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## **CIVIL SERVICE**

STATESMAN, JAN 21, 2015

### **BJP union for state govt employees on 27 Jan**

BJP will announce a union for state government employees on 27 January at Yuva Kendra, Moulali.

The union christened "Sarkari Karmachari Sangsad" will be somewhat on the lines of the structure followed by the CPI-M's once powerful State Coordination Committee which was later replicated by the Trinamul Congress. As per the structure, party units would be maintained in every department along with a central union. The announcement will be followed by the union's first convention. Representatives from all the departments are expected to be present at the convention, which is to be chaired by MP Mr Samik Bhattacharya and party state president Mr Rahul Sinha.

The BJP has managed to penetrate among the government employees at a time when the pending 42 per cent Dearness Allowances (DA) has turned up as a major concern for the state government employees. So much so that even the members of the Trinamul Congress-backed union are offended at the state government. The recent seven per cent hike in DA has failed to cheer the employees with the Opposition unions gearing up to undertake fresh movement against the state government for non-payment of DA.

Though the state government's indifference towards its employees would feature as the main agenda of the union, it will actually help the party to contest Trinamul Congress in upcoming polls to municipalities and the Assembly election.

It may be mentioned here that the State Coordination Committee used to run a parallel administration during the Left Front regime and controlled posting and transfer of employees along with forming an election machinery. The same strategy was taken by the Trinamul Congress though bringing the 18-odd Trinamul unions under a single umbrella was an uphill task for the party. BJP now wants to create a similar support base among the state government employees.

HINDU, JAN 21, 2015

### **Haryana Govt's decision to reduce retirement age upheld**

GAURAV VIVEK BHATNAGAR

The retirement age of Haryana government employees now stands reduced to 58 years from 60 years as the Punjab and Haryana High Court has upheld the decision of the Manohar Lal Khattar government to the effect.

The decision is likely to impact nearly 5,000 of the 3 lakh employees on an immediate basis. Government sources had earlier claimed that while the reduction in retirement age

would result in an additional burden of Rs. 200 crore on the exchequer on immediate basis it would prove beneficial in the long run as it would lead to more job opportunities at the entry level.

It was on November 25 that Mr. Khattar had announced the reduction in retirement age of employees.

He had also stated that all employees who had completed 58 or 60 years in their respective categories and were still serving would be retired on November 30, 2014.

Though the Chief Minister had noted that the decision had been taken to ensure maximum employment opportunity to the youth, several employees unions and individuals had appealed against the decision in the High Court.

On Tuesday, the court dismissed the petitions filed by the employees against the decision.

In their petition, the employees had charged that the decision was politically motivated as the previous Congress government under Bhupinder Singh Hooda had only in August 2014 increased the retirement age to 60 and also increased the age limit for entry into government services by two years to 42.

The petitioners had also sought parity with other cadres stating that judicial officers, Indian Administrative Services officials and teachers of colleges aided by the government were still retiring at 60.

Raising a question of law, the petitioners had also charged that the decision of the BJP government was illegal and void as the Council of Ministers lacked the minimum numbers.

But the Single Bench of Justice Tejinder Singh Dhindsa dismissed the bunch of petitions.

The decision is likely to impact nearly 5,000 of the 3 lakh employees on an immediate basis

ECONOMIC TIMES, JAN 20, 2015

### **Sikkim government increases daily wages by 10%**

The new wages have come into effect from November 2014, as per a notification issued by the state labour department early last week.

GANGTOK: [Sikkim government](#) has effected ten per cent increase in [daily wages](#) for all category of workers in the state.

The daily wage for an unskilled labourer has been hiked from Rs 200 to Rs 220, semi-skilled from Rs 220 to Rs 242, skilled from Rs 250 to Rs 275 and highly-skilled from Rs 290 to Rs 319.

The new wages have come into effect from November 2014, as per a notification issued by the state [labour department](#) early last week.

The last hike in wages was undertaken in April 2013. The notification further said that workers engaged in high altitudes would receive higher wages - between 8,001 ft to 12,000 ft 50 per cent more, between 12,001 ft to 16,000 75 per cent more more and between 16,001 ft and above double the normal wage.

## CONSUMERS

ECONOMIC TIMES, JAN 20, 2015

### **Government to 'empower' consumer protection bodies: Ram Vilas Paswan**

He urged the BIS to undertake a massive consumer awareness programme, especially in regional languages. He also mentioned the use of social media to spread consumer awareness.

MUMBAI: The government plans to amend the [Consumer Protection Act](#) to make the redressal mechanism easy and universally accessible, Consumer Affairs, Food and [Civil Supplies](#) Minister [Ram Vilas Paswan](#) said here today.

A broadbased consumer protection authority which would be empowered to take suo moto action against violating companies would be set up, Paswan said at a review meeting of the [Bureau of Indian Standards](#) (BIS) here.

The government would broad base the consumer redress mechanism by inducting people from different walks of life, besides those from judicial and legal backgrounds, he added.

Lashing out at companies which resort to misleading advertisements, he said that the government has set up an inter-ministerial committee, with arepresentatives from the Information & Broadcasting Ministry as well as the [Health and Family Welfare Ministry](#), to look into the matter.

He urged the BIS to undertake a massive consumer awareness programme, especially in regional languages. He also mentioned the use of social media to spread consumer awareness.

Paswan called upon BIS to develop an excellent product certification system on par with international standards in order to make Indian goods acceptable worldwide, adding that this is a pre-requisite for the ambitious 'Make In India' campaign to succeed.

The BIS has formulated 19,000 standards out of which 6,000 are internationally comparable. BIS certifies 933 products with an ISI mark.

At present, ISI certification is compulsory for 123 products, but the minister said that the number of certified products would need to increase.

## DEFENCE, NATIONAL

DECCAN HERALD, JAN 16, 2015

### **Defence Ministry plans DRDO overhaul**

After the removal of Avinash Chander as Defence Research and Development Organisation (DRDO) chief, the Defence Ministry plans to overhaul the military research establishment by creating two separate posts of Secretary, Department of Defence Research and Scientific Adviser to the defence minister.

The secretary would be ex-officio director general of the DRDO. The post of the secretary would be senior to the post of the scientific adviser.

“We are thinking about splitting the dual position of the DRDO chief as Scientific Adviser to the Raksha Mantri. There should be two separate people for these two roles. Nothing has been finalised as yet,” a senior government official said.

After Chander was suddenly sacked two days ago, Defence Minister Manohar Parrikar said he recommended the missile scientist's ouster. But the minister maintained that he came to know about the sacking order from the media.

Talking to journalists last month, Parrikar stated he would thoroughly review the functioning of the DRDO that came under criticism from Prime Minister Narendra Modi for its failure to deliver in time and the laid-back attitude.

One of the transformation plans is to give more financial authority to the directors general who head seven clusters of laboratories working in the areas of naval systems; aeronautical systems; armament and combat engineering systems; missile and strategic systems; electronic and communication systems; life sciences and robotics; and computational systems.

Interestingly, five of the seven scientists working as director general of the clusters are on extension. There are also five chief controllers, one of whom is a serving Army officer.

Other changes in the offing are creation of an empowered Defence Technology Commission; DRDO's own commercial arm; renaming of director general, DRDO as chairman, DRDO and creation of five senior administrative grade posts along with 162 other posts.

In July 2014, then defence minister Arun Jaitley informed the Parliament that the DRDO moved a note seeking cabinet approval for these changes.

The proposed changes come from the recommendations of a high-level panel headed by former science secretary P Rama Rao. The panel suggested a number of steps to transform the military research organisation.

## ECONOMIC AND SOCIAL DEVELOPMENT

TELEGRAPH, JAN 22, 2015

### **A little more deference, please: The prehistory of the abolition of the Planning Commission**

**First Person Singular - A.M.**

Newscasters and commentators on the radio and the television channels are at liberty to foam at the mouth. According to them, Narendra Modi has accomplished, by a single imaginative stroke, an astounding revolution in the affairs of this country: the Planning Commission is abolished, the era of regimented decision-making on economic issues is over, India from now on is going to be a full-fledged open economic system where no wretched government busybody - or a bunch of the species - would have the right to poke their nose and foul up the smooth mechanism of the market signals. Such histrionics, though, are totally uncalled for. Modi has merely put the formal seal of approval on something that was a basic reality for nearly three decades. Those who are in love with symbolism will, of course, have reason to be pleased. Planning in their mind has unsavoury associations, including, for instance, the horror of forced Soviet collectivization. The very expression brings forth to them the image of State interference in all areas of life and living. It is so lovely that that body has been scrapped. Especially to the corporate sector, the prime minister has beamed a categorical message. None should henceforth have even a marginal reservation concerning his credentials. The corporate bosses were unerring in their judgement to choose him for the position, which in turn, emboldened even the Rashtriya Swayamsevak Sangh to make up its mind.

In fact, the Planning Commission had been a moribund institution ever since Rajiv Gandhi was sworn in as prime minister in the midnight of October 31-November 1, 1984, following the assassination of his mother. He had the advantage of not having heard the name of Professor P.C. Mahalanobis. Rajiv Gandhi's ideas concerning economic development were as straightforward and clear cut as these could be. India at that juncture appeared to him to be a sleepy, sloppy, slow moving, cadaverous kind of a country. It was too full of dirt and privation. The decision-makers at the top were both archaic and timid. It is doubtful whether Rajiv was ever interested in the books his mummy's daddy had written. India's so-called heritage was to him a lot of junk that had to go, the country must be turned overnight into something resembling, as much as possible, the United States of America. Yes, he had been told of the Planning Commission and the five-year plans it prepared. Let the jokers in the commission continue to write their dull, lugubrious essays - he couldn't care less.

He had his own set of advisers in the old buddies he went to school with who were familiar with the ways that the rich countries went about managing their affairs. He and they believed in the huge import of foreign technology as well as expertise, equipment and luxury consumer goods, so that the country could begin to look, at least outwardly, dazzlingly prosperous. Rajiv realized that he would need plenty of foreign money for the purpose, he would tap all possible external sources to secure enough investment funds as well as technology and expertise to hustle the Indian economy into the modern era. His



plans went awry because of his extremely limited experience in domestic politics. Close on the heels came the Bofors business. Murky days followed, he lost the general election in 1989 and therefore the prime minister's position. Barely two years later another election followed, he was campaigning hard for a comeback but was victim of a grisly murder perpetrated by incensed Sri Lankan Tamils.

The Congress was back in power in New Delhi, riding the wave of the sympathy vote his murder generated. But the government it formed had a first-rate foreign exchange crisis, largely thanks to the import boom he had unleashed. The new government felt compelled to sell-out India's economic policy to the Washington Consensus. The Planning Commission went practically dead from that date.

It was, therefore, Indira Gandhi's son who played a major role in successfully scuttling the Planning Commission and, with it, the concept of integrated, coordinated economic planning *à la* the East European pattern. The commission continued to exist, but became just another ministry of the government of India. Sometimes, it even happened that a member of the Union cabinet in charge of a portfolio like labour or industry would also double up as the minister in charge of the commission, formally known as the deputy chairman. Whatever the extent of absurdity in the arrangement, it proved to be of crucial use to the Union government in one specific respect. In large measure, it advanced the cause of the grand design to shape India into a tight, centralized, monolithic entity with the government installed in New Delhi in full control of decision-making and arbitrary dispensation of funds all over the country, including the remotest state.

The Constitution has indicated a certain structure of distribution of financial prerogatives as well as responsibilities between the Centre and the states. Obviously, where issues of economic development are concerned, the pattern of financial devolution comes to the fore. The Constitution has proposed the instrumentality of the finance commission for the purpose, apart from laying down demarcated areas of revenue raising for the Centre and the states. The finance commission is supposed to be appointed by the president of the country after due consultation with the Central and state regimes. Manipulations on the part of the ministry of finance in New Delhi have, however, made successive finance commissions echo the ministry's own views.

Accretion of power aggravates the thirst for even greater centralization of financial resources, and it was decided by the powers to be at the Centre to take centralization of financial power even further. The Planning Commission was chosen to undertake that task. It had some discretionary funds at its disposal that it was supposed to distribute among the states after it appraised the plans of the individual states. This arrangement clearly allows it - and the Union government - scope to play favourites, and to shower additional bounty on the states that are politically good boys while pinching on the granting of funds to states that are considered obstreperous. One can mention the notorious instance of West Bengal not being given a single paisa in 1985-86 by the Planning Commission on the ground that its chief minister, Jyoti Basu, had formally opposed the principles and contents of the five-year plan presented by the commission. The commission, therefore, was never the fearful animal the proponents of free enterprise

had apprehended it to be. The few years that P.C. Mahalanobis had dominated it were different, and he had the advantage of having Nehru's full support. After the end of the Nehruvian era, while essays continued to be written in the name of five-year plans, and the commission grew into a flabby body with a large load of economists, statisticians, technologists, management experts and the rest, it had travelled far from the supposedly nightmarish growth models followed in the Soviet Union and East European countries in the days of yore.

The formal abolition of the Commission is, therefore, not much more than an empty gesture. However, the problem might arise with the ambit of the substitute institution, the Niti Aayog. *Niti* is ordinarily translated as *policy*, and the Niti Aayog could be assumed to act as the official forum for policy formulation. But there could be enthusiasts sorely tempted to ensure *niti* to imply the nation's ideals or goals. There is the hint of dangerous possibility here. The Constitution has long ago laid down in the Directive Principles of State Policy as well as spelled out some Fundamental Rights that each and every citizen enjoys. If the Niti Aayog takes it in its head that it has the prerogative to reformulate the Directive Principles of State Policy and restructure an Indian citizen's basic rights and privileges, it would open the floodgates of trouble and turbulence. Any such move on its part would be tantamount to violating the provisions of the country's Constitution.

One particular thought keeps gnawing. Are not many of the doubts and worries currently gripping the country products of some sort of absentmindedness on Nehru's part? In those early days, he was full of dreams about an economically flourishing, socially equitable India featured by regional, ethnic and communal harmony, and the magic wand for all that was integrated, coordinated national planning. He was then at the peak of his power, and the prime minister who everyone thought could do no wrong. He could have then easily inserted a provision in the Constitution, an exclusive clause regarding the purpose and objectives of the Planning Commission, including directives on such matters as Centre-state relations or the concept of secularism. Instead, he merely passed a lazy resolution at a meeting of the Central cabinet in March, 1950. It has taken Narendra Modi another casual resolution in December, 2014, to rescind the Nehruvian dream. The nation deserves to be treated with greater deference. Constitutional provision can, at least, not be erased by a cabinet resolution, and not even by an ordinance.

STATESMAN, JAN 21, 2015

### **Who plans the planners?**

“Who Plans the Planners” by Sir Karl Popper is an apt summation of the perils of centralized planning and a command economy, both of which are unsuited to dealing with the complexities of modern technological society and a rapidly changing world. It is this realization that has led the Narendra Modi government to decide to consign the Planning Commission ~ an important legacy of the nationalist movement and of the Nehruvian era ~ to history and establish an economic policy think-tank, the NITI (acronym for “National Institution for Transforming India) Aayog.

Subhas Bose conceived the idea of the Planning Commission when he was the Congress

president in 1938 on the advice of Meghnad Saha. Jawaharlal Nehru was made its president. Two subsequent plan proposals were floated, one the Bombay plan prepared by the city's industrialists and the People's Plan modelled after the Soviet plan by M N Roy. The influence of Fabian collectivism and Soviet style planning were writ large when Independent India adopted a formal model of planning by establishing the Planning Commission on 15 March 1950 with the Prime Minister as its chairman. The first of the Five-Year Plans was launched in 1951. Despite the economic liberalization in 1991, the Planning Commission continued but since 1997, there was the realization that planning ought to be indicative in nature. Even Manmohan Singh talked about it.

The NITI Aayog has come into existence on 1 January 2015 with the purpose of providing strategic and technical advice on policy matters and economic issues to the central and state governments. It will also develop mechanisms for village-level plans and aggregate these progressively at higher levels of government. Finance minister Arun Jaitley said the Planning Commission was 'relevant in a command economy structure, but not any longer.' It files in the face of the 'one size fits all' approach to economic planning. Arvind Panagariya, its vice chairman, has stated that the government might even scrap the Five-Year Plans altogether as a market economy should not be driven by plans but by policies.

Since the last decade of the 19th century the need for greater governmental intervention to realize the liberal value of equality of opportunity was gaining credence. Bismarck's social welfare legislation of 1883-89 and Lloyd George's reforming budget of 1909 were viewed as an acceptance of public control and state regulation to remove injustice and create a humane society. The rise of Fabian collectivism and its influence on the Labour Party indicated the sway of collectivism in the early 20th century. The Fabians championed public ownership of key basic and essential services. The Webbs drew elaborate plans for eradicating poverty and creating better opportunities for the less privileged. State intervention to ensure full employment and control trade cycles was articulated by Keynes. The acceptance of Keynesianism was reflected in the New Deal legislation in the US from 1933 to 1938 and the Beveridge Report of 1942 that laid the foundations of the welfare state in Britain, which fought the Second World War under a command economy.

Socialization of the means of production and state planning was a third option between communism and capitalism as the community would have economic power without the rigid centralization characteristic of the erstwhile Soviet model. For the British Labour Party, planned economic development meant guarantee of full employment and nationalization of the core industries and services, a process that continued till Margaret Thatcher began to dismantle the system on becoming Prime Minister in 1979. Public ownership was the key feature in social democracies ~ Denmark, France and Sweden. Even in the erstwhile Soviet Union the economy was planned by a central authority with planners at the top in the chain of command deciding about investment and production

through a scheme of Five-Year plans which was put in place by Josef Stalin in 1928. The newly emerging economies in the Third World, the communist systems in Eastern Europe, India, China, Cuba and Indochina were under this model of collective planning.

There were many who swam against the tide. The most formidable of them was Hayek who built his arguments on what Von Mises had stated. He regarded planning, collectivism and socialism as an assault on individual freedom, creativity and self responsibility. Von Mises points out that it is impossible for a socialist society to solve the problem of rational allocation of resources. Hayek denies the existence of anything like group-mind and insists that it is only individual phenomenon that is directly observable. He dismisses the notion of social whole as a myth as the larger societal whole is a reflection of complex existence of interplay of different segments and parts in their different and individual roles.

Popper rejects the idea of a totally planned society. In defending an open society where solution to problems is crucial to living, it means subjecting different proposals to criticism and error elimination and effecting a change in the light of criticisms. He warns against predictions as these could turn out to be wrong since everyone makes mistakes and that it is therefore normal to modify a plan as and when its application begins. A policy is a hypothesis which has to be tested against reality and corrected in the light of experience. Critical examination and discussion of inherent dangers and mistakes are part of rational procedure. It is also less wasteful of one's resources, people and time than waiting till they reveal themselves in practice later. Mistakes could be identified and rectified only when practical results are subject to critical examination as a continuous process. It is also important to face up to the fact that any action we take is likely to have unintended consequences as developments can happen all the time. This ought to be taken into account in the decision-making process as well as creation of organizational structures. In the absence of critical vigilance the mistakes committed would be bigger and more expensive. Policy formulation must also indicate the means of achieving them and if the means are not available, then they ought to be created; otherwise the objectives, however welcome, will not be achieved.. Every policy that is implemented ought to be tested not for evidence that one's efforts are yielding the desired effects, but for evidence that are not. In Popper's reckoning, rationality, logic and a scientific approach point to a society that is open and pluralistic; one that allows expression and pursuit of incompatible and even conflicting aims; a society in which government policies change in light of criticism.

On the practical side, centralized planning and a command economy in the erstwhile Soviet and communist economies resulted in low productivity, stagnation, ecological destruction, non-competitiveness and a declining Gross National Product. Rigid and bureaucratic planning was slow and cumbersome, resulting in lack of motivation and self-esteem.

In India much of the Sixties and the Seventies were marked by limited competition, acute shortages, corruption, red tapism and bureaucratisation resulting in what Raj Krishna describes as the 'Hindu rate of growth' and what Rajaji calls the permit-licence-quota-raj. In 1991, India was forced to liberalize and till now, the ghost of socialism continues. Lee Kuan Yew, the architect of modern Singapore, has remarked that the Nehruvian vision was lofty, but for economic success it is important to have policies that work. The move to replace the Planning Commission with NITI Aayog is a step in that direction, indeed to move India from a command to a demand economy, one that would integrate itself with the world through a continuous process of self-correction and possibly avoid another crisis reminiscent of 1991.

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TELEGRAPH, JAN 20, 2015

**Make chiki for export!**

- Modi cannot do without the counsel of economists Writing on the wall - Ashok V. Desai

Atal Bihari Vajpayee was an imaginative politician; but in some respects he was quite conventional. When he met his Prime Minister's Economic Advisory Council in the late 1990s, he gave its members cashew nuts with tea and coffee. He listened to us for a couple of hours, thanked us, and then went back to prime ministering.

Narendra Modi is imaginative and unconventional. I understand he gives people *chiki* to munch in meetings. I am fond of it, having often partaken of it in the train when I travelled between Bombay and Poona as a child. *Chiki* is a block, just like chocolate, of peanuts or sesame seeds embedded in *gur* (unrefined sugar). It is a balanced food containing both calories and proteins; it is a perfect cure for starvation or undernutrition.

I suggested in my *Telegraph* column of May 14, 2013 that the government should wind up its foodgrain distribution scheme, which entailed carrying 50 million tonnes of wheat and rice from 120 million farmers to half a million ration shops. Instead, it should give cash to poor people without conditions, and simultaneously promote production of *chiki* by means of a negative excise duty - in effect, a subsidy - so that they could get nutritious food with the cash should they need it. It would be egotistic of me to think that my idea travelled from the middle page of *The Telegraph* to the Prime Minister's snack planners. But it is a good idea nevertheless.

I would, however, like him to consider the second part of my proposal, namely the subsidized production of *chiki*. He should ask Arun Jaitley to impose a negative excise duty on *chiki* in his next budget. Initially, Gujaratis and Marathas might make fat profits

out of it. Before long, however, Haldiram, Manchha Ram and Ramdev will join the party. Competition and mass production will bring down the prices to rock bottom, and the poor will be able to feed themselves without ceding billions to *gram pradhans* and shopkeepers in bribes. *Chiki* will have been Made In India. At that point, ITC and Hindustan Lever will wrap it in colourful packages, and it will be ready for export.

But Narendra Modi had a somewhat different idea: he wanted foreign producers to come and produce manufactures in India, and thereby employ our young people. To my mind, it makes no difference whether the producer is foreign or Indian - a job is a job and a product is a product whoever manufactures it. That is as much an argument against privileging Indians as foreigners: it is an argument for dismantling the vexatious controls imposed by the Department of Industrial Policy and Promotion, the department that the Prime Minister has put in charge of the Make in India campaign. This department is the last remnant of licence *raj*, most of which was dismantled in 1991. It was supposed to put up on its website lists of technical collaborations, industrial licences and applications for NRI investments in the previous month; all the lists are blank. That may mean that no one applied, or that no application was approved, or that all applications are pending before the Foreign Investment Promotion Board or Secretariat for Industrial Approval, or that the DIPP is inefficient. When Narasimha Rao abolished import licensing in 1991, he had set up the FIPB to administer the remaining restrictions efficiently. He had put Amarnath Verma, his principal secretary, in the chair; Verma used to hold meetings of both bodies once a fortnight, and clear everything on the agenda. The machinery then set up is in an advanced state of dystrophy; if it continues in this state, the Prime Minister might as well bid goodbye to foreign direct investment.

The Department of Industrial Policy and Promotion can only sabotage foreign investment; it can do no harm to investment by Indians in India. But even they invest little. Growth of manufacturing output has been close to zero in recent months; industrial investment is also negligible. Till six months ago, this could be blamed on the UPA government. Industrialists did so, and funded the Bharatiya Janata Party generously. But the economic environment has hardly improved; if it continues to be bad for another six months, the industry-BJP honeymoon will also turn sour. The Prime Minister's solution - asking foreign businesses to come to India - will not solve the problem.

If he wants a serious answer, Raghuram Rajan gave one in his Bharat Ram memorial lecture. It is well thought-out. Rajan is in the wrong job. He should be finance minister; Jaitley might do a better job in external affairs. And for commerce and industry, the Prime Minister simply does not have a minister in his party; it calls for abolition or a radical reconstruction - what we used to call reforms two decades ago.

But that would not be enough: the finance ministry determines taxation, government expenditure and borrowing, but India needs something more. It is facing a cyclical downturn. It has experienced the most spectacular boom in its post-Independence history; for the first time, it came close in 2006-10 to growth rates characteristic of China. India today is significantly richer; it has changed people's lives, and will change their behaviour. For instance, there are severe labour shortages in low-pay occupations and

fast-growing states, which are leading to precisely the kinds of adaptation - mechanization and changes in relative prices - as have occurred in industrial countries over the past two centuries. Now, India is in the decline phase of a classic trade cycle; it needs a stabilization policy. Till recently, the task of working out the policy would have fallen to the planning commission. But the Prime Minister has replaced the planning commission with the National Institution for Transforming India or the Niti Aayog.

Economists do have ideologies, but are generally not party creatures. No respectable economist has Hindu nationalist inclinations: the ideology is mistaken according to economics. So it was no wonder that Jaitley made the first budget in India's history without a chief economic advisor. Now he has one - a very good one - who organized a conference of economists in the first week of December. It was a good idea, but for the fact that the distinguished economists who had been flown in from abroad had little idea of the problems facing India.

But the planning commission has been emptied, and remains a shell. The Prime Minister has got one big office building close to his office, with no people in it. In my column of September 3, I suggested that he should create a think tank that would connect India's 139 best economists with policymakers through an equal number of research assistants. It did not strike me then, but it would not work, because Modi's ministers are largely incapable of using economists or research assistants. Meanwhile, we have the most desperate economic situation in 60 years, and the present government has to live through it. It is important in these difficult times that it should have the best judgment and counsel available to it. The Prime Minister should revive his predecessor's Economic Advisory Council, appoint any economists he likes to it, and consult it frequently; he cannot do without economics.

HINDU, JAN 19, 2015

### **The new name of planning**

The “Yojana Aayog” or “Planning Commission” has been replaced by the “National Institution for Transforming India” or “NITI” for short. From “Yojana” to “Niti”, what is the difference? First and foremost, it means a sharp break from Soviet inspired National Development (Five Year) Plans to “Niti”, that is “Policy” and “Institutional change for ‘transforming India’.” Paragraph three of the Cabinet resolution states: we “require institutional reforms in governance and dynamic policy shifts that can seed and nurture large-scale change.”

“Development” is one of those words that everyone thinks they understand but which means many different things to different people. It covers a multitude of possibilities as well as a multitude of ideological sins and special agendas. The cabinet resolution constituting Niti Aayog approvingly quotes Mahatma Gandhi: “Constant development is the law of life, and a man who always tries to maintain his dogmas in order to appear consistent drives himself into a false position.” The Planning Commission took its first tentative steps towards “policy” 28 years ago, by creating a post of Advisor Development Policy. There was so much resistance that the Advisor (in this case, me) had to be

designated “Advisor-Development Policy Research.” Despite decades of effort, policy solutions always played second fiddle to increasing Plan allocations and expenditures without any “social benefit-cost analysis” or “Macro-economic models” to back the decisions.

Three other points in the introductory part of the Cabinet resolution setting up Niti Aayog are noteworthy: The first is the assertion that “our aspirations have soared and today we seek elimination, rather than alleviation, of poverty.” The second is the important role given to governance in achieving desirable social outcomes: “The people of India have great expectations for progress and improvement in governance, through their participation. They require institutional reforms in governance and dynamic policy shifts that can seed and nurture large-scale change (paragraph 3).” Subsequently, there is an indication of how the institutional reforms in governance can be brought about: “Government and governance have to be conducted in an environment of total transparency — using technology to reduce opacity and thereby, the potential for misadventures in governing (paragraph 6g).”

### **Poverty elimination**

A paper in the *Economic and Political Weekly* in 2002 had raised the issue of corruption and governance and to bring policy-institutional reform into the development debate, but to no avail. A debate on poverty elimination, as against alleviation, was sought to be initiated in 2005-06 through a Planning Commission paper, but was stymied. It is therefore very encouraging that this is an important part of the mandate of Niti Aayog.

The third is the recognition of a changed reality of economy, society and government functioning and its implications: “India needs an administration paradigm in which the government is an ‘enabler’ rather than a ‘provider of first and last resort’. The role of the government as a ‘player’ in the industrial and service sectors has to be reduced. Instead, the government has to focus on enabling legislation, policy-making and regulation (paragraph 6a).” Many old-style development planners refused to accept these changes (even if they paid lip service to it), though this issue was raised first in the 1990s and subsequently in the 2000s. A recognition of this reality by the Union cabinet provides a sound basis for closing the technology gap between India and the advanced countries, that is correlated with the large income gap between us. The reference to the role of urbanisation (paragraph 6g) as an aid to a technological catching up, suggests an understanding of the links between technology gaps and per capita income gaps. This further links to welfare gaps through the statement “Equality of opportunity goes hand-in-hand with an inclusiveness agenda (paragraph 8c).” The open discussion of the global environment and its two-way interaction with India also displays a degree of self-confidence *vis-à-vis* foreign countries (paragraph 6c) that bodes well for building a competitive, fast-growing economy.

### **Niti’s role**



So, what is the specific role of Niti Aayog in this changed environment? Its primary/central role is to “Serve as a Think Tank for the Government” ... “to give “strategic and technical advice across the spectrum of key elements of policy. This includes matters of national and international import on the economic front, dissemination of best practices from within the country as well as from other nations, the infusion of new policy ideas and specific issue-based support.” (paragraph 11). Several of us have argued for a long time, without much success, that the old Planning Commission should evolve into a “think tank” with a primary emphasis on policy and institutions, rather than on expenditure programmes and projects. By its bold move to abolish the Yojana Aayog and set up Niti Aayog, the new government has set the stage for a wholesale transformation in this direction. Given the absence of any formal social benefit-cost analysis of programmes and projects and the limited capacity for an appraisal of outcomes, one had also suggested to the Deputy Chairman a decade ago that the Planning Commission develop a database of best practices to guide future decisions. It is hoped that a full-fledged division will be set up in Niti Aayog to translate this into reality, with all such information digitally accessible to experts and policymakers.

### **Emphasis on ‘lessons learnt’**

Some of the specific objectives of Niti Aayog are at the level of generality of the Cabinet note, not significantly different from those of the Planning Commission or other organs of government. However, the following objectives suggest a greater priority and emphasis on the issues mentioned in them: To design strategic and long-term policy and programme frameworks and initiatives, and monitor their progress and their efficacy. The lessons learnt through monitoring and feedback will be used for making innovative improvements, including necessary midcourse corrections; to provide advice and encourage partnerships between key stakeholders and national and international like-minded think tanks, as well as educational and policy research institutions; to create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners; to maintain a state-of-the-art resource centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help in their dissemination to stakeholders, and to focus on technology upgradation and capacity-building for implementation of programmes and initiatives

In the first of these, the emphasis on “lessons learnt” is very important. Experience confirms a great reluctance to modify or reject programmes when they don’t work. In the second, the emphasis on interaction with international think tanks and Indian educational and policy research institutions, though expected from a think tank for the government, would be a departure for the Indian bureaucracy. In the third, the emphasis on support systems rather than funds/subsidies is an important departure. The fourth reinforces what was said earlier about good governance and best practices and suggests that improvement in governance will be seriously pursued to improve the delivery of government social and welfare programmes. In the fifth, the recognition of weak capacity and need for “capacity building” for implementation is critical to the success of all new initiatives and many old ones.

The abolition of the Yojana Aayog and its replacement by Niti Aayog by the new government is a bold and long overdue initiative. It will help change the emphasis from projects and programmes to policy and institutions, from expenditure inputs to real outcomes through better governance and from political disputation over incremental allocations to new challenges and opportunities in a global environment. The discussion of India in a global context also reminds one of Gandhiji's sayings: "Let the windows of my mind be open to winds from across the world, but let me not be blown away by them." Like all new institutions, it will be a challenging job for Niti Aayog to fulfil its high objectives.

(Arvind Virmani is a former Chief Economic Advisor, Finance Ministry and Principal Advisor, Planning Commission who participated in most of the policy reforms of the 1990s and 2000s.)

The emphasis on interaction with international think tanks and Indian educational and policy research institutions would be a departure for the Indian bureaucracy.

The replacement of the Planning Commission by Niti Aayog will help change the emphasis from projects and programmes to policy and institutions, from expenditure inputs to real outcomes through better governance, and from political disputation over incremental allocations to new challenges and opportunities

## EDUCATION

TIMES OF INDIA, JAN 21, 2015

**Professors and students protest against Gujarat University VC's decision to ban newspapers in departments**

[Bharat Yagnik](#),

AHMEDABAD: The professors and the students of Gujarat University various departments are up in arms against the decision of the Gujarat University vice chancellors to ban newspapers in the respective department.

The teaching faculty and the students claimed that the move was to stop the negative publicity of the department and students.

The students claimed that since several items which were appearing in the newspapers were anti-University, the VC has taken this step to prevent negative publicity. "Usually not everyone gets all papers and hence when they come to the department they scan through all the newspaper. Even the professor resort to such practices," said a student.

He said that the decision has upset many including the teaching faculty and they are planning to launch a stir against the decision of the vice chancellor. Even the National students union of India has jumped into issue and they called on the vice chancellor MN Patel and demanded that the newspapers should be restarted in the department as it was essential mode to stay connected with the latest news not only of the GU but across the globe.

The vice chancellor on the other hand said that the decision was taken as the universities was paying the news papers bill after three years which was leading to malpractices. HE said that department instead of sending the bills on monthly basis used to send it once in three years. Also several department were purchasing four or more papers which was not permission. For the students the library is getting papers and hence they can go and scan them at the reading rooms.

HINDU, JAN 21, 2015

**DU V-C to take charge of new online course**

Delhi University Vice-Chancellor Dinesh Singh will be in-charge of the University's first and soon-to-be launched online course on India in the 21st Century.

### **10 lectures**

The course comprises 10 lectures, all to be delivered by Prof. Singh, and will be open to people from all over the world. It will come with a certificate if it gets approved by the University's Academic Council.

A statement issued from the Registrar explains that this course is designed to portray some of the great milestones in the India's modern history, with perspectives from the past and indications into the future.

The course can be accessed by students and others in the University community by using the DU internet network, but others will have to enrol for the course to view the lectures on the University website. The course will begin from January 30.

TELEGRAPH, JAN 20, 2015

### **Cloud on IIM autonomy as govt eyes role**

Basant Kumar Mohanty

**New Delhi, Jan. 19:** The IITs and other centrally funded higher education institutions face a threat to their autonomy with the government planning to ask them to seek its guidance before entering into any academic collaboration with foreign universities, sources said.

Under a proposal before the human resource development ministry, headed by Smriti Irani, these institutions should seek the foreign ministry's advice (via Irani's ministry) about any planned overseas collaboration.

If South Block clears the move and the institution signs a memorandum of understanding (MoU) with a foreign university for collaboration on joint research or teacher exchange, a copy of the MoU must be sent to Irani's ministry "for the record".

Several academics, speaking on condition of anonymity, said such a move would jeopardise the academic freedom granted to these institutions by the acts of Parliament under which they had been set up.

These laws allow the Indian Institutes of Technology, central universities and the National Institutes of Technology to collaborate with foreign universities without seeking the government's guidance.

"It is beyond any logic to ask the institutions to be guided by the government when the act passed by Parliament allows the (central) universities to decide on any collaboration with any institution abroad," a central university vice-chancellor said.

"Academic collaborations should be decided by academic institutions, not the bureaucracy."

An IIT teacher said: "The government may issue some general advisory for collaboration but micro-monitoring each MoU is not in the spirit of promoting academic excellence. Why should the IITs send their MoUs to the ministry 'for the record'?" he said.

His fear was that even if the foreign office cleared a collaboration proposal, the human resource development ministry would later run a check on every clause in every MoU to monitor the institution's plans and activities.

The ball was apparently set rolling at a conference of central university vice-chancellors in Chandigarh last September. There, Irani had asked the VCs to send copies of the MoUs their institutions had signed for overseas academic collaboration in the past 20-25 years.

An internal note under discussion in the ministry says that according to the Constitution of India, partnerships with foreign institutions that involve spending by the Indian partner have to be routed through the central government.

"In order to have (a) uniform system that encourages global partnership(s) within the framework of (the) national interest, it is important to be guided by the (foreign ministry) with regard to nations with which collaborations can be sought," the note says

Sources said that apart from getting the foreign office to vet every application for overseas academic collaboration, Irani's ministry might request South Block to provide it with regularly updated general guidelines for such partnerships.

The IITs, India's premier tech schools with a global brand, now collaborate academically with over 500 overseas institutions.

Section 6(1)(I) of the Institute of Technology Act 1961, under which the IITs were set up, says: "Every institute shall exercise the following powers and perform the duties, namely, to cooperate with educational or other institutions in any part of the world having objects wholly or partly similar to those of the institute by exchange of teachers and scholars and generally in such manner as may be conducive to their common objects."

Section 6(1)(I) of the NIT Act 2007 gives a similar right to these engineering colleges.

Section 6(1)(x) of the Central Universities Act 2009 empowers these institutions "to cooperate or collaborate or associate with any other university or authority or institution of higher learning, including those located outside the country, in such manner and for such purposes as the university may determine".

Under the existing laws, centrally funded institutions are not allowed to set up campuses abroad but institutions like the Indian Institutes of Management, which are not governed by any act, can do so with permission from the human resource development and foreign ministries.

HINDU, JAN 19, 2015

**School system fails students**

Considering Nobel laureate Amartya Sen's caution regarding the insecurity that people face over a lifetime due to the deprivation of basic education, the Annual Status of Education Report (ASER) 2014 calls for a hard look at the situation. Its findings amount to a distressing catalogue of the failures inherent in the pedagogic methods of instruction in vogue. The foremost among them is the overemphasis on a curriculum that is geared to outcomes in the form of examination results, at the expense of a process of learning that is oriented to a mastery of concepts. These shortcomings underlie the original assumption that students of a particular grade would not measure up to commensurate standards; and that any such evaluation would hence be an exercise in futility. That is the apparent rationale behind the ASER assessment of actual student performance based on a lower set of metrics. The report points out that just a small proportion of third-graders are able to read even a text from a lower grade, let alone their own. Any improvement in later years is at best marginal, says the report. The fact is that reading skills are not imparted as part of classroom activity.

ASER also shows that pupils from the higher classes are unable to perform even simple tasks of division or subtraction. This may have to do with the inadequate reinforcement of concepts over the years owing to the structure of the syllabus. For instance, the use of logarithms that were once taught from Class 9 has been dropped from the Central Board of Secondary Education (CBSE) curriculum. Students are hence denied the opportunity to learn complex mathematical computations. Besides, the mathematics knowledge that people need in daily life is mostly arithmetic-based. Yet, the latter has been omitted from the Class 9 and 10 syllabus. Time was when students could opt between a basic and advanced level of math from Class 8 or 9 under some State boards. The current CBSE paper, tailored to the requirement of engineering aspirants, may be imposing an undue burden on students inclined to pursue different academic streams. A healthy pupil-teacher ratio could also help overcome many of these shortcomings. The Right of Children to Free and Compulsory Education Act stipulates a 30:1 ratio. ASER notes that the country has come consistently close to universal enrolment in the 6-14 age group for six consecutive years. That may have afforded some consolation in an age where the prevailing wisdom held that poor families are disinclined to send children to school. In today's competitive environment, the ability of students to read, write, count and measure is a bare minimum. The country cannot continue to fail its children.

ECONOMIC TIMES, JAN 19, 2015

**Manjul Bhargava to lead Prime Minister Narendra Modi's teach in India programme**

By [Ritika Chopra](#)

"I'm familiar with scientists who are passionate about education. My role would be to recruit them and tell them about this wonderful programme."

NEW DELHI: Fields medallist [Manjul Bhargava](#) will be the face and facilitator of [Prime Minister Narendra Modi's](#) pet education project to rope in eminent scholars and scientists abroad to teach students at IITs and central universities.

Bhargava, who is the first person of Indian origin to win the coveted international prize for his work in mathematics, met [HRD Minister Smriti Irani](#) last Thursday and agreed to 'recruit' scientists in the US and across the world to participate in the Global Initiative of Academic network (GIAN), a shortterm teaching programme under which scholars abroad will be invited to teach in India.

"I travel between India and US a lot and I'm familiar with scientists who are passionate about education. My role would be to recruit them and tell them about this wonderful programme. I think the government felt that I am in a unique position to set up these matches," Bhargava told ET.

"They (HRD Ministry) did say that they wanted to use me as the face of this initiative, which I found embarrassing but if it helps the initiative and country then I relent. I'm just here to help," he added. Bhargava, who is a professor at Princeton University, said he will also teach at IIT Kharagpur and IIT Bombay as part of the initiative.

The mathematician did not name the scientists he would approach for GIAN, but told ET that he wanted to invite other Fields medallists and members of the Mathematical Association of America who have "dedicated their lives to exciting students about mathematics and have a top record of producing mathematicians as students".

"I would want to start (GIAN) by this summer and I would want to start this with a bang and bring some really top scientists to India and get people really excited about it," he said.

GIAN is Prime Minister Narendra Modi's brainchild and he had discussed the initiative with US President [Barack Obama](#) during his visit to America last October. The project is expected to figure once again on the Indian agenda when Obama arrives here this weekend.

DECCAN HERALD, JAN 16, 2015

### **School education needs serious relook**

The Annual Status of Education Report (ASER), prepared by the NGO Pratham, is a regular reminder of the shamefully low standards of children in our elementary schools all over the country.

This year also, the report brings no cheer but gives more reasons for despair because the levels of learning and comprehension among children have further deteriorated. The survey has, over the last 10 years, sought to assess the most basic abilities acquired by children in the first few years of schooling.

It is considered a reliable and representative survey because about 5.7 lakh children in thousands of government schools in rural areas are tested for it. According to the survey,

about 25 per cent of the students in Class VIII cannot read Class II textbooks and only about 45 per cent of them can do a simple division in arithmetic.

Many children in lower classes cannot even recognise words and figures. It is immaterial whether there is some improvement in some aspect of reading or writing at some level. The overall sense is that children do not acquire simple reading, writing and arithmetic skills even after spending many years in school. That means that the best years of learning are wasted for most children in the country.

The reasons for the sorry situation are well-known. Many schools do not have buildings, other infrastructure and learning facilities. They are often short-staffed and even when there are teachers, many are not motivated and do not take their work seriously. Students also do not attend school regularly. There is no proper management and oversight of the working of schools at any level, internally and externally. It is difficult to involve parents in the functioning of schools in most villages. There is a view that elementary education needs more funds, but the available funds are often underutilised or misused. The only positive in the report is that the enrolment rate in schools is high at over 96 per cent.

The dropout rates are not high. The right to education (RTE) and other programmes have helped increase enrollment and attendance but the need now is to make schooling useful for children.

The performance levels of different states vary in some respects. While there is improvement in reading levels in states like Tamil Nadu, the overall picture remains dismal. It is the responsibility of governments and the society to ensure that the children who go to school acquire the basic reading and writing skills in the first few years and are enabled to continue their education. Otherwise the claimed demographic dividend will mean nothing.



## ENTERPRISES

BUSINESS LINE, JAN 19, 2015

### **States of affairs: Of vibrant summits and uneven development**

As the Vibrant Gujarat summit was drawing to a close, Finance Minister Arun Jaitley was right in welcoming competition between States as a way of attracting investment. Competition will spur States to iron out policy and administrative roadblocks, making the country an easier place to do business in. State business summits have caught on in recent years; the occasion provides them a platform to showcase their intent and facilitates an open interaction between industry and government. Earlier this month at the West Bengal investors' meet, Chief Minister Mamata Banerjee tried her utmost to set right her government's anti-industry image. While supporting West Bengal's initiative, Jaitley went one up in Gandhinagar, saying that GST would happen in a year — putting the onus on States to cooperate rather than be perceived as obstructionist. The focus is now on Karnataka and Tamil Nadu, which will hold their respective meets later this year. The Gujarat summit resulted in 21,000 MoUs worth over Rs. 20 lakh crore being inked. To put this figure in perspective, the West Bengal, Madhya Pradesh and Uttar Pradesh editions (the latter two were held a few months ago) translated into MoUs worth Rs. 2.4 lakh crore, Rs. 3.8 lakh crore and Rs. 57,000 crore, respectively.

These meets have given rise to criticism that they are no more than jamborees at huge public expense, with the actual investment a trickle to the flood of MoUs signed. The Gujarat Congress has alleged that a mere 9 per cent of the MoUs inked between 2003 and 2011 have fructified. Without belittling the importance of these summits, States should be more accountable. But a more serious concern relates to whether this competitiveness has led to balanced regional development. Gujarat, Tamil Nadu, Delhi and Maharashtra have been the preferred States for investors, even before these summits came into vogue. That investors continue to opt for them is evident in the value and number of MoUs signed. A McKinsey study released last October suggests that the trend is likely to hold. It observes that of India's 29 States, eight high-performing ones in terms of GDP per capita will account for over half the GDP growth in the coming decade. Moreover, 49 metropolitan clusters in 183 districts, most of them in the west and the south, will account for 77 per cent of India's GDP growth — a suggestion to investors to stick to these regions.

State summits have clearly not been able to address regional disparities, the social and ecological effects of which are already upon us. Studies show that while there has been a convergence in growth rates of advanced and backward States in the Eleventh Plan, inequalities in per capita incomes have risen. Disparities within States and even within districts are on the rise. A complex scenario such as this requires a nuanced response, to which the NITI Aayog could apply itself. The Gujarat summit was rightly viewed as an exercise in "knowledge sharing". This should include a public-private response to unequal development.

(This article was published in the Business Line print edition dated January 19, 2015)

## INTERNATIONAL RELATIONS

TELEGRAPH, JAN 23, 2015

### **A tricky partnership - Dealing with the US will always be a challenge**

Kanwal Sibal

Admiral Dary Roughead of the US navy inspecting a guard of honour by the Indian navy, 2010

The visit of the American president, Barack Obama, to India this month as chief guest at our Republic Day celebrations invites some reflections on the state of India-United States of America relations and expectations from the visit.

India-US relations in the last decade have become distinctly warmer. The 2005 India-US nuclear deal dissipated mutual strategic distrust and triggered numerous dialogues in the areas of energy, education, health, science and technology, trade, defence, counter-terrorism, innovation and so on. This had the objective of building Indian capacities in various sectors with US know-how to fuel India's growth and give the US a greater foothold in an expanding Indian economy. These dialogues have produced modest results.

In 2010, during his India visit, Obama visualized the India-US relationship as a defining one for the 21st century, meaning, presumably, that India as a democracy and a growing economic power could, in the decades ahead, join the US in managing a liberal global order. If shared values are the basis for India calling the US a natural partner, then India's democracy and pluralism have not shielded it from punitive US policies in the past and do not guarantee any special consideration in the future at the cost of US interests. In both cases, rhetoric and reality differ.

The loss of momentum in India-US ties became impossible to ignore in Obama's second term. American companies felt deprived of nuclear business because of India's Nuclear Liability Act. In defence, the US, in a major strategic gain, bagged almost nine billion dollars worth of defence contracts, but India balked at signing three 'foundational' agreements in the areas of logistics, inter-operability and so on to avoid too close a defence embrace, although this was balanced by numerous joint military exercises. The US offers under the defence trade and technology initiative to manufacture several defence items in collaboration with Indian partners received a lukewarm response. India's attachment to "strategic autonomy" was seen by US strategists as a throwback to its nonaligned past. India's cautiousness about the US pivot towards Asia because of doubts about US capacity and willingness to curb China's power, given the huge financial and commercial interdependence between the two, was noticeable.

While India-US economic ties expanded to almost \$100 billion over the last decade, the drift in political relations adversely affected the business atmosphere, with Congressional campaigns by select US corporations against India's trade, investment and intellectual property rights policies prompting a year-long investigation of them by the US

international trade commission, now extended by another year. The US trade representative too began an investigation of India's IPR policies focused on our patent laws, but this has been discontinued in view of the Narendra Modi government's reforms-oriented policy statements. We have agitated against US restrictions on the movement of personnel from India to the US in the information technology sector, the increased costs of H1B and L1 visas, the campaign in the US against outsourcing, as well as the unresolved totalization agreement.

The quick acceptance of the Indian prime minister, Modi, of Obama's invitation to visit Washington in September 2014 was intended to infuse bilateral ties with a new energy. While short on concrete breakthroughs, the visit established mechanisms to address existing issues and possibilities of enhanced future cooperation. It was agreed to increase trade five-fold, establish an Indo-US investment initiative and an infrastructure collaboration platform to develop and finance infrastructure, give US industry lead partnership in developing three smart cities, promote an "attractive" business environment through the trade policy forum, establish an annual high-level intellectual property working group and a contact group to work on implementing the nuclear deal. The investment initiative document has been signed this month in Washington. The working groups on IPRs and the nuclear deal have met, and so has the TPF. But the US will hardly develop industrial corridors like Japan or competitively build highways, ports or airports in India. Reaching a trade figure of \$500 billion is unrealistic in any reasonable time frame. It is also not clear how US demands and India's position that our IPR policies are in conformity with the World Trade Organisation TRIPS agreement can be reconciled.

In Washington, Modi mentioned India's concerns about IT issues, with no clear response from Obama. He sought the participation of US defence companies in developing the Indian defence industry, without mention of any of the projects offered by the US as part of the DTTI. The intention expressed to expand defence cooperation to bolster regional and global security seems incongruous at the regional level with continuing US military aid to Pakistan, while at the global level, apart from the securing of the sea lanes of communication in the Indian Ocean, the implication is not clear. It was decided to renew for another 10 years the 2005 Framework for US-India Defence Relations, incorporating more ambitious programmes, including enhanced technology partnerships for India's navy.

On geopolitical issues, Modi's reference to the "great convergence" on "peace and stability in the Asia Pacific region" has significance in the background of China's assertiveness there. He called the US "intrinsic" to our Look East and Link West policies, which is a formulation pregnant with geo-political meaning. The commitment to work more closely with other Asia-Pacific countries, including through joint exercises, would logically bring up Japan and Australia.

On terrorism and religious extremism, rhetorical convergence and some specific cooperation on counter-terrorism issues apart, our concerns are not adequately met because US regional interests are not fully aligned with ours. During Modi's visit, the two

sides called for the disruption of all support networks of al Qaida, the Lashkar-e-Toiba, Jaish-e-Mohammad, the D-company and the Haqqanis, but the omission of the Taliban from the list is striking. Washington's accommodative signals and those of the new Afghan president on Pakistan's role in Afghanistan presage problems for us as the US withdraws from that country by 2016.

Between Modi's visit to Washington and Obama's visit now, there has been too little time to process major agreements. Yet, the visit has to go beyond symbolism. With the government moving on the goods and services tax, raising the foreign direct investment ceilings in the insurance sector and amending the Land Acquisition Act, the signals to the US in advance of Obama's visit are positive. In terms of tangible results, a more ambitious defence cooperation framework agreement will be extended for another 10 years. The US hopes that at least one joint defence manufacturing project will be announced during the visit. Any announcement on naval technologies will capture interest. Discussions on a bilateral investment treaty are likely to be re-energized. Any progress on our membership of the four export control organizations - for which the US needs to be pushed - can occur only after the visit. The US will press us on climate change issues, as the secretary of state, John Kerry, has indicated during his visit to the Vibrant Gujarat summit. The issue of our access to US shale gas is on the agenda. Regrettably, though, the agenda is more focused on what we can do for the US rather than the reverse.

Modi's invitation to Obama is a bold and desirable diplomatic move, but dealing with the US will always be a challenge.

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## **POLICE**

STATESMAN, JAN 23, 2015

### **State mulling perk hike for officials till SI rank**

Arunima Ghosh

Alarmed over complaints of low paid cops along with a rise in vacant posts, the state government is considering to hike the perks enjoyed by police personnel till the rank of sub-inspectors. The move will put an additional burden of around Rs 14 crore a month on the state exchequer.

The state Home department has come up with a proposal for doubling the monthly "additional allowances" offered to cops on account of food expenses. According to the proposal, the additional allowance of Rs 1,000 per month that is paid to the cops is not enough to fulfill their needs. The allowance is infact "very meagre" and is nowhere enough to meet the actual food expenditure. It is difficult for the cops to manage their food expenses with such a meagre amount at a time when prices have skyrocketed. The Director General of Police has submitted a proposal to the state government recently for increasing the allowance from Rs 1,000 to Rs 2,800. The proposal is being sent to the state Finance department.

A total of 97,200 police personnel ranking from constable to sub-inspector will be entitled for the enhanced allowance.

Once finalised, the state government will have to shell out Rs 27.6 crore a month compared to Rs 9.72 crore that is now spent.

The proposal to hike the additional allowance comes at a time when the state Finance department is delaying giving clearance to filling up of existing vacant posts as well as creation of new posts due to paucity of funds. Infact, the Home department recently went into a tussle with the Finance department on sanction of funds for going ahead with fresh recruitments and creating posts in the newly created police stations. Top officials of the Home department have informed the Finance department that maintaining law and order might become difficult unless financial clearances are expedited.

The state government is also extending the service contracts of civic police volunteers by another six months. Presently, constables enjoy salary of pay band of Rs 5,400-25,200 with pay grade of Rs 2,600 while sub-inspectors enjoy salary of pay band of Rs 7,100-37,600 with pay grade of Rs 3,900.

## POLITICAL PARTIES

STATESMAN, JAN 22, 2015

### State BJP to launch 'Booth Chalo Abhiyan'

The state BJP will launch Booth Chalo Abhiyan on 27 January, 31 January and 1 February to intensify membership drive.

So far 13 lakh members have enrolled. The drive began on 1 November last year and will continue till 31 March. BJP aims at 50 lakh members by end March. Senior BJP leaders will take part in the abhiyan. They will camp in the areas to expedite the drive. The decision was taken at the party's state committee meeting held at the Lok Sanskriti mancha in presence of party's all India president Mr Amit Shah yesterday. In April and May the party will scrutinise the membership applications and in June July camps will be held to train up the members in party's ideology.

The state BJP president Mr Rahul Sinha said Mr Biswapriya Roy Chowdhury and Mr Rabin Chatterjee, party general secretaries will over see the Bongaon Lok Sabha by election scheduled to be held on 13 February. Mr Pratap Banerjee, state vice president will oversee the Krishnagunj Assembly by election. Senior leaders will sit with party's national secretary in charge of West Bengal Mr Siddharth Nath Singh in Bongaon tomorrow to chalk out poll strategies.

A four member party delegation led by Mr SK Magon, former chief electoral officer, Mr Asim Sarkar, Mr Prabhar Tewari and Mr Alok Guha Roy will meet the CEO tomorrow and request him to urge the Election Commission to deploy Central force along with installation of close circuit television (CCTV) in all the booths during the by election.

TIMES OF INDIA, JAN 23, 2015

### Delhi elections 2015: Congress manifesto focus on revving up development

[Ambika Pandit](#)

NEW DELHI: In 2013, the Congress manifesto appealed for "stability" as the party found itself in the midst of the first ever three-cornered contest with BJP and AAP. A year later, the party, which came a poor third in those polls and is fighting for survival, is ready with a manifesto that takes off from 15 years of development and promises its continuation under a stable government.

The party's vision promises to weave in power and water reforms to counter the assurances of BJP and AAP on power tariff. The document is also likely to put on priority the concerns of the poor and marginalized. Like last time, women's security is slated to find space in the manifesto.

The manifesto, to be released on Friday, is expected to have plans for relocation of slum dwellers, in situ rehabilitation and, in a first, the issue of contractual labour and regular jobs for sections like safai karmacharis who felt neglected in the past. The scheduled caste vote, including a significant Valmiki population, had shifted to AAP in 2013 leaving Congress with just one MLA from Sultanpur Majra among the reserved constituencies. While AAP won nine reserved seats, BJP bagged two.

Last time, Delhi Pradesh Congress Committee had a small role in drafting the manifesto, the contours of which were largely steered by the vision of CM Sheila Dikshit who set out the "way forward". This time, the document has been readied by a manifesto committee chaired by former minister Dr AK Walia. The party leadership seeks to make this document a platform to reach out to disgruntled voters. A party member said those areas will be addressed in which people felt ignored by Congress earlier.

In the 2013 manifesto, besides highlighting achievements of 15 years Dikshit government, a chapter was dedicated to the Congress-led UPA at the Centre. The Congress wove a dream of a power surplus "global city" with full statehood.

The 16-page manifesto elaborated the journey of 15 years and the way forward, before concluding with an appeal saying, "It is obvious that you will want a stable government to take care of your social needs and development. Your decision as a mature electorate represents the strength of our democracy making you the supreme power in the society. For the last 15 years we believe our work has spoken for us. Now it's your turn to speak for us." However, but none of this stirred the voters who were clearly looking for change. They cast their ballot to register their protest against growing corruption and deteriorating law and order, among other things.

## POLITICS AND GOVERNMENT

ECONOMIC TIMES, JAN 16, 2015

### **Jammu & Kashmir MLAs can't draw salaries, claim perks, help voters or intervene in governance**

SRINAGAR: What a difference an oath makes — no one realises this more than the 87 individuals elected to the J&K assembly last year. A hung verdict and little progress in government formation forced [Governor](#) NN Vohra to promulgate his rule in the state.

As a result, the 85 men and two [women](#) could not take their oaths, leaving them unable to draw salaries, claim perks, help voters or intervene in governance. "We obviously have the urge to get in (to the assembly) and do what we are supposed to as we are under pressure (from voters) to deliver," said a [Congress](#) fresher from south Kashmir.

"We have worked for three months round the clock and spent a lot of resources and now [the situation](#) is preventing us from oath-taking." The newly elected legislators are [missing](#) out [on government](#) accommodation in [Jammu](#) and [Srinagar](#), a salary of Rs 90,000 a month, free fuel and medical cover, a liberal travel allowance, Rs 5 lakh as interest-free housing loan, Rs 1 lakh for an annual family trip, and access to a constituency development fund of Rs 1.5 crore a year.

As of now, all they can claim is a [pension](#) of Rs 29,000 a month if fresh elections are held. "We were voted by the people and they want us to work," said a fresher from PDP.

"We tell them the assembly is in suspended animation but that is something they least care about." One MLA said his expenses on serving tea to visitors were well over Rs 3,000 a day! The situation is especially bewildering for 56 first-timers.

This is the first time that Kashmir's mainstream camp has witnessed "massive fresh recruitment", said PDP's [Naeem Akhter](#), a [member](#) of [the Elders](#) House. "If nobody forms the government and the state is pushed to a new election, what will happen to us?" says a PDP fresher. "The entire effort goes waste and it is very difficult to rearrange resources."

TRIBUNE, JAN 20, 2015

### **Pranab cautions govt against taking ordinance route**

**Says it's meant for extraordinary situations | Opposes House disruptions**

Pranab Mukherjee, President

#### **What the President said**

- By taking the ordinance route, the government risks getting these lapsed if they cannot get them approved by the Houses within six months
- Passage of Bills through a joint session is not feasible since laws have been passed only four times by joint session since 1952



- Frequent disruptions in Parliament and legislative Assemblies should be avoided. The ruling and Opposition parties must sit together and find a workable solution
- In a parliamentary democracy, the majority has the mandate to rule, while the Opposition has the right to oppose, expose, and if the numbers permit, depose
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### **KV Prasad**

Amid ongoing debate over the ordinance form of lawmaking, President Pranab Mukherjee today sounded caution against taking recourse to the “extraordinary” provision in the Constitution instead of the normal parliamentary route.

With the Narendra Modi government preferring to promulgate eight ordinances in the past seven months amid criticism from the Opposition, the President chose to articulate his views on the issue for the first time while reminding lawmakers on either side of the divide of their role and responsibilities.

Addressing Central universities, IITs, NITs and other institutions through video-conferencing on “Parliament and policymaking”, the President said in order to meet certain exigencies and under compelling circumstances, the framers of the Constitution deemed it necessary to confer limited legislative power upon the Executive by way of promulgation of ordinances when the legislature is not in session and circumstances justified immediate legislation. The framers also imposed certain restrictions on this extraordinary power to replace it within a timeframe by the legislators.

The President’s reminder comes in the backdrop of him having recently summoned Union ministers to explain the reasons for the government resorting to this extraordinary provision before granting assent.

“Ordinance route should not be taken for an ordinary situation,” he said answering questions from the assembly.

The Modi government began by an ordinance to appoint his Principal Secretary and recently to amend laws relating to land acquisition. On parliamentary democracy, Mukherjee said the cardinal principle was that while the majority had the mandate to rule, the Opposition had the right to oppose, expose, and if the numbers permit, depose.

Sending out a strong message to those in the Opposition both in Parliament and legislatures, the President said: “Under no circumstances should there be disruption of the proceedings. A noisy minority cannot be allowed to gag a patient majority.”

He suggested that those occupying the ruling party and Opposition Benches should sit and find out a workable solution.

The President said India’s diversity and the magnitude of its problems required Parliament to be a more effective platform to build a consensus on public policies.

“The proceedings in Parliament must be conducted in a spirit of cooperation, harmony and purpose. The content and quality of debates should be of a high order. Maintenance of discipline and decorum in the House and observance of etiquette and decency are necessary,” he said.

The President cautioned Parliament against yielding its space for “legislating and policymaking to mass mobilisation and street protests, for that may not always provide considered solutions to our problems”, an apparent reference to protests like those organised by anti-corruption crusader Anna Hazare.

### **Eight ordinances in seven months**

- The Narendra Modi government has promulgated eight ordinances in the past seven months, drawing criticism from the Opposition
- The NDA government brought in the first ordinance to appoint Principal Secretary to Modi. The most recent was the one to amend laws relating to land acquisition
- The President recently summoned Union ministers to explain the reasons for the govt resorting to the ordinance route before granting assent

## RAILWAYS

INDIAN EXPRESS, JAN 23, 2015

### **Former CAG to join Rlys as 'honorary advisor'**

Rai has been asked to advise the Railways on how to usher transparency in all processes including procurement, finances, decision-making and operations.

Written by [Avishek G Dastidar](#)

Almost two years after he retired as the Comptroller and Auditor General (CAG), Vinod Rai is set to join the Railways Ministry as an "honorary advisor".

During his term as CAG, Rai claimed to have "unearthed" largescale irregularities and "loss" of public money in spectrum auctions and coal block allocations, causing discomfort to the then UPA government and giving plenty of ammunition to the BJP, then in the opposition.

This is Rai's first formal assignment after retirement. He has been asked to advise the Railways on how to usher transparency in all processes including procurement, finances, decision-making and operations.

"I won't be taking any salary. I can't do that. It's honorary work. Neither will I be required to go to office every day. I have had two rounds of discussions with the minister. Now I will have discussions with Railway Board members to take things further," Rai told The Indian Express on Thursday. Sources said an office will be kept ready for Rai at Rail Bhawan.

In December, Railways Minister Suresh Prabhu had roped in Rai for a report on transparency. The new arrangement is being seen as an extension of his earlier assignment.

DECCAN HERALD, JAN 16, 2015

### **Rlys' Mahila Vahini to protect women**

The Railway Ministry will soon come out with a Mahila Vahini (women squad) to provide security to women rail travellers and has already sent a proposal to the Finance Ministry.

The ministry has also sought to legally empower the Railway Protection Force (RPF) with the authority of registering FIR for crimes at stations and on trains.

This was disclosed by Rail Minister Suresh Prabhu on Thursday while addressing a conference of state police chiefs and senior RPF officers on railway security.

"There are several instances of attacks on the modesty of women during travel and it needs special attention of all the agencies concerned," said Prabhu.

In the conference, addressed by Home Minister Rajnath Singh, Minister of State for Home Affairs Haribhai Parthibhai Chaudhary and State Minister for Railways Manoj Sinha, the railways argued for a mechanism of coordinated effort by Government Railway Police (GRP), RPF and district police.

The ministry also stressed the need for an effective intelligence network which could share necessary information to prevent crimes.

The ministry apprised state police chiefs about the initiative taken to improve the security environment at stations and on trains. The minister informed them about the decision to install CCTVs in passenger coaches after addressing passengers' privacy.

Prabhu also informed the conference that railways would use ex-Army personnel in providing security to passengers on trains and reserve four berths—two each at entry points of coaches—for ex-Army personnel.

The Home Ministry, however, was guarded on the railways' demand of power to register FIR to the RPF.

The home minister echoed objections of states on the issue and said, “the security in the running trains is a complex subject and we have to find a solution within our federal structure.

We need to explore the system of online FIR which will expedite investigation and help in controlling crimes.”

Singh, instead, suggested a “National Transport Security Strategy” for security in all types of transport including railways.

FINANCIAL EXPRESS, JAN 20, 2015

### **Suresh Prabhu bats for foreign pension funds to revive railways**

Railway minister Suresh Prabhu has stressed the need for massive capital investment, newer cost-effective technologies and private sector participation in Indian Railways so as to make the sector attractive for the investors. The ministry has decided to tap foreign pension funds as part of the resource mobilisation plan to bail out Railways from the deep financial trouble.

“We will invite foreign pension funds to invest in Indian Railways. This could be in the form of loans at a cheaper rate. We have to bring in investments both from within and outside the country,” he said after inaugurating the 15th national seminar on “PPP and

FDI in Indian Railways” in Hyderabad, organised by the Centre for Transportation Research and Management (CTRAM) and South Central Railway.

Further, dismissing fears about privatisation, Prabhu said that expanding the railway infrastructure and improving the efficiency through PPP and FDI was in the interest of the organisation and its employees. “We will tap domestic resources. We want private capital but not privatisation,” he added.

He hinted that the private sector can play a great role and put Indian Railways back on track which is at present in crossroads. “We need supporting logistics as two-thirds of the revenues come from freight, decongest railway lines, double capacities and increase the networking infrastructure.”

“The railways will never be privatised. It will continue to be owned by the government of India. The engine and the guard will be in our hands, only bogies will be open for private players,” he added.

Meanwhile, the ministry is also planning to set up special purpose vehicles (SPVs) in association with state governments. “We are thinking of setting up separate corporations or SPVs in partnership with state governments, have equity and pool in surplus revenues,” he said. These partnerships will help to develop and strengthen the railway infrastructure.

## TAXATION

FINANCIAL EXPRESS, JAN 23, 2015  
**New tax computation norms from FY16**  
By: Gireesh Chandra Prasad

According to sources, the Income Tax Act does not recognise the concept of materiality (which is one of the basic tenets of Ind AS) and so, the ICDS doesn't endorse prudence as a fundamental assumption.

A new set of norms for tax computation released by the government have addressed many concerns of the corporate India about the tax implications of a proposed shift to the corporate accounting based on fair value concept. But in many cases, it might reduce companies' flexibility with regard to income/loss recognition in specific assessment years and impact timing of tax-related cash outflows.

The Central Board of Direct Taxes (CBDT) released the draft Income Computation and Disclosure Standards (ICDS) recently in the wake of the new mandatory accounting norms Ind AS, to be phased in effective April 1, 2016, beginning with large companies with R500 crore-plus net worth and their arms. Ind AS is compliant with the International Financial Reporting Standards (IFRS). The ICDS will prevail over both the existing accounting standards for corporates and other businesses and Ind AS so far as taxation is concerned.

According to sources, the Income Tax Act does not recognise the concept of materiality (which is one of the basic tenets of Ind AS) and so, the ICDS doesn't endorse prudence as a fundamental assumption. Put simply, this means that the tax department would accelerate income recognition in some cases, irrespective of whether the gain/loss that are due have actually accrued. The result could be an early recognition of income and/or later recognition of expenditure.

For instance, real estate companies, which currently show income only after completion of projects, would require to adjust their tax outflows to a less flexible system where their incomes from milestone payments by home buyers are recognised more promptly than now. Similarly, companies that receive governments grants for economic activities

committed by them in backward areas, will have to show these grants as capital receipts and pay tax accordingly.

Yet, tax experts don't consider ICDS would have a major adverse impact on firms' freedom when it comes reporting their income (derived from profits and gains of business or profession or "income from other sources). The apprehension is more about that prospect of tax authorities implementing the ICDS rather whimsically, and not about the norms themselves, they added.

Companies will have to compulsorily apply ICDS, the new set of 12 tax accounting standards from 2015-16. This is a significant departure from the current practice of making a few adjustments to the reported book profits of companies to calculate their tax liability.

"In many instances, ICDS would result in acceleration of recognition of income and as a result in the related tax payouts as well. ICDS does not have the concept of prudence, which is a fundamental concept in existing accounting standards. ICDS, for example, does not allow recognising anticipated or unrealised losses for tax purposes," said Sai Venkateswaran, partner, KPMG.

While these changes may be beneficial for Revenue Department due to acceleration of their tax collections, companies might find this challenging to comply with, both from an efforts perspective as well from the timing of cash outflows, added Venkateswaran.

Banks such as SBI and ICICI with foreign branches will have to recognise currency conversion gains and losses for calculating the taxable income rather than showing them in the balance sheet.

Also, government grants received have to be recognised even if the receiving company is unable to fulfill any attached obligations. This is not required under the existing accounting standards of the Corporate Affairs Ministry.

Also, the option currently available to businesses of recognising losses immediately on signing an onerous (loss-making) contract is disallowed by the ICDS. Reporting of loss will be allowed under tax accounting norms only when actually incurred.

Dolphy D'souza, national leader, IFRS Services, EY, said that one of the reasons for postponing the implementation of IFRS-converged Ind-AS in India till 2016 was that they were driven towards meeting the requirements of investors and were not suitable to determine taxable profits.

“Thus a strong need was felt to separate accounting standards used for statutory reporting purposes and those that would be used to determine taxable income. This gap is now being filled with the issuance of Tax Accounting Standards,” said D'souza.

CBDT has given one month time for businesses to give their views so that the new norms can be implemented from next financial year onwards.

“The ICDS are an important step in India's transition to Ind AS, since this would address concerns around the tax impact of new measurement techniques under Ind AS. By providing specific guidelines, ICDS are also an attempt to reduce litigation between companies and the tax department,” said Jamil Khatri, Deputy Head of Audit & Global Head of Accounting Advisory, KPMG.

One area of such unforeseen impact of IFRS adoption is the liability to pay the 18.5% Minimum Alternate Tax (MAT) which would depend on the book profits reported. When bigger companies migrate to IFRS before smaller ones, book profits and hence the MAT liability would hit different segments of the corporate world differently. While the finance ministry intends to separately clarify whether the MAT liability of companies should be decided based on reported book profits from next year onwards, the new tax accounting standards has sought to reduce all the accounting alternatives available to companies that have a bearing on the tax outgo in a particular year, in favour of the exchequer.

Cost to company:



- Addresses Corporate India concerns over tax implications of a proposed shift to the corporate accounting based on fair value concept
- But in many cases, it might reduce companies' flexibility with regard to income/loss recognition in specific assessment years and impact timing of tax-related cash outflows

## WILDLIFE CONSERVATION

HINDU, JAN 23, 2015

### The science of saving tigers

India is unique in having a significant number of tigers in the wild, in spite of growing population and resource extraction pressures on their habitat. The latest estimate of tigers in various landscapes published by the Ministry of Environment and Forests claims an appreciable rise in numbers of the big cat. That there could be as many as 2,226 tigers in the country — up from 1,706 four years ago — in nature reserves ranging from the hills in the Northeast to central Indian forests and the Western Ghats, besides the mangrove-rich Sundarbans delta, gives India a special place on the global conservation map. Clearly, some States deserve credit for strengthening the protection of wild tigers since the notorious wipeout in Sariska a decade ago. Such conservation measures, notably the extension of protected area boundaries, must continue. Yet, as credentialed scientists are pointing out, the numbers available from the latest count may merely indicate the presence of tigers in a given area, rather than serve as the conclusions of a definitive census. What they highlight is the need to improve those aspects of the ecology that lead to a rise in numbers — voluntary relocation of forest-dwellers from core forests, a severe crackdown on the hunting of prey animals, improved patrols against poaching, safeguards against harmful land-use changes and constant monitoring using scientific methods.

The science of conserving tigers, arguably the most charismatic animals on the planet, is increasingly focussed on saving ‘source populations’ of the cat. These are defined in the literature as sites where more than 25 breeding females can be hosted, in turn embedded in a larger landscape that can potentially have more than 50 female tigers and which enjoy protection. By some accounts, 70 per cent of the world’s tigers are to be found in such sites; in India, 90 per cent of the population is part of 30 or 40 major source populations. As the Wildlife Conservation Society has pointed out, conservation of this stock holds the key to achieving a significant rise in their numbers in the coming years — potentially, India could have several thousand more if it provides them the requisite space and the connected landscapes that facilitate dispersal. In the current counting exercise, the Centre has done well to include non-governmental experts and rely on improved methods such as camera trapping, although it is yet to move to continuous monitoring and annual assessments. The government must be open to the idea of more intensive research within forests to protect the tiger and other endangered species, and adopt a liberal approach to permit *bona fide* independent scientists to work in protected areas. The encouraging status report on tigers awaits refinement and confirmation in March.

## WOMEN

HINDU, JAN 19, 2015

### **PM to launch Beti Bachao campaign**

Prime Minister Narendra Modi would launch the national programme of “Beti Bachao-Beti Padhao” campaign on January 22 at Panipat:

ECONOMIC TIMES, JAN 23, 2015

### **Prime Minister Narendra Modi launches Sukanya Samridhi Yojna under Beti Bachao campaign**

'Sukanya Samridhi Account' can be opened at any time from the birth of a girl child till she attains the age of 10 years, with a minimum deposit of Rs 1000.

PANIPAT: [Prime Minister Narendra Modi](#) today launched a small deposit scheme for girl child, as part of the 'Beti Bachao Beti Padhao' campaign, which would fetch an interest rate of 9.1 per cent and provide [income tax](#) rebate.

'Sukanya Samridhi Account' can be opened at any time from the birth of a girl child till she attains the age of 10 years, with a minimum deposit of Rs 1000. A maximum of Rs 1.5 lakh can be deposited during the financial year.

The account can be opened in any post office or authorised branches of commercial banks.

"The scheme primarily ensures equitable share to a girl child in resources and savings of a family in which she is generally discriminated as against a male child," said a government statement.

In an effort to motivate parents to open an account in the name of a girl child and for her welfare to deposit maximum of their savings upto the prescribed limits, higher rates of interest at 9.1 per cent is proposed to be given on the deposits on annually compounded basis with income tax concession in this financial year, the statement said.

The account will remain operative for 21 years from the date of opening of the account or marriage of the girl child after attaining 18 years of age.

To meet the requirement of higher education expenses, partial withdrawal of 50 per cent of the balance would be allowed after the girl child has attended 18 years of age.

"The provision of not allowing withdrawal from the account till the age of 18 has been kept to prevent early marriage of girls," the statement said.

The Prime Minister handed over bank account details to five girls under the 'Sukanya Samridhi Yojna' (girl child prosperity scheme).

ECONOMIC TIMES, JAN 23, 2015

### **Haryana to set up 'Kanya Kosh' for first girl child**

[Haryana](#) Chief Minister Manohar Lal Khattar today said a 'Haryana Kanya Kosh' would be set up to provide financial assistance on the birth of first girl child.

The [girl child](#) belonging to the families of poor and Scheduled Castes will be provided financial assistance from this fund.

He was speaking at the launch of national programme 'Beti Bachao Beti Padhao' launched by Prime Minister Narendra Modi for the safety and [education](#) of girl child at Panipat.

Khattar said that earlier financial assistance was provided on the birth of second daughter under Ladli scheme.

"Now, the scope of this scheme has been widened and the first daughter would also be covered under it. A sum of Rs 21,000 would be deposited at the birth of the first girl child. This amount would increase to Rs one lakh after the girl attains the age of 18 years," he said.

Expressing his concern on literacy rate of women, Khattar said that at present the women's literacy rate in Haryana is 65.4 per cent and sincere efforts would be made to bring a significant improvement in it.

He said girls would be provided scholarships on the basis of their capabilities. On malnutrition among mothers and children, he said that the government would review the previous nutrition policy and draft a new State Nutrition Mission on the pattern of National Health Mission.

He said that the [Infant Mortality Rate](#) (IMR) in Haryana is 41 per cent and all out efforts would be made to reduce it and this target could be easily achieved in case the region is declared as Empowered Action Group.

Khattar also said that 'Make in Haryana' is our agenda on the pattern of Make in India. Haryana has achieved hundred per cent target under Pradhan Mantri Jan Dhan Yojana and that 'Vidhayak Adarsh Gram Yojana' and 'Adhikari Adarsh Gram Yojana' is being implemented in the state emulating the Centre's 'Saansad Gram Yojana'. He said that we are committed towards 'Swach Bharat Swach Haryana Abhiyan' and toilets especially for girls would be constructed in all the schools under this scheme. To promote girls' education, scholarship on meritorious basis would be given.

He said that by 2016, all schools would be equipped with desks and chairs to ensure that no child has to sit on floor to get education.