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Demonetisation and Reforms



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In the last edition, I wrote about demonetisation and that the jury is still out on its impact. The overall impact has been positive, which can be assessed *inter alia* by the results of the Uttar Pradesh (UP) and Uttaranchal State elections. By now, currency supply is back to normal. Many of its critics have been proven wrong.

The National Democratic Alliance (NDA) is now better placed than before to pursue its reforms agenda, which includes its plans to vigorously attack corruption and black money. The NDA lost Punjab because of steep corruption there, which is but a lesson to Bharatiya Janata Party (BJP). It did bend rules to form a government in Goa and Manipur. The diminished Congress could not form a government there in spite of being the largest party, though short of majority. However, by winning Punjab on a negative vote was the best consolation the Congress party could have got.

What we saw in UP was phenomenal, i.e. 4/5th majority, which even the BJP did not expect. It was as pleasant as the unexpected Lok Sabha results of UP in 2014 in favour of BJP. Clearly people voted for it in the state elections also to install a development-oriented government overcoming identity politics. Without getting into the murky world of politics, I do hope that we will get better governance and growth, with some hiccups and bumps.

One of the first major economic reform passed by the Parliament, after the dust settled down, was on the Goods and Service Tax (GST), to be implemented from July, 2017. This will be a game changer and it is estimated that our Gross Domestic Product (GDP) will gain somewhere between 1 to 2 percent. Most importantly, this is one of the best competition reforms because it will break inter-state barriers for smooth movement of goods. We have been campaigning for it for a long time. States cannot play against each other by maintaining different sales tax rates.

Unfortunately, most of our reforms get caught in politics unnecessarily and do not move forward in spite of their being a bipartisan support. GST is one such reform, which was first mooted by the NDA in 2000 when Vajpayee was the Prime Minister. In 2003, the Kelkar Task Force suggested the need to reform the indirect tax structure.

In 2006, the United Progressive Alliance (UPA) government proposed GST in its budget speech. An empowered committee of state Finance Ministers was established to steer this, which was by itself a bold first step in cooperative federalism. For five long years nothing moved as two States belonging to BJP: Gujarat and Madhya Pradesh opposed GST. The present move was the result of the NDA government moving fresh GST legislation when it came into power in 2014.

At the end of March, when finally all legislation to roll out the GST was adopted by the Parliament, Congress leader and Chairman of the Parliament's Standing Committee on Finance: Dr Veerappa Moily charged the BJP for its earlier opposition as the GST bills could not be adopted 7-8 years ago and that has costed the nation ₹12 lakh crore. The nation needs to learn from these experiences and move towards reforms with an open mind and no politics. We need to create new jobs for millions of our youth.



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Pradeep S. Mehta
Pradeep S Mehta, Secretary General

Indian-origin Achievers

Over 30 Indian-origin innovators, entrepreneurs and leaders have been featured in the 2017 edition of Forbes' list of super achievers under the age of 30 seeking to break the *status quo* and transform the world. The Forbes' list has 30 game changers in 20 industries including healthcare, manufacturing, sports and finance.

The 600 in the list are challenging the conventional wisdom and rewriting rules for the next generation of entrepreneurs, entertainers, educators, etc. The group has over 30 Indian-origin men and women who are making a mark in their respective fields.

(FE, 04.01.17)

Cleanliness Expedition

Kailash Panchal has learned his lessons the hard way. Once fined for throwing a cold drink bottle on a road in Kuwait, Panchal along with one of his friends, is currently on a cleanliness expedition across the country on his four-wheeler.

The 35-year-old man from Rishabhdev region in Udaipur (Rajasthan) is currently in Kota to



spread awareness on cleanliness and the ills of open defecation. Panchal has fondly named his four-wheeler *Swachh Bharat Bhraman Yatra* and has cleanliness slogans pasted all over it. (HT, 17.02.17)

Message of Congratulations

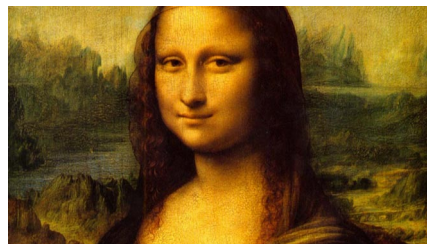
India's century record in space has caught global attention. Elon Musk, founder of SpaceX, the company that has built a reusable rocket, was one who seemed impressed after the Indian Space Research Organisation (ISRO) successfully launched a record 104 satellites from Sriharikota.



"Awesome achievement by ISRO and very impressive", he responded when asked to comment on ISRO's 104 satellite mission on the micro-blogging site. "They are making India proud", he added. Musk's Falcon series of rockets is a competitor for India's PSLV rocket and its GSLV series. (BS, 17.02.17)

Decoding Mona Lisa's Smile

The subject of centuries of scrutiny and debate, Mona Lisa's famous smile is



routinely described as ambiguous. In an unusual trial, close to 100 percent of people described her expression as unequivocally "happy", researchers revealed recently.

Kornmeier, neuroscientist of the University of Freiburg (Germany) and his team used what is arguably the most famous artwork across the world in a study of factors that influence how humans judge visual cues, such as facial expressions. Known as *La Gioconda* in Italian, Mona Lisa is often held up as a symbol of emotional enigma.

(IE, 10.03.17)

Jogg across Mumbai Roofs

Terraces of high-rise buildings in Mumbai will now be allowed ornamental projections and architectural features, according to a new 'Crown Policy' to be introduced by the Brihanmumbai Municipal Corporation.

For the first time, developers will be permitted to connect their towers with a steel beam to create recreational space for the residents. The developer plans to create 40,000 sq. ft of recreational area with a jogging track connecting the three towers, each 30-storied high behind Infinity Mall in Andheri (West).

(Tol, 05.01.17)

Live Volcano Active Again

India's only live volcano in the Andaman and Nicobar Islands has started spewing smoke and lava again. After lying dormant for 150

years, barren island volcano erupted in 1991 and has been showing sporadic activity since then, scientists of Goa-based National Institute of Oceanography (NIO) said.

"The volcano is erupting in small episodes of five to 10 minutes", Abhay Mudholkar, Head, NIO team said. "During the day, only ash clouds were observed. But after sundown, red lava foundations were spewing from the crater into the atmosphere", he added.

(Tol, 19.02.17)

Professional Courtesy

The image of the corrupt customs official may be the butt of jokes among businessmen, but the Indian government has finally started laughing at the stereotype. Central Board of Excise and Customs Chairman Najib Shah narrated the tale of a doctor, a lawyer and a customs official, who were travelling by boat in shark-infested waters.

After the vessel capsized, the doctor and the lawyer fell prey to the sharks while the customs official was spared. Apparently, the sharks wanted to extend professional courtesy, Shah quipped. (BS, 09.03.17)

Super, Super Computer Prototype

China plans to develop a prototype exascale computer by the end of 2017 as it seeks to win a global race to be the first to build a machine capable of a billion, billion calculations per second.

If successful, the achievement would cement its place as a leading power in the world of supercomputing. China built the world's fastest supercomputer, the Sunway Taihu Light machine in June 2016, which was twice as fast as the



previous number one. Exascale computers can execute at least one quintillion calculations per second.

(TH, 19.01.17)

Charging Government for Potholes

The Eastern Cape High Court has ordered that provinces' roads department to cough up the cash local farmers used to fix infrastructure the South African government did not bother to.

The Court's judgement is pretty far-reaching as it allows ordinary folks to take care of some of the more menial tasks government's been failing to do and make the state pay for it. Following the court ruling, AfriForum (civil rights organisation) has taken to make use of similar legal mechanisms to get the government to reimburse it for providing some basic services to rural areas nationwide. (TSA, 14.03.17)

Green Wheels on Road

Chennai Metro Rail has started renting out bicycles in its stations and hopes to eventually join the global movement to get enough green wheels on the road to reduce traffic congestion.



The plan has begun small with Chennai Metro Rail Limited stationing 10 bicycles in Ekkatuthangal Metro station, and offering them to users on a hire system. The commuter has to pay refundable deposit of ₹3,000. If the initiative succeeds, Chennai Metro plans to put bicycles in other locations too. (TH, 25.01.17)

Charge Devices Anywhere

Scientists at Disney Research have developed a way to wirelessly charge several electronic devices in a room, eliminating the need for electrical cords or charging cradles.

"This new innovative method will make it possible for electrical power to become as ubiquitous as Wi-Fi", said Alanson Sample, Principal Research Scientist at the US research centre.

This, in turn, could enable new applications for robots and other small mobile devices by eliminating the need to replace batteries and wires for charging. (DNA, 17.02.17)

Are you Always Happy?

We have all been told to 'cheer up' by someone before or felt ourselves inching toward the self-help section of a bookshop because we have been



feeling down recently. Being happy is one of the biggest wellness trends of the year but could this 'positive message' actually be bad for us? Professor Svend Brinkmann from Aalborg University certainly thinks so.

Brinkmann believes that forcing oneself to be happy always could actually leave one emotionally stunted. Moreover, being happy is not good in all situations, one should understand which emotions are just healthy responses to life's challenges. (Prima, 10.03.17)

Record with National Anthem

Over 3.5 lakh people set a new world record in January 2107 by singing the Indian National Anthem at an event in Kagvad village in Rajkot (Gujarat). The occasion was the installation of the idol of goddess Khodiyar at the Khodal temple in the city.



The collected people sang the anthem during the idol installation ritual in the presence of observers from the Guinness Book of World Records, said Hanraj Gajera, a member of the temple trust. (TH, 22.01.17)

Infections from Cellphone Bugs

Scientists have warned that mobile phones spread infections in hospitals and have advised not to carry cellphones inside a medical ward or ICU lest the handset might infect patients. Mobile phones are said to be

a breeding ground for harmful bacteria and viruses.

Moreover, most of the germs found on mobile phones have developed resistance to several known antibiotics. Even doctors and nurses should not carry phones during hospital rounds. While bacteria have already been found on medical devices, mobile phones are the non-medical equipment responsible for the spurt in hospital-acquired or nosocomial infections. (Tol, 06.01.17)

Most Popular Emoji

People world-wide love the 'face with tears of joy', except the French who prefer 'heart' emoji, according to a study that analysed 427 million messages from nearly 4 million smartphone users in 212 countries and regions.



Researchers at the University of Michigan (US) and Peking University (China) analysed whether emoji was a universal or differed based on user location and culture.

"Emoji's are everywhere. They are becoming the ubiquitous language that bridges everyone across different cultures", said Wei Ai, a doctoral student at the Michigan School of Information. (TH, 12.01.17)

Tokyo: Most Honest City

In addition to keys and eyeglasses and other commonly lost objects, millions of dollars worth of cash reaches the Tokyo (Japan) police's lost and found department every year.

In fact, in 2016 people handed over a record ¥3.67bn (US\$32mn) in lost cash, and about three-quarters of that money ended up back with its rightful owners.

This reflects the Japanese people's devotion both to cash and to returning lost property. There was about ¥103tn in cash circulating in 2015 – equivalent to about 19 percent of Japan's annual output. (BS, 16.03.17)

Major Metro Club

With the emerging consumption patterns, Jaipur and Surat (Gujarat) are set to emerge as the two new A-class metros, with a combined household income of over ₹80,000 crore each by 2018, which provides significant opportunities to marketers, stated a report.

Jaipur and Surat are projected to record real Gross Domestic Product (GDP) growth of 8.7 and 10.3 percent, respectively during 2015-20, relative to the metros 8.3 percent. They have a cumulative 1.5 million TV households, and have been growing in both circulation and volume since 2012. (DNA, 10.03.17)

Jaipur Airport Ranks No. 1

The Jaipur Airport has been ranked as best airport in the world in the category of 2 to 5 million passengers per annum. The officials of the Airports Authority of India (AAI), Jaipur were elated as the airport was adjudged as the best airport in the world in a survey carried by the Airports Council International (ACI).

"Based on the results of the survey carried out by the ACI, Jaipur and Srinagar airports have been rated as world's No. 1 and 2, respectively, in the category. (Tol, 08.03.17)

Girl Child Education

Prime Minister Narendra Modi in his *Mann Ki Baat* initiative lauded the Rajasthan government's initiative of *Apna Bachcha-Apna School*. He also said that state governments have used the central initiative of *Beti Bachao-Beti Pado*, according to their local conditions.

The Prime Minister said the initiative has not only helped to arrest



girls' dropout from schools but also in bringing them back into schooling system. Jhunjhunu district of Rajasthan administration has launched this scheme for the current academic year under *Sarva Shiksha Abhiyan* to increase the enrolment of girls in schools. (Tol, 27.02.17)

Creating Most Employment

Rajasthan leads in creating employment under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the country for January 2017. About 2.42 crore new jobs were created in Rajasthan in January while Tamil Nadu comes second by creating 2.02 crore jobs.

National Rural Employment Guarantee Act (NREGA) spending is also set to take a quantum jump in the State currently with the figure touching ₹4,700 crore till February 2017. Commissioner, MGNREGS, Debasish Prusty said the percentage of timely payment of wages to the workers has gone up to 76 percent in 2017. (Tol, 06.03.17)

Opposing Garbage Collection

Even before its launch, protest against ambitious door-to-door garbage collection scheme has started in city. *Akhil Rajasthan Majdoor Congress* staged a *dharna* (protest) at Jaipur Municipal Corporation (JMC) for this purpose.

Representatives of *Valmiki*

Samaj claimed that the Rajasthan government is attempting to snatch their jobs after inviting private firm. Also, recruitment of 2,000 permanent sanitation workers is pending for past several years.

JMC had started garbage collection scheme in Walled City area. However, there was a violent protest as huge number of sanitation workers was allegedly affected. (Tol, 03.03.17)

Aadhaar Card Mandatory

The Rajasthan Education Department has made *Aadhaar* card compulsory for students applying for admission in private schools under the 25 percent Right to Education (RTE) quota.

This card would help these students receive scholarship amount directly. The State has over 2.5 lakh seats under the RTE quota. This move is to transfer benefits of all central and State government scholarships directly into the account of students.

(Tol, 20.02.17)

Survey of Homeless People

After a gap of 13 years, Rajasthan government will conduct a physical survey to identify homeless in Jaipur and other cities. In this regard, a roadmap will be submitted to the committee constituted by the Supreme Court within 10 days.

There are plans to construct permanent night shelters for homeless and prepare a draft report for its maintenance for the following two years. Under *Deendayal II Antyodaya Yojana* (National Urban Livelihoods Mission), the civic body will equip night shelters with essential services like mattresses and quilts, reverse osmosis water, first-aid kit for homeless people. (Tol, 01.03.17)

State Mayors' Exposure Visit

An 'Exposure Visit of Hyderabad City' was organised for Mayors and Deputy Mayors of Rajasthan on February 15-17, 2017 where Mayors participated from all seven Municipal Corporations of Rajasthan. The visit was organised under CUTS 'Urban Governance' initiative for "Rajasthan City Mayors' Learning Platform (RCMLP)" project.

The objective of the visit was to enhance the learning of Mayors through practical experience from best practices implemented by Greater Hyderabad



Municipal Corporation (GHMC) for enhancing the quality of services of their respective cities.

Crimes in Rajasthan recorded a significant drop of 8.93 percent in 2016, as major Indian Penal Code (IPC) offences, such as murder, loot, kidnapping and robbery went down for the first time in many years.

The murder rate fell down from 1,569 in 2015 to 1,551 in 2016, a decline of 1.15 percent. Similarly, robbery, which had been on the rise for past several decades fell from 1,645 in 2015 to 1,632 in 2016. Director General of Rajasthan Police, Manoj Bhatt, attributed the decline in crime rate to preventive acts and effective policing at crime-prone areas. (Tol, 27.02.17)

Cities in 20 Global Megacities

Three Indian cities, **Delhi**, **Mumbai** and **Kolkata** have been named among the top 20 global megacities in a Bank of America Merrill Lynch report. Delhi holds the second position. Tokyo is expected to remain the world's largest urban agglomeration in 2030, with Delhi and Shanghai maintaining their second and third positions, respectively.

The report stated that cities across the world are set to be transformed by disruptive technology like broadband, 5G, sensors, Internet of Things, Big Data, Cloud and Artificial Intelligence. (HT, 17.03.17)

Metro Fare Hike for the First Time

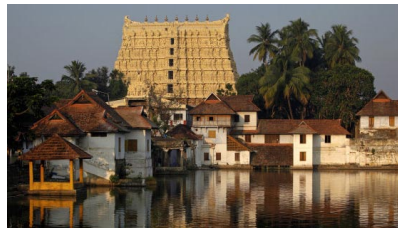
Facing rise in operational and maintenance cost, the Jaipur Metro Rail Corporation (JMRC) will increase fare slab for the first time after its launch. The revised fare will be effective from April 01, 2017.



As per the policy, the JMRC has a mandate to increase the fare in every two years. The increased fares will directly depend on increase of per unit purchase of electricity, dearness allowance rate of state government employees and monthly all India consumer price index for industrial workers. (Tol, 24.03.17)

Best Governed City

Thiruvananthapuram, Pune and Kolkata rank as the top three cities of India on an annual survey of city-systems, but even the best-ranking



city scores a grade of 4.4 out of 10 as against 9.9 for New York.

The Annual Survey of India's City-Systems 2016 conducted by the Bangalore-based urban research and advocacy group, Janaagraha, scores 21 cities in 18 states on 83 parameters divided into four main components – urban planning and design; empowered and legitimate political representation; urban capacities and resources; and transparency, accountability and participation. (HP, 01.03.17)

Meerut's Smart City Push

The chaotic traffic has at last attracted the much-awaited attention of the Meerut's civic body, which is including transportation as one of the main areas of focus in its updated draft proposal for Smart City project.

The updated Smart City proposal has to be submitted to the Ministry of Urban Development by March 31, 2017. The Meerut Municipal Corporation, in coordination with consulting firm Design Point Consult Limited, is working on the plan and is looking to focus on transportation, e-governance and economic development measures in the Uttar Pradesh city's proposal. (Tol, 25.02.17)

Target of Fully Wi-Fi City

The Odisha government has set a target to make Bhubaneswar completely Wi-Fi enabled by November 2018 as the State gears up to host the men's Hockey World Cup-2018.



The sporting event is scheduled to be held from November 28 to December 16, 2018.

According to the decisions taken at a high-level meeting chaired by Odisha Chief Minister Naveen Patnaik, fibre optic network would be spread across the city and 1,800 Wi-Fi access points would be set up. With this, the citizens can access free internet service for a specified period. (BS, 04.03.17)

Smart City Innovation Centre

A smart city innovation centre will come up at Punjab Engineering College (PEC) in the first week of April 2017. Companies like Larsen and Toubro, CISCO, Nokia, IBM, Intel, Sterlite, Videocon, Ericsson, Wipro, Infosys, etc. associated themselves with the project.

The objective is to provide core infrastructure and give a good quality of life to citizens, a clean and



sustainable environment. Infrastructure services will include transport, public safety, traffic management, water, power, waste disposal, lighting, telecom, and e-governance where these companies would lend their suggestions.

(IE, 22.02.17)

Pune: 2nd Best City

Kerala capital Thiruvananthapuram tops on the urban governance parameters' list. Indian cities scored poorly between 2.1 to 4.4 out of 10 compared with New York (10) and London (9.4).

Pune ranks second while Mumbai fourth among the Indian cities on various urban governance parameters in a survey conducted by the advocacy group Janaagraha Centre. Thiruvananthapuram tops the list. Bangalore-based Janaagraha Centre for Citizenship and Democracy, an advocacy group, carried out the 2016 Annual Survey of India's city system in 21 cities from 18 states. (FP, 02.03.17)

Rajasthan Budget 2017

Seeking to Give 'Something' to All



Presenting the state budget 2017-18 Rajasthan Chief Minister Vasundhara Raje, lauded Rajasthan for achieving various awards and recognitions on national as well as international level. Announcing the new reforms made in the budget that were largely focussed on aiding farmers and promoting tourism in the state, Raje stated that farmer will be benefited with programmes like Fasal Beema Yojna and Kisan Credit Cards.



Chief Minister Vasundhara Raje presented the state's budget for 2017-18, pegging the fiscal deficit at ₹2,4753.53 crore or 2.99 percent of the Gross State Domestic Product (GSDP) and claiming it has "something for everyone". While projecting a revenue of ₹1,30,162 crore for the state in 2017-18, she said, "We had inherited a debt-ridden economy. But, accepting the challenges we have worked for the development of state. The coming years are full of challenges".

"But, we will continue to work with high spirits. The proposed budget has something for everyone". Amid the rising demands for quota in state jobs and educational institutions to the poor among the upper caste people, Raje proposed a financial aid of ₹25,000 to each of the general category poor students who get admissions in medical colleges, Indian Institute of Technologies (IITs) and National Law Universities (NLUs) and ₹50,000 to those who are selected for administrative services.

While expressing her government's resolve to implement the Central Good and Services Tax in 2017-18, Raje also sought to provide much-needed water to over 41 lakh people of 2,039 villages in Rajasthan by installing state-of-art 1,480 reverse osmosis plants there. She proposed to make the tobacco products costlier by increasing the Value Added Tax (VAT) on these items by 15 percent, even while leaving it intact on other things.

The fiscal deficit for 2017-18 with the impact of Ujwal DISCOM Assurance Yojna (UDAY) – the central government's state electricity distribution utility revival scheme – has been estimated to ₹13,528 crore, which was ₹43,147

crore in the 2016-17 Budget. The total revenue from taxes, which was ₹59,455 crore in 2016-17, is estimated to be 16.16 percent equaling ₹69,062 crore in 2017-18 Budget.

The Budget largely sought to boost development of basic infrastructure including roads, water, tourism and industries besides social justice and employment. In her Budget, Raje proposed to spend ₹1,200 crore on "development of *Gaurav Path* and missing links" besides building and renovating 5000 km of rural roads at a cost of ₹800 crore and earmarking ₹580 crore to spend on 15 projects of state highways development. The Budget also allocated nearly ₹16 crore to maintain air strips in the State, she announced.

For development of tourism in the state, which registered a rise of over 17.31 percent tourists arrival in 2016-17, the Budget allocated ₹88 crore, with a provision of another ₹36 crore for developing tourists facilities.

Another sum of ₹36 crore was allocated for basic infra, conservation, beautification and renovation works at various tourist places in the state. Other highlights of the budget included ₹5,600 crore for home department, which is 11.80 percent more than the previous year. Raje announced that block headquarters would be connected with fibre and 8 lakh people would be given IT training in 2017-18.

Besides, the Budget also allocated ₹158.63 crore for art, culture and archaeology department, raising the allocation by 49.42 percent over the revised estimates of 2016-17. Allocating ₹1,399 crore for the higher education, the Budget envisaged opening two new engineering colleges in Karauli and Bharatpur in Rajasthan.

This has been adapted from an article published in Business Standard on March 09, 2017

Sources: BS: Business Standard; DNA: The Daily News and Analysis; FE: The Financial Express; FP: Free Press; HT: The Hindustan Times; IE: Indian Express; TH: The Hindu; HP: The Huffington Post; TSA: The South African; Tol: The Times of India