

Wage Inequality in India



(Source- : Asian Development Bank)

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Lead Essay

Wage Inequality in India

Introduction

A significant determinant of disparities in living standard is the inequalities in the labour market, which primarily is demonstrated, by the wage inequality among various groups and sectors of the economy. Wage inequality can be defined as the inequality in remuneration among the labourers for performing roughly similar kind of work. Wage inequality has been widely used as an alternative to income inequality (Atkinson, 1997). Wage is the largest component of income particularly for the working people and its distribution seems roughly to be similar to income distribution (Williamson, 1982). In the present article an effort has been made to analyze the contemporary issues related to the wage inequality in India and its micro and macroeconomic effect.

Wage Setting in India

Wage setting in India can be discussed under two heading, one is the Minimum Wage Act, 1948 and other one is the wage regulation under Government Pay Commission. Driving its principle from Article 43 enshrined in the Directive Principles of the Constitution of India, the Minimum Wage Act, 1948 is to ensure a fair deal to the labour class. Moreover, Article 39 of the Constitution also reinforces that the State shall, in particular, direct its policy towards securing (a) that the citizen, men and women equally shall have the right to an adequate livelihood and (b) that there is equal pay for equal work for both men and women. Minimum Wage Bill was introduced in Central Legislative Assembly to provide for fixation of minimum wages in certain employment in 1946 and came into force in 1948. The Act follows the definition of minimum wage given by the 15th Indian Labour Conference, which laid down the norms for fixing need based minimum wages to include: a standard working class family to comprise of three consumption units i.e. wife and two children apart from the earning worker, net intake of 2700 calories per day per consumption unit, per capita consumption of 18 yards per year, minimum housing rent charged by the government for low income groups, fuel, lighting and other miscellaneous items of expenditure to constitute 20 per cent of minimum wage. But these norms were criticised as being too idealistic giving little consideration to the capacity of the industry to pay and the standard of living of other similar groups of people in the community. The National Commission on Labour, 1969 held that in fixing the need based minimum wages the capacity of the industry to pay will have to be taken into account. "The need based minimum which is in the range of lower level of the fair wage, attracts in its determination, the employers' capacity to pay."

The Minimum Wage Act also mandates revision of the wages by respective Governments at an interval of every five years. The minimum wage fixed has two components the basic wage and the variable dearness allowance, which is adjusted to the Consumer Price Index every two years. The Act also provides for overtime allowance wherein a worker who works more than the stipulated hours of work is entitled to overtime wages fixed according to the rules framed by the State Government.

Although fixation of wage depends on a number of criteria like local conditions, cost of living and paying capacity of different state and industry, government actively participates in wage setting in India. Following the recommendations of the 1948 Committee on Fair Wages, the government started providing guidelines for wage structures. These guidelines defined living wage that would provide not only for physical subsistence but also for the maintenance of "health and decency and insurance against misfortunes". The government set minimum-wage guidelines for the organized sector, while the 1948 Minimum Wage Act covered wage setting for the informal sector. But evidence suggests that minimum wage was rarely enforced outside of the organized sector.

Government Pay Commission is also responsible for periodical regulation of wages of public administration employees and employees in the departmental undertakings. Wages for employees in the Central government civil service have two components: basic pay and dearness allowance (DA). The latter is meant to compensate for increases in cost of living.

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DA and basic pay vary by grade. Both are revised based on recommendations of pay commissions. DA is also applied to the basic pay of non-departmental public undertaking employees.

Evidences of Wage Inequality in India

Das (2012) analyses the wage inequality in Indian labour market by taking into account different dimensions. He estimates mean weekly wages, employment structure and wage inequality measured by Gini index of wage distribution by sectors, location, activity status and gender division of workers. He analyses wage inequality mainly for three major sectors, the public, and private formal and informal.

From table 1, it is evident that, workers in informal sector get less than one-third of the formal sector wage. On the other hand, formal sector workers get higher wages. However, wage inequality in the private formal sector is significantly higher as compared with the public sector and, indeed, is higher than the degree of inequality as prevailed in the informal sector (Table 1). The overall wage inequality among workers persists in India mainly because of significant wage differences between sectors.

The rural economy in India absorbs more than 70% of total workers, but the average wage for rural workers is roughly one-third of the average urban wage. Urban workers earn significantly higher wages in the public sector as well as in the informal sector. Wage inequality among rural workers is higher in both the public and private sectors, while it is lower in the informal sector as compared with the inequality among urban workers. Within the rural economy, inequality is much higher in the private formal sector.

A considerable wage differentiation persists between men and women workers in the Indian labour market. The average wage for men workers, consisting of three-fourths of the total workers, is more than two and a half times the wage for women counterparts. Wage differentials among women are higher than those among men workers. Wage inequality among women is the highest in the public sector as compared to the other sectors. On the other hand, wage differential among men workers is relatively more in the private sector.

A majority of workers in India (58%) are employed on a casual basis and the wage gap between casual and regular workers is substantial as expected (Table 1). The wage rate for casual workers is lower in the public sector than even in the informal sector. However, the dispersion of wages among casual workers is lower than that among regular workers (Table 1). Wage inequality among the former type of workers is relatively low in the private formal sector. Although

Table 1: Wage Inequality in India

		Mean Wage *	Employment Share	Gini Index ¹
By Sectors	Public Sector	1736	25	0.36
	Private Formal Sector	1909	14	0.49
	Informal Sector	562	62	0.44
	Overall Inequality			0.55
In Rural and Urban	Rural	375	71	0.56
	Urban	1,045	29	0.49
	Overall Inequality			0.55
By Sectors in Rural Area	Public Sector	1291	24	0.46
	Private Formal Sector	2439	11	0.58
	Informal Sector	392	65	0.38
	Overall Inequality			0.56

¹ It is measure of inequality. For detail see <http://www3.nccu.edu.tw/~jthuang/Gini.pdf>

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By Sector in Urban Area	Public Sector	2090	26	0.35
	Private Formal Sector	1587	16	0.45
	Informal Sector	724	59	0.41
	Overall Inequality			0.49
By Gender	Male workers	802	76	0.5
	Female Worker	310	24	0.58
	Overall Inequality			0.55
By Sector for Male	Public Sector	1885	29	0.3
	Private Formal Sector	1506	16	0.43
	Informal Sector	587	54	0.38
	Overall Inequality			0.5
By Sector for Female	Public Sector	814	31	0.43
	Private Formal Sector	1390	14	0.09
	Informal Sector	534	55	0.38
	Overall Inequality			0.58
By Type of Employment	Regular worker	1308	42	0.45
	Casual worker	282	58	0.36
	Overall Inequality			0.55
By Sector for Regular Worker	Public Sector	1766	35	0.36
	Private Formal Sector	2165	17	0.47
	Informal Sector	719	48	0.42
	Overall Inequality			0.45
By Sector for Casual Worker	Public Sector	345	2	0.35
	Private Formal Sector	513	7	0.23
	Informal Sector	395	91	0.35
	Overall Inequality			0.36

*Weekly wages in rupees

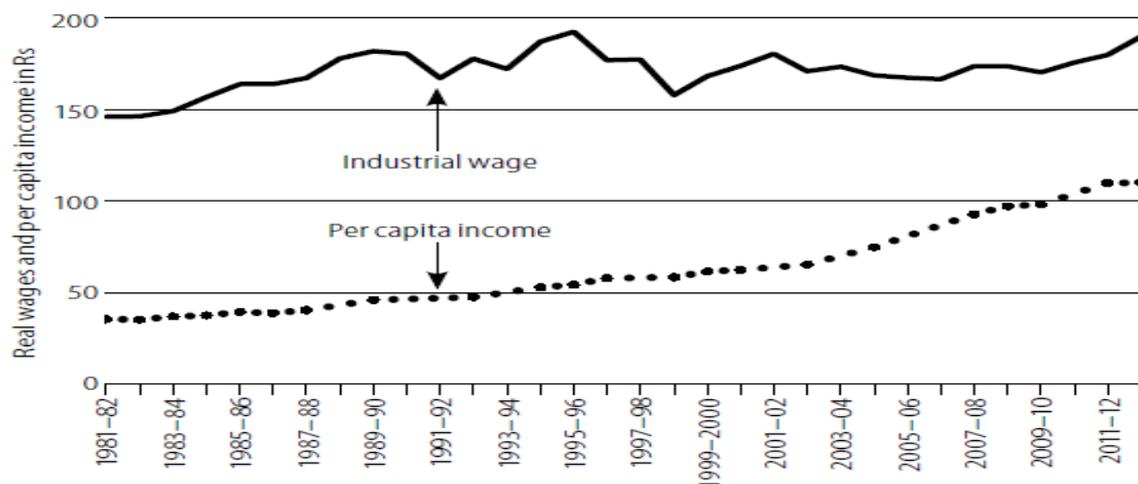
Source: Das, 2012 , calculation based on NSS 61st round unit level data on 'Employment and Unemployment " in India

workers permanently absorbed are paid better in the private sector, the pay inequality among them is the highest in that sector.

Chakraborty (2016) also analyzes the wage rigidities in organised manufacturing sector in India. Organised manufacturing sector is consists of those factories that employ 10 workers using power or 20 without using power, which consists only 3 percent of the workforce while producing 11 percent of the gross domestic output (Mehrotra, Gandhi and Sahoo, 2012).

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Figure 1: Trends in Per Capita Income and Industrial Real Wage



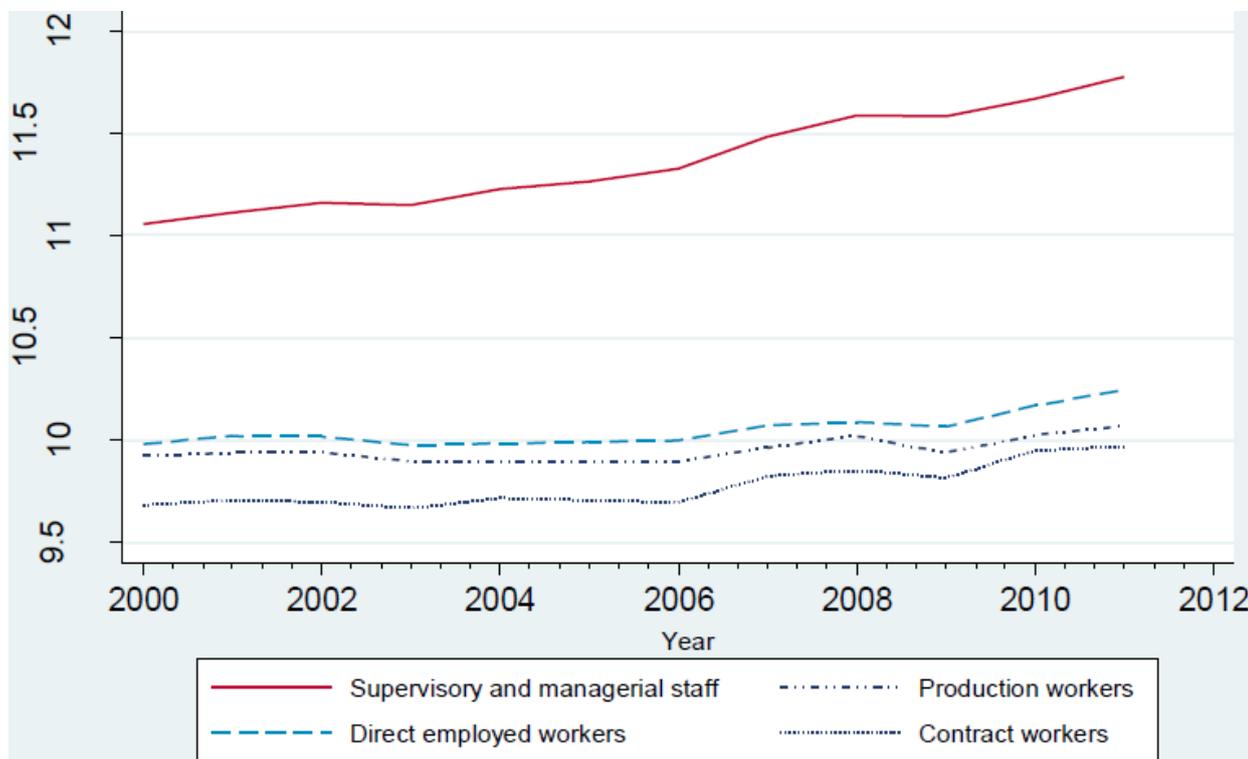
Source: Chakraborty, 2016, Annual Survey of Industries (various issues), Agricultural Wages in India (various Issues), National Accounts Statistics, RBI's Handbook of Statistics on Indian Economy.

Chakraborty (2016) compares the per capita and industrial real wage. The level of industrial real wage (base 2004–05=100) has always been higher than that of per capita income but the gap between them has declined in recent years. Though still above per capita income, a worker today is relatively much worse off than he or she was in the 1980s, as is indicated by the closing gap between the two trends. In 1981–82, the industrial worker was more than four times as well off as the average individual. By 2012–13, this figure had come down to 1.7 times the latter. This difference is attributed to the erratic growth rate of industrial wage, falling below that of per capita income for the most part. Industrial wage grew at a rate of 0.82% per year, over our period of study, less than a quarter times that of per capita income (which grew at 3.6% per year). The diminishing gap between the two questions the view that the organised manufacturing workforce amasses a disproportionate share of the economic growth process.

With growing capital intensity and the adoption of labour saving techniques of production, the importance of labour relative to capital is likely to decline. Consequently, one would expect the shares of income earned by equipment owners/owners of firms to rise relative to that of laborers. While the adoption of capital-intensive techniques of production may have diluted the importance of labour, the impact of mechanisation has been differential across various categories of workers. The rising disparity in the wages of supervisory and managerial staff, and production workers is also reflected in the fact that the wages of the latter type of workers remained roughly flat over the last decade, while those of the former category rose sharply (Figure 2). The ratio of the average wages of supervisory and managerial staff to production workers increased from 3.57 to 5.82 over the last decade.

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Figure 2: Growth in Real Wage Rates across Various Categories of Employees



Source: Kapoor (2016), calculation based on ASI unit data

Effect of Wage Inequality

The increase or decrease in wage rate has different impact on different parts of the economy. At the firm level, an increase or decrease in wages affects production costs and has consequences for profitability, sustainability and competitiveness. At the country level, the net effect of higher or lower wages depends on the direction and relative magnitude of the effects of wages on household consumption, investment and net exports.

At the firm level, wages represent a motivating factor for workers, but also a cost to enterprises. At the country level, however, the sum of all enterprise-level wage adjustments can have complex effects. Since wages represent an important source of household income, lower wages tend to reduce household consumption, thereby depressing aggregate demand, unless that negative effect is offset by substantial gains in investment and net exports. The net effect of higher or lower wages on aggregate demand thus depends on the direction and relative magnitude of the effects of wages on its different components, including household consumption, investment and net exports.

In countries with large current account deficits, where imports exceed exports, wage moderation may contribute to rebalancing trade accounts. This can have a positive effect on aggregate demand and employment if the boost to the competitiveness of exports is large. However, if wage cuts reduce domestic consumption by more than is offset by an increase in exports, the result will be negative in terms of GDP growth, particularly if government spending is reduced at the same time. In countries with large trade surpluses, higher wage growth can contribute to a rebalancing of demand towards domestic household consumption and away from exports – with the effect on aggregate demand in these countries again depending on the magnitude of the different elements of demand.

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Conclusion

As wage consists of the significant part of income, basically of the working class, it has important role in the enhancement of not only individual life but also development of the whole economy. Moreover, in India, Government Pay Commission and the Minimum Wage Act have regulated the wages periodically but it has not got properly regulated with the fast increasing inflation, which increases the inequality in standard of living of the general public. The discrepancy in wage level that is noticeable among different groups is not only the results of the lack of proper regulation but also because of not following the regulation even at the organized sector of the economy.

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Headlines

India's Eternal Inequality

(Aatish Taseer, *The New York Times*, October 12, 2016)

Modernity should be the natural enemy of caste. And, in many ways, it is. Urban life, apartment buildings, restaurants — even something as simple as municipal water and housing — have the power to erase the prohibitions under which caste functions. Democracy, too, is an enemy of caste: The low-caste groups form a powerful voting bloc, and so politicians are obliged to be responsive to them. But by upsetting hierarchies, modernity can also exacerbate old tensions. It can make the higher castes, whose numbers are small, insecure about their place in the world and drive them to reinforce it. The spread of modernity in India has certainly undermined caste, but it has also made the need to assert it more vehement.

Read More: <http://www.nytimes.com/2016/10/13/opinion/indias-eternal-inequality.html?ref=opinion>

Date Accessed: 13.10.2016

Economy

The Stories of Ehrlich, Borlaug and the Green Revolution

(Gopi Rajagopal, *thewire.in*, September 13, 2016)

For the average person, the names Ehrlich and Borlaug may not mean anything. However, in the late 1960s and early 1970s, the two Americans, in their own way, did something extraordinary. Paul R. Ehrlich, a professor of biology at Stanford University, painted a depressing picture of the state of the world – a picture that had hundreds of millions dying within a decade, and nations such as India and England ceasing to exist. Norman Borlaug, along with his associates, proved Ehrlich wrong. Borlaug helped nations such as Mexico and India double, even triple, their crop yield – an increase that outpaced the population growth rate and ensured that famines would remain only in the history books.

Read More: <http://thewire.in/72400/paul-ehrllich-norman-borlaug-green-revolution/>

Date Accessed: 13.10.2016

Why Calls for Boycott of ‘Made in China’ Goods Are Bound to Fail

(Abhishek Waghmare, *thewire.in*, September 12, 2016)

Indian politicians are currently leading a campaign to boycott Chinese goods. But an IndiaSpend analysis shows why this will fail: China is India’s largest trade partner, a sixth of India’s imports are Chinese, up from a tenth in 2011-12, while India’s exports to its rival have halved over the same period.

Read More: <http://thewire.in/72555/boycott-calls-china-indias-largest-trade-partner-will-fail/>

Date Accessed: 13.10.2016

Forget the Rs 65,000 Crore Black Money Hype, Tax Compliance Remains a Big Problem

(Rahul Awasthi, *thewire.in*, September 04, 2016)

The Income Declaration Scheme (IDS), 2016 has been declared a success. Over Rs 65,000 crore of previously unaccounted for assets or incomes have been declared to the tax department and a tax collection of almost Rs 30,000 crore is anticipated. This will surely be welcomed by the finance minister at a time when income tax collections have fallen way behind the targets that were set for them. In FY 2015-16, for example, as per budget documents the shortfall in corporate income tax as compared to the budgeted target was as much as Rs 17,658 crore and in personal income tax, it was a staggering Rs 28,316 crore, totalling over 45,000 crore! It is another matter that the targets themselves may not have been set realistically.

Read More: <http://thewire.in/70678/tax-amnesty-is-a-bird-in-hand-better-than-two-in-the-bush/>

Date Accessed: 13.10.2016

Global Hunger Index: Welcome to India, world's hottest economy where 39% kids are stunted

(Dinesh Unnikrishnan, *Firstpost*, October 12, 2016)

In the 2016 rankings of 118 countries, India is ranked 97 and Pakistan 107. All other Asian neighbours are doing relatively better -- China (29), Nepal (72), Myanmar (75), Sri Lanka (84) and Bangladesh (90), the report showed, adding India’s GHI score of 28.5 is worse than the developing country average score of 21.3.

Read More: <http://www.firstpost.com/business/global-hunger-index-welcome-to-india-worlds-fastest-growing-economy-where-39-children-are-stunted-3046864.html>

Date Accessed: 13.10.2016

Economy

Kerala Leads in Female Literacy, While Tamil Nadu Has Most Women Entrepreneurs (Prachi Salve, *thewire.in*, September 04, 2016)

The five states with the largest proportion of literate women – Tamil Nadu, Kerala, Andhra Pradesh, West Bengal and Maharashtra – account for 53% (4.3 million) of all business establishments owned by women nationwide, although no more than 33% of India's women live in these states, according to an IndiaSpend analysis of data released by the Economic Census 2012.

Read More: <http://thewire.in/70675/kerala-leads-leads-nation-in-female-literacy-tamil-nadu-has-most-women-entrepreneurs/>
Date Accessed: 13.10.2016

Indian industry is on life support – and the government's denial of this isn't helping (Mayank Jain, *scroll.in*, September 13, 2016)

Prime Minister Narendra Modi, riding to power on the promise of economic growth, launched his Make in India pet project in September 2014 to boost manufacturing and reduce dependence on imports.

Read More: <http://scroll.in/article/818854/indian-industry-is-on-life-support-and-the-governments-denial-of-this-isnt-helping>
Date Accessed: 13.10.2016

Microfinance boom catches attention of Private Banks (Swaraj Singh Dhanjal, *Live Mint*, October 12, 2016)

“The microfinance sector has been growing at a fast pace. In fact, last year, the industry saw an over 80% growth. The growth of the industry had attracted us to look at the space. Till now, we did not have direct lending exposure to this space,” said Narayan S.A., president (commercial banking & capital markets) at Kotak Mahindra Bank.

Read More: <http://www.livemint.com/Industry/dQoFOOeAaBn2e7ZJpK4ToL/Microfinance-boom-catches-attention-of-private-banks.html>
Date Accessed: 12.10.2016

How's the Economy Really doing ? (T.C.A. Sharad Raghavan, *The Hindu*, October 13, 2016)

Finally, we come to one of the most important aspects of such data releases: data collection. Why is it that we are so sceptical of the quality of service provided by, say, an Air India employee, or even someone in a government office, but somehow hold the data collectors of the Ministry of Statistics as paragons of efficiency? We must apply the Government Inefficiency Discount to data collection as well, which further erodes the veracity of the numbers being put out.

Read More: <http://www.thehindu.com/opinion/op-ed/how-is-the-indian-economy-really-doing/article9208453.ece>
Date Accessed: 13.10.2016

GST Lends more weight to India's 8% growth projection: S&P (Yogima Seth Sharma, *The Economic Times*, October 6, 2016)

Calling GST as the most important structural reform till date by the Modi government, S&P Global Ratings today said the passage of the indirect tax law gives it additional conviction of India clocking 8 per cent growth in the next few years. "India's GST passage gives us additional conviction around our 8%-ish GDP growth forecast over the next few years," it said in a report titled 'Asia-Pacific steadies while China goes silent'.

Economy

Read more at:

<http://economictimes.indiatimes.com/news/economy/indicators/gst-lends-more-weight-to-indias-8-growth-projection-sp/articleshow/54795582.cms>

Date Accessed: 13.10.2016

India Still do a lot more to ensure 8% growth: Experts at India Economic Summit (PTI, *The Economic Times*, October 11, 2016)

According to Sitharaman, the government also needs to ensure that whatever investment is coming into the country actually translates into rapid productions, exports and lead to creation of good jobs in the country to help us achieve high growth. Speaking on India's inflection point and what the country needs to do to transform the state of its economy and people through digital transformation, NITI Aayog CEO Amitabh Kant said the only way India can catch up with the world is through..

Read more at:

<http://economictimes.indiatimes.com/news/economy/policy/india-still-needs-to-do-a-lot-more-to-ensure-8-growth-experts-at-india-economic-summit/articleshow/54710667.cms>

Date Accessed: 13.10.2016

Governance & Development

POLITICS AND GOVERNANCE

Cheers to Democracy, a Rocky Pot-Holed Road

(Shelly Walia, *The Tribune*, October 12, 2016)

Democracy has to be judged by its results and the results are not good at all. This has become glaringly obvious in the election campaign run by the Republican nominee Donald Trump. Why did a blustery “real estate agent” whom every sensible person thought would perish and burn within days of his decision to run for President, go on to become the nominee for the Republican Party, virtually tying with Hillary Clinton who is the voice of reason, inclusion and experience? The only explanation is that democracy often falls into the hands of the ignorant and the irrational, the biased and the mean, and thus is an inadequate system of electing a competent government.

Read More: <http://www.tribuneindia.com/news/comment/cheers-to-democracy-a-rocky-pot-holed-road/308140.html>

Date Accessed: 13.10.2016

With Deadline One Month Away, UP’s Home for Urban Poor 73% Incomplete

(Sumit Chaturvedi, *India Spend*, October 10, 2016)

Although 60% of the money has been released, no more than 27% of 24,310 free homes intended for the urban poor had been built till August 2016 across 53 districts in India’s most-populous state, Uttar Pradesh (UP), according to new [data](#) released by the state government.

Read More: <http://www.indiaspend.com/cover-story/with-deadline-1-month-away-ups-homes-for-urban-poor-73-incomplete-92756>

Date Accessed: 13.10.2016

HEALTH

How to tame the mosquito

(Vibha Varshney and Kundan Pandey, *Down to Earth*, 10th October, 2016)

The country registered 36,110 confirmed cases of dengue and 14,656 cases of chikungunya till September 11. Government data shows dengue has also claimed 70 lives. An alarming number of cases have been reported of another type of fever whose symptoms are similar to chikungunya and dengue. It is being dubbed mystery fever. Unable to understand what causes the fever, government agencies have started screening for Zika, another vector-borne disease, as a precaution. The National Institute of Virology, Pune, has already checked over 300 blood samples for Zika virus, but the samples have tested negative, confirms D T Mourya, director of the institute.

Read More: <http://www.downtoearth.org.in/news/tame-the-mosquito-55904>

Date Accessed: 13.10. 2016

Why India’s National Health Policy Cannot Wait Any Longer

(*The Huffington Post*, October 10, 2016)

Ensuring health equity requires a drastic revision of priorities at the highest level. For India to improve its standing when it comes to reaching the most vulnerable, the [Draft National Health Policy, 2015](#) is of monumental significance. Health needs to be made a legally enforceable framework, with universal coverage and backed by the proposed and much-needed budgetary allocation of 2.5% GDP, if India is to reach the last mile.

Read More: http://www.huffingtonpost.in/world-vision-india/why-indias-national-health-policy-cannot-wait-any-longer/?utm_hp_ref=in-homepage

Date Accessed: 13.10.2016

Governance & Development

ENVIRONMENT

Women Entrepreneurs Are Transforming Energy Use In Rural India

(Soumya Sarkar, *The Wire*, 5th October, 2016)

These women entrepreneurs are now supporting rural communities to take constructive steps to improve the quality of environment, adopt clean energy products and services, recharge community water sources and promote agricultural best practices in order to improve their long-term resilience to climate change, according to Prema Gopalan, a co-founder of SSP. "The project is based on a market-based approach and can be adapted anywhere. Large companies can take their clean energy products into rural markets," Gopalan told *India Climate Dialogue*. "The need for clean energy products is widespread and women can be engaged as entrepreneurs, making it a sustainable solution in India and elsewhere."

Read More: <http://thewire.in/71132/indias-solar-women-win-un-climate-award/>

Date Accessed: 13.10.2016

Regulating Rampal Power Project could mean trouble under the India-Bangladesh BIT

(Prabhash Ranjan and Pushkar Anand, *The Wire*, October 11, 2016)

The Rampal power project, a proposed 1,320-megawatt coal-based power plant in Bangladesh's Rampal Upazila, has been facing stiff opposition. Given the proximity of the power plant to the Sundarbans, the world's largest tidal halophytic mangrove, concerns have been raised regarding the widespread and pervasive damage that this power plant could have on the ecology of the area. In 1997, the UN Educational, Scientific and Cultural Organisation declared the Sundarbans a world heritage site. The Sundarbans have also been declared a protected wetland under the 1971 Ramsar Convention on Wetlands – an international treaty for the conservation and sustainable use of wetlands.

Read More: <http://thewire.in/72165/rampal-power-project-india-bangladesh-bit/>

Date Accessed: 12.10.2016

DEFENCE

Amidst Surgical Strike Hype, Government Cut Army Disability Pensions

(Ajai Shukla, *The Wire*, October 10, 2016)

On September 30, the day after India began celebrating the successful "surgical strikes", the Ministry of Defence (MoD) issued a letter that dramatically reduced pensions for soldiers invalided out of the army after being crippled by battle injuries or by injuries directly attributable to hazardous military service. It was just as well that the commandos returned without significant casualties. If a young soldier with severe injuries – what cold medical jargon terms "100% disability" – from that operation had been invalided out from service, he would have found his monthly pension slashed from Rs 45,200 to just Rs 27,200 – down by Rs 18,000 a month.

Read More: <http://thewire.in/72131/army-disability-pensions/>

Date Accessed: 12.10.2016

India and World

INTERNATIONAL AFFAIRS

India unhappy over Russia-Pakistan ties

(Kallol Bhattacharjee, *The Hindu*, October 12, 2016)

India's ties with Russia are likely to be affected if Moscow continues to expand military relations with Islamabad. Criticising Pakistan-Russia ties, Indian Ambassador to Russia Pankaj Saran warned of "problems" ahead in bilateral ties, even as both sides planned a major summit on the sidelines of the upcoming Goa BRICS summit.

Read More: <http://www.thehindu.com/news/india-unhappy-over-russiapakistan-ties/article9208493.ece?w=alauto>

Date Accessed: 12.10.2016

China's Experiment in Djibouti

(François Dubé, *The Diplomat*, October 5, 2015)

China and Djibouti have had diplomatic relations since January 8, 1979, but China's footprint in the small country has only become ubiquitous over the last few years. Since 2012-2013, Beijing has firmly taken roots in Djibouti through numerous multibillion infrastructure projects including a new port, two new airports, the recently completed Ethiopia-Djibouti railway, a bulk terminal (for potash) at Tadjourah, a salt extraction plant at Lake Assal, water, gas, and oil pipelines, and a liquefaction plant. The establishment of China's first overseas military installation, which will be located at Doraleh (next to the new port terminal) and Obock, only further demonstrate what was economically already evident: Beijing gives utmost importance to its relations with Djibouti.

Read More: <http://thediplomat.com/2016/10/chinas-experiment-in-djibouti/>

Date Accessed: 12.10.2016

Opinions/ Books

OPINIONS

Hindutva's 'purification' drive

(Christopher Jafferlot, *Indian Express*, 13th October, 2016)

The resilience of such categories explains why Hindu nationalist ideologues tried to apply techniques of “purification”, not only to Dalits but also to those who converted to other religions. This modus operandum was particularly relevant in the case of Hindu converts seen as of the same race — a very popular notion in the 19th and 20th century. Saraswati thought Hindus were descendants of the ancient Aryans, in whose veins ran the blood of the founders of the Vedic civilisation. Those who shifted to Islam could return to the Hindu fold simply by undergoing shuddhi.

Read More: <http://indianexpress.com/article/opinion/columns/hindutvas-purification-drive-muslims-india-islam-caste-system-3079478/>

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The ground beneath our feet

(*The Hindu*, 10th October, 2016)

India needs a different approach to grow its economy and must remove bottlenecks so that foreign investors can operate in the country just as its own corporates expand their global footprint, Singapore Prime Minister Lee Hsien Loong said during his India visit last week. His remarks may appear out of sync with the official discourse on India's recent economic performance, especially the liberalisation of foreign direct investment and record inflows clocked since the Modi government was sworn in. Mr. Lee's concerns, however, don't stem from FDI policy *per se*, but two intertwined reform showpieces of the NDA — one abandoned after hot pursuit in its first year and another that remains a work in progress. These are amendments to the land acquisition law and improvements in the ease of doing business, respectively. Indian officials told business leaders accompanying the Singapore Prime Minister that they are free to invest in India if they can, on their own, acquire the land to set up shop on. As Mr. Lee pointed out, that makes investing in India virtually impossible — industrial parks that Singapore had proposed in the past remain non-starters. The Centre may not be used to such public plain-speaking, even from Western leaders with longer reform wish lists, but it must take the Prime Minister's cue for introspection and course correction.

Read More: <http://www.thehindu.com/opinion/editorial/indias-land-laws-and-fdi-the-ground-beneath-our-feet/article9204491.ece>

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