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Rahul Gandhi's interview

Seeking to differentiate between the 1984 Sikh massacre and the 2002 Gujarat violence, Rahul Gandhi in his embarrassing interview said that the Gujarat Government "abetted and pushed" the 2002 incident while the Government in Delhi had tried to stop the 1984 riots. Not only was that untrue as The Nanavati Commission's report on 1984 riots had indicted leaders of the Congress and even the Government in a way for the violence against the Sikhs. Yet hardly any Congress leader of prominence has been punished till date. Most cases were closed by the police and the Congress did not agree for a SIT probe. That is the real difference between the two incidents.

But more important point is the performance of Rahul Gandhi during the interview which was more than disappointing. His very body language - betrayed his discomfort. Apart from coming across as a mildly endearing simpleton, Mr. Gandhi demonstrated none of the qualities of a leader during the interview. He will have to meet many statesmen in his career: It will be very risky to have such a person in position of power. What can one expect from him in one to one meeting with head of another nation if, God forbid, he becomes Prime Minister someday. Mr. Gandhi seems more suited to lecture sycophants on sociological theory in AICC sessions.

- Rajaram Shastri, Chennai

Words of Wisdom

It was heart-warming to see the President of India depart from the usual 'rubber stamp' speeches associated with the high office. If our politicians read Mr Pranab Mukherjee's address between the lines, they cannot miss the underlying message the President has given. The word 'anarchy' has become so famous that politicians have only highlighted that part of the speech.

Mr Mukherjee has spoken about the need for a corrupt-free Government, a regime which caters to the people's aspirations. This is as relevant for the incumbent Government as it will be for the regime that takes over after the Lok Sabha election. The President's remarks on the necessity to have a stable Government too is important. The common man is happy that the country's first citizen has spoken about the importance of the anger of the people against defects in the political system. The speech of the Hon'ble president makes it important indicator to think of his role after the general elections, particularly in case of a hung Parliament.

- Kishore Dammani, Raipur (M.P.)

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Quote-Unquote



Those who seek the trust of voters must promise only what is possible. Government is not a charity shop.

Pranab Mukherjee

Hon'ble President of India



Rural voters are guided by only two factors - yeh mera admi hai (this candidate is my man) and yed mera kaam karega (he will do my job).

Mark Tully

Veteran journalist, on lesson from covering elections in India since 1967



"If the judicial system has given certain finality to any controversy, then we should let it rest there."

Sh. Praful Patel

NCP leader and Union Minister



Japan's political resurgence appears to worry US; which demands that Tokyo return 300 kg of high-grade plutonium.

Bhrahma Challany

Strategic analyst

Concealing the fiscal deficit

"Most of our faults are more pardonable than the means we use to conceal them."

— (Francois de La Rochefoucauld)

Releasing latest data on fiscal situation the Controller General of Accounts (CGA) on 31st December 2013 observed that the Fiscal deficit touched Rs 5,09,557 crore during the April-November period which was 93.9 per cent of the annual target. Observers termed government's fiscal situation as "gloomy". It was a very bad news for the UPA government that had fixed the target for the fiscal deficit at Rs 5,42,499 crore for this financial year or 4.8 percent of GDP. It had repeatedly asserted that the fiscal deficit would be restricted to 4.8 per cent. Finance Minister had repeatedly said the target is a red line that would not be breached. Its optimism was based on expectation that tax mop up will grow at 19.1 per cent and divestment will fetch Rs 55,000 crore and spectrum auction Rs 40,000 crore. However, the latest tax numbers show the collection grew only about 13 per cent while divestment could fetch only Rs 1,300 crore. Understanding that it is going to be a daunting task, FM took political decisions to fudge economic data instead of hard & bitter steps required to bring the ailing economy back on tracks. Total government expenditure during the first eight months was at 61.3 per cent of the whole year's budget. Revenue collections remained constant at a little over 47 per cent. The only way out therefore was to prune expenditure. The axe was bound to fall on Plan expenditure without caring for the negative impact it will have on the growth momentum- the major mantra oftenly recited by UPA leaders. The spending of many ministries, particularly rural development, health & family welfare and human resources development, has been slashed in the Revised Estimates for 2013-14. Communications and information technology, home affairs and power are among other ministries to see a possible significant cut. Since Tax revenues are directly dependent on GDP growth & with the economy likely to grow below 5 per cent during the current year, lower tax collections and hence a higher deficit was to be a natural consequence.

But Congress led UPA is notorious for sacrificing national interests for electoral dividends. Truthfully following the party tradition P. Chidambaram took steps to present a rosy picture of fiscal consolidation. So, he engaged in a financial jugglery to ensure adequate revenues in this year's books, while passing on liabilities to the next government. Many ideas are apparently being employed to show the fiscal deficit under control. These include some arm-twisting tactics - though denied by the ministry-, like getting companies to pay a higher advance tax payment with the promise of a refund later. The incoming government will have to pay refunds along with interest of 6 per cent per annum. The burden of footing the bill for the National Food Security Act, UPA Chairperson Sonia Gandhi's pet project, is also clearly on the next government. But the Finance Minister is concerned more with the possible negative image of his party in an election year and is seemingly set to report a fiscal deficit of 4.65 per cent of the Gross Domestic Product for the current fiscal when he presents the Vote-on-Account in the Lok Sabha on February 17. This will help Congress to claim that it managed to contain the deficit within 4.8 per cent, the "redline" drawn in the Budget. Besides higher advance tax: The ministry is believed to be considering the option of moderating refunds by going slow in the name of scrutiny, as refund claims are not settled until the finalisation of assessment proceedings and determination of actual tax liability. Almost 90 per cent of the income tax refunds claimed by taxpayers await such finalisation. Interim dividend, rolling over subsidies and Cross holdings are other measures being taken to achieve the objective of presenting a manageable CAD. The government has failed to bring down the fuel subsidy burden this year despite decontrol of petrol prices, partial decontrol of diesel and a cap on LPG cylinders. After having failed to tap money from the markets, government asked its cash-rich PSUs to buy government stake in other state-run companies, making the exchequer richer. For instance, the finance ministry will garner around Rs 5,000 crore by selling a 10-per cent stake in Indian Oil Corporation to ONGC and OIL India.

Repeated assurances that inflation would come down provided little comfort to people who continued to reel under high prices. The evident resentment against Congress government for its failure to check rising prices found its reflection in the recently concluded Assembly elections, which had been dubbed as semi-finals before the general elections early next year. Will the results in finals be different given the rising level of understanding and improved level of information dissemination?

India-Japan Relations: Potential to transform future of the region

Millennia year old civilisational links and China's growing aggressive behaviour and actions, are bringing Japan and India closer. Japanese Prime Minister Shinzo Abe's three-day India visit has provided a huge push to strengthening the bilateral economic and other ties. G. Raina compiles a report on these defining moments in Indo-Japanese relations.

India and Japan trace back their civilisational relations to the early centuries of the first millennium of Christian era, to the Buddha and the spread of Buddhism to the far East. Later many prominent Indians like Swami Vivekananda, Jamshedji Tata, Gurudev Rabindernath Tagore visited Japan and further strengthened this contact among the people of the two countries. Japan played a key role in India's freedom struggle by providing invaluable succour and support to nationalists like Rashbihari Bose and Netaji Subhas Chandra Bose. Indians always recall this support with gratitude.

The Japanese, in their turn, remain grateful about what they see as brave support extended by Judge Radhabinod Pal. People of

Japan still recall that he was the lone judge in the 11 member international military tribunal who returned a verdict of Not Guilty in the trial of Japan's top 25 wartime leaders after World War II. When Prime Minister Abe came to India in 2007, he said in his address to the Indian Parliament, "Justice Pal is highly respected even today by many Japanese for the noble spirit of courage he exhibited during the International Military Tribunal for the Far East." Mr. Abe is one of those Japanese. He even travelled to Calcutta to call on the 81-year old son of the late Justice Pal.

India's Look East policy that represents its efforts to cultivate extensive economic and strategic relations with the nations of South-east Asia in order to bolster its

standing as a global player was initiated in 1991. It marked a strategic shift in India's perspective of the world. It was developed and enacted during the government of Prime Minister P.V. Narasimha Rao and rigorously pursued by the successive administrations particularly that of Atal Bihari Vajpayee.

India has developed multilateral organisations such as the Mekong-Ganga Cooperation and BIMSTEC, forging extensive cooperation on environmental, economic development, security and strategic affairs, permitting the growth of influence beyond South Asia. India became a sectoral dialogue partner with ASEAN in 1992, a full dialogue partner in 1995, a member of the Council for Security Cooperation in the Asia-Pacific, a member of the ASEAN Regional Forum in 1996, and a summit level partner (on par with China, Japan and Korea) in 2002. The first India-ASEAN Business Summit was held in New Delhi in 2002. India also acceded to ASEAN's Treaty of Amity and Cooperation in Southeast Asia in 2003. In many cases, India's membership to these forums is supposed to be a result of attempts by the region to balance China's growing influence in the area.

Shinzo Abe, in his first term



as Japanese Prime Minister, achieved far-reaching changes in ties with India. He unambiguously declared (in 2007) that “a strong India is in the best interest of Japan and a strong Japan is in the best interest of India.”

That Japan brought India into ASEAN+6 to dilute the ASEAN+3 process, where China is dominant, while Singapore and Indonesia played a significant role in bringing India into the East Asia Summit is the widely held view.

Japan also lobbied for India’s membership in the Asia-Pacific Economic Cooperation. Numerous infrastructure projects also serve to tie India closer to East Asia. India is participating in the UN Economic and Social Commission for Asia and the Pacific initiatives for an Asian Highway Network and the Trans-Asian Railway Network.

It is on these solid foundations that contemporary India-Japan relations are being built. Japanese Prime Minister Shinzo Abe’s three-day India trip was also designed to further strengthen bilateral economic and other ties. For Japan, whose trade with China has been hit by their worsening territorial dispute over the Senkaku Islands in the East China Sea, India’s huge market provides an attractive alternative.

Keeping China’s growing maritime activities in the East China and South China Seas in mind, Abe and Singh stressed the importance of ensuring the freedom of navigation, unimpeded commerce and the peaceful settlement of conflicts in line with the principle of international law including the U.N. Convention on the Law of the Sea.

The two leaders also announced a planned working-level meeting in March for exporting

Return arms-grade plutonium: U.S. To Japan

Cold War-era supply of 300 kg for Tokai fast reactor experiments enough to make 50 warheads

Washington has been pressing Tokyo to return over 300 kg of mostly weapons-grade plutonium given to Japan for research purposes during the Cold War era, Japanese and U.S. government sources said Sunday.

President Barack Obama’s administration, which is keen to ensure nuclear security, wants Japan to return the plutonium supplied for use as nuclear fuel in a fast critical assembly in Tokai, Ibaraki Prefecture, the sources said. The highly concentrated plutonium could be used to produce 40 to 50 nuclear weapons.

Japan has strongly resisted returning the plutonium, which it says is needed for researching fast reactors. But it has finally given in to repeated U.S. demands, the sources said. Since last year, Japan and the United States have been actively discussing the matter, and Washington plans to forge an accord with Tokyo on the occasion of the third nuclear security summit in March in the Netherlands.

To prevent nuclear materials from falling into the hands of terrorists, the U.S. government has called for eliminating and minimizing the use of such materials. Since the first such summit was held in 2010 in Washington at the initiative of Obama, the United States has been pressing Japan to return 331 kg of plutonium now kept at the Japan Atomic Energy Agency’s fast critical assembly, the sources said.

The facility, which attained criticality in 1967, is the nation’s only critical assembly designed to study the neutron characteristics of fast reactors. Since some of the plutonium was made in Britain, the United States is also asking London’s permission to transfer all of it to the United States, the sources said, adding the three nations are working out their policies on the matter, the sources said.

The Education, Culture, Sports, Science and Technology Ministry and other researchers have argued that the plutonium in question is needed for research and is vital to producing good data.

At present, Japan has about another 44 tons of plutonium, but its quality is not on a par with the plutonium used for research purposes, a Japanese expert said. Since the March 2011 nuclear crisis at Fukushima No. 1 nuclear power plant, the United States has expressed its concern to Tokyo over how it will use plutonium. □

Japan’s US-2 amphibious planes for search and rescue purposes to India, Kyodo quoted Japanese officials as saying.

On security cooperation, the two sides agreed to launch talks between the two countries’ chiefs of the national security councils.

The two sides also agreed to complete by July of next year a joint survey for introducing Japan’s bullet train technology for a high-speed train project between Mumbai and

Ahmadabad in western India.

The two sides agreed to continue talks for an agreement on the peaceful uses of nuclear energy, which would allow Japan to export reactors to India to meet the latter’s energy demand. Abe, during his meeting with Indian Prime Minister Manmohan Singh, announced about \$2 billion worth of loans to India to help finance the expansion of a subway system in New Delhi.

India, Japan to ink pact on joint LNG Purchase

After having advocated for quite some time the need to jointly procure liquefied natural gas (LNG) from suppliers situated in Middle East and Africa as Asian countries have long felt that they are sold the resource at prices higher than those offered to buyers from other continents, India and Japan are likely to ink a pact later this week to facilitate joint purchase of gas.

GAIL Chairman B C Tripathi told reporters that “we are discussing with them (the possibility of signing an agreement) and shortly we will be able to sign a MoU”. The agreement will be for cooperation in natural gas sector including LNG sourcing as well as shipping and supply. “It will be for all-round cooperation”, Tripathi added.

Meanwhile the state-owned entity’s net profit grew 30 per cent during the third quarter of the current fiscal at Rs 1679.40 crore over Rs 1,285 crore of the corresponding period. This was mainly owing to a sharp decline in its subsidy burden. The results for the period also included a one-time gain of Rs 344.95 crore on account of profit on sale of long-term investments. Its net sales for the quarter went up by 28 per cent to Rs 15,980.62 crore from Rs 12,474.25 crore of the corresponding period last year. Both India and Japan had in October 2012 agreed to carry out a joint study to examine ways to mitigate increasing import costs in Asia as well as to maintain stable supplies of LNG to Asia.

In September last year, they agreed to work together towards the development of LNG markets that will enable effective, stable and globally competitive LNG procurement. India, the seventh largest LNG buyer in the world, and Japan, the biggest importer of liquid gas, currently buy the gas separately.

This brings to the market a hugely competing demand, pushing the prices up. New Delhi has been pushing for LNG buyers forming a forum to better negotiate price with suppliers in the Middle East, Africa and Australia. Chubu President Akihisa Mizuno last week said in Tokyo that the Japanese utility aims to sign an agreement with GAIL to launch talks on potential joint purchases of LNG and cooperation in areas such as shipping.

Asian prices are now more than four times the cost of natural gas in the United States. Tripathi said GAIL has tied up 6 million tonne a year of LNG from the US beginning 2017-2018 and the company is planning to sell the entire volume to the domestic market. GAIL is looking to trade 1 million tonne a year of the US LNG via its Singapore office. It has signed a 20-year terminal service agreement with Richmond, Virginia-based Dominion to lift 2.3 million tonne of LNG from the Cove Point project. GAIL also has a contract with Cheniere Energy to import 3.5 million tonne a year of LNG from the Sabine Pass terminal in Louisiana. □

India accorded Abe the honor of being the chief guest at its spectacular Republic Day parade. Abe’s India visit followed that of the Emperor & Empress of Japan.

“India was privileged to receive recently the Emperor and Empress of Japan in their first-

ever state visit to India,” Indian President Pranab Mukherjee said after receiving Abe. “India attaches great importance to India-Japan relations and appreciates Prime Minister Abe’s view that India-Japan relations have the largest potential in any bilateral relations.”

“The desire to cram the visit into his packed schedule, suggests the importance Mr. Abe places on relations with India and perhaps also indicates a soft spot he has for the nation,” the Wall Street Journal noted. The Japanese and Indian prime ministers have expressed their commitment to boost strategic and political ties.

Japanese Prime Minister Shinzo Abe watched a display of India’s military strength and cultural diversity at Republic Day celebrations. He is the first Japanese leader to be the chief guest at the annual ceremony, to which New Delhi traditionally invites countries it is cultivating.

A day earlier, the two countries pledged to strengthen ties after the Japanese prime minister held talks with Indian leaders. Abe said relations between the two countries have the “greatest potential of any bilateral relationship in the world.”

Abe also said the two countries have agreed to step up cooperation in the area of maritime security through active dialogue and visits, adding that he expects there will be a further deepening of cooperation in politics and security.

India & Japan have been holding joint naval exercises since 2012.

The commitment on both sides to closer strategic ties comes as Japan and China dispute ownership of islands in the East China Sea, and as concerns increase that Beijing wants to control vital shipping lanes.

In an interview with an Indian newspaper, Abe said the security environment of the Asia Pacific region is becoming “ever more severe”. With expansionist China provoking India constantly by incursions on border, India is also wary of Beijing and its growing influ-

ence in the Indian Ocean region.

Strategic affairs analysts say the convergence between India and Japan is driven by their mutual need to counter China. There is also an element of disillusionment with United States of America. The fact that all three nations used to share common interests and were well poised to develop a joint vision for what they said a rules-based order and security architecture in Asia seems to be a thing of past

In his first public engagements since taking over as India's new ambassador to Washington S Jaishankar told American corporate and strategic elites that the "current sentiment seems less than positive," and suggested New Delhi would now parley on equal and reciprocal terms with Washington, now that the "romance phase of the courtship" is over. He though added that it would not lose sight of the big strategic picture.

Similarly as Brahma Chellaney one of the well know strategic analysts and Japan observer puts it, "When Prime Minister Shinzo Abe visited Tokyo's controversial Yasukuni Shrine last month, Chinese leaders predictably condemned his decision to honor those behind "the war of aggression against China." But Abe was also sending a message to Japan's main ally and defender, the United States".

"Faced with U.S. President Barack Obama's reluctance to challenge China's muscle-flexing and territorial ambitions in Asia — reflected in Japan's recent split with the U.S. over China's new air defense identification zone (ADIZ) — an increasingly desperate Abe was compelled to let both countries know that restraint cannot be one-sided," he continues.



Analysts say the convergence between India and Japan is driven by their mutual need to counter China.

After meeting Abe, Indian Prime Minister Manmohan Singh said Japan was at the heart of India's Look East policy and a key economically.

"Anchored in our shared values and interests, the partnership between a strong and economically resurgent Japan and a transforming and rapidly growing India can be an effective force of good for the region," Singh said.

Abe's talks in New Delhi follow a series of other high-level visits. The Japanese emperor and empress visited India in December 2013, and the Japanese defense minister earlier this month. Japan and India are Asia's second and third largest economies, after China.

The weekend visit to New Delhi by Japanese Prime Minister Shinzo Abe marked a significant new stage in the two countries' deepening strategic relationship as geopolitical tensions mount across Asia, diplomats from both sides said.

Mr. Abe and Indian Prime Minister Manmohan Singh said their nations are committed to a global partnership based on "freedom, democracy and rule of law" to help maintain peace and stability amid "changes in the strategic environment."

China wasn't mentioned by name. But worries about Beijing's ambitions and its growing ability to project military power are driving closer ties between Japan and

India, both of which are embroiled in territorial disputes with China.

Japanese officials said relations with India are far broader than defense cooperation. During Mr. Abe's trip, the two countries agreed to a wide range of efforts to cement economic and commercial ties, with Japan saying it is committed to helping India further industrialize.

Days before he arrived in India, Mr. Abe caused a stir at the World Economic Forum in Davos, Switzerland by comparing relations between China and Japan today to those between Britain and Germany before World War I.

Japan, backed by the U.S., has launched a diplomatic offensive to draw other Asian countries into a more united front against China, which last year declared a new air-defense identification zone seen by many as a bid to reinforce its claims over disputed islands in the East China Sea.

China's claims there and in the South China Sea, where it is butting heads with Vietnam, the Philippines and other countries, have garnered the most international attention. But China has also been active to the west, along its land border with India and in the waters of the Indian Ocean.

India has accused Chinese troops of making repeated incursions into Indian Territory.

Indian policy makers have also grown increasingly concerned

China hopes India-Japan ties will be 'conductive to peace'

China said it hoped India's defence ties with Japan, which were bolstered during the just-concluded visit of Prime Minister Shinzo Abe to New Delhi, would be "conductive" to regional peace and stability.

In its first comments on Mr. Abe's visit Beijing struck a cautious and measured response, reiterating its standard position on ties between other countries in the region.

"The visit you mentioned is an issue between India and Japan," Foreign Ministry spokesperson Qin Gang told reporters at a regular press briefing.

"We hope that development of defence cooperation between both countries will be conducive to peace, stability and security of the whole region," he said, adding that regional stability and security "should be upheld and safeguarded by all relevant countries." This was the same response Beijing put out in December, when the Japanese Emperor carried out a landmark visit to India.

China has, so far, responded cautiously to Mr. Abe's visit. Sources said this underlined Beijing's keenness to keep ties with India stable, even as China has stepped up pressure and hit out at Japan over disputes regarding East China Sea Islands and wartime history. The Party-run Global Times, a tabloid known for its usually nationalistic views, said in an article that Mr. Abe had visited India with the aim of "pinning down China but hardly looks like succeeding."

"India's main purpose is to obtain practical interests from Japan and Abe's wooing of India to resist China is more of his own wishful thinking," Fu Xiaoqiang, a scholar at the China Institutes of Contemporary International Relations, told the newspaper.

He added that "the big picture of bilateral relations between India and China stressing peaceful development has been already established, especially after last year when the two countries' leaders for the first time exchanged mutual visits with each

other inside one year."

He was referring to the May visit by Chinese Premier Li Keqiang to India, which was followed by Prime Minister Manmohan Singh travelling to Beijing in October, when both sides signed a Border Defence Cooperation Agreement. The last time leaders had exchanged visits in a calendar year was 1954.

Huang Dahui, director of the Center for East Asia Studies at Renmin University of China, added to the Global Times that Japan was pursuing ties as it saw India as "a huge market," and also "in terms of politics and security, cooperation with India can serve the purpose of restraining China". He said Japan was looking to strengthen alliances with the U.S. and "contain China with neighboring countries". "Abe's standpoint has gained some audience among neighboring countries currently as they have not adapted to China's rapid development," he said. "But as time passes by, other countries will find that the China threat theory is ill-founded."

India, Japan and a number of other countries are embroiled in various territorial disputes with China, which has rapidly expanded its military strength. India agreed to strengthen defence and maritime cooperation during Mr. Abe's visit, also inviting Japan to participate in naval exercises along with the U.S. At the same time, India has also attempted to walk a diplomatic tightrope by keeping ties with China stable, and even pushing economic engagement with Beijing.

For instance, India has chosen to remain silent on the question of China's tensions with Japan, and also on disputes between China and a number of countries over the South China Sea. Chinese officials, sources said, had noted that India did not comment on China's move to set up an Air Defence Identification Zone over parts of the East China Sea - a controversial step that brought expressions of concern from a number of countries from across the region. □

about China's presence in the Indian Ocean, which India views as within its sphere of influence and which encompasses critical transit routes for shipments of Mideast oil to India as well as to China and Japan. Beijing has funded port construction in Pakistan and Sri Lanka and its navy has been more active in the region.

In December, Japan and India conducted their first bilateral naval

exercise in the waters off Chennai on India's southeast coast. Two Japanese destroyers joined three Indian warships to practice anti-submarine warfare. In January, the two countries' coast guards staged joint maneuvers in the Arabian Sea.

Republic day's parade included flyovers by the Indian air force's Russian-made Sukhoi Su-30 fighter jets and a U.S.-made C-130J Super Hercules transport

plane. India recently dispatched the Hercules to a high-elevation landing strip near the Chinese border, highlighting its ability to reinforce troops there.

To sum it up both India & Japan are cautiously moving forward towards building a strong bilateral relationship. One can only hope that it benefits both these countries and enhances peace and security in the region. □□

Rise of AAP and its Future



The question is Whether Arvind Kejriwal will face the same fate as of earlier challengers who finally joined the elite group and started ruling Indians instead of representing them, forget addressing the problems of Indian governance, asks Anil Javalekar

Lastly Aam Aadmi Party (AAP) dared to form Delhi government and Sri Arvind Kejriwal became the Chief Minister. This is not the first party nor is he the first one, who rises from the people's movement, entered in to electoral politics, got elected and became the chief minister. India has the history of such people and such political parties. Many of today's known politicians or parties are from this or that people's movement. It has been the experience that Indian system of governance rarely allows major changes in policies or executive system easily and most of the time the course available for activists is to go through the electoral process of the representative democracy by joining or forming political parties or groups. Most of regional parties are the result of so called ill treatment to their states by centre. Sri Kejriwal and his team therefore followed the same track and challenged the established ruling political class. The question is again the same. Whether Sri Kejriwal will face the same fate as of earlier challengers who finally joined the elite group and started ruling Indians instead of representing them, forget addressing some of the problems of Indian governance. The Kejriwal team has won the first battle of forming party

and showing their presence in electoral politics. The future cannot be that certain and depends on how much they are serious or will remain serious of the issues they have raised and how much response they get from the Indian system of governance and from the same class of people who stood by them. It is desirable to wait and see the performance of the AAP in the coming months. More than that, it is desirable to check Sri Kejriwal's approach towards issues and its practicability as also his vision, if any, for future India.

AAP's rise is out of Public anger

The rise of AAP is not on the basis of a great new vision for future India but due to public anger

against the established political class and their culture of mafia raj, their governance through corruption and their use of representative democracy for dynastic rule. There is no denying that Governance subservient to ruling elite; loot of natural resources by mafias by joining hands with power; rule of and by corruption; law implementation agencies siding with the elite and corrupt; election process favoring moneyed and muscled apart from dynasty; purposeful weak investigations and delayed justice are some of the visible signs that were bothering Indians. They saw that Indian welfare state gave up the idea of welfare within 40 years of its existence and started covering



up the failure to eradicate poverty and unemployment by illusory concepts of inclusive growth and financial inclusion. The fact is more visible when majority of people remained deprived of basic necessities even after 66 years of independence and planned development, the political class and their allies prospered. The prosperity of this class would not have been possible without their collusion with authorities of state agencies. Therefore, the anger was more against political class and their indifferent attitude towards corruption. This anger reached to height when government was ready with an ordinance to negate Supreme Court decision barring criminals from electoral politics. Most Indians supported Anna Hajare and his movement against corruption. AAP finally en-cashed it and recorded their first electoral victory.

AAP's trap will be its doubtful simple lifestyles and high promises

AAP have won elections by promising cheap electricity, free water and regularization of unauthorized colonies as most other parties do and lost a great chance to deal complicated urban problems with visionary solutions. It is to be remembered that the birth of AAP is out of public anger and its first duty is to change all that what angered Indian urban minds. It is easier for AAP or any other party for that matter to provide free water and legalize unauthorized colonies or even give subsidy on electricity bills because that creates goodwill for them by passing cost burden to future generations. The harder is to implement AAP's basic agenda that is to discipline public affairs and give cor-

Temptations will show its impact and AAP leadership will find surrendering to it.

rupt free governance. For that, it may not be sufficient, though important, for AAP leadership to have personal high morals and non corrupt life styles to bring required cleanliness in administration and public life. There are already good people in public life, even in bureaucracy and administration, which are disciplined, and corruption free and India saw them failing to give corruption free governance. Our honorable Prime Minister Dr Manmohan Singh is unique example to quote. Nor this is possible by superficial methods like providing help lines and appointing committees and task forces as most central and state agencies already have such systems. Apart from this, it is not easy to be simple and not consider oneself VIP particularly when in power and luxuries of house and transport and other socio-economic services are easily accessible. Temptations are natural and downfall is truer. Within no time these temptations will show its impact and AAP leadership will find surrendering to it. Therefore, AAP probably will fall in the trap of commitment to simple lifestyles and high promises.

AAP may simplify rules/procedures and allow bureaucracy to function

AAP however, can do something to ease common man's dealing with government. There are rules or systems and procedures and India has the best of its all. However, the real enemy is the dis-

cretion and exceptions given to ministers and bureaucrats at various levels of administration, may be to smoothen the decision making. But these discretion and exceptions have been a problem and are being used as tools for all types of manipulations. Moreover, the beneficiaries of these manipulations and corruption include sometimes the common man apart from rich and elite. How far the AAP and Sri Kejriwal team will be able to change this system of discretion and exceptions and streamline the rules and procedures that are helpful and useful to people will have to be seen. There is no doubt that this will be the first agenda that will decide the relevance of AAP in future. First, AAP need to be morally strong in public life by doing what they said. They may have to keep high ethical performance standards for themselves and free bureaucratic administration from ministerial and political interferences. Allowing public agencies to follow rules and procedures is the first step to minimize corruption and removing all cumbersome procedures or simplifying the rules is second.

AAP should not undermine democratic institutions & traditions

The rise of AAP is possible due to Indian system of democracy and Indians owe it to the first batch of Indian politicians from freedom struggle that had definite vision for future India. They gave shape to some of their visionary concepts by way of building institutional setup for future Indian democracy and socio-economic development. The best among is Indian Constitution that approved representative democratic system, granted individual freedom and



The vision for future is most important part of any political struggle

defined the range of state interventions in socio-economic life of citizens. There were amendments in the Indian constitution and origin of many was in the people's movements. Indian first batch of politicians have also framed and implemented many of Indian national and international policies meant to help Indian progress and prosperity along with social justice to downtrodden. All these institutions, values and democratic traditions need to be preserved.

AAP has many times talked of participative democracy without elaborating. Their way to approach Delhi people after elections to form or not to form government is example of undermining Indian election system. They forgot that the electoral process is the system provided for the purpose and when people vote, they expect their candidate or party to form a government and do something to fulfill promises. If AAP think that participative democracy means to approach people conveniently to avoid decisions or pass on the burden of responsibility, then they are undermining the institution of Indian representative democracy and that may be disastrous.

For example, AAP approached people for forming government but conveniently avoided

for ministerial use of cars and luxury houses. AAP should respect and follow Indian democratic system and traditions in its true spirit.

AAP should clear its vision for future India

The vision for future is most important part of any political struggle and history is witness to it. India has also own its freedom from British Empire by convincing Indians its necessity and mapping for their better future. Present political parties have their background and their minimum philosophies that can shape future India. Major Indian national political parties almost have clear views on all the issues of national importance. AAP has not elaborated its vision so far. Many of Indian politicians have no vision but only a desire to rule. They simply oppose lacuna in policies or people in authorities, consolidate on unrest for winning elections and become a part of political combinations that rule Indians. Hopefully AAP is not intended to win elections just for gaining political power that allows no change in political culture or governance. If that is the case, AAP need to give their vision for future India, describe their style of ruling, define the participative democracy, discuss the policies for economic development and foreign rela-

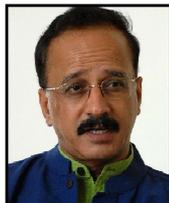
tions apart from their strategies for socio-economic justice to poor and deprived. They also need to adopt a strict code of conduct for their members and appoint an independent authority to supervise it. Moreover, they should be open for discussions and review of policies and should not impose their defined ways of polity.

AAP need to aspire for nation building and avoid cheap polity

Indian elections are more won by money, muscle and dynasty or maximum by emotional appeals than by honest political vision for future. Indian politicians failed to set high moral standards in political life. Their failure to make British trained bureaucratic system serve the interests of Indian people is also a cause to worry. Emergency in 1975 and JP movement later helped emerge a Second batch of Indian politicians that also talked of high morals in public life and braved for socio-economic national commitments.

However, in practice, none bothered to change the basic policies of national governance nor changed the administrative set up of British legacy nor insisted for clean public and political life. Result is corrupt polity and failing governance. AAP hopefully will take a lesson from Indian political history and bring changes in polity instead of simply winning elections by cheap promises to remain in power. Allowing celebrities to use AAP platform for personal aggrandizement is first hurdle. Future of AAP will depend on their vision for Nation building and keeping of their promises apart from their expressive high morals in public life and simple but honest personal life styles. □□

How to kill farmers



Only about 30 per cent of India's farmers get the benefit of procurement prices. Rest 70 per cent farmers are dependent upon the markets. If the markets were encouraging entrepreneurship and thereby improving livelihoods, I am sure by now the farmers in the food bowl of the country – Punjab and Haryana – would have demanded repeal of the APMC Act, trusts **Dr. Devinder Sharma**

At the AICC meeting in New Delhi, Rahul Gandhi made a mention of how he had asked his Congress chief ministers to exempt fruits and vegetables from the Agriculture Produce Market Committee (APMC) Act. As per his directive, most Cong chief ministers had already removed fruits and vegetables, which have contributed much to raging food inflation, from the APMC Act by January 15. But has it helped reduce food inflation?

The prices had already come down in December much before Rahul Gandhi's directive could make a difference. But what is more important is to understand whether the APMC Act is the vil-

lain of the story or whether the fault lies somewhere else. Let's take a deeper look.

A day after Parliament approved FDI in multi-brand retail in Dec 2012; a newspaper report highlighted how the big retail was exploiting both the farmers as well as the consumers. The wholesale cash-n-carry Bharti-Walmart enterprise was buying baby corn from contract growers in Punjab at Rs 8 per kg, selling it in wholesale at Rs 100/kg and finally the consumers were paying Rs 200/kg. In other words, a farmer got only 4 per cent of the end price the consumer paid.

Take the case of paddy in Bihar, which is the only State to have repealed the Agriculture Produce

Marketing Committee (APMC) Act way back in 2006. It had freed farmers from what many pro-reform economists call as an 'archaic provisions of a socialist era' thereby allowing farmers the freedom to sell their produce to whomsoever they like. Against the procurement price of Rs 1,310 per quintal that Punjab farmers got this year, Bihar farmers have somehow managed to sell paddy at something around Rs 800-900 per quintal. This is nothing but a distress price, a classic example of ruthless exploitation by the private trade.

Ironically, the Commission for Agricultural Costs and Prices (CACP) which is supposed to ensure remunerative prices to farmers lists Bihar as the top 'market-friendly' State as far as agriculture is concerned. Punjab, which has a network of *mandis* and provides an assured price to farmers year after year, is at the bottom of the chart. At a time when being market-friendly is the new mantra, CACP is asking the Punjab government to disband the APMC Act and allow markets to operate freely. In other words, it wants Punjab farmers to go the Bihar way.

What probably Rahul Gandhi has never been told is that only about 30 per cent of India's farmers get the benefit of procurement



prices. Rest 70 per cent farmers are in any case dependent upon the markets. If the markets were so helpful for these 70 per cent farmers, encouraging entrepreneurship and thereby improving livelihoods, I am sure by now the farmers in the food bowl of the country – Punjab and Haryana – would have demanded repeal of the APMC Act.

But it didn't happen. The reason is obvious. APMC Act, despite all its flaws, provides an assured price and market to farmers. It is primarily for this reason that Punjab farmers are refusing to diversify from wheat and rice cultivation in the absence of an assured price mechanism for other crops. Madhya Pradesh this year is expected to take over Punjab in wheat production, not because of leaving farmers to the tyranny of the markets but providing them with a bonus above the procurement price.

I am amused when some economists blame APMC for the monopolistic market structure that restricts the entry of free trade and competition thereby denying farmers an economic price for his produce. This is completely wrong an assumption. Under the APMC Act, farmers bring produce to the designated *mandis* where the private trade is first allowed to make purchases. It's only when there are no private buyers left that the Food Corporation of India (FCI) or the State procurement agencies step in to lift whatever is available at the minimum support price.

This is what irks the private trade. It doesn't want to pay the minimum support price to farmers. If it can get paddy at Rs 800-900 per quintal in Bihar for instance why should it shell out Rs 1,310



APMC Act, despite all its flaws, provides an assured price and market to farmers.

per quintal to Punjab farmers? While I say this, the Gurgaon Chambers of Commerce and Industry have already asked the Haryana government to remove the APMC Act completely which will allow them to procure cheaper raw materials for the industry.

To say that market structures do not permit the entry of new players who want to set up cold chains and invest in other infrastructures is all bunkum. In seven years after repealing the APMC Act Bihar has seen any revolution in agricultural marketing. Farmers have been left in the lurch. Nor is the private trade interested to make investments. In fact, the industry wants to exploit the already existing supply networks in the frontline agricultural states like Punjab and Haryana.

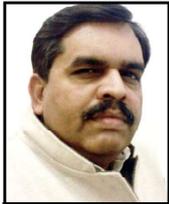
Prior to the Green Revolution, and before the Agricultural Prices Commission was set up, farmers were free to sell their produce to anyone who offered them good prices. It was known to be an exploitative system wherein the trade squeezed the profit margin of farmers at the time of harvest. It was only when procurement prices were introduced that farmers got an assured price for their produce, and that is what encouraged them to produce more. An assured price and an assured market

formed the very foundations of the Green Revolution. Procurement prices help farmers realise a fair and better price for their produce. This system needs to be improved and strengthened, not dismantled.

There is no denying that over time some aberrations have cropped up in the way the *mandis* (as the public grain markets in India are known) operate. The APMC laws have the provisions to effectively regulate these *mandis*. But rarely has the government ever stepped in, and in fact it is because of the political cover to the powerful middlemen coterie that the entire mess has generated. For instance, why do the State Governments make a political appointee as the chairman of the APMC committee?

But to take away horticultural produce from the purview of the *mandis*, and that too after the 2005 amendment in the APMC Act had allowed the private buyers to bypass the *mandis* and purchase wheat and rice directly from the farmers, is primarily aimed at killing the procurement system. This is the first step. More will soon follow. In other words, knowingly or unknowingly Rahul Gandhi is very cleverly suggesting destruction of the very foundations of food self-sufficiency built so assiduously over the past four decades. □□

Elections, Inflation & Dwindling Economy



*Since 2010 price level has increased by nearly 40 percent and the food inflation has been even higher at 48 percent. This implies that a poor man, who was spending 100 rupees on food, now has to shed 146 rupees for the same food. This also means that if he does not have sufficient money, then he is forced to cut down on his consumption of food items, finds **Dr. Ashwani Mahajn***

After worst ever defeat in elections from 'Aam Admi Party' and BJP, Congress Party has recently called meeting of its chief ministers from congress ruled states to combat inflation in their respective states. It looks highly strange that, how come a problem which is national in nature could be solved at local level. Though inflation is not a new phenomenon in India, but the new aspect is that, in the last 3-4 years, rate of inflation has been at a very high level. Since 2010 price level has increased by nearly 40 percent. During this period food inflation has been even higher at 48 percent. This implies that a poor man, who was spending 100 rupees on food, now has to shed 146 rupees for the same food. This also means that if he

does not have sufficient money, then he is forced to cut down on his consumption of food items, especially vegetables, fruits, eggs and milk.

Popularity graph of the central government has constantly been going down, as proved from humiliating defeat of congress in Delhi, Rajasthan, Madhya Pradesh and Chhattisgarh. In such circumstances congress party is naturally nervous. Main question is how inflation could be stopped? For the last so many years government has been making tall claims about combating inflation, however, inflation has become an unending phenomenon. A couple of years back the government made a series of raids on traders' godowns, to prove as if inflation is due to hoarding by

small traders; and last year government claimed that foreign investment in multi brand retailing would help controlling inflation. Sometimes government tells countrymen to wait for good monsoons and now is calling chief ministers of congress ruled states; to somehow get rid of this blot on the goodwill of this government. Our prime minister, deputy chairman of the planning commission and the finance minister all are known to be experts in economic; why government is trying to beat around the bush, is beyond the imagination of the people.

Causes of Inflation

In economic theory there are two factors responsible for inflation. One is increase in demand and second is increase in cost. Policy measures being adopted by government, as mentioned above cannot do any good on both these fronts. Government has to make efforts to address reasons for increase in demand and the cost of production.

Rising Fiscal Deficit is the Main Culprit

As per the data published by the government about its spending till November, 2013, the fiscal deficit has reached Rupees 5.09 lakh crores of rupees in the first eight



months of this fiscal year. It is notable that the proposed fiscal deficit for the whole year is Rupees 5.42 lakh crores. If the same speed continues, fiscal deficit may reach Rupees 7 lakh crores by the end of the year. While presenting the Budget 2013-14, the Finance Minister promised to keep fiscal deficit within 4.8 percent of GDP and that it would not be allowed to cross the 'red lines'. However, the data coming in puts a big question mark on government's commitment. Recent indications about possibilities of more populist measures like increase in limit of subsidised LPG cylinders to twelve may further raise this subsidy and thus fiscal deficit.

Government can adopt two ways to fill the gap arising out of fiscal deficit; one by borrowing from public, including banks and second by borrowing from RBI, which in turn would be filled up by printing of additional currency notes. It may be underlined that is, March, 2009 currency held by the public was only rupees 6,55,450 crores, which increased to 11,89,780 crores by October 18, 2013 (that is, 78 percent increase in nearly 4 and half years). Money supply which includes bank deposits apart from currency, increased by 52 percent during this period. According to economic theory, as money supply increases prices increase by the same proportion. And increase in prices would be less, if there is growth in GDP. And it is no mere coincidence that prices have increased almost in the same proportion, as suggested by economic theory. Why our learned prime minister is not able to see the writing on the wall is beyond comprehension!

Our economic growth has



been declining in the last couple of years. We find a high (9.3 percent) rate of growth of GDP during 2009-10, which declined to 6.2 percent and 5 percent during 2011-12 and 2012-13 respectively. In 2013-14, it may go even down to 4.5 percent only. Major reason for decline in growth is believed to be poor performance of manufacturing sector. It is notable that manufacturing growth which was 15.6 percent in 2007-08 has come down successively in the last eight months to (-)0.2 percent.

It means that manufacturing has nearly come to a standstill. Major loses is the capital goods sector, where growth has gone negative. Due to neglect on the part of the government, agricultural production also could not increase as per targets. Now the responsibility of growth it seems has fallen on the services sector, which again has its own limitation. Under these circumstances, standstill manufacturing and agriculture on the one hand and increasing money supply on the other are fuelling inflation.

What Government Should Do?

Government will have to take concrete measures to combat inflation. On the one hand it will have to cut down its wasteful ex-

Our economic growth has been declining in the last couple of years.

penditures to stem fiscal deficit. Instead of cutting down expenditure on social services like, education and health it must have to curb populism. To somehow garner votes the government had made many populist declarations apart from enacting food security legislation in a hurry in its last leg in power. They are needed to be rationalised. Concessions being given to the corporates in the name of improving investment environment need to be withdrawn. Government will help to make all out efforts to improve its tax revenue collections including tightening the noose on companies like Vodafone.

We need to keep rate of interest low at any cost, so that industrial and infrastructural development gets a boost. We need to control the import of industrial products especially consumer and engineering products to save our industry; only then the industry reeling under recession could be helped. □□

Indian Women as Global Guides



*There is no need to enter into a clash between Western and Indian thoughts but seize this opportunity to understand the difference between rights and respect. A rights-driven western society is incapable of building a responsible filial framework similar to the one built by Indian society that reveres women, thinks **Hema Gopal***



Google search on the keywords “Art of being a woman/man” provides quicker response for woman than man. The response time of the world’s powerful search engine is symbolic of the quick realisation of the timeless responsibilities of women. The timeliness of this realisation as the entire nation celebrates the 150th birth anniversary of Swami Vivekananda is another unique dimension. The young ascetic monk stole the show at the World Parliament of Religions with his uniquely characterised speech which rattled the entire audience. The spiritual tsunami of Swamiji generated thought waves that signaled the renaissance of old India in the new world order. The spiritual assets of Swami manifested in different

forms and captured the quintessence of India’s strength. One form of manifestation was Swamiji’s original and unadulterated view of feminism. Swamiji believed in adding the mother side of Nature to the character of a nation, and brought to the forefront the underlying force behind a nation’s welfare—its status of woman.

The concept of motherhood has always been held in high respect in India. The common reference to Mother Earth or Mother India is aligned with this noble supremacy of motherhood. The noble state of motherhood is a subset of a nobler state of womanhood which is the noblest form of the superset architecture called humanhood. Womanhood is the true

symbol of strength and in E Roosevelt’s words, “A woman is like a tea bag—you never know how strong she is until she gets in to hot water”. The sanctification of womanhood is unique to the Indian philosophy of feminine divinity that has been held in a high pedestal by the functional society despite intrusion by dysfunctional deviants. It is this eternally enriched social capital of India that has insulated Mother India from invasions of Western thoughts packaged as modern lifestyle.

Indian womanhood symbolises the higher state of humanhood and is the guardian of India’s cultural, spiritual, civilizational, economic and social assets. Only the West needed a vanguard movement to elevate the status of womanhood and ensure women get their rights. In the rights vs respect conflict, the resultant casualty was the social capital as the rights movement pushed family functions to the periphery, promoting exclusive individualism. “Advanced economies” driven by free market capitalism and liberal democracy, two sides of the same “rights movement” coin, are now struggling to decode and implant the genuine social DNA. The idea of individualism over collectivism, lifestyle over living skills has dominated

global discourse of human life reducing the high philosophical form of womanhood to a trivial biological form.

There is no need to enter into a clash between Western and Indian thoughts but seize this opportunity to understand the difference between rights and respect. A rights-driven western society is incapable of building a responsible filial framework similar to the one built by Indian society that reveres women. A rights-driven society has a repeated history of failures that were unable to polish the bruised contours of livelihood. Contrastingly, societies like India and Japan have ensured respect and responsibility override rights, thus ensuring quality of livelihood. The quality of life of a nation's citizenry is its biggest strength. In this perspective a multidimensional role of Indian women is an art in daily practice at its threshold of global acceptance.

Nations have differing opinion on trade, commerce, economics, business, etc. and such differences are addressed through multilateral regulations. The confusion between lifestyle and living skills always results in a conflicting mind misguided by a distorted understanding of modernity. The conflict cannot be resolved through printed copies of regulations governing human life. Neo-modern feminists seem to measure life through lifestyle and the true Indian barometer measures the living skills of women. There is a fine distinction between the two parameters—lifestyle and living skill. Traditionally, the living skills of a household are built by the woman in charge and not by the man who is the “official head”. A majority



A crisis-ridden Western lifestyle should embrace a crisis-immune Indian living skill model.

of Indian households are adequately endowed with these life skills and that is why India is a successful economic aggregation of millions of its microeconomic entities called families. A rich or a poor family in India is very rarely differentiated based on the life skills but grossly differentiated based on lifestyle. A common thread that unites Indian families, rich or poor, is the foundational living skills missing in advanced “modern” economies. A “living skill-developed” India is the best answer to a lifestyle-impo- verished West that is grappling with a high socio-economic crisis of cataclysmic consequences. The building block of India's developed living skills is India's multitasking woman specialists. Multitasking specialism in Indian women is not a double-barrelled diction but certainly social ammunition that needs to explode globally.

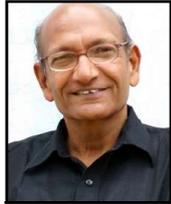
As an IT veteran, I visualise Indian womanhood from three perspectives—hardware, software and antivirus. She is the key hardware forming the spine of Indian humanhood, a hardware that has a strong anatomy and physiology ensuring strong family aligned with Indian ethos. She is the software as a service model capable of multitasking based on the needs of the family—a responsible daughter-in-law, loving wife, caring

mother and socially respected individual. Thanks to the social armoury an Indian woman provides, she is also the anti-virus that protects family functions from a virus called Western modernity.

The advanced world's (read USA) social architecture is foundationally shaken by its rights-driven hyper-individualistic society. India is strong through its womanhood that perpetuates respect-driven collectivism. A crisis-ridden Western lifestyle should embrace a crisis-immune Indian living skill model. I feel elated to recall Swami Vivekananda's words to conclude. “The ideal of womanhood is motherhood—that marvellous, unselfish, all-suffering, ever-forgiving mother.” The motherhood in Indian womanhood rejuvenates the purpose of life—a purpose that stresses on building living skills and not just lifestyle. It is Swami Vivekananda's attachment to Chennai that provides a perfect springboard for the women's convention on his 151st Jayanthi to showcase to the world that Indian woman is a guide to the world at a crossroads. This path-breaking convention aligns with the spirit of Indian woman who makes a global difference. □□

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Give Green Bonus; Not Tax Exemptions



The hill states should be given Green Bonus, tied to the improvement in the status of forests and rivers, instead of tax exemptions. It is seen that industries flee after the tax exemptions come to an end, recommends **Dr Bharat Jhunjhunwala**

The tax exemption package to promote industrialization in the hill states of Uttarakhand and Himachal Pradesh has been extended by four years. Industries being set up in these states would be entitled to tax reliefs in respect of income tax and excise duties. The difficult terrain of these states presents an inherent disadvantage for setting up industries. The cost of production here is higher than in the plains. Idea is that the tax exemptions will compensate for the high cost of production and help in industrialization of these states. Problem, however, is that such packages also become a trigger for destruction of environment. These State Governments are pushing to harness every inch of their river flows for generation of electricity. They want to provide an additional attraction to the industries by providing cheap electricity. This will cause a huge environmental damage to aquatic biodiversity, water quality, carbon emissions, etc. The challenge is to find a way to compensate the hill states for their difficult terrain while protecting the environment. One way out would be to provide Green Bonus instead of tax exemptions.

Industries and vehicles in the plains emit carbon dioxide into the atmosphere. This leads to skin and

respiratory diseases. It also leads to higher temperatures and more expenditure on fans and air-conditioners. This carbon is absorbed by the forests in the hill states and the quality of air improves all around. People in the plains are saved from the ill-effects of the carbon emissions made by them. The hill states incur a cost, however. They are not able to cut the forests and sell the timber. Similarly industries and municipalities in the plains dump sewage into the rivers. This leads to loss of fishing and also the people are deprived of the pleasure of taking a dip in the river. The capacity of the river to bear this pollution is enhanced by free flow of the river in the hills. The river water absorbs beneficent metals

like chromium and copper which have bactericidal qualities and help the river fight pollution. People in the plains save monies in treatment of sewage and also enjoy the dip in the river. The hill states, however, again incur a cost. They are not able to make hydropower projects. Hill states forego the revenues from hydropower to make available good quality water to the people living in the plains. The hill states are losing out in order to provide benefits to the plains. Obvious solution is for the plains to pay compensation to the hill states. Saving to the people in the plains should be shared with the hill states. Then the sacrifice by the hill states will become win-win situation for all concerned.



Officers of the Planning Commission have endorsed this approach. A Working Paper written by its two Directors has argued that cross-support across states for the afforestation programme should be explored. States like Uttar Pradesh and Bihar are beneficiaries of afforestation done by Uttarakhand. The latter bears the costs. Therefore it was suggested that tradable permits could be created. Forest-surplus states could sell the permits to highest bidder among the forest-deficient states. The Supreme Court had also asked the Government to institute such a mechanism about a decade ago. However, this was resisted by the polluting states. Instead a mechanism has been evolved to provide grants under the Finance Commission formulas. The allocation to the states also takes into account the Environment Index though this is only 2 percent of the total. Green states get higher share in the revenues.

A word of caution is needed here. Green Bonus must be linked to verifiable targets this will not be successful in arresting deforestation and killing of our rivers though. A report of Yale University notes, "Since 2000, foreign donors, working with the Brazilian government, have spent hundreds of millions of dollars to place 386,000 square miles of the Amazon — an area nearly as large as France and Spain combined — in protected areas. Yet during that same period, logging, farming, ranching, and development in the Amazon have destroyed a forest area half the size of Norway." Reason is that payment is linked to the area of the forests; and not to change in the same.



Green Bonus must be designed in a way that makes it profitable for the hill states.

Say Himachal today is provided Green Bonus. Yet it may be profitable for Himachal to cut the forests because the benefits from cutting may exceed the receipts from Green Bonus. Green Bonus is like interest received on a Fixed Deposit while selling timber is like encashing the Fixed deposit itself. It is profitable for a person to encash the Fixed Deposit if he is not likely to be around to receive the interest. Thus Green Bonus must be designed in a way that makes it profitable for the hill states to actually conserve the forests and rivers.

Suggestion is that Green Bonus should be provided not on the present area of forests or the free-flow in the rivers; but on the change in these. Say, Himachal has 100k hectares of forests today. Next year the area can be either 95k or 105k hectares. Green Bonus should be given only if the area of the forests has remained same. Additional bonus may be provided if the area has increased. Alternatively density of the forest can be measured. If some forests have to be cut to make roads; then the hill state should increase the area elsewhere as is done in compensatory afforestation. It should not be that the hill state may merrily continue to cut the forests and also

claim Green Bonus. Similarly the measures taken to improve the water quality of rivers should be the basis of calculating the amount of Green Bonus.

Second suggestion is that the money should be given to the people who are directly connected with the forests and rivers. Uttarakhand, for example, has established Van Panchayats. The money could be given to these Panchayats on the basis of predetermined targets of conservation. Similarly it could be given to municipalities that establish treatment plants to keep the rivers clean. The money could also be used to provide free LPG cylinders to households in the hill areas so that the pressure for collecting fuel wood from the forests is less. It could be given for establishing solar and wind electricity plants so that the need to harness rivers for hydropower is reduced.

The hill states should be given Green Bonus instead of tax exemptions. But this should be tied to the improvement in the status of forests and rivers. Tax exemptions are wholly harmful because they provide an incentive to destroy the environment. Moreover, the efficacy of tax exemptions is questionable. It is seen that industries flee after the tax exemptions come to an end. □□

Exposed! Shunned for LIC, selected for IRDA



*The person who, according to the very same Ministry of Finance, was found unfit to head LIC in 2011, was found to have a “splendid track record” in 2013 and fit enough to head not only LIC but regulate the entire insurance industry, detects **M.R. Venkatesh.***

In a record of sorts, for the first time in the history of LIC, the then sitting Chairman TS Vijayan was not given an extension to complete the one-and-a-half years of his remaining period of service. Worse still, a secret note of the Ministry of Finance indicates the original proposal to ideally demote him to the position of Managing Director on his completion of tenure on May 2, 2011.

In fact, the Finance Ministry’s internal note quoted the Assessment Committee and, based on the available records, pointed out that pending a vigilance clearance, it would be inappropriate to even consider him to the position of MD but would have to be reverted to the position of ED/ZM.

Strangely a person who was considered unfit in 2011 to be a Chairman of LIC and in the view of the Ministry of Finance, considered inappropriate to be appointed even as the Managing Director of LIC was short-listed in late 2012 for the post of IRDA – the insurance regulator which ultimately controls LIC! Gallingly, the Finance Minister in January 2013 goes on to select TS Vijayan in view of his “splendid record.”

All these formed part of the expose published in Part I of this series.

In an interesting twist, the Finance Ministry in yet another note in April 2011 proposes the appointment of TS Vijayan as the Managing Director of LIC. And with the

consent of the then Finance Minister Pranab Mukherjee on April 29, 2011 TS Vijayan was once again appointed on May 3, 2011 as the Managing Director of LIC till his superannuation on February 28, 2013 – a clear demotion – not the harsh double demotion as originally intended by the Ministry of Finance but a much more modest one, but a demotion nevertheless.

Ability, integrity and standing...

On May 4, 2011, i.e. the very next day of his appointment, TS Vijayan proceeds on sick leave – apparently sulking at his demotion. In a letter dated March 1, 2012, i.e. after approximately 10 months, the then Current-in-Charge Chairman of LIC DK Mehrotra wrote a confidential yet detailed letter to the Ministry drawing their attention to the fact that TS Vijayan has been on continuous medical leave for nearly 300 days and that his long absence with no updates from him “appears to be a deliberate attempt to embarrass the management.”

The letter further said, “The reason for his continuous absence because of his ill health seems to be an excuse as it is understood that he is even undertaking journeys out of Mumbai despite his official position of suffering from the stage of arthritis which would compel him to be on sick leave for



almost 300 days in total.”

The letter further observed: “Vijayan’s long absence is now fairly known inside and outside the organisation as his leave of absence is recorded on the minutes of every meeting... His absence, ostensibly on health grounds, has affected disciplinary framework as top management is perceived to be the role model for all employees in the organisation. Therefore, his continuous absence is creating a situation of embarrassment for us at the management level as his movement in and out of Mumbai in spite of being on sick leave... is in full knowledge of the staff members and is effecting the disciplinary fabric of the organisation.”

The letter had ended with a request to the Ministry to ask him to appear before a medical board to bring to rest all speculation about his state of health. Would TS Vijayan relent or oblige? Will someone within the Ministry of Finance take the bull by its horns? Well, no prizes for guessing. And the reason requires some explanation.

Readers may be aware it is precisely at this point in time that a series of political developments took place in Delhi. These began with the elevation of Pranab Mukherjee as the President of India and culminated in P Chidambaram becoming the Finance Minister on August 1, 2012. As if on cue, TS Vijayan put in his papers a few days later i.e. on August 9, 2012 as MD of LIC [even as he continued to be on sick leave since May 2011] probably with full knowledge that that his time had indeed come.

From then on, it is indeed a remarkable coincidence that the Finance Ministry (which till then

was putting TS Vijayan to some basic scrutiny) instantly turned very benevolent towards TS Vijayan. On November 9, 2012, without rejoining duty at LIC, TS Vijayan was relieved honourably.

Interestingly, a few days before his accepting his resignation, the Government had begun looking for a replacement for IRDA chairman. And it is precisely at this point in time that TS Vijayan moved his application for the post of IRDA chairman.

The whole process was sped up in December 2012. By that time several of the allegations against TS Vijayan had apparently been cleared and despite all the allegations made out the CBI could not find merit in these allegations.

Was it a command performance by the caged parrot? If he was indeed honourably exonerated, why are the relevant reports not available despite specific RTI application filed? Crucially, what about the loss on investments made by LIC? Were all these merely systemic? Assuming for a moment it is so, even then does he have the ability – given his unimpressive track record – to become Chairman of IRDA?

Remember, the fundamental requirement for being appointed as IRDA chairman was “integrity” and “ability.” Even, given that all these are a matter of subjective import, can TS Vijayan, given the circumstances, be held to be a person of integrity and ability?

Questions for which we do not have any answers even to this date!

Consequently, despite the record of having been ridden by financial scandals that were found fit to be probed by CVC/CBI, a performance that was “hailed” by

IRDA, being the regulator, is supposed to be the custodian of funds that belong to the policy-holders

a stinker from the regulator – that was marked by damning phrases like “serious implications on solvency,” “lack of diligence,” irresponsibly absenting from work for over 18 months, the brazen attitude of not subjecting himself for any medical examination as was required – were all packaged in one simple word called “splendid” by the FM.

Thus, the man who was considered unsuitable to hold the position of the chairman of LIC and hence demoted to the position of MD in 2011 has come back to “boss over” even that Chairman of LIC by 2013!

But whatever that may be, the fact remains that the ruling dispensation veered around the whole procedure to “select” the man (apparently with a questionable track record by its own admission) for a job which had already been “chosen.” The “rigmarole” was just a farce.

But why?

As already pointed out, the LIC has an investment portfolio in excess of Rs 13 lakh crore – almost equal to the country’s annual budget! The IRDA, being the regulator, is supposed to be the custodian of such funds that belong to the policy-holders who all assume to have purchased their future financial peace.

Hence, IRDA has extant rules of investments for all insurers and has also put in a system of safeguard-

Spot light

ing such funds. It is in this connection that IRDA's investment regulations mandated the limits of investments in equity and debt cumulatively at a maximum of 15 per cent each for each investee company.

Interestingly and coinciding with TS Vijayan's appointment as chairman of IRDA, as recently as in June 2013, LIC "suggested" to IRDA that these should be increased from a 15 per cent to a maximum of 30 per cent in respect of debt securities per investee company. IRDA in turn has obliged LIC, vide its reply dated August 1, 2013 and extended the limit up to 20 per cent while simultaneously stipulating some "convenient" conditions linking to index-based issues. Remember, it takes two to tango.

Innocuous as it may seem, the higher limits of 20 per cent invest-

ment would enable LIC to subscribe for corporate debt of even dubious repute while it frees the original 15 per cent for equity investment into stock markets alone. Experts opine that this innocuous proposal has in turn the calculated effect of pumping in approximately Rs 2 lakh crore into the Indian stock markets!

Given its reluctance in providing investment details and its dismal track record, one wonders whether it yet another classic case of putting good money in the hands of dubious corporates.

Remember, it puts LIC's funds at enormous risk as too much would be in one basket. One shudders to think – what if another Satyam happens and LIC has taken a 35 per cent stake (debt and equity together)!

Also, in an unprecedented

move, IRDA has suggested introduction of index-based debt securities. This act is indirectly linking the investments fortunes of stock market. Do all these maneuverings cumulatively account for the extraordinary rise in our stock markets since June 2013?

Nevertheless, that explains why the men manning our regulatory mechanism must be of ability and integrity. Left unchecked, the humungous unlocked value contained in the balance sheets of these Government-owned companies will be eaten up by political moths duly aided and abetted by a compliant regulatory authority. The intent is already clear. The symptoms are also seen. The financial holocaust may not be far behind.

And should it happen, it would indeed be "splendid." □□

(Concluded)

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Cross Media Ownership - A Threat to Vibrant Democracy



Promoting news of other group industries either directly or surreptitiously has become more a rule than exception. The line between objective journalism and promotion of group industries has blurred, finds Shivaji Sarkar

Why should it not be? A group like Times of India owns 40 different media and other businesses. So does Hindustan Times, Ananda Bazaar Patrika, Jagaran, Malayala Manorama, Zee and Bhaskar group.

It is possible to visualize three types of accumulation of ownership interest in the media: cross-media ownership across the various carriers such as television, radio or print; consolidation, including vertical integration among media operations of content, carrier and distributor within a media segment such as television or radio; and market share dominance in a given geography within each media segment.

In the diverse cultural, lingual and social settings in our country, it may be difficult to visualize conditions of media dominance leading to market monopoly.

However, there are already at least six states where a single media house has a clear and growing dominance. These are media groups that are emerging as national conglomerates. They are all in the news business as well as in entertainment, media distribution and network business. They own newspapers, magazines, radio, cable TV and television channels, to

name their key businesses.

The latest development of purchase of The Washington Post in the US by Amazon is an instance of the emerging threats and interests of powerful groups in vibrant media organisations.

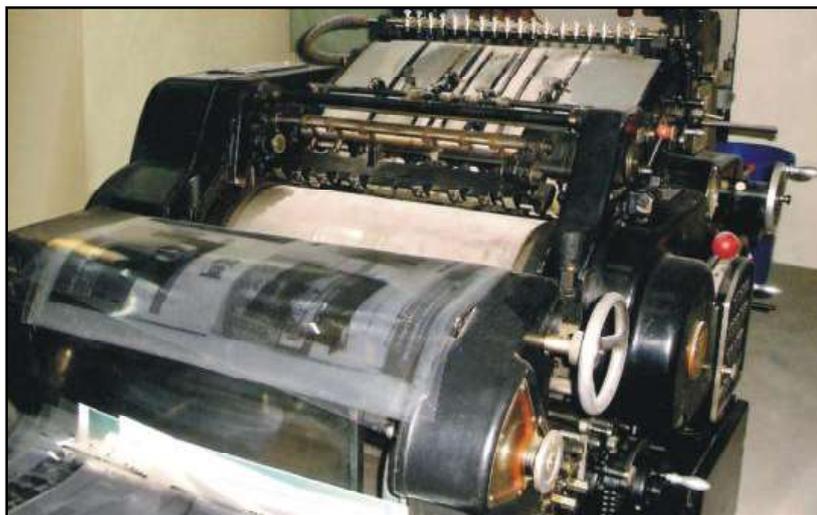
Most media companies in India and abroad are integrating vertically to sell cross-media, often acquiring or building multimedia platforms. News Corp.'s Star TV India and Sun TV Network Ltd, Zee group and others already own DTH and cable distribution platforms. Star's cross-media India operations include television channels, Internet offerings, radio, mobile entertainment and home video (incidentally, 11 cable distribu-

tion companies provide some 400 television channels in India).

Sun Network has 14 TV channels in four states, cable assets, four magazines, radio stations and two newspapers. In Tamil Nadu, the dominance of Sun in cable and satellite TV (channels and distribution network) and now in the DTH market is quite visible. Sun TV and Jaya TV have evolved as rivals not only in the business sector but also the political set up as they represent two important political parties in the state.

In Andhra, dominance of Eenadu group was challenged by YS Rajashekhara Reddy's Sakshi – a television channel and some magazines. Some years back some of





the news channels of Eenadu group despite bearing the name have changed hands. Some of these have been taken over by TV 18 group.

In India, there is no general policy on ownership and cross-media restrictions, as far as restrictions between print and electronic media are concerned. However, the restrictions for different segments within the broadcasting sector are dictated by the policy framework for each segment, such as DTH guidelines or FM radio policy.

It is indeed time to debate regulatory issues for cross-media ownership and, in the absence of an independent media regulator, the TRAI discussions have long-term implications for the critical and booming Indian media industry, says P.N. Vasanti, Director of New Delhi-based multidisciplinary research organization, Centre for Media Studies.

The Hyderabad-based Administrative Staff College of India (ASCI) in its 200-page report has pointed out that there is “ample evidence of market dominance” in specific media markets and argued in favour of an “appropriate” regulatory framework to enforce

cross-media ownership restrictions, especially in regional media markets where there is “significant concentration” and market dominance in comparison to national markets (for the Hindi and English media). The government sat over the report for three years till the parliamentary standing committee pulled it up.

Paramita Das Gupta of ASCI named Sun TV, Essel Group, Star India, and Reliance ADAG as the top houses with large-scale horizontal and vertical cross media ownership, while five other major groups owned the largest number of TV and radio channels.

She referred to the Broadcast Services Regulation Bill 2007, and wondered how the government had arrived at the figure of 20 per cent cross-media ownership.

In India, there is proliferation of publications, radio stations, television channels, and internet websites. It ensures one thing - plurality, diversity, and consumer choice. There were over 82,000 publications registered with the Registrar of Newspapers as on 31 March 2011. There are over 250 FM (frequency modulation) radio stations in the country (and the number is

likely to cross 1,200 in five years) – curiously, India is the only democracy in the world where news on the radio is still a monopoly of the government.

The Ministry of Information & Broadcasting has allowed nearly 800 television channels to uplink or downlink from the country, including over 300 which claim to be television channels broadcasting “news and current affairs”. There is an unspecified number of websites aimed at Indians.

But number of registration and domination is not the same. The media scenario is dominated by less than a hundred large groups or conglomerates, which exercise considerable influence on what is read, heard, and watched, says Guha Thakurta. One example will illustrate this contention. Delhi is the only urban area in the world with 16 English daily newspapers; the top three publications, the Times of India, the Hindustan Times, and the Economic Times, would account for over three-fourths of the total market for all English dailies.

Similar is the situation Kolkata which is dominated by Telegraph, Ananda Bazar Patrika, (both ABP group, which has partnership with the Star News), Times of India, Pratidin and Vartaman. Chennai has The Hindu, New Indian Express and some Tamil papers. Mumbai has Times of India, DNA, Free Press Journal, and Marathi papers.

Every other region has one or the other group that dominates certain geographical areas.

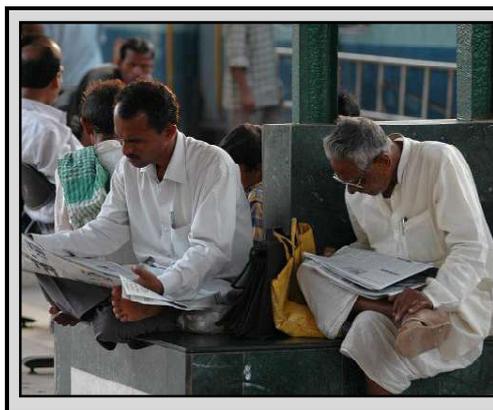
The Parliamentary Standing Committee on IT, headed by Congress MP Rao Inderjit Singh, noted that the issue of restrictions on

cross-media ownership “merits urgent attention” and needs “to be addressed before it emerges as a threat to our democratic structure”. It urged the Ministry to “formulate” its stand on the issue in coordination with the TRAI “after taking into account” international practices.

Indeed, it is so important as Kuldeep Nayar said sometime back. He says, “A reader may be shocked to know that the news he avidly reads is paid for. His frustration and helplessness are heightened because he does not realise which part of the story is news and which part is fake.” Nayar was speaking in terms of the violation of editorial standards by the Bennet Colman group, which “does not bother the Jain brothers because they treat the profession as an industry to earn money. They feel proud that they have torn ethics into tatters and have still remained the No. 1 newspaper in India. Not only that, they make more money than probably any other newspaper in the world. The great Rupert Murdoch’s empire is 20 times bigger than the Times of India. Yet he earns less profit”.

Media is beset with problems and blatant violation of norms. Working Journalists Act that governs the wages and service conditions of journalists and newspaper workers as well as ensures freedom to the journalist has become a virtually a dead law. The government never tried to enforce it. Media remains the worst employer.

However, as we have seen, the large conglomerates of the Indian media are usually groups that own different companies. This allows them to have controlling stakes both in broadcasting and



**Media
remains the
worst
employer.**

distribution by acquiring licences under their different subsidiary companies, thus totally bypassing current restrictions and defeating the purpose of their existence in the first place.

In a scenario like this, imposing curbs is a complex task. But it is not insurmountable. The US forced Rupert Murdoch to abide by the restrictions. Most other countries in the world, including the United Kingdom, France, and Canada have such provisions. The UK swooped down on NewsCorp for malpractices.

While TRAI is making a feeble bid, it remains to be seen how much it succeeds. For the functioning of a vibrant democracy, cross-media ownership remains a threat. It needs to be checked. Stringent norms are the need. But would it ever happen amid divergent interests of the people who own the media and also those who have enough clout to influence those who are in power. The nation would be watching the developments with baited breathe.

But there are reservations also whether TRAI, which has an entirely different mandate should be entrusted with the job or not. Disagreeing with the current demands of the telecom regulator, Rohit Bansal, CEO and Co-Founder,

India Strategy Group, Hammurabi & Solomon Consulting remarked, “Conceptually, I don’t see the legal basis in the reference made to TRAI. Since when is it in TRAI’s jurisdiction to be sitting in judgement over media ownership?”

Bansal further asked, “These messiahs of ‘plurality’ cannot see an elephant in the room called the internet – the mother of ‘plurality’ among print, television, radio, broadcast distribution platforms, smart phones and the social media? If they do, how about eschewing the smokescreen of ‘plurality’ and setting the telecom terrier tilting at owners of the Internet!”

Meanwhile, supporting the regulator’s move, John Thomas, Former Editor, Operations, Vijay Times Bangalore said, “TRAI’s notification is a positive step in establishing transparency in the system. Because the media publishes news, and the same may be taken as a product if a media company has an interest in any corporation. I believe that in a step ahead, even journalists should declare their interests in the form of equity shares in any company so that a reader knows that the publisher or writer of this particular issue has an interest in the sector.” (concluded) □□

(The author is National Secretary with the Indian Media Centre)

Leveraging on the Mobile Phone Revolution



The impact of telecommunications on the self-employed and more particularly among the poorer groups has not been fully understood or appreciated. Mobile phones have created a sort of tsunami among lower level entrepreneurial groups like plumbers, carpenters, masons, small time construction contractors, painters, cooks, etc. Finds Prof R. Vaidyanathan

It was just a board hanging on the branch of a tree in a rural part of Bangalore. It was a computer printed sheet of paper, pasted on a cardboard and said, “Manju the Plumber – Contact...” followed by a ten-digit mobile number. Professors are supposed to be curious and I decided to reach him. I learnt that his income had trebled in the last few months after the acquisition of the mobile phone [thanks to a loan from a friend at 6% per month]. Manju has been getting calls from many and he was planning to graduate from his cycle to a moped. People who earlier visited his home in the mornings to catch him were

now able to reach him at all times. He no longer worried about losing a customer and did not have to rush back home during lunch time to find out if anyone had come to his one room tenement to ask for him.

The impact of telecommunications on the self-employed and more particularly among the poorer groups has not been fully understood or appreciated. Mobile phones have created a sort of tsunami among lower level entrepreneurial groups like plumbers, carpenters, masons, small time construction contractors, painters, cooks, repair mechanics, winders, welders, water suppliers, tea sup-

pliers, vegetable vendors, retail traders, flower vendors, auto drivers, priests, astrologers, etc. Actually, more than three hundred categories of self-employed entrepreneurs.

One of the major forces impacting our financial, labor and product markets is information technology and telecommunications. A lot has been written on information technology and it has been subject to lot of analysis. But something more dramatic is taking place due to the mobile phone. In the long run, telecommunications is likely to be a major competitor to the financial institutions since already more than 60% of the cost of operations of many global banks consists of the software and telecom cost.

As previously stated, around 65% of our economy consists of the Service sector and the fastest growing segments belong to this sector. They are Construction, Road transport [both passenger and goods], Hotels and Restaurants [Dhabas], Wholesale trade and Retail trade, and all types of business and other services. Each of these activities is growing at more than 7% Compounded Annual Average Real Growth Rate [Real-



CAGR] in the last decade and these are the engines of our economic growth. These are the segments which have started using the mobile phone on a large scale and that is enhancing their market efficiency as well as improving incomes for the entrepreneurs in these segments.

Efficient markets

Markets whether product or labor or financial are expected to have informational efficiency. Mobile phones provide such a facility and it reduces opportunities for arbitrage by re-establishing the basic law of one price – namely assets and services of similar risk characteristics will command the same price excluding the transaction cost. It enables the truck owner to track goods, which are being transported, from Kollam to Kota and provide immediate information on unforeseen events like accidents, fire etc. and other foreseen obstacles like check-post harassments. It facilitates price discovery by small time traders and distributors and make him decide to send the items to the nearest town where prices are slightly more attractive. It helps the self-employed to plan their activities better. A small time contractor contacts his masons and painters at different work-sites and instructs them instead of commuting to the site on his two-wheeler. The time value of money has suddenly become the buzzword and time consciousness among the self-employed has been quietly enhanced.

When time is measured in money terms by the poorest category of self-employed, we can be rest assured that process of economic growth has become infectious and all factor markets will soon become efficient.

Service Provider as Banker

The mobile phone is also being used for some financial services like information on prices, billing settlements etc. But the important development, for which existing service providers and bankers should work for, is using it for a retail credit revolution. One observes that in the boat markets in Bangkok either one can pay by the Baht, their local currency or one can get charge cards from the service providers and pay through them. The service providers initially give an Over Draft or revolving credit facility to the retail trader, which is adjusted on a daily basis by crediting the retailer for every debit incurred by the buyer. This is one of the interesting possibilities wherein the retail trade network is provided credit facility and which reduces their cost of borrowing. It requires that they have one mobile instrument with them and periodic crediting of their account based on received calls, which are mostly available free in our context.

The share of trade at 18% of the national income (during 2011-12) was Rs. 13.5 lakh crore out of Rs. 75 lakh crore of NDP at current prices. Of this, the share of non-corporate sector [self-employed] was nearly 76%, which implies Rs. 10 lakh crore. On a conservative estimate of 75% of this figure, the trade sector would have needed Rs 7.5 lakh crore as credit requirements (since in trade, a major portion of capital is working capital) in that period.

The combined financing to trade by all banking sources (both food and non-food credit) was of the order of Rs. 2.1 lakh crore. This implies that around 28% of credit requirement is met by bank-

ing channels and the remaining by non-banking ones. So, the potential available for mobile phone service providers is a market of the order of Rs. 5.4 Lakh crore for digital based lending. Even assuming only 10% i.e., Rs. 50,000 crore out of this is tapped in the next say five years; at an interest rate of 20% [retail credit to-day in the 'open' market varies from five percent per month to one percent per day] the sum to be earned is Rs. 10,000 Crore. We can call this Digi-financing or Mobile financing. The amount of paper work will be minimal and credit will be available right at the doorstep. The collection process is through mobile credits and the cost of financing is therefore reduced.

Instead of permanently singing the Wal Mart Sankirtan, we should think of innovative ways wherein technology could facilitate the vast mass of self-employed groups. The millions of entrepreneurs involved in retail trade, instead of being abused, as 'unorganized' can be made more effective by credit enhancement and price discovery process using mobile telephony. It is not required for Wal Mart to come here and squeeze our farmers and small manufacturers and sell it to consumers at 'lower prices'. We can think of leveraging on telecommunication to make all factor markets more efficient and bring down consumer prices.

Literacy no bar

The most important thing about the mobile phones is — unlike computers — even people who are not literate can use it. The only requirement is ability to speak and /or hear. We need not have to worry about language or massive software developments. Due to

INDIA UNINC: PREDATORY STATE PAUPERISES FAMILIES AND SMALL BUSINESS

Prof. R. Vaidyanathan in his book, *India Uninc*, published by TataWestland, delves deep into India Uninc. and presents a persuasive case for why the latter is really what is at the heart of our economy, and why any growth story about India is incomplete if that real engine of our growth is ignored.

The absence of superannuation benefits in the household sector and a dramatic rise in educational and healthcare expenses has aggravated the sector's future uncertainties. Also the joint family system is declining. This gets particularly magnified when coupled with the predatory state's tax impositions intended at funding its profligacy, which it implements both through the direct tax as well as the service tax route.

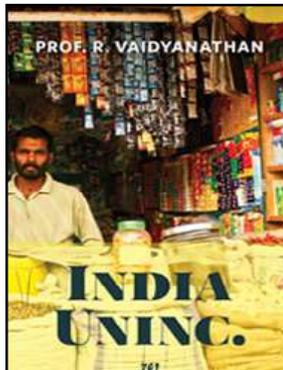
The following is an excerpt from the book.

Our focus now turns to the nature and structure of savings by the household sector and its changing composition. Although we have stated this earlier, for the sake of reinforcement and recall, it needs to be pointed out once again that in the government data pertaining to national savings, partnership and proprietorship (P&P) firms, i.e., the unincorporated sector, are included under the household sector.

The savings rate of our economy, that is gross domestic savings expressed as a percentage of gross domestic product at market prices, has gone up from 12 percent in the sixties to nearly 34 percent recently. More than 70 percent of these savings are from the household sector consisting of consuming households and mixed income households, namely partnership and proprietorship activities. We estimated earlier the share of the non-corporate sector to be more than 40 percent of the gross domestic savings [GDS].

The household sector savings consist of physical savings and financial savings. Net additions to the physical assets of the households comprising investment in fixed assets of construction and machinery and equipment and change in stocks, is taken to constitute households' saving in physical assets. (NAS; Sources and Methods pp 226—2012).

Savings in the form of financial assets, are (1) currency, (2) bank deposits, (3) shares and debentures, (4) small savings represented as net claims on the government by households, (5) life insurance funds and (6) provident and pension funds. □



this, the small box provides phenomenal power unthinkable by economists or financial experts some ten years earlier.

Let A Million Manjus bloom

The appropriate thing to consider is to make the mobile sets as free goods for the poorer self-em-

ployed groups. This can be done through SHG's wherever they are active since they may be better at identifying the beneficiaries. The Central and State governments as well as various charity organizations can give it free to these segments. It is a process of asset creation and

making markets work and should not be condemned by the metropolitan experts as a populist scheme. Receiving calls is in many cases free. They need to receive calls rather than make them. If we can have a market of 1 billion sets then the unit cost can be made for even less than ten paise. But the Government seems to think that service sector is the milch-cow rather than engine of our growth. It is to be taxed at 12%, from an earlier 10% and the argument given by the Finance Minister is that their share is more than 50% in our GDP and hence they should contribute more. What about Agriculture, which constitute nearly 20% and the Government, which is also around 20%? How much do they contribute? The former is a vote issue and the latter is the destroyer of the spirit of entrepreneurship. The aim of the predatory and rapacious Government seems to be to destroy the entrepreneurial spirit and growth process of the service sector by expropriating as much as possible from them for unproductive activities of the Government. This is exactly what happened due to the socialist policies of the sixties in the other two sectors namely Agriculture and Manufacturing. Let us not repeat it for the Service sector.

Since the growth in the economy is not due to the government but in spite of it, the least it can do is to allow million Manjus to flourish for a vibrant and sustained growth process.

The above is an extract from the soon to be released book "India Uninc" by Professor R. Vaidyanathan. The book will be released on January 17 and is being published by TATA Westland. CRI is honored to present this extract from the book to its readers.

National Solar Calendar

Not yet in use!

Central Govt. has accepted National - calendar 54 years back but today, most of us are not even aware of it! If government's - willpower would have been very strong, public would have instantly accepted National Calendar like Metric-System!!

Every nation has some symbolic venerable things! After independence, our-nation also adopted Jan-Gan-Man as anthem, Tiranga as National -flag, Peacock as National - Bird, Tiger as National - Animal, Lotus as National - Flower, Satyamev -Jayate as watchword/slogan' All these adoptions were instantly accepted by public. In due course, we have changed our coins. Paise took place of anas & pai. We adopted Decimal-system for weights & measures and currency. Likewise, public did not accept National - Calendar, on 22/03/1957, our government accepted National - Calendar. But unfortunately, even after period of 54 years, people are not even aware of it.

Why this apathy? Who is responsible for it? Instead of debating on these questions, every patriotic-citizen must accept National-Calendar & start using it. What - exactly the National-Calendar is? What are its peculiarities? So far, not enough-efforts were made to give explanations to public for these questions.



In 1952, our leaders realized the need of National - Calendar and subsequently, a "Calendar Reform Committee" was appointed and physicist Dr. Meghanad Saha as its chairman. The committee studied various prevailing Calendar - systems and prepared the National-Calendar, which government of India accepted on 22/03/1957. According to the National-Calendar that was the 1st day of Chaitra, 1879.

In case of chronometry, in India, there is a wide range of diversity. For example, in some area people believe in lunar - month whereas in some area, people believe in solar-month. If chronometry is done according to lunar - month, there are 354 days in a year. Therefore, there is no agreement between lunar months and seasons. Seasons depend on Solar - orbit. Hence, the calendar based on

"annual solar - orbit", is practically - convenient. Our daily - routine is with reference to day & night. The concept of "24 hrs. A day" is also convenient! Although for festivals, we use calendar based on lunar-months, we use solar-calendar for our daily - routine. Dr. Saha committee has also recommended different & peculiar solar - Calendar in place of prevailing English (Gregorian) Calendar.

How our National Solar Calendar is scientific?

The English -Calendar which is presently in use, has many scientific - Shortcomings. For example, there is no agreement between months and physical whether - changes, names of twelve months are also unscientific, same names of kings became customary as months names. Considering all these shortcomings, it is decided that 22nd March to be the first day

Proposal

of the year in national - Calendar. This day is known in National - Calendar as 1st of CHAITRA. 22nd March is the 1st day of the year because on this day, hours of day & night are equal (that is: 12). Also, the beginning of every quarter of year is connected with important astronomical events. It is this way:-

Ashadha 1 = 22nd June: Beginning of the winter - solstice

Ashwin 1 = 23rd Sept. Day & night 12 hrs. each

Paush 1 = 22nd Dec. Beginning of the summer -solstice

In National - Calendar, names of the months are Chairta, waishakh etc. like - lunar - months except the name "Agrahayana", for Margashirsha month. The sun is inclined towards northern hemisphere for 6 months and towards southern hemisphere for 6 months. The sun's stay is more in northern hemisphere than in southern hemisphere. Therefore, there are 31 days in 5 months (from Waishakh to Bhadrapad) and 30 days in 6 months (from Ashwin to Falgun). Except leap year, there are 30 days in Chaitra month and only in leap year, there are 31 days in Chairta month. In Natinal-Calendar "The Shalivahan Saka" is used for counting years. Since the beginning of National - Calendar is 22nd March, it also Matches with the Financial - year. This is a plus point of National - Calendar.

National - Calendar is neglected by public

It is a matter of regret that although National - Calendar is accepted by our government on 22/03/1957, it is yet not in daily - use. It is used only in government affairs, in government gazettes, in news papers, on Radio-station, in



It is bitter truth that public has not accepted National - Calendar for daily - use.

international - agreements. Thus, its existence is limited to these places only. It is bitter truth that public has not accepted National - Calendar for daily - use. Probably most of us are not even aware that there exists such National - Calendar. Main reason for such negligence is lack of pride for nation. Strong political willpower would have made public to accept and use it, in daily - routine like Metric-system.

What we need to do?

In order to bring National - Calendar in force, following could be ACTION PLAN.

1. In English Calendar, Bharatiya - Months & dates should be printed bold and English months & dates should be printed in small size.
2. In Banking affairs, all documents & cheques etc. should bear the dates as per National - Calendar.
3. Banks, Institutes, Companies should print National - calendar in place of their own calendar.
4. To educate & motivate public for using National - Calendar.
5. Offices of Schools & College should follow National - Calendar. As a result our would be citizens will follow National - Calendar from their Childhood.
6. Birth & death certificates, school-Leaving Certificates etc.

Should be issued as per the National - Calendar.

7. For correspondence, Marriage - Invitations, Invitation - Cards, all routine transaction, we should follow National - Calendar. In the beginning - joint - Calendars (English + National-Calendar) could be followed. For example, saur 23 kartik saka 51933. That is: 14th Nov. 2011.

Implementation of National - Calendar is already delayed but for the sake of National - pride, let us be committed for avoiding further delay.

Circular issued by Bharatiya Reserve Bank.

"...Therefore, a cheque written in Hindi and bearing date in Hindi as per National Calendar is valid - and ought to be accepted by the banker Banks are therefore once again advised to issue suitable instructions to all their offices / branches that cheques bearing date in Hindi as per National - Calendar (Saka Sanwat) should be accepted for payment, if otherwise in order .

Ref. "Credit information review" (Sept. 1992 issue, Sr. No. 158.) □□

The Article Originally Written by Shri P.H. Dalal & Published in Lokmat has been

Translated by Shri. V.Y.Joshi of Pune.

Arouse, Mother of all Civilisations!



It requires great mettle and vision to create anew a cultural dream that earns world recognition. The Chinese have formulated theirs. We must too, demands Anirban Ganguly

The late Huh Shih, nationalist scholar, diplomat and one of the legendary leaders of Chinese thought, in a paper presented at the Harvard Tercentenary Conference of Arts and Science in 1936, made a fundamental observation on India's contribution to the evolution of Chinese civilisation.

"India", argued Huh, "conquered and dominated China culturally for two thousand years without ever having to send a single soldier across the border.... Never before had China seen a religion so rich in imagery, so beautiful and captivating in ritualism and so bold in cosmological and metaphysical speculations. Like a poor beggar suddenly halting before a magnificent storehouse of precious stones of dazzling brilliancy and splendour, China was overwhelmed, baffled and overjoyed. She begged and borrowed freely from this munificent giver... China's indebtedness to India can never be fully told."

In his seminal work, *India and World Civilisations*, while referring to India's civilisational impact on China, DP Singhal noted how China finds mention in numerous Sanskrit texts and of how scholars are agreed upon the fact of third-century Chinese literature being full of geographic and mythological elements derived from India.

Referring to India's, once

pan-continental reach and influence, Japanese scholar Shigeo Kamata observed how the "greatest factor in the spread of Buddhism throughout China was the production of the Chinese translations of Buddhist scriptures by Indian monks who came to China" and of Chinese monks who went to India in search of enlightenment and were allowed to take sack loads of Indian manuscripts back home.

Swami Vivekananda, during his first journey to the West, was fascinated to see a temple in Canton, contain Sanskrit writings. In his treatise on the civilisational encounters between the East and the West, the Swami exultingly wrote how 'Old Shiva' on 'His bull' with his '*damaru*' travelled "from India, on the one side, to Sumatra, Borneo, Celebes, Australia, as far as the shores of America." "Mother Kali", the Swami continued charting the spread "is still exacting her worship even in China and Japan."

Sri Aurobindo pointing at the spread of India's "arts and epics and creeds in the Archipelago" spoke of how her religions conquered China and Japan and spread "westward as far as Palestine and Alexandria." Similarly, describing India's contribution towards creating a grand civilisational dream for other cultures and peoples, the celebrated French Indol-

ogist Sylvain Lévi, wrote of how India "propagated her beliefs, her tales and her civilisation" from Persia to the Chinese Sea, from the "icy regions of Siberia to the islands of Java and Borneo" leaving her "indelible imprints on one-fourth of the human race in the course of a long succession of centuries." The legendary Will Durant, summarising India's civilisational spread and control, acknowledged 'Mother India' as the "mother of us all."

Various grand civilisational dreams that were to grow in course of the aeons had their original inspirational roots in the Indian civilisational vision. India contributed to the evolution of many such dreams. Ingredients that could still help us evolve a new civilisational dream continue to abound in such descriptions of our past.

Thus, it is one thing for our leaders to visit the 'Forbidden City' and be feted and be told of our past cultural links but it requires an altogether different mettle and vision to create anew a dream that earns world recognition. While our hosts in Beijing have formulated theirs and seem to doggedly work towards its fruition, the essential question that we need to ask ourselves is: Have we even begun formulating ours or are we acquiescing in the rise of a single dream in the region? □□

Permission for FDI in multi-brand retail withdrawn

Rajasthan and Delhi governments have withdrawn permission for foreign direct investment (FDI) in multi-brand retailing. The newly elected Governments have cancelled the approval given by the previous Congress regimes in this regard.

Chief Minister of Rajasthan Vasundhara Raje has written a letter to Union Commerce and Industry Minister Anand Sharma informing him of the State Government's move to reverse the earlier decision to allow global companies to open their supermarket chains in Rajasthan. Sources in the State Government confirmed that the letter withdrawing the FDI approval had been sent to Mr. Sharma.

Rajasthan is one of the 12 States which had

agreed to allow FDI in the retail sector. With Bharti-Walmart, Carrefour and Metro Cash & Carry already present in the wholesale segment in Jaipur and other big cities such as Jodhpur, Ajmer and Kota were gearing up to have multi-brand retail stores of global majors. However, the BJP, is in principle opposed to the permitting FDI in multi-brand retail. The change of government has paved the way for the change in the previous regime's decision.

Government in Delhi had earlier this month revoked the decision to allow FDI in retail and told the Centre that it would not allow foreign supermarkets in the Capital as they would destroy the local markets and close down neighbourhood shops and kirana stores. □

Royal treatment to MPs in private airlines

The aviation ministry wants all private airlines to also accord royal treatment to nearly 800 members of the Lok Sabha and Rajya Sabha. The red carpet they are expected to roll out will include a designated protocol officer meeting MPs when they reach the airport and escort them to lounge. Check-in will be done by staff when the netas are resting there and having free refreshments. After that, they will be zipped through immigration and/or security checks to an aircraft waiting for them to board so that it can take off! Similar courtesy will have to be accorded on arrival too.

While the ministry issued a statement saying the directorate general of civil aviation (DGCA) "has not given any instruction to private airlines to extend facility to MPs", the minutes of a meeting held in DGCA on December 16, 2013, according to media reports clearly shows how it plans to bring private airlines on a par with Air India — when it comes to making MPs their real Maharaja.

Delhi heist linked to IPL betting

Investigations into the capital's biggest robbery has opened a can of worms. Police sources suspect that the heist may be linked to the IPL spot-fixing scandal and that the looted cash could amount to Rs 15-20 crore, a part of which was meant for payoffs to bettors. Bookie Rajesh Kalra confessed that the entire money was his. Earlier, it was believed that a major portion of the cash belonged to his business partner, Rahul Ahuja. The duo kept downplaying the have owned up for 7.69 crore. They initially had stuck to the six crore figure.

Call detail records, coupled with the interrogation of Kalra and the occupants of the Honda City

(which was carrying the cash) has revealed that Kalra had close links with other bookies and was "very active" in betting circles. He also has close links with Chandresh Jain alias Jupiter, a prominent bookie and jeweller based in Jaipur and London bookie Sanjeev Chawla, police said. A police team has left for Jaipur to probe the betting connection.

Assembly rejects Telangana Bill

The Andhra Pradesh assembly, by a voice vote, rejected the Andhra Pradesh Reorganisation Bill 2013 on creating a separate Telangana state. Amid protests by legislators from Telangana, Speaker N. Manohar announced that a resolution moved by Chief Minister N. Kiran Kumar Reddy for rejecting the bill was carried and adjourned the house sine-die.

The chief minister, in his resolution, has urged President Pranab Mukherjee not to refer the bill to parliament as it seeks to bifurcate the state without any reason and consensus and in utter disregard to linguistic and cultural homogeneity and economic and administrative viability. The speaker also announced that he would be forwarding to the President the views expressed by 86 members who participated in the debate and also the written speeches submitted by other members. Manohar said 9,072 amendments to the bill moved by the members would also form part of the official record. The dramatic announcement by the speaker came after two adjournments since morning as legislators from Telangana stalled the proceedings demanding him to reject the notice given by the chief minister.

Cabinet nod to changes in OBC list

Government gave its go-ahead to the amendment of the central list of Other Backwards Castes

Fixed 2-yr tenure for IAS, IPS, IFoS

Officers of the three premier services IAS, IPS and IFoS will now spend a minimum of two years in each posting, according to new rules aimed at checking political interference. However, transfers and postings before two years can be done by a Civil Services Board to be constituted by states under the new rules circulated by Department of Personnel and Training (DoPT) of the central government.

A cadre officer, appointed to any cadre post, shall hold the office for at least two years unless he or she

is promoted, retired or sent on deputation outside the state or for training exceeding two months, the rules said. "The Centre or the state government... may transfer a cadre officer before the minimum specified period on the recommendation of the Civil Services Board," the rules said. States have now been mandated to constitute a Civil Services Board, which is to be headed by the chief secretary. However, the competent authority may reject the recommendation of the Civil Services Board by recording the reasons for the same. □

to ensure reservation benefits to about 60 castes and communities which have not been able to avail of these so far. Based on the recommendations of the National Commission for Backward Classes, the Union Cabinet gave its approval for making amendments in the Central List of OBCs in respect of 60 castes in 13 states by way of inclusion, correction, deletion of these castes and communities.

The amendments will notify 115 changes recommended by the NCBC, an official statement said. The states where these castes and communities belong to are Andhra Pradesh, Bihar, Goa, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal, and three Union Territories of Chandigarh, Delhi and Puducherry. A total of 30 notifications have been issued so far and till date, a total of 2343 "entries" (caste, including its synonyms, sub-castes) have been notified in the central list of OBCs for 24 states and six union territories. The last such notification was issued in December, 2011.

Rajan slams monetary non-cooperation

RBI governor Raghuram Rajan slammed what he said was a breakdown in global monetary coordination, as the prospect of continued withdrawal in monetary stimulus by the US Federal Reserve threatens emerging markets. Concerns that foreign investors will exit from developing economies as the Fed scales back bond purchases, along with fears of a slower Chinese economy, have roiled markets from Turkey to South Africa and Brazil. Turkey and South Africa responded by raising interest rates this week to help support their currencies. The Reserve Bank of India also tightened monetary policy, although that action was aimed at pushing down high consumer inflation.

"International monetary cooperation has broken down," Rajan, told Bloomberg TV in an interview. "Industrial countries have to play a part in restoring

that, and they cannot at this point wash their hand ..

Amitabh Bachchan not endorsing Pepsi

Egging on other celebrities to do a due diligence before endorsing brands, Bollywood icon Amitabh Bachchan told an audience that he stopped endorsing Pepsi after he was confronted by a little girl who wondered why he promoted the soft drink that her teacher had branded as poison. Bachchan said the girl tossed the question to him during an event at a school in Jaipur. He said he could not reply immediately, but it made him feel "this impression is on the mind of the people..." "So I stopped endorsing Pepsi," he told the audience at the Indian Institute of Management, Ahmedabad, comprising IIM-A students, faculty members and officials of Gujarat Tourism — a brand that Bachchan promotes. Bachchan said he did his due diligence before endorsing any product. A spokesman for PepsiCo, which owns the soft drink brand Pepsi, refused to comment on Bachchan's remarks.

Govt revises FY13 GDP growth

The government once again revised downward seconomic growth for 2012-13 to 4.5% from the previous 5% due to sluggish performance of farming, manufacturing sectors and a decline in mining activity, raising fresh concerns about the health of the economy. The growth is the slowest in a decade and is expected to pile more pressure on the UPA coalition as it heads into general elections later in the year.

While the growth is expected to revive in the current fiscal, critics are likely to sharpen their attack on the government over its handling of the economy. Slowing growth and high inflation have added to the anxiety and upset household budgets. Weak industrial growth has added to the woes. The statistics office also revised upwards the growth for 2011-12 to 6.7% from the previously reported 6.2%, while growth for 2010-11 was revised downwards to 8.9% from 9.3%. □□

Sri Lanka, Maldives strengthen relations

The governments of Sri Lanka and Maldives have agreed on strengthening and expanding bilateral relations and supporting each other in international fora. The bilateral discussions spanning a wide variety of sectors took place this morning between the Sri Lankan delegation led by the President Mahinda Rajapaksa and Maldivian President Abdulla Yameen and his delegation at the Presidential Secretariat in Colombo.

Following the bilateral talks, Sri Lanka and the Maldives signed three agreements to further cooperation between the two nations. MoU on combating Transnational Crime and Developing Police Cooper-

ation between Sri Lanka and the Maldives was signed by the Sri Lankan Inspector General of Police N.K. Ilangakoon, and the Police Commissioner Hussain Waheed. MoU for Vocational Training and Skills Development between Sri Lanka and the was signed by the Minister of Youth Affairs and Skills Development of Sri Lanka, Dulles Alahapperuma, and the Maldivian Minister of Foreign Affairs Dunya Maumoon. MoU on Sports Cooperation between Sri Lanka and Maldives was signed by the Minister of Sports Mahindananda Aluthgamage, and the Minister at the Maldivian President's Office Mohamed Hussain Shareef. □

China builds army 'with peace in mind'

China Military Online quoting China Daily stated that it may take time for traditional powers in the Asia-Pacific to become accustomed to a stronger Chinese military, say analysts, but a stronger military would not increase the odds of regional conflict, given the country's priority of addressing domestic concerns. Less than a month after being named the head of the Communist Party of China Central Military Commission, President Xi Jinping asked PLA officers to adopt realistic combat criteria in military training.

"It is the top priority for the military to be able to fight and win battles," he said during an inspection to the Guangzhou military theater of operations in December 2012.

Under Xi's guideline, all forces of the PLA had "obviously" intensified training and exchanges with foreign forces since the beginning of 2013, said Li Jie, a professor at the Naval Military Studies Research Institute. According to the Ministry of National Defense, between January and the end of November, the PLA completed 40 major exercises as well as 17 joint exercises and training events with foreign militaries. The Chinese military has expanded its sphere of activity, aiming to extend its naval and air forces farther from the coast and into international waters, said Li.

US economy poised for 'breakthrough'

President Barack Obama has said that 2014 could be a "breakthrough" year for the US economy as he asked the Congress to complete the immigration reform process to boost economic growth. The comprehensive immigration reform if passed by the Congress will provide a path to citizenship to some 11 mil-

lion undocumented people, including 2.4 lakh Indians.

In his annual State of the Union address, Obama said immigration reform is key to economic growth of the country. The President argued that in a rapidly-changing economy it was important to make sure that every American has the skills to fill jobs that have been created. With the economy back on track, Obama said he believes 2014 could be a breakthrough year for America.

The US President pointed out that over more than three decades, even before the Great Recession hit, massive shifts in technology and global competition had eliminated a lot of good middle-class jobs and weakened the economic foundations that families depend on.

'Romance phase of courtship' over

New Delhi's new ambassador to Washington S Jaishankar has told American corporate and strategic elites that although "current sentiment seems less than positive," the two countries "can neither afford dilution of attention nor weakening of faith" in ties that were always fated to come together.

In his first public engagements since taking over, Jaishankar, conveyed broad parameters that suggested New Delhi would now parley on equal and reciprocal terms with Washington, now that the "romance phase of the courtship" is over, but it would not lose sight of the big strategic picture.

"To a considerable degree, we are victims of our own success. The India-US relationship arrived - some would say, at last - and by doing so, ended the romance of the phase of courtship. The change is visible in the less integrated approach we take, leaving

Afghanistan election campaign kicks off as Nato troops exit

Afghanistan's election campaign kicked off, with 11 candidates vying to succeed President Hamid Karzai as the country enters an uncertain new era without the aid of Nato combat troops to fight the Taliban. A dispute between Kabul and Washington over whether a small force of US soldiers stays behind beyond 2014 is likely to dominate the two-month campaign, which will culminate in Afghanistan's first-ever democratic transfer of power.

Karzai has ruled the country since the fall of the Taliban in 2001, surviving assassination attempts and the treacherous currents of Afghan political life as billions of dollars of military and development aid poured into the country. He is barred from seeking a third term, leaving an open field to compete in the April 5 vote, which is likely to trigger a second-round run-off in late May between the two strongest candidates. □

each department or agency to handle its counterpart," the ambassador explained in an oblique reference to Khobragade spat that seemed to spiral out of control without political oversight. "As we settle into the partnership, it takes a different mindset to address the less exciting chores of maintenance, upkeep and progress. The danger here is that individual problems that may well have been dismissed in the earlier era can now dominate the narrative."

Pak PM for talks with Taliban

Despite a wave of deadly attacks unleashed by the Taliban across the country in recent months, Prime Minister Nawaz Sharif has announced the formation of a four-member committee to pursue peace talks with the militants.

In a speech in the National Assembly, Sharif said terrorism must be defeated either by talks or force, but promised to give peace another chance.

"Acts of terror must stop. Terrorism and talks cannot continue simultaneously," he said before announcing the formation of a four-member committee of non-parliamentarians to initiate the dialogue process between the government and militants.

World's largest slaughter house

China's Zhejiang province is home to the world's largest slaughter house for endangered whale sharks, according to Hong Kong-based conservation group Wildlife Risk.

They are used for making health supplements, face creams and lipsticks. "The factory, which operates openly, is reportedly slaughtering over 600 whale sharks annually to produce shark oil for health supplements," Wildlife Risk said in a statement about the unit in Pu Qi area of Zhejiang.

The NGO called on China's regulatory authorities to enforce the international agreements on this

illegal activity to prevent extinction of the species.

China is a signatory to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, which prohibits sale of products from endangered species.

It asked the government to hold individuals accountable for their violation of international protection laws and demand transparency for consumers to make informed decisions about the products they buy.

Barua, ex-ministers get death penalty

Top ULFA leader Paresh Barua, one of India's most wanted militants, two former ministers and as many army generals were among 14 people sentenced to death by a Bangladeshi court for the country's biggest weapons haul, nearly 10 years after the seizure.

Barua, currently a fugitive whose whereabouts are unknown, was given the death sentence in absentia in the sensational case of the seizure of 10 trucks containing 4,000 weapons and over 11 million bullets in April 2004. Jamaat-e-Islami chief and former minister Matiur Rahman Nizami and ex-junior minister for home Lutfozzaman Babar in the then Bangladesh Nationalist Party (BNP)-led government were also sentenced to death by the court in Chittagong.

"The Metropolitan Special Tribunal-1 has handed down death penalty to 14," private Samoy TV said soon after Judge SM Mojibur Rahman delivered the verdict in a crowded courtroom amid tight security in the southeastern port city. Barua, who headed the banned United Liberation Front of Asom's (ULFA) military wing, now leads a faction of the group opposed to talks with the Indian government. ULFA for long has had bases and business interests in the Chittagong area. Two of the convicts, Barua and former additional secretary Nurul Amin, were tried in absentia. □□

Issues outside Doha mandate

India is preparing to oppose any move by developed countries to include so-called “21st century issues” such as services, competition, investment and climate change in the post-Bali work programme of WTO. While an agreement for a temporary solution on food subsidy at Bali paved the way for the introduction of the food security Act in India, ensuring distribution of cheaper food grain to two-third of its population ahead of the general election due in April, a pact on trade facilitation is expected to help developed countries gain greater market access in developing nations since it requires the latter to streamline their customs regulations and make investments in their trade infrastructure.

The Bali meeting also charted out the way forward by instructing the trade negotiations committee to prepare a “clearly defined” work programme within the next 12 months on the remaining Doha Development Agenda issues pending since 2001.

Doha round should not be allowed to get derailed now,” a commerce ministry official said, adding that India is in touch with other developing countries on the matter. India and other developing countries have maintained that until the Doha round of development issues is concluded, WTO should not take up any other issue for negotiation.

Russia's first WTO dispute

Russia has filed its first trade dispute before the World Trade Organization, complaining about the European Union's anti-dumping duties. WTO says the dispute is the first to be initiated by Russia since it became a full member of the Geneva-based WTO in August 2012. In a statement, the WTO said Russia is seeking consultations with the EU over its anti-dumping duties on Russian steel products and ammonium nitrate, which is mainly used in fertilizer. The EU is levying duties because it believes Russia is selling those goods below their production cost. The WTO says the dispute focuses on how the EU calculates the value of the goods.

Russia has responded to two trade disputes initiated by the EU and Japan over recycling fees on motor vehicles.

Pakistan Concerns About Indian Rice

In a representation to WTO Committee on Agriculture (CoA), Pakistan has asked India to furnish

details of rice exports in the last two years and to clarify if all non-basmati rice varieties were eligible for market price support.

Pakistan has raised concerns about India's rice subsidies in less than two months after the WTO's ninth ministerial conference in Bali, Indonesia, took place in December 3-6, 2013. WTO had decided in the conference that there would be no legal action on the developing countries for breaching farm subsidy limits (which are fixed at 10% of total produce) on items covered under the country's food security programs.

Local sources say that India is likely to breach the WTO prescribed subsidy limits once the Food Security Program is fully implemented.

Since the WTO Bali meeting, Pakistan is concerned that the country's rice exports may be impacted due to India's exports. The Pakistan's Basmati Growers Association (BGA) says that the Bali package is against WTO ideals and fails to protect other developing countries from the exports of subsidized staple crops like rice, wheat and cereals of countries like India.

Canada has also sought India's clarification on the volume of wheat stocks held by the Food Corporation of India (FCI) and has asked the Indian government to clarify the basis for the calculation of the floor price for wheat exports.

Global green goods agreement talks

The European Union has pledged to help launch negotiations at WTO aimed at relaxing the import and export rules on green goods. In the margins of the World Economic Forum in Davos the EU, together with a dozen other WTO members, pledged to build on the initiative to break down the trade barriers on products and services that boost sustainability.

The aim of the proposal is to eliminate tariffs on a broad list of green goods and build upon the APEC list of 54 green goods, which includes renewable energy components, waste management systems, vehicle filters and air quality meters. This initiative will contribute to meeting Europe's ambitious green-house gas emissions reduction and renewable energy targets announced in the Commission's 2030 climate and energy framework this week.

The EU Trade Commissioner called upon other WTO Members to join the effort to create a global green goods agreement that would cover most of world trade and generate benefits for all WTO Members. □□