

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. On judges and bureaucrats joining politics (*thehindu.com*) March 13, 2024

What are the restrictions on judges and senior government officials with respect to their employment when it comes to other posts within the government or in the private sphere? Can a former judge join a political party and contest elections?

The story so far: Recently a Calcutta High Court judge and a senior IPS officer in West Bengal resigned from their posts and joined political parties. This has once again raised questions of propriety about independent constitutional authorities and other senior government officials joining political parties after demitting office.

What are constitutional restrictions?

The Constitution works on the principle of checks and balance between various organs. The executive is accountable to the legislature. An independent judiciary keeps a check on both these branches of the State. There are also other independent bodies like the Election Commission, Public Service Commission, Comptroller and Auditor General (CAG) who are required to perform their constitutional duties without any interference from the government. The independence of these institutions is ensured through guaranteeing fixed tenure, financial independence, stringent removal procedure and restrictions after demitting office. A judge of a Supreme Court after ceasing to hold office cannot appear as a lawyer before any court or authority in India. A judge of a High Court has similar restrictions except for appearance before the Supreme Court or other High Courts. The CAG and the chairman/members of the Public Service Commission cannot take up any other employment with Central or State governments after demitting office. These restrictions are laid down to avoid favouritism, during the period of holding such positions, towards the government in power with an intent of securing any post-retirement benefit.

What about political posts?

There are no restrictions when it comes to joining political parties, contesting elections or being nominated to certain posts. There are notable instances of persons who held independent constitutional posts and later went on to join politics or were nominated to various posts. There have been two Supreme Court judges in 1967 and 1983, who resigned from their posts to contest the presidential and parliamentary elections from Assam, respectively. Another Supreme Court judge joined a political party in Tamil Nadu and contested elections five years after his retirement in 1999. A former Chief Election Commissioner became a Rajya Sabha member and Minister in 2004, three years after his retirement. Recently, a retired Chief Justice of India was nominated to the Rajya Sabha in 2020 within four months of his retirement. There have also been occasions where retired CAG and judges have been appointed as Governors of States. Numerous bureaucrats have also joined political parties and contested elections after resigning from service or soon after their retirement.

What are the recommendations?

The Election Commission had in 2012 recommended to the Union government to provide for a cooling-off period for top bureaucrats after their retirement before they

could join political parties and contest elections. However, the Government had rejected this recommendation based on the opinion of the Attorney General that this may not be in line with constitutional provisions and democratic values. The Supreme Court had dismissed a writ petition in May 2022 that sought a direction from the top court to the legislature to frame a law imposing a cooling-off period for retired bureaucrats before joining politics. The court observed that it is for the legislature to determine whether a cooling-off period is required for bureaucrats before they join politics after retirement.

Is a cooling-off period desirable?

One of the essential features of a democracy is every citizen's right to contest elections. The Attorney General while providing his opinion against the 2012 recommendation of Election Commission had said that maintenance of independence and neutrality will be relevant during the period a person is in service. There are rules at present which restrict a senior bureaucrat from joining a private job for at least one year after he or she retires from government service. The Attorney General had opined that such restriction for commercial employment is based on intelligible differentia to avoid conflicts of interest. However, such a restriction against officials contesting polls may not be a valid classification and would not be in harmony with democratic principles in the Constitution.

While the opinion of Attorney General is based on sound legal principle, it is equally imperative to remember the famous judicial quote that 'justice should not only be done but should also be seen to be done'. This applies equally to judges, independent constitutional authorities and senior bureaucrats. It is an indispensable trait while discharging their official functions. Extending this principle even after they demit office will have a salutary effect. This may be achieved by prescribing a cooling-off period of say at least two years for joining political parties or being nominated to political posts by the government. This will instil confidence in the public at large and negate any allegation of quid pro quo. <https://www.thehindu.com/news/national/on-judges-and-bureaucrats-joining-politics-explained/article67948185.ece>

2. A highway of hope in Arunachal Pradesh (*sentinelassam.com*) 13 March 2024

The Central Government's allocation of Rs. 6621 for the construction of the proposed Frontier Highway in Arunachal Pradesh is a strong reply to China's unwarranted objection to Prime Minister Narendra Modi's visit to the border state.

The Central Government's allocation of Rs. 6621 for the construction of the proposed Frontier Highway in Arunachal Pradesh is a strong reply to China's unwarranted objection to Prime Minister Narendra Modi's visit to the border state. India prioritising connectivity in Arunachal Pradesh to push development in far-flung areas is also critical to reversing the migration of people to sparsely populated international borders. Poor connectivity, leading to underdevelopment in these areas, triggered the outmigration of people in search of greener pastures, leaving some of these areas without a significant civilian population. Such populations usually play a crucial role as the eyes and ears of the Indian armed forces. The expedited completion of the greenfield highway project will provide Indian Armed Forces with quicker mobility to border areas, which is vital for securing the frontier from external threats. The 1800-km-long highway will connect Bomdila town in the west to Vijaynagar in the east on the tri-juncture of India, China,

and Myanmar and facilitate smoother movement of Indian troops all along the strategic frontier. The push for the Frontier Highway comes close on the heels of Prime Minister Modi virtually dedicating to the nation the Sela Tunnel project during the Viksit Bharat Viksit North East programme in Itanagar on Saturday. The tunnel constructed by the Border Roads Organisation at an altitude of 13,000 feet on the road connecting Tezpur, Assam, to Tawang in the West Kameng district of Arunachal Pradesh provides all-weather connectivity to Tawang. The tunnel built at a total cost of Rs 825 crore will also facilitate smooth and faster troop movement to forward areas close to the Line of Actual Control along the India-China border across the Sela Pass on the Balipara-Chariduar-Tawang Road. With the work on the 2400-km Trans-Arunachal Highway nearing completion sometime this year, the frontier state is poised for rapid progress. These connectivity projects, gradually erasing the image of the backwardness of the state with that of a state well-connected to the country's road, rail, and air networks, have upset China, which explains its objection to Prime Minister Modi's visit. India's External Affairs Ministry, in a statement, while rejecting China's objection, has conveyed a strong message to the neighbouring country: "Objecting to such visits or India's developmental projects does not stand to reason. Further, it will not change the reality that the State of Arunachal Pradesh was, is, and will always be an integral and inalienable part of India." Arunachal Pradesh is known to be nature's paradise, which is why its tourism destinations are always on the wish lists of domestic and foreign tourists. Improved connectivity will boost tourism in the state and generate huge livelihood avenues along the tourism value chain. The central and state governments, as well as stakeholders in the tourism industry, must take care that tourism products are sustainable and nature-friendly. The construction of highways and hydropower projects in the state has led to the diversion of vast stretches of forest. Compensatory afforestation getting equal priority is critical to fine-balancing development, strategic importance, and nature conservation to mitigate the impact of climate change. The generation of livelihood opportunities will motivate the people living along the international border to stay in their villages and those who migrated to return to seize these opportunities for economic prosperity at their doorsteps. The Vibrant Village Programme (VVP), a centrally sponsored scheme for the development of 46 villages in 46 border blocks in 19 districts of Arunachal Pradesh, Sikkim, Uttarakhand, Himachal Pradesh, and the Union Territory of Ladakh, includes 455 villages in Arunachal Pradesh. Of these 455 villages, 135 are unconnected. Detailed project reports for 105 road projects to connect 125 of these unconnected villages have already been prepared, and the expeditious completion of the construction of these roads will accelerate comprehensive development in these remote villages along the border. Lessons must be learned from poor implementation of the Border Area Development Programme in the state, and monitoring and periodic review must be undertaken to ensure that VVP projects are not affected by cost and time overruns.

The Comptroller and Auditor General had detected gross anomalies in BDAP project implementation in the state. The BADP was initiated on the Western frontier during the Seventh five-year Plan (1985–1990) period and was extended to Arunachal Pradesh and 16 other border states only during the Ninth Plan (1997–2002). This speaks volumes about the negligence of comprehensive development along the strategic frontier state by previous governments, which also created connectivity hurdles in the faster mobility of Indian Army troops to border areas along the LAC while China aggressively built their infrastructure on the other side. The approach of the incumbent central government to combine strategic interests with the comprehensive development

of border villages in Arunachal Pradesh has brought rich dividends to the people of the state. In the backdrop of the fast-changing development ecosystem in the state, the Frontier Highway has become a highway of hope for people living in remote and unconnected border villages along the LAC. <https://www.sentinelassam.com/more-news/editorial/a-highway-of-hope-in-arunachal-pradesh>

SELECTED NEWS ITEMS/ARTICLES FOR READING

3. Govt signs contract worth Rs 8,073 crore with HAL to buy 34 helicopters (*business-standard.com*) Mar 14 2024

The Indian Army is also raising its new ALH Dhruv attack helicopter squadron in Jodhpur on March 15, which will significantly enhance its combat capabilities in the Western desert sector

In what is being seen as a major capability boost for the Indian Army, the Army Aviation Core on Wednesday signed a contract for 25 new ALH helicopters.

The Indian Army is also raising its new ALH Dhruv attack helicopter squadron in Jodhpur on March 15, which will significantly enhance its combat capabilities in the Western desert sector.

"The Defence Ministry today signed a contract with Hindustan Aeronautics Limited for acquiring 25 new ALH Dhruv helicopters for the Indian Army. The ALH Dhruv Mk III UT (Utility) is designed for Search & Rescue, Troop Transportation, Internal Cargo, Recce/ Casualty Evacuation etc. It has proved its performance in high-altitude regions like Siachen Glacier and Ladakh," the officials of the Defense Ministry said.

The Ministry signed two contracts for a combined value of Rs 8,073.17 crore for the acquisition of 34 Advanced Light Helicopters (ALH) Dhruv Mk III for the Indian Army (25 ALHs) and Indian Coast Guard (09 ALHs) marking a significant move towards indigenization in defence manufacturing.

The Indian Army's Army Aviation Corps raised its first squadron of Apache attack helicopters in Jodhpur on March 15. The first choppers of the unit are expected to arrive in May this year from the US: Indian Army Officials

The Indian Army has signed a contract to acquire six Apache helicopters from the US. The Indian Air Force has already acquired 22 of these American attack helicopters, which have taken part in conflicts in the northern sector in recent times. https://www.business-standard.com/external-affairs-defence-security/news/govt-signs-contract-worth-rs-8-073-crore-with-hal-to-buy-34-helicopters-124031301080_1.html

4. Infantry combat vehicle upgrades: Govt inks deal with AVNL (*economictimes.indiatimes.com*) March 13, 2024

New Delhi, The Ministry of Defence on Wednesday signed a contract with Armoured Vehicles Nigam Limited (AVNL) for procurement of 693 armament upgrades of

infantry combat vehicle BMP2, according to an official statement "This upgrade includes night enablement, gunner main sight, commander panoramic sight and fire control system (FCS) with automatic target tracker under Buy (IndianIndigenously Designed Developed and Manufactured) Category," the statement said.

The AVNL has developed an "indigenised solution for providing existing BMP 2/2K with night fighting capabilities and FCS based on the integration of Defence Research and Development Organisation (DRDO) and Bharat Electronics Limited (BEL), Chennai-developed sight and FCS," it said.

The ministry signed the contract with AVNL "for the procurement of 693 Armament Upgrades of Infantry Combat Vehicle BMP2 to BMP2M".

The AVNL will produce the "armament upgrades with equipment and subsystems sourced from indigenous manufacturers", the ministry said.

This will further strengthen the indigenous defence manufacturing ecosystem and accrue the benefits of the increasing self-reliance in this field, it said. <https://economictimes.indiatimes.com/news/defence/infantry-combat-vehicle-upgrades-govt-inks-deal-with-avn/articleshow/108471629.cms?from=mdr>

5. Subsidy reforms on track (*financialexpress.com*) March 14, 2024

While issue prices of subsidised grains, soil nutrients aren't rising, tech-enabled moves are afoot to contain govt spending

While both the fertiliser and food subsidies continue to be open-ended, with potentially spiralling fiscal costs, a series of administrative and technology-enabled improvements in the two distribution chains, coupled with new products like nano urea, holds up the promise of considerable savings to the exchequer. These reforms would also produce better nutritional outcomes, besides having a salutary bearing on the environment. Consumption of urea this fiscal is likely to be 8% less than in FY23 due to the use of liquid nano variant, fertiliser minister Mansukh Mandaviya said recently. Because of this and higher domestic production, import of urea, the soil nutrient that accounts for 70% of the fertiliser subsidy bill, declined more than a fifth on year in 2023. Further spread of nano urea consumption and the start of a new large urea plant (Talcher) by September would lead to elimination of imports in two-three years. Of course, natural gas, the expensive feedstock, would still need to be imported in large quantities as LNG, as domestic production of the hydrocarbon isn't growing fast enough.

Imports of two other fertilisers—DAP and MoP—would also continue unabated, due to the lack of domestic raw material deposits, and are a cause of worry. The government couldn't implement the "fixed-rate-subsidy" policy with regard to phosphorus and potassium fertilisers announced in 2010, due to elevated global prices. Instead, it increased the subsidy on them significantly. Yet, the nutrient-based subsidy scheme that aims at the right NPK mix, and the focus on micro farm nutrients have been a boon for Indian farms. The reforms in the functioning of the Public Distribution System (PDS) are equally encouraging.

More than 95% of the foodgrains are now being distributed using electronic Point of Sale (ePoS) devices at the fair price shops, allowing biometric Aadhar authentication of the beneficiaries. Use of advanced data analytics is helping to gather information about the beneficiaries' actual food-security needs and migration patterns. Simultaneously, the one-nation-one-ration-card scheme has made much headway. These reforms are the logical extension of the now-complete end-to-end computerisation of PDS operations, and the Integrated Management of PDS (IM-PDS) scheme. The Scheme for Modernisation and Reforms through Technology in Public Distribution System (SMART-PDS) launched last year will help prevent leakage of grains and enhance efficiency of the distribution chain.

These apart, Prime Minister Narendra Modi recently launched a five year, `1.25 trillion project to create modern grain storage facilities in the cooperative sector. The idea is to seamlessly integrate primary agricultural credit societies' godowns with the food grain supply chain, and enable savings at each stage, including via reduced transportation costs. While India is still keeping grain stocks much higher than the (already-high) buffer norms, and there is political pressure to reinforce MSP procurement, these policy steps would help in curbing the subsidy outgoes. The importance of these reforms as an expenditure rationalisation tool has risen, with Modi's decision to distribute the National Food Security Act (NFSA) grains to 810 million people over the next five years, free of cost. This announcement and a similar policy of keeping MRPs of subsidised fertilisers almost constant for years on, makes it more difficult to bridge the yawning gap between the economic cost of the grains/fertilisers and the "issue prices." A steeper reduction in subsidy spending growth would require a rational review of the beneficiary pool. Information gathered via technology-enabled systems should be put to good use for this. <https://www.financialexpress.com/opinion/subsidy-reforms-on-track/3424542/>

6. India's New Grain Storage Plan: A Step Closer towards a Stronger Post-Harvest Infrastructure (*timesofindia.indiatimes.com*) March 14, 2024

A loss in the farm-to-plate journey negatively impacts farmer incomes by precluding price discovery. Further, post-harvest loss in India has laid bare the weak post-harvest chain. In this light, Prime Minister Modi's recent announcement of the world's largest grain storage plan in the cooperative sector is potentially a game-changer, with positive ramifications for the domestic economy at large. Nevertheless, like all schemes, implementation will be crucial, especially in overcoming the existing challenges in the sector. Overall, it brings into focus the silent theft of post-harvest production in Indian agriculture with hopes of eliminating it one day.

While post-harvest loss rates differ across reports, they remain significant enough to be overlooked. As late as 1999, the World Bank found that India's post-harvest losses could feed one-third of the country's poor for almost a year. Gradually, progress was reported, especially in cereals or food grains. A 2015 government report found that the post-harvest loss in cereals was 4.65% – 5.99%, roughly translating to a loss of over Rs. 20,000 crores. Similarly, a study by the National Bank For Agriculture And Rural Development (NABARD) in 2022 discovered a loss of 3.89% – 5.92% in cereals. However, the reduced figures may not call for celebration. The 1% reduction in post-harvest losses for foodgrains needs to be juxtaposed with an increase of over 20% in

annual foodgrain production over the same period. Moreover, as the Dalwai Committee (2017) observed, the actual post-harvest losses are likely to be much higher due to gaps in data and research. In fact, the Committee estimated overall losses in cereals could be as high as 44.6%. The figures for other agricultural outputs, especially perishables, remain much higher.

The losses are a result of deficiencies in the national post-harvest infrastructure. The country's storage capacity is considerably low. In 2020-21, when India produced about 305 million MT of food grains, the storage capacity was only half of it at 166 million MT. Other parts of the infrastructure are also pitiable. In 2015, NABARD and the National Centre for Cold-chain Development (NCCD) found gaps in agricultural cold storage infrastructure ranging from 10% for cold storage to 99.6% for pack houses. Already facing several vulnerabilities, these losses are often devastating for food producers.

In this context, the government's announcement has useful potential implications. Perhaps the most touted of them involves agricultural output values. With the warehouse enabling delayed sales of farm produce, farmers can use intertemporal price differences favorably. Consequently, it reduces price variability substantially in the economy. Interestingly, the availability of warehouses is also linked to a lower price spread between retail and wholesale prices, creating positive effects for both consumers and producers (Naik et al., 2022).

Further, with India's demand for cereals plateauing over the years, a reduction in post-harvest leakages can reduce the pressure to enhance cereal production. As a result, in the face of policy efforts to increase the yield of cereals, more productive land can be rendered available while keeping current production levels constant. This might enable farmers to explore high-value alternatives like poultry, and fruits & vegetables. Furthermore, in the backdrop of the surge in the adoption of warehouse receipt financing, enhanced availability and access to scientific storage of produce could prove pivotal in mainstreaming institutional credit in Indian agriculture.

The proposed scheme's focus on cooperatives is notable. Since a staggering 90% of Indian farmers are 'small and marginal', many Indian farmers find the existing post-harvest infrastructure inaccessible. Foodgrains require longer storage durations and thus, the large deficit in the number of warehouses, contributes greatly to this inaccessibility. Also, accessing the existing warehouses entails high transportation costs, discouraging small farmers. Often, challenges in essential services like roadway connectivity also put the existing post-harvest infrastructure out of the reach of many farmers. A lack of adequate private investment has also contributed to this condition. Therefore, driven by the producers themselves, cooperatives appear as an effective means to serve farmers.

However, there are deep-seated concomitant challenges that must be concurrently addressed for cutting post-harvest losses at large. The operational inefficiencies and external influences in the functioning of cooperatives are well-known and raise several concerns. Moreover, tackling the structural challenges of post-harvest infrastructure being highly unorganized, fragmented, and inefficient would need an array of comprehensive interventions coupled with considerable perseverance. Similarly, the positive spillover effects of expanding institutional credit are contingent on the ability

of the government to create enabling conditions to accommodate all stakeholders. For instance, despite the proactiveness of the Warehousing Development & Regulatory Authority (WDRA), much more is needed to build awareness and acceptability for eNWRs amongst financiers for better post-harvest lending performance.

Nonetheless, it is heartening to see the adoption of a mindset for structural reforms in a sector where managing supply and demand side stakeholders remains extremely sensitive. The current announcement reinforces the outlook of farmer-centric agriculture.

Moreover, it is useful to remind ourselves that the impact of lack of post-harvest storage is not limited to production on land. Official sources estimate that similar losses in fish production could be as high as 30%. Therefore, it is hoped that other segments of the post-harvest value chain will receive similar policy attention in a manner that brings converges different policies at both, the planning and implementation levels. <https://timesofindia.indiatimes.com/blogs/voices/indias-new-grain-storage-plan-a-step-closer-towards-a-stronger-post-harvest-infrastructure/>

7. Fitch raises India's FY25 GDP forecast to 7%, cites strong expansion (*indiatoday.in*) UPDATED: Mar 14, 2024

Rating agency Fitch has raised India's growth forecast for this and next financial year because of strong demand within the country and steady growth in confidence levels among businesses and consumers.

It expects India's economy to grow by 7 per cent in the financial year starting in April, which is 0.5 per cent higher than what they predicted in December.

Fitch's upgrade comes after the economy expanded by 8.4 per cent in Q3FY24, the fastest in 18 months, mainly due to strong manufacturing and construction activities.

The rating agency suggested that after three quarters of over 8 per cent growth, the momentum might slow down a bit in the final quarter of this fiscal year, estimating growth to be around 7.8 per cent for the whole year.

"With GDP growth having exceeded 8% for three consecutive quarters, we expect an easing in growth momentum in the final quarter of the current fiscal year, implying an estimate of 7.8 per cent for growth in FY23/24," Fitch said.

Its forecast for the current fiscal year is higher than the government's estimate of 7.6 per cent, and it's one of the most optimistic predictions so far.

However, the Reserve Bank of India Governor Shaktikanta Das recently hinted that growth could be close to 8 per cent.

Fitch believes that domestic demand, particularly investments, will be the "main driver of growth", supported by high levels of confidence among businesses and consumers.

It predicts that growth will be higher than normal in the short term but will slow down towards a more sustainable pace in the fiscal year starting April 2025.

Regarding inflation, Fitch expects it to gradually decrease to 4 per cent by the end of this year, assuming that recent fluctuations in food prices will settle down.

Fitch now suggests that the Reserve Bank of India will only cut interest rates in the second half of the year, reducing their estimate to 0.5 per cent, down from 0.75 per cent previously, because of the stronger growth outlook.

The RBI has kept the repo rate unchanged at 6.50 per cent for the past six meetings and has reiterated its commitment to achieving a sustainable 4 per cent inflation target. <https://www.indiatoday.in/business/story/fitch-india-gdp-economy-projection-upgrade-strong-growth-2514605-2024-03-14>

8. Centre can limit but not oust states' power to tax minerals, opines SC (*timesofindia.indiatimes.com*) March 14, 2024

New Delhi: SC Wednesday appeared firm in its view that though the Centre cannot completely take away states' taxation powers through a Parliament-enacted law, it can impose limits on the extent of taxation.

Reputed lawyers and constitutional experts, including Harish Salve, A M Singhvi, attorney general R Venkataramani, solicitor general Tushar Mehta, Arvind Datar, Darius Khambata, A K Ganguly, S K Bagaria, and additional solicitor general Aishwarya Bhati, attempted to weave a constitutional fiction that Mines and Mineral (Development and Regulation) Act occupies the field, ousting states' power to impose tax on matters related to major minerals, as well as mineral-bearing lands.

But a bench of CJI D Y Chandrachud, and Justices Hrishikesh Roy, A S Oka, B V Nagarathna, J B Pardiwala, Manoj Misra, Ujjal Bhuyan, Satish C Sharma and Augustine G Masih remained firm on the literal interpretation of Entry 50 of State List, which provides "taxes on mineral rights subject to any limitations imposed by Parliament by law relating to mineral development".

Speaking for the bench, CJI Chandrachud said, "Power to limit state's power to levy tax on minerals does not transfer power to tax minerals to the Centre. We can't restrict neither the powers of Parliament nor that of state legislatures."

The arguments will conclude on Thursday with senior advocate Rakesh Dwivedi's rejoinder on behalf of states. <https://timesofindia.indiatimes.com/city/delhi/centre-can-limit-but-not-oust-states-power-to-tax-minerals/articleshow/108475171.cms>

9. How MGNREGS Continues To Falter In Bihar (*indiaspend.com*) 14 March 2024

Ahead of the general elections, we looked at the implementation of the national rural jobs programme in Bihar and found allegations of corruption, unfavourable working conditions, low availability of work, delayed payments

In December 2023, almost 800 people--of whom 700 were women--participated in a strike of workers under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the Patepur block of Bihar's Vaishali district.

The Narega Sangarsh Morcha, a nationwide forum for workers, listed the issues in a social media post, with the major issue being the alleged fraud within the MGNREGS scheme in Bihar. The scam involves adding labourers' names to the muster rolls without their knowledge and falsely marking their attendance on the National Mobile Monitoring System (NMMS) app, which records the daily attendance of workers on the site. Payments meant for these labourers were redirected to corrupt officials, including those at various levels of government from blocks to districts, the Jan Vikas Shakti Sangathan (JVSS) alleged. JVSS is an organisation for labourer-farmers, and for the exploited and deprived, and it fights for them primarily by creating awareness of their rights including rations, pensions, education, land issues, health, etc.

The Patepur strikers demanded action against corrupt officials, an investigation into and cessation of these scams. Further, they demanded an investigation into corruption in the MGNREGS, resolution of delayed wage payment, redressal of unavailability of work, and the resolving of issues concerning job cards, bureaucratic hurdles by block officers etc. The protests lasted five days and ended on December 8, when they were assured that the demands would be looked into, JVSS activist Ranjan Kumar told IndiaSpend.

Earlier in November 2023, representatives from 18 states including Bihar and more than 40 labour unions/organisations and activists working for improved MGNREGS implementation took part in the National Convention of Nrega Sangharsh Morcha. They voiced their concerns about delayed payments; over the fact that MGNREGS earnings were less than the minimum wages set by the state; budget cuts; deletion of job cards and the weaponisation of technology interventions to deter workers.

Since the 1980s, the Indian government has introduced various public works-based employment programmes to address the challenges faced by the rural poor, mostly agricultural labourers who rely on daily labour wages. However, the programmes did not adequately meet the demands of rural employment. To tackle this issue, the United Progressive Alliance government introduced the MGNREGS in 2006. The programme is variously referred to as MGNREGA (the 'A' standing for the Act passed to codify the programme), MNREGA and NREGA.

The initiative aimed to provide at least 100 days of guaranteed-wage employment to every rural household willing to engage in unskilled manual work during each financial year. The MGNREGS differs from earlier wage employment programmes as it involves a rights-based approach, where the government is obligated to provide work within 15 days of the request. Failure to do so entitles workers to unemployment allowance.

Further, employment opportunities should ideally be available within a distance of 5 km from the job-seeker's village. If work is offered beyond this limit, an additional payment of 10% is required to cover the cost of transportation and accommodation. Availability of shade, adequate drinking water, and first aid are musts at every work site.

This law is especially significant for female workers because it reserves a minimum of one-third of the total workdays for them; it provides opportunities for unskilled manual labour; it requires that work be done locally; and it stipulates that in the event there are more than five children under the age of six at a given worksite, on-site child care must be provided.

The programme officer must be notified by the gram panchayat prior to beginning any work under the MGNREGA system. The officer then issues the necessary muster rolls; each roll requires a unique identity number and must be certified to all executing agencies, gram panchayats, and the programme officer.

The job card number, name, and number of days worked are listed on the muster roll. Together with each worker's signature or thumb impression, the attendance of the workers and the pay received will be displayed against their names. If a worker's name appears in the muster roll, he or she should be able to access that information in order to know the worksite details, nature of work, and number of allotted days.

Too many people, too little work

Thirty-nine-year-old Shiv Kumari, a member of the Manjhi community, is a resident of Nilo Rukunpur panchayat in Vaishali district and was an active participant in the Patepur strike. The Manjhi community were traditionally engaged in boating and fishing. Very few Manjhi own their own land; thus, most of them work as labourers on others' property. In 2023, Kumari got a total of 15 days of work, and she is yet to receive pay for 10 days. Her husband is a migrant worker living in Kolkata. "The 10 days of work that I got is economically valuable to us," Kumari said. "We have six kathas (one acre equals 32 kathas) of land, and I have two children aged 15 and 18. The land is too little to provide for our needs. There is no other work except MNREGA work that is available to me." If she would have secured the promised 100 days' work, her household situation would have been better.

Pramila Devi, aged 43, was also among those who protested at Patepur. She complained of getting only 20 days of work. "I have received payment for only 11 days of work," she said. "Once, my name was there in the issued muster roll but I was informed about work only four days later." Pramila Devi too belongs to the Manjhi community, and her family owns no land. Due to lack of money, her children could not continue their education. Her sons, aged 17 and 21, work as migrant labourers in the brick kilns of Gujarat, and her husband is an intra-state migrant working as a labourer at construction sites. Both women said they became aware of their rights under MGNREGA only after joining the JVSS.

The need for such an organisation becomes apparent since many women MGNREGA workers are unaware of their rights, as neither the village mukhiya nor block officers deliver the essential information. The status of the wage seekers as the primary stakeholders of the Act and the rights of the wage seeker like provision of crèche, drinking water, first aid facilities on worksites are facilities unknown to them. Ranjan Kumar of JVSS says, "We work with the women and educate them about the scheme."

In 2023-24, 517 families from Vaishali district completed 100 days of work. This is about 0.3% of over 176,000 families that demanded work. Across Bihar, this number was 23,074 families or 0.4% of the 5.35 million households which demanded work, and 0.5% of the 4.6 million households that availed work.

The approved labour budget for the scheme in Bihar for the financial year was 225 million person-days, which is 25 million less than the previous year. Of this, by March 13, only 89.6% or 201.5 million person-days of work were completed. The average

days of employment provided per household fell from 47.16 to 43.85. Women accounted for 54.29% of person days in 2023-24, down from 56.39% the previous year.

Sinki Devi and her two sisters-in-law, who belong to the Koeri community, residing in Chhoti Dhankar village of Sabour block in Bhagalpur district, possess labour cards. They do not own any land, leaving them to rely on their husbands' earnings. "Our husbands work as masons," Devi said. "We wish to work and contribute to the family, but nobody has ever offered us any work through MGNREGA, and we lack knowledge about it." Though they are job card holders, they are unaware of the procedures regarding its use.

Men migrate in search of work, leaving their wives behind

The 2023 Multidimensional Poverty Index released by Niti Aayog ranks Bihar at the top in the list of states suffering from multidimensional poverty. The men in the state migrate for work; studies suggest that 85% of migrants from Bihar are men. The women they leave behind express strong interest in MGNREGS work, which helps them earn a little extra while still leaving them some time to manage household tasks.

Women see MGNREGS work as a gateway into the wage market. It grants them greater control within their families. The surplus money earned is primarily invested in necessities such as children's education and healthcare. In its absence, children tend to discontinue education and engage in migrant work.

Anuradha Talvar, a veteran trade union activist, points out that women utilise the money they earn prudently, and do not indulge in activities such as alcohol and gambling. Ranjan Kumar agrees. "The women who we work with in blocks of Vaishali district mostly tend to use the MGNREGA money that they get on their children and their own needs, like health," he says.

If poor, rural women can control their access to MGNREGS wages through bank accounts and receive adequate training for handling it, they are more likely to join or continue in the labour workforce in India, IndiaSpend reported in January 2020.

Unfavourable working conditions

Pramila Devi, who secured only a few days of work this year, highlighted the challenge of spending nearly 40 minutes walking to reach the worksite. When she was working at a site, she had a leg injury. There was no first aid kit on site.

In another instance, she remembers that the labour group had to use a hand pump installed in a nearby villager's house because there was no plan in place by the authorities to provide drinking water. The villager was uncomfortable with the workers using the hand pump for prolonged and repeated periods, and this caused friction. "We carry our own water bottles from home," Pramila Devi says.

Sanju Devi is a Mate who hails from Muzaffarpur district's Dumri village of Mushahari block. She is associated with the Gramin Vikas Manch, a local workers' organisation. Based on her experience, she stresses the need to have temporary restrooms at the worksite and points out that in their absence, women workers are forced to make use of

bushes or trees as cover while they relieve themselves. The situation becomes even more complicated when a woman worker is menstruating, Sanju Devi points out.

There was no crèche available at the worksite as mandated by the rules. The immediate elder children accompany their mothers to work in order to help take care of the younger ones.

Ranjan Kumar from JVSS works in seven to eight blocks of a total 16 blocks of Vaishali district. He identifies Patepur, Mahua, Jandaha, Chehrakala, Garaul, Bhagwanpur, and Patedi Belsar as the blocks where no crèche facility is available, despite the organisation putting pressure on the government. In Muzaffarpur district, the organisation is active in all 16 blocks. "We have visited two to three panchayats of every block where the organisation is active, and no childcare provision at the worksite was to be found."

Santosh Kumar, a local activist associated with the Gramin Vikas Manch (GVM), highlighted the absence of crèche facilities in the four blocks--Mushahari, Gaighat, Kurhani and Muraul--in Muzaffarpur district.

The Ministry of Women & Child Development is expanding childcare services via anganwadi cum Crèche (AWCC) as part of Mission Shakti's Palna sub-component. The aim is to offer a high-quality crèche facility, ensuring a safe environment for children aged six months to six years. "In order to facilitate their (women's) entry into the workforce, there is a need for quality child care services," reads the announcement.

"The announcement shows the government's awareness of childcare facilities," Talvar says. "However, when a scheme like MGNREGA already has an approved provision, it should be implemented." She points out that women workers often talk of the absence of even basic toilet facilities at the worksite.

Renu Devi, a 28-year-old resident of the Patepur block of Nirpur Panchayat, received 12 days of work in the year 2023--first for five days, and then for a week. On her worksite, every employee was a woman. She has a three-year-old kid and her two other companions were also mothers of small children. "We are not asked if we have children that we may be bringing to the worksite," she told IndiaSpend. Her three children are three, five and eight years old, and they often go to work with her.

Even though the allotted task was completed over two months ago, she has still not gotten her wages for a week's work. The Gramin Rozgar Sevak avoids answering her questions and dodges by saying, "Aaega aaega paisa...." whenever she inquires about employment or the payment of wages for work previously completed.

Renu Devi says, "34 people applied for a labour card from our village and only 12-14 of them received the cards. Others' request was declined on the grounds of lack of appropriate paperwork but no one advised them about the process."

"Women are being neglected due to bureaucracy and the dominance of males. The MNREGA came with the promise of not just providing work but work on equal footing of men and women. However, while there are complaints about gender disparity in payment at several places, the bigger problem is the failure to stress on women-friendly

work and delay in clearing wages.”, says a study published in the International Journal of Advanced Research in Commerce, Management & Social Science (IJARCMSS).

Another common complaint is that job cards of workers are often deleted without prior intimation. The Minister of State in the Ministry of Rural Development told parliament that job cards are deleted to weed out fake/incorrect cards, duplicate cards, or when the family is not willing to work, has permanently shifted from the gram panchayat or if the job card has a single person, who has since died. Activists however point out that willing workers have had legitimate job cards deleted, and further that it does not answer the question about lack of prior intimation.

When asked if MGNREGS’s issues would be a factor influencing the women’s vote in the upcoming Lok Sabha election, Sinki Devi doesn't offer a definitive answer. “The politicians who come seeking votes in the village hardly do anything for us,” she says.

While questioning the political will of the Union government to successfully implement MGNREGS, Talvar also sees it as a partial failure of labourers' organisations that the mismanagement of the scheme would not significantly influence women's voting decisions in the Lok Sabha elections. Vaishali falls under Ujiarpur Lok Sabha constituency. Since 2014, Ujiarpur has had an MP from the Bharatiya Janata Party.

Schemes like MGNREGS lack immediate visibility in the lives of many women due to the already low number of workdays and delayed payment in numerous states, she points out. Consequently, the rights-based framework that this scheme has is not perceived as a fundamental entitlement by women holding labour cards.

Few women in supervisory roles

To improve women’s participation in supervisory roles under MGNREGS, the Bihar government issued a policy to encourage ‘Mahila mates’. A mate's responsibilities include organising groups of workers, outlining the tasks that are needed to be completed in order to receive the minimum wage (as specified in the ‘Schedule of Rates’), and keeping track of workers' names and attendance on a daily basis on muster rolls kept at the workplace. The policy leverages the self-help groups to improve women’s participation.

The mates are instructed in how to use the NMMS app to mark workers' attendance. Any day missed results in loss of wages for that day. The primary responsibility of the GRS, which is an appointed post, is to support technical personnel in strengthening MGNREGA-related work.

Pankaj Prasun is a Gram Rozgaar Sevak (GRS), an appointed post to support the panchayat in MGNREGS-related work. A mate that Prasun knows used to borrow a phone from her neighbour for work purposes. Block officers helped her purchase a phone after her neighbours stopped helping. “I have forwarded this concern to the higher authority, but maybe the state government is first trying to check the success of the mate programme,” he said.

The lack of mobile network and problems in registering attendance is affecting timely wage payments for workers, IndiaSpend reported in May 2023.

In the block to which Prasun has been appointed, most women are not aware of the role of a mate. “In the past year, we have had one training session, but it was insufficient to provide them with all the knowledge. Currently, all we have to do is assign a group of MGNREGA workers to a mate, which goes against the principle of how this system ought to function.”

The mate bears direct responsibility for verifying the legitimacy of the information contained in the muster records and the calibre of labour performed. They are responsible for ensuring that the following amenities are provided at the workplace: a place to live, a medicine kit, and workers who are assigned to provide water and child care. The mate is also tasked with responding to crises, such as workplace mishaps.

Many of the women who applied to be a mate had no idea what the obligations of a mate were. “They were told to fill out the form and submit it to the Jeevika office, and that is what they did. It will take some time for the mates to completely understand and act upon the purpose of their appointment,” the area's GRS said.

Ranjan Kumar has also raised concerns regarding block officers assigning their acquaintances the task of marking attendance on the NMMS app. "At times, the mate's husband comes to the worksite," he says. “They are not sincere in marking attendance. This affects the workers, because without attendance recorded on the app, payment for the day's labour won't be processed even if the person has worked."

As a result, women workers have been demanding that one among them be appointed the mate. “The training that the mates have received is not qualitative,” Ranjan Kumar says. “We train our workers in the union; therefore, we demand their appointment. The government should be more efficient with the training of mates.”
<https://www.indiaspend.com/governance/how-mgnregs-continues-to-falter-in-bihar-899476>

10. A case for disaster risk financing in States *(thehindubusinessline.com)* Updated: March 13, 2024

States and insurers must work towards creating catastrophe risk pools. These are especially relevant for vulnerable populations where private insurers are not willing to provide cover

As New Year eve for 2024 approached, thousands of residents of Tamil Nadu found a reason to smile. The State announced a relief package of ₹1,000 crore to aid those affected by Cyclone Michaung. At a cost of ₹385 crore, 4,577 new houses will be constructed, and 9,975 houses will be repaired; a special loan scheme will be implemented to help small traders, shop owners and street vendors in Chennai, Thoothukudi and Tirunelveli.

While such measures are helpful and most welcome, they result in burdening the State finances and despite the best intentions are often insufficient to aid complete recovery. According to a report by Swiss Re, out of the losses of \$34 billion suffered by India due to natural disasters in the last five years, more than 90 per cent were not insured. Without adequate insurance cover for the general population owing to low penetration

of both life and non-life insurance, such losses inevitably cause diversion of development funds to support the disaster recovery and rehabilitation.

Although the Union government in the past has often come to the aid of the State governments during major disasters, it too has budgetary limitations. Furthermore, the process of the Centre providing relief can get impacted by federal-State bargaining where States are usually in a weaker position to negotiate. Hence, there is a need for State-wide disaster risk financing systems in India.

Public-private partnerships

A combination of public sector schemes and private insurance programmes has been promoted in the agriculture sector. Pradhan Mantri Fasal Bima Yojana and Restructured Weather Based Crop Insurance Scheme were launched by the Government in collaboration with insurers to safeguard the interests of farmers. Outside agriculture, insurers cover risks to properties from floods and earthquakes (as additional cover in fire insurance policies). However, in addition to the financial constraints due to low penetration and substitution effects of public sector schemes, the coverage and timely payouts by private insurance programmes remain problematic.

On the front of timely payouts, the working group report published by the National Institute of Disaster Management in 2021 advocated adopting a parametric approach to insurance. Unlike traditional insurance, this would offer pre-specified payouts based upon a trigger event without the need to carry out assessments post the trigger event. Assessments in the event of disasters remain a challenge in designing insurance products given the investment of time and resources. Thus, by negating their requirement, parametric solutions can facilitate immediate upfront relief in the face of disasters. Recently, Nagaland implemented such a scheme in collaboration with Tata AIG and Swiss Re.

The parametric approach, however, can be effective only if the insurers have a large base for premium collection and are effectively backstopped to cater to such calamities. This continues to be a challenge as the insurance penetration remains low due to lack of financial literacy. While the financial literacy will improve along with the literacy rates and, hopefully, through the joint efforts of the government and insurers, there will still be a need for effectively backstopping the insurers. A sovereign catastrophe pool insurance system might be a solution worth considering.

A sovereign catastrophe pool insurance usually consists of a public-private partnership which establishes a fund through which individuals are paid after a disaster. Insurers who offer the scheme route the premium into a common fund. The government can either subsidise a part of the premium or contribute a certain amount of money annually to the fund. Eventually the government can step back and withdraw from putting in money once the fund is self-sustaining or international re-insurers are willing to back up the fund. The government then manages and oversees the scheme usually through a board system.

Risk management pools like the California Earthquake Authority, Australia's Household Resilience Program, and the Turkish Catastrophe Insurance Pool are excellent examples of non-profit establishments that collect premium from insured

firms and some additional contributions from government, helping in managing risk up to a pre-decided limit.

Pool insurance is highly relevant for vulnerable populations where private insurers are not willing to provide insurance. It also acts as a buffer before the government needs to step in, and thus is good for the fiscal health of a country. Additionally, it provides upfront relief to the insured during critical time.

States must reach out to insurers and work towards creating bespoke sovereign catastrophe risk pools for prudent disaster risk management. This would reduce budgetary pressures, which impact a State's ability to achieve desired growth rate, and empower the States to continue their pursuit of prosperity at the potential GDP of the State. <https://www.thehindubusinessline.com/opinion/a-case-for-disaster-risk-financing-in-states/article67946861.ece>

11. The Agni-5 trial has strengthened India's strategic deterrence (*livemint.com*) 14 Mar 2024

Its success places India in the league of a few countries with this special missile technology and pushes up the cost that an adversary would have to bear for a military misadventure.

India's Agni-5 test of a multiple-warhead ballistic missile places the country in a league of powers with only the US, UK, Russia, China and France as other members. Importantly, its success steps up India's deterrence at a time China has openly begun to pursue a policy of power projection beyond its borders. Though not strictly an intercontinental ballistic missile (ICBM) of the order possessed by the Big Five that can hit targets as far as 15,000km, its 5,000km-plus range brings the farthest parts of China and even some of Europe within our strike radius. This will raise the stakes for Beijing should it undertake any military misadventure against our vital interests, as nuclear-armed New Delhi could respond with greater force. This is not just another incremental step-up over previous versions of the Agni missile system. What makes this multiple independently targetable re-entry vehicle (MIRV) stand out is its ability to hit many targets spread across vast distances with high accuracy, as a single carrier can launch several sub-missiles, each with its own guidance system. Such a splintered strike is hard for enemy defence shields to block. Since each sub-rocket could be nuclear-tipped, its threat magnitude would significantly alter an adversary's calculations. As a result, it enhances India's strategic deterrence capacity. New Delhi has not revised its "no first use" nuclear doctrine since it was adopted in the 1990s by the A.B. Vajpayee government, but that's all the more reason for a tougher retaliatory stance.

Beijing, of course, has been watching closely. Duly alerted by a notice issued by India—a standard protocol for such a missile test so that it isn't mistaken for an attack—China reportedly had a research vessel stationed off the Indian coast to monitor the MIRV test's progress. Our northern neighbour has in recent years been expanding its presence in the Indian Ocean region as part of an encirclement game that is not lost on our own strategic planners. Recall the episode of a spy ship that had docked at a Sri Lankan port under Chinese control. Just this year, Beijing has moved to draw the Maldives into its embrace. Earlier, it had set up a military base in Djibouti on the Horn of Africa. It has also been pushing for access to the Arabian Sea via Pakistan, which remains a US client-state on paper but has "all weather" ties with China that could

assume a geo-strategic edge. Throw in China's "no limits" relationship with Russia and the two major wars being fought right now, and the global matrix looks less benign than it did just half a decade ago. Under Xi Jinping, the People's Republic has made no bones about exercising clout in ways that others would find unacceptable. And for it to reshape the world order by moving the fulcrum of power away from the West, it would need to dominate Asia first. As India would stand in the way of that ambition, Beijing's disposition towards us could turn increasingly hostile.

Increased border friction has marked India's recent relations with China and we can expect more pressure tactics in time to come. A seizure by India of a Chinese shipment to Pakistan of dual-use technology with nuke potential adds to Beijing's record of anti-India manoeuvres. New Delhi will need to be watchful. Its MIRV test signalled a will to keep up with modern weaponry. But missile technology keeps moving. To secure our strategic autonomy, we may need to counter China's hypersonic rocket exploits that made the West sit up. In this arms race, being at the cutting edge matters. <https://www.livemint.com/opinion/online-views/the-agni-5-trial-has-strengthened-india-s-strategic-deterrence-11710336583589.html>

12. Battle over state finances heats up as Kerala rejects another offer from Centre (*moneycontrol.com*) MARCH 14, 2024

Documents sourced by Moneycontrol showed that the government of India modified its offer to Kerala, ready to give its consent for Kerala to borrow Rs 5,000 crore now instead of on April 1, 2024, subject to certain conditions.

Kerala has rejected yet another offer by the Centre, allowing it an advanced and additional borrowing space of Rs 5,000 crore in the current fiscal, on the grounds that it is insufficient. The first offer was made in February 2024. Kerala seeks advance borrowing of Rs 15,000 crore.

The dispute between the two sides reached the doors of the top court of the country in December after bilateral talks didn't yield results. The Supreme Court will next hear Kerala's plea against the central government over the states' borrowing limit on March 21.

Moneycontrol explains what round two of the tussle between the two sides entailed.

Documents sourced by Moneycontrol showed that the government of India modified its offer to Kerala, ready to give its consent for the state to borrow Rs 5,000 crore now instead of on April 1, 2024, subject to certain conditions.

However, the Pinarayi Vijayan-led Kerala government told the Supreme Court that "Rs 5,000 crore would not take it anywhere."

And, just like that, the second round of talks between the two sides failed, following an intense showdown between senior counsel Kapil Sibal who appeared for Kerala and Additional Solicitor General Venkatraman who appeared for the central government.

Centre's Modified offer

Though the Centre blamed the state alone for its fiscal crisis, on February 19, the former told the apex court that it had offered a borrowing space of Rs 13,608.57 crore, if Kerala withdrew the plea.

Though Kerala decided not to take this offer and argued the case out in the SC, the court encouraged Kerala and Centre to hold another round of talks. However the second round of talks failed as well.

The SC again urged the Centre to consider giving Kerala a ‘one time package’ by the end of FY 24 to ensure that the State is out of financial strain.

Following this, the Union decided to provide the additional borrowing space of Rs 5,000 crore. But, as cited above, this offer came with four conditions.

a) This amount of Rs 5,000 crore will be deducted from the Net Borrowing Ceiling (NBC) of Kerala for the first nine months of FY 2024-25.

b) No ad-hoc borrowing will be granted to the state in the next fiscal and consent for borrowing in 2024-25 will only be issued on receipt of the prescribed information and documents from the Kerala government.

c) Consent to Kerala for borrowing in the first nine months of 2024-25 will be issued on a quarterly basis for up to 25 percent of the eligibility arrived at after deducting the Rs 5,000 crore.

d) The government of Kerala will submit a Plan-B, announced in its FY25 Budget, for raising resources and improving the financial position of the state and will put that plan into action before getting the consent to borrow during the last quarter of 2024-25.

But Kerala refused to take the offer and decided to continue with the litigation. However, the apex court urged Kerala to take the money that was offered by the centre and make a case for rest of the amount.

What was centre’s rationale in rejecting Kerala’s demand?

The ASG pointed out that if the consent to borrow Rs 15,000 crore, as demanded by Kerala is given in the current fiscal, the state will be left with the borrowing space of only Rs 6,664 crore to meet its requirements for the first nine months of 2024-25. “This will in all probability trigger serious hardships for Kerala,” he said.

Looking at the expenditure trend of Kerala in 2023-24, the state was given total borrowing approval of Rs 21,852 crore for the first nine months, which was exhausted within the first six months at an average of Rs 3,642 crore per month.

Moreover, if Kerala's request for Rs 15,000 crore advance borrowing is agreed to, other states may cite it as a precedent and demand relaxation of guidelines, approaching the Court on grounds of discrimination, Venkatraman said.

How do NBC’s work?

The net borrowing ceiling (NBC) of the state governments is typically communicated by the Government of India to the state governments at the start of each fiscal year.

The upper limit of states' borrowings has been set at 3.5 percent of their GSDP for FY24 and FY25. For the current fiscal year, 0.5 percent of the ceiling was linked to power sector reforms.

The Centre gives consent for 75 percent of the total borrowing ceiling of the states in the first nine months of the financial year. For Kerala, for FY25 this amount comes to Rs 21,664 crore on the projected GSDP of Rs 11.20 lakh crore, after making deductions for earlier off-budget borrowing.

Timeline of the case

In its plea, Kerala alleged that the Centre was arbitrarily imposing a net borrowing ceiling, thereby limiting the amount the former could raise through all sources, leading to an urgent requirement of around Rs 26,000 crore to meet its financial obligations.

The Left Democratic Front (LDF) government has accused the Union Finance Ministry of imposing a Net Borrowing Ceiling in a manner that limits it from raising funds from all sources, including open market borrowings.

Further, the Centre has reduced the Net Borrowing Ceiling of the state by introducing aspects into the "borrowing", which otherwise are not considered "borrowings".

The Centre, in its plea, stated that the Union has long relied on Article 293 (3) and 294 (4) of the Constitution to control spending and borrowing by states. The limit is recommended by the Finance Commission based on a pre-approved formula.

According to the 15th Finance Commission's recommendations, the upper limit of states' borrowings can be set at 3.5 percent of their GSDP for FY24 and FY25. For the current fiscal year, 0.5 percent of the ceiling was linked to power sector reforms. <https://www.moneycontrol.com/news/business/economy/battle-over-state-finances-heats-up-as-kerala-rejects-another-offer-from-centre-12458961.html>

13. More than half of major Indian states are facing higher rural inflation vs urban (*moneycontrol.com*) MARCH 13, 2024

Odisha saw the highest combined retail inflation rate for February 2024 at 7.55 percent, followed by Telangana and Haryana. While, at 2.42 percent, India's capital Delhi witnessed the least amount of price pressures among the major states and union territories.

In line with the all-India trend, more than half of the 22 major states and union territories faced higher rural inflation compared to urban areas in February 2024, according to a government release. The release covered 22 major states and union territories that have a population of over 50 lakh as per 2011 census data.

India's rural inflation for the previous month stood at 5.34 percent, significantly higher than the urban Consumer Price Index (CPI) rate of 4.78 percent.

Ten out of the 22 major states and union territories registered rural inflation rates higher than the national average.

Data released by the Statistics Ministry on March 12 showed that India's combined (rural and urban) headline retail inflation rate was largely unchanged at 5.09 percent in February compared to 5.10 percent in January.

While CPI inflation remained within the Reserve Bank of India's (RBI) tolerance range of 2 percent to 6 percent for the sixth consecutive month, it has now spent 53 months in a row above the medium-term target of 4 percent.

Only ten states and union territories had retail inflation rates lower than the all-India number for February 2024. And just three - Delhi, Madhya Pradesh, and Uttarakhand had CPI levels that fell within the RBI's medium-term target of 4 percent in February 2024.

Odisha saw the highest combined retail inflation rate for February 2024 at 7.55 percent, followed by Telangana and Haryana. While, at 2.42 percent, India's capital Delhi witnessed the least amount of price pressures among the major states and union territories.

Assam at 6.02 percent and Jharkhand at 5.85 percent also featured among the top five that exhibited the highest retail inflation rates in February 2024.

Interestingly, barring Telangana, wherein retail inflation rose to 6.71 percent in February from 6.34 percent in January 2024, the CPI rates for the rest in the top five remained unchanged sequentially.

The top five states or union territories with the lowest rates of retail inflation in the previous month included Madhya Pradesh, Uttarakhand, West Bengal, and Bihar, according to data from Ministry of Statistics and Programme Implementation.

Among them, Uttarakhand saw the steepest fall in CPI inflation sequentially to 3.95 percent last month from 4.61 in January 2024.

The story runs the same when it comes to rural inflation with Odisha at 7.60 percent registering the highest CPI rate followed by Haryana at 7.50 percent during the previous month.

Odisha again ranked first among major states and union territories with the highest urban retail inflation at 7.32 percent. But this time Telangana took the second place at 6.64 percent followed by Rajasthan in the third spot at 6.31 percent, as per data for February 2024. <https://www.moneycontrol.com/news/business/economy/more-than-half-of-major-indian-states-are-facing-higher-rural-inflation-vs-urban-12450991.html>

14. Future of iconic Valiyathura pier in limbo (*newindianexpress.com*) 14 Mar 2024

The 214-metre-long pier collapsed last week as rough waves split the structure into two casting a shadow on the future of the pier.

THIRUVANANTHAPURAM: The future of Valiyathura pier, which partially collapsed last Friday, looks uncertain as the Kerala State Maritime Board and the state government grapple with a tough decision on whether or not to restore the iconic structure. As per a study by IIT Chennai, restoring the structure, which is a testament to the maritime heritage of the capital, would cost around Rs 20 crore.

The 214-metre-long pier collapsed last week as rough waves split the structure into two casting a shadow on the future of the pier. “The study carried out by IIT Madras proposes construction of an underwater breakwater and reinstating the structure is going to be a costly affair. We will require around Rs 35 crore and nothing productive may come out of it after investing so much. We are in a dilemma and the government is not in a position to invest so much on such a project,” said an official of Kerala State Maritime Board.

Earlier, the Kerala State Maritime Board approached the Centre to get funds under the Sagarmala scheme to protect the structure but the state government will have to chip in 50% of the cost to realise the project.

As per the direction from the state government, the Maritime Board is planning to tap the tourism potential at Valiyathura with the help of private investors. “We will be inviting a global tender soon and the Valiyathura pier is also part of the project. We have around 4.5 acres of land there and we will look into the tourism potential of the pier and develop it as a wharf where ships can dock. This will happen only if the private investors taking up the project are ready to take this up,” the official added. The Maritime Board will invite global tenders after the elections.

After the collapse of Valiyathura pier, many local fishermen who used to fish from the pier have lost their livelihood. Several elderly fishermen and fishermen engaged in catamaran fishing who used the pier are at the receiving end of the dire situation. “I used to meet my expenses from the money I earned from fishing activities at the pier. I am disabled and unable to go deep-sea fishing. I used to earn Rs 100 or Rs 200 every day. I am not even getting my pensions on time,” said 60-year-old James, one of the many fishermen who do fishing at the pier for daily living.

The pier, constructed in 1956, had been out of bounds for the public owing to safety concerns for many years and only local fishermen used the pier. Back-to-back cyclones, sea erosion and violent waves degraded the structure over time.

“Apart from promises, claims and studies, the changing governments have failed to protect and strengthen the Valiyathura pier which is part of our heritage. The fishermen community is dependent on the pier and catamaran fishermen use the pier during monsoon season. It is unfortunate that the government stayed a mere spectator and let this happen,” said former councillor Tony Oliver, Valiyathura ward. <https://www.newindianexpress.com/cities/thiruvananthapuram/2024/Mar/14/future-of-iconic-valiyathura-pier-in-limbo>

15. Bengaluru’s water crisis may reflect an even larger one
(*livemint.com*) 13 Mar 2024

What India's technology hub seems to lack is the collective will to act in favour of the larger good.

One of the most alarming articles ever written about the epic mismanagement of our major cities appeared this week. It was about Bengaluru's water crisis. Written by two researchers at Well Labs, Rashmi Kulranjan and Shashank Palur, its matter-of-fact tone was inversely proportional to the article's devastating conclusions. Sometimes, numbers speak louder than words. Consider that the city's once well-managed lake systems, which have partly been paved over to make room for housing complexes, malls and the like, could still hold 41,600 million litres of water, but the researchers estimate that "1,000 million litres of sewage is released into lakes every day making it unsuitable for use as water." This misuse also raises the risk of flooding. "When piped water supply was introduced, lakes began to lose their importance," the authors observed in *The Hindu*.

Bengaluru's water needs are met just about equally by water from the Cauvery river and thousands of borewells. But, the focus inevitably is on building more borewells, not on conservation and better lake management. Never mind that of the 11,000 government borewells in the city, about a tenth have already run dry, according to another article. As Kulranjan and Palur write, "This is worrying because groundwater recharge rates remain significantly lower than extraction rates." Unsurprisingly, this important article did not make the "forwarded many times" gold standard of 'Whatsapp University.'

Apathy marks the urban crises rolling across India's metropolises, be it dirty streets, polluted air or dangerous driving. A book I pulled from my bookshelf this morning featured these warnings: the city government "had played an active role in sabotaging the city's waterbodies over the years"; that "our government was just not equipped to deal with the kind of calamities we are struck by"; and that "we are a vulnerable people and our disaster management skills are unsophisticated and poor." The passage could have been about Bengaluru, or, more broadly, about Delhi's air pollution, but the book, *Rivers Remember* by Krupa Ge, was about Chennai's floods of 2015.

Our much-trumpeted capacity for *jugaad* in the face of a crisis is just a coping mechanism to cover our ineptitude. Worse is our inability to acknowledge that something has been rotten with the way we value public resources for decades. A simple way to combat the profligate waste of water in apartment complexes and middle-class homes has been to install water-meters and charge for it. Now climate change and the attendant erratic rainfall that has depleted Bengaluru's water supply (south India's reservoirs are all at very low levels) have brought the crisis to the fore. We need long-term and thoughtful solutions.

Instead, in the past week or so, Bengaluru's state government and water authorities have responded with classic Stalinist diktats. Private water tankers must register with the government and observe price caps. Local water authorities said they would institute fines of ₹5,000 if people used fresh water for washing cars or watering plants. No one is talking about water meters and charging for water, hardly surprising in a city where the government has subsidized electricity indiscriminately. But it is all too easy to blame the government in such situations. The real culprit is us. What India is spectacularly bad at, is what *The Earthbound Report* defines as "those things that we

all own together, that are neither privately owned, nor exclusively managed by the government on our behalf." Water, air and hillsides are classic examples.

In places like California, the response to a water crisis is a sensible prohibition of garden watering. In Bengaluru, the response to the Bangalore Water Supply and Sewerage Board's knee-jerk notice not to use potable water from borewells and the Cauvery has been a shrug. The Hindu on Tuesday featured a chorus of residents arguing that they would not comply. "We have a small garden, which would wither in this heat without water," said one. Another quoted the oddly named Easement Act of 1884 to argue that ground water belongs to the owner of the property. This reminds me of the logic of the driver of the owner of a villa right next to my housing complex. When chastised years ago by several neighbours for hosing the driveway and cars of his employer in a wasteful manner, he retorted that the water was from his employer's well. Why was it anyone else's business?

In microcosm, this is how many of us approach urban life. Neither the club I am a member of, nor the building complex I live in has issued anything approaching an emergency notification on saving water. Water-meters have not been discussed. Elsewhere, memes and jokes have started. Some workplaces are reported to have employees gifting perfume to anyone who owns up to not having had a shower that day. At a high-rise complex with water being supplied via tankers for several months now, a few residents, as a juvenile publicity prank, began using the toilets of a mall nearby.

Even as air-conditioned glass towers built as offices for multinationals and the city's global artificial-intelligence hubs hum with efficiency, it is not clear at all if Bengaluru has either the collective intelligence or the will to escape the crisis it has gotten itself into. I realized I am part of the problem. Well Labs, whose experts are quoted at the beginning of this piece, is located just down the road and yet I had never interviewed them.

<https://www.livemint.com/opinion/online-views/bengalurus-water-crisis-may-reflect-an-even-larger-one-11710336758681.html>