Budget Analysis 2017-18

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Budget Analysis 2017-18

The financial year 2016-17 has by far been the most eventful year of this millennium. International developments such as Brexit, political changes in USA and Europe, rising oil prices, and, the public out lash against the wave of globalization in the developed countries have all grabbed international headlines last year. Domestically issues such as NPA’s in the Indian banking sector, drying up of private investments, historic low numbers of job creation, the self inflicted wound of currency demonetization and, an uncertain future regarding the rollout of the GST have dominated the national headlines.

So, the problem that the finance minister was facing while preparing the budget can be broadly categorised into two major categories. Firstly, how to revive the economic growth in the country, which has been going through an elongated period of sluggish growth because of, reduced consumption and lack of private investment. Both these issues if not addressed quickly could create a vicious circle and push the economy into a lower trajectory of economic growth. And secondly, what steps has the finance minister taken in order to protect the Indian economy from the negative fallouts that could occur because of the trickily global political and economic scenario.

Though the Finance minister recognized the issue of global economic stagnation and the problems that it presented to the Indian economy, he unfortunately failed to address both the issues with any foresight or vision.

The Finance minister rather than taking bold initiatives to address the real issues facing the economy was more interested in delivering a flowery speech that undermined the real impact of the currency demonetization drive and was trying his level best to portray it as a great economic policy success. To quote the Finance minister he said “demonetization would lead the economy towards reduced corruption, greater digitisation of the economy, increased flow of financial savings and greater formalisation of the economy, all of which would eventually lead to higher GDP growth and tax revenues”

Quite unfortunately, the finance minister began his speech by claiming that the budget contained three major reforms. Firstly, that it was presented on the 1st of February instead of the last day of February, secondly, consolidating the rail budget along with the general budget, and finally, doing away with the confusing plan and non plan distinctions in the expenditure budget.

Despite the best efforts of the Finance minister these announcements could seldom be considered as reforms. Even though the new format of the expenditure budget is much cleaner and presentable. But, claiming it to be a reform is demeaning to the word reform itself. Additionally, presenting the budget on the 1st of February is connected more with the ill conceived currency demonetization drive rather than any serious economic rationale. The Government which was expecting a huge windfall of up to five lakh crores was most probably planning to splurge that windfall on some crucial poll bound states to gain rich political dividend. The utmost failure of this ill conceived plan has led the Government to try and convince the country by calling this as a reform.

Similarly, the clubbing together of the railway budget along with the general budget is a simple change in accounting practices of the budget which does not warrant the label of reform. Hence, in totality the budget presented on 1st February could be viewed as a mediocrem and status quoist budget that lacked a new vision for India’s future and had lacked any new ideas to tackle the existing problems that is facing India.

This analysis of the financial budget 2017-18 is divided into three parts. Part 1) Government expenditure Part 2) Public sector banks and Part 3) conclusion.

Part 1

Government expenditure:

Economics 101, one of the most fundamental aspects of economic policy making is to ensure the timely introduction of countercyclical policies that will provide soft landing to the economy while it is going through a slump and vice versa.

[1] Budget speech 1st February 2017
So, How well does the Government fare based on this very simple and fundamental lesson on economics. And, how the finance minister has tried to address the major issues in his budget for the year 2017-18

The Indian economy is currently going through a tumultuous period. The economic growth which was predicted to be in the range of 7.5 to 8 percent has been slashed by almost 1 to 2 percentage points by various domestic and international agencies. The job creation numbers are at an all time low. The statistics released by the Government of India states that only 135000 jobs were created in during the year 2015. The burgeoning NPAs in the public sector banks have halted credit growth and brought private investments to halt.

Table 1: India expenditure budget 2017-18

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment Expenditure</td>
<td>334870</td>
<td>389855</td>
<td>406711</td>
<td>437538</td>
</tr>
<tr>
<td>Central Sector Schemes/Projects</td>
<td>521374</td>
<td>570066</td>
<td>624411</td>
<td>666644</td>
</tr>
<tr>
<td>1. Statutory and Regulatory Bodes</td>
<td>5818</td>
<td>6124</td>
<td>6196</td>
<td>6482</td>
</tr>
<tr>
<td>2. Autonomous Bodies</td>
<td>49393</td>
<td>47663</td>
<td>49331</td>
<td>60278</td>
</tr>
<tr>
<td>3. Public Sector Undertakings</td>
<td>9696</td>
<td>9703</td>
<td>8090</td>
<td>4639</td>
</tr>
<tr>
<td>4. Public Sector Banks</td>
<td>25000</td>
<td>25000</td>
<td>25000</td>
<td>10000</td>
</tr>
<tr>
<td>5. Financial Institutions</td>
<td>1627</td>
<td>1140</td>
<td>1905</td>
<td>4068</td>
</tr>
<tr>
<td>6. Others</td>
<td>508829</td>
<td>555292</td>
<td>495066</td>
<td>533758</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1790783</strong></td>
<td><strong>1978060</strong></td>
<td><strong>2014407</strong></td>
<td><strong>2146735</strong></td>
</tr>
</tbody>
</table>

Source – Financial budget documents, GOI 2017-18

A cursory look at the expenditure budget itself throws up some interesting insights into the economic future of the country. Though, most of the expenditure heads are covered quite satisfactorily by adjusting it to inflation the Governments allocation to the public sector undertakings and public sector banks has been slashed quite dramatically. This along with the ambitious disinvestment plans that the finance minister unveiled during the budget speech clearly indicates the government’s wish to undermine the dream of the socialistic republic that our founding fathers envisaged for the country.

Though the overall budget expenditure of the Government has increased from Rs. 20.14 lakh crores to Rs. 21.47 lakh crores in actual terms. In real terms the government expenditure as a proportion of overall GDP has shrunk from 13.4% to 12.7%. This contraction in overall budgetary expenditure will have a negative impact on the economy. This budget coming after the backdrop of the currency demonetization should have tried to address the peril of demonetization and hence, should have been expansionist in nature. But unfortunately, the finance minister has missed a golden chance through which he could have undone the ills of the currency demonetization.
The 14th finance commission clearly indicated that the Government should devolve more resources to the state governments to aid in increasing their social sector spending. However the central Government has not paid heed to this suggestion and has indiscriminately introduced a multitude of cesses like the additional education cess, the swach bharath cess, and, krishi kalyan cess. This has directly affected the divisive pool of the states transfers. Despite achieving a total increased revenue of 8% and increased tax revenue of 13% the state government’s share of revenue has fallen from 6.6% of GDP to 6.4% of GDP. This is mainly because the value of cess and surcharge has increased from Rs 75,533 crores in 2014-15 to 1,69,662 crores by 2017-18 a whopping rise of 124% in three years.

Source: CGBA

Chart 2
From the table 2 we can see how the introduction of cesses and surcharges has affected the transfer of financial resources to the state governments.

**Table 2: Central fund transfer to states**

<table>
<thead>
<tr>
<th>Items</th>
<th>2014-15 (A)</th>
<th>2015-16 (A)</th>
<th>2016-17 (RE)</th>
<th>2017-18 (BE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 States’ share of taxes and duties</td>
<td>337808</td>
<td>506193</td>
<td>608000</td>
<td>674565</td>
</tr>
<tr>
<td>2 Finance Commission Grants*</td>
<td>-</td>
<td>84579</td>
<td>99115</td>
<td>103101</td>
</tr>
<tr>
<td>3 Scheme Related Transfers</td>
<td>-</td>
<td>195051</td>
<td>201363</td>
<td>212466</td>
</tr>
<tr>
<td>4 Other Transfers**</td>
<td>-</td>
<td>43143</td>
<td>44864</td>
<td>48447</td>
</tr>
<tr>
<td>5 Transfer to North Eastern States</td>
<td>-</td>
<td>378</td>
<td>31422</td>
<td>42499</td>
</tr>
<tr>
<td>6 Total Transfers to UTs with legislature</td>
<td>-</td>
<td>5139</td>
<td>5547</td>
<td>3996</td>
</tr>
<tr>
<td>7 FC grants and other transfers to states (2 to 6)</td>
<td>348027</td>
<td>328290</td>
<td>382311</td>
<td>410509</td>
</tr>
<tr>
<td>8 Total transfers to States and UT (includes loans) (1+7)</td>
<td>685835</td>
<td>830613</td>
<td>990311</td>
<td>1085075</td>
</tr>
<tr>
<td>9 GDP at current market prices</td>
<td>12433749</td>
<td>13675331</td>
<td>15075429</td>
<td>16847455</td>
</tr>
<tr>
<td>States’ share of central taxes and duties as % of GDP (1/9)</td>
<td>2.7</td>
<td>3.7</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Other transfers as share of GDP (7/9)</td>
<td>2.8</td>
<td>2.4</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Total Union Resources transferred to States as % of GDP (8/9)</td>
<td>5.5</td>
<td>6.1</td>
<td>6.6</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Part 2 Public sector banks

As of 30th June 2016 the gross non-performing assets of the Indian banking sector stood at 6 lakh crores. The latest financial stability report published by the RBI paints a grim picture regarding the growing trend of NPAs in the Indian public sector banks. The stress test indicated that under the baseline scenario, the GNPA ratio might increase from 9.1% in September 2016 to 9.8% in March 2017 and further to 10.1% by March 2018. In the case of public sector banks, the ratio may increase to 12.5% in March 2017 is a grim assessment which cannot be cast aside as inconsequential. This rising NPA menace has directly affected the capacity of private investments in India.

Chart 4: Credit growth in Indian banks
For the first time in a decade the credit growth for industries has become negative. The latest lending figures of scheduled commercial banks for the industrial sector shows the total outstanding loans for the industrial sector which stood at 26,238,800 crores on August 2015 has fallen to 26,18,100 by August 2016 a contraction of -0.02%.

From the financial year 2005 to 2012 the credit growth for the industrial sector grew at a yearly average of around 20%. A sudden contraction of industrial credit in the last three years indicates a significant amount of overcapacity in this sector. This factor also greatly contributes to lack of formal sector job creation in the country.

This general slump in the banking sector is captured in the revenue growth and profit growth of various banks in India. The below table shows that out of the listed 34 public sector banks 15 recorded a negative growth in revenue. Their net profits contracted from 16658 crores a year ago to Rs 8862 crores. A net contraction of 53.2%.

The total revenue of all the public sector and private sector banks however has risen by 4.14%. But, this rise in total revenue is mainly due to the fact that the SBI and its subsidiaries accounted for 21.73% of all the revenue generated (last year same quarter 20.88%). And in terms of profit, SBI and its subsidiaries accounted for 12.23% of the profits (last year same quarter 21.85%).

Table 4: Profitability of Indian banks

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Rev Growth</th>
<th>Profit Growth</th>
<th>EPS Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allahabad Bank</td>
<td>-5.07%</td>
<td>-484.69%</td>
<td>-428.40%</td>
</tr>
<tr>
<td>Andhra Bank</td>
<td>7.20%</td>
<td>-84.65%</td>
<td>-41.77%</td>
</tr>
<tr>
<td>Axis Bank</td>
<td>13.22%</td>
<td>-21.38%</td>
<td>-21.52%</td>
</tr>
<tr>
<td>Bok</td>
<td>-2.99%</td>
<td>-59.74%</td>
<td>-61.34%</td>
</tr>
<tr>
<td>Bol</td>
<td>-8.53%</td>
<td>-671.51%</td>
<td>-526.67%</td>
</tr>
<tr>
<td>Bank of Maharashtra</td>
<td>-2.32%</td>
<td>-768.57%</td>
<td>-707.14%</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>-3.81%</td>
<td>-52.19%</td>
<td>-56.18%</td>
</tr>
<tr>
<td>Central Bank of India</td>
<td>-6.15%</td>
<td>-394.31%</td>
<td>-382.11%</td>
</tr>
<tr>
<td>City Union Bank</td>
<td>8.92%</td>
<td>10.73%</td>
<td>13.56%</td>
</tr>
<tr>
<td>Corporation Bank</td>
<td>-1.75%</td>
<td>-82.42%</td>
<td>-85.66%</td>
</tr>
<tr>
<td>DCB Bank</td>
<td>13.54%</td>
<td>0.34%</td>
<td>0.62%</td>
</tr>
<tr>
<td>Dena Bank</td>
<td>-0.26%</td>
<td>-1942.68%</td>
<td>-1651.65%</td>
</tr>
<tr>
<td>Dhanlaxmi Bank</td>
<td>-9.99%</td>
<td>102.52%</td>
<td>125.00%</td>
</tr>
<tr>
<td>Federal Bank</td>
<td>6.82%</td>
<td>18.33%</td>
<td>18.29%</td>
</tr>
<tr>
<td>HDFC Bank</td>
<td>17.09%</td>
<td>20.15%</td>
<td>18.87%</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>6.06%</td>
<td>-24.99%</td>
<td>-24.75%</td>
</tr>
<tr>
<td>IDBI Bank</td>
<td>4.00%</td>
<td>78.35%</td>
<td>39.29%</td>
</tr>
<tr>
<td>Indian Bank</td>
<td>0.41%</td>
<td>42.77%</td>
<td>42.86%</td>
</tr>
<tr>
<td>Indian Overseas Bank</td>
<td>-12.05%</td>
<td>-9927.24%</td>
<td>-6650.00%</td>
</tr>
<tr>
<td>IndusInd Bank</td>
<td>23.97%</td>
<td>25.97%</td>
<td>9.24%</td>
</tr>
<tr>
<td>J&amp;K Bank</td>
<td>-5.26%</td>
<td>-85.59%</td>
<td>-85.63%</td>
</tr>
<tr>
<td>Karnataka Bank</td>
<td>6.44%</td>
<td>11.16%</td>
<td>11.21%</td>
</tr>
<tr>
<td>Kotak Mahindra Bank</td>
<td>23.22%</td>
<td>106.57%</td>
<td>105.67%</td>
</tr>
<tr>
<td>Lakshmi Vilas Bank</td>
<td>11.81%</td>
<td>50.76%</td>
<td>50.45%</td>
</tr>
<tr>
<td>Oriental Bank of Comm</td>
<td>-3.16%</td>
<td>-60.95%</td>
<td>-65.23%</td>
</tr>
<tr>
<td>Punjab National Bank</td>
<td>3.71%</td>
<td>-57.49%</td>
<td>-59.90%</td>
</tr>
<tr>
<td>South Indian Bank</td>
<td>9.47%</td>
<td>45.60%</td>
<td>45.83%</td>
</tr>
<tr>
<td>SBI</td>
<td>9.38%</td>
<td>-31.73%</td>
<td>-33.40%</td>
</tr>
<tr>
<td>SBI</td>
<td>1.95%</td>
<td>-1013.54%</td>
<td>-1013.29%</td>
</tr>
<tr>
<td>Syndicate Bank</td>
<td>1.51%</td>
<td>-73.80%</td>
<td>-78.29%</td>
</tr>
<tr>
<td>UCO Bank</td>
<td>-8.55%</td>
<td>-271.62%</td>
<td>-253.14%</td>
</tr>
<tr>
<td>Union Bank of India</td>
<td>-1.40%</td>
<td>-67.94%</td>
<td>-70.34%</td>
</tr>
<tr>
<td>United Bank of India</td>
<td>-2.67%</td>
<td>-36.62%</td>
<td>-37.10%</td>
</tr>
<tr>
<td>Vijaya Bank</td>
<td>0.18%</td>
<td>13.29%</td>
<td>-2.41%</td>
</tr>
<tr>
<td>Yes Bank</td>
<td>25.44%</td>
<td>32.76%</td>
<td>32.06%</td>
</tr>
</tbody>
</table>

Note: Growth values are < -100, due to company going from profit to losses.

3 IBID
These are ominous signs for the Indian economy. Considering the important role that banks play in creating economic activity reviving the lagging banking sector should have been a priority for the Finance minister. However, he has unfortunately let the banks mend for themselves.

The current deputy Governor of RBI Dr. Viral acharya in his paper titled “State intervention in banking: the relative health of Indian public sector and private sector banks, 2016” has estimated that it will cost Rs 9.97,400 crores to recapitalize the Indian banking sector. In the same paper Dr. Acharya also finds out that under a prudent scenario the capital requirement of four public sector banks Andhra bank, central bank of India, Punjab and Sind bank, and, United bank of India will become insolvent. However, the Finance minister has pledged 10,000 crores for recapitalizing the Indian banking sector. Not only are 10,000 crores highly inadequate it is also much less than last year’s budget allocation of 25,000 crores.

Conclusion:

Any economic revival plan that does not have a concrete plan that would revive the Indian banking sector is destined to fail. And, by laying out a concrete plan to revive the Indian banking sector the Finance minister has let go of an historical opportunity that could have taken India out of the current economic slump.

Looking into the expenditure pattern and the complete neglect on part of the government to take any concrete decision to address the burgeoning NPA crisis has made the 2017-18 budget a status quoist affair. The lack of any bold decisions in the budget shows the finance ministers lack of vision for the country.

The financial budget 2017-18 will go down in history as a wasted opportunity. While the country is faced with multiple issues internally and externally this was the right opportunity for the NDA government to show the country that its poll rhetoric of “less Government and more governance” & “Sabka sath sabka vikas” was not just rhetoric but meaningful poll promises. By trying to play safe and presenting a status quoist budget the finance minister has delayed the economic degradation by a few months but has written its death sentence in the long term.

Prepared by:
Kannan Kumar

References
Before Universal Basic Income, We Must First Get Social Spending Basics Right

The Economic Survey 2016-17 devotes a chapter to the provision of a Universal Basic Income (UBI), describing it as a “raging new idea,” a “radical new vision” and “the shortest path to eliminating poverty”. While warning that the UBI “should not become the Trojan horse that usurps the fiscal space for a well-functioning state,” the survey says a de facto UBI can be instituted in the existing “fiscal space”. It argues that winding up existing subsidies and welfare schemes could generate enough resources to institute UBI. To make this argument, the survey includes a table which lists the subsidies and costs of the existing social sector programmes and their expenditures. While the survey uses the table to calculate the amount of UBI that can be provided by scrapping the subsidies, the list includes something else of interest – the low expenditure on food, health, education, pensions et cetera. India’s ridiculously low social expenditure is the real problem that needs to be discussed urgently. While it is a well-known point, it is getting lost in all the hype and excitement around the UBI and needs to be reasserted.

Read more: https://thewire.in/107423/before-universal-basic-income-we-must-first-get-social-spending-basics-right/
Date Accessed: 13.02.2017
**Economy**

**Bitcoin is Starting to Behave like a Grown-up Market**  
*The Livemint, February 13, 2017*

Bitcoin is showing signs of becoming a serious asset class. Last week’s price swings hardly back up that assertion. The cryptocurrency dropped 7.8% on Thursday after news that the People’s Bank of China threatened to shut exchanges that violate money-laundering rules. The announcement also prompted some of the biggest websites operating bitcoin in the country to halt withdrawals, limiting them to converting the digital coin to yuan and depositing it in local banks.

Read more: [http://www.livemint.com/Opinion/NQNi3T2rYxQyANnc0UaWCL/Bitcoin-is-starting-to-behave-like-a-grownup-market.html](http://www.livemint.com/Opinion/NQNi3T2rYxQyANnc0UaWCL/Bitcoin-is-starting-to-behave-like-a-grownup-market.html)  
Date Accessed: 13.02.2017

**Fake Rs 2000 notes printed in Pakistan, pushed into India through India-Bangladesh border: Report**  
*DNA, February 13, 2017*

Printed in Pakistan and pushed into India through the India-Bangladesh border, the Border Security Force (BSF) last week seized at least 40 fake notes of Rs 2000, reported Indian Express. The amount was seized on February 8 in Murshidabad from Azizur Rahman (26), who hails from Malda in West Bengal.

Date Accessed: 13/02/2017

**India’s Wheat Imports Rise Above 5 Million Tonne, Biggest in Decade**  
*Naveen Thukral, The Wire, February 12, 2017*

India has bought more than five million tonnes of wheat since mid-2016, already its biggest annual purchase in a decade, after it began an import campaign to meet a supply shortfall left by two years of lower production. The country is slowing down imports ahead of the harvest in April and purchases in the months ahead will depend on production this year, two traders told Reuters on Wednesday. “There will be more deals signed in the coming months,” said one Singapore-based trader. “It will not be more than 200,000 to 300,000 tonnes as the domestic harvest is expected to replenish supplies.”

Date Accessed: 13/02/2017

**The Life of Labour: Budget and Labour, Workers Strike at World’s Largest Copper Mine**  
*Venkat T., Srividya Tadepalli & Thomas Manuel, The Wire, February 12, 2017*

The 2017 union budget was presented on 1st Feb with the spectre of demonetisation hanging over it. While a slew of measures and funding has been announced for the farm sector, the thrust is on crop insurance, enhanced credit and easing access for corporate and contract farming. Sadly, Jaitley’s speech didn’t have many details on the concrete step that will be taken – especially regarding his dubious claim to double the income of farmers in five years. Right now it looks like the long-standing tradition of trumpeting each budget as pro-farmer and pro-rural will continue while more states and more states suffer crisis after crisis – Tamil Nadu being the latest addition to the painfully long list.

Date Accessed: 13/02/2017
India Gears Up to Defend its Internet Rights Regime as it Fully Operationalises Mass Surveillance Project
(Devirupa Mitra, The Wire, February 09, 2017)

New Delhi: In three months, India will be under the microscope of the international community on its domestic human rights performance by taking part in Universal Periodic Review process for the third time. Reflecting the fact that Internet-related issues have now entered mainstream discourse, with digital policy now becoming a mainstay of the NDA government’s agenda, New Delhi’s self-appraisal publication will for the first time talk about online censorship, surveillance and privacy rights. Notably, a draft of the publication states that India’s mass surveillance project, the Centralised Monitoring System, will be fully operational by the first quarter of 2017. The UPR review process is based on three documents, two of which are compilations of information provided by UN bodies, special procedures and civil society organisations. The third one – the national report – has to be submitted by the state under review of its domestic human rights laws and implementation.

Read more: https://thewire.in/107292/india-mass-surveillance-project-cms/
Date Accessed: 13.02.2017

Vanishing villages: Disease and poor healthcare have caused large-scale migration in Niyamgiri
(Basudev Mahapatra, Scroll, February 12, 2017)

On the banks of Panimunda stream in the Muniguda administrative block of Odisha’s Rayagada district, Ankurthali village once used to exist. On the slopes of lower Niyamgiri hills, the place is now a part of the forest with no visible remnants visible. But till a decade ago, people of the Dongria Kondh tribe inhabited the village, which is still mentioned in revenue records and voter lists.

Readmore: https://scroll.in/article/828658/vanishing-villages-disease-and-poor-healthcare-have-caused-large-scale-migration-in-niyamgiri
Date Accessed: 13.02.2017

From Mumbai to Nagpur, Maharashtra is asking people to pool their land for an expressway
(Mridula Chari, Scroll, February 13, 2017)

Thirty men and women gathered in a room in the primary school of Kawardari, a small village in Washim district in eastern Maharashtra, one Thursday morning in November. They were here to listen to Ravi Bhiste, a man not from their village or even district. An unofficial government representative, Bhiste was in the village to explain to its people the terms of a new government scheme that would absorb much of their land.

Read more: https://scroll.in/article/826779/from-mumbai-to-nagpur-maharashtra-is-asking-people-to-pool-their-land-for-an-expressway
Date Accessed: 13.02.2017
POLITICS AND GOVERNANCE

Peaceful Protests Are Not a Crime

A bit of silver lining at the onset of the Trump administration has been the groundswell of activism by hundreds of thousands of Americans taking to the streets to face off against a president, and a Republican establishment, they see as reckless, divisive and destructive.

But Republican lawmakers have been so alarmed by the size and intensity of the demonstrations — for women’s rights, immigrants and the environment — and by protests around the country before the election, that they have introduced measures in at least 10 states to intimidate free speech by criminalizing it.

Date Accessed: 13/02/2017

EC wants ‘Electoral Literacy’ in Schools
(The Tribune, February 13, 2017)

The Election Commission wants students to learn from the secondary school level how to become responsible voters. In a bid to educate 15 to 17-year-old “future voters”, who would enrol as voters when they turn 18, the EC has asked the Union HRD Ministry to introduce “electoral literacy” in the curriculum at the secondary school level.

Date Accessed: 13.02.2017

Promise and Peril of Place-Based Policies
(Vivek Dehejia, The Livemint, February 13, 2017)

Policymakers around the world are grappling with widening regional inequalities and are being confronted with the need for ‘place-based’ economic policy interventions. Economists looking from 30,000ft above have traditionally not been well-equipped to delve into the minutiae of regional economic policies. It is worth reminding ourselves that if we do not come up with sensible policy responses to real problems, politicians will be more than happy to do so, without our advice.

Date Accessed: 13.02.2017

Can budget announcements purge dirty money from Indian politics?
(Roshan Kishore, LiveMint, February 13, 2017)

According to a report released by the Association for Democratic Reforms (ADR), around three-fourth of the total income of national parties (BJP, INC, BSP, NCP, CPI and CPM) between FY2004-05 and FY 2014-15 was from unknown sources. There is little doubt about the fact that the bulk of money which is shown as received under unknown source category constitutes of black money. What vitiates matters even more is the fact that political parties themselves are suspected of fudging their accounts. 41 out of 51 political parties covered in the ADR report cited above had not submitted their income tax return for at least one year between FY 2004-05 and FY 2014-15.

Date Accessed: 13.02.2017
Governance & Development

Survey of the Effects of Demonetisation on 28 Slum Neighbourhoods in Mumbai
(Deepa Krishnan & Stephan Siegel, Economic and Political Weekly, 24 January, 2017)

The immediate impact of and reaction to demonetisation are documented and examined through a survey of around 200 families living in 28 slum or lower-income neighbourhoods in Mumbai in early December 2016. A drop in family income is recorded with wide variation across different groups and occupation types. There is also a drop in consumption as well as changes in the families’ savings in November. Finally, we find that the majority of respondents view the policy overall as positive, including the majority of those who experienced some loss of income in November.

Date of Access: 13.2.2017

Marathas seek reservation in education, govt jobs
(Times of India, February 13, 2017)

People of the Maratha community have been hitting the streets across the state in the past few months, organizing massive rallies in each district to press for their demands.

Date Accessed: 13.02.2017

HEALTH

WHO calls upon Centre to fine tune strategies to help people
(The Indian Express, February 13, 2017)

The Centre should develop strategies to ensure that people are not badly affected while accessing health services, the World Health Organisation said. “There is a need in India that government develops mechanism to ensure that people do not become poor while accessing health services,” WHO Universal Health Coverage, National Professional Officer Dr Chandrakant Lahariya said.

Speaking at the recently-concluded 44th national conference of the Indian Association of Preventive and Social Medicine (IAPSM) held here Dr Lahariya said, “There is global evidence to support that increased government funding reduces out of pocket expenditure by people. The government funding for health sector in India has the potential to be enhanced.”

Date Accessed: 13.02.2017

ENERGY

Solar power breaks a price barrier
(The Hindu, February 13, 2017)

In another barrier-breaking development, the auctioned price of solar photovoltaic (SPV) power per kilowatt hour has dropped below ₹3 to ₹2.97 in Madhya Pradesh, providing a clear pointer to the future course of renewable energy. The levelised tariff — factoring in a small annual increase for a given period of time — for the 750 MW Rewa project over a 25-year period is ₹3.29, which is less than half the rate at which some State governments signed contracts in recent years. The progress of this clean source of energy must be deepened with policy incentives, for several reasons.

Read More: http://www.thehindu.com/opinion/editorial/Solar-power-breaks-a-price-barrier/article17292695.ece
Date Accessed: 13.02.2017
ENVIRONMENT

A first-of-a-kind campaign in Pune creates awareness about sanitary waste segregation
(Richa Agarwal, Down to Earth, 11 February, 2017)

SWaCH (Solid Waste Collection and Handling), a Pune-based wholly-owned cooperative of self-employed waste workers, in collaboration with the Kagad Kach Patra Kashtakari Panchayat (KKPKP) and Rotary Pune, launched a ‘Red Dot campaign’ to help waste pickers avert health hazards due to mishandled sanitary waste. The campaign is the first of its kind in India and SWaCH is leading the way forward to help the waste pickers in Pune. Laxmi Narayan, co-founder of SWaCH, said, “We have been trying to get attention of the central government, state governments, municipalities, the MoEFCC (Ministry of Environment, Forest and Climate Change) and manufactures on the sanitary waste hazard for years but only a little progress was made in this direction”. “For years, our team has been trying to make all stakeholders understand the importance of this subject, but mostly in vain. A few years back, we started a campaign under which sanitary waste was sent back to manufacturers to make them realise the menace. But they were not ready to commit any action to resolve this issue,” Narayan added.

Date of Access: 13.2.2017

The undisclosed air pollutants
(Sunita Narain, Down to Earth, 31 January, 2017)

Policy can be perverse. This much we know. What we should be amazed about is how policy can be counterproductive, retrograde and deadly, but still remain undisclosed and undiscussed. But what am I ranting about, you would ask? Allow me to take you through my journey over the last few months, all to unravel a key cause of air pollution. Some months ago, sitting in a meeting of solar energy entrepreneurs, I heard them say that concentrated solar power (CSP) plants were not viable. But why? After all, solar prices have crashed and government is keen to subsidise and incentivise this growth of clean energy. Yes, solar prices have crashed, but so have prices of oil, and today, cheap furnace oil (FO) use is growing. FO is a bottom of the barrel product—it is the last grade of oil that refineries produce; it is high in sulphur and so is highly polluting. This issue rankled me as Delhi slipped into its worst pollution episode. We choked, suffocated and could not breathe. Could FO be one of the causes of pollution?

Read More:  http://www.downtoearth.org.in/blog/the-undisclosed-air-pollutants-56786
Date of Access: 13.2.2017
**Society**

**GENDER**

5 percent Women have Sole Control over choosing their Husbands
*(Lavanya Garg, India Spend, February 13, 2017)*

How much control do Indian women have over different aspects of their lives? Not much, according to the Indian Human Development Survey (IHDS), conducted by the University of Maryland and the National Council of Applied Economic Research in 2004-2005 and 2011-2012. Only 4.99% of women in India had sole control over choosing their husbands, while 79.8% of women needed permission to visit a health centre, according to the 2012 IHDS survey, showing little change since the IHDS survey in 2005, when 5% reported having sole control over choosing their husband, and 74.2% reported needing permission to visit a health centre.

Read more: [http://www.indiaspend.com/cover-story/65-indian-women-literate-5-have-sole-control-over-choosing-their-husband-71113](http://www.indiaspend.com/cover-story/65-indian-women-literate-5-have-sole-control-over-choosing-their-husband-71113)

Date Accessed: 13.02.2017

**Startups tap into the small town female workforce**
*(Sovon Manal, Times of India, February 12, 2017)*

A lot of the jobs on offer, such as technical writing, coding and testing, and design, allow remote working, so a woman in Siliguri can work for a company in Mumbai quite easily. Companies too are open to such arrangements as it solves their resource crunch problem and reduces establishment cost.


Date Accessed: 13.02.2017

**Sex offender registries don’t work**
*(Shruthi Ramakrishnan, The Hindu, February 13, 2017)*

While sex offender registration laws and public access to these records create a sense of security to parents and residents, they have failed in making any significant difference in sex crimes. Sometimes they create more harm than good. Even in the U.S., where stringent registration laws with public access have been around for over 30 years, several independent studies arrive at the same conclusion: that these registers are simply not reducing sex crimes.


Date Accessed: 13.02.2017

**ELDERLY**

**Assam law may give monetary cover to elderly**
*(Manash Pratim Gohain, Times of India, February 11, 2017)*

In what could bring cheer to many neglected elderly and perhaps become a trend setter social reform, the Assam government is working towards giving legislative cover to senior citizens wherein if the young people who are earning don't take care of their elderly parents they will have to forfeit a part of their salary. The deducted portion of their pay will then be given to the parents by the State.


Date Accessed: 13.02.2017
One China check for Donald Trump
(The Hindu, February 13, 2017)

President Donald Trump’s stated commitment to honour the One China policy signals a softening of his administration’s approach towards Beijing. Earlier, Mr. Trump had given enough indications that he would pursue a radically different policy towards Beijing by reviewing the One China policy, a cornerstone of Sino-U.S. relations. He had accepted a congratulatory call from the Taiwanese President, breaking 37 years of American practice and thereby infuriating Beijing. Later, in an interview, he declined to endorse the One China policy unless he saw progress from Beijing in its trade and currency policies, triggering speculation that he would improve ties with Taiwan and use the policy as a bargaining chip.

Read More: http://www.thehindu.com/opinion/editorial/One-China-check-for-Donald-Trump/article17292699.ece
Date Accessed: 13.02.2017
The ‘Universal Basic Income’ Proposal
(Economic and Political Weekly, 11 February, 2017)

Imagine a world in which everyone is unconditionally given a subsistence-level income by the state. This, combined with access to well-functioning public services would be, to quote Jean Dreze, “a fool-proof way of safeguarding the right to dignified living.” The chapter on “Universal Basic Income (UBI): A Conversation With and Within the Mahatma” in the Economic Survey 2016–17 (ES) begins with this. But unfortunately, given self-imposed “fiscal prudence,” the proposed UBI, which is neither “universal” nor “basic”, requires the dismantling of the most socially necessary welfare schemes, namely, the Public Distribution System (PDS), the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the Mid-day Meal Scheme. The envisioned UBI turns out to be no more than a small compensatory transfer (or income top-up) to a part of the population, and that too, one that will require the government to prune or do away with in-kind transfers of food, guaranteed minimum days of wage work, and other public social security measures.

Read More: http://www.epw.in/journal/2017/6/editorials/%E2%80%98universal-basic-income%E2%80%99-proposal.html#sthash.k0iqjMa9.dpuf
Date of Access: 13.2.2017