

“Make today worth remembering.” Zig Ziglar

INTERNATIONAL AND BILATERAL

FREEDOM FROM BEING ‘INDIA-LOCKED’

It is high time for India to redefine its engagement with Nepal rather than continue to be reactive.

Nepal’s Prime Minister K.P. Sharma Oli has visited to China last month. The visit had much significance because:

- Nepal was just recovering from the Indian blockade that had impacted lives.
- India’s blockade, coming against the backdrop of India reservations about the constitution Nepal was adopting.
- Nepal was still recovering from the massive earthquake came in April 2015.

Nepal-China relations:

During visit to China in 2016, Mr Oli, emphasized on the following agendas

- Trade and investment agreement with China on the lines with special agreements with India.
- China became the enabler of connectivity, world trade and dependency as it pushed its Belt and Road Initiative (BRI).
- With Southeast Asia well covered and inroads made in Pakistan, Sri Lanka, and Bangladesh for China, Nepal continues to remain the best conduit for Indian markets for China.
- Nepal will be connected with China through a railway network in addition to roads.
- Optical fibre cables already connected the two nations providing Nepal a much needed alternative to sell excess power.
- Rail and Road networks will also provide Nepal an alternative for petroleum products that continue to remain the highest important product.
- The China has continuously maintained that Nepal’s relation with India is more

cost effective than the China and has advised Nepal to work with India.

- For Nepal, developing the relations with China is very important and is more out of compulsion than choice.
- In this situation, it depends on India to rethink on a long-term basis how to recalibrate its relationship with Nepal.

India –Nepal relations:

- Nepal has historically remained ‘India-locked as it dependent on India for transit to the seas.
- Nepal is a place of opportunity for people from the border towns of India.
- The impact of the Nepal blockade in Indian border was so intense that it forced Indian traders to tap their own channels to end it.

India needs to realize the new reality that its monopoly over geopolitics in Nepal is over, and there is another relationship that Nepal is nurturing.

It is high time for India to be proactive and redefine its engagement rather than continue to be reactive.

The way India has been flexible with the Eminent Persons Group (EPG) meetings is a welcome step in this direction.

NATIONAL

ALLOW GAMBLING, BETTING ON SPORTS AS REGULATED, TAXABLE ACTIVITIES: LAW PANEL

The Law Commission has recommended that gambling and betting on sports, including cricket, be allowed as regulated activities taxable under the direct and indirect tax regimes and used as a source for attracting foreign direct investment (FDI).

The commission’s report, “Legal Framework: Gambling and Sports Betting including Cricket in India”, recommends a number of changes in the law for regulating betting and generating tax revenues from it.

Key suggestions:

Parliament may also enact a model law for regulating gambling that may be adopted by the states

In the alternative, Parliament may legislate in the exercise of its powers under Articles 249 or 252 of the Constitution

In case legislation is made under Article 252, states other than the consenting states will be free to adopt the same

The commission has recommended linking Aadhar or PAN card of an individual indulging in betting and gambling, and making the transaction cashless to regulate illegal activities such as money laundering

The commission has also recommended amending the laws regulating FOREX and India's FDI policy to allow investments in the casino and online gaming industry

Allowing FDI in the industry would bring substantial amounts of investment to those states that decide to permit casinos, propelling the growth of the tourism and hospitality industries

It will also enable such states to generate higher revenue and employment opportunities

HIKE IN MSP

Giving a major boost for the farmers' income, the **Cabinet Committee on Economic Affairs has approved the increase in the Minimum Support Prices (MSPs) for all kharif crops** for 2018-19 Seasons.

The Union government has decided to keep MSPs at least 50 per cent above the sum of cost of production (A2) and imputed wages for the time spent by the farmer and his/her family (FL) in crop production

A2 is a comprehensive cost and includes paid or imputed costs of all purchased or own inputs like seed, fertilizer, manure, bullock labour and machine labour, interest on working capital, irrigation expenses, depreciation, rent paid for the leased-in land, costs of repair and miscellaneous expenses

The government considers **A2+FL'** as **production cost**. A2+FL costs include family labour, but not land costs. However, some experts want comprehensive cost (C2) to be considered for MSP. C2 includes land costs. MSP based on C2 cost will be higher than the proposed figure.

The MSP increased so that they are 50% higher than the cost of production not including land cost.

In theory, an MSP is the minimum price set by the Government at which farmers can expect to sell their produce for the season. When market prices fall below the announced MSPs, procurement agencies step in to procure the crop and 'support' the prices.

The Cabinet Committee of Economic Affairs announces MSP for various crops at the beginning of each sowing season based on the recommendations of the Commission for Agricultural Costs and Prices (CACP). The CACP takes into account demand and supply, the cost of production and price trends in the market among other things when fixing MSPs.

Money matters

The government has increased the Minimum Support Price so that farmers will get 50% more than their 'production costs'

The government considers 'A2+FL' as production cost

where A2 = actual paid out cost on seeds, irrigation, etc., and FL = unpaid family labour



But some experts and activists want comprehensive cost (C2) to be considered for MSP

Where C2 = A2 + FL + rentals or interest foregone on owned land and fixed capital

MSP based on C2 cost will be far higher than the proposed figure

Crop	Govt. MSP in ₹/quintal (A2+FL+50%)	C2+50% in ₹/quintal	Gap in ₹/quintal
Paddy	1,750	2,340	-590
Cotton	5,150	6,771	-1,621

SOURCE: CACP

Price volatility makes life difficult for farmers. Though prices of agri commodities may soar while in short supply, during years of bumper production, prices of the very same commodities plummet. MSPs ensure that farmers get a minimum price for their produce in adverse markets. MSPs have also been used as a tool by the Government to incentivize farmers to grow crops that are in short supply.

Trends in MSP impact the availability of key food crops and food inflation. MSP is also good tool to ensure that farmers produce

what is most lucrative for them, given consumer demand.

However, in recent years, there have been large-scale imports of pulses and oil seeds into India with high costs adding to Consumer Price inflation. Unless the Centre increases State procurement of these crops, the bias towards rice, wheat and sugarcane (where minimum prices are fixed by States) may continue. Pulses are a cheap source of protein for the masses.

The new MSPs announced by the government for KHARIF crops meet the spirit the Swaminathan Committee recommendation of 50 per cent net return over Cost C2.

The stakeholders now need to differentiate areas for action by the Centre and the states.

There is a particular need to put pressure on the states to undertake the required reforms to make agricultural markets more efficient, competitive and responsive to the needs of producers and consumers.

HEFA TO ALLOT RS. 1 LAKH CRORE FOR EDUCATION

Recently, the Union Cabinet approved the proposal to expand the capital base of Higher Education Funding Agency (HEFA).

The Cabinet permitted the HEFA to mobilize Rs 1 lakh crore to meet the infrastructure needs of the institutions.

The CCEA has also approved increasing the authorized share capital of HEFA to Rs 10,000 crore and approved infusing additional government equity of Rs 5,000 crore in HEFA.

The funding will also be available to government-run schools including Kendriya Vidyalas and Jawahar Navodaya Vidyalayas.

It will help build speedier infrastructure of these schools.

HEFA:

Higher Education Financing Agency (HEFA) is a proposed not-for-profit agency with initial capital base of Rs. 1000 Crore.

It was announced in Union Budget 2016-17.

The major objective of the HEFA is to leverage funds from the market and supplement them with donations and CSR funds.

These funds will be used to finance improvement in infrastructure in top educational institutions.

The capital of the fund will be used to finance capital expenditure for building quality in infrastructure in IITs, IIITs, and IISERs and central universities.

It will also be used to fund state-of-the art research and other infrastructure.

EC LAUNCHES BRAILLE-ENABLED VOTER IDS

Recently, the Election Commission launched voter identity cards with Braille label.

It was done to ensure greater participation of persons with visual impairment in the electoral process

The Commission also unveiled a strategic framework on "Accessible Elections" with representatives of the Central government, political parties, NGOs and experts on disabilities.

A new Accessible Division in the India International Institute of Democracy and Electoral Management will also be set up.

The Chief Election Commissioner announced following a series of measure for Persons with Disabilities (PwDs) in the electoral process.

- Printing of photo-identity cards with Braille
- Accessible communication awareness materials.
- A mobile phone application to motivate and educate the voters.
- Appointment of Disability Coordinators at the Assembly constituency, district and State level.
- Advertise the content material for the convenience of deaf persons and free transport facility to them.

ISRO'S FIRST 'PAD ABORT' TEST, CRITICAL FOR FUTURE HUMAN SPACE MISSION, SUCCESSFUL**Crew Escape (Pad Abort) System:**

The Crew Escape System is an emergency escape measure to quickly pull the crew module — the astronaut cabin — along with astronauts out to a safe distance from the launch vehicle in the event of a launch abort.

It is held for the safe recovery of the crew module in case of any exigency at the launch pad.

ISRO's success is vital for future "Manned Mission".

The first 'pad abort' test critical for a future human space mission was conducted successfully by ISRO.

The test was conducted at the Satish Dhawan Space Centre, Sriharikota.

Describing it as a major technology demonstrator the space agency said the PAT (pad abort test) is the first in a series of tests to qualify a crew escape system technology of a manned mission in the future.

The Crew Escape System is an emergency escape measure to quickly pull the crew module — the astronaut cabin — along with astronauts out to a safe distance from the launch vehicle in the event of a launch abort.

The Crew Escape System with a simulated 6-tonne crew module lifted off from its pad.

It was propelled on its own seven specially made complex in-built rockets.

In the next four-odd minutes, it reached a height of 2.7 km and curved down into the Bay of Bengal on parachutes.

It landed in the sea at a distance of 2.9 km from the launch center.

The rockets are solid-fuel powered and specially designed for quickly ejecting the crew module and astronauts to a safe distance without exceeding the safe G-levels.

Nearly 300 sensors recorded various functional aspects of the mission during the test flight.