

PART A: News pertaining to Planning Commission



09.09.2014

Compiled by:

S. Wadhawan, ALIO
Mrs. Varsha Satija, SLIA
Planning Commission Library

and Communication, IT & Information Division

[Note : Now the Daily Digest is divided into two parts: Part A contains News pertaining to Planning Commission and Part B contains general News and Views]

1. **Planning the dismantling of a hallowed monolith**

N V Vijayakumar

Deccan Herald: 08.09.2014

India's post-Independence visionaries had laid down their development blueprint for the country with the constitution of the **Planning Commission...**

India's post-Independence visionaries had laid down their development blueprint for the country with the constitution of the Planning Commission. The Planning Commission has played a pivotal role in setting the country's development agenda and monitoring it with ruthless efficiency, a fact amply evident in the success of existing institutions like the Navaratna companies, public sector research and development establishments, India's world class educational institutions and tipping points like the Green Revolution.

The Planning Commission played its role well during the post-British era because the task of capital formation driving the development agenda lay with the central government. So, public finance and its distribution for central and state governments was carried out by the Planning Commission effectively in the first two decades, even in the face of the numerous political and ideological churnings characteristic of the federal nature of the India polity.

But in the 21st century, capital formation alone is not enough to justify the development needs of the country. Policy makers who ushered in liberalisation in the 1990s had thought that the entry of private financing sources through greater liberalisation of capital flows, regulations and movement of labour could result in faster development.

Greater acceleration

Even though liberalisation did impart some momentum to the economy, the need for greater acceleration to match a growing industrial base, underpinned by the ambitions of a burgeoning middle class, did call for a summary reinvention of a hallowed institution from the Nehruvian era. The Planning Commission's scope to shape India in line with its economic potential – the country is set to become the

second largest economy by 2050 — and assume greater roles in the international arena has come under increasing scrutiny following the ascension of the Narendra Modi government.

The Modi government has decided to overhaul the Planning Commission to bring about in a paradigm shift in the development initiatives of the country. Taking into account the fact that a nation aiming for faster, more sustainable and inclusive growth must have a body to envision planning from a different perspective, this overhaul is the need of the hour.

Besides the Planning Commission's Five Year Plan outlining the broad strategies for achieving the goals and objectives of the country's development blueprint, it outlines how the broad macroeconomic parameters are expected to move, and a sector-wise analysis of what needs to be done with growth targets spelt out wherever appropriate. The Planning Commission, in consultation with the Finance Ministry, works on the annual plan only after getting approval for the Five Year Plan.

Noted economist Prabhat Patnaik says that the Planning Commission could still play a role under the new dispensation, but a role different from the one it had earlier. "This new role can be to provide a counterpoint to neo-liberalism. Paraphrasing Bertolt Brecht's famous line: 'In the dark times, will there also be singing? Yes, there will also be singing about the dark times', one could say: 'Can there also be planning in the neo-liberal times? Yes, there can also be planning for coping with the neo-liberal times'."

Patnaik says the Planning Commission can still be bothered with working out ways of preserving what remains of the public sector and preventing the decimation of peasants and traditional manufacturers which neo-liberalism brings in with the greater competition from organised industry. He says it can still play the role of a negotiator between the bourgeois nation state on the one hand and globalised capital on the other (with which domestic big capital is integrated).

Pushing for development

But a wide segment of people vouch for overhauling the Planning Commission to take on the mammoth task of bringing development to every nook and corner of the country. The Committee on Public Expenditure Management headed by C Rangarajan had recommended that distinction between Plan expenditure and non-Plan expenditure should go, and the Planning Commission should take a comprehensive look at public expenditure in key sectors of the economy.

“In fact, within the present structure of the Planning Commission, the federal element could have been enhanced, if, besides central ministers, some chief ministers were also included as members. This would have given it a national character. The current practice of approval by the National Development Council has also not been satisfactory,” Rangarajan has said.

“If the word ‘planning’ is reminiscent of an earlier period, it may be substituted by ‘development’ or ‘growth’. The other two functions performed by the Planning Commission now can be delegated to other authorities in government. The allocation function can go to the Finance Commission and project evaluation can be taken care of by strengthening the ministries. Thus, a National Development Commission or Growth Commission, charged with a mandate to prepare a blueprint with goals and objectives to be achieved over a defined period, may still be the need of the hour. This document can then be discussed by the National Development Council, a political body,” states Rangarajan.

Charan Singh, the RBI Chair Professor of Economics at IIM Bangalore, notes that after the 73rd and 74th amendments to the Constitution more than two decades ago, the relevance of the Planning Commission does not arise. “These amendments seek to empower local bodies like Panchayati Raj institutions and municipal bodies. The key to successful planning is not top-down planning but a bottom-up approach. So, I am convinced that the Planning Commission should have gone two decades ago,” he said.

The infrastructure springboard

The government has said that industrialisation should be given a boost through an infrastructure-backed policy which lays thrust on NIMZs, smart cities, clusters, SEZs and industrial corridors. “After the Mahalanobis model and the first few years of planning, where has the Planning Commission played a role in driving industrialisation or manufacturing growth? The key roles have to be played by the ministries themselves,” Singh says.

We should look at the process of planning from a different perspective, Singh notes. Arun Maira, a former member of the Planning Commission, says that “scenario planning” will be a key tool to predict economic troughs and know what lies ahead.

“Scenario planning is founded in the disciplines of systems thinking. All strong forces that can cause change in a system are considered: economic, environmental, social, and political forces. Conventional economic forecasting models do not include social and political forces because they are not quantifiable. Including only a slice of reality, their predictions can turn out very wrong when excluded forces such as political and social forces affect the economy. Most useful is the ability of systems scenarios to explain to policymakers where the high impact levers are that they can use to change the condition of the system,” Maira says.

Scenario planning was used unofficially in 2005 by a group of international and Indian scenarists to analyse the condition of the Indian economy when it was confidently “shining”. “Scenario planners foresaw three plausible scenarios for India by 2015 depending on the development strategy adopted thereon. They predicted that the Indian economy would grow even by 10 per cent per annum within the next years, but would decline towards 6 per cent if the wrinkles were not managed.”

We have greater macroeconomic stability now than a year ago — on the rupee, the twin deficit front or inflation. If we put in place proper systems of governance and decision-making, this positive sentiment can translate into confidence among businesses to actually invest, experts say, pointing out the need for a national body which may be called the ‘National Development and Innovation Council’ with a

three-tier structure to coordinate with regional offices and national, state and panchayat/urban divisions.

Suggestions include the PM and key ministers holding portfolios like finance, agriculture, environment, energy, commerce and infrastructure with 10 chief ministers being part of the proposed Innovation Council. Full-time Council members have been mooted with a strong secretariat and coordinators for each ministry with a senior bureaucrat monitoring each of them.

Single-window clearance

The body would give primacy to the public-private mode of planning and participation with single-window clearance for largescale project-based investments. Also suggested is public-private and foreign participatory planning in sectoral areas like water, sanitation, health, energy, infrastructure and environment. A separate expenditure monitoring wing for the planning part has also been suggested for annual, five-year and ten-year time-frames. Experts have been calling for concerted efforts to decentralise planning at every ministerial/departmental levels and create a thinktank style standing body for all of them.

Third party monitoring and evaluation of projects would further boost the Council's execution capabilities and maintain a lid on costs. Classifying core sector and peripheral areas separately in order to streamline the development agenda has also been suggested.

Bangalore Chamber of Industry and Commerce Secretary General T S Sampath Kumar says that the thinktank proposed to replace the Planning Commission should have new focus, direction and structure to serve as the backbone of decision-making.

“The alternative institution should work in tandem with all states to ensure that economic progress is achieved as per set targets,” Kumar says.

The new nuts and bolts are still piping hot on the anvil for an economic planning machine morphing from a residual Nehruvian “mixed socialist” economy to a full-fledged neoliberal state. As ideas cool down, the machine will need fuel — and

direction, at least a sense of it. Consequently, sheer political and economic will, oftentimes lacking in the first 100 days of the Modi government, will need to come into play to future-proof a planning machine still in its nascence

2. Planning Commission approves Rs. 2,400 crore for Puducherry

Business Line: 08.09.2014



The **Hindu** Lt. Governor A. K. Singh delivering his address in the Session Puducherry Assembly on Monday

Budget session of Puducherry Legislative Assembly begins on Monday.

Lieutenant Governor A. K. Singh on Monday announced that the Planning Commission approved Rs. 2,400 crore as plan size for 2014-15 financial year.

The budget session of Puducherry Legislative Assembly began with Lieutenant Governor Mr. Singh delivering the customary address to the MLAs. At the beginning of address, AIADMK MLAs led Deputy Leader A. Anbalagan staged a

walk-out protesting against the alleged failure of ruling All India NR Congress Government in implementation of schemes which were announced earlier.

“The Planning Commission has allowed a plan size of Rs. 2,400 crore for the annual plan 2014-15 as against the plan size of Rs. 2,000 crore last year. This is because of higher internal resources, pursuing of

more central schemes in the new Government and allocation of long pending funds for Coastal Disaster Risk Reduction Project (CDRRP) to the tune of Rs.188 crore”, said Mr. Singh.

He also highlighted that the Government has been spending a sizable fund on social and human resources infrastructure.

Pointing out that Gross State Domestic Product (GSDP) is one of the major indicators for determining the State’s economy, Mr. Singh said the GSDP of Puducherry has increased from Rs.16,769 crore to Rs. 21,061 crore for the year 2013-14 showing growth rate of 25.59 per cent over 2012-13. The per capita income of Puducherry increased from Rs. 1,29,460 in 2012-13 to Rs.1,58,630 in 2013-14, showing a growth rate of 22.5 per cent.

He said, “We have also taken efforts to computerise the treasury operations under Central Assistance Programme. The Public Finance Management System (PFMS) has been completed which will facilitate

online flow of funds from the Central Ministries concerned to the Union territory departments and to further distribute the scheme benefits to the beneficiaries in a transparent manner.”

Listing out major programmes and achievements under various sectors during 2013-14, he said the average productivity of paddy, a major crop in Puducherry has increased from 4.38 tons to 5.78 tons per hectare. It is an increase of 32 per cent over the previous three years’ average. Similarly the productivity of sugarcane has increased by 10 per cent. This achievement was accomplished due to the technological intervention by adoption of System of Rice Intensification (SRI) and precision farming techniques.

Aadhaar integrated biometric based Smart Ration Cards were issued to family ration card holders in all four regions of the Union Territory. It has enabled delivery of commodity to the ration card holders through point of sale devices at

fair price shops. Out of 3, 33,377 family ration cards, 2, 28 biometric cards have been issued.

Stating that the Government has been undertaking several measures to facilitate trade and **business** in a transparent and efficient manner, the Lieutenant Governor said the revenue collection during 2013-14 was

Rs.1,257 crore. Based on buoyancy in the market, the revenue target for the present financial year 2014-15 is kept at Rs.1,380 crore. Online renewal under VAT has been linked with e-payment, benefiting 11,000 traders.

“The Government is fully committed to promote **education** to all, provide better health care services, ensure speedy socio-economic development for the upliftment of downtrodden people and to work towards a balanced and equitable development of all the four regions”, said Mr. Singh

3. Don't bank on it, yet



Paranjay Guha Thakurta

The Asian Age: 09.09.2014

Much needs to be done to ensure that after a bank account is opened it remains active. It will be a while before the poorest families are in a position to save even small amounts regularly.

On August 15, Prime Minister Narendra Modi announced the Pradhan Mantri Jan Dhan Yojana (PMJDY), a financial inclusion scheme that will ensure that at least one member of each and every family in India not only has a bank account with a debit card, but is also provided an overdraft facility of `5,000, a life insurance policy of `30,000 and accident insurance cover of `1,00,000. On August 28, the day the scheme was launched, the government announced that 15 million new bank accounts had been opened and that it had set a target of opening 75 million new bank accounts by January 26, 2015.

There are a number of important issues that must be addressed if the PMJDY scheme is not to meet the fate of previous government initiatives aimed at bringing the poor within the ambit of the organised financial sector — either they were partially successful, or degenerated into scams.

The opening of a bank account is not financial inclusion by any stretch of the imagination, although it marks the first step in a long journey towards that direction.

Much needs to be done to ensure that after a bank account is opened it remains active. It will be a while before the poorest families are in a position to save even small amounts regularly.

What do the numbers look like in a country with 1.25 billion people, of which anywhere between a fourth and a third are considered desperately poor by any method of measurement of a poverty line? Various estimates have been made, but

it can be conservatively claimed that at least 40 per cent of the total number of households in India — or two out of five families — still do not have a single member with a bank account. Against this proportion, some 650 million Aadhaar cards are supposed to have been issued.

Even after a bank account is opened, it has to be ensured that the account is capable of receiving funds from government welfare schemes that are directly transferred to the holder of an Aadhaar card. Only if the holder of an Aadhaar card has a seeded bank account will she or he be able to receive cash transfers directly.

There are many other imponderables and challenges to be overcome before the PMJDY can be successfully implemented. How the overdraft facility will be operationalised is not clear. A lot may depend on the perception of the bank employee on the credit-worthiness of the account holder. This could restrict the number of people who benefit from the facility. Alternatively, in the absence of systems of checks and balances to prevent misuse, abuse, extortion and corruption, the overdraft facility could become one more loan waiver scheme which would further erode the financial viability of banks that are groaning under the weight of non-performing assets, a euphemism for loans not repaid.

Details of providing accidental insurance cover and a life insurance policy to those who open new bank accounts are not known yet. But it is certain that rolling out these schemes will entail a subsidy outgo that will have to be borne by someone or the other. As is almost inevitable, the bulk of the subsidy burden will have to be borne by the public sector — the government, the banks and/or the insurance companies.

The poor in India, in urban as well as in rural areas, certainly want to avail of financial services that the rich or the middle classes take for granted. In the absence of quality financial services that are safe and reliable, the poor become the biggest victims of those who operate dubious “cheat” funds and other money circulation schemes. Many of these non-banking financial companies, which operate in the grey area between the letter of the law and its spirit, have been able to get away with impunity, although some of their promoters have found themselves behind bars in recent months. The examples of the Sahara and the Saradha groups come readily to mind.

Over the last few years, the Reserve Bank of India has announced a series of guidelines aimed at easing the know-your-customer norms for opening bank accounts. The list of officially valid documents that can be used as proof of identity

and proof of address has been expanded, making it much easier for illiterate individuals and migrant workers to open bank accounts. Even those without documents but considered “low risk” potential customers can open a temporary account with the assistance of an empathetic employee of a bank. It is easier today than ever before to open a bank account that has been variously described as a “zero balance” or a “no-frills” account.

In recent years, a number of committees have been set up to recommend ways in which financial inclusion can be expedited. Such panels have been headed by, among others, Raghuram Rajan, the current RBI governor, K.C. Chakrabarty, former RBI deputy governor, and Nachiket Mor of the ICICI Bank. These committees have made many suggestions. We were told that micro-finance institutions (MFIs) and self-help groups would be of great help. But some of these institutions got embroiled in controversies and their promoters were considered no different from the typical, avaricious village money-lender. These MFIs could, at best, supplement the efforts of — but hardly replace — the traditional bank.

It was claimed that business correspondents (BCs) of banks or “barefoot bankers” with wireless-enabled micro-automatic teller machines (ATMs) would bring banks to customers instead of customers having to travel long distances in rural areas to reach a branch of a bank. The monthly salary of BCs has been upped to `5,000, but the incentives that are to be given to them for raising deposits remain inconsistent. Not surprisingly, the expansion of the BC scheme has been halting, uneven and erratic.

The way the PMJDY has been highlighted so far appears to indicate that the government is more keen on meeting targets of opening new bank accounts than in ensuring that the poor of the country are able to not just enter the financial system, but also participate in productive economic activities. Ever since India’s banking system was nationalised by Indira Gandhi in the late-1960s, there have been innumerable initiatives aimed at assisting the poor which left a lot to be achieved. Will the PMJDY be any different?

The writer is an educator and commentator

4. Live Mint: 08.09.2014

Men got 56% higher wages than women in rural areas in 2011-12: NSSO

Average daily earnings of a regular wage/salaried employee in the informal sector was about Rs189 for rural males, Rs121 for rural females

Men got 56% higher wages than women in rural areas in 2011-12: NSSO

Among workers in the informal sector, about 86% in rural areas and 98% in urban areas were employed in the non-agriculture sector. Photo: Mint

New Delhi: Men's average daily earning was 56.2% higher than women's in regular wage/salaried employee category in villages during 2011-12, a government survey has said.

“Average daily earnings of a regular wage/salaried employee in the informal sector was about Rs.189 for rural males, Rs.121 for rural females,” revealed the National Sample Survey's “Informal Sector and Conditions of Employment in India” study conducted during July 2011-June 2012.

Men's earning in the above category at Rs.258 was 32.9% higher than women's in cities at Rs.194, as per the National Sample Survey Office study. Similarly, daily wage rate of a casual labourer in the informal sector was about Rs.163 for rural men and Rs.116 for rural women.

It was Rs.169 for men in cities and Rs.113 for women in villages. It said that the average daily earnings of a regular wage/salaried employee in the AEGEC and non-agriculture sectors was about Rs.401, Rs.225 for those employed in the informal sector and about Rs.127 for those employed in the employer's households.

Workers in AEGEC sector are those in agriculture sector but not a part of activities like growing crops, plant propagation, combined production of crops and animals without a specialized production of crops or animals. The daily wage rate of a casual labourer in the AEGEC and non-agriculture sectors was about Rs.155.

It was about Rs.159 for those employed in informal sector and about Rs.116 for those employed in the employer's households. It reveals that among workers in

AGEGC and non-agriculture sectors, about 72% were employed in the informal sector.

The proportion was about 75% in villages and about 69% in cities. Among workers in the informal sector, about 86% in rural areas and 98% in urban areas were employed in the non-agriculture sector.

Manufacturing, construction, wholesale and retail trade, transportation and storage industries were the main providers of employment in the informal sector. In the informal sector, about 73% in rural areas and 75% in the urban areas were employed in these industries.

This report is based on the employment and unemployment survey conducted in the 68th round of NSS during July 2011 to June 2012. The survey was conducted in area spread over 12,737 first stage units (7,469 villages and 5,268 urban blocks) covering 1,01,724 households (59,700 in rural areas and 42,024 in urban areas) and enumerating 4,56,999 persons (2,80,763 in rural areas and 1,76,236 in urban areas).

योजना आयोग कैसे बने थिंक टैंक

देश के विकास का रोडमैप सुझाना नौकरी बजाने वाले विशेषज्ञों के वश की बात नहीं



भरत भुजशुनवाला

प्लानिंग कमिशन के वर्तमान स्वरूप को निरस्त करके थिंक टैंक के रूप में पुनर्स्थापित करने पर आम सहमति बन गई है, जो ठीक है। प्लानिंग कमिशन की स्थापना के दो उद्देश्य थे। एक था देश के विकास का रोडमैप बनाना और दूसरा, देश के संसाधनों का सुवितरण। कमिशन की आलोचना मुख्यतः दूसरे उद्देश्य को लेकर रही है। संविधान के अनुसार यह कार्य फाइनेंस कमिशन के द्वारा किया जाना चाहिए। इसलिए योजना आयोग की भूमिका को विकास का रोडमैप बनाने तक सीमित कर देना उचित दिखता है। लेकिन, इस काम के लिए आयोग को थिंक टैंक की भूमिका में आना होगा। दिक्कत यह है कि सरकारी महकमे का मिजाज चिंतन करने का नहीं होता।

जीहुजरी में चिंतन कैसा

स्वतंत्र चिंतन और नौकरी साथ-साथ नहीं चलती। नौकर को मालिक के इशारों पर चलना होता है। इसीलिए आईएएस अधिकारियों की आवाज मंत्री बदलने के साथ बदल जाती है। दुर्भाग्यवश, मंत्रियों की मानसिकता अपने अनुकूल लोगों को ही नियुक्त करने की होती है। इसलिए प्लानिंग कमिशन मुख्यतः सरकार की हां में हां मिलाने वाला संगठन रह गया है। यह देश के विकास का रोडमैप बनाने में इसकी नाकामी की वजह यही है।

देश के सामने 1991 में विदेशी मुद्रा का संकट पैदा हो गया था। कमिशन के अनुसार सातवीं पंचवर्षीय योजना (1985-90) के दौरान भारतीय अर्थव्यवस्था की गति अच्छी थी, सब ठीक-ठाक चल रहा था। कमिशन आज तक यह नहीं बता पाया कि अच्छी गति के बावजूद विदेशी मुद्रा संकट कैसे उत्पन्न हो गया? एक और उदाहरण 2004 का लिया जा



योजना आयोग की पहली बैठक : उपाध्यक्ष गुलजारी लाल नंदा (पं. नेहरू के दाएं)

सकता है जब चुनाव के पहले प्लानिंग कमिशन द्वारा करोड़ों रोजगार उत्पन्न होने के फर्जी दावे किए जा रहे थे। उसका यह आकलन एनडीए सरकार की विदाई का सबब बन गया।

इस प्रकार की अंधी स्वाभिधित अमेरिका में भी देखी गई है। वहां राष्ट्रपति द्वारा 'काउंसिल ऑफ इकॉनॉमिक एडवाइजर्स' नियुक्त की जाती है। यह काउंसिल राष्ट्रपति को आर्थिक

1991 के अभूतपूर्व विदेशी मुद्रा संकट से ऐन पहले तक योजना आयोग अर्थव्यवस्था की हालत अच्छी बताता रहा

मामलों में सलाह देती है। अपनी 2006 की रिपोर्ट में काउंसिल ने अमेरिकी बैंकिंग व्यवस्था पर से नियंत्रण हटाने की भूरि-भूरि सराहना की थी। कहा था कि नियंत्रण हटाने से अमेरिकी बैंकिंग कंपनियां विश्व में अपना स्थान बना रही हैं। काउंसिल ने राष्ट्रपति को तनिक भी

नहीं चेताया कि अमेरिकी बैंक बालू के किले के समान थे। 2008 के संकट की चेतावनी देने में काउंसिल बिल्कुल ही नाकाम रही।

देश के विकास का सच्चा रोडमैप बनाना सरकार की हां में हां मिलाने वालों के वश की बात नहीं है। इसके लिए स्वतंत्र मानसिकता वालों की नियुक्ति करनी होगी। आईएएस अफसरों और वेतनभोगी प्रफेसरों से यह कार्य करा पाना नामुमकिन है। सुझाव है कि थिंक टैंक के सदस्यों की नियुक्ति विपक्ष के नेता की अध्यक्षता वाली समिति द्वारा की जाए।

समिति के दूसरे सदस्य सुप्रीम कोर्ट के जज और इंडियन इकॉनॉमिक एसोसिएशन, इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया सरीखी दूसरी स्वतंत्र संस्थाओं के अध्यक्ष होने चाहिए। यह कमेटी न केवल आवेदकों के नाम सार्वजनिक करे बल्कि इनकी उपयुक्तता पर जनसुनवाई भी करे। अमेरिका में प्रमुख पदों पर नियुक्ति का अनुमोदन अमेरिकी सांसदों की कमेटी द्वारा किया जाना अनिवार्य होता है। कमेटी की सुनवाई जनता के लिए खुली होती है।

थिंक टैंक की भूमिका में भी परिवर्तन की जरूरत है। वर्तमान में प्लानिंग कमिशन की अहमियत इस बात से है कि मंत्रालयों और राज्यों के बजट को स्वीकृति वहीं से मिलती है। बजट के आवंटन को थिंक टैंक से बाहर करने के बाद यहां बैठे चिंतकों की कौन सुनेगा, यह डर बेकार है। हमारे राष्ट्रीय मानवाधिकार आयोग और सीएजी के पास भी कार्यान्वयन के अधिकार नहीं हैं। फिर भी ये संस्थाएं तब-तब सफल रही हैं, जब-जब इनकी कमान स्वतंत्र वृत्ति के लोगों के हाथ में रही है। मूडी और फिच जैसी अंतरराष्ट्रीय रेटिंग एजेंसियों के पास भी कार्यान्वयन का कोई अधिकार नहीं होता। इसके बावजूद दुनिया इन्हें गौर से सुनती है।

थिंक टैंक का कार्य हर मंत्रालय और राज्य की स्थिति पर वार्षिक मूल्यांकन रिपोर्ट जनता के समक्ष प्रस्तुत करना होना चाहिए। मंत्रालयों तथा राज्यों को इसकी रपट पर अपनी प्रतिक्रिया सार्वजनिक रूप से देनी चाहिए। जैसे केरल के कल्याणकारी मॉडल, बिहार के पिछड़ी जाति सबलोकण मॉडल, राजस्थान के श्रम सुधार मॉडल, महाराष्ट्र के हाइवे मॉडल आदि की समीक्षा थिंक टैंक द्वारा करने से इनके मोटे-खट्टे अनुभवों का पूरे देश को लाभ मिलेगा। इनकी कमियों का खुलासा होने से इन्हें सुधार का अवसर भी मिलेगा।

जवाबदेही किसके प्रति

आखिरी सवाल जवाबदेही का है। थिंक टैंक की जवाबदेही किसके प्रति होगी? जवाबदेही केंद्र सरकार के प्रति नहीं हो सकती है क्योंकि मूल्यांकन केंद्रीय मंत्रालयों का ही किया जाना है। सुझाव है कि कमर्शल कंपनियों की तर्ज पर थिंक टैंक का एक गवर्निंग बोर्ड बनाया जाए। इसमें क्रम से हर वर्ष दो राज्यों के मुख्यमंत्रियों द्वारा नामित व्यक्ति, वरिष्ठतम पद्य भूषण, सबसे कम उम्र के ओलिंपिक मेटल विजेता इत्यादि को शामिल किया जा सकता है। सरकारी नौकरों के एक और समूह को थिंक टैंक का जामा पहनाने से बात नहीं बनेगी।

PART B

NEWS AND VIEWS

Tuesday, 9th September 2014

Polity

: No BJP leader comes to Dagarø
defence

Economy

: Govt bonds exhausted, FIIs buy
Corporate debt

Planning

: Apex accounting body to help PM
track Jan Dhan scheme online

Editorial

: Flood fury in Kashmir

Communication, IT & Information Division
Phone # 2525

No BJP leader comes to Dagar's defence

Party chief seeks immediate clarification from him

Sowmiya Ashok

NEW DELHI: The Bharatiya Janata Party on Monday found itself in an embarrassing situation after its political rival, the Aam Aadmi Party, released video footage of its Delhi unit vice-president Sher Singh Dagar offering bribe to an AAP legislator. Mr. Dagar was reportedly asking the AAP member to switch sides in the context of his party's attempts to form the government. Delhi BJP chief Satish Upadhyay has sought an immediate clarification from Mr. Dagar regarding the issue.

At a press conference at his residence in South Extension, the same place where the video footage was captured, Mr. Dagar denied the allegations and claimed that he was being framed. "I have been in politics for the past 44 years and



*Delhi BJP president
Satish Upadhyay*

been raising public-related issues. During this period, my image had remained clean. If such an allegation is proved, I will resign from politics," he said.

While the venue of the press conference was changed at the last minute from the Delhi BJP headquarters on Pandit

Dagar has been advised to resign from the party post till proven innocent

Pant Marg to Mr. Dagar's residence, no senior leader in the BJP came to his defence, with some saying that whatever he had done was in his personal capacity. Further, BJP national spokesperson Sambit Patra, who was to join Mr. Dagar at his press conference, decided to give it a miss.

BJP national secretary R. P. Singh demanded that the authenticity of the tape be proved and advised Mr. Dagar to resign from the party post till proven innocent.

"Mr. Dagar should resign from his party position and he should give an explanation to

the party president. He is not authorised to talk to anyone about such things," he said.

The video, that has been shot covertly, shows Mr. Dagar making the bribe offer to AAP's Sangam Vihar MLA Dinesh Mohaniya to resign as a legislator so as to bring down the strength of the Delhi Assembly.

However, Mr. Dagar told reporters that about one-and-a-half months ago, the AAP MLA had approached him and showed interest in joining the BJP. "The AAP MLA had come to meet me 45 days ago and even on Sunday. Since the BJP has formed the government at the Centre, he wanted to join our party," he told reporters. "He (Mohaniya) came to meet me and I never went to meet him. There was no talk of money and I did not offer him anything," he said.

Govt bonds exhausted, FIIs buy corporate debt

■ Buy \$1.08 bn worth corporate bonds in 1st week of Sept; year total at \$5 bn

Aparna Iyer
Mumbai, Sept 8

Having exhausted investment limits in government bonds, foreign institutional investors have now started investing in corporate bonds to take advantage of high yields.

Data shows that in the first week of September, FIIs bought \$1.08 billion worth of corporate bonds, taking their outstanding holdings to \$22.56 billion. Of the \$18.1 billion invested in local bonds so far in 2014, corporate bond purchases totalled \$5 billion. "The FII limits for investments in government bonds have been exhausted, so now foreign investors are looking at corporate bonds. Also, FIIs are finding the overall interest rates in India quite attractive and India story quite compelling (contained twin



deficits with stable currency," said Manish Wadhawan, managing director and head (interest rates)-global markets, HSBC India.

Dealers said FIIs are picking up bonds issued by public sector companies such as Rural Electrification, Power Finance and other top-rated non-banking finance companies such as Housing Devel-

opment and Finance (HDFC), LIC Housing Finance and Mahindra Finance.

"FIIs have been buying mainly bonds issued by public sector companies in the AAA segment. Some who are looking at even a lower AA+ rating are buying papers of non-banking finance companies," said Ajay Manglunia, senior vice-president and

head of debt at Edelweiss Financial Services. Wadhawan of HSBC said most FIIs do not invest in bonds rated below AA. Bonds issued by PSUs and NBFCs have been offering yield of 9.9.4%, around 50 basis points higher than the corresponding government bond.

Yields on corporate bonds are higher than those on government bonds and the spread between the two typically reflects the risk associated with the economy and the company at that time.

While this is not the first time foreign investors have picked up corporate paper, the interest is indeed far greater than previous episodes of big FII purchases. For instance, FIIs picked up more than ₹500 crore of bonds issued by Power Finance in a recent issue. FIIs also bought bonds issued by REC and HDFC, dealers said.

Apex accounting body to help PM track Jan Dhan scheme online

New system will monitor money transferred to the bank accounts of beneficiaries

SHISHIR SINHA

New Delhi, September 8

Prime Minister Narendra Modi will be able to track the progress of bank accounts opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY) with the click of a mouse.

This is thanks to the Public Financial Management System (PFMS), an initiative of the Controller General of Accounts (CGA).

The CGA is the principal accounts adviser to the Government and responsible for es-

tablishing and maintaining a sound management accounting system. It works under the Finance Ministry and is manned by officers from the Indian Civil Accounts Services.

"We are ready to offer a customised version of this system to the Prime Minister. This will help him know how many accounts are operative or dormant... from the national level to village level," a senior CGA official told *BusinessLine*.

Once approved, it will not

take more than a month to customise the system, the official said.

The system is already linked with 26 nationalised banks, seven private sector banks and 69 regional rural banks. It also has an interface with 1.05 lakh post offices, out of a total of 1.50 lakh post offices in the country.

The PMJDY was launched on August 28 as a comprehensive financial inclusion programme to bring those without bank accounts into the banking system.

The target is to open 7.5 crore bank accounts by January 26. The mission also envisages expansion of Direct



Close monitoring Prime Minister Narendra Modi at the launch of the Jan Dhan scheme in New Delhi (file photo)

Benefit Transfers under various Government schemes through the bank accounts

to the beneficiary directly to her/his Aadhaar-linked bank account, thereby eliminating the existing intervening layers.

"After issuing the payment order, the system can validate the bank account of the real beneficiary and filter duplication or bogus accounts. Leakage will be plugged," another official said.

The system will help know if the money transferred from the Government reaches the real beneficiary.

As on March 31, direct benefit transfers amounting to ₹346.81 crore had been made to 24.13 lakh beneficiaries.

India, Germany plan roadmap for coop in skill development



In this handout photograph released by the Press Information Bureau, German Foreign Minister Frank-Walter Steinmeier meets Prime Minister Narendra Modi in New Delhi on 8 September, 2014. ©AFP

STATESMAN NEWS SERVICE
New Delhi, 8 September

India and Germany have agreed to prepare a concrete roadmap for cooperation in skill development, solid waste management and cleaning of rivers and would soon organise issue specific workshops.

The visiting German Foreign Minister, Dr Frank Walter Steinmeier, today called on the Prime Minister, Mr Narendra Modi, and expressed his strong desire to work with the Indian government and deepen bilateral relations.

While appreciating the interest shown by the German Chancellor, Ms Angela Merkel, to the India-Germany relationship, Mr Modi said India should use Germany's strength and experience in the area of skill development. He said India and Germany should develop a concrete time-bound plan for training of Indian youth to meet Indian needs and the global requirement

of skilled human resources.

Mr Modi also called for taking forward the ongoing cooperation in the area of clean energy and forging new partnerships in areas of solid waste management, waste water treatment and cleaning of rivers. The Prime Minister lauded Germany's remarkable economic resurgence over the past decade.

He said India and Germany, which are bound by democratic values, are "made for each other" because of complementary skills and resources to power the next generation of industrial development through partnering in manufacturing and infrastructure development. He said India looks forward to the visit of Ms Merkel for the next round of Inter-Governmental Consultations in 2015. It was agreed that both sides will undertake preparations with the aim of finalising a concrete roadmap for cooperation at the next Inter-Governmental Consultations meeting.

IPR policy soon, says Minister

To address issues on Intellectual Property Rights regime

Puja Mehra

NEW DELHI: Following complaints raised by US companies on India's intellectual property rights (IPR) regime, the Modi Government has decided to come out with a policy framework on by early 2015. It has also decided to disallow foreign direct investment (FDI) in multi-brand retail, Commerce and Industry Minister Nirmala Sitharaman said here on Monday.

"We are clear that FDI will not be allowed in multi-brand retail trade in line with the position the BJP had articulated in its manifesto on the basis of which we won the elections," Ms. Sitharaman said. She was addressing a press conference on the steps taken by the Modi government in its first 100 days.

The Minister, however, added that at the moment there was no move to reverse

SPURRING INNOVATION		
CENTRE TO COME OUT WITH IPR POLICY DOCUMENT, SET UP THINK TANK TO STRENGTHEN PATENT REGIME		
<ul style="list-style-type: none"> • Policy document to be ready in four months • Think tank to include professors, end-users, legal experts • India already has a strong IPR legal framework 	<ul style="list-style-type: none"> • IPR regime is fully compliant with WTO norms • India has resisted pressure for 3 years from U.S. to make IPR conform to interests of American pharma, solar firms 	Department of Industrial Policy and Promotion to post draft on website for public comments before finalising policy document
<p>We will come out with an IPR policy as India does not have one</p> <p>-NIRMALA SITHARAMAN, Commerce and Industry Minister</p>		

the notification by the UPA government to open up the multi-brand retail sector, allowing up to 51 per cent FDI.

On its IPR policy plans, the minister said, "India does not have an IPR policy. This is the first time Government will come out with an IPR policy... Developed nations are picking holes in India's IPR regime because

we do not have any policy."

"India has a well established legal framework for IPR but it is important to spell out policy," Industry Secretary Amitabh Kant said, adding that in August the Union Cabinet had approved of 1,033 additional staff for India's Patent Office to clear pending applications.

Equality not enough, we need social amity too: PM

EXPRESS NEWS SERVICE
NEW DELHI, SEPTEMBER 8

A DAY after RSS chief Mohan Bhagwat supported reservation for Dalits and tribals, Prime Minister Narendra Modi on Monday argued that quota system alone would not get the desired equality, but there should be amity in the society.

"What we need is not just equality, we have to move forward and have *samajik samarasta* (social amity), which is a combination of equality and oneness... *Samarasta* needs a larger social awakening, while *samata* (equality) can be brought in through laws too," he said while addressing a function to celebrate the 152nd birth anniversary of Ayyankali, a Dalit reformer from Kerala.

"We have to create systems where there is no injustice against anybody... I promise you the coming time will be a journey for *samrasta*," the Prime Minister said.

Paying tribute to Ayyankali, Modi compared the Dalit reformer's Kayal Sannelan, a meeting on a platform arranged on a row of country boats berthed in



RENUKA PURI

Narendra Modi at Vigyan Bhawan on Monday.

the backwaters to assert the backward Pulyar community's rights 100 years ago, to Mahatma Gandhi's Dandi March. "If Dandi March was a turning in the country's freedom struggle, Kayal Sannelan was the turning point in social reforms," he said.

The Prime Minister said, "It is this country's misfortune that for some reason, the contributions of those who had lived for the country has been forgotten." Modi's move to address the birth anniversary celebration of the Dalit icon and Bhagwat's statement backing the reservation for Scheduled Castes and Scheduled Tribes are seen as part of the BJP's

strategy to focus on the backward classes for political support. At a book launch on Sunday, Bhagwat backed reservation as a tool to bring equality to those suffering discrimination.

BJP has termed Prime Minister's move to address the meeting as an attempt to be inclusive. "Our agenda is not divisive politics, but inclusive politics. We have no caste differences. BJP and RSS want to reach out to all sections of the society, especially the most downtrodden," said Lalitha Kumaramangalam, BJP spokesperson. "We are a political party and we want to gain political support. There is nothing wrong in it."

Cabinet Note on Cochin Shipyard IPO Soon

Ruchika.chitravanshi
@timesgroup.com

New Delhi: The shipping ministry, keen to ride the stock market rally, will soon float a cabinet note proposing the divestment of a 10% stake in state-owned Cochin Shipyard.

"The company has approached us... We will soon float a cabinet note," a government official said.

The move comes after the department of disinvestment, under the finance ministry, wrote to the shipping ministry about the Cochin Shipyard stake sale plan.

Besides the shipbuilding company, the disinvestment department plans to divest a 5% stake in Steel Authority of India and 10% in Coal India. Other PSUs on the list include NHPC, Power Finance Corporation and Oil and Natural Gas Corporation.

In the 2014-15 budget, Finance Minister Arun Jaitley announced a target of raising ₹58,425 crore, of which

₹43,425 crore would come from the divestment of stake in public sector companies and ₹15,000 crore from the sale of residual stake in erstwhile government companies.

North Block is hopeful of exceeding the budgeted target on the back of the booming stock markets. The benchmark Sensex has gained 29% in 2014.

Disinvestment dept also plans to divest a 5% stake in Steel Authority of India & a 10% in Coal India

repair facility, plans to expand operations to supply liquefied natural gas vessels to GAIL India Ltd, which will cost about ₹1,200 crore.

The company wants to meet some of its fund requirement through the IPO and the remainder through tax-free bonds and internal accruals. It expects to raise ₹500 crore through

the IPO. This is not the first time that Cochin Shipyard has expressed interest in an IPO. Last year, the company had similar plans but could not execute them due to its internal reasons. "Earlier, the reason for divestment was to raise funds for the government to reduce the fiscal deficit. This time, it is out of its own requirement of funds to meet the pending order of vessels," said a senior shipping ministry official.

A Cochin Shipyard official said that the markets have improved and with the GAIL order and a new dock to build aircraft carriers on its books, the time is ripe for an IPO.

"This time, three of our four trade unions are on board with the company's decision to divest stake. Earlier they were opposed to the idea," he added.

Majority of Cochin Shipyard's orders include coast guard vessels and aircraft carriers. As of March 2013, the company's net worth was over ₹1,175.7 crore.

New green mantra: fast-track nod but strict pollution check

AMITABH SINHA

NEW DELHI, SEPTEMBER 8

THE NDA government's mantra as it prepares to usher in a new environmental regime in the country seems to be two-pronged — to make it easier for industries to set up new facilities but difficult for them to pollute.

As one decision is unveiled after another, it is becoming increasingly clear that the government is working on a two-pronged strategy to change the existing norms of environmental governance. It is willing to relax norms, ease restrictions and even amend laws to ensure that environmental procedures do not become a hindrance to greater and faster industrialisation. At the same time, it is giving indications that industries will have to submit to higher level of environmental integrity and strictly comply with pollution standards.

This may be radically different from the existing regimen in which clearances of industrial projects are marked by uncertainty, arbitrariness and even allegations of rent-seeking. But once the clearance is obtained, there is little follow-up, oversight or monitoring to check whether these industries are adhering to prescribed environmental standards.

The new two-pronged approach is likely to satisfy the industry but environment campaigners are not impressed. "First of all, there is no evidence to show that strict compliance is being ensured, while it is very clear that rules are being relaxed, standards are being lowered. But even if the

REVISED NORMS

RELAXED REGULATION

A COMMITTEE to review all major green laws

GENERAL FOREST approval for all road and defence infrastructure projects falling within 100 km of China border

GENERAL FOREST approval for road infrastructure in Naxal-affected areas

REGIONAL OFFICES empowered to grant permission for up to 40 hectares of forest diversion

FOREST DIVERSION for all linear projects to be decided by the regional offices

NO REQUIREMENT of public hearings for coal mines with current capacity of 16 million tonnes per annum which want to expand capacity by up to 50 %

DILUTION OF Forest Rights Act. Certificate that rights have been settled can come from district administration. No insistence on certificate from gram sabha

MEDIUM SIZED industries allowed to operate within five km of national parks and protected areas instead of 10 km earlier

STRICTER COMPLIANCE

A MINISTERIAL committee to create a blueprint for an independent regulator

POLLUTION STANDARDS for cement industry raised

REAL-TIME online pollution monitoring equipment ordered to be installed in industries along the Ganga

ONLINE SUBMISSION of environment and forest clearances introduced

compliance is tightened, it does not compensate the damage done by an unsustainable project. These are two different things. A project that will cause more damage than it is worth is not going to become beneficial just because compliance becomes strict. One does not balance the other out. This is a very misleading argument," said Shankar Gopalakrishnan, secretary of Campaign for Survival and Dignity, a platform for NGOs working for rights of tribals and forest dwellers.

Nonetheless, the decisions and utterances of this government clearly point towards a movement towards such an

approach. A series of relatively medium-impact decisions by the MoEF suggest that it is in favour of easing at least some of the regulatory norms in a bid to help faster industrial growth (see box). Last week, it formed a four-member committee, under former Cabinet Secretary T S R Subramanian, to review five major green laws in order to "bring them in line with current requirements to meet objectives", an euphemism that can be easily interpreted to mean greater flexibility in laws to allow faster industrialisation. In addition, the project appraisal and clearance processes are also sought



to be made time bound.

There have been fewer decisions on the other side, to show that the government is serious about imposing higher standards of environment protection, though Environment Minister Prakash Javadekar has said on record that pollution standards would be upgraded for every industry. These have already been done for the cement industry.

The movement towards creation of an independent environment regulator, even though forced down the neck by a directive of the Supreme Court, can be seen as an important step. A massive infusion of resources, manpower, and expertise is required to make the proposed regulator efficient and effective, something which the current structure comprising the Central Pollution Control Board and its affiliates in the states is not.

So far, the decisions of this government on environment-related issues have conformed to this pattern (see box). If pursued ahead as well, this two-pronged approach holds very important implications for the manner in which environment regulation is carried out, especially with regard to project clearances for industrial and infrastructure development.

Gowda's first 100 days as rail minister fail to impress

BS REPORTER
New Delhi, 8 September

Assessed against expectations, the performance of Railway Minister Sadananda Gowda in the first 100 days of the National Democratic Alliance government fails to impress. "Safety and security of passengers is my key priority," Gowda said, addressing the media at a press conference here on Monday. However, eight train accidents in the past three months and failure to amend the Railways Act, 1989,

to limit the railways' liability for accidents don't support Gowda's statement.

Though a review of the recommendations of a high-level committee on railway safety was undertaken, no substantial step was taken to implement the measures suggested.

Gowda has however, done away with 176 unmanned level crossings, against the targeted 125 in 100 days.

On another rise in passen-

ger fares, Gowda said the system in place would do its job, refusing to specify. In June, the railways had raised passenger fares 14 per cent and freight rates 6.5 per cent, under the fuel adjustment component system. A partial rollback of this was, however, carried out for

suburban trains, following opposition to the move.

A review of passenger and freight rates is undertaken every six months.

Gowda has also failed to

offer clarity on reforming the Railway Board, a key announcement in the 2014-15 Railway Budget. "This is a matter Prime Minister Narendra Modi should address," he said when asked about the steps taken to restructure the board.

On the alleged ties between the Indian Railway Catering and Tourism Corporation and a Saradha Group-owned travel company, the minister said a probe by the Central Bureau of Investigation was underway, adding there was no need for a separate probe by the Railways.

Gowda has also failed to offer clarity on reforming the Railway Board

Strategy needed to reduce youth alcohol use: Vardhan

BS REPORTER
New Delhi, 8 September

Health Minister Harsh Vardhan, on a visit to Bangladesh for the World Health Organization (WHO) regional committee meeting, said the excessive consumption of alcohol had significant impact on the youth population of India and he planned to learn a strategy to reduce its use.

"The immoderate consumption of alcohol affects the youth population of India greatly. It is one of the four most common modifiable and preventable risk factors for non-communicable diseases. I look forward to learning more about the strategy," Vardhan said.

Vardhan left for Dhaka on Monday to attend the 67th general meeting of the WHO regional committee, currently chaired by India.

The meeting will also have a session on WHO's global strategy on alcohol, adopted in 2010 after two years of consultations involving all six regions of WHO.

In its maiden Budget announced this year, the government increased the taxes on cigarette 11-72 per cent.



Harsh Vardhan

During his four-day trip, Vardhan will sign a cooperation agreement with Bangladesh on traditional medicine and homoeopathy. This is in line with the Bharatiya Janata Party-led government's plans to boost the alternative drug sector. While the government is planning to commission a study to gather more information and statistics to give a push to this sector in Indian as well as foreign markets, it is also likely to set up a separate regulator for alternative medicines.

"This is the age of holistic medicines. No single line of treatment is supreme. I intend giving the ancient wisdom in our evidence-based medicine a pride of place in public health," Vardhan noted.

The agreement with Bangladesh would cover exchanges of experts, training, mutual recognition of systems, qualification and pharmacopoeias and provide further scope for research collaborations.

Vardhan will also call on Bangladesh Prime Minister Sheikh Hasina and hold bilateral meetings with health ministers of WHO member countries on the sidelines of the conference.

The WHO meet is likely to address other health issues in Southeast Asia. Health ministers are likely to discuss the management of autism spectrum disorder and Kala Azar (Leishmaniasis). An existing agreement on Kala Azar, which currently includes India, Bangladesh and Nepal, would be renewed and expanded to include Bhutan and Thailand.

Discussions will also include the high rate of morbidity and mortality due to malaria, chikungunya, encephalitis, etc, in Southeast Asia.

THE HINDU

EDITORIAL.

TUESDAY, SEPTEMBER 9, 2014

Flood fury in Kashmir

As Jammu and Kashmir reels under possibly the worst floods in nearly six decades, and as the toll in terms of lives, property and crops mounts, the question that looms large is whether timely warnings had been issued and measures initiated to let people take evasive action on time. Even admitting that this was a “flash flood” caused by a retreating monsoon, the issue of whether systems to see such disasters coming, with the aid of technology, including real-time upstream monitoring mechanisms and space-based mapping processes, have been laid in place, comes to the fore. These posers are particularly relevant as the region has been buffeted in successive years by serious floods in rivers that have their headwaters in the Himalayan mountain ranges. That there was no warning issued before the water level rose almost overnight along the Jhelum — that flows across the Kashmir basin — has been more or less confirmed from media reportage. The extent of the deluge could be gauged from the fact that some 2,500 villages have been partially or completely submerged. Thousands of people were stranded on rooftops and waiting to be rescued as day broke on Sunday in Srinagar — where even the Army cantonment, the Civil Secretariat, the police headquarters and the High Court were seriously inundated. The Jammu region accounts for most of the deaths so far. Equally bad was the situation in the Pakistan-occupied part of Kashmir across the Line of Control, as also in the Punjab province and Gilgit-Baltistan. Prime Minister Narendra Modi made an aerial survey of the scene on the Indian side and termed it a “national-level disaster”; across the border, Prime Minister Nawaz Sharif did an aerial assessment. Both were quick to offer mutual help to mitigate the suffering.

The calamity has come during the build-up to elections in the State due by the end of the year. But it is to be hoped that political differences are put aside, and the temptation to indulge in blame-games and score brownie points is avoided, as full-scale efforts to reach rescue and rehabilitation to all the affected persons and regions are mounted by putting every shoulder to the wheel. For the State government led by Chief Minister Omar Abdullah, this could be an opportunity to prove its mettle. The tasks are stupendous. Those who have lost their dwellings need to be helped to rebuild them or find alternative accommodation. Livelihood issues need to be addressed. Infrastructure including power and communication links need to be restored quickly. The National Disaster Response Force is active on the scene, and the Army, the Navy and the Indian Air Force are at work. Even as all this is done, long-term plans to forewarn and protect the region that has been ravaged repeatedly by the vagaries of Himalayan floods need to be given top priority.