and wholesalers.

Concerns and apprehensions of opposition

The opposition to these bills is primarily from politicians, market intermediaries such as brokers, wholesalers, traders, warehouse owners and transporters and farmers hailing from select rich areas. Their first concern is that, with these bills, the system of MSP and government procurement will get dismantled and farmers will be exposed totally to market driven forces. Their second concern is that the APMC and other regulated markets will no longer remain functional and farmers will have to struggle and search buyers helplessly for their produce. Their third concern is that the contract system will be biased and will favour the buyers and the farmer will be a weak partner, particularly small farmers. Their fourth concern is that the private sector will prefer direct purchase from farmers and will not take interest in establishing private markets that may help farmers get options of negotiations for better price. APMC currently collects fees etc and provides various facilities like auction halls, weigh bridges, godowns, shops for retailers, canteens, roads, lights, drinking water, police station, post-office, bore-wells, warehouse, farmers' amenity center, tanks, Water Treatment plant, soil-testing Laboratory, toilet blocks, etc. — it is expected that private buyers/markets may not provide these holistic support services. Their fifth concern or apprehension is that the private sector will not give any representation to farmers on their governing bodies and will not have system to address the grievances as in the regulated markets.

True, all concerns are not false. Government has to take cautionary measures so that reforms help farmers to benefit. Presently, neither APMC nor MSP is getting dismantled and therefore, the concerns on facilities, farmer price exposure should not arise. The focus should, however, be on the right intent of these bills and maximization of the benefits to the farmer while mitigating possible concerns.

Benefits of market reforms

The reforms mainly intend to open the agriculture marketing that was earlier confined to APMC and such regulated markets. **First**, with these reforms, farmers get multiple options while selling farm produce. Farmers can sell farm produce at the farm itself or to trad-

ers or wholesalers or the malls or even to housing societies at their place or at any other place at directly negotiated price. They also continue to have the option to go to their nearest mandi as well as other mandis/regulated markets. Second, farmers and buyers can have contract at the beginning of the season for the sale/purchase of the produce. This contract can be in the spirit of partnership right from sowing to harvesting to marketing. This way the farmer will have assurance of procurement and price, can get access to innovations from the buyer, bring in high-quality standards, possibly get pre-procurement financing as well. This apart, such contracting can help fast-track technology adaptation. The fact is that the corporate/ private buyers want backward integration for their own plants/ markets and hence will usher in innovation and efficiencies in planning, cost management for their own sustainability. Third, with these reforms, farmers and buyers will get opportunities of better price discovery for farm produce across various markets as produce can be sold across markets and over time. Fourth, as is known, the prices paid by end consumers do not reflect the value accurately as the margin made by traders and wholesalers is based on an artificial price. This margin cornered by the chain is now completely exposed to free market dynamics and only the leanest, most efficient value chains will survive. These market reforms will help backward integration of retail and processing companies, tech and financial markets with agriculture and will result in saving costs that will benefit farmer and consumer alike. **Fifth,** the reforms will give rise to different kinds of service providers like smart logistics, internet enabled farm practices, food preservation and shelf-enhancement technologies. In the bargain, losses at farm will be curtailed (15% fruits and veg lost at farm) and markets will have less price volatility at both from farmer's and consumer's ends.

These reforms were long overdue

True, it is oversimplification to say that the market reforms will bring everything in order and help farmers prosper. As is known, there are two principal issues in agricultural systems: (1) Agricultural production - what is produced is determined by the pricing, profitability, variability of govt. policies, innovation (or lack of it) and the availability of credit and (2) Agricultural distribution - how farm produce is moved from farm to markets, cost of the value chain and availability of credit. In basic economics, the farmers, the basic producer at least is expected to be reasonably compensated. However, Indian agriculture is a tragic example where everyone other than the principal producer (farmer) is making disproportionate earning with no value addition whatsoever. Such a contrast could only have prevailed due to the regulatory construct that governed agriculture in India and these agricultural reforms are correcting these gaps so that farmer is able to maximize his income. Therefore, it is to be understood that the reforms were overdue. The importance of opening the path of buyer to the farm cannot be overemphasized - structurally this is the single most important step the government has taken and will take agriculture on different trajectory, if evolved properly.

Need cautious approach towards reforms

It is good that government initiated the reforms and enacted the Acts. However, reforms of all kind are continuous in nature and need review to suit the changing socio-economic scenario. Indian agriculture, by and large, will remain with small farmers and this is the weakest link in agriculture reforms. Thus, the fate of these small and marginal farmers cannot be left to market forces controlled by unbridled profit motive. Government's role will remain important to protect the interest of farmers. More importantly, the small and marginal farmers i.e. those with small plots of land may need more to make them viable. Again, making small plots viable with best of technologies and ensuring better price for their farm produce alone may not be sufficient. Government may have to do more to assure income to farmers in some or other form as it is not always possible for market to give farmers a fair price or government to procure farm produce at MSP from every farmer. One alternative is to pay the difference between the price realized by farmer and the MSP. The difference can be paid by way of cash transfer. Government procurement should only be for market stabilisation and not for ensuring MSP to farmers. The assured income will help farmers more than the procurement at

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New agricultural paradigm



The over-hyped green revolution of the late 1960s introduced varieties of dwarf rice and wheat in northern India with a cocktail of chemical fertilisers and pesticides that sucked up groundwater and gradually made it unfit for drinking. The chemicals leached into the soil and water. State-sponsored propaganda about "miraculous yields" extended the phenomenon across the country, ruining soil fertility and the nutritious value of food crops; the impact on public health was noticed by the medical community but all voices were silenced. Today, Gurdaspur-to-Delhi trains are called "Cancer Express", yet there has been no medical study of the harm caused by

chemical agriculture to the health of humans, animals, soil and water resources.

Now, four momentous laws could pave the way for a revolution in which farmers drive the change, with technology playing a supportive role. If the Government repudiates the genetically-modified food crops lobby, India could return to farming methods that do not require costly inputs and force farmers into a vicious cycle of debt (and even suicide).

On September 16, 2020, one day before the three agriculture-related Bills were moved in Parliament, the Banking Regulation (Amendment) Act, 2020 was passed, bringing all cooperative banks under the purview of the Reserve Bank of India (RBI). It means stricter supervision of 1,482 urban and 58 multi-state cooperative banks, with deposits of Rs 4.84 lakh crore.

The legislation undermines the strongmen who control the Agricultural Produce Marketing Committees (APMCs), mandis, loans and so on in many States. It is noteworthy that large farmers are resisting the new laws; earlier they opposed the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGN-REGA) as they had to match wages or lose farm labour. The ongoing COVID pandemic has also improved the bargaining power of farm labourers and added to the bitterness of large farmers.

Often, agents arranged debt-funding for farmers from private moneylenders, who charged usurious interest and enjoyed political heft; such debt has been linked to farmer suicides in some States.

Simultaneously, the Union Cabinet approved the Rs 15,000 crore fund for animal husbandry as part of the Atmanirbhar Bharat Abhiyan stimulus package and a scheme for interest subvention of two per cent to "shishu" loan category borrowers for one year under the Pradhan Mantri Mudra Yojana. These developments form the sub-text of the farm Bills.

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act 2020 allows sale and marketing of produce outside notified APMC mandis. State Governments cannot collect market fee, cess or levy for trade outside the APMC markets; inter-state trade barriers are nixed and provisions have been made for electronic trading of agricultural produce. No licence is needed; anyone



The end of socialist-era impediments should ideally stimulate increased private sector investment across the value chain and help create jobs.

Sandhya Jain

with a PAN card can buy directly from farmers. The new system provides a dispute resolution mechanism in case farmers are not paid immediately or within three days.

The APMCs failed as they allowed vested interests to seize the system. States levied cess to earn extra revenue that was not part of the budget and was used for "discretionary" development spending, mostly under the Chief Minister's orders. As the cess increased, political appointees took charge of the APMCs. Even the Food Corporation of India (FCI) paid cess. Small farmers were burdened with the cost of transport to take their produce to the mandis and deal with middlemen. For instance, waiting outside sugar mills, with heat evaporating the sugar content in the cane, desperate farmers have succumbed to agents (of nearby mandis) who arrive miraculously and dictate the price.

Under the new Act, politicians and urban elite farmers will find it difficult to get large "agricultural" incomes mandi-certified and pay zero per cent income tax, as payments have to be made against PAN cards.

The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020 regulates contractual farming rules and State APMC Acts. Farmers can make contracts with a corporate entity or wholesaler at a mutually agreed price. The system already exists in 20 States; PepsiCo buys potatoes from 24,000 farmers across nine States. Further, 18 States already permit private mandis while Kerala and Bihar don't have APMC mandis at all. More pertinently, the Act prohibits acquiring ownership rights of farmers' land.

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The Centre has funded Rs 6,685 crore for the formation of 10,000 Farmer Producer Organisations (FPOs) and the Rs 1 lakh crore Agriculture Infrastructure Fund (AIF). The FPO will give farmers higher bargaining power while AIF and market reforms serve as additional enablers. They can invest in farm equipment, infrastructure and build forward market linkages by making agreements with agribusinesses, thus improving access to technology and investment. Maharashtra's Sahyadri Farmers Producer Co. Ltd, with 8,000 marginal farmers, exports 16,000 tonnes of grapes every season.

The end of socialist-era impediments should stimulate increased private sector investment across the value chain, creating jobs in logistics service providers, warehouse operators and processing unit staff. The rise of food-processing industries could create nonfarm jobs in rural areas.

India processes less than 10 per cent of output (cereals, fruits, vegetables, fish, etc) and loses around Rs 90,000 crore annually to wastage. Hopefully, market linkages will motivate farmers to diversify

and grow crops such as edible oils and help reduce India's edible oil import bill that currently stands at over \$10 billion.

Finally, The Essential Commodities (Amendment) Act, 2020 removes excessive control on production, storage, movement and distribution of food commodities; removes cereals, pulses, oilseeds, edible oils, onion and potatoes from the list of essential commodities, and paves the way for cold chain infrastructure to come up. Previously, control regarding the storage of essential commodities (onions, potatoes, edible oils, jute, rice paddy, sugar) gave draconian powers to authorities to raid "hoarders", confiscate stocks, cancel licensing and even imprison offenders. This naturally discouraged investment in storage as entrepreneurs feared being prosecuted as "hoarders." Lack of storage also contributed to volatility in prices as their stability depends on adequate warehousing infrastructure.

Henceforth, the ECA 2020 will be invoked only under extraordinary circumstances such as war, famine, natural calamity of grave nature and extraordinary price rise (100 per cent increase in retail price of horticultural produce over the preceding 12 months, or 50 per cent increase in retail price of non-perishables over the preceding five years).

Dismissing the propaganda that the new laws would end the minimum support price (MSP), the Centre has quietly ordered procurement, effectively nipping the canard that small and marginal farmers would be short-changed. Implementation will be the key.

(The author is a senior journalist. Views are personal)
https://www.dailypioneer.com/2020/columnists/new-agricultural-



A Gandhian Approach to Reducing Rural Poverty and Distress of Farmers

The discontent of farmers has been increasing after the enaction of three recent legislations. While farmer organizations had earlier protested over the increasing distress of farmers they have now said that recent changes will further aggravate this distress. What is more the poverty and distress of landless rural households (farm workers, migrant workers, artisans) etc. is even more acute even though it may not be spilling over to road protests so frequently.

Clearly the urgency of bringing reforms which can resolve the crisis of farmers while also significantly reducing the wider crisis of rural poverty is increasing. As we search for the right path for this, we can learn much from the ideas of Mahatma Gandhi and his close and committed followers regarding self-reliant rural communities, Swadeshi, Khadi and above all giving top-most priority to the concerns of the poorest and weakest sections. If we look at contemporary problems and challenges within this Gandhian perspective then some exciting ideas emerge which are summarized below.

Firstly we should accept an agro-ecology approach based on protection of environment, self-reliant farming making good scientific utilization of local resources and involving very low costs. This approach should be adopted to increase and maintain farm production at a good level. This approach involves careful observation of nature and natural processes with a view to never disrupt them but instead learn from nature to improve farming and food system, make it healthy and sustainable. Giving more attention to soil and moisture conservation and greenery is part of this effort. In this approach cash costs of the farmer can be drastically reduced while opportunities of creative and interesting work



There is an urgent need for reforms to resolve the crisis of farmers and reduce the wider crisis of rural poverty. Bharat Dogra



are much more. The work of women farmers deserves more recognition and their immense creativity is likely to flower more in the agro-ecology approach. This is particularly so in the collection, protection and use of seeds of indigenous varieties of crops and in selection of most appropriate mixed farming systems and crop rotations. GM crops are highly destructive towards environment and health and should be given up entirely. Crops, trees and animal husbandry should be well integrated. Staple food crops should get first priority.

Secondly we should adopt small and cottage-scale processing of food and other crops in a big way so that paddy, pulses, oilseeds, milk, spices, cotton etc. can be processed at village and panchayat level paving the way for the prospering of several labor and skill-intensive livelihoods at village level, also making available healthier food to villagers as well as their farm and dairy animals. The creativity of women in particular will find many openings in this work. In addition crafts can be revived. Several basic needs can be met where possible by non-polluting cottage and small industries in villages or nearby kasbas/para-urban areas, in tune with the spirit of swadeshi and self-reliance. Improved access to information technology can add further to the possibilities of more diverse livelihoods at village or kasba level.

Thirdly food security system should be decentralized so that at the local level the government purchases a share of the staple food crops at a fair price/MSP and makes the same available to local nutrition programs (ICDS, mid-

A huge initiative should be started for providing, as far as possible, at least some farmland, Kitchen garden land to all landless households and for ensuring homestead rights of all.

day meals, sable, others) and ration (PDS) shops in the same or neighboring village. Hence apart from cereals purchase of certain amounts of vegetables, pulses, fruits, edible oils, milk, spices etc. will also be included as these are all needed in nutrition programs.

A huge initiative should be started for providing, as far as possible, at least some farmland/ kitchen garden land to all landless households and for ensuring homestead rights of all. Agro-ecology should be used for cultivating this land. If farmland is not available, initiatives for developing present-day wastelands of various categories can be launched, providing the landless stable monthly income as well as rights over this land, to grow indigenous trees and other plants (or create suitable conditions for their regeneration) in ways that imitate or resemble local natural forests. This effort should also include a big focus on water and moisture conservation, using schemes like MGNREGA, learning from tradition to find best methods for local conditions. When tree grow up, the same households who have nurtured them can have rights over their minor forest produce (fruits, flowers, leaves, seeds etc.), to be harvested on sustainable basis without harming the trees. Cottage industries based on this minor forest produce can provide yet more livelihoods. In this way all rural households get a land base and a more secure livelihood base.

Last but not the least, social reform committees should be constituted in all villages under the leadership of women and youth to work for reducing consumption of liquor and all substance abuse on a continuing basis, apart from also campaigning for abolition of all untouchability, discrimination, communalism, factionalism and old enmities, dowry system, needless ceremonial expenses, corruption and other social evils. In addition this social reform committee will also work for educational and health reform as well as for transparency and governance reform.

Such a program can bring big hope for resolving the farmers' crisis while at the same time reducing poverty very significantly and this too on a durable basis. Such a program will lead to the flowering of immense creativity among rural people, particularly women and youth, and also bring significant social reforms. Both at the level of a government program and an initiative of people, this has very rich possibilities.

Clearly the Gandhian perspective on these important issues remains very important in the contemporary context and very creative and useful work can be taken up within this overall paradigm.

The writer has reported on several Gandhian movements. His recent book on Gandhian ideas for present times is titled Man Over Machine-A Path Towards Progress, published by Vitasta.



Free market or Company Raj?

A Bharat bandh, millions of farmers on the streets, eight Opposition leaders suspended, National Democratic Alliance (NDA) partners and Rashtriya Swayamsevak Sangh (RSS) affiliates openly rebelling against the Government, these scenes have been dominating our news cycles. Yet Prime Minister Narendra Modi is confident that the three farm Bills are good for India.

Theoretically, the Bills appear well-intentioned but the devil is always in the implementation. Overall, they aim to empower farmers to sell from farm-gate but in the process end up empowering corporations and traders to expand their businesses and swamp the farm to fork chain. A new wave of liberalisation just rammed into rural India. But many suspect the real agenda is generating "agridollars" and in the words of dissenting (Telangana Rashtra Samithi) MP Dr Keshava Rao, to "make an agriculture country into a corporate country."

The Government argues that farmers are not free to sell anywhere because of a "corrupt and middlemen-infested Agricultural Produce Market Committee (APMC)." Hence, break the APMC and free the farmers. Now corporations and any other person with a PAN card can directly procure products from farmers. Agri-business companies can enter into contracts with them. But what complicated matters was the lack of substance in the Bills, no mention of a guaranteed price for farm pick-ups in case of a bad year or excess yields and the Government's cavalier manner of handling the Rajya Sabha last Sunday, negating debate and passing the Bills by voice vote. This naturally raised more doubts. Indian farmers have had centuries of slavery under the Company Raj and perhaps that's why a muffled voice of MP SR Balasubramaniam, who evoked the "Champaran Satyagraha", rang the loudest. APMC will be replaced by the corporate market as



Corporations and agro-processors can demand graded products for MSP.
Otherwise they may not buy at all or at reduced prices. Where will the small farmer go then?
Indra Shekhar Singh



there is no fair agreement between two unequal parties, he stated. He may be right after all as a David and Goliath can never have a fair agreement. Neither can sheep and wolves co-operate, nor can a corporation and a marginal Gond farmer in Madhya Pradesh.

Today the farmer is weak, highly indebted and trapped in the cycle of over-production and low income. His monthly household surplus is under Rs 1,500 per month. This has already been destroyed by COVID-19.

Each harvest season, his input and production costs rise, yet he cannot even sell at a minimum support price (MSP). As per reports, only six per cent farmers sell at MSP, the remaining 94 per cent are dependent on markets and traders outside the APMC mandi. Reality check - small and marginal farmers cannot even reach the APMC as they don't have any means of transportation, forget selling outside their geographic limits. The majority of farmers are marginal. This means they only grow enough to feed their families and sell a little surplus to the markets. From the village field, away from the town, they sometimes find it convenient to sell to local traders.

Most of them begin the sowing season by taking credit for seeds and fertilisers and repay them through post-harvest sales. The tenant farmers are worse off. They want to sell at MSP but due to the trader-creditor-farmer relationship and market forces, which have an upper hand in price fixation, they cannot.

So, on the face of it, liberalisation seems to be a good step as "farmers can sell anywhere." But is it? Here we must go by the warn-

Given agri-dollars in their pockets and new reform policies, food majors can break any market and create monopolies, forcing the farmers to sell cheaper or let their produce rot.

ing given by MP Professor Manoj Jha to the Rajya Sabha: "You have replaced the rohu and hilsa with the sharks. You will bring the East India Company back to India." He was referring to traders as the small fish and the big agri-business corporations as "sharks" that have no personal connection with farmers. In fact, most farmers still trust their eco-system of licenced commission agents as they deliver on prices and guarantee sales.

Given agri-dollars in their pockets and new reform policies, food majors can break any market and create monopolies, forcing the farmers to sell cheaper or let their produce rot. Not convinced? Let's go back to the dal scam of 2015. After an investigation by the IT department, a scam valued at Rs 2.5 lakh crore was unearthed. The consumers paid the price by buying arhar dal at Rs 210/ kg. It was reported that a cartel of agri-business companies was responsible for buying pulses at low prices through the supply chain networks and hoarding it overseas, creating artificial scarcity and profiting immensely by selling the stocks back to Indians at high prices. The Government used the Essential

Commodities Act (ECA) to bust hoarders and recovered 75,000 metric tonnes of dal. But now, even the ECA limits on hoarding and stocking are being done away with.

In 2006, Bihar removed the APMC regime and the real incomes of farmers in the State have fallen while private investment is yet to move into the State. Only traders are carting produce from Bihar all the way to Punjab to sell in mandis.

Many vouch for APMC reforms and not its destruction as the regulated market is still the farmer's best chance at getting MSP. This is evidenced by Punjab. Won't rural India be engulfed by corporate markets that will ruin APMC systems and farmers' rights as the growers will be left unprotected overnight without a transitional and transparent system codified? The Samajwadi Party MP, Professor Ram Gopal Yadav, asked if these reforms can assure the farmers' good prices? No, because the difference between APMC & corporate markets would be of "BSNL and Jio", he said. It was Biju Janata Dal MP, Dr Amar Patnaik, who had first warned against "cartelisation." In effect, the private sector will be a phoenix rising from the ashes of our public infrastructure.

The biggest problem in procurement, as we have seen globally, is grading. Corporations and agroprocessors can demand graded products for MSP and if the gunny bag is ungraded, they may not buy at all, or at a reduced price. This is common practice, which results in huge losses for farmers and food security of the world. Traditionally traders graded the produce. With

[Conitnued on page no. 22]



Centre likely to stick to compound Interest waiver for small firms, individuals only

The Union finance ministry is unlikely to extend the benefits of the waiver of 'interest on interest' levied on loans taken by small firms and individuals to the bigger players who have been demanding a similar reprieve. Sources say the ministry will stick to its stance to waive the compound interest on loans up to Rs 2 crore for consumers who opted for the six-month moratorium announced in March due to the Covid pandemic. The waiver will benefit MSMEs (micro, small and medium enterprises) and individuals who took loans for education, housing, consumer goods and vehicles or to pay off credit card dues.

The Supreme Court had, on October 5, asked finance ministry officials to come up with a blueprint of measures to provide 'relief' to borrowers. It is expected that the Centre, along with the Reserve Bank of India (RBI), will issue circulars and orders to implement the interest waiver over the next few days. The court is expected to discuss the matter again on October 13. "The waiver on interest will be irrespective of whether the borrower has availed of the moratorium," a top finance ministry official said.

In March, the RBI had asked lending institutions, such as banks, NBFCs (non-banking financial companies), microfinance institutions and housing finance companies, to allow consumers to defer their loan instalments. However, they still had to pay the compounded interest for these six months, usually referred to as 'interest on interest'. This has become a sensitive issue as salaried individuals who lost their jobs or suffered pay cuts were already finding it difficult to repay their loans. In such a situation, the 'interest on interest' added to their agony. Along with micro and small enterprises, some of the sectors most impacted by this were real estate and power generating companies.



Finance ministry officials say the bigger players can restructure their debt as per the recent K.V. Kamath committee report.

Anilesh S.

Mahajan



The RBI's latest financial stability report notes that about 80 per cent of retail borrowers who had taken loans from public sector banks had availed of the moratorium. For NBFCs and small banks, the figure was 45.9 per cent and 73.2 per cent, respectively. With growth projected to be negative this quarter and the next, and job losses and pay cuts likely to continue, lenders worry that many borrowers will be unable to repay their debt, leaving balance-sheets of the lenders highly stressed. This had led to an urgent conversation over the need for a recapitalisation plan for public and private sector banks.

The waiver of compound in-

terest might bring some relief to consumers but will squeeze banks. Finance ministry officials clarified to INDIA TODAY that the exchequer would bear the burden. This is actually a shift from the finance ministry's previous stance, as this may impact the health of banks. But the bigger task for the government would be to ensure that the benefit trickles down to consumers of other lending institutions as well.

In the apex court, CREDAI or Confederation of Real Estate Developers' Associations of India contended that it hasn't received the offer of benefits. Finance ministry officials say if the entire inter-

est for the moratorium period is waived, the exchequer would have to bear the burden of over Rs 6 lakh crore. They said the bigger players can take the offer of the lending institutions based on the recent K.V. Kamath panel report, which the RBI accepted within 24 hours of tabling. The report has laid down rules on how lenders should evaluate a borrower seeking restructuring of debt. Lenders have been asked to check the credit worthiness of borrowers based on their pre-Covid cash flows, ability to bounce back, and other complex matrices. $\Box\Box$

https://www.indiatoday.in/india-today-insight/story/centre-likely-to stick-to-compound-interest-waiver-for-small-firms-individuals-only-1730562 2020-10-11

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Free market or Company Raj?...

them gone, will farmers bear grading costs? Naturally, if they do, MSP can never be realised.

There are also serious questions on post-harvest infrastructure and warehousing in rural India. Will the farmers, due to bad storage facilities, make distress sales? The new reforms favour the big farmers and agri-businesses but are detrimental for small and marginal farms (below two hectares) that constitute 86.21 per cent of our total land holdings.

Further, once the market forces evolve, unless MSP is made a legal right or Government procurement increases, achieving it will be a challenge. Contract farming is specious. A glimpse into the US model is enough to deduce how the contracting parties (agri-business firms) force the farmers to buy their recommended seeds, fer-

tilisers and other inputs, often from their allied stores or vendors and at their prices. They also force the farmers to buy more equipment, increasing the cost of production each year. If the farmers don't abide, they don't buy the produce and legal proceedings follow.

In India, the poultry sector is a good example of how the owners have been reduced to farm hands on their own property. And to take two steps back, PepsiCo filed a case against Gujarat farmers unfairly. PepisCo has got more flak as many potato farmers committed suicide due to their procurement policies in West Bengal. The stories of contract used to exploit farmers are endless.

The next big problem is no small and marginal farmer has access to the Sub-Divisional Magistrate and District Magistrate. How many of them will be able to go to the already over-burdened official to settle trade disputes? Even their journey for justice will become a nightmare given their literacy levels and manipulation by the bigger parties. The companies or traders will not be criminally liable; this is a regressive step favouring big agri-businesses.

Modi needs to critically think about rising farmer suicides and doubling farmers' income by 2022. He ought to dispel the farmers' doubts and insist on specifics and mechanisms like ensuring the retail buyers do not go beneath a cutoff price. Otherwise, the haze of silence can be ominous. One fears the day when the words of Dravida Munnetra Kazhagam (DMK) MP TKS Elangovan come true -"To sell the farmers themselves as slaves to the big industrial houses... It will kill the farmers & make them a commodity."

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News weak, time out

The media love lists, and Indian media obsess about western lists. How is India doing on this index and that, by how many places has it moved up or down. Rarely does such reporting educate the reader or viewer about what goes into the making of a list—the criteria used, the data digested, the assumptions made and the biases inherent to definitions. So, it was not surprising that when the news magazine *Time* included Prime Minister Narendra Modi in a global list of "100 Most Influential People", Indian media was quick to report but without spelling out why he had made it. Remember that the criterion for making it to even *Time*'s "Person of the Year" is the person should have "most affected the news and our lives, for good or ill". It was left to one of Modi's irrepressible critics to point out that *Time* picked the prime minister for this list more for "doing ill than good", so to speak.

Time explained its choice stating: "First elected on a populist promise of empowerment, his Hindu--nationalist Bharatiya Janata Party rejected not only elitism but also pluralism, specifically targeting India's Muslims. The crucible of the pandemic became a pretence for stifling dissent. And the world's most vibrant democracy fell deeper into shadow."

Despite the fact that the west is today largely on India's side, and Prime Minister Modi has established good relations and rapport with most major western leaders, western media is turning increasingly critical of him. However, nothing that has appeared in western media is more critical of Modi than what appears in Indian print media. It is only Indian television that has become excessively adulatory.

Modi is not the first Indian prime minister to be criticised by western media. From Jawaharlal Nehru to Manmohan Singh, every Indian prime minister has been conferred both bouquets and brickbats. In 2008, *Newsweek*, under Fareed Zakaria's editorship, wrote off Singh and echoed the view of Rahul Gandhi cronies who, in the run up to 2009 election, wanted an "ageing" Singh to make way for "young" Rahul. Singh surprised everyone later that year leading his coalition back to power with more MPs in tow.

In 2002, *Time* declared that prime minister Atal Bihari Vajpayee was "asleep at the wheel" and that many in his party wanted him replaced. Nothing of the sort happened. Despite getting Indian politics wrong on many occasions and underestimating the survival instincts of Indian prime ministers, western media manage to make a splash in India, often with half-baked stories. This is more a reflection of Indian obsession with what the west thinks of us than a comment on western media's political prescience or ability to tell the truth.

It is one of the ironies of Indian media that it invests so little in covering the world and reporting from foreign stations but pays so much attention to what world media says about India and its leaders. Among all the major powers, India has the fewest number of foreign correspondents. World news comes to Indian media from foreign sources, rarely their own correspondents. Worse still, Indian media's sourcing of news of non-western societies and many of India's neighbours also comes from western media sources. It is an odd love-hate relationship: excessive dependence on western media for news, combined with condescension when the news is not complimentary.

It has been reported that Foreign Minister S. Jaishankar has instructed Indian diplomats overseas to build better relations with local media. While this is necessary and diplomats can help improve India's image overseas, there are limits to how much carefully built images can blur a reality staring in one's face. \(\sigma\) (Courtesy: The Week)



Inspite of the fact that most of the Western World is on our side Prime Minister Modi has established rapport with most major western leaders, western media is critical of him.

Sanjaya Baru

Rising discontent over GST between Center and States



The situation arising due to the lockdown due to Covid-19 and adverse effects on the economy will have to be faced by all together. The Central Government has given a good option to the states to compensate the revenue, which has also been accepted by many states. It may be hoped that a solution, acceptable to all, maybe reached in days to come. Dr. Ashwani Mahajan

Goods and Services Tax (GST) was introduced in India from the month of July 2017, subsuming almost all indirect taxes of Centre and States. Significantly, total revenue from this tax is shared between the Centre and States equally. Over and above this, half of GST revenue going to states, based on the recommendations of the Finance Commission, states get a share in all taxes of the Union. Currently this share is 42 percent. Thus we can say that 71 percent of the total GST receipts go to the states. At the time of implementation of the GST system, there were apprehensions among the states that their revenue could fall in the new system; hence many states were opposed to the implementation of the GST system. In such a situation, the then Union Finance Minister Arun Jaitley suggested a formula, according to which the states were not only assured of the revenue received from their taxes subsumed under GST, but they were also guaranteed a 14 percent increase every year. Such an arrangement was to last for 5 years.

The central government had expected that GST being a goods tax reform, will not only increase efficiency in tax collection, but will also prevent tax evasion. GST being a value added tax will also eliminate the cascading effect on taxes. This means that on the one hand the tax revenue will increase, on the other hand consumers will also benefit from this system, because it will also reduce the prices. Though, GST took some time to settle down, and in the meanwhile, the total receipts from GST kept on fluctuating. While the government had expected the total receipts from GST to be at least Rs 1 lakh crore every month, GST receipts could reach 1 lakh crore or more in only 9 months in the 30 months of GST up to December 2019. One of the main reasons for this was lower than expected GDP growth in the country, during that period and teething troubles of GST.



Naturally due to this, the burden on the Central Government as per their promise to compensate the states kept increasing. Significantly, the Center decided to make up for the loss of the states, by imposing a 'Compensation Cess' on GST. This compensation was Rs 41146 crore in the year 2017-18 and Rs 69275 crore in 2018-19. Although the average receipts of GST stood at around Rs 1 lakh crore in the year 2019-20, the amount of compensation by the states was more than that of last year.

While balance of the previous year was still pending, that from the very first month of the new financial year 2020-21, the GST receipts dipped down due to the lockdown caused by Covid-19 pandemic; and we see that the total receipts of GST during Covid-19 period were extremely law Rs. 32172 crore, Rs 62152 crores, Rs 90917 crores, Rs 87422, Rs 86449 crores and Rs 95480 crores in the months of April, May, June, July, August, and September respectively. Though GST revenue is returning back to track, as the process of unlock proceeds, however, despite the loss of revenue, the liability of Centre continues to pile up due to centre's pledge to make up for any loss of revenue, with 14 percent guaranteed growth. In the current scenario, since the centre's revenue has also shrunk, the central government is also finding itself unable to fulfil this liability.

Under these circumstances, a meeting of the GST Council was held on October 12, 2020, but a consensus could not be reached on the issue. Significantly, there will be a shortfall of revenue of Rs. 2.35 lakh crore in the current financial

year. The Central Government has suggested to the states that they can start borrowing, to meet this shortfall; but no consensus could be reached in GST Council in this matter.

The central government has given two options to the state governments. First option is that, the state governments will borrow Rs 1.1 lakh crore to compensate for the loss of this revenue and both its principal and interest will be repaid from future 'Compensation Cess' levied on luxury goods and sin goods like cigarettes etc. The other option is that the state governments will borrow the entire shortfall of Rs 2.35 lakh crore, but in that case only the principal will be paid fully from the cess, but states will have to bear a significant part of the interest liabilities themselves.

Finance Minister Nirmala Sitharaman, who is also the ex-officio chairperson of the GST Council, has said that most states are ready to start borrowing. So although no consensus could be reached, the Central Government says that if a State Government wants to start the process of borrowing; neither the Central Government nor the GST Council can stop it. The indications coming from GST Council show that 21 states, where the Bharatiya Janata Party or their coalition is in the government, are ready to move forward by accepting the loan option of Rs 1.1 lakh crore, while the remaining 10 states have rejected the option. The argument of finance ministers of the opposition governments is that this type of borrowings option is illegal as it will push the revenue sharing arrangements beyond 5 years, which would be against the GST Act. Finance Ministers of the opposition parties' governments also say that such decisions should be made in the GST Council and the same would be appropriate for cooperative federalism too.

Significantly, 21 states which are ready to borrow, have also agreed to only the first option. But the finance ministers of opposition parties' governments are not ready for that either. It has to be understood that in the present era, when revenue of the Central Government has reached the minimum level, then it is not practical to expect from the Central Government that the revenue of the states could be compensated immediately. As such, in the past also, the compensation of states' share of GST had been done through 'Compensation Cess'. In such a situation, since both the interest and the principal of the loans taken to compensate the revenue of the states are to be repaid from the same cess, the states will not suffer any loss ultimately.

Amid growing disagreement between the Center and the states, the Central Government has made an announcement, according to which a 50-year interest free loan of Rs 12 thousand crore has been provided to the states, which they can use to increase capital expenditure in the states. The situation arising due to the lockdown due to Covid-19 and adverse effects on the economy will have to be faced by all together. The Central Government has given a good option to the states to compensate the revenue, which has also been accepted by many states. It may be hoped that a solution, acceptable to all, maybe reached in days to come. _

Migrate Farmers to High Value Crops

The Government has provided that sale of agricultural produce through the Mandis will no longer be compulsory. Large companies will be able to enter into direct contracts with farmers to buy their produce at predetermined prices. Certainly, this will hit at the interests of the traders who make a living in the Mandis. However, the situation is similar to the entry of e-portals in retail trade. The street-corner Kirana shops continue to survive because they provide certain services, such as immediate delivery and replacement, that e-traders are not able to provide. In the same manner the entry of large companies in agricultural trade will not kill the Mandis. The Mandis provide a highly valuable service of sorting the farmer's produce in different qualities and then selling that crop to a particular buyer. A trader may, for example, buy tomatoes produced in Alwar and supply them to Kanpur. Such a service cannot be provided by the e-traders. Hence Mandis will survive. Farmers have a right to enter into direct contracts with large companies and their freedom to do so must be preserved.

The Government has also removed certain crops like cereals, pulses and edible oils from the items covered under the Essential Commodities Act. This Act places limits on the maximum quantities of specified items that can be stored by traders. With this change, the traders will be able to store as much quantities of these crops as they may want. This measure can have some negative impact. These crops were brought into the Act because big traders bought the produce, hoarded it, created an artificial shortage in the market and induced a huge price increase. Both the farmers and the consumers suffered in the process. The farmer got the low price prevailing at the time of the purchase. The consumer paid the manipulated high price at the time of the sale. The Government had brought these crops under the Act to prevent such manipulation of the market. At the same time, storage of crops by private traders is much more efficient than the Food Corporation of India (FCI). The way forward is to make it compulsory for the traders to disclose the quantity of crops stored by them. Simultaneously, the Government must direct the FCI to import crops that the traders may be



The Government
must focus on
promoting specific
areas such as
floriculture where
the profits are
high. Need is to
make fundamental
shifts in the
policies.
Dr. Bharat
Jhunjhunwala



hoarding. The FCI can make forward contracts or outsource storage of the relatively small quantities involved. In this way, the Government can stabilize the price and the country will also become free from the inefficiencies of the FCI in bulk storage.

There is a need to go farther, however. The Minimum Support Price (MSP) is provided to select crops such as wheat, rice and sugarcane. Our farmers have increased the production of these crops because they are assured of a decent price. This success has shifted the farmer's attention away from other crops that could provide higher returns such as vegetables, fruits, timber, flower and orchids because of uncertainty of price in these unsupported crops. We need to move the farmers from low-value MSP crops to high-value market-oriented crops. In particular, it is important to support crops that have a huge international demand such as flowers, organic food and designer vegetables. We have a varied climate from Kerala to Kashmir. It is possible for us to become global flower and vegetable hub and supply these items across the year. Government must work out a system to cover the risk of the farmers in cultivation of marketbased crops. A subsidized insurance system which covers against price decline would be one option. Also, the Government should put in place a programme of research in advanced agricultural technologies such as tissue culture to enable cultivation of these crops.

The Government is trying to reduce agricultural subsidies of food, fertilizers, water and diesel. The need is to turn these subsidies towards areas that lead to a multiPublic investment in agriculture also needs a close study. Mere building of more canals and increasing area under irrigation will not help because the prices of agricultural crops are declining if we take the inflation into account.

plier effect. For example, instead of subsidizing electricity for extracting ground water, the same money can be better utilized in providing subsidy for water recharging by building check dams, ponds and anicuts.

Public investment in agriculture also needs a close study. Mere building of more canals and increasing area under irrigation will not help because the prices of agricultural crops are declining if we take the inflation into account. Public investment must be fine tuned to support value-added agriculture. For example, the global demand for organic foods—guavas, mangoes, coffee and tea-is increasing. The Government must create a certification mechanism in each district to promote this. Export subsidy may be provided to private exporters of value-added agricultural crops.

We have been asking for the dismantling of domestic agricultural subsidies by the rich countries under the WTO. The idea is that opening of the markets of rich countries will provide opportunities for our farmers. I fully support this approach but the final benefits of this strategy are doubtful because these markets will be opened not only for us but for other players as well. The resulting increase in supply from other producers can wipe out the gains for us. For example, the entry of Vietnam in coffee and black pepper has wiped out the gains for Indian farmers from free trade in these crops. We should consider an altogether different policy. We must make cartels for specific agricultural commodities just as OPEC has done for oil. India can join hands with Malaysia to increase the world price of rubber; with Bangladesh for jute, with Sri Lanka for tea and Pakistan and Egypt for cotton. This will provide high prices to our farmers. But we may have to come out the WTO in the process which we must consider seriously.

The Government is trying to increase the flow of credit to the farmers under the impression that lower interest rates will provide relief to them. No relief is likely to be got, however. The rural areas are flushed with funds. The credit-deposit ratio of rural banks is typically 15. The loan given out is only Rs 15 for every Rs 100 of deposits garnered by the rural banks. Thus, rural banks have plentiful deposits but few applicants for loans. Farmers have the money but no opportunity to deploy it productively because of absence of profitable opportunities in villages. Expansion of credit will serve no purpose in this situation. It is like pouring tap water into the waterfall. The Government must instead focus on promoting specific areas such as floriculture where the profits are high. Need is to make fundamental shifts in the policies.

Corona hit on tourism Industry

At present, the tourism industry occupies an important place in any country of the world. But the Covid 19 epidemic caused by the corona virus imported from China has affected about 206 countries in the world and has had the worst impact on their tourism industry as the tourism industry has the most hotels, air lines, other modes of transport, restaurants and gift products are more affected. Indirectly, other industries and people associated with the tourism industry have also been in financial trouble.

Tourism industry contributes 6.8 percent of India's GDP. The tourism industry in India has also been affected by this epidemic in a huge amount. About 8.75 crore people in India are directly connected with the tourism industry and it is difficult to estimate the millions of people indirectly involved.

According to the data for 2018-19, 13 percent of the total employment is linked to the tourism industry. Many industries are associated with tourism including travel agents, guides, drivers, hoteliers, tour operators, small traders, transporters, agriculture, handlooms and FMCG. All of them have to face a lot of trouble due to the fear of infection of Lockdown and Cavid 19 epidemic.

According to the World Travel and Tourism Council (WWTTC), 15.5 percent of the total GDP of the world, 14.3 percent of Spain, 13 percent of Italy, 11.3 percent of China, 10.8 percent of Australia, 9.1 percent of Germany, 8.6 percent of Britain, The US contributes 8.6 percent, France 8.5 percent, Brazil 7.7 percent, Japan 7.0 percent, Canada 6.3 percent, Russia 5.0 percent and South Korea 4.2 percent. The number of deaths from Carona virus in European countries is also very high, which has had a huge impact due to the high revenue dependence of these countries on the tourism industry.

Lockdown was strictly enforced in European countries. Only adults were allowed food, medicine, and dogs to move. Spain opened its borders to the





The worst impact of Covid-19 epidemic has been on tourism industry including hotels, airlines, other models of transport, restaurants and gift products and industries and people associated with tourism industry. Dr. Surya **Prakash Agarwal**

European Union and third-party countries to handle the tourism industry.

Italy also opened its borders to Britain and the European Union. This was a very risky task but to keep their tourism industry alive these countries had to do so. The tourism industry occupies an important position in America with the largest economy in the world and provides employment to about 16.8 million people.

But America has the world's highest Covid 19 death rate. All measures are being taken to compensate for the loss due to Corona, but it may take a long time for rebirth of the often dead tourism industry, but now experts believe that it will take time for the tourism industry to come back to its predecessor. It took a long time of three years for the air line industry to come back to normalcy

The tourism industry should wait more patiently and when the traffic becomes normal, only then will the tourism industry flourish, which will take time.

after the September 11, 2020, attacks in the US. Laurie Penningtongre, a professor at the University of Florida and director of the Tourism Crisis Management Initiative, said that the tourism industry could hardly return to the pre-19 Covid position. It takes many years to operate at full capacity, but we know from past crises that this industry is very flexible. The tourism industry will change but it is not going to happen tomorrow. Cases of corona infectives have increased significantly in Spain following the removal of lockdown restrictions in Spain, while lockdowns have been resumed after new cases surfaced in Spain. In Italy too, there has been an increase in infection cases following the relaxation of restrictions, which suggests that the recovery process is very slow.

According to the WTTC, the most affected country in the world is Mexico, where the tourism industry contributes 15.5 per cent to the GDP. The tourism industry should wait more patiently and when the traffic becomes normal, only then will the tourism industry flourish, which will take time. Life is everything, save your life now. This is the best policy. □□

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Designing Spectrum Auction

Designing something is a challenge. If the design is perfect then the other things follow smoothly. If the design itself is faulty then the whole system is bound to collapse- the only thing left to speculate is whether the collapse is going to be immediate, in short term or in long term, or whether it's going to be spontaneous or gradual. The timing and duration of the collapse of faulty design are context-dependent. Designers are at the core of the success or failure of a project.

The design can be unique or replicable. If the design is unique then it is for the one-time use and if the design is replicable then it can be used multiple times to achieve the same purpose or it can be replicated in a different context if it serves the other purpose. For illustration: the design of apparel can be replicated for different types of clothes and for different sizes of clothes, the design of a building can be unique or replicable, and the design of metro stations can be unique or replicable, and so on. Designers have a tough job and designing is a profession that demands too much creativity and critical thinking. The shelf life of design varies according to various factors. The shelf life of apparel design is something that an individual can analyze on their own. How over a period of time one design is accepted as a compliment or as a supplement to the older own. The design of residential buildings changed as newer and newer construction materials and other household appliances as well as the neighborhood and other factors stimulated it.

The design has to achieve a certain objective and at the same time satisfy all the constraints which are imposed to achieve the goal. The end and the means to





If there is no auction model which is available to allocate the spectrum in a transparent way, then the government should not hesitate to allocate spectrum as per its wisdom to maximize the social good and reduce the wastage which is happening continuously. The risk to the reputation of the government should be borne by the government for social cause. **Alok Singh**

an end are to be satisfied by the design team. For example, the design team in the case of building design has the objective to come up with a design that satisfies earthquake and fire safety goals and the customer's expectations, and at the same time is constrained for the available area, neighborhood layout, and the budget. The design is everywhere in civilization, we see here and there- and we interact with a designer's role. There are many disciplines of design and many awards that are designed specifically for designers. It can be building design, automobile design, engineering design, web design, software design, lighting design, information design, game design, course design, organizational design, trade design, and many more. In all the situations the design varies from place to place as the context changes from place to place. People change from place to place, the environment changes from place to place, the objectives, as well as constraints, also change from place to place. The policy design varies from country to country based on an individual country's location, state of the economy, demographic profile, culture, history, geography, and all the other diversifying factors including time. The policy design which is optimum today was not optimum yesterday and will not be optimum tomorrow. For illustration, the demographic profile keeps changing and if it has a role in policy design then the designers need to incorporate it in the original design itself.

Spectrum is a scarce natural resource. The rainbow is an easy example to understand the spectrum of colors- sometimes it's



The spectrum of airwaves is continuously available and if it is not doing work at a particular instant of time then it's sitting idle and is a wastage unless it's reserved for defense purposes.

overlapping and sometimes it's separating. The radio, television, and mobile phone use electromagnetic waves to facilitate communication, and other household appliances such as oven, induction, fryer, griller use microwaves for cooking. The one category of airwaves is paid while the other category of airwaves is free. The spectrum is a combination of airwaves or a range of waves that can be used to transfer information or do work at a specific time at a specific place.

Italian Nobel laureate Guglielmo Marconisent the first wireless telegraph message in 1902 and in the process used all the electromagnetic frequencies to complete the transmission, and till it was completed no one could operate their radio within a radius of 3500 km. The solution offered to those in the vicinity was to coordinate among themselves. It was suggested that the other users of the airwaves can coordinate among themselves to use the airwave frequency at different time slots and is called Time Division Multiple Access. It means that the coordination has to be such that the users consume the same airwaves but in different time slots. The spectrum of airwaves is continuously available and if it is not doing work at a particular instant of time then it's sitting idle and is a wastage unless it's reserved for defense purposes.

But the users who were beyond the 3500 km from the transmitter could use the same airwave and are technically called Space Division Multiple Access. It means that the airwaves become weak as it moves away from the transmitter.

Later on the transmitters were restricted to use a particular predefined band of frequencies. This development could grant access to multiple users at the same time and at the same place to airwaves and is technically called Frequency Division Multiple Access and in this concept different frequencies are allotted to different users. The air-

waves do not obey international boundaries. It's a scarce natural resource and so an international institution was commissioned by the United Nations to standardize and coordinate among the member countries of the United Nations. The International Telecommunications Union was established in the year 1865 as International Telegraph Union and today is the agency of the United Nations which engages itself in managing radio frequencies, standardization of telecommunication services other than radio, development of sustainable and affordable access to information and communication technologies.

Spectrum has a huge impact on security as well as the economy of the nation. The economic value of the spectrum has seen a huge rise in the last two decades. The military use of the spectrum is the first priority of every nation. The judicious spectrum management is needed so that its application can be maximized. If a spectrum is not consumed at a particular instant of time then its economic value can't be derived later. It's an opportunity lost.

Auction is an interesting thing. It happens in the hostels of academic institutions where usually the graduating batch sells their bicycles to the upcoming batch with the flexibility that others including faculties can also participate in buying and selling. There is an incidence when two senior faculties of a reputed institute bid as high as Rs.10,000 for a bicycle which was worth Rs.500 and if purchased new from the market it would have cost Rs.2000. Someone updated the director of the institute about the behaviors of the auctioneers and Spectrum has a huge impact on security as well as the economy of the nation. The economic value of the spectrum has seen a huge rise in the last two decades.

the director abandoned the auction process for the bicycle.

Auction is a complex thing. It's a game having different formats like highest bidder wins, second highest bidder wins, open bid, closed bid, single bid, multiple bid, elimination round, simultaneous bid, sequential bid, and many more or customized by the auctioneers. It involves single, double or multiple bidders and then there is risk that the bidders collate among themselves. Multi-level auction is even more complex to model mathematically. It's an open area of research as far as telecommunication spectrum auction is concerned.

2020 Noble prize for economics goes to economists Paul Milgrom and Robert W Wilson. Both these people have worked on Auction Theory which deeply involves economics and game theorv. They were awarded the Nobel Prize for improvements and inventing new auction formats. The new formats proposed by these two economists need time to be judged. The new formats will be really a breakthrough if it addresses the complexity of the spectrum auction to the governments of the world. To date in the majority of the cases, the spectrum auction is a failure, even if it's a success it can't be replicated the second time.

Telecommunication is a social good and the government has to come up with a spectrum auction design such that there is scope for a new player to enter the business and every corner of the country is served with the same level of service quality. Its shouldn't be that the telecommunication companies provide better infrastructure to urban customers at the cost of tribal area or border area or other interior area customers. The separation of telecommunication companies and the spectrum owners can be explored. The trading of spectrum can also be an additional area which is yet to be experimented.

Nowhere in the world, the governments had a spectrum auction format that is foolproof, has succeeded on more than one occasion, and served the original purpose. The constraints like high reserve prices have also not been able to attract buyers. Diluting the high reserve price gives birth to other problems.

Spectrum is a natural resource and the government of any country is the custodian of those resources. The resource should be allocated to maximize the public good and not the government revenue or an individual company's profit.

If there is no auction model which is available to allocate the spectrum in a transparent way, then the government should not hesitate to allocate spectrum as per its wisdom to maximize the social good and reduce the wastage which is happening continuously. The risk to the reputation of the government should be borne by the government for social cause.

Swadeshi solution to safeguard borders

The outbreak of Covid-19 and the subsequent Chinese aggression on border has revived the debate on economic sovereignty. Various international and Indian intelligence agencies havetime and again warned the Indian government of the possible emergence of China as an economic and defense power in the world. China has been consistently successful in putting India in trouble by turning all its friendly neighbors into a hostile one. Chinese aggression is a manifestation of its economic strength, which it has gathered in the last 30 years by exploiting the provisions of WTO through all unfair means. Chinese success has been at the cost of other countries especially the developing nations like India. On the contrary, the same provisions of WTO resulted in increasing trade deficit of India particularly with China. Incidentally trade with China is mainly of those commodities which were already being produced in India. It has impacted Indian industries especially the manufacturing ones whose capacity to provide employment per unit of investment is highest among all sectors.

A report of the parliamentary committee in 2018 on the 'Impact of Chinese Goods in Indian industry' found that Chinese goods are causing unfair trade disruption in a very organized way through dumping, under valuation and smuggling by taking advantage of mismanagement in the Indian state. The figures related to dumping shows that China has been very notorious in such activities. The investigations of anti-dumping initiated by Directorate General of Anti-Dumping & Allied Duties (DGAD) during 1994-2017shows that approximately 57% products belonged to China. A definitive anti-dumping duty is imposed on the products where the case of dumping is proved. The figures show that till 2018, out of all products on which definitive dumping was imposed, approximately 71% were from China alone. This is despite the fact that a lot of domestic firms do not file application to initiate anti-dumping and other trade defense measures against Chinese firms due to its high expenses and complexities in collecting evidences from China. The absence of democratic system and non-trans-



Intelligence
agencies have
repeatedly
warned the Indian
govt. of the
possible
emergence of
China as an
economic and
defence power in
the world.
Anish Gupta



parent judiciary and bureaucracy has helped the Chinese government to directly or indirectly facilitate all such unfair practices.

Further, the committee has found that apart from dumping, China is flooding Indian market with smuggling by taking advantage of the fault lines in Indian politics and corrupt government officials. In the year 2016-17, around 1300 cases of smuggling were reported and the value of seized smuggled goods was 1024 crores. If the value of seized smuggled goods is that high one can imagine the value of successfully smuggled goods given the fact that India shares an approximately 3500 kilometer border with China.

Though the impact of flooding of Chinese goods in Indian market has not been estimated in a holistic way, but industry specific data on anti-dumping, smuggling, job loss, closures, etc, can at least provide a hint of gravity of the situation. Unfortunately, China has mostly impacted those MSMEs which are labor intensive i.e. textile, solar panel, toys, firecracker, bicycle, etc. According to an estimated data Chinese imports of man-made fabrics have resulted in 35% closure of power looms in Surat and Bhiwandi. Another estimate shows that due to Chinese dumping of solar panels, domestic industries have lost almost 2 lakh jobs. Similarly, in the case of bicycle, despite India being second largest producer of bicycles in the world, its imports of Chinese bicycles have increased rapidly and China shares almost 2/3 of India's bicycle imports. The situation in toys market is more dangerous as Chinese products are almost 85-90% of the total volume of IndiIt is high time that
India understands
the importance of
swadeshi to save
sovereignty of a
country. We should
promote the swadeshi
and local products.

an toys industries. Similar kind of trends can be seen in firecracker industry.

The other industry, which is very important especially from the point of view of pandemic like covid-19 is pharmaceutical. Unfortunately, it is one of those most affected industries whose importance has been felt most during this pandemic. Despite being one of the largest exporters of drugs, the most raw materials for Active Pharmaceutical Ingredients (APIs) and Key Standing Materials (KSMs) are imported from China. In the case of some lifesaving drugs this dependence on China is as high as 90%. Moreover, in the case of APIs used in the formulation of national list of essential medicine, this dependence is as high as 75%. This high dependence is the result of our tendency to import raw material from the cheapest source which has ultimately resulted in the destruction of our domestic capacity to produce APIs. China took advantage of this dependence and raised the prices of these APIs up to 1200 percent during 2016-18, which has negatively impacted Indian exports. As a result, with the outbreak of covid-19, India found it very difficult to produce medicines at home especially when all imports and exports were affected due to suspension of transport services at various places.

China, on the one hand, has become economic power by destroying most of the Indian industries, and, on the other, it is showing its might on the border. Interestingly, it hasn't happened all of a sudden, but it was a long term ploy of China, which was regularly warned by many political and defense analysts all over the world. Despite the awareness of possible Chinese threats, almost all previous regimes were clueless to deal with the situationanddid very little. Thepriority was to save their governments rather than strengthening the defense of the country.

Many social groups and academicians have cautioned that Indian industries would not be able to compete Chinese firmsdue to lack of level playing field. Whereas Chinese firms have advantage of state's patronage, Indian firms pay an illegal toll to our own corrupt bureaucrats to run business smoothly. If this situation continued, it will lead to another economic crisis. That is why a lot of nationalist forces have suggested full boycott of Chinese goods and apps as the only solution to show China its place.

Though, government of India has taken some good steps by banning more than hundred Chinese apps due to serious security threats posed by them. However, government restrictions alone cannot bring good results until every individual do their might to boycott Chinese products since every drop of water makes the mighty ocean.

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Water and Cattle Raids in Historic Jaisalmer — Part II

They are two inscriptional records from Jaisalmer which come from two tanks: Maldesar Tank and Kasmiradesar Tank Inscriptions of Sri Jayatasimha dated BS 676 (AD 1299) and BS 677 (AD 1300) respectively. Both these sites are located within 4.8 km from Jaisalmer. Since, Jayatasihha does not bear any royal title. he was possibly a local chief (but his clan-name Is not mentioned) who commemorated his visits to those two tanks which possibly had attained some religious and political significance. Another inscription (date is not clear) comes from Ranisar Tank (Jaisalmer)."

Unfortunately, we do not have details of these tank-inscriptions. Dhandh Tank Inscription of Maharaja Dhiraja Paramevara Umapati Varalabdhapraudha Pratapa Abhinava-Martanda-Jadav Vaikka Codamani-Ripurajyasm Swayamvara-Bal-Narayana Avatara-Srimad-Kelarideva, dilated ns 769 (AD 1392) is an important record for the history of the Bhatis of Jaisalmer. This is the first royal record that proclaims the Jadav or Yadu-Vaiii origin for the Bhatis and a very long and pompous title from the Bhati king, Keharideva or Kosarideva

The royal genealogy between Vijayaraj Bhati and Dava Vamka-Codamapi-Srimad-Keharideva is not clear. However, the Dhandh Tank must have been a landmark near Jaisalmer Fort with possible religious and political significance. Kelhari Deva declared his political supremacy over the local chiefs by claiming a long, pompous title, and a superior social status by claiming origin from the Jadava-Vamka and hence, descent from the family of God Krsna. The influence of the Vaishnava movement and scars on the royal Bhatis is clearly evident from the declaration of Jadav-Varna origin for the Bhatis and claiming Keharideva as Narayanâvatâra. It is possible that the Dhand Tank had developed some Vaishno association and hence,





Control over water resources and cattle raids characterized the socio-economic-political profile of historic Jaisalmer in which access to water resources determined social and political status of members in a stratified society.

Prof. Nandini

SWADES PATRIKA
SEPTEMBER 2020

Sinha Kapur

the political presence of the Bhatis, their affiliation with the cult of Krishna and their superior sociopolitical status inscribed on the tank. This tank is located 8 miles from Basanpir. The Dhand Tank Inscription of BS 769 (AD 1392) mentions that it was commissioned by the patwari (chief queen)," Although Ram Vallabh Somani is unable to interpret the phrase Malaruja Prasadena that the appearing in the text of this inscription, it is possible phrases is a part of the royal genealogy which might have got fragmented and indicated Keharideva's grandfather Mülarâja Bhati.

Royal appropriation of space through construction of tanks and possible growth of these tanks into sites of religious significance ensured water for the royal household, members of the ruling elite, religious establishments patronized by the royalty, and for the pilgrims on days of religious festivities However, appropriation of water and construction of water reservoirs were not monopolies of the royal family Local communities like Jogalias also contributed to the conservation of water by constructing tanks. Hence, every resourceful member of the desert society had an access to the most valuable and scarce resource water. The following two recons dated in the reign of Keharideva indicate de participation of non-Rajput notables in the process of buildings of tanks

- 1. The Inscription dated Bs 739 (AD 1361) records the construction of a tank at Temadrai by a Jogalia."
- 2. The Khatri Tank Inscription dated us 748 (AD 1371) records the excavation of a tank by Jetha's son Rama.

Affluent members of the trading community like the Maheshwaris too built water reservoirs and wells as sources of drinking water. It is traditionally known that during famines the Mahajanas opened their wells to the local people. There is a possibility that public access to royal tanks was limited to religious occasions and perhaps during famines: However, tanks by Jogalia and Rama were accessible to local people, including travellers, traders and pilgrims. The Gadsisar Tank (Jaisalmer) Inscription of Bs 832 (AD 1454) of the reign of Räula Si and Maldesar Tank Inscription (also dated Bs 832) record the construction of a tank at Maldesar by a wife of Raja Vairisinha in the reign of Clicigadeva and some deeds (possibly further excavations or repair of the tank) at Gadisar Tank Jaisalmer) by Raula Sa Jalta Sinha, son of Maharâjadhirâja Raula Deva karna

In our period of study. Gadhisar (popularly known as G s Ghadasi or Gadisar) Tank Inscription of BS 882 (AD 1504) of the reign of Rail Si Jaitrasimha, and Jaitsagar Inscription of Bs 894 (AD 1516) of the time of Mahäraula St-lariraja are two mare important records indicating continuing politico-economic religious importance of Gadisar tank and some other tanks (fragmentary inscription does not mention the name of the tank) at Jaitsar. It is significant that sacred ponds played the same ritualistic role in devon as they did at every pilgrimage centre in the subcontinent. Baisakhi Kunda (Jaisalmer) Inscription of us 973 (AD 1595) recording the repair to the temple of Bhutesvara Mahadeva in the reign of Maharajadhiraja Dhima points towards royal patronage of a popular Shiva together and its source of water, Baisakhi Kunda. It seems that this sacred paul came to be associated with the festival of New Year (Vaisakhi) and hence, acquired the name Volcano Kunda The trading community of Maheswaris is also associated with the excavation of some important tanks like those at Dedansar, Mukhtasar, Khetasar, Sudasar and Govindsar, which supplied water to the town of Jaisalmer during famines.

The legendary water tank which has been considered the lifeline of history Jaisalmer iGadisar (Ghadasi). This tank was originally known as Jaisalmer as it was supposed to have been built by the founder of Jaisalmer Fort, Maharäval Jaisal. Maharaval Gadhasi reexcavated it and since the fifteenth century, it has been known as Ghadast. The BluniVatsaPrasasti mentions that Chati Singh (Maharival Gadhus) excavated this tank to meet the local demands of Water Tradition claims that Mahakal Gandhi was assassinated on this occasion by the Jaisor Bilitis. This tank was renovated in AD 1508 by Maharaval Jaitrasimha as is recorded in the pillar-inscription in the east Hence, Gadhisar was not only an important water source in Jaisalmer but its political importance is also evident from the continuous patronage extended to it by the royal Bhatis and the presence of other Bhati chiefs on occasions of renovation.

Popular traditions point towards the political significance of water and construction of water tanks in the desert. There is the story of Devraj Bhati and his access to political power/authority through the construction of water tanks.

SJM asks govt to revoke Remdesivir's patent



Swadeshi Jagran Manch (SJM) has asked the government to revoke the patent granted to Gilead Sciences for Remdesivir, a crucial medicine used in the treatment of Covid-19, so that it becomes more affordable. In a letter to Prime Minister Narendra Modi, SJM's national co-convener Ashwani Mahajan urged the government to initiate measures "under Section 66 of the Patents Act for the cancelation of the patent on Remdesivir, which was granted against the provisions of the Indian Patents Act".

This move from the organisation - that promotes national self-reliance and have been raising issues related to patent and drug pricing – comes in the wake of India's recent proposal to World Trade Organisation (WTO) seeking waiver of certain provisions of the TRIPS Agreement to facilitate availability of affordable medical products for effective prevention, containment, and treatment of Covid-19.

Endorsing India's global stand, Mahajan said the proposal is the "need of the hour" where humanity needs access to affordable medical products to effectively respond to the Covid challenge.

"Though so much public money has been channelized for the development of vaccines, therapeutics, and diagnostics the companies who are developing these products are not ready to share the knowhow and other IP rights to facilitate generic production," the SJM wrote in its letter, adding that "India has been a victim of such greed".

"In the absence of a large number of manufacturers, it would be impossible to meet the needs of the medical products required for the COVID19 response," it said, urging the government to "put an end to the greed of pharmaceutical transnational corporations".

Contending that though Gilead has entered into

voluntary licensing agreement with seven generic manufacturers for Remdesivir, it has not resulted in any substantial price reduction, SJM said.

"While the researchers have calculated the cost of Remdesivir per vial is less than a US dollar which is Rs 75, the Indian prices are between Rs 4000 and 5400," it claimed, adding that "IP protection is the primary reason for this".

https://timesofindia.indiatimes.com/india/swadeshi-jagran-manch-asks-govt-to-revoke-remdesivirs-patent/ articleshow/78549905.cm

SJM backs India on waiver of intellectual property provisions

The Swadeshi Jagran Manch (SJM) has welcomed India's proposal to the World Trade Organization (WTO) seeking the waiver of certain provisions related to the protection and enforcement of intellectual property (IP) rights to facilitate the availability of affordable medical products for the effective prevention, containment, and treatment of Covid-19.

In a letter to Prime Minister Narendra Modi, SJM has written that the proposal is the need of the hour as humanity needs access to affordable medical products to effectively respond to the Covid-19 pandemic.

"Though so much public money has been channelised for the development of vaccines, therapeutics, and diagnostics the companies that are developing these products are not ready to share the knowhow and other IP rights to facilitate generic production. In the absence of a large number of manufacturers, it would be impossible to meet the needs of the medical products required for the Covid-19 response. The government should act to put an end to the greed of pharmaceutical transnational corporations," the letter, signed by SJM's national co-convenor Ashwani Mahajan, said.

Earlier this month, India and South Africa made a formal submission to the WTO, seeking a waiver on certain provisions of the international agreements that regulate intellectual property rights to speed up efforts to prevent, treat and contain the Covid-19 pandemic.

In the communication, the countries said there were several reports about intellectual property rights hindering or potentially hindering the timely provisioning of affordable medical products to Covid-19 patients. They added that a particular concern for countries with insufficient or no manufacturing capacity were the requirements for the cumbersome and lengthy process of the import and export of pharmaceutical products.

News

The SJM has referred to the variation in the price of Remdesivir which costs less than USD 1 but is sold in India between Rs 4,000 and Rs 5,400 as an example of how licenses incapacitate Indian companies to supply in middle-income countries.

"Various initiatives to facilitate access to medical products for Covid-19 responses such as ACT-Accelerator, COVAX facility or CTAP so far failed to ensure technology transfer and local production. Instead of facilitating technology transfer, ACT-Accelerator and COVAX Facility reinforce the IP regime and delay the disseminating of technology," the letter further stated.

The SJM has urged the Prime Minister to reach out to all "like-minded countries" for the support of the proposal and create a broad coalition for the adoption of the waiver of certain provisions of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

"SJM also requests you to initiate measures under Section 66 of the Patents Cat for the cancellation of the patent on Remedsivir, which was granted against the provisions of the Indian Patents Act," the letter stated.

https://www.hindustantimes.com/india-news/swadeshi-jagran-manch-backs-india-on-waiver-ofintellectual-property-provisions/story-WkhItHAB352TRQlzsq0070.html

SJM join farm bill chorus, want MSP for farmers in open market too

As the Modi government's farm bills continue to stoke controversy, two affiliates of the Rashtriya Swayamsevak Sangh (RSS) have sought assured MSP for farmers, saying it should also be available in the open market. The Bharatiya Kisan Sangh (BKS) and the Swadeshi Jagran Manch (SJM) have urged the Modi government to ensure that MSP — minimum support price, which guarantees a certain level of returns on produce — is a part of purchases inside and outside mandis as well.

"We have issued our statement and, in our discussions, have informed the government that MSP should be applicable for farmers in the open market, besides mandi, too," said BKS organisingsecretary Dinesh Kulkarni. "At the same time, traders who want to buy from the farmers should register themselves in a portal and should not be allowed to buy only on the basis of PAN card," he added.

"We have suggested that the government should integrate MSP with the open market. That is, if the farmer sells his produce anywhere, then he should be assured a minimum support price. No one should be allowed to purchase below it," he said. In a media statement, the SJM urged Prime Minister Narendra Modi to ensure that MSP is made a legal provision.

"Now that new agriculture laws are being made, MSP should be made a legal provision whether a purchase is made inside or outside a 'mandi'. Those who try to deny farmers this right should be punished as per law," said SJM national co-convenor Ashwani Mahajan.

Added Kulkarni, "We also want farmers to get a competitive market. Right now the farmers are not getting the confidence that MSP brings with it, so that should be included. There are 80-85 per cent small and marginal farmers in the country."

"The government is assuring that we will not stop the purchase, that is fine, but the purchase that takes place on MSP has only 6 per cent of farmers across the country. Our demand is that MSP should be linked with an open market and it will really help the farmers," he said.

https://theprint.in/india/governance/rss-affiliates-join-farm-bill-chorus-want-msp-for-farmers-in-open

Boycotting Chinese products a natural reaction, Swadeshi feeling developing: Joshi

India doesn't want acrimony with its neighbours but will not accept an invasion on its borders, RSS general secretary Suresh Bhaiyyaji Joshi said, while stressing on the fact that 'boycotting Chinese' goods is a natural reaction of Indians that will only increase in the coming days. Joshi was speaking to Prafulla-Ketkar, the editor of Organiser, at Chintan, an India Foundation platform.

With the opposition criticising the Narendra Modi government over its handling of the Indo-China crisis that resulted in the loss of 20 Indian soldiers, Joshi said whatever decision or initiative the government takes will be firmly backed by society.

"Today, it has started with that we will not buy this product, that we will not buy a Chinese product. But this has happened naturally, not due to a mass movement," he said. "Today, a common man walking on the streets asks and refuses to buy the product if it's Chinese. Now, China has to think about what they should do."

Joshi said this also puts the onus on the government to put in place a system that encourages self-reliance. "In the beginning, it may appear negative that



we are boycotting a product of another country but later on if the needs of the society will not get fulfilled then boycott won't help, so it is also important to put in place a system wherein such needs are fulfilled within the country itself," he added.

Joshi's comments came on the day the Modi government banned 59 Chinese apps, including TikTok, on the grounds that they were prejudicial to national security. They also assume significance as the Confederation of All India Traders (CAIT) has written to Union Commerce Minister Piyush Goyal demanding identification of country of origin for all products sold in India via any channel, including the offline mode.

In its letter dated 29 June, the CAIT also asked the Union government to ensure that all products should also provide details of any value addition made to the product. Swadeshi Jagran Manch has also been pushing for swadeshi goods.

> https://theprint.in/politics/boycotting-chinese-products-a-natural-reaction-swadeshi-feeling-developing-rssleader-joshi/451480/

74% FDI in defence only for new licenses, all investments to undergo scrutiny

The central government has clarified that the increase in foreign direct investment (FDI) limits in the defence sector from 49 percent to 74 percent through automatic route will come with added riders. The government will have right to scrutinise any such proposals on the grounds of national security. Similarly, proposals for raising FDI beyond 49 percent in companies that do not need a new industrial license will require government approval, and will not be cleared through the automatic route.

The fresh conditions were announced by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry on September 17. The DPIIT note said that FDI upto 74 percent under automatic route will be permitted for companies seeking new industrial licenses (new projects). However, infusion of fresh foreign investment upto 49 percent in a company not seeking industrial license or which already has government approval for FDI in defence will have to declare any change in shareholding pattern or transfer of stake by existing investor for FDI upto 49 percent within 30 days of such change.

The new FDI policy note also says that all foreign investments in defence sector will be subject to scrutiny on grounds of national security and government reserves the right to review any foreign investment in defence sector that affects or may affect national security. The changes in the policy will be effective from the date of the notification under the Foreign Exchange Management Act (FEMA) by the Reserve Bank of India.

https://www.husinesstoday.in/current/economy-politics/74-fdi-in-defence-only-for-new-licenses-allinvestments-to-undergo-scratiny/story/416431.html

Central University of Punjab organized Webinar on 'Way forward from Swadeshi towards Atam Nirbhar Bharat'

The IQAC Cell of Central University of Punjab, Bathinda (CUPB) organized a Webinar on "Way forward from Swadeshi towards AtamNirbhar Bharat" under the patronage of Vice-Chancellor Prof. Raghavendra P. Tiwari. On this occasion, Shri Satish Kumar, RashtriyaSehSangathak, Swadeshi Jagran Manch, was the keynote speaker.

The programme commenced with a welcome address by Prof. TarunArora, Dean School of Legal Studies, where he shared the vision & activities of Swadeshi Jagran Manch, introduced the keynote speaker, & welcomed the participants & special guests. While putting a light on the programme theme Prof. Tarun said that accepting the 'swadeshi movement' is the need of hour & mentioned that our honourable Prime Minister Shri Narendra Modi Ji has given the slogan 'Be Vocal for Local' to motivate people to adopt swadeshi culture for 'Self-reliant India'.

In his keynote address, Shri Satish Kumar mentioned that the employment opportunities of a country could not only be generated by the government & industry, but it could also be generated by the aspirational youngsters of that country who want to earn wealth and build manpower for their country.

He supported his argument by giving examples



of the first trillion-dollar international company 'Apple', and leading national companies like Oyo Rooms, TrishneetArora Company, &Patanjali Group which has been founded by determined & ambitious common persons at their young age. He talked about the vital role of 'swadeshi movement' adopted by masses in the success story of countries like Japan, Israel, Vietnam etc and asserted that adoption of 'swadeshi ideology' is the best option for us to make our country 'AtamNirbhar Bharat'. He appealed youngsters of our country to become Job Creator rather than Job Seeker and expressed his belief that CUPB would play a vital role in building confidence in their students to become future entrepreneurs.

On this occasion, CUPB & Swadeshi Jagran Manch honoured iconic entrepreneurs Mr. Harbans Jindal, Ms. Kapila Bansal, Mr. Mukesh Jindal, and Mr. Suresh Gupta with RashtriyaSwavlambanSanman.

Sh. K.P.S. Mundra, the Registrar, expressed his gratitude towards keynote speaker and dignitaries who were present during this Webinar. The programme commenced by reciting University Kulgeet and concluded with the singing of National Anthem.

Prof. S.K. Bawa, Director, IQAC, Prof. V.K. Garg, Dean Student Welfare, Prof. R.K. Wusirika, Dean In-charge, Academics, CUPB faculty members, staff members, students of the University were present during the Webinar.

https://www.punjabnewsexpress.com/news/news/central-university-of-punjab-organized-webinar-on-%E2%80%98way-forward-from-swadeshi-towards-atam-nirbhar-bharat-11970?

Khadi and Village Industries' turnover touches record Rs 88,887 cr in FY-20

Khadi and Village Industries Commission on Friday said it achieved its highest-ever turnover of Rs 88,887 crore in 2019-20. "Looking at the performance in the last one year, the turnover of Khadi registered

a growth of 31 per cent from Rs 3215.13 crore in 2018-19, to Rs 4211.26 crore in 2019-20.

"The turnover of Village Industries products reached to Rs 84,675.39 crore in 2019-20, registering a growth of over 19 per cent from the previous year, i.e. 2018-19, which was at Rs 71,077 crore," the Khadi and Village Industries Commission (KVIC) stated.

The body, under the MSME ministry, said the last five years under the leadership of Prime Minister Narendra Modi have witnessed the widest acceptance of "brand Khadi" in India. While the production of khadi, the most eco-friendly product of sustainable development, has more than doubled in the last five years (since 2015-16), the sales have gone up by nearly three times during the same period, KVIC said.

Similarly, the village industry sector has also seen phenomenal growth, with production and sales going up by nearly 100 per cent in the last five years, it added.

Khadi production since 2015-16 has grown at the average of 19.45 per cent per annum, which was merely 6.25 per cent during the previous government from 2004 to 2014, KVIC said.

Similarly, khadi's sale grew exponentially at the annual rate of 27.6 per cent, which remained as low as 6.65 per cent from 2004-2014.

"As a result of government's sustained efforts to revive the Khadi industry and the Prime Minister's repeated appeals from various platforms including his radio address 'Mann kiBaat', to adopt Khadi as a necessity of daily life, the KVIC has been continuously going up the growth trajectory," KVIC Chairman Vinai Kumar Saxena said.

Saxena said he was expecting higher results, but several exhibitions planned in the months of February and March were cancelled, and the year-end clearance sale could not take place.

According to figures, the production of khadi which was pegged at Rs 1,066 crore in 2015-16, shot up to Rs 2,292.44 crore in the year 2019-20, registering an increase of over 115 per cent. The sale of khadi fabric products increased by 179 per cent from Rs 1,510 crore in 2015 -16 to a whopping Rs 4,211.26 crore in 2019-20. While village industries products worth Rs 33,425 crore were produced in 2015-16; production went up by 96 per cent to Rs 65,393.40 crore in 2019-20.

It also recorded an increase in sale of products by nearly 110 per cent, from Rs 40,385 cr in 2015-16 to Rs 84,675.39 crore in 2019-20, said KVIC.

https://www.financialexpress.com/industry/khadi-and-village-industries-turnover-touches-record-rs-88887-cr-in-fy-20/1952704/

Swadeshi Activities

Wealth and Employment Creators' Felicitation Program

Pictorial Glimpses





































Swadeshi Activities

Wealth and Employment Creators' Felicitation Program



































