

NEWS ALERT

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AGRICULTURE

HINDU, JAN 28, 2019

Removing the roots of farmers' distress

C.Rangarajan



Steps like limited procurement, boosting productivity and consolidating land holdings can help reduce agrarian distress

Recently, there has been active discussion on the strategies addressing farm distress. There are media reports that the 'interim Budget' may focus on the farm sector among other things. Agrarian distress, in the present context, is mainly in terms of low agricultural prices and, consequently, poor farm incomes. Low productivity in agriculture and

related supply side factors are equally important. An issue that is connected is the declining average size of farm holdings and the viability of this size for raising farm incomes. Here are possible solutions.

Prices and incomes

Prices play a key role in affecting the incomes of farmers. Even during the Green Revolution, along with technology and associated packages, price factor was considered important. In the last two years, inflation in agriculture was much lower than overall inflation. The implicit price deflator for Gross Value Added (GVA) in agriculture was 1.1% while it was 3.2% for total GVA in 2017-18. The advance estimates for 2018-19 show that the implicit deflator for GVA in agriculture is 0%, and 4.8% for total GVA. In fact, agriculture GVA growth was at 3.8% for both nominal prices and constant prices in 2018-19, giving the price deflator of 0%. The consumer price index (CPI) also shows that the rise in prices for agriculture was much lower than general inflation in recent years. Market prices for several agricultural commodities have been lower than those of minimum support prices (MSP). All these trends show that the terms of trade to be moving against agriculture in the last two years.

When output increases well beyond the market demand at a price remunerative to producers, market prices decline. And in the absence of an effective price support policy, farmers are faced with a loss in income, depending on how much the price decline is. The 'farm distress' in recent years has been partly on account of this situation, as the loss of income is beyond the ability, particularly of small farmers, to absorb. In

a strange way, it is the success in increasing production that has resulted in this adverse consequence.

A few schemes have been suggested to address the problem of managing declining output prices when output increases significantly. The scheme of 'price deficiency compensation' is one such mechanism which amounts to paying the difference between market price and the MSP. At the other extreme is the 'open procurement system' that has been in vogue quite effectively in the case of rice and wheat, where procurement is open ended at the MSP. Is there a middle way that may be effective in some crops? One of us had suggested the option of limited procurement for price stabilisation. A 'price deficiency' scheme may compensate farmers when prices decrease below a certain specified level. However, market prices may continue to fall as supply exceeds 'normal demand'. An alternative is the limited procurement scheme. Under this scheme, the government will procure the 'excess', leaving the normal production level to clear the market at a remunerative price. Thus, procurement will continue until the market price rises to touch the MSP. The suggested 'limited procurement system' will not work if the MSP is fixed at a level to which the market price will never rise. There are costs involved which will go up as production increases above the average level. The government can sell the procured grain in later years or use them in welfare programmes.

Some States have introduced farm support schemes, examples being the Rythu Bandhu Scheme (Telangana) and the Krushak Assistance for Livelihood and Income Augmentation (KALIA) scheme (Odisha). One problem with the Telangana model is that it does not cover tenants, who

are the actual cultivators. Basically, these schemes are income support schemes which will be in operation year after year.

Thus, raising the MSP, price deficiency payments or income support schemes can only be a partial solution to the problem of providing remunerative returns to farmers. A sustainable solution is market reforms to enable better price discovery combined with long-term trade policies favourable to exports. The creation of a competitive, stable and unified national market is needed for farmers to get better prices. Agricultural markets have witnessed only limited reforms. They are characterised by inefficient physical operations, excessive crowding of intermediaries, and fragmented market chains. Due to this, farmers are deprived of a fair share of the price paid by final consumers. States have also not shown any urgency in reforming agricultural markets. For better price for farmers, agriculture has to go beyond farming and develop a value chain comprising farming, wholesaling, warehousing, logistics, processing and retailing.

Low productivity

The next issue is the low productivity of Indian agriculture. Basics such as seeds, fertilizers, credit, land and water management and technology are important and should not be forgotten. Similarly, investment in infrastructure and research and development are needed. Water is the leading input in agriculture. More than 60% of irrigation water is consumed by two crops: rice and sugar cane. Basically, it is not investment alone but efficiency in water management in both canal and

groundwater that is important. India uses upto three times the water used to produce one tonne of grain in countries such as Brazil, China and the U.S. This implies that water-use efficiency can be improved significantly with better use of technologies that include drip irrigation. Yields of several crops are lower in India when compared to several other countries. Technology can help to reduce ‘yield gaps’ and thus improve productivity. Government policies have been biased towards cereals particularly rice and wheat. There is a need to make a shift from rice and wheat-centric policies to millets, pulses, fruits, vegetables, livestock and fish.

Land size

Another major issue relates to the shrinking size of farms which is also responsible for low incomes and farmers’ distress. The average size of farm holdings declined from 2.3 hectares in 1970-71 to 1.08 hectares in 2015-16. The share of small and marginal farmers increased from 70% in 1980-81 to 86% in 2015-16. The average size of marginal holdings is only 0.38 hectares (less than one acre) in 2015-16. The monthly income of small and marginal farmers from all sources is only around 4,000 and 5,000 as compared to 41,000 for large farmers. Thus, the viability of marginal and small farmers is a major challenge for Indian agriculture.

Many small farmers cannot leave agriculture because of a lack of opportunities in the non-farm sector. They can get only partial income from the non-farm sector. In this context, a consolidation of land

holdings becomes important to raise farmer incomes. There was a lot of discussion on this topic in the 1960s and 1970s. In the context of rural poverty, B.S. Minhas had argued even in the 1970s that compulsory consolidation of land holdings alongside land development activities could enhance the incomes/livelihoods of the poor in rural areas. Unfortunately, there is little discussion now on land fragmentation and consolidation of farm holdings. We need to have policies for land consolidation along with land development activities in order to tackle the challenge of the low average size of holdings. Farmers can voluntarily come together and pool land to gain the benefits of size. Through consolidation, farmers can reap the economies of scale both in input procurement and output marketing.

To conclude, farmers' distress is due to low prices and low productivity. The suggestions we have made, such as limited procurement, measures to improve low productivity, and consolidation of land holdings to gain the benefits of size, can help in reducing agrarian distress. We need a long-term policy to tackle the situation.

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CORRUPTION

HINDU, JAN 26, 2019

Gurugram land scam: CBI books ex-Haryana CM Hooda

The land trouble
The CBI has registered a case alleging irregularities in acquisition of 1,417 acres of land in Gurugram

THE ACCUSED

- Former Haryana Chief Minister **Bhupinder Singh Hooda**
- Senior IAS official **Tribok Chand Gupta**
- 15 major real-estate developers, including DLF

THE CHARGES

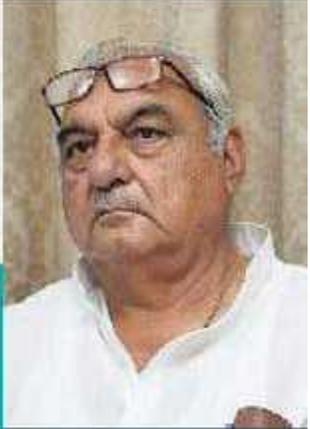
- The private developers conspired with Mr. Hooda, the then Chief Minister, to get a land acquisition order issued in June 2009
- Land owners were allegedly

compelled to sell properties to the developers at rates lower than the pre-notification market price

- The government then released the land from acquisition process and issued licences or letters of intent for grant of licences to the companies

OTHER CASES AGAINST HOODA

- The former CM is being probed in two other cases of land acquisition in Manesar and the re-allotment of a Panchkula plot to Associated Journals Limited.



BHUPINDER SINGH HOODA

At least 30 locations, including the Congress leader's premises, searched

The Central Bureau of Investigation (CBI) on Friday searched the premises of former Haryana Chief Minister Bhupinder Singh Hooda and about 30 other locations in connection with alleged irregularities in the acquisition of 1,417 acres of land in Gurugram between 2009 and 2012. The land was later released and development licences issued to real

estate firms, which had bought the plots from their owners at lower rates.

It is alleged that at least 15 private real estate firms conspired with Mr. Hooda, who was also the Minister In-charge of the Directorate of Town and Country Planning (DTCP), and others to get the acquisition order issued. This triggered distress sale of land to private developers at cheaper rates than the prevalent market prices, officials said.

Court directive

“The FIR has been lodged following a preliminary enquiry initiated in January 2018 on the Supreme Court directive in November 2017. The searches were carried out in Delhi, Gurugram, Rohtak, Mohali and Chandigarh,” said an official.

Apart from Mr. Hooda, the CBI has named senior IAS official Trilok Chand Gupta, the then Chief Administrator of Haryana Urban Development Authority (HUDA), as accused.

Prominent builders

Among the companies arraigned in the FIR are Emaar MGF Land, Ansal Properties and Infrastructure, DLF New Gurgaon Homes Developers, JMD, R.S. Infrastructure, Martial Buildcon, Marconi Infratech, Commander Realtors, SU Estates, Buzz Hotels, Krrish Buildtech, Gupta Promoters, HS Realty, DSS Infrastructure and Sana Realtors. During the preliminary inquiry, the CBI found that in most instances, the accused firms managed to get the order issued for acquisition of scattered plots located in pockets that were sandwiched between licensed land, areas for which licences had already been applied, and the land under revenue

roads and drains, which were of no use to HUDA. The plots were located in sectors 58 to 63 and 65 to 67 in Gurugram.

The notification had been issued on June 2, 2009, for the declared purpose of developing a land bank for ensuring availability of developed land at affordable prices to the public and economically weaker sections. However, the objective was not met, said the agency.

Another notification was issued for acquisition of 850.10 acres of land on May 31, 2010. However, as alleged by the CBI, during the notification period, about 616.40 acres were released in favour of the companies.

The agency alleged that after the first notification came, in certain cases the colonisers bought plots from their owners through general power of attorneys, agreements-to-sell, special power of attorneys or collaboration agreements. Some agreements were registered outside the jurisdiction by mentioning fake addresses of owners. The companies allegedly applied for, and were granted, the letter of intent or licence in the name of owners.

“Preliminary Inquiry further prima-facie established that the lands in question were released from acquisition process in spite of deviation and the licences were fraudulently obtained by the above said accused companies in the names of their collaborators and the land was released from acquisition process irregularly in connivance with public servants namely: Bhupinder Singh Hooda and Trilok Chand Gupta,” said the FIR.

DEFENCE

HINDU, JAN 24, 2019

Kashmir's first Ashok Chakra for Lance Naik Nazir Ahmad Wani

The award will be presented by President Ram Nath Kovind to his wife Mrs. Mahajabeen at the Republic Day parade on Saturday.



Lance Naik Nazir Ahmad Wani has been posthumously awarded 'Ashok Chakra', India's highest peace time gallantry award for his role in a counter-insurgency operation in Kashmir last year. He is Kashmir's first

Ashok Chakra awardee and was also awarded Sena Medal for gallantry twice in 2007 and 2018 for his acts of valour.

The award will be presented by President Ram Nath Kovind to his wife Mrs. Mahajabeen at the Republic Day parade on Saturday.

On November 25, 2018 Lance Naik Wani was taking part in a counter terrorist operation against six terrorists in Hirapur village near Batgund, Kashmir. Under intense hail of bullets from the terrorists he eliminated the district commander of the LeT and one foreign terrorist in an act of raw courage.

“In the ensuing gunfight he was hit multiple times including his head. He also injured another terrorist before succumbing to his grievous injuries,” the Army said in a statement.

A resident of Cheki Ashmuji of Kulgam district Jammu and Kashmir, he joined the Army’s 162 Infantry Battalion (Territorial Army) in Jammu and Kashmir Light Infantry in 2004. His courage got his recognition very quickly with the Sena Medal for Gallantry in 2007. The 2018 Sena Medal was given for eliminating one terrorist from a very close distance, the Army stated.

To fight the onslaught of Pakistan supported terrorist outfits, he operated with Rashtriya Rifles units in Kashmir, the Army statement said and added, “Throughout his active life he always willingly faced grave potential threats and was a source of inspiration for others.”

Lance Naik Wani comes from a humble background and had worked for the benefit of the underprivileged section in his village and surrounding area.

Apart from his wife, he is survived by two sons Athar (20) and Shaid (18).

PIONEER, JAN 31, 2019

Vice Admiral Ajit Kumar new Western Naval Command chief

Vice Admiral Ajit Kumar P, PVSM, AVSM, VSM took over as the Flag Officer Commanding-in-Chief of the Western Naval Command in Mumbai on Thursday.

Vice Admiral Ajit Kumar succeeds Vice Admiral Girish Luthra, PVSM, AVSM, VSM, ADC who retired upon superannuation, after an illustrious career spanning nearly four decades in the Indian Navy.

At an impressive ceremonial parade at the Naval Air Station Shikra, the outgoing and incoming Cs-in-C were accorded a guard of honour after which they proceeded to the Headquarters of the Western Naval Command for a formal handing-taking over. On completion, Vice Admiral Luthra was “pulled out” in true Naval tradition.

An alumnus of Sainik School Kazhakootam and the National Defence Academy, Vice Admiral

Ajit Kumar was commissioned in the Indian Navy on July 1, 1981.

Vice Admiral Ajit Kumar was the Vice Chief of Naval Staff at Naval Headquarters, New Delhi in his last appointment prior to assuming charge as the Flag Officer Commanding in Chief, Western Naval Command.

In recognition of his service, he has been awarded the Vishisht Seva Medal in 2006, the Ati Vishisht Seva Medal in 2014 and Param Vishist Seva Medal in 2019 by the Hon'ble President of India.

As a specialist in Missiles and Gunnery, the Flag Officer has served onboard frontline warships of the in the country and abroad.

DISASTERS

HINDU, JAN 28, 2019

Bhopal gas tragedy: SC to hear in April Centre's plea for enhanced compensation



Centre has demanded more compensation for the victims

The Supreme Court on Monday decided to examine in April a curative petition by the government for more compensation to the victims of the Bhopal gas tragedy, over and above the \$470 million paid by Union Carbide.

The petition, which came up before a Bench, led by Chief Justice of India Ranjan Gogoi, said the compensation, determined in 1989, was based on the assumptions of truth unrelated to realities.

In 2011, the Supreme Court issued notice to the Union Carbide Corporation, now a wholly owned subsidiary of Dow Chemicals Co., U.S.; Dow Chemicals; McLeod Russel India, Kolkata; and Eveready Industries, Kolkata.

7,400 crore

The Centre had sought reconsideration of the May 4, 1989 and October 3, 1991 orders of the court, contending that the 1989 settlement was seriously impaired. It has sought 7,400 crore in additional funds from the pesticide company.

The tragedy unfolded in Bhopal on the intervening night of December 2-3, 1984, when the highly dangerous and toxic gas, Methyl Isocyanate, escaped from the Union Carbide India Limited (UCIL). It resulted in the death of 5,295 humans and injuries to 5,68,292 persons, besides a loss of livestock and property of 5,478 persons.

The court has already dismissed a curative petition filed by the CBI in 2010 for increasing the punishment.

‘Colossal failure’

The agency had wanted to correct the Supreme Court’s “colossal failure of justice” in 1996 when it chose to dismiss the gas leak as the result of an act of negligence, and not culpable homicide, by former Union Carbide chairman Warren Anderson and his Indian employees. Mr. Anderson died in 2014. Dismissing the curative plea in 2011, the court

held that “no satisfactory explanation has been given to file such curative petitions after about 14 years from the 1996 judgment.”

As a Bhopal court order sentencing Union Carbide executives to two years in jail sparked public outcry, the CBI moved the Supreme Court and wanted it to “restore” the criminal charge under Section 304 Part II of the IPC (culpable homicide not amounting to murder) against the accused. Those convicted included former Union Carbide India chairman Keshub Mahindra.

ECONOMIC DEVELOPMENT

PIONEER, JAN 25, 2019

India on way to becoming 5th largest economy in world: Modi

Prime Minister Narendra Modi Friday said India is on the way to becoming the fifth largest economy in the world and the government is taking reform measures on a "daily basis" to further improve investment climate in the country.

Speaking at the India-South Africa Business Summit here, he said India is the world's fastest-growing major economy and the government is committed to building a 'New India' with next generation infrastructure.

At USD 2.6 trillion, the Indian economy is currently ranked sixth in the world behind the US, China, Japan, Germany and the UK.

The prime minister listed out some of the government flagship initiatives like boosting domestic manufacturing through Make in India and digitising the economy through Digital India.

"We are on our way to becoming the fifth largest economy globally...We are one of the top FDI destinations listed by UNCTAD. But, we are not satisfied. On a daily basis, we are making necessary changes and reforms in important sectors of the economy," he said.

Modi also informed the local and South African businesses that India has jumped to the 77th position in the latest edition of World Bank's Ease of Doing Business Report, which is an improvement of 65 places in the last four years.

"We are committed to building a 'New India' with next generation infrastructure and with emphasis on speed, skill and scale," he said.

Talking about bilateral economic relations between the countries, Modi said trade between India and South Africa is on the upswing and has crossed the USD 10 billion mark in 2017-18.

"However, there is great potential still. I call upon all Indian and South African government agencies, investment promotion organisations as well as business leaders of both countries to work pro-actively to realise the true potential," he said.

India's investment into South Africa is constantly growing and this has approached USD 10 billion, creating over 20,000 jobs locally.

"As a brotherly nation, India will be happy to share its experience in policy reforms and setting up ground level agencies. We encourage even more investment by Indian companies in South Africa and are confident that more South African companies will also enter the Indian market," he added.

The Indian prime minister assured that the 'New India' would welcome the South African businesses to look at all available opportunities in areas such as food, agro processing, deep mining, defence, insurance and infrastructure.

"Likewise, India could also partner with South Africa in startups, healthcare and pharma, biotech, IT and IT enabled sectors," Modi added.

Further, the prime minister said gems and jewelery sector holds huge potential for enhancing collaboration between the countries.

"Both countries could explore avenues for direct procurement of diamond. It will ensure economies of scale, and also reduce the cost for both buyers and sellers," he said adding South Africa could also join hands with India in the new and renewable energy sector through the International Solar Alliance.

Simplification of the existing visa regime for businessmen and tourists, and direct connectivity would further ease business and people-to-people exchanges, he added.

Speaking at the summit, organised by CII, South African President Cyril Ramaphosa said that huge opportunities exist for businesses of both countries to increase cooperation in areas such as agriculture, ICT, aerospace and energy.

He said over 150 Indian companies including Tata, Cipla and Mahindra have presence in India.

The USD 1.6 billion investment by Vedanata Resources in mining minerals has triggered a new wave of industrial and economic development in South Africa.

"Untapped opportunities still remain in sectors such as agri, agro processing, auto, pharma, aero space, defence industries, infrastructure, energy, ICT, mining, and creative industries," he said.

The president said that a number of South African companies have shown interest to invest in india.

There are 29 South African companies engaged in different businesses in India and "we wish to double this number in the coming years", he added.

On bilateral trade relations between the two nations, Vikramjit Singh Sahney, consul general of South Africa, said that immense scope is available in areas like deep minning, diamond, food processing, and seed development bank.

"There should be a direct air connectivity between Delhi and Johannesburg to increase movement of people," he added.

ELECTIONS

HINDU, JAN 24, 2019

Not going back to ballot boxes: Chief Election Commissioner Sunil Arora



“We won’t be bullied into giving up EVMs,” Mr. Arora says.

The Election Commission is open to any criticism or feedback from stakeholders, especially political parties, but it will not be intimidated into giving up Electronic Voting Machines and returning to ballot boxes, Chief Election Commissioner Sunil Arora said on Thursday.

He was speaking at an international conference on ‘Making our elections inclusive & accessible,’ organised a day ahead of the National Voters Day. His remarks came days after a self-styled cyberexpert said EVMs

could be hacked. The Delhi police have filed a case against him on a EC complaint.

“We are open to any criticism from stakeholders. But we are not going to be intimidated or bullied or pressurised or coerced into giving up EVMs and [re]start the era of ballot boxes,” Mr. Arora said.

Speaking at a conference in New Delhi, he said: “We are not going back to that era where we have ballot papers being lifted, muscle men being employed, besides the delay in the counting and too much harassment of the polling staff on the ground.” Recounting the experience in the recent Assembly elections in five States, Mr. Arora said six incidents were reported from among 1.76 lakh polling booths.

“I am repeating, six anecdotal or real incidents out of 1.76 lakh polling booths. I am not defending those incidents, there were some lapses in those EVMs that were not even used for the elections... Visible actions were taken very swiftly. However, we are not happy even with those six incidents. In elections, we should have zero tolerance for any incident of such nature,” he said.

Mr. Arora said the EVMs were manufactured in highly secured conditions by the two public sector undertakings that were doing a lot of work for the country’s defence establishments.

“Why have we made it [EVM] like a football, and are doing a motivated slugfest over it,” he asked.

EMPLOYMENT

HINDU, JAN 27, 2019

Declare unemployment national disaster, says youth collective

With the lack of jobs becoming a major issue in the run-up to the Lok Sabha election, over 60 youth groups representing the educated unemployed and government job aspirants have demanded that the Centre declare unemployment a national disaster.

Joining together under the banner of Yuva Halla Bol, the groups passed a resolution on Sunday giving the Central and State governments one month to meet their demands for job opportunities, fair selection, an exam code and recruitment bodies.

“The government must first acknowledge that this is a serious issue; only then they can take action. Instead, they are trying to hide the unemployment data,” said Anupam, founder of Yuva Halla Bol (YHB) and a vice-president of Yogendra Yadav’s Swaraj India party.

He was instrumental in creating the YHB coalition in the wake of widespread protests against the Staff Selection Commission examination paper leak in March 2018. “If the parties in power at the Centre and in the States do not act on our demands, we will take them for being anti-youth, and they should not be our representatives...The youth will campaign against such parties in the election.”

At a youth summit in the capital, several hundred young men, along with a handful of women, repeated the movement's slogan, *Job chahiye, jumla nahin*, and voiced support as speakers from different States and professions recited a familiar complaint.

“There are 24 lakh sanctioned but vacant posts in State and Central governments. Instead of filling them, the government is destroying jobs...We need a law to guarantee employment for educated youth,” said Akshay Hunka of Berozgaar Sena, one of the groups that has joined the YHB platform.

Such legislation, which would provide compensation to unemployed youth, is one of the YHB's major demands. Another is an exam code with detailed time lines, stipulating that every recruitment process be completed in nine months.

“In 18 years of Jharkhand's existence as a State, only five rounds of the Jharkhand Public Service Commission recruitment has happened. For the last round, the notification was issued in January 2015. Till 2019, the recruitment process for that round has not been completed,” said Sharif Ansar from Jharkhand.

Aspirants for jobs in the railways, the police and schools shared sector-specific grievances. “Out of 24 lakh vacancies, 10-12 lakh are for teachers alone. But the government is not taking education seriously,” alleged Shailendra Singh.

While the panel was entirely male, a few women were scattered in the audience. “For many women, it is a fight against patriarchy to get educated and then to apply for a job. When there is such corruption and

difficulty in getting a job, many women cannot fight further. I applied for the Basic Teacher Certificate last year, but the exam papers were leaked twice,” said Lucknow University graduate Pooja Shukla, who says she has been blacklisted from admission to a Masters degree because of her involvement in student agitations. “The government wants the youth to stay unemployed, so they can make money off us. No one is refunding application fees to those who do not get the job.”

At a recent railway recruitment exam, 2.37 crore people applied for 60,000 vacancies, each applicant paying a 500 fee. “The Railways made over 1,000 crore from that one exam,” said Anupam. “And each candidate fills in a dozen such forms for different exams. Apart from exam fees, there are coaching classes, books and hostels. We are trying to quantify the value of this whole parallel industry that feeds off the hopes of poor unemployed youth.”

PIONEER, JAN 25, 2019

Over 18 mn jobs created in 15 months till Nov 2018: CSO report

More than 18 million jobs were generated by the country’s formal sector in a 15-month period starting September 2017 and ending November 2018, suggests a study based on payroll data of retirement fund body EPFO, PFRDA and Employees’ State Insurance Corporation (ESIC).

As many as 1,84,38,748 new members joined the ESI scheme run by ESIC during the 15 months until November 2018, showed the Central Statistics Office (CSO) study based on payroll data of different social security schemes.

The CSO study released on Friday showed that as many as 1,79,34,300 new members joined the social security schemes run by the Employees' Provident Fund Organisation (EPFO) during September 2017 to November 2018.

However, the study stated that 1,39,31,607 members exited the EPFO schemes during the 15-month period and 33,48,093 members rejoined the subscription again during the period. Thus the net addition was 73,50,786 during the period under review.

The study showed that as many as 10,31,484 new members joined the ESI scheme in November 2018, which was 12.88 per cent lower than 11,84,042 new subscribers in the same month in 2017.

The highest number of 14,68,880 subscribers joined the ESI scheme in July 2018 during the 15-month period.

ENERGY RESOURCES

PIONEER, JAN 29, 2019

Oil prices to remain range-bound between \$55-65 per barrel

Oil prices expected to remain range bound at \$55-65 per barrel due to a rise in supply from the US, debt crisis in Venezuela and the limited clarity on the sanctions on Iran, a report said.

“The crude price to remain range bound at \$55-65 per barrel, driven by a rise in supply from the US, which would be offset, to some extent, by the recent production cut announced by the Organisation of the Petroleum Exporting Countries (OPEC), the continued debt crisis in Venezuela and the limited clarity on the sanctions imposed on Iran,” the ratings agency India Ratings said on Monday.

“Thus, the range-bound crude price would limit large inventory gains or losses. We expect the bulk of the subsidy to be borne by the Government as against FY19, when the Government, for a brief period, asked oil marketing companies to absorb marketing operations-related losses,” it said.

The agency has maintained a stable outlook for the oil and gas sector for FY20 mainly on the back of healthy domestic petroleum product demand and petrochemical expansion by refiners.

The stable outlook is driven by continued strong domestic petroleum product demand, healthy gross refining margins, petrochemical

expansion by refiners mainly to improve downstream value addition and rise in the usage of natural gas, it said.

However, the credit profiles of public oil and gas undertakings continue to depend on government policies on subsidy sharing, shareholder payouts, and large capex for refinery upgrade and expansion into new growth areas like the upstream and city gas and LNG distribution.

With regard to refining margins, Ind-Ra believes that the new regulation introduced by the International Maritime Organization against the use of high sulphur fuel oil is likely to lead to a shift in the product slate of refiners towards the production of more low sulphur fuel oil to meet new demand.

As refiners globally are looking at breaking down a part of their petroleum stream into petrochemicals owing to the increasing penetration of electric vehicles, Indian refiners are also looking at such conversion, given the strong domestic polymer demand.

FINANCIAL INSTITUTIONS

PIONEER, JAN 28, 2019

Govt empowers PSU banks to seek LOCs against defaulters

In a bid to prevent big economic offenders like Vijay Mallya and Nirav Modi from fleeing the country, the Government has empowered PSU banks to request lookout circulars (LOCs) against wilful defaulters and fraudsters, officials said on Sunday.

The Home Ministry has also authorised the Serious Fraud Investigation Office (SFIO), a statutory corporate fraud investigation agency, to request LOCs if it feels the suspect may escape from India.

The ministry issued two circulars recently, authorising chairman-cum-managing directors or chief executive officers of public sector banks and the SFIO to request designated authorities to issue LOCs against any wilful defaulter or fraudster if they think the person may flee the country.

The CMDs and CEOs of PSU banks can now ask the Home Ministry, Ministry of External Affairs, Customs and Income Tax Departments, Directorate of Revenue Intelligence, CBI, regional passport officers and police to issue an LOC to alert immigration check posts to stop anyone leaving India, a home ministry official said.

The SFIO and PSU banks can initiate the process if they suspect that the defaulter may leave the country to escape the law, the official said.

Earlier, investigating agencies would request LOCs in cognisable offences under the IPC or other laws in case the accused evaded arrest or did not appear before court despite issuance of non-bailable warrants and other coercive measures and there was a likelihood of the accused leaving the country to escape arrest.

An LOC is valid for a year unless its duration is specified.

The government's fresh move came after three high-profile escapes involving liquor baron Vijay Mallya and diamantaires Nirav Modi and Mehul Choksi rocked the country, inviting embarrassment for the Government.

Mallya left India on March 2, 2016 after defaulting on loan amounting to `9,000 crore he had taken for his now-defunct Kingfisher Airlines.

Jewellery designer Modi and his uncle Choksi, managing director of Gitanjali Gems Ltd, fled the country in January 2018. They are accused of cheating the state-run Punjab National Bank to the tune of `13,000 crore.

The Government had last year brought the Fugitive Economic Offenders Act, empowering the authorities to attach and confiscate the proceeds of crime and properties of economic offenders, like bank fraudsters or loan defaulters who fled the country.

The law is aimed at quickly recovering losses to the exchequer or PSBs in cases of frauds.

INTERNATIONAL RELATIONS

HINDU, JAN 28, 2019

India, South Africa to revise 20-year old Strategic Partnership



South African President Cyril Ramaphosa is Republic Day chief guest.

India and South Africa will update their Strategic Partnership by agreeing on a comprehensive “roadmap” on the way ahead, as well as relaxing visa restrictions, when South African President Cyril

Ramaphosa meets with Prime Minister Narendra Modi on Friday, officials said here.

Mr. Ramaphosa will be in India as the chief guest at the Republic Day parade on January 26, and will be accompanied by nine Ministers and a 50-member business delegation.

The Strategic Partnership between India and South Africa, called the Red Fort Declaration, was signed in March 1997 by the then South African President Nelson Mandela and former PM H.D. Deve Gowda.

Officials said all aspects the partnership would be reviewed and updated with a three-year plan of action on security cooperation, trade and investment, tourism, harnessing the ‘blue economy’, maritime cooperation, agriculture, science and technology projects.

“We have MoUs in practically every area with South Africa. We want each of these areas to be taken up in a time-bound manner,” said T.S. Tirumurti Secretary (Economic Relations) in the Ministry of External Affairs, briefing journalists ahead of the visit.

“This is going to be one important agreement, which will have all the areas on a roadmap with specific action plans,” he added, describing the “catch-all” document that will be signed on Thursday. The two sides are also expected to explore new defence deals in the backdrop of the lifting of a 13-year old ban on South African defence firm Denel that was barred from doing business in India since 2005.

Denel was finally removed from the blacklist in September 2018 after the Central Bureau of Investigation filed a closure report and the

Supreme Court subsequently dismissed corruption charges against the company.

The decision to take Denel off the blacklist was made after Mr. Ramaphosa made a personal intervention on the issue during his meeting with Prime Minister Narendra Modi in Johannesburg last July.

“Yes, there had been a problem with Denel and we are happy that this issue was settled last year, Mr. Tirumurti said.

During his visit, Mr. Ramaphosa will also deliver the “First IBSA Gandhi Mandela Memorial Freedom Lecture”, instituted by the Indian Council of World Affairs in Delhi. In an interview to television channel Wion in Davos on Wednesday, Mr. Ramaphosa said that he saw his visit to India as a “homecoming moment.” “We want to promote trade and good relations between India and South Africa and celebrate Mahatma Gandhi’s life and Nelson Mandela’s life. Our history is the glue that binds our two countries together,” he added, referring to India and South African links in their anti-colonial struggles.

INTERNATIONAL TRADE

PIONEER, JAN 26, 2019

WEF hails Davos 2019 impact on world

As the World Economic Forum Annual Meeting 2019 came to an end on Friday after five days of brainstorming by over 3,000 leaders across hundreds of sessions, the organisers said the event this year made an impact on the world in as many as 33 ways.

The WEF listed Prime Minister Shinzo Abe of Japan committing his country's G20 Chairmanship to launch an agenda for global data governance.

Besides, a group of 70-plus countries confirmed intentions to commence WTO negotiations on trade-related aspects of e-commerce following a ministerial meeting on the margins of the Davos meeting on Friday.

Shortly before that, members of the Forum's business and civil society trade community issued a statement calling for a new digital trade deal that should be both ambitious and inclusive.

The community urged governments to move forward with this agenda at the WTO in order to reduce costs and facilitate greater participation in the global digital economy.

The leaders of Brazil, Colombia and Brazil, along with the Foreign Minister of Canada, issued a joint statement Wednesday to offer their

countries' backing to Juan Guaidó, leader of Venezuela's opposition-controlled Parliament after he had declared himself Interim President.

A day earlier, Paraguayan President Mario Abdo Benítez called on Guaidó to take action.

Mohammad Ashraf Ghani, President of the Islamic Republic of Afghanistan, used his appearance at the annual meeting to commit his country to democracy.

Ghani used his address to remind participants that Afghanistan has passed 390 new laws since 2015 and significantly increased the number of women in politics.

The President of Azerbaijan and Prime Minister of Armenia used a meeting at the World Economic Forum to advance negotiations on the settlement of the Armenia-Azerbaijan Nagorno-Karabakh conflict.

The Government of the UK announced a five-year plan to tackle the global threat of antimicrobial resistance. The plan envisages containing and controlling AMR worldwide by 2040.

The forum continued multistakeholder diplomacy dialogues aimed at advancing peace efforts on other key global fault-lines including the Western Balkans and Syria.

The forum also convened a public-private community of leaders for a Special Dialogue on Israeli-Palestinian relations.

With the help of Prime Minister Abiy Ahmed of Ethiopia, a diplomatic dialogue was held on the Horn of Africa.

Discussions were also initiated on the Sahel, the Korean Peninsula, European-Russian relations and on a new development architecture for Africa-Europe engagement.

The WEF's Closing the Skills Gap Initiative, launched in 2017 with a target to reskill or upskill 10 million workers by 2020, announced it has already secured pledges for training more than 17 million people globally, 6.4 million of whom have already been re-skilled.

The forum also announced that the initiative is now supporting public private partnerships aimed at promoting future skills in four countries — Argentina, India, Oman and South Africa.

The forum also announced it was expanding its network of Closing the Gender Gap national taskforces to eight countries — Argentina, Chile, Colombia, Costa Rica, Dominican Republic, France, Panama and Peru.

The forum's Centre for Global Public Goods helped launch a USD 15 million project to launch a formal electronic waste recycling industry in Nigeria.

PIONEER, JAN 26, 2019

WTO members: Will work for solutions for credibility

Several key WTO member nations on Friday expressed their resolve to work towards satisfactory solutions for preserving the credibility of the multi-lateral body and increase its relevance amid increasing uncertainties at global trade front.

Various issues were discussed at the meeting of 32 members of the World Trade Organisation (WTO) here on the sidelines of the World Economic Forum (WEF) annual meeting.

The Ministers, who participated in the meeting, emphasised on the urgency of restoring a fully-functioning appellate body, according to a statement issued by the Swiss Government.

The statement assumes significance as any delay in appointment of members in the appellate body of the WTO's dispute settlement mechanism would hamper its functioning.

The US has blocked the appointment of these members.

“Ministers welcomed the process recently initiated to address concerns related to WTO's dispute settlement system.

In this regard, they underlined the urgency of restoring a fully-functioning Appellate Body,” the statement said.

The need to reform the 164-member group and to improve its functioning was widely acknowledged at the meeting.

LABOUR

HINDU, JAN 24, 2019

Cabinet approves India-Kuwait pact on domestic workers



The Union Cabinet on Wednesday approved the signing of a Memorandum of Understanding (MoU) between India and **Kuwait** for cooperation on the recruitment of domestic workers.

The move is likely to benefit around 3 lakh Indian workers deployed in Kuwait, including about 90,000 female domestic workers.

“The MoU provides a structured framework for cooperation on domestic workers related matters and provides strengthened safeguards for Indian domestic workers including female workers deployed in Kuwait,” an official statement said.

The MoU is initially valid for a period of five years and incorporates provision for automatic renewal. Under this MoU, a joint committee will also be set up to follow up the implementation. The government said this will promote bilateral cooperation in domestic workers-related matters between the two countries.

POLITICAL PARTIES

HINDU, JAN 24, 2019

Rahul appoints Priyanka as Congress general secretary



In a major party reshuffle, she has been put in charge of eastern Uttar Pradesh

The Congress appointed Priyanka Gandhi Vadra as general secretary in charge of eastern Uttar Pradesh as part of a major reshuffle on Wednesday. The appointment not only gives a formal role to Ms. Vadra, it also makes her a member of the Congress Working Committee (CWC), the party's highest decision-making body.

In an unprecedented move, Congress president Rahul Gandhi split the organisational responsibilities for Uttar Pradesh — a State with 80 Lok Sabha seats — between his sister and senior leader Jyotiraditya Scindia. Kerala MP K.C. Venugopal has been appointed to the key post of

general secretary (organisation) in place of Rajasthan Chief Minister Ashok Gehlot and senior leader Ghulam Nabi Azad, who was looking after U.P., will now handle Haryana.

Stronghold of BJP

Ms. Vadra's appointment came as a surprise to many within the party and was announced soon after the Congress was kept out of the Samajwadi Party and Bahujan Samaj Party alliance. Eastern Uttar Pradesh is known as a stronghold of the BJP, and both Prime Minister Narendra Modi and Chief Minister Yogi Adityanath have contested from the area.

So far, Ms. Vadra used to manage her mother, Sonia Gandhi's Lok Sabha constituency, Raebareli, even though she is known to have been consulted on key political issues. Party sources said the decision was taken by the family, with only a select few leaders kept in the loop. While Mr. Gandhi has been looking at feedback from workers via the Shakti App run by the party, this particular decision was very much his own. "UP is central to building a new hope-filled & compassionate India. The new UP AICC team led by Priyanka & Jyotiraditya, will herald the dawn of a new kind of politics in the State. We will offer the youth in UP a dynamic new platform to transform the State," Mr. Gandhi tweeted.

While in the past there had been speculation that she would enter electoral politics, especially during the 2017 Uttar Pradesh Assembly polls, there were also naysayers who felt that it would create parallel centres of power within the party. In 2019, however, after the party tasted success in the recently conducted Assembly polls in five states, of

which the Congress won three, it was felt that more bold moves were required.

"Rahul Gandhi has been quite his own man when it comes to decisions and strategy, including persisting with the 'Chowkidar chor hai' line on Rafale, and the appointments he made to organisation. The simple take away from Priyanka Vadra's appointment is that it is very typical of the new Congress president, to play on the front foot," said a senior leader in the Congress.

Her appointment comes at a time when the party has only seven seats in the UP Assembly and holds only two Lok Sabha seats of family boroughs in Amethi and Rae Bareilly. The Congress's recent best performance in the State was in 2009 when the Congress won 21 Lok Sabha seats. Rahul Gandhi was credited as the brain behind that performance. "This is the most aggressive move that we could make and we are giving a clear message that we will not be a B-team of any one. The voter wants to vote out BJP and they need an alternative. The BSP-SP is a caste-based alliance and would not have been an option for the forward castes," a senior Congress leader from UP said.

According to sources, her appointment was also based on the ground survey among the Congress workers. Through the organizational reshuffle, Mr Gandhi has asserted his position within the party and sent a clear a message to the old guard of bringing in younger leaders to the fore.

RELIGION

HINDU, JAN 29, 2019

Ayodhya: Centre moves SC seeking nod to return 67-acre land to original owners

In a fresh plea, the Centre said it had acquired 67 acres of land around the 2.77 acre disputed Ram Janambhoomi-Babri Masjid site

The Centre on Tuesday moved the Supreme Court seeking its permission to return the 67-acre acquired land around the disputed Ram Janambhoomi Babri Masjid site to the original owners.

In a fresh plea, the Centre said it had acquired 67 acres of land around the 2.77 acre disputed Ram Janambhoomi-Babri Masjid site.

The plea has said that the Ram Janambhoomi Nyas (a trust to promote construction of Ram Temple) had sought return of excess land acquired in 1991 to original owners.

Earlier, the apex court had ordered that the status quo be maintained with regard to the acquired 67 acre of land around the disputed site.

The Central government in 1991 had acquired 67 acre land around the disputed site.

Fourteen appeals have been filed in the apex court against the 2010 Allahabad High Court judgement, delivered in four civil suits, that the

2.77-acre land be partitioned equally among three parties - the Sunni Waqf Board, the Nirmohi Akhara and Ram Lalla.

The Supreme Court had on Sunday cancelled the hearing scheduled for Tuesday in the title dispute case due to non-availability of Justice S.A. Bobde, one of the five judges of the Constitution bench.

RESERVATION

HINDU, JAN 24, 2019

10% quota in Central government recruitment from February 1

The Ministry of Personnel says in an order that detailed instructions on the procedure for the implementation of the EWS quota will be issued separately.

Beginning next month, all Central government posts will be filled after factoring in the recently approved 10% reservation for economically weaker sections (EWS), according to an official order.

The Ministry of Personnel said in the order that detailed instructions on the procedure for the implementation of the EWS quota would be issued separately.

“It is hereby notified that 10% reservation would be provided for economically weaker sections in central government posts and services and would be effective in respect of all direct recruitment vacancies to be notified on or after February 1, 2019,” it said.

The Constitution (124th Amendment) Bill to provide 10% reservation in jobs and education to the poor in the general category was passed by Parliament on January 9.

“Persons who are not covered under the existing scheme of reservation for Scheduled Castes, Scheduled Tribes and socially and educationally

backward classes and whose family has gross annual income below 8 lakh are to be identified as EWSs for the benefit of reservation,” according to an order by Ministry of Social Justice and Empowerment.

Also, persons whose family owns or possesses five acres of agricultural land and above, residential flat of 1,000 sq. ft and above; residential plot of 100 sq. yards and above in notified municipalities and residential plot of 200 sq. yards and above in areas other than the notified municipalities “shall be excluded from being identified as EWSs, irrespective of the family income”, it said.

The income and assets of the families would be required to be certified by an officer not below the rank of Tahsildar in States/Union territories, after carefully verifying all relevant documents following due process as prescribed by the respective State/UT, the order said.

Instructions regarding reservation in admission to educational institutions would be issued by the HRD Ministry, it said.

TAXATION

PIONEER, JAN 24, 2019

Cabinet clears setting up of GST appellate tribunal

The Union Cabinet on Wednesday approved setting up of the national bench of the GST Appellate Tribunal which will act as forum for second appeal in case of dispute and also decide cases where there are divergent orders at the state level.

The national bench of the Goods and Services Tax Appellate Tribunal to be located in the capital, would have one member each from Centre and states and a President.

“The Union Cabinet, chaired by Prime Minister Narendra Modi, has approved the creation of National Bench of the Goods and Services Tax Appellate Tribunal (GSTAT),” an official statement said.

Union minister Ravi Shankar Prasad said the national bench of the GST Appellate Tribunal will expedite resolution of disputes under GST laws.

The Goods and Services Tax (GST) Council, headed by Finance Minister Arun Jaitley, and comprising state counterparts, in December decided to establish the centralised appellate authority.

The creation of the national bench of the GSTAT would amount to one time expenditure of Rs 92.50 lakh while the recurring expenditure would be Rs 6.86 crore per annum, the statement said.

The national bench of the GST Appellate Tribunal is the forum of second appeal in GST laws and the first common forum of dispute resolution between Centre and states, the statement said.

The first appeal against the orders of adjudicating authority shall lie before the appellate authority of the states.

“Being a common forum, GST Appellate Tribunal (national bench) will ensure that there is uniformity in redressal of disputes arising under GST, and therefore, in implementation of GST across the country,” the statement said.

This would also help in resolving the confusion created by contradictory rulings given by Appellate Authority for Advance Rulings (AAAR) on the same or similar issues in different states. The industry has been demanding a centralised appellate authority that could reconcile the contradictory verdicts of different AAARs.

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