LIST OF NEWSPAPERS COVERED IN THIS ISSUE

BUSINESS LINE

DECCAN HERALD

ECONOMIC TIMES

FINANCIAL EXPRESS

HINDU

INDIAN EXPRESS

TELEGRAPH

TIMES OF INDIA

TRIBUNE

CONTENTS

CHILD WELFARE

INDIAN EXPRESS, FEB 20, 2014

Children adopted by Muslims on a par with biological child: SC

Utkarsh Anand

The court turned down a plea for declaring right of a child to be adopted and right of a parent to adopt a fundamental right under the Constitution.

SUMMARY

Rejects plea for directions to follow Islamic law before declaring a Muslim child for adoption.

Supreme Court refuses to reduce age of juvenile from 18 to 16 years

Emphasising that personal beliefs and faiths cannot negate operation of a law, the Supreme Court Wednesday dismissed a plea by the All India Muslim Personal Law Board (AIMPLB) to hold that children adopted by Muslims will not be on a par with a biological child.

A Bench led by CJI P Sathasivam said people, irrespective of their religion, caste and creed, were free to adopt children under the provisions of the Juvenile Justice Act and this enabling provision "cannot be stultified by principles of personal law".

The Bench, also comprising Justices Ranjan Gogoi and S K Singh, noted that the 2006 amendments in the Act was a "small step" towards the concept of Uniform Civil Code and that it was applicable to only those who opted to exercise the enabling provisions to adopt a child.

"To us, the Act is a small step in reaching the goal enshrined by Article 44 of the Constitution (Uniform Civil Code). Personal beliefs and faiths, though must be honoured, cannot dictate the operation of the provisions of an enabling statute," it said.

The court underscored that the Act did not mandate any compulsion to use the Act for adopting children and that "such a person is always free to adopt or choose not to do so and, instead, follow what he comprehends to be the dictates of the personal law applicable to him."

The court was responding to a demand by the AIMPLB to issue directions to all Child Welfare Committees to follow the principles of Islamic Law before declaring a Muslim child available for adoption.

Asserting that Islamic law did not recognise an adopted child to be on a par with a biological child, the Board said it professed what is known as the “Kafala” system. Under this, a child is placed under a ‘Kafil’ who provides for the well-being of the child, including financial support. The Board added that a ‘Kafil’ was thus legally allowed to take care of the child, although the child remained the true descendant of his biological parents and not that of the “adoptive” parents.

The Bench however refused to issue such direction. “At the cost of repetition we would like to say that an optional legislation that does not contain an unavoidable imperative cannot be stultified by principles of personal law which, however, would always continue to govern any person who chooses to so submit himself until such time that the vision of a uniform Civil Code is achieved.”

On the issue of the Uniform Civil Code, the court said this could become a reality only “by the collective decision of the generation(s) to come, to sink conflicting faiths and beliefs that are still active as on date”.

The court also turned down a plea for declaring right of a child to be adopted and right of a parent to adopt a fundamental right under the Constitution, saying that such order cannot be passed at this stage in view of conflicting practices and beliefs.
The Bench was hearing petitions filed by social activist Shabnam Hashmi, seeking court’s direction to frame uniform guidelines for adoption of children irrespective of their religions.

During the pendency of the petition, the Centre amended the Act in 2006 and the responsibility of giving in adoption was cast upon the court and Central Adoption Resource Agency (CARA).

According to government data, the number of reported adoptions in the country from January 2013 to September 2013 was 19,884 out of which 1,712 cases are of inter-country adoption.

CIVIL AVIATION

BUSINESS LINE, FEB 18,L 2014

Indian skies will soon see new planes, airlines

AMIT MITRA

The domestic aviation sector may be sputtering, but the ensuing fiscal may see new generation aircraft and new airlines flying in Indian skies.

Singapore Airlines, Lufthansa and Emirates are preparing to wing in A-380s to India, after the Civil Aviation Ministry last month lifted restrictions on the super-jumbo, double-decker aircraft flying to India.

Currently, four airports – Delhi, Mumbai, Hyderabad and Bangalore – are capable of handling these aircraft. SilkAir, the regional wing of Singapore Airlines, which is in transition from an Airbus to an all Boeing fleet, will fly in the next-generation Boeing 737-800s in the second half of the year, and later the 737 Max 8s.

New fleet

The Tata Sons-Singapore Airlines joint venture is cruising closer to take off and may join Indian skies with a new fleet of A-320s during the year.

David Lau, the new General Manager (India) of Singapore Airlines, said the carrier will apply to the aviation ministry for permission to fly the A-380s to India within a month.

“We are currently studying the commercial viability of operating these super-jumbo aircraft to India, including demand and airport-handling infrastructure. We may have to merge two existing flights to bring in a single A380s because of their large capacities,” he said.

These aircraft can carry 850 passengers in an all-economy model, while those with three-class seating could take aboard about 600 people.

Handling facilities

Lau is of the opinion that not all the four airports selected for the aircraft currently have adequate handling facilities.

“Ground-handling equipment will have to be ramped up in a couple of these airports to service A380s, an issue we are studying as part of the overall viability study,” he said.

The carrier has a fleet of 19 A380s, with five more on order. Full-service carrier SilkAir, which made its public debut of the next-generation Boeing 737-800s at the Singapore air show to mark its 25{+t}{+h}anniversary, is acquiring 23 such aircraft and another 31 Max 8s.

“We will get the second aircraft next month — a total of eight are expected by next fiscal. We are contemplating to deploy these from airports such as Hyderabad and Kochi in India,” Lau said.

While SilkAir operates 44 flights from India every week, its parent Singapore Airlines does 63 flights a week from 11 cities, including 21 each from Mumbai and Delhi.

Lau is generally happy with the lifting of some restrictions in the Air Service Agreements (or traffic rights) between India and Singapore, which now has an allotment of over 28,000 seats a week

CIVIL SERVICE

INDIAN EXPRESS, FEB 19, 2014
Another shot in the dark
Maruthi P. Tangirala
Concerns over age limits and number of chances for civil services are overblown.

Transformative change is so difficult to achieve in practice that we often settle for piecemeal improvements. However, incremental reform, even if well-intentioned, is always dissatisfying and often counterproductive. The changes made to the scheme and structure of the civil services examination (CSE) between 2011 and 2013 squarely illustrate how even overdue improvements can have unintended consequences that act as a drag on the larger reform project. While the first change, in 2011, did not attract too much dissent since it modified only the qualifying preliminary examination scheme, last year's changes led to more concerted protests as they affected the main examination stage, which actually counts when the final merit list for some of the most prized jobs in government is drawn up.

No one can deny that these jobs hold prestige and attraction for a large swathe of the aspirational Indian middle class. There is also anecdotal evidence that candidates spend many years preparing for the exam, and the inevitable rush to implement reform by modifying the examination pattern perhaps did not adequately account for the vehement social and political opposition that this could potentially draw from candidates and their well-wishers.

The clamour for "postponing" the effects of the reform received wide publicity, and last week, the Central government approved two additional attempts for all categories of candidates, with effect from 2014, and with consequential relaxation of the maximum age limit, if required. Now, a general category candidate can make six attempts at the examination between the ages of 21 and 32 (as counted on August 1 of the exam year).

Candidates belonging to other categories are allowed different and somewhat more relaxed upper age limits. It is now possible for a general candidate to enter service at the age of 33, while relaxed provisions in particular cases can theoretically allow a candidate pushing 40 to join as a civil service probationer (in CSE 2011, about 13 per cent of the successful candidates across all categories were above 30).

Individual — and perhaps even deserving — cases apart, the concern with age limits and number of chances is motivated first by fears about the "trainability" of older qualifying candidates. For example, a report of the second administrative reforms commission (ARC) held that around the age of 23-24, an individual makes the transition from an open and receptive phase in life to a phase where she gets "set" in her views, which "makes it difficult for a civil servant entering at a later age to adapt to and internalise the core and intrinsic values demanded of a civil service".

More pragmatically, it has been argued that late entry impedes a civil servant from reaching the top of the pyramid (the grail of secretary to the government of India) since she has fewer years of experience to show in a merit-cum-seniority scheme, when it comes to the crunch (this is demonstrably more so for SC/ ST officers, some of whom may have entered at an even later age). It has been argued that this, in turn, discourages altruism and could even encourage the pursuit of self-aggrandisement and private profit.

On the other hand, the poor access of candidates from rural and backward areas and communities to educational facilities and infrastructure, in comparison with their urban counterparts, makes it necessary to offer countervailing relaxations in the interests of equity, diversity and representativeness. It is also certainly true that "late blossomers" (Kothari Committee, 1976) and others who wish to improve their credentials would be denied an opportunity to enter the civil service if the upper age limit were kept too low, as it was pre-1970s (24, for general category).

Without adequate data, the debate between these two positions is potentially endless. The ARC's pragmatic recommendation was to adopt 25 as the upper age limit for general candidates, allowing a relaxation of three and four years for OBC and SC/ ST/ differently-abled candidates respectively. This was based on the need to avoid three undesirable outcomes of late entry: one, it works against the interests of the weaker sections in the long run; second, it does not enable recruitment of the best candidates at a "malleable age"; finally, it puts a premium on rote learning and coaching institutes.

What has been lost through the relaxation of the upper age limit and the increase in the number of chances is the opportunity to minimise these undesirable outcomes. In privileging the reform of examination content over process, and indeed, in even segregating the two and pushing one without due consideration for the impact this will have on the other, another opportunity to institute meaningful reform appears to have been wasted. CSE reform ought to have been an easy enough place to begin the arduous task of administrative reform. It turns out, on the contrary, that it is one of the hardest.

HINDU, 17 FEB 2014

Single-window system to handle graft cases on IAS officers

A single-window clearance system has been started by the government to avoid inordinate delays in dealing with corruption cases related to Indian Administrative Service (IAS) officers.

The Department of Personnel and Training (DoPT) has also come up with a checklist for authorities handling corruption cases involving bureaucrats and sought mandatory compliance with the same as part of the new system.

“Such delays are mainly attributed to documentary and procedural deficiencies and a lot of time is consumed in avoidable protracted correspondence with the state government or the ministries concerned (over these),” DoPT said in a recent order.

It has, therefore, been decided that checklists would be introduced for the submission of disciplinary cases against IAS officers with the requisite case records to be checked against these through a single window system in DoPT, the order said.

The checklist shall be certified by an officer not below the rank of secretary in the state government and joint secretary at the Union level for cases involving central government officials.

The ministries or state governments will be required to depute an officer not below the rank of under secretary to submit with DoPT the records of disciplinary cases as required by the checklist, the order said.

“Only such case records as are found complete in all respects shall be accepted for processing. Cases found wanting vis-a-vis the mandated checklist will be sent back and they would not be deemed to have been received until (submitted) in complete form,” the order said, seeking “strict compliance” by all.

As many as 4,737 IAS officers occupy various state and central posts in the country.

Inordinate and inexplicable delays in the conduct of disciplinary proceedings are seen to vitiate the exercise, sometimes leading to litigation.

DEFENCE, NATIONAL

DECCAN HERALD, FEB 20, 2014

Facing a strategic void

Harsh V Pant

India has been one of the world's major defence spenders, making more than US $35 billion of arms purchases over the past two to three years.

Inaugurating Defexpo India 2014 defence minister,A K Antony underlined the commitment of his government “to modernise the armed forces so that they are well-equipped with the best equipment, weapon systems and technology.” Addressing the 8th Land, Naval and Internal, Homeland Security Systems Exhibition in Delhi, he suggested that “efforts are being made to accelerate the pace of indigenisation in defence sector” and that “the government is encouraging joint public-private participation in defence sector, while thrust is also being given to the private sector to make a far more meaningful and substantive contribution.”

Defexpo India 2014, the eighth in the series and the largest ever defence exposition in Asia, was held in Delhi a few days ago underscoring India’s emergence as an attractive destination for investment in the defence sector and providing a platform for collaborations and joint ventures in the defence industry.

India has been one of the world’s major defence spenders over the last few years, making more than US $35 billion of arms purchases over the past two to three years. Accordingly, India has asserted its military profile in the past decade, setting up bases abroad and patrolling the Indian Ocean to counter piracy and protect lines of communication. As its strategic horizons become broader, military acquisition is shifting from land-based systems to airborne refuelling systems, long-range missiles and other means of power projection. When it comes to military defence aspirations, all eyes are on – and wallets open to – India, as big defence players vie for the Indian defence market.

India is the world’s second-largest arms buyer over the past five years, importing 7 per cent of the world’s arms exports. With the world’s fourth largest military and one of its biggest defence budgets, India has been in the midst of a huge defence modernisation programme for more than a decade now; one that has seen billions of dollars spent on the latest high-tech military technology. According to various estimates, India will be spending around $100 billion on defence purchases over the next decade. This liberal spending on military equipment has attracted the interest of western industry and governments alike and is changing the scope of the global market.

Yet fundamental vulnerabilities continue to ail Indian defence policy. So while the Indian army has been suggesting that it is 50 per cent short of attaining full capability and will need 20 years to gain full defence preparedness, naval analysts are pointing out that India’s naval power is actually declining. During the 1999 Kargil conflict, operations were hampered by a lack of adequate equipment. Only because the conflict remained largely confined to the 150-km front in the Kargil sector did India manage to get an upper hand, ejecting Pakistani forces from its side of the line-of-control (LoC). India lacked the ability to impose significant military costs during Operation Parakram because of the non-availability of suitable weaponry and night vision equipment needed to carry out swift surgical strikes.

Recipe for disaster

Few states face the kind of security challenges that confront India. Yet since Independence, the military has never been seen as central to achieving Indian national priorities. India ignored the defence sector after Independence and paid inadequate attention to its security needs. Indeed, it was not until the Sino-Indian War of 1962 that the Indian military was given a role in the formulation of defence policy. Divorcing foreign policy from military power was a recipe for disaster as India realised in 1962 when even Nehru was forced to concede that India's military weakness had indeed been a temptation for the Chinese.

This trend continues even today as was exemplified by the policy paralysis in New Delhi after the Mumbai terror attacks when Indians found out that due to the blatant politicisation of military acquisitions India no longer enjoyed conventional military superiority vis-à-vis Pakistan, throwing India's military posture into complete disarray and resulting in a serious loss of credibility.

When the UPA government came to power in 2004, it ordered investigations into several of the arms acquisition deals of the NDA. A series of defence procurement scandals since the late 1980s have also made the bureaucracy risk-averse, thereby delaying the acquisition process. Meanwhile, India's defence expenditure as a percentage of GDP has been declining and a large part of the money is surrendered by the defence forces every year given their inability to spend due to labyrinthine bureaucratic procedures involved in the procurement process. Pakistan has rapidly acquired US technology under the garb of fighting the 'war on terror' while the modernisation of the Indian army has slipped behind by a decade.

In recent years the government has decided to fast-track the acquisition process by compressing the timeline necessary to finalise a defence contract. It is hoped that this will allow the services to spend their unutilised budgets quickly. The focus of recent Defence Procurement Procedures (DPPs) has been to promote private sector participation in the defence sector, giving them incentives to establish joint ventures and production arrangements with any foreign manufacturer. In the latest Defence Procurement Procedures approved in 2013, stress has been on to the Indian defence industry, both in the public and private sector by according preference to the 'Buy' (Indian), Buy and Make (Indian) categories of acquisitions.

Delhi is accelerating its programme of arms purchases, but has yet to broach the reforms necessary for these to translate into improved strategic options. There is no substitute for strategic planning in defence. Without it, India will never acquire the military muscle that would enhance its leverage, regionally as well as globally.

BUSINESS LINE, FEB 18, 2014

Govt accepts one-rank, one-pension for defence personnel

The Government on Monday accepted in principle the "one-rank, one-pension" for defence forces, a long-standing demand of ex-servicemen. At a meeting with ex-servicemen recently, Congress Vice-President Rahul Gandhi had assured them of backing their long-standing demand.

Announcing this in his speech before introducing the interim Budget in Parliament on Monday, Finance Minister P Chidambaram said the Government had decided to walk the last mile and close the gap for all retirees in all ranks. He said the one-rank, one-pension principle will be implemented prospectively from financial year 2014-15.Justifying the move, Chidambaram said "We need a young fighting force, we need young jawans, and we need young officers. We also need to take care of those who served in the defence forces only for a limited number of years."

While the exact numbers are not available, the Government has budgeted Rs. 45,500 crore as pension and other retirement benefits in the Revised Estimates during the current year. This is the same level as what was budgeted for the current year. For the next year (2014-15 fiscal), the Government has budgeted Rs. 50,000 crore as pension and other retirement benefits for the defence sector. However, it is not clear whether this increase of Rs. 4,500 crore is on account of implementing one-rank, one-pension alone or also due to other reasons.

Briefing newspersons, Chidambaram said the Defence Ministry had sought Rs. 500 crore for implementing the scheme. He added that any increase in fund requirement to meet the scheme could be met from the increase in Budget allocation for Defence Ministry.

The Finance Minister also announced a 10-per cent increase in budget allocation for defence to Rs. 224,000 crore during 2014-15 from Rs. 203,672 crore in Budget Estimate 2013-14.

Pointing out that the increase in the defence budget was in line with what is happening in countries like Russia and China, Rahul Gangal, Principal, Roland Berger Strategy Consultants, felt that the increase will also help to address gaps in capability by meeting both obsolesce linked replacement demand and demand for new systems.

EDUCATION

INDIAN EXPRESS, FEB 18, 2014

Interest on education loans before Apr 1, 2009, waived

Written by Mihir Mishra

This waiver will benefit nearly 9 lakh students borrowers and burden the government by approximately Rs 2,600 crore in the current fiscal.

In an attempt to woo young voters across the country, finance minister P Chidambaram extended the scheme of interest waiver, during the duration of the period of study, on education loans disbursed before April 1, 2009.

This waiver will benefit nearly 9 lakh students borrowers and burden the government by approximately Rs 2,600 crore in the current fiscal.

This scheme was first announced during FY10 Budget by then finance minister Pranab Mukherjee on education loans disbursed after April 1, 2009.

“However, I have noticed a sense of discrimination among students who had borrowed before March 31, 2009, struggled to pay interest during the period of study, and continued to service the loans afterwards. I think they deserve some relief. I therefore propose a moratorium period for all education loans taken up to March 31, 2009 and outstanding on December 31, 2013. (The) government will take over the liability for outstanding interest as on December 1, 2013, but the borrower would have to pay interest for the period after January 1, 2014,” Chidambaram announced in his Interim Budget speech.

In the Budget of 2009-10, Mukherjee, had introduced the Central Scheme for Interest Subsidy (CSIS) in respect of education loans and the government took over the burden of interest for the duration of the period of study and six months post the completion of the study period.

Chidambaram announced that “an estimated nearly 900,000 student borrowers will benefit to the tune of approximately Rs 2,600 crore”. “I intend to provide the funds in the current financial year itself. Accordingly, a sum of Rs 2,600 crore will be transferred to the Canara Bank, the designated CSIS banker,” he further announced.
Chidambaram informed public sector banks, at the end of December 2013, had 25,70,254 student loan accounts and the amount outstanding was Rs 57,700 crore.

TIMES OF INDIA, FEB 20, 2014

DU college flouting mining ban?

Manash Pratim Gohain

NEW DELHI: The ban on mining of the Aravalis is being openly flouted on the premises of an academic institution in southwest Delhi, sources have said.

Even though the forest department cracked down and stopped the operations three days ago, it is being alleged that the damage has been done with precious blue and pink stones having been quarried away from right inside the campus of Delhi University's Atma Ram Sanatan Dharma College in Dhaula Kuan since November 2013.

Moreover, college sources have intimated that, although the corporation did not approve it as learnt through an RTI application, construction work is in progress on the campus. And, if this were not enough, the urban development ministry has levied a fine of Rs 5.37 crore on the college for misuse of land agreement in July 2013, sources said. The college authorities, however, denied all charges.

However, photographs as recent as January 24, procured by TOI, show large parts of the land being dug up and loose blue stone lying inside the college campus. In November 2013, advocate Amit Sethi had filed a complaint on behalf of Atma Ram Trust to the secretary, ministry of environment and forest, about illegal activities affecting the environment taking place in ARSD.

"Once we complained, the assistant inspector general of forests in December directed the additional principal chief conservator of forests to look into the issue and submit an action taken report. The mining activities stopped for about a week. When they resumed, I filed an RTI plea asking for what action had been taken ," Sethi said.

Finally, the mining works stopped about three days ago. Sources in the college said the forest department had written to the college to stop them. "But the damage has been done. The Aravali range which falls inside the campus has been dug up and more than 500 truckloads of valuable stones, which are the property of the government, were illegally smuggled out," Sethi said.

But the college principal, G K Jha, who took over in November, the time when alleged mining activities began, denied the charge. "No mining has been done. This is college property and we were just levelling the ground," he said. On the large are as being excavated and pillars erected, Jha claimed these are "just renovation work". The college is also being accused of violating construction rules.

Times View

Allowing conservation zones to be developed by mandating that land for the purpose may be given elsewhere makes no sense. Where these zones ought to be is not something that we can arbitrarily determine, it is determined by natural factors. This is not a zoo that can be shifted from one location to another at man's convenience. It is sad that short-term real estate considerations are allowed to trump long-term ecological sustainability is such a cavalier manner. Better sense should prevail and this move must be prevented from becoming a decision.

TRIBUNE, FEB 22, 2014

Qualitative shift

No place for mediocrity in higher education

IT is indeed ironic that in a country where knowledge is a time-honoured value, where much premium is placed on education, especially higher education, its quality leaves a lot to be desired. Not surprising then the President of India, Mr Pranab Mukherjee, has to emphasise time and again how poor standards of education, faculty shortage and mediocrity in institutions remain major concerns. Some time ago even the Prime Minster, Dr Manmohan Singh, had expressed concern over Indian institutions not figuring among the world's best. Indeed, though post-Independence the Indian education system has expanded vastly, quality has not kept pace with quantity.

While the entry of the private sector and the mushrooming of teaching shops have made matters worse, the fact that none of the Indian educational institutions figured among top 200 in the world rankings proves that the private sector alone can't be blamed. Many ills such as faculty crunch ail public universities too. Politics in academics and under-equipped libraries and laboratories also affect higher education adversely. Though there might be some inconsistency in world rankings, the fact remains that in the Indian way of teaching research is often not given the attention it deserves and an overwhelming majority of the PhD theses are nowhere close to the world standards of innovation.

Though India has taken great comfort in the qualitative strides made in the sector of higher education, the Gross Enrolment Ratio (GER), up from the past, is still way below the world average. Even countries like South Korea have a 100 per cent GER. Whether new initiatives such as Rashtriya Ucchatar Shiksha Abhiyan (RUSA), which aim to promote access, equity and excellence in the state higher education system, bring in the much-needed paradigm shift remain to be tested, excellence cannot be an accident. In a world where knowledge is power, India has to take a cue from nations like Singapore and China, which have succeeded in upgrading higher education.

EMPLOYMENT

INDIAN EXPRESS, FEB 18, 2014
'Job target now hinges on manufacturing'

Finance minister P Chidambaram expects that the National Manufacturing Policy (NMP) and the National Skill Certification and Monetary Reward Scheme of the National Skills Development Corporation would help creating jobs in the country.
With an aim towards creating 100 million jobs over a decade, the Interim Budget proposed to continue to transfer Rs 1,000 crore to NSDC for rapidly scaling its programme.

In his Budget speech, Chidambaram said that the National Skill Certification and Monetary Reward Scheme, launched in August 2013, has witnessed enrolment of 1,68,043 youths with 77,710 completing their training. While 204 job roles were identified, 24 sector skill councils, 442 training partners and 17 assessment agencies had joined the programme.

UPA II has not achieved much in terms of employment generation as the 68th NSSO Survey 2011-12 shows that the overall unemployment rose to 2.7 per cent up from 2.5 per cent in the previous survey.

Urban unemployment, too, rose during the period and the male unemployment in the urban areas rose to 3.2 per cent reflecting on the economic slowdown. The ambitious job target hinges a lot on manufacturing, the "Achilles Heel" of the Indian economy as Chidambaram put it. While the NMP has set a goal of 25 per cent share of manufacturing in the GDP, he expressed concern over "no uptick" being seen in the sector.
The International Labour Organization (ILO) in a recent report had raised questions about the 17.2 million formal sector jobs between FY10 and FY12. The Geneva-based organisaiton had raised doubts on the quality of jobs created and said that of this, nearly 85 per cent jobs did not offer any employment benefits or social security. "Most of the new jobs created in the organised sector are informal because they do not provide access to employment benefits and social security," said the report.

INDIAN EXPRESS, FEB 20, 2014
51 million dollar question
Dharmakirti Joshi

In his budget speech, the finance minister rightly highlighted the need to create several million new jobs in the manufacturing sector — the "Achilles heel" of the Indian economy — over the coming years. India adds one million people to its working-age population every month. That's right, every month. Not everyone looks for a job, though. Labour force participation is around 58 per cent — this means, of every 10 lakh persons between the age of 15 and 59, only 5.8 lakh will actually seek a job every month. The others would mostly be studying or working at home. Even with such low labour force participation, our calculations show that the number of job seekers would have risen by a whopping 51 million during the seven fiscal years leading up to 2018-19. In the global context, India will have to create 16.6 per cent of the additional jobs that are needed each year across the world. It's a staggering number and challenge.

Creating adequate employment opportunities for new entrants in the job market, especially in the non-agricultural sector, will be a stiff task for policymakers as growth slows down. Successful employment generation is, of course, vital for equitable growth. If India is unable to generate the required number of new jobs, its much-vaunted demographic dividend will morph into its bugbear.

A recent CRISIL study estimates that the non-agricultural sector (industry and services), which now accounts for 86 per cent of the GDP, will add only 38 million jobs between 2011-12 and 2018-19 — a quarter less than the 52 million jobs that were added during the preceding seven-year period. With not enough opportunities outside the agricultural sector to absorb the 51 million new job seekers, an additional 13 million people will be forced to either depend on low-productivity farms for work or remain unemployed. That's the opposite of what happened between 2004-05 and 2011-12 — during this period, 37 million people migrated out of agricultural employment.

As the economy develops, surplus labour needs to shift out of agriculture into more productive sectors, which will raise the per-person farm income and benefit the economy. The inability to do so will increase disguised unemployment and limit productivity improvement.

India's growth prospects as well as its ability to translate growth into employment have been curbed in recent years. The economy grew at 4.5 per cent during the last fiscal year, and is unlikely to do much better in the current one. What is clear is that India will have to live with diminished growth expectations for the coming years. We expect the economy to expand at a lower average growth rate of 6 per cent during the seven fiscals up to 2018-19 compared with 8.5 per cent between 2004-05 and 2011-12. The 250 basis point decline will be due to the sluggishness in industry and services, assuming that agriculture grows at its trend rate of around 3 per cent. Slower non-agriculture growth, in turn, will mean fewer jobs being created.

Aggravating the slowdown is the sharp decline in the employment elasticity of the GDP, which is defined as the percentage increase in employment for every percentage point increase in the GDP. The number deteriorated sharply to 0.38 per cent between 2004-05 and 2011-12, from 0.52 per cent in the five preceding years, for the non-agricultural sector.

Two factors were responsible for this “jobless” nature of growth. First, the growth in the GDP has been driven by the services sector, which is less labour-intensive than industry. And even within the services sector, growth is driven increasingly by less labour-intensive services, such as finance, real estate and business services, including information technology and information technology enabled services.
For example, in 2011-12, these services, which account for 19 per cent of the GDP, employed only 3 per cent of the workforce. These sectors grew at over 11 per cent per year. In contrast, the more labour-dependent service sub-sectors, such as health, education and recreation services, which require 6.5 times as many people to produce output worth Rs 1 million, grew at below 7 per cent annually during the seven fiscals leading to 2012.

Second, the ability of labour-intensive sectors such as manufacturing to absorb workers has declined considerably. The employment elasticity of manufacturing fell sharply to an average 0.17 in the seven fiscals leading to 2012 from 0.68 in the five years up to 2004-05. Inflexible labour laws and increasing automation have resulted in the large-scale substitution of labour by capital. Automation is part of technological progress and is inevitable. And restrictive labour laws are speeding up the process of automation, which is an unhealthy development for an economy endowed with a large and fast-expanding workforce.

It is imperative for the government not only to push growth up but also to arrest the pace of decline in employment elasticity. For this, it will have to raise the labour dependency of the manufacturing sector by simplifying labour laws and encouraging the growth of labour-intensive industries such as textiles, gems and jewellery, handicrafts and food processing.

There is an emerging export opportunity in some of these low-cost/ labour-intensive sectors, such as textiles, as wages in China rise and businesses there start exiting these segments. Bangladesh is a good example of an economy that took advantage of its low-cost structure and developed its textile sector. This not only created jobs but also improved social indicators. Today, Bangladesh beats India on most social indicators despite having a lower per capita income.

Within services, politicians should also focus on developing the health and education sectors. This will not only create jobs as they are labour-intensive services, but also raise India’s growth potential by making the workforce healthy, skilled and educated.
And finally, we need to focus on physical infrastructure and the construction sector. This sector not only has high employment elasticity but can also absorb low-skilled labour from the agricultural sector.

Construction has the highest employment elasticity among non-agricultural sectors — a percentage point growth in the construction sector raises employment by more than 1 per cent. No wonder the number of people employed in the construction sector went up by 25 million, in contrast with only six million in manufacturing, in the seven fiscals leading to 2012, even though both sectors grew at a similar rate of around 9 per cent per year. More than 65 per cent of the labour force used in construction is unskilled or semi-skilled — a key characteristic of people coming out of agriculture. A fast-growing construction sector can therefore create significant employment opportunities for low-skilled surplus labour in agriculture.

Cutting to the chase, policymakers have their task cut out. Inaction will be perilous as it will transform India’s potential demographic dividend into a demographic liability.

The writer is chief economist, CRISIL. Co-written by Vidya Mahambare, principal economist and Neha Saraf, junior economist, CRISIL

FINANCE

BUSINESS LINE, FEB 18, 2014

Bengal Budget simplifies tax rules

The State reduced the fiscal gap from 3.38 per cent in 2011-12 to 3.08 per cent in 2012-13.

In the State Budget presented by Finance Minister Amit Mitra on Monday, expenditure has surpassed the projections by approximately Rs. 1,312 crore.

On the revenue side, the State received approximately Rs. 1,000 crore less than the estimated share of Central taxes and duties. The receipts on account of grants-in-aid from the Central Government fell short by Rs. 5,650 core.

Mitra, however, did not cite any reason for decrease in revenues.

Tax Proposals

Mitra proposed to increase compliance to tax laws by simplifying VAT (value added tax) rules and other taxes. Setting up of a Large Taxpayer Unit with a nodal officer has also been proposed to facilitate collection of VAT, sales tax, Central Sales Tax, professional tax and entry tax.

Pre-verification visit by sales tax officials before granting refund from the Commercial Taxes department has been done away with.

Stamp Duty cut

Stamp duty on property having a value of up to Rs. 30 lakh has been reduced by one percentage point to 6 per cent.

The Budget has also reduced interest rate in delayed stamp duty payment to one per cent (from 2 per cent).

The Finance Minister has also exempted those having an annual income of up to Rs. 60,000 from professional tax.

Projections

According to Mitra, the State’s own tax collections are expected to rise over 15 per cent to around Rs. 45,400 crore in 2014-15 (next fiscal). Similarly, the State Plan outlay was increased by 15.65 per cent to approximately Rs. 30,847 crore.

Meanwhile, the State Government along with the State Bank of India (SBI) will roll out the Micro Business Credit Card (MBCC) from April this year.

MBCCs will be on similar lines of the Kissan Credit Cards.

Another proposal includes the setting up of a Powerloom Park on a PPP model at an estimated investment of Rs. 150 crore at Habra, some 46 km north of the city.

Also proposed is the setting up of 500 market complexes at an estimated Rs. 500 crore for facilitating small and marginal businesses.

(This article was published in the Business Line print edition dated February 18, 2014)

TIMES OF INDIA, FEB 18, 2014

Good job in bad conditions: Finance minister shows admirable fiscal restraint in an election year

Sajjid Chinoy |

It's easy to get lost in the weeds. For an economy burdened by adverse growth-inflation dynamics, it's easy to get disappointed. There was hope in some quarters that the interim budget would boost sentiment and lay the groundwork for kick-starting the investment cycle while staying on a path of fiscal consolidation. Such hopes were always unrealistic.

For starters, any vote on account is constrained in its scale and scope and avoids big-bang direct tax changes and policy reforms. So industry can always quibble that "enough wasn't done". Yet others will bemoan the quality of fiscal adjustment. But while each of these may be legitimate concerns, collectively they miss the bigger picture.

Six months ago India was the poster child of emerging market vulnerability. Current account deficit was an unsustainable 5% of GDP, the rupee was falling like a stone, RBI had hiked rates by 300 bps to prop up the rupee and capital market sentiment had plunged. With growth - and therefore tax collections - bound to suffer and subsidies under pressure from 15% currency dep-reciation, almost nobody imagined a fiscal deficit even close to 5% of GDP, let alone 4.6%. Not a day went by without mention of a sovereign ratings downgrade.

As it turns out, for the first time in 28 years, GDP growth is on course to print below 5% for a second successive year. The fact that, in this adverse macroeconomic environment, and with general elections approaching, the finance minister has been able to meet - and beat - his target for each of the last two years, needs to be commended. On a cyclically-adjusted basis, total consolidation over the last two years is a substantial 1.1% of GDP. This is admirable fiscal restraint in a challenging environment.

More generally, fiscal adjustment has been crucial to restoring macroeconomic stability.

Unlike South Africa and Turkey - India's emerging market peers - India's current account deficit is expected to print at 2% of GDP, less than half its level of 4.7% of GDP last year. Much of this is because of the curb on gold imports. But some of this is because current account's evil twin - fiscal deficit - has been consolidated.

India's twin deficits are now seen as the most visible manifestations of macroeconomic adjustment and there is no more loose talk about a ratings downgrade. Consequently the rupee is among the best performing currencies since the taper began! So let's ascribe credit where it's due.

But with emerging markets expected to be under sustained stress as the Fed normalises monetary policy, one cannot sit back on laurels. And while the fiscal consolidation of the last two years is laudable, reaching 3% of GDP by FY17 - as per the fiscal roadmap - will not be sustainable unless we see genuine fiscal reform going forward.

In fact, pressures are likely to rise next year itself. FM has pegged next year's deficit at 4.1% of GDP - a 0.5% of GDP consolidation over the next year. These numbers are not binding. The full budget in July can alter these estimates. But the math currently laid out illustrates the magnitude of the challenge.

To get to next year's deficit, tax revenues - which grew less than 12% this year - will have to grow at a whopping 19%. And this despite excise duty cuts in consumer durables and capital goods! Similarly, disinvestment proceeds have only been able to manage Rs 25,000 crore in each of the last two years. Yet, next year they are budgeted at a whopping Rs 57, 000 crore.

Finally, subsidies have been budgeted at almost the same level as this year's outturn. But with food subsidies sure to surge under the Right to Food security, one will have to see appreciable rationalisation of LPG, kerosene and urea prices - apart from the ongoing diesel price increases - to stay close to subsidy targets. The bottom line is next year's consolidation looks challenging barring a sharp upturn in growth.

All this underscores a more fundamental point - that further consolidation cannot rely on pushing out Plan expenditures, running up arrears on subsidies, and squeezing public sector enterprises. We need genuine fiscal reforms - like long-overdue GST that truly makes India a common market and promotes allocative efficiency, and extending Aadhaar to all subsidies - so that de-duplication benefits of eliminating ghost beneficiaries can accrue. Without these reforms, it's hard to envision sustained fiscal consolidation.

But the challenge for the new government - of whatever political hue - is even greater: to boost potential growth. The reason why GDP growth is below 5% but core CPI inflation is above 8% is simple - India's potential growth has fallen markedly in recent years. And it's not hard to see why. India's corporate investment rate - which reached a high of 17% of GDP in the pre-Lehman year - has collapsed to 9% of GDP.

Government has to mount an all-out war on implementation bottlenecks, bureaucratic risk aversion and regulatory uncertainty. And we need comprehensive and quick resolution of the debt overhang on infrastructure balance sheets, and the associa-ted stress on bank balance sheets. Only then will the investment cycle revive. And only then will potential growth rise again.

The challenge is daunting. But not impossible. Because as the fisc over the last two years has demonstrated: when policymakers truly put the weight of their resolve behind an outcome, they find a way or make one.

FINANCIAL MARKET

FINANCIAL EXPRESS, FEB 19, 2014

Govt bars private cos, LLP firms from using 'national' in names

Companies and limited liability partnership firms floated by private entities should not use the word 'National' in their names, the government has said.

The Corporate Affairs Ministry's latest move comes in the backdrop of instances of private entities using the word 'National' in their names, including the case of National Spot Exchange Ltd, which is embroiled in a major payment crisis.

The ministry also said words such as 'Bank,' 'Stock Exchange' and 'Exchange' should be used only after getting no-objection certificates from the sectoral regulators.

"It is being intimated that no company should be allowed to be registered with the word 'National' as part of its title unless it is a government company and the central/state government(s) has a stake in it," the ministry said.

All Registrars of Companies (RoCs) have been asked to follow the directive strictly while registering companies.

A circular in this regard has been issued to all stakeholders and regional directors, among others.

Entities wanting to have the word 'Bank' in their names must obtain a no-objection certificate from the Reserve Bank of India.

"By the same analogy, the word 'Stock Exchange' or 'Exchange' should be allowed in name of a company only where no-objection certificate' from Sebi in this regard is produced by the promoters," the circular said.

RoCs come under the ministry, which implements the Companies Act.

In the draft rules for the new Companies Act, the government had proposed that phonetic or spelling variations of existing names or similar-sounding words would not be allowed for new companies.

The new rules bar the use of abbreviations and country and state names, except for some government units. Terms such as 'British India' and names of 'enemy' countries will not be allowed.

The government had suggested an indicative list of dos and don'ts to be followed while incorporating a company in the country to ensure that their names reflect the nature of their businesses to the extent possible.

Besides, the ministry had drawn up a list of words and combinations such as Board, Commission, Authority and Rashtrapati that can't be used without prior approval of the central government.

Other words on the list include Undertaking, National, Union, Central, Federal, Republic, President, Small Scale Industries, Khadi and Village Industries Corporation and Development Authority.

HEALTH SERVICES

TELEGRAPH, FEB 20, 2014

Bengal treats symptom

Action on recruitment board, not on doctors' woes

Calcutta, Feb. 21: Bengal today passed a law to form a board to speed up the recruitment of doctors in government hospitals but many felt the medicine would not work unless rural infrastructure and minimum living-condition guarantees were put in place.

The West Bengal State Health Service (Amendment) Bill will pave the way for the West Bengal Health Recruitment Board, which will take over the medical recruitment from the state Public Service Commission (PSC).

Junior health minister Chandrima Bhattacharya, who placed the bill in the absence of Mamata Banerjee who heads the health department, said vacancies were taking a long time to get filled up through the PSC.

"The process of filling up vacancies through the PSC was slow. If we had to depend on PSC, the vacancies would not have been filled up. The West Bengal Health Recruitment Board was formed to make the recruitment process less time-consuming," said Bhattacharya.

The government health care system has as many as 5,523 vacancies now, out of which as many as 2,500 are posts for doctors.

However, senior health department officials and doctors have said the method of recruitment was not as important as ensuring an environment that makes doctors work in the districts.

The lack of infrastructure in rural health care centres is being seen as the main reason behind the government's inability to lure doctors away from the city.

Some doctors and officials pointed to a walk-in interview format — one of the fastest recruitment processes — that was tried out last year.

Nearly half the medical officers recruited through the walk-in interviews did not join rural health care centres even after they were given appointment letters quickly. "They came back to Calcutta and expressed unwillingness to join because they had told us that there was no basic infrastructure to treat patients," said an official.

According to a doctor who heads a department at a medical college, the government cannot attract new doctors without improving facilities and the social infrastructure.

“They also need to pay more as an incentive to stay in rural areas. Otherwise it will be difficult to get doctors,” he pointed out.

Recently, a young doctor had written to The Telegraph, wondering whether “anybody ever thought why doctors prefer to stay away from rural health care facilities? Why even students with rural backgrounds are also extremely reluctant to go back to their roots and serve the people?”

The doctor, whose name is being withheld because the newspaper was unable to contact him this evening to seek his permission to identify him, listed some of the reasons.

“The general infrastructure of health care delivery is in a shambles in most rural health care set-ups…. The living quarters in most places are dilapidated and are in ruins, making those unsuitable for human inhabitation — yet the doctor is bound to stay there. Has anybody ever heard of any Group A officer from administration, law enforcement or the judiciary being forced to stay in such appalling conditions in districts?” the doctor wrote.

He added: “The doctor is expected to double as the administrative head in most places to keep records perfect, run the government health programmes unhindered and check finances regularly. Administration is never a part of medical curriculum, so the young medico is always at sea between his professional self and the government responsibility.”

The young doctor also pointed to a larger problem. “There is least social security for doctors in rural Bengal — their children never get automatic admission in mid-session in nearest government school, he is expected to be on duty 24X7, for him leave is a luxury, electricity is not guaranteed at quarters unlike the residences of most administrative officers.”

He said doctors often found themselves at the receiving end of any backlash because they were identified with the government of the day.

“The doctor is seen as the face of the state, known to all but without any authority…. The doctors are the favourite whipping boys for all those who want to establish their authority in the locality. A lady doctor faced agitation from one political party in a so-called progressive district because she allowed (unknowingly) members of another political party to collect bleaching powder to distribute in the community during the height of swine flu scare,” the doctor wrote.

Within a month of coming to power, the chief minister had announced the decision to form the health recruitment Board for appointing doctors in government medical colleges and hospitals.

At public meetings and interactions with the health department officials, Mamata has often expressed her dissatisfaction with the number of doctors and nurses available in the state-run hospitals. On Thursday, too, she had asked young doctors at the School of Tropical Medicine to stay back in Bengal.

“We have already increased the number of beds to 14,600. The process of building more hospitals and medical colleges is on, so we need more doctors,” minister Bhattacharya said today.

The minister said the number of seats in the medical colleges too had gone up to 2,750 and the government wanted to create a pool of doctors for the new facilities coming up across the state.

Recruitment of medical officers — specialists and general duty— has already been brought under the purview of the health recruitment board. The passage of the bill will give it legislative moorings.

The recruitment board has started seeking applications for medical technologists. The category has around 900 vacancies in the state.

INTERNATIONAL RELATIONS

DECCAN HERALD, FEB 20, 2014

SINO-INDIA RELATIONS UNDER UP A WATCH: Substantial inheritance

M K Bhadrakumar

India and China begin a new template of dialogue over maritime security and border dispute, showing signs of a growing mutual confidence.

The Fifth meeting of the working mechanism of border affairs and the 17th round of talks between the special representatives of India and China draw the line on a crucial foreign-policy template of the UPA government. As regards India-China relations, what is it that the UPA government bequeaths to the successor government that will assume power after the April poll?

In a nutshell, it is a substantial inheritance that the new government can expect, although how it expends it will depend on the political climate in India and, arguably, our ability to ward off the evil eye of wasteful friends abroad.

However, the UPA government did not do anything really dramatic, but instead it picked up the threads where the previous National Democratic Alliance government left and worked on them. It was as if Brajesh Mishra handed over the baton to Shivshankar Menon. Therefore, India-China ties are not going to be subjected to upheaval if a BJP government led by Narendra Modi were to assume power in India. A 'consensus' has emerged in India with regard to ties with China.

Having said that, Menon also put his stamp on the India-China relationship. He brought to bear on his work great erudition and professional experience on China and he navigated the polices with sensitivity, far-sightedness and patience, the tangential pulls and pressures by dogmatic pundits and the ill-informed media notwithstanding.

To say that India-China relations are in much better shape today than any time in the last half a century will be stating the obvious. The facts speak for themselves – increasing trade and investment, sustained high-level exchanges, commencement of strategic dialogue and 'mil-to-mil' interactions, and, of course, the plain truth that not a drop of blood has been spilt on the disputed border despite all the verbal contestation and posturing.

The last point needs some elaboration, as it may seem to overlook the Depsang incident last year. It does appear as if Chinese 'incursions' have increased, but what is actually overlooked is that India's patrolling has also become more intense and systematised. Interestingly, India can even anticipate the Chinese 'incursions' – the pattern of their patrolling. The infrastructure development on the Indian side is work in progress but it already enables our troops to carry out their mission with greater efficiency and purposiveness.

In retrospect, Depsang incident showed that bilateral mechanisms at the official level are dependable in handling emergent situations. Why the incident took place is yet to be openly discussed in the public domain but it is regarded as an aberration. Most importantly, both sides seem to agree that such incidents should not happen, as they constitute a setback to the relations.

Dispute settlement

Meanwhile, the protracted 3-phase border talks have reached the home stretch of the second phase and it is now up to the two political leaderships to take the big decisions needed to carry things forward leading to the eventual settlement of the border problem. This is where the success of the UPA government comes into play.

The border talks between the two Special Representatives have matured into a full-fledged dialogue on a range of issues affecting the relationship. This has been a good thing to happen and such an approach is conducive to building up mutual trust and confidence, which is essential for the settlement of the border dispute. Three decades of Sino-Soviet border talks finally led to the settlement in the mid-1990s only when the climate of the overall relationship transformed after the end of the cold war era.

Although the initiatives came time and again only from the Chinese side, the fact remains that the two countries today engage each other on a range of issues such as Afghanistan or terrorism, which impact critically on regional security. Curiously, India and China are on the same page with regard to the democratic transition in Bangladesh or Maldives.

Contrary to earlier prognosis, China has not stepped on the Indian toes in Nepal or Bhutan. Nor is the China-Indian relationship held hostage any longer by the rhetoric of the 'all-weather friendship' between Beijing and Islamabad.
Equally, China has not gone ballistic that India is pulling all stops to create content in its sub-optimal relationship with Japan. At Beijing's initiative, India and China are beginning a new template of dialogue over maritime security.

These are signs of a growing mutual confidence. Suffice to say, the thesis of China developing a 'string of pearls' in South Asia to strangle the Indian neck has turned out to be a macabre joke spread by motivated western analysts.

Of course, the concerted US attempt to drag India to its containment strategy against China will continue. A recent Cato Institute paper claimed that India has already become a 'component' of the US' 'pivot' to Asia.

On the other hand, there is every indication that China coolly assesses the deliberation with which India prioritises its strategic partnership with the US but nonetheless sequesters it from the Sino-Indian bilateral processes. On balance, it stands to reason that against the backdrop of the tensions in the Asia-Pacific, China would appreciate that it is also in its interest to keep the relations with India on an even keel.

Looking ahead, what is needed is a 'leap of faith.' To take the Russian example, that country has a far more complicated history of relations with China. The Czarist Russia even annexed vast territories of China. But Russia today is keenly seeking Chinese investments for the development of Siberia and the Russian Far East, which largely comprise uninhabited expanses. In sum, it is through deepening economic engagement that mutual trust can be fostered. In some ways, Gujarat has shown the way.

MASS MEDIA

INDIAN EXPRESS, FEB 19, 2014

Unshackling Prasar Bharati

B.G. Verghese

The Sam Pitroda committee report offers a starting point.

India is in dire need of broadcast autonomy, especially in the form of a truly autonomous, even if state-assisted, public service broadcaster. This was a promise made by Nehru to Parliament in 1948. But it is yet to be redeemed. The post-Emergency 1977-78 broadcast autonomy committee, in its report "Akash Bharati", presented a blueprint for autonomy. That was dumbed down by the Janata government and a Prasar Bharati bill was finally enacted in 1990, brought into force in 1997 and emasculated almost ab initio.

What the government wanted, with cross-party political support, was some kind of official trumpet. Despite brave efforts to make something of it, Prasar Bharati (PB) has not lived up to its charter that few, if any, have even read. PB's biodata makes for dismal reading.

It is probably the largest public broadcaster in the world, with a staff of 31,621 full-time and 7,269 part-time (mostly government) employees. DD operates 21 channels and AIR has a network of 326 broadcast stations. The engineering and technical services are numerically dominant and no more than 15 per cent of the budget is devoted to programme content, as against 60-80 per cent by other major international broadcasters. Radio has been downgraded and AIR reduced to a poor relative.

The country has over 800 TV channels and 500 FM channels that are only permitted limited news coverage. Community broadcasting, long discouraged, is only now coming into its own. It was, therefore, with much hope and expectation that the appointment of a new expert committee was announced, under Sam Pitroda and seven domain experts, a year ago. That report is now in, but has been virtually ignored in public discussion.

The main recommendation is that PB "needs to be adequately empowered and enabled" with independent professionals and financial self-reliance to "unleash its creative forces" beyond the market as a true voice of India, its ethos, culture and aspirations in order to become a genuine public broadcaster rather than remain a "government broadcaster".

Stress is rightly laid on appropriate mechanisms to confer financial and personnel autonomy on PB. There is gross overstaffing and staff must become employees and not allowed to remain government servants, a pernicious legacy of official control. The board should be professionally managed; there must be a complete transfer of ownership and management of all assets and human resources to PB to make it independent; funding should come from the government, internal resource mobilisation, including monetising the tremendous archival assets of AIR and DD; private investment in production; and by "co-opting industry through CSR budgets.

There is need to digitise radio and TV; create a world-class broadcast service with a global outreach; and set up an autonomous third arm, 'PB Connect', to manage social media." Many of these recommendations are well taken, but there will be reservations on others. Constituting a parliamentary oversight committee "to ensure that PB discharges its duty in accordance with the provisions of the act and government-defined duties" is a recipe for political interference. PB is accountable to Parliament through its annual report and budget via the ministry of information and broadcasting and, where needed, through questions. A Regulatory (Complaints) body as a sub-committee of PB is also not a good idea. This should be an independent body and should also cover private broadcasters so as to avoid different rulings by parallel authorities.

The plea to "encourage outsourcing of content creation to external producers" needs to be treated with caution. PB must develop in-house talent while not baulking at hiring producers from the market.

This was the position earlier, but has been subverted by overly embracing the market. Likewise, the report does not go far enough in urging PB to share its huge infrastructure with the market. One committee had, years ago, suggested hiving off the engineering, technical and R&D wing of PB into a transmission corporation as an independent profit centre, since its land, buildings, transmitters, studio facilities, relay stations and towers have considerable idle capacity that could service private and especially local and community broadcasting. This proposal should not be discarded without deeper study. The broadcast receiver licence fee, paid once at the purchase point, has most unwisely been relegated as an unsavoury tax. This calls for review.

Another recommendation that must be queried is that, since the state has to communicate messages, there should be a separate "state broadcasting set-up that should use the existing public and private broadcasting infrastructure". This appears to be creating avoidable redundancy and encouraging a propaganda machine. PB can and should do the job as a public service above all. The expert report does not make as strong a case for public service broadcasting as merited. Current media trends in India in the wake of the continuing communications revolution and market deregulation are a matter for concern.

Cross-media holdings, the corporatisation and politicisation of the media, advertising pressures, the managerial takeover of editorial responsibilities, paid news and similar dubious dealings like private treaties have all combined to undermine media integrity. Allegations masquerade as charges and subvert public discourse and result in media trials.

The failure to regulate the media — the Press Council is a broken reed — and the fragility of self-regulation have deeply undermined media credibility. It is in this milieu that a true public service broadcaster has a duty to, and can, set standards. It is not commercially driven, as are private channels.

All consumers are citizens but not all citizens are consumers. As India is in transition from rural to urban, agriculture to industry, feudal submission to protest, local to global, little identities to fraternity, information is the key to empowerment, equality, gender justice and social awareness. Who more than PB can afford to speak to and for all the people in their myriad languages and dialects?

Nevertheless, the expert committee report does constitute a good basis for debate and reform. This Parliament is done and legislation must await the new government after the general elections. This gives time for a national debate. Let us use that time purposefully.
The writer is fellow, Centre for Policy Research, Delhi

POLICE

INDIAN EXPRESS, FEB 20, 2014

Restoring power to the force

Julio Ribeiro

Jeroo Mango, daughter of the first Indian police commissioner of Mumbai, came up to me at a dinner party and asked how her father was chosen for the job. Ever since the government delayed its decision to announce a successor to Satyapal Singh, many others, besides Jeroo, developed an interest in the process.

Two appointments in the city are of vital importance to the daily life of Mumbai's citizens: that of the police commissioner and the municipal commissioner. These two officers should be men of utmost integrity and competence. They should be able to dispense justice to the suffering citizenry, particularly the poor and dispossessed, those who have no voice otherwise. Their goal should be to make the quality of life of citizens much better than it was before. Citizens should not be left to the mercies of police and municipal personnel whose one-point programme is to advertise their own importance.

Soon after Independence, the politicians who assumed power respected and leaned on the higher bureaucracy and senior police officials to dispense justice to the people. This was generally achieved by an unwritten law that allowed departmental superiors to control their own subordinates and place them in positions where they would perform to the satisfaction of the people. Politicians monitored police performance and questioned the chiefs if things went awry. Over time, police chiefs have lost their authority to post and transfer, which has been now appropriated by politicians. This has caused great distortion in the dispensation of justice and has resulted in a loss of faith on the part of the general public.

In the days after I joined the IPS, the inspector general of police (there was no DGP then) had complete authority. He was the father of the force. The home secretary never questioned his judgement and the minister too concurred. Appointments went through smoothly. And no officer approached politicians for favours. Alas, things have changed dramatically over time. Lobbying for assignments has turned into a curse. Politicians have turned the process into an industry.

How was I appointed 32 years ago? I was the junior-most among the six special IGs. I had no inkling I was to be the commissioner of police. The political leadership chose me from the zone of consideration because it felt that I was best suited to tackle the policemen's union, which was causing concern.

I personally feel that the choice of Rakesh Maria as the new commissioner of police is the correct one. It is unfortunate that as deserving and good an officer as Javed Ahmed missed the bus. He could have been appointed in April last year when Sridevi Goel retired. But the government dithered, probably because Satyapal Singh, the then incumbent, was not interested in a promotion and used whatever clout he had to continue as commissioner. The government's fault lay in succumbing to such pressures, which present-day officers bring to bear on the present-day political class.

While sympathising with Ahmed, I commend the political leadership for not succumbing further to vote-bank politics while selecting the best man for the job. The government needs to bother about the general public, whose concerns are often forgotten in the exercise of such discretion. The public is entitled to the best and in Rakesh Maria, I strongly feel that it has got the best. He is accessible to the public and enjoys the confidence of the rank and file, which is important.

Maria needs to resist political pressure on appointments and transfers, which is the main cause of indiscipline, corruption and poor performance. He has to ensure that police officers start behaving like servants of the public and not their masters. The dispensation that has engendered corruption has to be fought and conquered. Only a police chief who has the authority and stature to change the police mindset can deliver the goods. I know that Rakesh Maria is capable of doing this. The political leadership should allow him the space to usher in this much-needed change.

The government must vest the police chief with the operational control over his own force. The retrograde step of the Maharashtra government in 1987 to name the home secretary as the head of the department was most short-sighted and disastrous. It was like placing the control of the army with the defence secretary! We missed intelligence on 26/11 because of this. The terror alerts that were received from the Central government for two years before 26/11 were sent to the home secretary as the head of the force, per protocol, and the home secretary had no clue at all about these alerts.

The writer, a retired IPS officer, was Mumbai police commissioner, DGP Gujarat and DGP Punjab, and is a former Indian ambassador to Romania

POVERTY

ECONOMIC TIMES, FEB 18, 2014

India: From Poverty to Empowerment
By Anu Madgavkar

India has had encouraging success in reducing extreme poverty: the official poverty rate has halved from 45% in 1994 to 22% in 2012. It's time to set the country's sights on a new horizon, helping as many as 580 million people build a more economically empowered life.

New research from the McKinsey Global Institute (MGI) suggests this will require a substantial shift in focus. Only 10% of the impact will depend on additional government spending. The rest will come from job creation, productivity and improved delivery of basic services.

MGI has created the Empowerment Line, a new measure of the consumption required for an average Indian to fulfil eight basic needs: food, energy, housing, drinking water, sanitation, healthcare, education, and social security.

Evaluating current consumption levels against these benchmarks and considering the value of government spending that already reaches people, we find 56% of India's population, or 680 million Indians, lack the means to meet essential needs.

The Empowerment Gap, or the additional consumption required to bring these 680 million above the Empowerment Line, is seven times higher than the cost of eliminating extreme poverty. But money isn't the only issue. Access to social infrastructure is as important.

MGI's Access Deprivation Score measures the availability of essential services such as clinics and schools, electricity and sanitation. Our research finds Indian households, on average, lack access to 46% of the basic services they need, and the extent of their deprivation varies across districts.

From 2004-05 to 2011-12, public spending on basic services rose faster than GDP, but its impact on poverty reduction was limited by leakage, wastage or ineffectiveness. By contrast, almost three-quarters of the reduction in India's Empowerment Gap during this period came from jobs and productivity growth. Without major reforms, our research suggests, 36% of the population could remain below the Empowerment Line in 2022 and 12% would remain trapped in extreme poverty.

But by focusing on job creation, higher productivity and improved delivery of services, India can reduce the population below the Empowerment Line to 7% and extreme poverty can be virtually eradicated by 2022.

For this, three pillars are essential: first, India needs to add another 115 million non-farm jobs over the next decade, with the manufacturing and construction sectors, along with labour-intensive services, such as tourism, forming the backbone. Second, India's farms need to double their rate of productivity growth rate in order to bring farm yields in line with those in other emerging Asian countries.

These two pillars contribute almost three-quarters of the improvement we envision. Finally, India needs to revamp the way it delivers basic services so that every rupee of increased public spending can go further. The nationwide efficiency of basic services can reach 75%, up from 50% currently, if all states match standards already set by India's best-performing ones.

Public spending on basic services is an important fourth lever, and this needs to grow at a more modest 6.7% annually. Beyond meeting food, energy and housing subsidy commitments, much of the increase must be channelled into expansion of healthcare, water and sanitation systems.

Unleashing broad-based job and productivity growth will require reforms that remove barriers to competitiveness and investment — not just for large businesses, but for millions of small enterprises that struggle to expand.

Measures can also be taken to make the labour market more flexible; states taking these steps have been more successful in creating jobs. Focused public investment can seed industrial clusters, tourism circuits and food processing parks, generating jobs in regions where the need is greatest.

Similarly, farm yields can be raised by increasing investment in infrastructure, research and technology, and by streamlining agricultural bureaucracy to make its policies and extension services more farmer-centric. A shift to growth-oriented investment can pay back through higher tax revenues, helping achieve India's combined fiscal deficit target of 6% by 2017.

Better governance will also be required to transform the way India delivers basic services, as the poor feel these failures most acutely in their day-to-day lives. The time has come to put job creation, productivity improvement and effective public service delivery at the centre of India's national agenda.

TIMES OF INDIA, FEB 20, 2014
McKinsey pegs poverty line at Rs 1,336 per month
Prabhakar Sinha

NEW DELHI: A Global consultancy firm pegged a new level for poverty or empowerment line — at Rs 1,336 per month per person as against the poverty line prescribed by the government at around Rs 870 per month per person.

McKinsey, in a report, said the empowerment line determines the level of consumption required for an individual to fulfill his/her basic need for food, energy, housing, drinking water, sanitation, health care, education and social security at a level sufficient to achieve a modest standard of living.

According to the report — From poverty to empowerment: India's imperative for jobs, growth, and effective basic services — 56% of the population lacks the means to meet essential needs as consumption level falls below Rs 1,336 per person per month or almost Rs 6,700 per month for a family of five. This translates to 680 million people whose consumption levels across both rural and urban area of the country fall short of this mark.

The report said India can bring more than 90% of its people above the empowerment line in a decade by implementing inclusive reforms. Steps are needed to stimulate investment, job creation, farm productivity and improve the delivery of basic services. These reforms, the report said, could potentially allow India to achieve an average GDP growth of 7.8% between 2012-22. This could lift 580 million people above the empowerment line, leaving 100 million or 7% of the population below it in 2022 and 17 million or about 1% below the official poverty line.

But, if inclusive reforms do not happen, the report said, around 470 million Indians or 36% of the population would remain below empowerment line in 2022 and 12% of the population would be languishing below the official poverty line.

If inclusive reforms are implemented, 115 million non-farm jobs would be created by 2022, which will increase the spending power of those persons who migrated from agricultural sector. The inclusive reforms will also increase the farm productivity from the present level of 2.3 tonnes per hectare to about 4 tonness per hectare by 2022.

However, the inclusive growth, cannot be realized without public spending going up substantially. According to the report, the public spending on social services must double from Rs 5.7 lakh crore in 2012 to Rs 10.9 lakh crore in 2022 to fill the critical gap in the social infrastructure.

FINANCIAL EXPRESS, FEB 18, 2014

Decline in below poverty line population: Government

Government today said there is a noticeable decline in below poverty line population in the country between 2004 and 2012.

As per poverty estimates released by the Planning Commission, the percentage of population below poverty line in urban areas has declined from 25.5 per cent in 2004-05 to 13.7 per cent 2011-12, Housing and Urban Poverty Alleviation Minister Girija Vyas informed Lok Sabha in a written reply.There were total 531.20 lakh people below poverty line in the country as per the 2011-12 data, she added.

The Ministry has been implementing Swarna Jayanti Shahari Rozgar Yojana, a centrally sponsored scheme, through state governments.

The scheme aimed at providing gainful employment to the urban unemployed and under-employed poor by encouraging setting up of self employment ventures by urban poor, skills training and through providing wage employment by utilizing their labour for construction of socially and economically useful public assets.