



**Current Affairs: G.S. Mains 2012 – Summary – January 2011 (The Hindu)**

Topics	Mega topics	Section	Summary ( Articles / Opinions / Editorials )
<b>The saga of the Lokpal Bill-Essay on Lokpal Bill</b>	GOOD GOVERNANCE /Lokpal Issue	NATIONAL	<p>The year 2011 will be remembered in India as the year of the campaign against corruption and for the Jan Lokpal Bill. The campaign began in January 2011 in the backdrop of the publicity that accompanied the several mega-scams that surfaced in 2010, notably those relating to the Commonwealth Games and the telecom spectrum allocations.</p> <p>It caught the public imagination with Anna Hazare's fast at Jantar Mantar in New Delhi in April 2011. That forced the UPA government to constitute a joint drafting committee for a Lokpal bill. The civil society representatives in the committee proposed a bill called the Jan Lokpal bill, which became the basis for discussions.</p> <p>The basic principles on which the bill was drafted were culled from the United Nations Convention against Corruption, which required all countries to put in place anti-corruption investigative agencies that would be independent of the executive government and would have the jurisdiction to investigate all public servants for corruption.</p> <p>The Jan Lokpal Bill thus provided for the selection of a 11-member Lokpal by a broad-based selection committee (comprising the Prime Minister, the Leader of the Opposition, two judges selected by all the judges of the Supreme Court, the Comptroller and Auditor General, the Chief Election Commissioner, the Central Vigilance Commissioner and the previous three chairpersons of the Lokpal), through a transparent process.</p> <p>It sought to bring the anti-corruption wing of the Central Bureau of Investigation (CBI) under the Lokpal's administrative control. The Lokpal was to be given corruption investigative jurisdiction over all public servants (including Members of Parliament, judges and all sections of the bureaucracy), and those who may have abetted their acts of corruption (including corporations or non-governmental organisations). The Lokpal could recommend the removal of those officials who were charge sheeted for corruption and order the freezing of any assets that seemed to be acquired by corrupt means.</p>

The Bill sought to provide that corruption trials would be put on the fast track and the courts would determine the loss caused to the public exchequer by an act of corruption — which would be recovered from the corrupt public servants and their abettors. It provided for citizens' charters to be framed by all public authorities, which would provide for time-bound delivery of public services; failure to do so would be actionable at the hands of officers working under the Lokpal. The bill required States to have Lokayuktas (covering State government officials) on the same lines as the Lokpal.

In order to ensure the integrity of the Lokpal institution, several layers of accountability were sought to be built into its working. Its functioning was made totally transparent by means of a requirement to put every detail of its investigations on a public website after the completion of investigations. The CAG was required to do an annual financial and performance audit of the functioning of the entire Lokpal institution. Any citizen could make a complaint against any member of the Lokpal to the Supreme Court, which had the power to order his or her suspension and even removal.

In addition, there were other important, anti-corruption provisions in the Jan Lokpal Bill. It required every public authority to give out contracts, leases and licences with total transparency and by public auction, unless such procedures were stated to be impossible to undertake. Public servants were barred from taking up jobs with those organisations or companies with which they had been dealing in their official capacity. This was meant to prevent an insidious form of corruption whereby public officials would take jobs instead of bribes from the organisations that they had been patronising in their official capacity.

After nine meetings, the government terminated its engagement with the civil society members of the joint drafting committee and went on to draft and table its own Bill in the monsoon session of Parliament. This Bill incorporated some of the provisions of the Jan Lokpal Bill but fell far short of what was required to even set up an independent and comprehensive anti-corruption investigative organisation. It left the selection of the Lokpal to a government-dominated committee. Though powers for the removal of Lokpal members were vested in the Supreme Court, complaints against the Lokpal could only be made by the government, which retained the power to suspend them.

The government's Bill removed most public servants from the jurisdiction of the Lokpal, including the Prime Minister, MPs (insofar as their corruption pertained to their actions in Parliament), judges, and Class 2, 3 and 4 officers. Instead, it brought lakhs of NGOs (even those which were not funded by the government) within its jurisdiction.

Though the Bill kept the CBI with the government, it allowed the Lokpal to have its own anti-corruption investigative body. It eliminated the need to get prior sanction for investigation from the government. It provided for the confiscation of the assets of corrupt public servants and the recovery of losses caused by their acts of corruption from them. But it created a terribly cumbersome procedure for investigation, by which a preliminary inquiry and hearing of the corrupt public servant were made compulsory before investigation could begin. This ended the possibility of making surprise raids and seizures on the premises of corrupt public servants or their abettors.

Anna Hazare announced his second round of fasting in protest against this Bill, from August 16. This brought lakhs of people on to the streets across the country, and eventually forced the government to convene a special session of Parliament, where Anna's three minimal demands were accepted by a unanimous Sense of the House resolution. Thus, all government servants and the citizens' charter were to be brought under the Lokpal's jurisdiction. The Bill would provide for Lokayuktas in the States on the same model as the Lokpal. The government promised to bring forward and pass such a strengthened bill in the winter session of Parliament.

Thereafter, the Bill was referred to the Standing Committee of Parliament, which after three months gave a fractured report with many dissenting notes. The Bill, which was reintroduced towards the end of the winter session, not only did not accept the one useful suggestion of the Standing Committee (negating the compulsory step of a preliminary enquiry) but went on to eliminate even the investigative body from the Lokpal. Thus, the Lokpal would not only be selected and suspended by the government, it would also have to rely only on government-controlled investigative organisations for its investigation. Class 3 and 4 officers were still kept out of the Lokpal's ambit.

Those who worked on the mission with Anna Hazare had suggested 34 amendments to rectify the government's Bill, and they pointed out that four of these were critical to making the Lokpal a workable institution.

These were that the selection and removal procedure should be made independent of the government; the CBI should be brought under the Lokpal's administrative control or, alternatively, the Lokpal should have its own investigative body; all government servants should be brought under the Lokpal's investigative ambit; and the procedure for investigation should be in line with the normal criminal investigation procedure.

But the government rejected all these amendments. The Opposition also moved several of these amendments, but the only amendment that the government accepted was one to allow State governments to decide when the Bill would be applied to them. This gives rise to fundamental questions about the functioning of Indian democracy. Is this form of representative democracy allowing the will of the people to be reflected in policy and law-making, or is it being held hostage to parties and their leaderships to be determined by their own whims or corrupt considerations?

Has the time come for us to rethink and deepen our democracy by putting in place systems where laws and policies would be decided by decisive inputs of the people (through referendums and *gaon* sabhas, or village councils) rather than only by such "elected representatives"?

We hope that this fundamental issue would bring about an even broader public engagement than what has been witnessed during this Lokpal campaign.

<p><b>Food as people's right-Essay</b></p>	<p>GOOD GOVERNANCE /RIGHT TO FOOD</p>	<p>POVERTY</p>	<p>India's greatest blessings are its adherence to the democratic system of governance, an independent judiciary, a free and fearless media, and an Election Commission that inspires confidence</p> <p>A major paradigm shift observed in recent years is the substitution of political patronage with legal rights. Thus, a few years ago, the United Progressive Alliance government, then supported by the Left parties, enacted legislation designed to confer entitlements to information(RTI), education(RTE) and work(the Mahatma Gandhi National Rural Employment Guarantee Scheme).</p> <p>Tribal families and other forest-dwellers have been conferred the right to land.</p> <p>The brightest jewel in the crown of Indian democracy will be the conferment of the right to food through the National Food Security Act, recently introduced in Parliament. When it is implemented, this country will have taken the essential steps necessary to convert Gandhiji's dream of a hunger-free India into reality.</p> <p>During the 1960s, India was the largest importer of food aid, mainly under the PL480 programme of the U.S. In fact, during 1966, over 10 million tonnes of wheat was imported, leading to India being labelled as a nation surviving on a ship-to-mouth basis. Today, India is set to commit over 60 million tonnes of home-grown wheat, rice and nutri-millets to fulfil the legal entitlements under the Food Security Act. When it becomes law, India will operate the largest social protection programme against hunger in human history. How did this transition occur? Here is the historical context in which we should view the Act.</p> <p><b>Role of Green Revolution</b></p> <p>In 1947, our soils were both thirsty and hungry. Hardly 10 per cent of the cultivated area had assured irrigation, and the average consumption of NPK nutrients was less than 1 kg a hectare. The average yield of wheat and rice was about 800 kg per ha. Mineral fertilizers were mostly applied to plantation crops; food crops got whatever organic manure farmers could mobilise.</p> <p>During the first two Five Year Plans (1950-60), emphasis was placed on enlarging the area under irrigation and on fertilizer production. Scientists began extensive experiments in the 1950s to assess the response of rice and wheat varieties to fertilizer application. The varieties cultivated had tall and thin straw and the crop lodged when even small quantities of nutrients were applied. It became clear that varieties with short and stiff straw were needed to get positive response from water and fertilizer.</p> <p>Norman Borlaug, working in Mexico, was working on the Mexican dwarf wheat breeding programme. Dr. Borlaug's material was suited for the rabi season in India. Dr. Borlaug wanted to see Indian growing conditions before making up a set of breeding lines,</p>
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and paid a visit in March 1963.

The material was tested at locations all over North India during rabi 1963. The multi-location trials revealed that the semi-dwarf wheats of Mexican origin could yield four to five tonne a ha, in contrast to about two tonnes a ha of the tall Indian varieties. It became clear that India had the tools with which to shape its agricultural destiny.

In 1968, Indian farmers harvested about 17 million tonnes of wheat; the earlier highest harvest was about 12 million tonnes in 1964. Such a quantum jump in production and productivity led Indira Gandhi to announce the 'Wheat Revolution' in July 1968.

In addition to the yield breakthrough in wheat and rice, hybrids of maize, jowar and bajra developed by Indian scientists in partnership with the Rockefeller Foundation, opened up opportunities to increase productivity and production of the crops. This led to the introduction by the Government of India in 1967 a High-yielding Varieties Programme in wheat, rice, maize, jowar and bajra.

For the first time, yield consciousness was born in farmers' minds and they organised a National Tonnage Club of Farmers. The membership eligibility criterion was the production of an agreed minimum quantity of foodgrains per ha. The term Green Revolution coined by William Gaud of the U.S. in 1968, involved synergy among technology, services, public policies and farmers' enthusiasm. Farmers, particularly those in Punjab, converted a small government programme into a mass movement.

The Green Revolution was criticised by social activists on the ground that the high-yield technology involving the use of mineral fertilizers and chemical pesticides is environmentally harmful. Similarly, some economists felt that the new technologies would bypass small and marginal farmers, for although the technologies are scale-neutral, they are not resource-neutral.

This led to coining of the term "ever-green revolution," to emphasise the need to enhance productivity in perpetuity without ecological harm.

#### **Untapped reservoir**

Looking ahead, the bright spot in Indian agriculture is the availability of a large untapped production reservoir. For example, the productivity of foodgrains in China is currently 5,332 kg a ha, while it is 1,909 kg a ha in India. A "bridge the yield gap" movement is needed.

The dark spots in Indian agriculture relate to ecology and economics. The heartland of the Green Revolution, comprising Punjab, Haryana and Western Uttar Pradesh, is in an ecological crisis, as a result of the over-exploitation of groundwater and the spread

			<p>of salinity. This region will also suffer most if the mean temperature rises by 1 degree to 2 degrees C as a result of global warming.</p> <p>Conservation and climate-resilient farming will help check ecological hazards. The Food Security Act will confer double benefits – procurement at a remunerative price for the public distribution system will stimulate production, and consumers who need social support to ward off hunger will be able to have economic access to the food needed for a productive life.</p> <p>One of India's major blessings is the rich store of experience and knowledge available in the rural and tribal areas. The Food and Agriculture Organisation (FAO) recently recognised the Traditional Agriculture System of Koraput, Odisha, as a Globally Important Agricultural Heritage System. This is because the system provides an outstanding contribution to promoting food security, biodiversity, indigenous knowledge and cultural diversity for sustainable and equitable development.</p> <p>The future of food security will depend on a combination of the ecological prudence of the past and the technological advances of today.</p>
<p><b>Stable, for now- RBI's Financial Stability Reports (FSRs)</b></p>	<p>STATE OF INDIAN ECONOMY</p>	<p>INDIAN ECONOMY</p>	<p>The Reserve Bank of India's Financial Stability Reports (FSRs) are half-yearly assessments of the health of the financial sector.</p> <p>The FSR is intended to bring India's financial regulatory practices in line with the best in the world. Its key objective is to monitor and sustain the health of the financial sector. The RBI gives out its assessments and views at varied intervals through documents called variously as reports, policy statements, and reviews.</p> <p>The FSR distinctively focusses on the systemic aspects, rather than the individual components, of the financial sector and evaluates the soft spots in the Indian scene. Lessons are sought to be learnt from the interplay of the macroeconomic setting, policies, markets and institutions, for which the central bank claims to use the most up-to-date techniques and methodology.</p> <p>According to the latest FSR covering June-December 2011, the domestic financial system remains robust. The banking system is resilient enough to tide over unexpected adverse macroeconomic developments. But the good news, which is carried over from the previous FSR, was tempered by evidence of some deterioration in the macroeconomic environment and financial markets.</p> <p>Notably, all components of domestic demand have decelerated. Inflation pressures remain elevated, driven by a number of factors. Risks to the external sector have increased. Trade deficit and, along with it, the current account deficit have widened.</p> <p>The fiscal position remains challenging and, as the recent additional demand for supplementary grants shows, the risk of fiscal slippages is real. Equity and financial markets continue to be volatile, mainly due to adverse developments abroad.</p> <p>Exchange depreciation, which has been particularly sharp, is beginning to impact the Indian economy through various channels.</p>

			<p>There have been large transaction losses on foreign exchange exposures. Repayment of external commercial borrowings has become more expensive.</p> <p>Among financial institutions, the FSR shows some deterioration in financial soundness indicators, but capital adequacy stays well above regulatory requirements, and asset quality compares favourably with what obtains in peer countries.</p> <p>As the year progresses, the slowdown in GDP growth will make the Indian financial sector more vulnerable. Banks will have simultaneously to address the related challenges of lower asset quality and raising additional capital, the latter also to comply with the Basel III requirements.</p> <p>The FSR once again gives a clean chit to the Indian financial sector, but warns of troubles ahead.</p>
<p><b>Protecting the Western Ghats</b></p>	<p>BIODIVERSITY</p>	<p>ENVIRONMENT</p>	<p>The Western Ghats Ecology Expert Panel reporting to the Ministry of Environment and Forests (MoEF) has made several salutary recommendations for the long-term conservation of this global biodiversity hotspot.</p> <p>Renowned for their flora and fauna, along with the Eastern Himalayas, these mountains and valleys hugging the Arabian Sea coast for a length of 1,500 km need an overarching protection regime that cares as much for the tribal people they have sheltered as for their biological diversity.</p> <p>The report says that the entire ghat region meets the criteria for declaration as an ecologically sensitive area. Within this broad framework, the report makes the point that there are Ecologically Sensitive Zones of three levels of significance, which can be demarcated at the taluk or block level.</p> <p>The MoEF, which is empowered under the Environment (Protection) Act, 1986 to declare any region as deserving of special protection, should consider this seriously. Such protection is essential to rule out incompatible activities such as mining, constructing large dams, and setting up polluting industries.</p> <p>If there is one single reason to protect the whole of the Western Ghats, it is the phenomenon of endemism. According to reliable estimates, they have more than 1,500 endemic species of flowering plants, and at least 500 such species of fishes, amphibians, reptiles, birds, and mammals. New species continue to be reported.</p> <p>It is striking that the ghats represent an extraordinary sliver of diverse life in a populous country and have in fact survived with community support.</p> <p>The MoEF would therefore do well to heed the advice of the expert group and unhesitatingly reject environmental clearance for two controversial dam projects — Athirapilly in Kerala and Gundia in Karnataka. The locations of both come under the most</p>

			<p>sensitive ecological zone category.</p> <p>In this context, it is relevant that a decade ago the Kerala High Court directed the State Electricity Board to repair and restore all existing dams to maximise power output. Doing so can eliminate the need for a destructive new structure at Athirapilly.</p> <p>A second issue relates to mining in Goa. Here the panel has rightly called for an indefinite moratorium on clearances for new mines in sensitive zones and phasing out of the activity in fragile areas by 2016. The guidelines proposed are sound overall. Translating them into action through a statutory apex body such as a Western Ghats Ecological Authority holds the key.</p>
<p><b>Seeking answers from the GRAIL-SPACE-MOON</b></p>	<p>SPACE</p>	<p>SC. &amp; TECH</p>	<p>Probes have mapped in great detail the Moon's surface and the minerals to be found there. India's Chandrayaan-1 and other spacecraft found unmistakable signs of water. The Apollo astronauts as well as the Soviet Union's unmanned landers brought back rock and soil samples that could be carefully studied in the laboratory.</p> <p>Despite half a century of lunar exploration with automated probes and the efforts of a dozen men who walked its surface, the Moon has lost little of its allure, especially for scientists. The twin spacecraft of the Gravity Recovery And Interior Laboratory (GRAIL) mission despatched by the U.S. National Aeronautics and Space Administration are the latest to go there. In recent days, they slipped into lunar orbit after taking a circuitous, low-energy passage from Earth that lasted three-and-a-half months.</p> <p>The GRAIL spacecraft are expected to provide important clues to what the Moon is like deep inside by mapping variations in its gravitational field with much higher resolution than before.</p> <p>When the science phase of the mission starts in March 2012, the two satellites will be flying in formation, one behind the other, at a height of about 55 km. The spacecraft will then transmit GPS-like radio signals so that the distance between them can be accurately measured. That gap changes as they fly over areas with greater or lesser gravity. Scientists will then need to take the data and combine them with other information, such as topographical maps prepared with data from other satellites, in order to try and figure out the structure of the Moon's interior and its composition.</p> <p>Such analysis can provide insights into many aspects of Earth's natural satellite. Why, for instance, are the two hemispheres of the Moon so different from each another? The side we see is flat with lava-filled basins that appear as dark patches. The farside, on the other hand, is mountainous and has a much thicker crust.</p> <p>One explanation for this asymmetry, based on computer simulations and published recently in a scientific journal, suggested that the Moon once had a smaller companion that subsequently crashed into it. The GRAIL data could help substantiate or rule out such a scenario. Likewise, getting a handle on the distribution of materials in the interior will be invaluable in understanding the Moon's evolution. As always, such quests of scientific discovery can reveal the unexpected.</p>



<p><b>Towards a level playing field- Election Commission of India (ECI)- Essay</b></p>	<p>GOOD GOVERNANCE /INSTITUTIONS</p>	<p>NATIONAL</p>	<p>The Election Commission of India (ECI) has emerged, over the last 61 years, as one of the most respected institutions. Over time, this constitutional body has developed new skills, almost with each election, to remain vibrant and evolutionary. It is striving to widen the inclusive and egalitarian framework.</p> <p>The evolving ethos and development of the ECI could be seen in the context of the political awakening of castes, classes, communities, linguistic groups, Scheduled Tribes, and the multi-religious mosaic, through the stream of India's election laws and processes.</p> <p>Once seen against a backdrop of illiteracy and social tensions, the evolution of the electoral process has involved the vitality of greater and more broad-based participation. In encompassing traditional values and newer integration processes, confronting social tensions with innovative measures to help constructively resolve them, the focus has been to bring different strands into the electoral mainstream.</p> <p>The right to vote has emerged not only as a fundamental right, but as an instrument of political awakening. With increasing focus on youth involvement, there has been a steady movement away from elite domination to widening enfranchisement and participation involving every eligible section.</p> <p><b>Deep-rooted social hierarchies</b></p> <p>India is a caste-based society with deep-rooted social hierarchies. However, universal adult franchise proved to be a game-changer, for each vote carries equal value. Elections have enabled traditionally marginalised groups to take the democratic route towards empowerment. This process of democratisation of castes turned out to be one of the most significant social developments of the 20th century.</p> <p>Political parties and individual candidates had to accept a policy of reconciliation rather than confrontation. The constitutional provision to reserve a specific number of seats for the Scheduled Castes and Tribes provided a minimum guarantee of participation in governance. From the first election itself this worked significantly in levelling the playing field, which led to the growth of leaders from formerly marginalised sections occupying key elected positions.</p> <p><b>Universal suffrage</b></p> <p>After holding its first national elections in 1951-52, India achieved the status of the world's largest liberal democracy with universal suffrage. Dr. Ambedkar and the other founding fathers believed this to be a necessary pre-condition, although India's literacy level in 1947 was abysmal. But from the first election onwards, the ECI helped illiterate electors to identify candidates</p>
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during voting, by allotting a symbol to each (Rule 10 of the Conduct of Election Rules, 1961).

Indian democracy is best understood by focussing on how power is distributed. In a modern representative democracy, this formal equality lies in the inclusion in the Constitution of universal adult franchise, with the *raison d'être* that man or woman, rich or poor, upper or lower caste, the voter was brought through the electoral roll on to a common platform.

Section 61 of the Representation of the People Act 1951 deems that every person whose name is on the electoral rolls has the right to vote. The age-old inequalities were, at one stroke, sought to be eliminated, or at least substantially diminished, by conferring political equality. This, amongst other measures, reflected an enlightened and bold vision, while in many countries different groups, especially women, had to struggle hard and long to obtain franchise.

The Constitution provided for other guarantees and protections covering a range of civil liberties, as well as the freedom of religion, the abolition of untouchability and the outlawing of all forms of discrimination.

There is no doubt that the enactment of the Constitution is the single greatest event in the evolution of democracy in India which established democracy in Parliament and in the State Legislatures. The Constituent Assembly recognised the disabilities historically suffered by the Scheduled Castes and Tribes, and reserved seats for them under Article 334 of the Constitution. Under Section 34 of the RP Act, SC and ST candidates need make only half the security deposit for elections.

After the initial 60 years of reservation, Parliament extended reservation by 10 years, reserving out of 543 seats in the Lok Sabha, 84 for the Scheduled Castes, and 47 for the Scheduled Tribes. Of the 4120 seats in all the Legislative Assemblies combined, 614 are reserved for the Scheduled Castes and 554 for Scheduled Tribes.

### **Paradigm shift**

Over the last decade or so, there has been a paradigm shift in managing elections in India, with the singular aim of improving the quality of election management. A number of reasons can be attributed to this shift towards micro-managing.

The challenges involved in delivering credible elections have grown in complexity, and the involvement of the media in vastly increased reportage has sharpened voter awareness. Voter education has had the same result: the expectation levels among voters and other stakeholders have substantially increased.

Improvements in communication have empowered citizens to reach out with complaints and feedback. Improved technology has helped in monitoring and concurrent interventions on the part of election managers. In recent years, India witnessed a series of

elections to Assemblies. Almost all were hailed as a watershed.

### **'Vulnerability mapping'**

These are two examples of recent innovative practices that have helped enfranchise vulnerable sections.

With traditional social hierarchy based on caste identities continuing to be relevant in the rural areas, threats and intimidation of voters of marginalised communities by dominant groups was identified as a factor that did affect free and fair polls. In the past, such incidents often went unreported. There were reports from opposition candidates and others that many rural dwellers were intimidated from casting their votes, the intimidation flowing from upper castes in the main directed at the lower castes.

In 2007, the ECI started using computers to determine which sections of largely rural areas had not voted in previous elections. From this huge exercise was born the concept of "vulnerability mapping." Through a transparent process, such villages and hamlets that were vulnerable to intimidation were identified.

By the time of General Elections 2009, as many as 86,782 villages/hamlets had been marked as 'vulnerable,' and 3,73,886 persons who were believed likely to disturb the process were 'bound down' under preventive sections of laws to good behaviour for the pendency of the poll period. Almost 100,000 new polling stations were created, most often in such vulnerable pockets by providing polling stations in their villages or hamlets. This was ensured in a transparent and participatory manner, involving local people, officials, observers and other stakeholders; as a result there were hardly any complaints about any partisan misuse of vulnerability mapping for political ends.

The second example for broadening enfranchisement was the creation of the Booth Level Officer system in 2006-2007: each BLO was "responsible" for voters registered at one polling station, usually up to 1,500 voters. At one stroke, this official was made the keeper of the electoral roll at the cutting edge. As this official became more familiar with his or her 'territory', it was easier to eliminate names of those who may have shifted out or died, and add names of those who have moved in, or turned 18 on January 1, thus becoming eligible to vote. This strategy proved to be a leveller, making it difficult to keep people out of the rolls. With a photo electoral card in hand and a corresponding photo on the rolls, this helped substantially reduce bogus voting, which now entails the risk of the automatic registration of a first information report and probable arrest.

There is more ground to be covered. As long as criminality remains in the body politic in terms of parliamentarians and Legislative Assembly members with criminal antecedents, and as long as financial limits are breached during elections, there will be domination by some groups over comparatively 'weaker sections.' However, this does not diminish the gains achieved over the last six decades, which the ECI continues to fortify — to the widespread appreciation of the country at large.

<p><b>Crime and punishment- SEBI</b></p>	<p>INSTITUTIONS</p>	<p>INDIAN ECONOMY</p>	<p>Capital market regulator SEBI has barred seven companies from accessing the capital market. Its ongoing investigations and surveillance revealed that these companies, which tapped the capital market recently, were guilty of malpractices — such as grossly violating disclosure norms, falsifying and withholding information, and illegally diverting the funds garnered from the share offerings (IPO).</p> <p>Six merchant banks that lead-managed these IPOs have also been barred. It is very likely that SEBI will wield the stick against some more companies. But the question arises whether the quantum of punishment awarded meets the ends of justice and whether it is deterrent enough to prevent perpetuation of capital market fraud.</p> <p>SEBI has said it will get other agencies to proceed against the defrauding companies under the laws of the land. But then the experience in this respect inspires little confidence. More often than not, investigations into cases of capital market fraud fizzle out, once they get away from the glare of publicity. Besides, it is unlikely that retail investors who bought shares in these companies will ever be compensated for the loss.</p> <p>Since its inception, SEBI has taken a number of steps to protect investors. Its regulatory and supervisory functions have expanded considerably to keep pace with the increased volumes and sophistication of the stock markets and their operators. A lot of attention has been paid to investor education.</p> <p>Informed investors can be a bulwark against sharp practices of unscrupulous promoters. Stock exchanges have been compelled to reinvent themselves and function professionally.</p> <p>In a masterstroke, merchant banks and other capital market intermediaries were brought under a regulatory regime in the 1990s.</p> <p>However, not only has there been a frequent recurrence of scams but the <i>modus operandi</i> has kept changing.</p> <p>There is the case of “vanishing companies”, where the promoters disappeared after collecting the proceeds from IPOs. In 2005, there was the demat scam in which shares meant for retail investors were cornered by a group of people who submitted multiple and fictitious applications through numerous demat accounts. Scams such as these undermine the very integrity of the IPO process, which is based on trust and requires a high degree of disclosure in the prospectus.</p>
<p><b>A great medium of public education declines- All</b></p>	<p>MEDIA</p>	<p>SOCIAL</p>	<p>Finding something worth listening to on medium wave in the broadcasts of an All India Radio (AIR) station in any part of the country is like looking for life in a drought-hit landscape. Tuning in to AIR's overseas service is worse.</p> <p>Nowadays when AIR is vigorously advertising its DTH service, it needs to reflect on how its philosophy and functioning have changed over the last three decades. A deeper examination is required to determine AIR's relationship with India's people in the</p>

**India Radio  
(AIR)**

emerging social order.

**Unique technology**

In the global history of modern communications, radio grew as a unique technology which combined the use of sound with narrative without recourse to visual or graphic imagery. Its appeal came from humanity's long experience of spoken language as the primary means of communication. Every civilisation was originally nourished by words uttered by familiar voices in the course of story telling or singing. The great thing about the radio was that human voice could now cover long distances and thereby create large communities of listeners.

The radio's characteristics as a medium redefined education, creating the possibility of learning long after childhood had passed. It opened up a new world of creative expression in familiar genres like story, drama and poetry. Radio added a new dimension to music and discursive prose.

New genres like reportage that were specific to radio arose. As a medium of mass communication, radio found a congenial climate in India's vast geography and varied cultural terrain. Its role in bringing India together is yet to be fully appreciated, and if its current crisis continues, we may never realise what all it could have accomplished in the socio-political and cultural spheres, had it been nurtured on a sustained basis.

**Intellectual & creative interaction**

During the first two decades following independence, All India Radio was perceived primarily as an educative medium. The few stations there were served as centres of intellectual and creative interaction. With basic technological aids, the early generation of producers was able to achieve a high standard of rigour and grace in a remarkable range of forms and subjects.

Despite the internal struggle between bureaucrats and producers that one hears about, AIR remained an attractive source of employment for talented young people. In Hindi, for instance, a stint with Akashvani made a palpable impact on the creative trajectory of a substantial number of major poets and writers of the post-independence generation. The same can be said of musicians and singers.

The Emergency cast its shadow on AIR, making it a prime vehicle of dissemination of a culture of chicanery and sycophancy. Before AIR could recover from this misuse, it was demoted to the status of a poor cousin of Doordarshan. And shortly thereafter, the policy of drastic reduction in the size of the state apparatus silently crept in.

Like all other Ministries and departments of the Central government, AIR too lost hundreds, perhaps thousands, of posts. Perhaps

some pruning was justified, but the government pursued an extremist line, showing limited patience or insight in distinguishing office staff from jobs requiring specific skills and knowledge.

Outsourcing of tasks emerged as yet another attractive instrument of reducing institutional liability. A vast number of institutions fell victim to these policies, incurring irreparable damage to their internal capacities and pride. This is what seems to have happened to AIR too.

### **Lack of spirit or vision**

Its medium wave coverage now lacks any semblance of spirit or vision. Medium wave transmission is now treated as a preserve of the rural listeners: those living in cities have the privilege of FM listening.

As for AIR's rural audience, it is now treated as a stereotype of backwardness. Messages —paid for by different Ministries — intercept news to remind villagers about the importance of cleanliness and contraception. Both in content and style, these messages treat India's rural population as a mindless mass.

One expected that Prasar Bharati would offer AIR greater intellectual autonomy by giving it a breathing distance from the government. This was not an unreasonable hope, but instead of expanding the space available for creative use of the medium, neo-liberal policies have diminished that space.

### **A disgrace**

AIR's overseas service is a disgrace to a nation claiming to have become a global economic power. Even if the policy is to use it for propaganda, its quality is so poor that the propaganda makes one laugh.

In its domestic broadcasts too, the quotient and quality of propaganda remain alarming. Debate and discussion in AIR continue to be rare and subdued, not just because the participants feel uneasy and cautious, but also because the anchor has no background knowledge. In-house research support is just not available to a moderator or an interviewer. Not surprisingly, the expert invited to comment on a specialised issue does not feel sufficiently challenged.

Prasar Bharati was ostensibly created to change this culture, both in radio and television. To an extent, Doordarshan has improved over the recent past, but AIR has continued to decline.

An imaginative policy for AIR would have assigned it a major role in all areas of social policy, especially in education and health. A flagship programme like Sarva Shiksha Abhiyan would have achieved far greater success if AIR had provided sustained support to

			<p>it by giving time to teachers and experts to analyse new curricular and pedagogic policies. The Right to Education (RTE) Act has posed several radical issues which need to be publicly discussed on a daily or weekly basis.</p> <p>As a national system of public education, AIR can play a vital role over the coming years in the implementation of RTE. For this to happen, its masters will have to stop chanting the market mantra.</p>
<b>Waiting for e-services</b>	GOOD GOVERNANCE	NATIONAL	<p>Delivering services to the common citizen in the digital mode remains a big challenge for the Central and State governments.</p> <p>Although the Department of Information Technology asserts that IT infrastructure has “largely” been put in place under the National eGovernance Plan, outcomes have been poor even for mission mode projects such as issue of passports.</p> <p>A lot of work will have to go into re-engineering government processes before the Electronic Delivery of Services Bill, 2011 introduced in the Lok Sabha can start delivering results. The legislation covers the whole of India except Jammu and Kashmir, and, like the Right to Information Act, aligns the States as well with the goal of serving the citizen better. The Bill mandates the delivery of public services or other services in the electronic mode, including receipt of forms and applications, issue or grant of licence, permit, certificate, sanction or approval and the receipt of monetary payments. It also provides for setting up central and State Electronic Service Delivery Commissions, an oversight mechanism that can potentially streamline the working of the bureaucracy.</p> <p>Electronic governance infrastructure can serve as the backbone for delivery of services, but it cannot work a miracle in the absence of administrative reform.</p> <p>Making that point three years ago, the Second Administrative Reforms Commission called for a step-by-step analysis and assessment, from the standpoint of rationality and simplicity, of every service that a government organisation provides. The elimination of unnecessary steps, simplification of others, and re-engineering of the process to ensure suitability for e-governance must follow. Government departments tend to adopt notoriously cumbersome procedures, often demanding basic documents multiple times.</p> <p>Only if this system and mindset are overcome can the new law start providing e-services within five years of its commencement. Equally important, government must use a common data standard for uniformity and interoperability. While that task requires a fair amount of work, some electronic services can be launched well before the deadline. This is possible where transactions do not require all legacy data to be made compatible.</p> <p>It is welcome that specific e-services to be covered are required to be published within six months of the Bill becoming law, and progress updates provided annually. The public outcry against corruption has brought forth some measures to eliminate rent seeking and lack of accountability from a government under pressure. Now, it must show sufficient political resolve to deliver.</p>

<p><b>Boosting research in India-Science &amp; Technology</b></p>	<p>research and development</p>	<p>SC. &amp; TECH</p>	<p>Once again, we hear the promise of boosting the money India spends on research and development (R&amp;D) from the current level of less than one per cent of its GDP to two per cent.</p> <p>It bears recall that the Science and Technology Policy of 2003, unveiled by Prime Minister Atal Behari Vajpayee, at that year's Science Congress, declared that the country's investment in s&amp;t would be raised to at least two per cent of GDP by the end of the Tenth Plan (2002-07). In January 2007,</p> <p>Dr. Singh, inaugurating the Science Congress held at Chidambaram in Tamil Nadu, pushed the timeline for achieving that goal to "the next five years."</p> <p>Now that those five years are up, the Prime Minister has extended the target date by another five years, with the goal to be met "by the end of the 12th Plan Period." And so it goes on.</p> <p>India's R&amp;D expenditure has risen from close to Rs.16,200 crore in 2000-01 to nearly Rs.37,800 crore seven years later, according to statistics published by Union Government's Department of Science and Technology. But in the face of a rapidly growing economy, such spending has remained at no more than 0.9 per cent of the GDP. China has clearly done much better, with its research outlay rising from 0.9 per cent of GDP in 2000 to 1.4 per cent by 2006 and reportedly making further progress after that.</p> <p>The bulk of India's research funding continues to flow from the government. However, such funding as a proportion of the country's total R&amp;D expenditure has fallen from over 80 per cent in 1990-91 to 66 per cent in 2007-08.</p> <p>Over the same period, research investments by business enterprises have risen from about 14 per cent to around 30 per cent. The pharmaceutical and automotive industries, in particular, have invested heavily.</p> <p>Besides, large multinationals and other foreign companies have been creating research facilities in India.</p> <p>According to one analyst, Reserve Bank of India data indicate that inflows of foreign exchange for R&amp;D services have increased from \$221 million in 2004-05 to \$878 million in 2010-11.</p> <p>India's long-term competitiveness, however, rests on making sure that domestic industry does not lose out in the process.</p> <p>While the Prime Minister has called on industry to invest more in research, the government also needs to recognise its role in fostering indigenous capabilities. That requires making sure that the various arms of the government work together rather than at cross-purposes. This is something China appears to have mastered.</p>
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<p><b>Russia for a close knit economic alliance</b></p> <p>-</p> <p><b>International-Common Economic Space (CES)</b></p>	<p>RUSSIA</p>	<p>INTERNATIONAL</p>	<p>Twenty years after the breakup of the Soviet Union, Russia has moved decisively to reintegrate former Soviet states in a closely knit economic alliance.</p> <p>The loose CIS, set up immediately after the disintegration of the Soviet Union, served its purpose as an instrument of “civilised divorce” but was useless as a mechanism of economic integration.</p> <p>On January 1, a Common Economic Space (CES) comprising Russia, Kazakhstan and Belarus came into force. For the first time in post-Soviet history, three ex-Soviet states created a supranational economic entity to which they agreed to delegate a part of their sovereignty.</p> <p>It is the second stage in Moscow's ambitious project of rebuilding a single economic system that existed in the erstwhile Soviet Union. In the first phase, Russia, Kazakhstan and Belarus set up a Customs Union, under which the three states removed customs controls on their borders last summer.</p> <p>The CES takes the integration process a big step forward. It provides for free movement of goods, services, capital and labour in the three-cornered union. The real breakthrough is the establishment of the Eurasian Economic Commission (EEC) which will monitor the compliance of the member-states with the rules of the CES, and the CES Court for resolving business disputes.</p> <p><b>Open to other countries</b></p> <p>By 2015, the Common Economic Space is to be upgraded to the Eurasian Union, a full-fledged economic bloc, modelled on the European Union, with a common currency, harmonised legislation, and closely coordinated economic and monetary policies.</p> <p>The Eurasian Union will be open to other countries, both inside and outside the former Soviet Union. Kyrgyzstan and Tajikistan have already applied, and Russia is actively courting Ukraine.</p> <p>In October, Russia set up a free trade zone in the former Soviet space, designed to serve as a “prep school” for other ex-Soviet states that may be willing to join the Eurasia Union. So far, seven out of 11 members of the Commonwealth of Independent States (CIS) have signed the free trade pact — Ukraine, Belarus, Kazakhstan, Armenia, Kyrgyzstan, Moldova and Tajikistan.</p> <p>The CES union has created a common market of 170 million people with a \$2.55-trillion economy, \$900-billion trade and 90 billion barrels of oil reserves. It is the world's largest union in terms of territory and the sixth biggest in terms of GDP. Experts have estimated that membership in the CES will generate additional 15 to 17 per cent growth rates in each of the member-states over</p>
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			<p>the next 10 years. Trade within the Customs Union grew by nearly \$20 billion, or more than 43 per cent in the 10 months of 2011.</p> <p>The main risks for the Eurasian Union are political. Mass protests in Russia against fraudulent elections to Parliament last month may undermine Mr. Putin's hold on power; Kazakhstan may be entering a period of instability following deadly riots in an oil-rich region in December; Belarus President Alexander Lukashenka faces growing opposition to his 17-year-old authoritarian rule.</p> <p>However, if the risks do not materialise in the next few years, the Eurasian Union may well become a reality by 2015. Russia's allies are demonstrating growing willingness to act in unison, and not only in economic matters. Last month, the Collective Security Treaty Organisation (CSTO), the defence bloc which, apart from the three Eurasian Union members, includes Armenia, Kyrgyzstan, Tajikistan and Uzbekistan, took the historic decision that foreign military bases can be deployed on their territory only with the consent of all member-states. The decision gives Moscow effective veto power over the U.S. and NATO military infrastructure in Central Asia.</p> <p>Russia has good reason to be in a hurry to set up the Eurasian Union by 2015. The planned withdrawal of the U.S. and NATO forces from Afghanistan by 2014 may well lead to the comeback of the Taliban and a spill-over of terrorism to Central Asia, Russia's soft underbelly. Russia also needs to consolidate its grip on Central Asia to parry challenges from the U.S. "new silk road" plan and China's economic push in the region.</p>
<p><b>Building sustainable habitats- Climate change</b></p>	<p><b>Climate change</b></p>	<p>ENVIRONMENT</p>	<p>At a time when efforts should focus on enforcing existing codes to improve sustainability of habitats, the Union Ministry of Urban Development has decided to bring in new rules to address concerns related to climate change.</p> <p>It has taken the first step towards putting in place legally enforceable habitat standards to promote green urban development. Regulations and control measures are effective policy instruments, but new ones will matter little if nothing has been achieved with what already exists.</p> <p>The Energy Conservation Building Code (ECBC), which could help reduce energy consumption by about 1.7 billion units of electricity a year, came into being four years ago. It remains voluntary, and is applicable only to large commercial buildings. Barring Orissa, no State has so far adopted it.</p> <p>In the absence of clear-cut emission targets in India, the goal posts for the proposed sustainable habitat standards remain unclear. This also raises the question of how to formulate regulation standards effectively.</p> <p>Metropolitan regions like Hamburg, the 2011 green capital of Europe with a population of 4.3 million, have shown that setting</p>

			<p>emission targets helps devise effective regulations and propel innovative urban schemes.</p> <p>Hamburg set an unambiguous goal to reduce CO2 emission by 40 per cent by 2020 from its 1990 base level and by 80 per cent by 2050. To achieve this, it adopted a mandatory energy-saving ordinance binding on its buildings, designed a public transport network that provided most citizens access within 300 metres of their place of stay, and created a 1,700 km bicycle lane network. The results are striking. The CO2 emissions are already down by 15 per cent.</p> <p>While comprehensive regulations and benchmarks are necessary, influencing major policy shifts to create sustainable habitats should be the priority. The thrust must be on making easy-to-implement codes at the local body level, and improve the supply of sustainable building technologies and materials.</p>
<p><b>Four People's Principles- Science-Essay</b></p>	<p>FUNDAMENTAL SCIENCE</p>	<p>SC &amp; TECH</p>	<p>When we discuss science, we must ask what its purpose is. one answer is: to make our lives better and happier. Science is that knowledge by which we understand nature and harness it for our benefit.</p> <p>Some people may oppose this view, saying that the atom bomb destroys lives, and that science has created weapons of destruction. Scientific knowledge can be misused, but also used to benefit mankind. But without science we will be living precarious, wretched lives.</p> <p>An objection could also be raised that it is only the applied sciences (technology) that benefit people, not the fundamental sciences. It is true that a scientist doing fundamental research does not care whether his discoveries are of any utility or not. Newton and Einstein did not bother whether their discoveries would benefit mankind. However, these benefit mankind in the long run.</p> <p>Today India faces huge problems; only science can solve them. Some 80 per cent of its people live in poverty, with unemployment, sky-rocketing prices, problems of healthcare, education and housing, and so on. Forty-eight farmers commit suicide on an average each day. And 47 per cent of the children are malnourished. Our national aim must be to abolish these evils and make India prosperous for all.</p> <p>To address the problems, this essay presents present Four People's Principles (following Sun Yat Sen's Three People's Principles). These should be our guiding principles: Science, Democracy, Livelihood, and Unity of the People.</p> <p><b>Science</b></p> <p>When India was on the scientific path, it prospered. With the aid of science we built mighty civilisations thousands of years ago when most people in Europe (except in Greece and Rome) lived in the forests. We made outstanding scientific discoveries. However, we subsequently took to the unscientific path of superstition and ritual. The way out is to go back to the scientific path</p>

shown by our ancestors — Aryabhata and Brahmagupta, Sushruta and Charaka, Ramanujan and C.V. Raman.

Here are three examples of Indian scientific achievements in ancient times.

1. The decimal system was perhaps the most revolutionary and greatest scientific achievement in the ancient world. The Europeans called the numbers in the decimal system Arabic numerals, but surprisingly the Arabs called them Hindu numerals.

The decimal system has revolutionary significance. Ancient Rome was a great civilisation, but there was no alphabet expressing a number higher than 1000. If one would have asked an ancient Roman to write the number one million, he would have gone crazy: to write one million he would have to write the letter M, which stands for millennium (or one thousand), one thousand times. On the other hand, under our system, to express one million we have just to write the number one followed by six zeroes. We could thus express astronomically high numbers by adding zeroes. In the Roman numerals there is no zero. Zero was ancient India's invention.

2. Five thousand years ago in the Indus Valley civilisation was created the system of town planning, with covered drains and the sewage system.

3. Plastic surgery was invented in India in the 6th century B.C.; Westerners discovered it about 200 years ago.

However, today we are far behind the Western countries in science; that is the real cause of our poverty and other social evils. We must spread science — not physics, chemistry and biology alone: it is the entire scientific outlook. We must spread rational and logical thinking among our masses and make them give up backwardness and superstition. The mindset steeped in casteism, communalism and superstition must change. Science is not the natural sciences alone, but also the social sciences. A worldwide recession is on. This can only be solved by knowledge of economic theory, not of natural sciences or engineering.

### **Democracy**

The second principle is Democracy.

Democracy is nothing new to India. The method of shastrarthas was developed in ancient India, which permitted free discussion in the presence of a large assembly. This resulted in growth in philosophy, law, grammar and so on, and also in science, including medicine, mathematics and astronomy. Some people say democracy is not good for India. The problem in India is not that there is too much democracy but too little. We need more democracy, not less, and that means educating the masses, raising their cultural level, and involving them actively in national reconstruction. Democracy and science go hand in hand. Scientific growth

requires certain supportive values, namely, the freedom to think, criticise, and dissent, tolerance, plurality, and free flow of information. These are the values of a democratic society.

### **Livelihood**

The third principle is livelihood for the masses. Today, 80 per cent of Indians are poor, and there is massive unemployment, lack of healthcare, housing and good education. In the recent period, the rich have become richer, and the rich-poor divide has increased. Economic growth has benefited only a handful.

Using our creativity we must find ways to raise the standard of living of the masses. Ultimately, that is what matters. Let the system we adopt be called capitalism or socialism or communism, the real test is whether the standard of living of the masses is going up or not. Surely, a system in which a quarter million farmers have committed suicide in the last 15 years and vast masses live in poverty is unacceptable.

Before the Industrial Revolution, which began in Western Europe in the 18th century, there was feudalism everywhere. In the feudal system the methods of production were primitive and very little wealth was generated, and only a handful of people could be rich. In contrast, modern industry is powerful and big, and enough wealth can be generated to meet everybody's basic needs. Nobody needs to be poor. It is the state's duty to ensure that.

### **Unity of the people**

India has great diversity, with a number of castes, languages, religions and ethnic groups, as it is broadly a country of immigrants. So the only policy that will work here is secularism, giving equal respect to all communities. This was the policy of Emperor Akbar, who was really the architect of modern India. This policy was continued by Jawaharlal Nehru and his colleagues who created our secular Constitution.

In 1947, religious passions were inflamed; Pakistan had declared itself an Islamic state. There must have been tremendous pressure on Nehru and his colleagues to declare India a Hindu state. It is not easy to keep a cool head when passions are inflamed, but our leaders said India would not be a Hindu state but a secular one. It is for this reason that there is more stability in India than in the neighbouring country.

Powerful vested interests are trying to destroy the unity and make us fight one another on the basis of religion, caste, region, language, and so on. It is the duty of all patriotic people to expose these designs and maintain the unity of the people; without that we cannot progress.

<p><b>A major milestone in polio eradication</b></p>	<p>POLIO</p>	<p>HEALTH</p>	<p>Today, India passes one whole year without polio caused by natural (wild) poliovirus — a major milestone towards polio eradication. Many experts believed that India posed the greatest challenge to polio eradication for epidemiological reasons; our success proves it can be achieved in other countries where the obstacles are more programmatic than biological. For the Global Polio Eradication Initiative (GPEI), this is a shot in the arm.</p> <p><b>The decade of agony</b> The year 2000 was the target date for global eradication set by the World Health Assembly in 1988. Intense efforts by countries, guided by GPEI, resulted in success in most countries and partial success in all countries.</p> <p><b>Problems &amp; innovative solutions</b></p> <p>By 1988, nearly 70 countries had achieved the elimination of wild poliovirus transmission through their routine national immunisation programmes, some using the inactivated poliovirus vaccine (IPV) but others using the oral poliovirus vaccine (OPV).</p> <p>For countries with polio, the World Health Organisation recommended the exclusive use of OPV for its low cost and ease of inoculation by mouth — as two drops. On the flip side, the very fact that many countries using OPV could not control polio with routine immunisation indicated that it was not as effective as in other countries. The difference was clear: tropical/ subtropical countries with low income, overcrowding, high birth rates, and high child mortality faced low effectiveness of OPV, whereas those with the opposites had high vaccine effectiveness.</p> <p>In India, the disparities of such factors spelt differential effectiveness among States. Not only did some communities exhibit lower vaccine effectiveness, they also had more intense wild virus transmission.</p> <p>The conjunction of both problems made U.P. and Bihar stand out as the most difficult regions for polio eradication. Wild polioviruses exist in 3 types, and OPV also contains attenuated strains of the 3 types. So it is called trivalent OPV (tOPV). Among the 3 types, type 2 is the most efficient; that was why type 2 wild virus disappeared in 1999, within a few years of national pulse vaccinations. But type 2 in the tOPV also interferes with the others, making them very inefficient.</p> <p>While the problem of “failure of vaccine” was being addressed, there was also the problem of “failure to vaccinate”. Seasonally, millions of families from U.P. and Bihar migrate for work — some to Maharashtra or Punjab, others within their States. Their children missed both routine and campaign doses. The tactic of vaccination in transit — in trains/buses and in stone quarries/brick kilns — became the norm from 2005. As all bottlenecks were cleared, success ensued.</p>
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			<p><b>Tribute to the nation</b></p> <p>Many global experts marvel at the ability of Indians to work with diligence and sincerity, and at India's tenacity in spite of pessimistic prophecies of failure. So a tribute is due: to the families of children and all workers, district managers — medical and administrative — State leadership, the National Polio Surveillance Project personnel, the Government of India staff working alongside the global polio partners, WHO, UNICEF, Rotary International and the U.S. Centres for Disease Control, and the vaccine manufacturers who up-scaled production on demand, and filled the prescriptions for mOPV-1 and 3 and for bOPV. All of them deserve our applause and gratitude.</p> <p>In many other programmes in India, poor implementation is the oft-repeated reason for failures and delays. The success of implementation depends on the design of the programme and proper supervision of activities. The government must learn and apply this lesson in all other faltering health projects — against TB, malaria, child mortality and under-nutrition.</p> <p><b>What next?</b></p> <p>For certification of eradication, two more years should pass without any case of wild virus polio. Poliovirus can remain silently in circulation for short periods; so, complacency must not set in. We must continue working as if we still have poliovirus lurking somewhere, only to show up when least expected. There is also the threat of importation of wild virus from Pakistan, Afghanistan and Nigeria.</p> <p>Vaccine viruses by themselves can rarely cause polio; the balance is roughly one case of vaccine-associated paralytic polio (VAPP) replacing 200 cases of wild virus polio. Yet, in the absence of wild virus polio, VAPP is unacceptable. Moreover, vaccine viruses may gradually revert to wild-like properties if allowed to circulate. Such circulating vaccine-derived polioviruses (cVDPV) cropped up in many OPV-using countries recently, including India since 2009. If allowed to grow, they can capture the niche vacated by wild viruses. We have to stop OPV to stop VAPP, but some cVDPV may already be in silent circulation to show up in outbreaks one or more years later. The safest solution is to introduce IPV, reach 90 per cent or more coverage and only then stop OPV. That will pre-empt the evolution of cVDPVs. Only after we ensure the absence of wild and vaccine polioviruses in the population can we claim complete success of polio eradication. That is the challenge of the present decade.</p>
<p><b>For the government-regulating capital</b></p>	<p>INSTITUTIONS</p>	<p>INDIAN ECONOMY</p>	<p>Significant changes in regulation such as those relating to the capital market should, as far as possible, be for the common benefit of the regulated. They should not be framed so as to favour just one or few parties, however influential the latter might be.</p> <p>This salutary principle has evidently not been kept in mind when the capital market regulator recently authorised two additional methods of accessing the capital market.</p>

<p><b>market</b></p>			<p>On the face of it, the two methods — Institutional Placement Programme (IPP) and Offer for Sale of Shares through the stock exchanges — offer companies flexible, cost-effective and less time-consuming options for accessing the capital market, specifically to meet the minimum public shareholding norms. But, although SEBI has not restricted these to public sector companies, it is obvious that the move is primarily intended to boost the prospects of the government's disinvestment programme.</p> <p>Government finances are strained at this juncture. Aggregate public borrowing during the year is slated to exceed the budget target by Rs.93,000 crore. The public sector disinvestment programme, with a target of Rs.40,000 crore, has hardly made a beginning. The markets are subdued, and fresh share issues made in conventional ways are unlikely to fetch the right price. Should it disinvest now, the government will be accused of selling family silver cheap.</p> <p>With hardly three months to go, the government is evidently driven by a sense of urgency to raise revenue. Some recent policy moves affecting the external economy — such as freeing interest rates on non-resident deposits and providing greater leeway for overseas borrowings — will have the effect of raising the level of short-term external debt and are, therefore, inconsistent with medium-term policy objectives.</p> <p>SEBI's recent guidelines would enable the government to take one more short-cut. The IPP route will obviate the need for a government company to undertake a block deal or a follow-on offer for sale, such as the one made by Coal India, to meet the listing guidelines.</p> <p>Whatever the justification, it is clear that SEBI's new guidelines do not serve the interests of even the disinvestment process.</p>
<p><b>India for Security Council representation from Africa</b></p>	<p><b>Security Council</b></p>	<p>INTERNATIONAL</p>	<p>Strongly pitching for the expansion of permanent membership of the U.N. Security Council, India has said the powerful body should have representation from developing countries, including Africa.</p> <p>Taking part in a Security Council debate on U.N.-African Union partnership at the U.N. headquarters in New York, India's Permanent Representative Hardeep Singh Puri said as much as two-third of the active items on the Council's agenda concerned Africa and about three-fourth of the Council's time was spent on African issues. "It would, therefore, be no exaggeration to say that the success of the efforts of this Council in Africa will determine in significant measures its overall effectiveness in the implementation of its Charter-mandated role as the principal organ of the United Nations for maintenance of international peace and security," he said.</p> <p>Mr. Puri added that for an effective and enduring cooperation between the U.N. and A.U., it was necessary that the Council not</p>



			<p>adopt a selective approach to this cooperation.</p> <p>Partnership should not be restricted only to the areas of the Council's convenience but also extend to areas where there may be differences, and be based on mutual respect.</p> <p>“This requires a mindset change in approach and demands expansion of the permanent membership to make the Council reflective of contemporary realities and increased representation from developing countries, including Africa,” he said.</p>
<p><b>In the promiscuous world of international relations, elements of a strategic partnership- (very important for general understanding)</b></p>	<p>FOREIGN POLICY</p>	<p>INTERNATIONAL</p>	<p>“Strategic relationship” is one of the most frequently used phrases in foreign policy discussions today, but perhaps one of the least understood. Scholars have traced its appearance in international relations to the end of the Cold War. Countries that were until then arranged in blocs allied to one of the two superpowers suddenly found themselves on their own and began to cast about for new bilateral alliances, usually with states more powerful than themselves.</p> <p>Nations define their relations with other countries variously — partnership, alliance — but when two countries describe their relations as strategic, their ties are deemed to have risen to a new level.</p> <p>In the last decade, India has signed strategic partnership agreements with over a dozen countries. This is seen as a natural consequence of India's arrival on the global stage as a growing economic power; the acknowledgement of its democracy and its shared values with the democratic world; its neighbourhood, with the Afpak region on one side, China on the other; as well as its having the second largest population in the world.</p> <p><b>Defining the concept</b></p> <p>But foreign policy wonks are still struggling to define the concept — what exactly does it mean? The Oxford Dictionary defines strategic as anything relating to long term interests and goals; a strategic partnership, by extension, would relate to long term shared interests and ways of achieving them.</p> <p>Strategic partnerships are commonly associated with defence or security related issues, but a survey of formal strategic partnerships around the world reveal they can also be quite a hold-all, covering a wide range in bilateral relations, from defence to education, health and agriculture, and quite commonly, economic relations, including trade, investment and banking.</p> <p>Some scholars of international relations theory have argued against a set definition, arguing that each agreement belongs to a</p>

specific time and context, and thus has its own meaning. Some have even argued that the phrase is nothing more than nomenclature, and parties use it to project a higher status to their ties.

### **Assessment study**

The latest attempt to better understand the concept comes from a New Delhi-based think tank, the Foundation for National Security Research. A study conducted by the organisation assesses India's strategic partnerships, and has sought to identify what New Delhi should seek from these partnerships, thus aiming to provide a home-grown definition of the king of bilateral relations. Titled "India's Strategic Partners: A Comparative Assessment," it was carried out by a group of foreign policy and strategic analysts associated with FNSR, which shared the findings with *The Hindu*.

Specifically, the study has assessed India's strategic partnership with six countries — United States; Russia; France; United Kingdom; Germany; and Japan — by grading them on the dividends these partnerships have yielded for India in three areas of co-operation: political-diplomatic ties; defence ties; and economic relations. Using these three parameters, each partnership has been graded on a 10-point scale for present performance, sustainability, and potential.

The Russia-India partnership comes up tops on the scale — Russia consistently backs India on Kashmir, Pakistan, Afghanistan and terrorism, and according to the study "is most comfortable with India's rise" while sharing Indian "concerns on the implications of China's rise". On nuclear issues, its 2009 India-Russia civilian nuclear pact is much better than the deal that New Delhi got from United States. Defence co-operation too is in good health. India sources most of its military hardware from Russia. But of all the six countries Russia scores least on trade relations. The total annual trade between the two countries is just slightly over \$5 billion.

### **U.S. comes second**

The United States, with which India's strategic partnership goes back to 2004, comes second, having fared poorly on FNSR's political-diplomatic scale. The study describes U.S. support for India on Kashmir, Pakistan, Afghanistan as "insubstantial and inconsistent". It sees U.S. support for India's candidature to the U.N. Security Council as the "weakest" among the six nations. In contrast to Russia, India-U.S. trade relations are the best, with greater potential for the future.

The study sees the 2006 strategic partnership with Japan as the least developed, making only 34 points. Japan's support for India in international fora has varied, the study points out grimly, and notes that while there is scope for co-operation in maritime security, Japan's lack of interest in India's concerns over Kashmir and terrorism, its deep reservations on nuclear co-operation with India and a limited capacity to play a meaningful role in India's UNSC bid "would suggest that the potential in their strategic

			<p>relationship will be slow to realise". There is "virtually nothing to say about India-Japan defence ties" in the past, the study notes, and not much for the future either. As for trade, it could be much higher.</p> <p>The conclusion: India should not bestow the "respectable nomenclature" of a strategic partner on one and all, but only on those countries with which there is "a strong and mutually beneficial relationship" in all three sectors — political-diplomatic; defence and economic co-operation. For India's so-called strategic agreements with a host of other countries, the study suggests finding a "less serious" nomenclature.</p> <p>What the study ignores is that India's main "strategic partners" have other strategic partners. Welcome to the big, bad promiscuous world of international relations. The most glaring example of how strategic partnerships collide with each other is the U.S.-India partnership on the one hand, and the U.S.-Pakistan one on the other. Should India ditch its partnership with Russia if there is a chance it will improve the strategic content of the partnership with the U.S.?</p> <p><b>Balancing conflicting interests</b></p> <p>In reality, how a strategic partnership evolves has much to do with how successfully one or both parties balance the conflicting interests of its various partners, and keep differences to a minimum. It sounds unrealistic to lay down the line to other actors and expect them to behave as if they have no other interests.</p> <p>In fact, it says something about strategic partnerships that the U.S. has such deals going all across the world. But it has no formal strategic partnership agreement with its most important strategic partner, Europe, and its relationship with Britain is described as just "essential", or "special".</p>
<p><b>Choking off free speech on the web</b></p>	<p>FREEDOM</p>	<p>SOCIAL</p>	<p>The two draft laws in the U.S. House of Representatives and Senate, now known around the world by the acronyms SOPA and PIPA (for Stop Online Piracy Act and Protect IP Act), have raised a storm on the Internet. They are seen as updated versions of the "Combating Online Infringements and Counterfeits Act" (COICA) which could not make progress in the Senate earlier.</p> <p><b>Vague definitions</b></p> <p>What makes the two laws obviously detrimental for free speech worldwide is their focus on poorly defined "rogue" websites that are not based in the United States. The definitions in the draft legislation are vague in the assessment of not just free speech advocates, but most major technology companies. The legal tools to punish "infringing" websites as originally drafted in SOPA included a provision for Domain Name System blocking, and denying them the ability to exist as an address on the Internet.</p>

Moreover, the new Bills aim to create a procedure to blacklist inconvenient websites and censor them. They have many other weapons to kill websites. These include ordering search engines to remove them from results, prohibiting distribution of advertising, and, quite akin to the WikiLeaks experience, stopping companies such as PayPal or Visa from processing their financial transactions.

There is a legitimate fear that if the new legal provisions go into force, technology companies coming under U.S. legal jurisdiction could be compelled, or perhaps even be willing, to disclose information on them. Some may simply react to domestic political imperatives and purge foreign websites with an inconvenient point of view. It is important to remember that unlike the existing scheme of filtering — where individual pages and search links are removed — the omnibus penal provisions in SOPA can erase the presence of entire websites.

Ironically, strong fears haunt U.S. companies as well. Some of them dread a new, high-cost technology landscape emerging in America, driving innovation, online traffic, and thus jobs and commerce to other countries that guarantee freedom. In this balkanised future, a social networking website may prefer, say, Iceland, where activists hosted early initiatives of WikiLeaks.

The “group of nine” technology companies including Google and Yahoo! that wrote the joint petition to Congress pointed to a McKinsey study that shows 3.4 per cent of GDP in 13 countries is accounted for by the Internet. In the U.S., the contribution is even larger. The Internet has increased the productivity of small and medium-sized businesses by as much as ten per cent. Trying to put in new conditions at the behest of traditional media companies including those trying to save old models of distribution and profits (for which they massively funded a lobbying campaign during 2011), can crimp growth and the new ventures.

That message is not lost on the White House, and a statement released by the Obama administration says it “will not support legislation that reduces freedom of expression, increases cybersecurity risk, or undermines the dynamic, innovative global Internet.” Whether through a veto or through legislative defeat, halting the progress of SOPA and PIPA will be crucial to online communities that fear direct, creeping censorship of the Internet.

**Not new**

Censoring of Internet content is not new. All search engines remove content and filter search results based on directions and orders issued in different countries to meet the requirements of domestic laws. The toxic potential of SOPA and PIPA lies in their capacity to comprehensively throttle free speech, at least until a new competitive set of alternatives emerges on the Internet. All dimensions of a website's existence — physical presence, findability and revenue stream are under threat.

In the democratic scheme of things, governments that guarantee free speech through statute should balk at making domestic

			<p>copies of the controversial American model to suppress their own citizens. Yet, in the Indian context, there will obviously be keen interest in the two U.S. Bills for their possible replication.</p> <p>Even now, the Indian Information Technology Act, 2000 contains provisions that would not meet the accepted definition of judicial due process. Orders are issued to technology companies hosting content on websites to remove allegedly offensive or infringing material by officials of the government, circumventing a legal process that involves the courts, as is necessary in the case of traditional media.</p> <p>Google has been asked to remove several items on the ground that they criticise the government or individual politicians. That there are ample provisions in existing law to handle the more egregious cases is conveniently ignored. Protections earlier available to Internet Service Providers against liability for third party content are sought to be weakened systematically.</p> <p>There may be a specific case to remove material that is obviously inflammatory and capable of doing harm, but the policy compass clearly points to a lurking desire for censorship. If SOPA and PIPA were to succeed in America, the move towards copycat laws in India can only be a step away.</p>
<b>FDI in the sky</b>	FDI	INDIAN ECONOMY	<p>The Union Cabinet is set to decide on permitting foreign airlines to pick up 49 per cent equity in domestic carriers. Under the existing rules, foreign investors, other than airline companies, can invest up to 49 per cent in domestic airlines.</p> <p>The move to liberalise the norm has to be seen in the context of the financial troubles that most domestic airline companies are embroiled in, none more than Air India and Kingfisher. The thinking appears to be that easing the norm will enable these troubled airline operators to attract equity investment from foreign carriers.</p> <p>Though this is an infinitely better option than a bailout using public funds, the reality is that there might not be too many takers among foreign airline companies for this. The first reactions from some of them such as Lufthansa, Emirates and Singapore Airlines, purported to have been interested in investing in domestic carriers, only confirm this. They have all said that there is no immediate plan to invest in airline companies in India nor is it an important part of their future plans. Air Asia, a Malaysia-based low-cost operator, has gone a step forward and said that it would rather set up a subsidiary in India than invest in an existing carrier.</p> <p>Offering 49 per cent equity to foreign airlines is obviously no magic wand to ward off the problems the airline industry is enmeshed in. It might probably help one of the most troubled operators to seek a partner but again, there is no guarantee on</p>

			<p>that.</p> <p>If the government is keen to rescue the airline industry, there are other things that it could do.</p> <p>It could, for a start, rationalise taxes and duties on aviation turbine fuel, which are at ridiculously high levels. Soaring oil prices have made fuel expensive and the high taxes only add to the burden. Fuel being the biggest item of cost for airlines, any relief on that front will be welcome.</p> <p>Secondly, we need a regulator who will keep his eyes open for sharp anti-competitive practices such as cut-throat fare setting by some players forcing the others to join in a fatal race to the bottom.</p> <p>Thirdly, applications to fly short-haul international routes should be cleared quickly, especially where there is room to do so under bilateral agreements. It is quite possible that despite all such assistance there will still be some airline companies that cannot be rescued mainly due to mismanagement or faulty decisions made in the past.</p> <p>Though it might be tempting to go to their aid with financial assistance, it will be best to leave them to their devices. The last thing the government should do is throw good money after bad, especially when it belongs to the public.</p>
<p><b>India &amp; the sex selection conundrum- Declining sex ratio issue</b></p>	<p>sex ratio issue</p>	<p>SOCIAL</p>	<p>Within days of the provisional 2011 Census results (March-April 2011), the Ministry of Health and Family Welfare reconstituted the Central Supervisory Board for the Pre-conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex selection) Act 1994 , which had not met for 3 years, and on November 30, 2011 the Ministry of Women and Child Development formed a Sectoral Innovation Council for Child Sex Ratio.</p> <p>The decline in child sex ratio (0-6 years) from 945 in 1991 to 927 in 2001 and further to 914 females per 1,000 males in 2011 — the lowest since independence — is cause for alarm, but also occasion for serious policy re-think.</p> <p>Over the last two decades, the <i>rate</i> of decline appears to have slowed but what began as an urban phenomenon has spread to rural areas. This is despite legal provisions, incentive-based schemes, and media messages.</p> <p>Indians across the country, bridging class and caste divides, are deliberately ensuring that girls are simply not born. This artificial alteration of our demographic landscape has implications for not only gender justice and equality but also social violence, human development and democracy.</p> <p><b>What is wrong?</b></p>

To start with, we have chosen to target one symptom (practice of sex selection), instead of evolving a comprehensive national policy response to a deeply resistant ailment (son preference/daughter aversion and low status of women in India).

State policy has, in the main, consisted of seeking to stem the supply of technology that enables sex selection through application of the law — the PCPNDT Act bans the use of diagnostic techniques for determining the sex of a foetus. The rationale (framed within an inverted demand-supply paradigm) is that stopping supply of the technology will reduce the demand — for determining the sex of the foetus and aborting if it is female. So far (notwithstanding wide publicity about the PCPNDT Act, including signboards in every clinic, hospital and nursing home), this hasn't panned out as planned.

Meanwhile, this singular focus on PCPNDT has triggered an unhealthy discourse beyond what the law actually bans (using medical diagnostics to determine the sex of the foetus) to the next step, i.e. the act of abortion. Over the last few years, the hunt for aborted female foetuses appears to have become legitimate media pastime and reportage consists chiefly of stories about “foetuses' foeticide” and “foetal remains.” Clearly, the goriness of the phenomenon meets the media's need for just a tad bit of sensation (foetal remains found in gunny bags outside quack clinics, in the fields, in the dark depths of deep wells, etc.).

While national attention on this issue is welcome, this is complex terrain. On the one hand is the right of females to be born, and of society to protect and preserve a gender balance. On the other hand lies a woman's right under the Medical Termination of Pregnancy Act (enacted in 1971, revised in 1975) to have a safe and legal abortion as part of a whole gamut of reproductive rights. In our zeal to create an environment against one type of abortion (of a foetus *only* because it is female), we end up stigmatising all abortions. Access to safe and legal abortion for Indian women is already severely limited, and this environment will not improve things. Indeed the very word 'foeticide' i.e. 'killing' of the foetus (used often without the qualifying '*female* foeticide') dents abortion rights.

#### **Tackling the demand side**

As for tackling the demand side — i.e. addressing the complex reasons that son preference-daughter aversion is so prevalent — our policy response has included marking the National Girl Child Day (declared in 2009) on January 24, sporadically putting up billboards at major intersections telling us to 'love the girl child,' '*beti bachao*', 'stop killing girls', and a slew of ill-conceived conditional cash transfer schemes to incentivise the birth of girls at both the Centre and the State level.

A 2010 desk review of 15 conditional cash transfer schemes (Dhan Lakshmi, Ladli, Beti Hai Anmol, Kanyadan, and others) conducted by TV Sekher of IIPS for UNFPA is revealing. Most of them promised relatively small amounts at maturity, had complex conditions (immunisation, school enrolment, institutional delivery, sterilisation, among others), gave cash amounts at the age of

18 (for dowry?), and were aimed at poor or BPL families.

Quite apart from the objectionable attempt to arm twist every imaginable kind of 'desired' behaviour (immunise, educate, sterilise) in return for small sums of money, the big problem is that these schemes are targeted largely at poor families.

This is not a poor or BPL-only phenomenon. Small cash amounts are unlikely to make an iota of difference to families who have resources to pay for sex selective technology. On this issue, Indian policymakers, accustomed to 'targeting' the poor (i.e. BPL) need to bravely enter the unfamiliar terrain of targeting the not-so-poor, the upwardly mobile, the wealthy.

### **Cultural attitudes**

The problem of 'demand' goes far deeper than our communication or policy solutions seem to suggest. Sex selection is located at the complex interface of cultural attitudes, patriarchal prejudice, socioeconomic pressures, the changes wrought by modernity, and the commercialisation and misuse of modern medical technology.

The impact of modernity and materialism on the decreased valuation of females i.e. enhanced daughter aversion, the lack of old-age social security i.e. son preference, increasing violence against women, property rights, inheritance laws — each of these and more play a role. We must demand of ourselves an equally comprehensive national policy on the sex ratio, capable of addressing each contributory factor.

The Chinese government adopted a series of concurrent policies, strategic actions and laws to promote gender equality, increase female workforce participation, ensure old age social security, *in addition to* banning the use of sex selective diagnostics. The country's sex ratio is showing small signs of improvement.

Finally, a national communication strategy is key to a national policy response, and this must rest on acknowledging two things — one, behaviour change communication is a specialised field whose expertise must be harnessed, and two, the nature of reproductive decision-making in India is changing along with immense changes in the Indian family structure.

A communication strategy needs to identify primary targets (*decision-makers*) and secondary targets (*decision supporters*), and reach them through strategic media platforms — traditional, conventional and new media. As for the core content of messages, a lot can be said, but for now let us agree to go beyond billboard exhortations to 'love the girl child.' And recognise that the girl will grow up to be a woman one day.



<p><b>Not much of a sea-based deterrent- Defence- INS Chakra</b></p>	<p><b>NAVY</b></p>	<p><b>Defence</b></p>	<p>Just when the Russian nuclear-powered Akula-II submarine joins the Indian Navy as INS Chakra on a 10-year lease at a cost of over \$one billion, the moot question is: does it contribute to India's sea-based nuclear deterrence?</p> <p>The nuclear attack submarine (SSN) being completely independent of air for propulsion frees it from the need to surface frequently, the enormous power generated permits a bigger hull to operate at high speeds with large payloads for durations that is limited by human fatigue and replenishment of consumables only (reactors require refuelling at intervals of 25 years).</p> <p>In real terms, it is critical to understand what the Chakra represents. Working the submarine to our operational challenges and demands is just the tip of the iceberg, training and building a bank of specialised personnel; creating the necessary infrastructure to maintain nuclear submarines; unique logistic management practices; development of doctrines and procedures; generating design feature for the indigenous programme and, most importantly, building an ethos of efficient and safe nuclear submarine stewardship and exertions, these are the 8/9th submerged part of the iceberg.</p> <p>Strategically SSNs in numbers provide a vital element of a riposte to any “sea control strategy” that an adversary may contemplate or a “denial strategy” that we may plan.</p> <p><b>State of art</b></p> <p>In terms of the platform, the Akula II represents the state of art in SSN design, the programme having been launched in the mid 1990s. The nearest in terms of design vintage is the British ‘Astute’ class also of the mid 1990s, but in terms of capabilities it is smaller and less accomplished; while the American Los Angeles class predates the Chakra by a decade. Also, the design philosophy harmonises with the orientation of our strategic nuclear submarine project.</p> <p>As far as the economics of the matter is concerned, \$920 million for a 10-year lease with certain support features attached must be viewed in perspective of what the SSN represents and the fact that a new SSN of similar capability with a 30-year life would have a price tag of about \$3billion and a through life cost of (thumb rule) \$9 billion would suggest that the deal is a sound one. As any nation that has committed to operating maritime nuclear force will fully appreciate that kudos are due to our planners who visualised a theory, saw a form and translated it to a force plan and now have given substance to each step of the way.</p>
<p><b>The RBI's balancing act- quarter review of monetary</b></p>	<p>STATE OF INDIAN ECONOMY</p>	<p>INDIAN ECONOMY</p>	<p>The Reserve Bank of India has managed a delicate balancing act in the third quarter review of monetary policy 2011-12.</p> <p>The reduction in cash reserve ratio (CRR) by 0.50 percentage point to 5.5 per cent will somewhat ease the tight liquidity conditions in the money market, while the decision to leave interest rates unchanged sends a clear signal that the apex bank is still not comfortable with the overall picture on inflation. With economic growth visibly slowing down — something the apex bank</p>

policy 2011-12

acknowledges — there was pressure to start the rate reduction cycle. But there are three major worrying factors on the inflation front.

First, non-food manufactured product prices continue to be high; much of the drop in inflation in recent weeks was due to a fall in the prices of vegetables and seasonal products.

Secondly, suppressed inflation in the form of artificially held down prices of petroleum products is quite significant.

Finally, the depreciation in rupee value has also been feeding into core inflation. Given these, it was unrealistic to expect the RBI to embark now on the rate reduction cycle.

However, the central bank has done its bit to encourage credit off-take by infusing liquidity (Rs.32,000 crore) through a reduction in the CRR. Despite the RBI's open market operations injecting Rs.70,000 crore over the past two months, money remained scarce, affecting credit flow to borrowers.

So, what are the prospects for the rate reduction cycle commencing soon? Not very bright, it appears. A lot depends on what the government does in the budget for 2012-13.

The RBI is clear that the budget should come up with policy initiatives to induce investment and concrete measures for fiscal consolidation, if it is to start pegging rates down. This, especially the latter, is easier said than done.

There are several factors that could impact the economy adversely.

Not the least of them is the uncertainty in the euro zone, let alone the falling capital inflows in the context of a widening current account deficit. Inflation could once again spiral upwards if fuel prices, especially of diesel, are raised, as they should be. The escalating tensions over Iran portend more trouble, as they could drive up global oil prices forcing the government to pass the burden down the line.

Adding wind to the inflationary sails will be a hardening of food prices, especially vegetables, which usually happens with the end of winter.

All these, combined with the lacklustre investment climate as evidenced by the declining levels of non-food credit off-take, means that there is enough for the RBI to worry about before it makes up its mind on turning around the interest rate cycle.

<p><b>Who should judge the judges?</b></p>	<p>JUDICIAL</p>	<p>NATIONAL</p>	<p>The text of the Constitution that provides for the appointment of the judges of the Supreme Court (Article 124) and the High Court (Article 217) is deceptively simple. They provide for the President to appoint them in “consultation” with other judges. Originally, the power to appoint judges vested ultimately in the executive. It is now with the Chief Justice and the senior judges of the court, i.e. the Collegium.</p> <p>Now, instead of the executive, primacy is given to the CJI and the Collegium of Judges. The way in which judges are appointed embodies a set of values about democracy. Choosing judges based on undisclosed criterion in largely unknown circumstances reflects an increasing democratic deficit.</p> <p>The recent case of the impeachment motion of Soumitra Sen, former judge of the Calcutta High Court, once again highlighted the need to have a relook at the process of appointment. The unanimous voice of Parliament, while considering the impeachment motion of Sen, was that there was now a greater need for a National Judicial Commission than ever before.</p> <p><b>The rationale</b></p> <p>The rationale for the establishment of a commission must be that it will guarantee the independence of the system from inappropriate politicisation, strengthen the quality of appointments, enhance the fairness of the selection process, promote diversity in the composition of the judiciary and therefore rebuild public confidence in the system. By placing the power of judicial appointments in an independent body, the object is to remove patronage from the system and ensure that the judges are appointed on the basis of their qualifications for the job rather than anything else.</p> <p>It is here that we can learn from systems elsewhere which have managed to provide for a transparent process of appointment, while maintaining judicial independence. International consensus seems to favour appointments to the higher judiciary through an independent commission.</p> <p><b>Form of the commission</b></p> <p>A key question is whether the new body should be appointing (The Israel Judicial Commission is the only appointing Commission) or recommending commission. The former in which the commission takes over the full responsibility for making appointments, removes the danger of inappropriate influence by politicians but also weakens democratic accountability and lacks a potential check on abuse, corruption or incompetence on the part of the commission.</p> <p>These advantages and disadvantages are reversed under a recommending commission. Therefore, there is need to adopt a hybrid model where the Commission makes a recommendation, which should be ordinarily binding. The recommendation may be</p>
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			<p>rejected only in cases where the candidate is disqualified or in cases where the procedure adopted by the Commission is legally flawed. The reasons for such rejection must also be recorded in each case.</p> <p><b>Composition</b></p> <p>In India, it would be more prudent to follow the U.K. model where politicians are kept out of the Judicial Appointment Commission. The Judicial Commission should not be a very large body, containing not more than 7 or 9 members.</p> <p>The Commission should consist of representation from the Judiciary, the Bar, eminent members of civil society (who should be appointed by a high powered body, for example presided over by the Vice President, the Prime Minister, the Chief Justice of India, the Law Minister and the Leader of the Opposition).</p> <p>An equally important feature of public accountability is institutional and procedural openness. The requirement of openness is particularly important in the judicial appointment process, because a recurring criticism of the old system was the high level of secrecy within which the selection process functioned. The extent to which the Commission operates transparent procedures is therefore a critical test of its legitimacy.</p> <p>The outcome of the reforms would depend on the way in which the commission is set up and the model adopted. The detail of the commission must be thought through with great care.</p> <p>Issues such as the division of responsibility between the commission and the appointing Minister, composition of the membership and the process for selecting the commissioners themselves are key factors in determining the success of the new system.</p>
<p><b>A precarious Indo-Pak nuclear balance</b></p>	<p><b>Indo-Pak</b></p>	<p>INDIA AND THE WORLD</p>	<p>The recently held 'India-Pakistan Expert Level Talks on Nuclear CBMs' have once again failed to move the two countries away from their precarious nuclear balance.</p> <p>The Islamabad meeting 'achieved' two things: one, Indian and Pakistani officials agreed to recommend to their Foreign Secretaries the extension of the validity of the "Agreement on Reducing the Risk from Accidents Relating to Nuclear Weapons" (signed in 2007) for another five years;</p> <p>and two, "both sides reviewed the implementation and strengthening of existing CBMs in the framework of [the] Lahore MoU, and agreed to explore possibilities for mutually acceptable additional CBMs."</p> <p>Indeed, the substantive aspects of the India-Pakistan nuclear dimension remain consistently untouched by the negotiators in the two countries — both after their declared nuclear status in 1998 and earlier during their undeclared status. The 1999 Lahore</p>

Declaration was a progressive step that recognised the need to understand the role played by nuclear weapons.

It was crafted with a view to “reducing the risk of [their] accidental or unauthorised use” as well as “elaborating measures for confidence building in the nuclear and conventional fields.” India and Pakistan have also dutifully followed their 1988 agreement to annually exchange lists of their nuclear installations and facilities, in order to avoid attacks against them.

However, since 1999, all that the two countries have done at successive meetings is to reiterate the spirit of the Lahore Declaration, and review the existing nuclear and missile-related confidence-building measures except, of course, the 2007 agreement.

In 12 years, nothing substantial has been achieved by them to bring about nuclear stability in the subcontinent. This despite the fact that a nuclear war between India and Pakistan is arguably more likely than it was between the U.S. and the USSR during the Cold War.

One of the reasons is an alarming obscurity to India and Pakistan's nuclear relations, apart from their geographical proximity.

#### **Doctrinal dilemmas**

Doctrinal and conceptual clarity on nuclear strategy is fundamental to the existence of stable deterrence in a nuclearised geopolitical context. This is recognised by the Lahore Declaration, which states “the two sides shall engage in bilateral consultations on security concepts, and nuclear doctrines”.

The agreement has, unfortunately, remained a mere promise. Although the strategic elites in both countries have pondered over their nuclear doctrines ad nauseam, they seem to have overlooked the ways in which credible cooperation may occur in order to achieve feasible nuclear risk reduction measures and nuclear stability.

Such deficient thinking has led to a unilateral offensive strategising and the formulation of military doctrines such as India's ‘Cold Start’, and the adoption of an asymmetric escalation posture by Pakistan.

#### **Problems of ambiguity**

The introduction of nuclear weapons in the Indo-Pak balance of power has not been to India's advantage. It has given the country diminishing returns from its conventional superiority and created a troublingly unpredictable nuclear escalation ladder.

Moreover, Pakistan's ambiguous nuclear doctrine has plunged India into a deep dilemma on how to respond to the proxy wars that it believes Pakistan has unleashed upon it. India was forced to redeploy its forces after massing them on the border during the 2001-2002 military standoff in the wake of the attack on Indian Parliament, precisely due to this uncertainty.

Pakistan has apparently kept its nuclear doctrine ambiguous to continue to perplex Indian strategists. It has dismissed the credibility of India's declared no-first-use (NFU) doctrine and but has not elucidated the conditions under which it would be prompted to use its nuclear weapons.

### **Cold Start**

Cold Start, the Indian military's 'undeclared' doctrine, is assumed to be a response to this dilemma India faces from Pakistan's doctrinal ambiguity. Indian strategists believe that if India were to use its Cold Start doctrine, it would have a flexible response option that may counter the open-ended Pakistani nuclear strategy.

Cold Start imagines enabling the Indian military to carry out quick, offensive operations against Pakistan without crossing the latter's nuclear red lines in order to dismantle the terrorist infrastructure on the Pakistani side.

Critics have argued that the doctrine is nothing but 'hot air' as it has neither New Delhi's political backing nor is it considered a serious war-fighting strategy by the Indian army. While such scepticism may or may not be well-founded, the fact is even if some sections of the Pakistani war planners believe India is somewhat serious about Cold Start, it could lead to counter-strategising.

The existence of such doctrinal ambiguities, security dilemma and deep mistrust of each other — combined with the lack of a clear civilian control of nuclear weapons in Pakistan — means nothing short of a recipe for disaster for the people of both countries. There is, therefore, need to start talking about nuclear issues with far more seriousness and urgency along the lines enshrined in the Lahore Declaration.

This is all the more important because of the perceived implications of the India-U.S. nuclear deal as well as the China-Pakistan nuclear deal, and due to the potential impact of technology on the military strategies of India and Pakistan.

### **Ottawa Dialogue**

There is also an urgent need to encourage non-official bilateral discussions on the issue in order to sensitise the strategic communities on both sides of the border.

			<p>The Ottawa Dialogue, one of the very few track-two initiatives on nuclear issues, held most recently in Copenhagen in December 2011, recommended that India and Pakistan sign a CBM to the effect that their land-based nuclear arsenals will remain “de-mated” and “de-alerted” in peacetime; initiate a high-level official dialogue on how new and emerging technologies such as future sea-based systems and nuclear-armed cruise missiles will impact strategic stability; and add cruise missiles to the Agreement on Pre-Notification of Flight Testing of Ballistic Missiles.</p> <p>The bilateral meeting also recommended that the existing hotlines and communication channels be hardened, manned 24x7 and supplemented with secure video links; a dedicated communications channel be established between the Indian National Security Advisor and the Pakistani equivalent and that each side establish a “strategic risk management unit”, which could serve some of the same communications functions as the Nuclear Risk Reduction Centres in other contexts.</p>
<p><b>Dealing with Pakistan's fears on water</b></p>	<p>INDO-PAK</p>	<p>INDIA AND THE WORLD</p>	<p>The major water-related concerns of thoughtful people in Pakistan are briefly elucidated below.</p> <p><b>Lower riparian anxiety</b></p> <p>The general lower-riparian anxiety <i>vis-à-vis</i> the upper riparian is accentuated in this case by the antagonistic political relationship between Pakistan and India. In the context of such a relationship, it is easy for the people to be persuaded that the upper riparian has malign intentions and might either stop the flows or store and release the waters in a flood to the detriment of the lower riparian.</p> <p>There is no need to discuss these fears further, as they were fully taken note of and covered by special provisions in the Indus Waters Treaty 1960 (IWT) to safeguard Pakistan against these dangers. If a ‘visceral lower riparian anxiety’ tends to persist despite the IWT, there can be no institutional answer to it.</p> <p>The only circumstance which will ensure a total absence of anxiety on Pakistan's part would be a total absence of Indian structures on the western rivers, but that is not what the IWT says. It permits Indian projects on the western rivers, but stipulates restrictions and conditions that safeguard Pakistan's interests.</p> <p>The best reassurance that Pakistan can have is full Indian compliance with those Treaty provisions, and this is zealously watched by the Indus Commissioner for Pakistan in the Permanent Indus Commission.</p> <p><b>Water scarcity and reduced flows</b></p>

There is, in Pakistan as in India, a growing perception of water scarcity and of a crisis looming on the horizon. Given the mutual hostility between the two countries, it is not surprising that there is a tendency in Pakistan to believe that the scarcity it is experiencing or fearing is partly attributable to upper riparian actions.

While popular perceptions in this regard may not be based on proper information and understanding, they seem to receive unwitting corroboration in reported findings by Pakistani scholars of a trend of reduction in the flows in the western rivers. A ready inference would be that there must be diversions in the upstream country. Denials by the upper riparian are apt to be received with scepticism.

The only answer to this is to institute a joint study by experts of both countries to determine whether in fact there is a trend of reduced flows in the western rivers and, if so, to identify the factors responsible.

#### **Baglihar arbitration**

Without going into the details of the points referred to by the Neutral Expert (NE) in the Baglihar case and his findings on them, we must take note of two of the NE's observations which have caused much anxiety in Pakistan.

The first was that the 1960 Treaty does not bind the project planners to the 1960 technology, and that the state-of-the-art technology can be used; and the second was that the proper maintenance of a reservoir required periodical flushing to get rid of silt, and that while the dead storage could not be used for operational purposes, it could be used for the purpose of maintenance.

The first observation seems self-evident; no one can seriously argue that a dam in 2007 should have been built to the 1960 technology. The second, however, worries Pakistan because the possibility of periodical flushing of the reservoir might hold the potential of compromising the protection given to Pakistan against flooding.

Pakistan has now included this point in its reference to the Court of Arbitration in the Kishenganga case. We shall have to await the decision of the Court.

#### **Initial filling at Baglihar**

Incidentally, the myth that there was a serious and deliberate violation of the Treaty by India during the initial filling of the Baglihar reservoir is now an established belief in Pakistan. This writer has dealt with this elsewhere and will not go into the details here.



Assuming that the flow at Merala during the filling period fell below the prescribed minimum level (this itself is debatable because there is no joint observation), the important point is that the lapse, if any, was a minor one and lasted only for a short period — less than a day — and could not possibly have caused serious damage.

Why was this minor matter blown up into a huge controversy by Pakistan? The answer is perhaps that Pakistan was deeply disappointed over the Baglihar arbitration and was ready to take advantage of an opportunity to put India on the mat for an alleged deviation from the Treaty. The Indus Commission has now closed this issue.

### **Is the Treaty being stretched?**

The Treaty prescribes stringent restrictions on the features and operations of Indian projects on the western rivers, but does not lay down any limits on the total number of projects that can be built, the height of the dams, the total power-generation capacity, etc. Pakistanis wonder whether the Treaty really intended to give India freedom to build any number of projects of any size whatsoever on the rivers allocated to Pakistan.

In Track II meetings, some Pakistani participants express their concern at the fact that the provisions evidently intended (as they see it) to grant minor concessions to India seem to be opening the doors to major control over the western rivers. They also worry about the cumulative impact of a large number of projects, each of which may be in compliance with the Treaty.

It is difficult to deal with such apprehensions. Once a Treaty comes into being after prolonged negotiations, one must thereafter go by what it says, and not import into it conditions and restrictions not explicitly stated.

However, the point about 'cumulative impact' needs to be considered. Such a question has been raised even in relation to rivers in India, and the cumulative impact of a large number of dams planned on the Ganga is currently under study.

Such a concern, expressed in relation to the Indus system, is equally worthy of attention. Here again, a joint study by experts of both countries seems desirable.

### **Flows in the eastern rivers**

One new question that is now being raised in Track II talks is that of a certain reasonable flow being maintained in the eastern rivers. The eastern rivers are allocated exclusively to India, and the Treaty does not say anything about flows to Pakistan, but (in the opinion of Pakistani participants in Track II talks) it does not follow that India is at liberty to dry up those rivers altogether and

			<p>send no flows at all or drastically reduced flows to Pakistan.</p> <p>They argue that if current thinking can be invoked for the design of spillway gates (as the NE argued in the Baglihar case), then current thinking on 'minimum flows' or 'ecological flows' must also be heeded. This may not be a Treaty requirement, but to this writer it seems a point that needs consideration.</p> <p><b>Ideas of cooperation</b></p> <p>Pleas are also made for holistic, integrated management of the entire system, joint watershed management, etc. These are unexceptionable ideas, but it was because this kind of approach was not found possible that the system was partitioned into two in 1960. Even today, it cannot be said that the relationship between the two countries has dramatically and durably changed for the better. For the present, what one can ask for is the operation of the existing Treaty in a constructive, cooperative spirit.</p> <p><b>Climate change</b></p> <p>However, climate change and its impact on water are matters of vital concern, and the two countries must begin immediately to work together on these. There is already a measure of cooperation between them in the international negotiations, but this must go beyond the limited issue of emission reductions. This cannot be brought within the ambit of the Treaty but must be a separate exercise. In fact, this must involve other South Asian countries as well.</p>
<p><b>Delhi, we have a problem + (Watch this space)- Antrix-Devas Issue</b></p>	<p><b>Antrix-Devas Issue</b></p>	<p>NATIONAL</p>	<p>The Antrix-Devas agreement was signed on January 28, 2005 between Antrix Corporation Ltd., the marketing wing of the Indian Space Research Organisation (ISRO), and Devas Multimedia Pvt. Ltd. based in Bangalore.</p> <p>The agreement laid down that Antrix would provide satellite capacity to enable Devas to launch 'satellite digital multimedia broadcast' (S-DMB) services that would be delivered to fixed, portable and mobile receivers, including mobile phones and vehicle-borne devices.</p> <p>As a result of this deal, ISRO was committed to build, launch and operate two custom-built communication satellites, which came to be called GSAT-6 (also known as Insat 4E) and GSAT-6A. The agreement specified that 90 per cent of the capacity on these two satellites would be leased to Devas "on a 24-hour, seven-day-per-week basis" for 12 years, with a provision to extend the lease by another 12 years.</p> <p>These were not ordinary communication satellites of the sort that ISRO had built and launched before. They involved high-powered spot beams in the S-band requiring a large 6.5 metre antenna (that could be unfurled in space) that was specially</p>

developed for these satellites and which ISRO has never flown before.

### **Satellite issues**

ISRO communication satellites have had their share of problems that led to partial and, in the case of the Insat 2D launched in 1997, total loss of onboard capacity. As recently as July 2010, a problem with the Insat-4B's power supply system led to half its communications capacity being shut down.

With what are essentially developmental satellites like the GSAT-6 and the GSAT-6A that have not been flown before, the risk of problems arising are greater. Such concerns are particularly high in the case of the large antenna that could be unfurled in space. If it failed to open out properly, the entire satellite would be rendered useless. In addition, the Geosynchronous Satellite Launch Vehicle (GSLV), on which the satellites were to be launched, has also not settled down to provide reliable service.

Yet, the Devas contract has stringent penalty clauses for when the satellites must become operational, the quality of service to be provided and tough norms for declaring "a Total Satellite Failure." In the latter event, a replacement satellite has to be provided within a specified time span at no extra cost to Devas.

Experience elsewhere in the world indicates that mobile satellite services in the S- and L-band frequencies have often proved financially unviable. Regulatory authorities in the U.S. and elsewhere are therefore permitting some part of the satellite frequencies to be used for lucrative terrestrial communications.

If regulatory authorities in India were to permit similar flexibility, the S-band frequencies that the deal had allotted to Devas would have become a highly valuable resource.

In fact, a note prepared for the Cabinet Committee on Security in February 2011 by the Department of Space, the parent body of ISRO and Antrix, pointed out that the company had plans to get into terrestrial broadband services.

Such a dispensation "might not ensure a level playing field for the other service providers using terrestrial spectrum, especially considering the significant demand for S-band spectrum," it noted.

### **CAG estimate**

A preliminary estimate prepared by the Comptroller and Auditor General last year had suggested that the spectrum allotted to Devas could have been worth as much as Rs.2 lakh crore. According to ISRO, the amount payable by Devas over a 12-year period

was just \$300 million (about Rs.1,500 crore at the current exchange rate).

While Rs.766 crore of public money would be spent on building and launching the two satellites, Antrix's revenues from Devas would come to only Rs.1,350 crore over a 12-year period. The note to the Cabinet Committee on Security admitted that this would have not been sufficient compensation for all the costs incurred by ISRO.

There is also the question of how this particular company was chosen for the deal. The line taken by ISRO has been this was the only company that came forward with a viable plan for the sort of satellite-based multimedia applications that were envisaged. However, no open competitive process seems to have been even attempted in making such a choice.

After the Space Commission gave its clearance, the Union Cabinet approved the building of GSAT-6 in December 2005. Four years later, the Space Commission, under its delegated powers, gave the go-ahead for the follow-on GSAT-6A. The proposals from the Department of Space seeking approval for the GSAT-6 and GSAT-6A "did not make any reference to their utilisation for the Antrix-Devas agreement," according to the background note issued by ISRO last February. Only at its July 2010 meeting, when it recommended annulling the contract, was the Space Commission "apprised on this contractual agreement for the first time."

The annual reports of the Department of Space are silent about the satellite capacity that had been allotted to Devas. However, doubts over the deal began to surface and, in December 2009, after K. Radhakrishnan took over the Department of Space, the parent body for both ISRO and Antrix, an internal committee was set up to review the deal under B.N. Suresh.

The government constituted a high-powered committee made up of B.K. Chaturvedi and Roddam Narasimha to "review the technical, commercial, procedural and financial aspects" of the agreement. This committee submitted its report to the Prime Minister in March 2011.

In May, a five-member high-level team headed by a former Central Vigilance Commissioner, Pratyush Sinha, was set up to examine the deal and identify acts of omission and commission by government officials. It was, the government said, after carefully considering the reports of the Chaturvedi-Narasimha committee and the high-level team that action was ordered. Four former officials, including G. Madhavan Nair who was ISRO chairman when the deal was signed, were barred from holding any government position.

But this action begs many questions. Is it the government's considered view that these four officials were solely responsible for the deal? What about the Space Commission, which has a key oversight role over the space programme? Were the members of the Commission as blissfully unaware of the deal as is made out? The Antrix-Devas deal has raised fundamental questions about decision-making and oversight processes in the space programme. The government must come clean on what actually transpired

			<p>by placing in the public domain the reports prepared by Dr. Suresh, the Chaturvedi-Narasimha committee and the high-level team.</p> <p>While individual accountability can and should be fixed, it is obvious that there was a system-wide malfunction. The question is how many individuals up and down the government and Space hierarchy knew what was happening but chose not to intervene.</p>
<b>The state of our museum</b>	MUSEUMS	HERITAGE	<p>The International Council of Museums, an organisation of museums and museum professionals from 137 countries, has cautioned that the current year would be critical, with no sign of improvement in the global economic situation. More than ever, museums have to urgently innovate ways of remaining relevant to society.</p> <p>This advice and urging, for an entirely different set of reasons, applies unequivocally to India's museums, particularly the government-administered ones. Of the nearly 1,000 museums in the country, over 90 per cent are state-run.</p> <p>The visitor experience they offer is far from enriching and museum practices they adopt are way below global standards.</p> <p>What is of serious concern is the pathetic state of the National Museum, the premier institution in the country. The Parliamentary Standing Committee on Transport, Tourism and Culture, which looked at its functioning last year, found about a quarter of the galleries closed for more than three years, signage and labels of artefacts poorly designed, hardly 7.5 per cent of its two lakh collections exhibited, and the art acquisition committee defunct for the past 16 years.</p> <p>Complacency has cost Indian museums the funds they badly need. For example, even the measly Rs. 72.36 crore the Central government allotted in 2009-10, was not fully utilised. This led the parliamentary committee to conclude that "allocation to the museums is enough." So where, then, does the solution lie?</p> <p>The first step towards a turnaround is to improve the 'quality, range and relevance' of the exhibits. Simultaneously, programmes to involve and engage people have to be put in place. The recommendations by the B.N. Goswamy Committee (2010) on improving museum infrastructure and administration ought to be implemented without delay. Museums across the world are looking at imaginative ways such as virtual displays to make their collections 'more publicly available' and 'show a wider volume of material'. Indian museums will do well to adopt these innovations.</p> <p>The Ministry of Culture has tied up with the British Museum for a modest training programme. This is commendable, but given the urgency, capacity-building should be radically stepped up and India's flagship museums placed in the hands of trained professionals selected from among the best in the world rather than babus and bureaucrats.</p>