Boosting India’s Exports

Introduction
India is not a big exporter in the world and its share in the world trade is less than two percent.

India’s exports in August dropped by 8.05 per cent in comparison to the August 2018.

Growth in exports had hit a 41-month low in June 2019.

Reasons for Decline in Exports
All major foreign exchange earners such as petroleum oil, gems and jewellery, and engineering goods recorded a poor performance.

Lack of liquidity for working capital due to delay in receiving GST refunds under input tax credit. This has led to a delay in getting clearances at ports.

India’s failure to generate export momentum.

Need for Pushing Exports
To boost India’s economic growth.

Helps create employment opportunities and increase the per capita income.

Exports are needed to pay for India’s imports and curb India’s current account deficit.

They played an important role in transforming countries such as South Korea and China in recent decades.

Exports could help use up the excess production capacity.

Way Forward
Low share of India’s goods and services exports is a matter of concern.

Delay in environmental clearance for agro-chemical sector.

India’s logistics sector is highly fragmented and very complex.

In electronic goods, 65 per cent of our demand is met through imports.

Vietnam and Bangladesh are becoming more competitive and are capturing the low-end manufacturing space being vacated by China.

India is losing out in labour-intensive sectors.

Threat of rising protectionism and rising automation.

The markets in some developed countries have strict standards for admitting India’s agricultural exports.

Concerns / Challenges

Remission of Duties or Taxes on Export Product (RoDTEP) scheme to boost the exports. It shall completely replace all Merchandise Exports from India Scheme (MEIS) from January 1, 2020

Fully automated electronic refund route for input tax credits (ITC) in the Goods and Services Tax (GST).

Government is also offering a higher insurance cover to banks working lending capital for exports.

Export Credit Guarantee Corporation (ECGCL) will expand scope of ECIS and offer higher insurance cover to banks lending working capital for exports.

Priority lending for exporters to address the liquidity crunch.

Doubling India’s share of world exports will require the government, states and industry to act on a mission mode.

Political will and thrust to ensure that Make in India gets embedded with doubling export share.

Speeding up the establishment of product-specific industrial clusters and enacting labour reform, at least in export zones.

Require a sound export infrastructure by energising the Bharatmala Pariyojana to improve the efficiency of movement of goods and cut logistics costs.

The Sagarmala programme with its emphasis on port modernisation, capacity augmentation and port-led industrialisation will need an export orientation.

Improving Logistics sector will facilitate 10% decrease in indirect logistics cost leading to growth of 5 to 8% in exports.

We need to improve our skill set and human capital as well as take cognisance of external demand conditions.

We also need to revisit safeguard and anti-dumping duties to boost export growth.

Need for a new strategic trade and industrial policy as well as liberalisation of agro-based exports.

There is a huge potential to increase India’s share of exports in the top 20 markets and in new markets, such as Latin America and Africa.

A major push to attract tourism will also boost new investment and job creation.
Coral reefs are among the most threatened ecosystems on Earth, largely due to unprecedented global warming and climate changes, combined with growing local pressures.

Over the last three years, reefs around the world have suffered from mass coral bleaching events as a result of the increase in global surface temperature caused by anthropogenic greenhouse gas emissions.

Coral reefs harbour the highest biodiversity of any ecosystem globally and directly support over 500 million people worldwide, mostly in poor countries.

Despite covering less than 0.1% of the ocean floor, reefs host more than one quarter of all marine fish species.

Provide a wide variety of ecosystem services such as subsistence food, protection from flooding and sustaining the fishing and tourism industries.

Their disappearance will have economic, social and health consequences.

A 2015 study by WWF projects that the climate-related loss of reef ecosystem services will cost US$500 billion per year or more by 2100.

Coral reefs are also key indicators of global ecosystem health.

As the planet has warmed from mounting emissions, the oceans warmed first and fastest, absorbing 90% of that excess heat.

IPCC report warned that damage to the oceans is accelerating and may be at the point of irreversibility.

Half of all coral reef systems have already been destroyed, putting a quarter of marine life at risk.

Under the influence of ever-increasing CO2 emissions, marine heatwaves have doubled in frequency since 1982 and are increasing in intensity.

Corals are so sensitive to rising sea temperatures.

When water is too warm, corals enter a stress response and lose the symbiotic algae that give them their distinctive colors—a process known as bleaching.

If a coral is severely bleached, chances of disease and death increase.

In 2014, an El Nino-driven coral bleaching event swept the world’s reefs that lasted three years.

Australia’s Great Barrier Reef that had never bleached before lost nearly 30% of their shallow water corals in 2016.

The rationale for taking action to protect coral ecosystems goes beyond their economic value.

A focus on oceans could play a significant role in cutting emissions deeply enough to keep global average temperatures from rising past 1.5 degrees Celsius by 2050.

Decarbonizing shipping, expanding ocean-based renewable energy and protecting mangroves and salt marshes.

Switching away from emissions-intensive fishing and aquaculture operations to eating lower carbon sources of ocean protein, such as sustainably harvested fish, seaweed and kelp.

There also needs to be a transformation of mainstream economic systems and a move towards circular economic practices.

Economic systems need to rapidly move to the low greenhouse gas emission scenario to enable global temperature decrease.

Sustaining and restoring coral reefs should be treated as an asset, and long-term investments should be made for their preservation.

Investments should include support for research such as genetic selection of heat-resistant corals that can withstand rising global temperatures.
Corporate Tax Rate Cut

Introduction
The government has slashed basic corporate tax rate to 22% from 30% while for new manufacturing companies it has been cut down to 15% from 25%.
The government has forgone Rs 1.45 lakh crore in tax revenues as a result.

Key Details
Within corporates, there is different rates for companies availing tax incentives (within that, different rates for different turnovers) and for companies not availing tax incentives and that are not into manufacturing.
For newly set up companies engaged in manufacturing, there is separate tax.

Criticisms
For states, it would reduce the funds devolved from the Centre.
Stressed companies are likely to encash the tax cut and are unlikely to pass the benefits on to consumers.
Demand conditions are unlikely to see a significant pick-up anytime soon as the income and employment scenario remains grim.
A shortfall of Rs 1 trillion in collection of direct tax and goods and services tax (GST) vis-a-vis the budget estimate would dent the Centre’s finances.

Reason for rate cut
What the government has done so far addresses only the supply side. Now, the demand side has to be addressed.
That would require interventions that put more money in consumers’ hands, through tax cuts and the creation of more jobs.
Need for uniformity and stability in tax rates.
Need to focus on improving the climate for investment.
Making corporate tax competitive must be applied to income tax too.
Along with cutting corporate tax, the Government should look at making land, labour, railway freight rates & electricity as cheap in India as in neighbouring Asian competitors.

Positive Impact
The cut in tax rates would boost business and investor sentiment and confidence.
It will make India’s corporate tax rate competitive with that of Asian neighbours.
It will boost corporate incomes.
Crisil estimates that around 1,000 companies would save nearly Rs 37,000 crore annually from the tax cut.
India will become more globally competitive, inducing more domestic and foreign investment and boosting exports.
Markets responded with a huge surge in stock prices.
The new tax rate will boost dividends and, hence, boost the Government’s collections of dividend distribution tax (DDT) and income tax.
Public sector enterprises and government-owned banks may register stronger profits, and likely pass on higher-than-budgeted dividend to the Centre.
Companies could pump the excess cash back into their businesses, adding employees, going in for expansions, building new facilities and so on.
There would also be higher foreign inflows into equities and outflows from the debt segment.

Way Forward
The current fiscal-conservation from over 8 per cent a year ago.
The slowdown is visible in many sectors, such as automotive, real estate and FMCG.
The profits of Indian companies fell for the first time in six quarters in the three months ended March 31.
With the announcement of income tax reforms, any further dip in GST collections would be a cause of concern for the government.

The sharp decline in GST collections could not only add to the Centre’s fiscal woes, but also deprive state governments of their assured compensation for revenue shortfall.

Cess receipts this year might be enough for bridging the states’ GST revenue shortfall only till December.

What could be worrisome for the states is that the Centre is under no legal obligation to make up for the shortfall by dipping into the Consolidated Fund of India if the proceeds from various cesses meant for bridging the states’ GST revenue deficit turn out to be insufficient.

India’s tax-GDP ratio is still abysmally low.

The Kelkar Committee report mentions the ‘missing middle’, which includes professionals (like CAs, lawyers, and doctors), which manages a leeway to report actual income.

A key factor that will influence state tax revenues is the percentage of central taxes that the Fifteenth Finance Commission recommends as devolution to the states for the period FY21-25.

Focus on non tax revenues will need to be more.

With virtually no room for increase in GST rates, further strengthening of administrative measures may be needed to improve the level of compliances.

Stricter controls on tax evasion and audits by the revenue authorities may also help in improving the level of compliances.

Reasons for sharp drop in state GST collections than for Central GST in the last couple of months need to be analysed in detail.

The GST Council will have to discuss and formulate a solution in the coming months to compensate states for the shortfall in GST revenue.

The government will need to find ways to spur the demand.

Also tax exemptions to agricultural income need to be plugged smartly.

The limits on government saving instruments like PPF, NSC, etc. under section 80 (c) could be increased.

Additional deposits into these schemes could help the government garner more resources for long-term projects.

Revenue from Goods and Services Tax (GST) hit a 19-month low of ₹91,916 crore in September, down 2.7% from a year ago.

This is the first time that the tax collection has contracted on a year-on-year basis since the implementation of GST from July, 2017.

GST, which from July 1, 2017, amalgamated 17 different central and state levies, including excise duty, service tax and VAT.

The much-expected stabilisation of the GST revenue continues to be difficult to achieve.

For the last couple of months, a drop in State GST collections has been sharper than for central GST (CGST).

SGST and central tax devolution, are likely to fall well short of their budget estimates for 2018-20.

This may result in large fiscal slippages or cutbacks in expenditure at the state level towards the end of this financial year.

The lower collection, reflect a widening slowdown in economy triggered by shrinking consumer demand.

There is negative growth on import IGST.

The GST compensation cess collected in FY20 (April to September) has fallen short of the compensation released to the states this year.

Output of India’s eight infrastructure sectors contracted for the first time in more than four years and declined 0.5% in August.

The lower collections seem to be on account of the lower GDP growth numbers.

GST is a transaction tax that is immediately impacted by any decline in any economic activity.

Inability of the system to check tax evasion.
Targeted government interventions including scholarships, subsidies, and quotas for women.

Aspiration and easier access to technology and information in the post-liberalisation era.

Role models and support from within colleges and schools are enabling women to take the next leap.

Mothers who’ve had an education are clearing the path for their daughters.

NGO’s like CARE India’s Girl’s Education Programme (GEP) focuses on improving the condition by which girls, especially in rural areas can access quality education.

Savitribai Phule along with her husband Jyotirao Phule are known for their important role in improving the status of women in Indian society.

She is often touted as the first female school teacher in India.

Kadambini Ganguly and Chandramukhi Basu are the first two female graduates of India.

They participated in the cultural revolution which happened during the British colonial period in India.

The lack of education among women prevents their participation in the workforce, thus hindering the country’s development.

More girls are studying, but they are not necessarily landing more jobs.

This is due to importance of education for improving marital prospects as well as higher prestige attached to households which keep women out of labour force.

Female labour force participation has plunged to 23.3% according to the 2018 Economic Survey.

Science, technology, engineering, and medicine – together known as ‘STEM’ fields – suffer from lack of women, especially in India.

India will have the world’s youngest population by 2022 and the women of the country will play a definitive role in devising the country’s future.

Women need the 3C’s Confidence, Capabilities, access to Capital. Men need to understand that women are their equals.

Government policies should focus on behavioural changes that make female employment more acceptable in the society.

Government schemes must target the fundamental cultural and social forces that shape patriarchy.

Communication programmes on gender equality in secondary education to help students imbibe equitable gender norms.

Government agencies, universities, and society must work together to ensure that women achieve their full potential.

Contribution of Women to bring the issue of Indian Women’s Education to Forefront

Way Forward

Advantages of Developing Female Education in India

Promote gender equality.

Improves India’s literacy rate.

Alter the regressive nature of the society.

Educated women are a force for change.

They are likely to marry later and have fewer kids.

Educated women can also help in the reduction of infant mortality rate and growth of the population.

Female education has a significant impact on the development of future generations as they have a direct role to play in their child’s education.

If more women did paid work, India’s national income would rise dramatically.

The education develops the idea of participation in government, panchayats, public matters etc for elimination of gender discrimination.

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Manufacturing has borne the brunt of the economic crisis brought about by a tit-for-tat trade war between the US and China. Worldwide weakness has impacted U.S. exports and the manufacturing sector.

Persistent weakness in industry will weigh on the labor market, household incomes and spending. It will also continue to put a “significant drag” on global trade over the next two years and may reduce global growth. A no-deal Brexit could push the U.K. into a recession and would considerably reduce growth in Europe.

Governments need to seize the opportunity afforded by today’s low interest rates to renew investment in infrastructure and promote the economy of the future. Collective effort is urgent, and the effectiveness of monetary policy could be enhanced by “stronger fiscal and structural policy support.” Governments must use stronger fiscal policies to stimulate expansion and boost demand. Making investing to do the structural reforms that need to be done for more sustainable growth. Multilateral and national policy actions are vital to place global growth on a stronger footing. Countries should not use tariffs to target bilateral trade balances. Strengthen the rules-based multilateral trading system by ensuring continued enforcement of existing World Trade Organization (WTO) rules. Across emerging market and developing economies, fiscal policy should focus on containing debt while prioritizing infrastructure and social spending.

Recently OECD said, the global economic growth decelerated to slowest pace since 2008 financial crisis, as escalating trade conflicts continue to weigh down on trade. It cut almost all economic forecasts it made just four months ago, as protectionist policies take an increasing toll on confidence and investment.

The global economy is slowing from 3.6% last year to 2.9% this year before a predicted 3.0% in 2020. Trade tensions have shaken business confidence, leading to a drop in investment growth from nearly 4 per cent in 2017 to 1 per cent currently. In India, the growth is likely to be 5.9 per cent in 2019 and 6.3 per cent in 2020 compared to 6.8 per cent in 2018. Sustained decline in Chinese domestic demand of about 2 percentage points annually could trigger a significant effect on the global economy. It said governments are not doing enough to prevent long-term damage. OECD also cited a persistent upward spike in oil prices due to supply disruptions following attacks on Saudi Arabia’s energy assets.

Trade war between the United States and China. Trade growth had fallen from 5% in 2017 into negative territory now. Uncertainty over government policies. In the UK, persistent uncertainty about the timing and nature of its exit from the European. Germany’s economy had shrunk in the second and third quarters with a slump in car manufacturing. The global order that regulated trade is gone and we are in a new era of less certain, more bilateral and sometimes assertive trade relations.

China’s growth rate is the slowest in years. India, formerly the fastest growing economy in the world, had its manufacturing sector grow +0.6%, and auto sales are down 41% from year ago levels.
IHR includes Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand & 2 districts of Bengal and that runs along 2600 km of Himalayan ranges between Indus river basin in North-West and Brahmaputra in the East.

Approximately 9,000 glaciers of IHR store about 12,000 km² of freshwater.

This region is endowed with rich vegetation & is home to almost 36% of India’s total biodiversity.

More than 41.5% area of IHR states is under forests, representing 1/3rd of total forest cover of India.

The strategic importance of the IHR is evident from the fact that IHR states share borders with 6 neighbouring countries.

This is one of India’s major carbon sink. Besides it averts soil erosion from the world’s youngest mountain range.

The problem of integrating the northern mountains to the national mainstream is not specific to India.

China is struggling to integrate its mountain people and their homelands with its national mainstream, as are Myanmar, Thailand, and other countries.

Recently Himalayan States of India demanded a “green bonus”, or a payment for environmental services they provide to the nation.

They also asked the Centre to set up a dedicated Ministry for this region.

Himalayan States paid a developmental price for maintaining forests, rivers, and other environmental goods which helped the rest of the country.

Various study shows how structurally different are the Himalayan regions from the Indian mainstream in terms of their social and economic structure.

These regions have had problems when it comes to integration of the hilly regions with the nation states.

Himalayan states’ contribution to environmental conservation was the biggest with their green cover.

These states are water pillar for the country so there is need to conserve and revive them.

All the big rivers from Sindhu to Brahmaputra originate from this region and provide potable water to the nation.

These States asked for help to develop hydropower resources, subsidies for their environmental protection measures and recognition of their efforts to meet human development parameters.

Large swaths of land fell into ecosensitive zones where all sorts of development activities could not be carried out.

To develop new tourist spots as existing ones have been exhausted.

To push the agenda of growth and development.

Since these states are prone to disasters, funds are needed for mitigating/dealing with disasters.

Uttarakhand has suffered losses after introduction of the GST.

The demand for a ‘green bonus’ by Himalayan states, thus, is not only a valid one but also an ecological necessity.

Other areas include, focussing on the services sector and creating more job opportunities.

Developing new tourist destinations.

Set up a dedicated department having all-India service cadre officers and officers from the forest department to promote adventure activities.

Converting each panchayat into a growth centre.

Provide better processing, packaging, logistic and marketing support to traditional rural producers.

Promote the concept of growth centre and women’s group in rural areas by providing interest free loans for women’s group.

Way Forward

Introduction

Indian Himalayan Region (IHR)

Other Countries

Green Bonus demand from Himalayan States

Reasons for demanding Green Bonus

Indian Himalayan Region (IHR)
Main policy challenge for the country is to address the sources of softening private consumption and the structural factors behind weak investment.

External shocks that result in tighter global financing conditions.

New NBFC defaults triggering a fresh round of financial sector stress.

Using monetary policy and broad-based structural reforms to address cyclical weakness and strengthen confidence.

A credible fiscal consolidation path is needed to lower India's elevated public debt over the medium term.

Subsidy rationalisation and tax-base enhancing measures, along with land and labour reforms.

Land reforms should be enhanced to encourage and expedite infrastructure development.

Governance of public sector banks and the efficiency of their credit allocation needs strengthening.

Public sector's role in the financial system needs to be reduced.

Reforms to hiring and dismissal regulations would help incentivise job creation and absorb the country's large demographic dividend.

Government programmes to support rural consumption.

Put more money in the hands of consumers, especially those in the rural hinterland, to reinvigorate demand.

Restoring the health of the financial sector through reforms of public sector banks' governance and a gradual strengthening of the regulatory framework for NBFCs.

Require efforts to contain fiscal slippages, as higher-than-expected public borrowings could put upward pressure on interest rates and potentially crowd-out the private sector.

The International Monetary Fund cut its estimate for India's growth this year to 6.1% from 7% projected in July.

The growth to pick up to 7% in 2020, the IMF said in its latest World Economic Outlook.

It said the downward revision reflected a weaker-than-expected outlook for domestic demand.

Most agencies like RBI, World Bank, Asian Development Bank and Moody's Investors Service have also lowered its growth forecast for India.

India suffered the sharpest cut, next only to Saudi Arabia.

The world economy is expected to grow by 3%, marginally lower than 3.2% projected in July.

Growth continues to be weakened by rising trade barriers and increasing geopolitical tensions.

The US-China trade tensions will cumulatively reduce the level of global GDP by 0.8% by 2020.

Country-specific factors in several emerging market economies — such as low productivity growth and aging demographics in advanced economies.

In India, the economy grew at its slowest pace in six years at 5% in the June quarter.

In India, growth has softened on the back of corporate and environmental regulatory uncertainty with concerns about the health of the nonbank financial sector.

Sector-specific weaknesses in the automobile sector and real estate sector.

The Indian economy is battling a severe demand slowdown and liquidity crunch.

Growth in private consumption expenditure slumped.
Reducing lending rates just because the repo has been cut is not feasible for banks. Deposits make up almost 80% of all banks' funds from which they then lend to borrowers. Banks borrow a minuscule fraction under the repo. Unless banks reduce their deposit rates, they will not be able to reduce their lending rates. In the past only half the rate cuts by RBI were passed through by the banking system. Deterioration in banks' asset quality and the losses incurred by public sector banks have hampered effective monetary transmission.

The banks cannot link their lending to the repo rate because repo doesn't determine their cost of funds. For a repo-linked regime to work, along with banks' lending rates, their deposit rates too must go up and down with the repo. If such a regime were in place, depositors would have earned 1.10 percentage points less interest rate on their savings account.

The financial system is far more developed and diversified. The banking system doesn't have to bear the burden of providing loans to everyone in the economy - from a small personal loan to large business loan.

Most demands for big loans are directed towards the corporate bond market. Depositors are not in the habit of getting a fixed interest rate on their savings while expecting a variable interest rate on their loans. Overall borrowing by the public sector is not so high so as to drive up the interest rates in the economy.

Enabling effective monetary transmission would not only increase the credibility of the Central Bank but also help in strengthening the financial structure. Impounding of bank money by RBI is too high with 4% cash reserve ratio carrying no return whatsoever.

To make transmission work, the least RBI can do is to reduce CRR. Timely transmission of policy rates could be considerably improved if the banking sector's non-performing assets (NPAs) are resolved more quickly and efficiently. If the government wants to reduce lending rates, it could focus on bringing down its own fiscal deficit and public sector borrowing.

Why aren't interest rates coming down?

Since February, the Reserve Bank of India (RBI) has aggressively cut the repo rate. By cutting the repo rate, the RBI has been sending a signal to the rest of the banking system that the lending rates should come down. This process of repo rate cuts leading to interest rate cuts across the banking system is called "monetary policy transmission".

In India, the process of monetary policy transmission is inefficient. For example, between February and August, the RBI cut repo rate from 6.5% to 5.4%. But, the interest rate charged by banks on fresh loans fell just 27% of the amount by which the repo rate came down. Further, RBI has urged banks to link their lending rates to the repo rate.

Why hasnt linking the lending rate to the repo rate worked?

India's Monetary Policy Transmission

Practice in Developed Countries

Reasons behind Weak Transmissions

Present Status in India

Rigidity in saving deposit interest rates.

Since February, India's economic growth momentum has rapidly decelerated.

Projections of GDP growth rate have come down.

A lower interest rate regime is expected to help

The main issue is that people are not consuming at high enough rate.

At lower interest rates, people are expected to borrow and spend more, the more the money circulates in the economy, the greater would be the economic activity.

If banks reduce their lending rates, they would also have to reduce their deposit rates.

This, in turn, will incentivise people to save less and spend more.

If banks reduce the interest rates on loans, more businesses are likely to be enthused to borrow new loans for investment.

Way Forward
West Bengal’s refusal to endorse water-sharing terms under Teesta Water Sharing Agreement.

A lack of water has affected 100,000 hectares of land, with contamination affecting the soil; the increased cost of pesticides and irrigation has made farming less profitable.

The National Register of Citizens (NRC) has left out 1.9 million Assamese from the list with a group labelled as “illegal immigrants from Bangladesh” living in Assam post-1971.

Bangladesh remains firm in its stance that no migrants travelled to Assam illegally during the 1971 war of independence and that the controversial NRC risks hurting relations.

The Rohingya issue and India’s remarks in 2017 on the issue have been upsetting for Bangladesh.

The long-pending upgrading of the Ganga-Padma barrage project, as well as the draft framework of interim sharing agreement of the Feni river are also pending.

Since 2010, India has approved three lines of credit to Bangladesh of $7.362 billion to finance development projects.

Due to a bureaucratic red tape, just $442 million has been disbursed till December 2018.

The loss of civilian lives at the border is a matter of concern.

There is scope for India-Bangladesh ties to move to the next level, based on cooperation, coordination and consolidation.

India’s continued partnership with Bangladesh benefits both countries.

New Delhi must keep up the partnership that allows for economic growth and improved developmental parameters for both countries.

It is important to address specific issues like Teesta and to respond to Dhaka’s call for help on the Rohingya issue.

The two countries share 54 transboundary rivers, and water management is the key to prosperity.

Effective border management for ensuring a tranquil, stable and crime-free border.

The shared colonial legacy, history and socio-cultural bonds demand that the political leadership of the two countries inject momentum into India-Bangladesh relations.

Bilateral Relations

India and Bangladesh today enjoy one of the best periods of their relationship, with positive development in the areas of diplomatic, political, economic and security relations.

Bilateral trade was little over $9 billion in FY 2017-18 and Bangladesh exports increased by 42.91%, reaching $1.25 billion in FY 2018-2019.

The India-Bangladesh border is one of India’s most secured.

By signing of the Land Boundary Agreement in 2015, the two neighbours amicably resolved a long-outstanding issue.

In 2018, in addition to the 860 MW of power imported by Bangladesh, Indian exports of electricity increased by another 500 MW.

Train services on the Dhaka-Kolkata and Kolkata-Khulna are doing well, while a third, on the Agartala-Akhaura route, is under construction.

Today, Bangladesh contributes 50% of India’s health tourism revenue.

Relations between the two border guarding forces are at their best right now.

Conclusion

India and Bangladesh are now a model of good neighbourhood.

India’s links with Bangladesh are civilizational, cultural, social and economic.

India played the great role in emergence of independent Bangladesh and was the first country to recognise Bangladesh as separate state.

Both the countries are the common members of SAARC, BIMSTEC, IORA and the Commonwealth.

India has always stood by Bangladesh in its hour of need with aid and economic assistance to help it cope with natural disasters and floods.

The seven pacts and three projects that were signed and finalised during the visit illustrate the transformation of the relationship between the two countries.

The first full bilateral meeting since both countries went to polls, marks a new chapter between New Delhi and Dhaka.

The agreement to supply gas to Tripura, and the use of the Chattogram and Mongla ports to serve the north-east states testify to the goodwill between the two countries.

The agreement for a skill development centre in Bangladesh to train the youth is another example of mutually beneficial efforts.

Both will also coordinate better border management and counter-terror cooperation, and are also working on a regional tri-lateral energy sharing arrangement with Bhutan.

The Indian government has assured Bangladesh that the National Register of Citizens will not affect Bangladesh.

Bangladesh Prime Minister Sheikh Hasina’s visit to India marks a positive step in the relationship between India and Bangladesh.

India and Bangladesh today enjoy one of the best periods of their relationship, with positive development in the areas of diplomatic, political, economic and security relations.
China and India are both ancient civilisations and major developing countries.

The development of China and India is an important opportunity for each other. Both countries are members of China-Russia-India Trilateral, BRICS, SCO and G20, and share common interests in promoting globalization and opposing trade protectionism. On major international issues, China and India have shared interests and similar positions.

Government departments, political parties, legislatures and military of the two countries have actively engaged in high-level exchanges and shared governance experience. Recently the two sides held the 6th Strategic Economic Dialogue and the 9th Financial Dialogue, and reached new consensus on development strategies.

Since the beginning of the 21st century, trade between China and India has grown from less than $3 billion to nearly $100 billion, an increase of about 32 times.

More than 1,000 Chinese companies have increased their investment in industrial parks, e-commerce and other areas in India, with a total investment of $8 billion and 2,00,000 local jobs created.

Chinese mobile phone brands have been well-established in the Indian market.

Indian companies are also actively expanding the Chinese market, with a cumulative investment of nearly $1 billion in China.

The two countries have established 14 pairs of sister cities and provinces, with two-way personnel exchanges exceeding one million.

Informal summits have their use as trust-building exercises.

The two countries convened their first Informal Summit in central China's Wuhan in April 2018.

The Wuhan Informal Summit pointed out the direction for the development of bilateral relations.

Recently both leaders met in the ancient coastal town of Mamallapuram for a second Informal Summit.

The China-India boundary question is a complex and sensitive issue left over from history.

Special Representatives’ meeting was established on the boundary question in 2003 and the two sides have held 21 rounds of meetings.

This has played an important role in maintaining peace and tranquility in the border areas.

Over the past decades, no single bullet has been fired at the China-India border area, and peace and tranquility has been maintained.

Doklam and the disputed border between the two countries remains an issue of concern.

Even as the political situation in Afghanistan deteriorates, China and Pakistan, remains more intent that India has no role to play there.

India has protested comments by Chinese officials on the government’s move to amend Article 370.

China reportedly conveyed its displeasure over India’s military exercises in Arunachal Pradesh.
India is one of the most unequal countries in the world — the richest 1 percent own 60 percent of its wealth.

In India women are poorly represented in the top bracket of wage-earners and also experience widespread gender pay gap.

CEO of India’s top information technology firm earns 416 times the salary of a typical employee in his company.

While coal provides around 75 percent of the nation’s electricity, many areas with the densest concentration of coal plants have low access to electricity.

If current trends in economic growth and inequality remain unchanged, around 550 million people will be under extreme poverty in 2030, according to the World Bank.

Extreme inequality destabilizes global economies and pushes more and more people into poverty.

A nation will not survive morally or economically when so few have so much, while so many have so little.

Effects that inequality has on societies: Eroding trust, increasing anxiety, and illness, and encouraging excessive consumption.

Rising inequality is fuelling conflict, both the incidence of crime in our daily lives and full-scale civil conflict and war.

Inequality destroys the soul of nations, of societies, of communities and, ultimately, of every individual’s well-being.

Inequality corrodes the fabric of a society that is crucial for all people to feel they belong to it.

Adopt urgent policies and practices to make a more human economy.

Implementing tax models for the rich individuals and corporations to pay their fair share of tax.

More equitable tax policies and Progressive taxation.

Consider new and existing wealth taxes to be used as a tool to fight poverty and inequality.

Developed countries must invest in healthcare and education and provide aid to developing countries and also work towards limiting greenhouse gas emissions down to zero well before mid-century.

Implementing higher minimum wage.

Regulating companies to ensure sustainable production and prevent exploitation.

Moving away from a simplistic focus on GDP growth to focusing on improving the conditions of the bottom half.

IMF should be serious about such measures.

Bringing in the wealthy people within the tax-net through inheritance tax and increase the wealth tax.

Oxfam said it is time to build a human economy that benefits everyone, not just the privileged few.

Inequality has been a hot topic of international discussion for around a decade.

Inequality has been on the rise across the globe for several decades. Some countries have reduced the numbers of people living in extreme poverty.

But economic gaps have continued to grow.

According to Global Wealth Report the richest one percent of the world’s population had the same amount of wealth as the other 99 percent.

Hundreds of millions of people are living in extreme poverty while huge rewards go to those at the very top.

There are more billionaires than ever before, and their fortunes have grown to record levels. Meanwhile, the world’s poorest got even poorer.

The Group of Seven (G7) leaders are creating a wide gap between the ‘haves’ and the ‘have-nots’ both in their countries as well as across the globe, according to a new report published by Oxfam International.

As a result, they are making the fight against alleviating poverty more difficult, claimed the report ‘The G7’s Deadly Sins’.

Women workers, who are more likely to be in precarious low-paid work, are among the worst affected.

Women face gender pay gap and unequal access to social protection.

According to Global Risks Report which identified a number of threats to the world order, income inequality tops the list.

Many Developed countries have adopted “the neoliberal policy prescriptions of deregulation and privatization and shaping the global economy according to the wealth accumulation model”.

One-third of the world’s billionaire wealth is derived from inherited wealth, while another 43 percent can be linked to “cronyism”.

Large corporations use their huge power and influence to ensure that regulations and policies are shaped to deliver continued profitability.

Manipulated tax systems. Apple paid only 0.005 per cent on its European profits in 2014.

Globalization has resulted in inequitable distribution of wealth and rising competition from skilled workforce, thereby making the unskilled workers economically vulnerable.

Extreme wealth accumulation by a few.

Failure of governments to implement progressive tax systems.

Reducing funding to public services like education, healthcare and social protection as well as foreign aid.

Under-taxing corporations and wealth.

Not doing enough to curb emissions.

Promoting sexism.

These policies have increased the burden primarily on the poor countries and upon women and girls.
The MGNREGA was launched in 2006 in order to provide at least 100 days of guaranteed employment to rural households. It is the largest scheme run by the Ministry of Rural Development (MoRD).

It has helped in increasing rural household income.

It has not only helped in increasing groundwater table in the last one decade, but also agriculture productivity, mainly cereals and vegetables and fodders.

The water conservation measures, including farm ponds and dug wells, have made a difference to the lives of the poor.

While the scheme was earlier focused on creation of community assets, in the last three years, individual assets have also been emphasised.

It has provided goat, poultry and cattle shed as per the need of poor households.

The current MGNREGA national average wage is about ₹178 per day.

The Centre is planning to revise the wages paid out to workers under the MGNREGA by linking wages to an updated inflation index.

It hopes this will increase wages, thus increasing purchasing power and reviving rural demand.

This is one of the demand-side interventions that the government is carrying out in light of the current scenario in the rural economy.

Rural wages could increase and that could percolate down into more purchasing power in the hands of the consumer.

The Reserve Bank of India, in its annual report, has pointed to weakening rural demand since the third quarter of 2018-19 as a serious concern.

Kickstarting rural demand

The government aims to revise wages of MGNREGA workers to address the slowdown in the rural economy.

- MGNREGA wages will be linked to an updated inflation index
- Higher wages will increase MGNREGA expenditure by 10%
- They may also increase purchasing power and revive rural demand
- MGNREGA budgetary allocation for FY20: ₹60,000 crore
- Funds released till Sept. 17: ₹46,486 cr.
- Additional funds requested: ₹15,000-20,000 crore

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

In the last five years, the average person days of work generated per household under MGNREGA remained less than 50 across years.

The scheme is running out of funds due to increased demand for work.

Droughts and floods in several States have led to an increased demand for work.

Data show disparity in MGNREGA wages across States.

Agricultural minimum wages exceed MGNREGA wages in almost all States.

The total MGNREGA expenditure reported by States has risen, but the year-on-year growth has fallen below 5%.

The act continues to fight widespread corruption and administrative negligence.

In some areas of certain states, MGNREGA work opens only during specific seasons and time.

Since April 2014, the work completion rate has been declining.

Jharkhand being one of the poorest states and having huge dependence on MGNREGA, has the lowest wage rates.

Workers across the nation have been demanding higher wages in accordance with the recommendations of the Seventh Pay Commission.

Different committees constituted by the Centre vouched for higher MGNREGA wages.

The recent central committee for fixation of national minimum wage recommended that the national minimum wage should be fixed at Rs 375 per day.

Many civil society organisations have been demanding that the person work days under MGNREGA be increased to 200 days per rural household.

Adequate allocation of Budget funds

Timely payments to workers

Completely decentralising implementation

Improving entitlements (i.e., wages, compensations and worksite facilities)

There is a need to upgrade skills of MGNREGA workers.

The centre needs to ensure uninterrupted operations by primarily ensuring allocation of adequate funds for the programme.

Way Forward

Various Recommendations

Concerns / Challenges

Impact of MGNREGA

Revision in the Wages
NITI Aayog’s Strategy for Water Resources

Introduction

In December 2018, NITI Aayog released its ‘Strategy for New India @75’ which defined clear objectives for 2022-23.

In this document, under the strategy for ‘water resources’, the stated objective is to facilitate water security to ensure adequate availability of water for life, agriculture, economic development, ecology and environment.

Goals listed in the Document

- Providing adequate and safe piped water supply to all citizens and livestock
- Providing irrigation to all farms
- Providing water to industries
- Ensuring continuous and clean flow in the “Ganga and other rivers along with their tributaries”, i.e., in all Indian rivers
- Assuring long-term sustainability of groundwater
- Safeguarding proper operation and maintenance of water infrastructure
- Utilising surface water resources to the full potential of 690 billion cubic metres
- Improving on-farm water-use efficiency
- Ensuring zero discharge of untreated effluents from industrial units
- Irrigation potential created but not being used
- Poor efficiency of irrigation systems
- Indiscriminate use of water in agriculture
- Poor implementation and maintenance of projects
- Cropping patterns not aligned to agroclimatic zones
- Subsidised pricing of water
- Citizens not getting piped water supply
- Contamination of groundwater

No New Vision

- The ‘strategy’ for water fails on all three counts.
- The goals are over ambitious, particularly for a five-year window.
- Not even one of these goals has been achieved in any State in the past 72 years.
- A strategy document must specify who will be responsible and accountable for achieving the specific goals.
- Otherwise, no one will accept the responsibility to carry out various tasks.
- Of the issues listed under ‘constraints’, only the Easement Act, 1882 is actually a constraint.
- There is no recommendation to amend the Easement Act, or to stop subsidised/free electricity to farmers.

Adopting an integrated river basin management approach

- Setting up of river basin organisations (RBOs) for major basins.
- The integrated management concept has been around for 70 years, but not even one moderate size basin has been managed thus anywhere in the world.
- Not a single RBO has been established for any major basin.
- The water resources regulatory authority is another failed idea.
- Maharashtra established a water resources regulatory authority in 2005. But water management in Maharashtra has gone from bad to worse.
- There is a need for analysing why the WRA already established has failed.

The document reiterates on failed ideas:

- The document fails to identify real constraints.
- It notes that the Ken-Betwa River inter-linking project, the India-Nepal Pancheswar project, and the Siang project in Northeast India need to be completed.
- A major roadblock in completion of these projects is public interest litigations filed in the National Green Tribunal, the Supreme Court, or in various High Courts.
- Unless the government has a plan to arrest the misuse of PIL, not only these but also other infrastructure projects will remain bogged down in court rooms.
- The document takes no cognisance of some real and effective reforms that were once put into motion but later got stalled.

What the Document failed to do

- India’s water problems can be solved with existing knowledge, technology and available funds.
- NITI Aayog has prescribed only a continuation of past failed policies.
- India’s water establishment needs to admit that the strategy pursued so far has not worked.
- Only then can a realistic vision emerge.

Constraints listed in the Document

- In December 2018, NITI Aayog released its ‘Strategy for New India @75’ which defined clear objectives for 2022-23.

Criticism

- In this document, under the strategy for ‘water resources’, the stated objective is to facilitate water security to ensure adequate availability of water for life, agriculture, economic development, ecology and environment.

- Providing adequate and safe piped water supply to all citizens and livestock
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Way Forward

- The Easement Act, 1882, grants groundwater ownership rights to landowners, and has resulted in uncontrolled extractions of groundwater

Acknowledgement and analyse past failures

- Suggest realistic and implementable goals
- Stipulate who will do what, and within what time frame.

The integrated management concept has been around for 70 years, but not even one moderate size basin has been managed thus anywhere in the world.

- Not a single RBO has been established for any major basin.
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The government had announced “Operation Green-TOP” with an allocation of Rs 500 crore in its budget of 2018. The idea was to build value chains of TOP on the lines of “Operation Flood” for milk.

TOP are mostly traded in APMC markets, with layers of mandi fees and commissions, and farmers get less than one-third of the consumer’s rupee.

Imposition of MSP beyond some point is market distorting. Farmers have got negative returns in several crops prompting many economists to question the usefulness of MSP’s. MSP is only announced for few crops. There is no MSP for fruits and vegetables.

Only a fraction of the farmers actually have access to MSP. India’s price support programme is also promoting cultivation of water-intensive crops like paddy and sugarcane even in water deficit regions such as Punjab, Haryana and Maharashtra.

Need for stabilising retail prices of fresh TOP, and ensuring a higher share of the consumer’s rupee to farmers

Repeated stocking limits on onion traders discourages private investments in modern cold storages. If the government feels that traders are colluding to rig the market, then the Competition Commission of India should look into it.

To propagate the use of processed products the government should run campaigns in association with industry organisations, as was done for eggs. India needs to have time bound targets to process and export at least 10-15 per cent of TOP production.

Direct buying by organised retailers from farmer producer organisations (FPOs) through contract farming, bypassing the mandi system, should be encouraged. Like dairy cooperatives, TOP cooperatives and retail outlets like Safal across the country should be opened.

With crumbling infrastructure, many APMC mandis are running over their capacity. For better functioning, APMCs requires at least two to three times more land and much better infrastructure. The government needs to find a sustainable solution for price stabilisation of TOP, rather than taking temporary ad hoc measures.

Stabilisation of prices, particularly of major foodgrains is of serious concern to most developing countries.

Tomatoes-onions-potatoes (TOP) are the three basic vegetables that face extreme price volatility in India.

The government often finds itself on the edge in fulfilling its dual objectives of ensuring remunerative prices for farmers and affordable prices for consumers.

When output increases well beyond the market demand, market prices decline and in the absence of effective price support policy, farmers are faced with a loss of income.

The “farm distress” in recent years has been partly on account of this situation, as the loss of income is beyond the ability of the small farmers to absorb.

Recently when onion retail prices crossed Rs 40/kg in Delhi, the government imposed a minimum export price (MEP) of $850/tonne.

Later on, as prices went further up, stocking limits were imposed on traders and exports of onions were banned.

It created problems in neighbouring countries, especially Bangladesh.

Price Deficiency Payment system (PDDS) is a system in which the farmer is free to sell in the open market and, if the market price falls below the MSP, the government steps in and makes a deficiency payment which is equal to the difference between MSP and the market price.

It will reduce the need for the government to actually procure food crops, transport and store them and then dispose of them under PDS.

It help regulate the price volatility of important agri-horticultural commodities like onion, potatoes and pulses.

The scheme provides for maintaining a strategic buffer of aforementioned commodities for subsequent calibrated release to moderate price volatility and discourage hoarding and unscrupulous speculation.

Apart from domestic procurement from farmers/wholesale mandis, import may also be undertaken with support from the Fund.
There is a need for a thorough analysis of environmental, social and economic impacts of SUPs. Inventorisation studies in order to estimate how much fraction of single use plastics is there in our plastic waste. These numbers shall help assess the scale of such waste and look for a clear alternative. For SUP ban to be successful, we need a clear definition of SUPs. In India, we do not have a national categorisation of SUPs. States are defining SUPs on their own. Such differences are creating market distortions as well as hampering the enforcement of regulations. To identify the most problematic SUPs, we need to define and categorise them for regulatory purposes.

There is a need for a National Action Plan or guidelines that should focus to implement plastic ban in a phase-wise manner. The phase-wise banning should be developed based on materials, recyclability, availability of alternatives and livelihood security to the informal sector. Better waste management systems with focus on segregation incentive models can help achieve long-term impacts. This has value and a market and will not end up as litter. We need to source segregate.

A bigger debate over the SUP ban issue is on the fact that more than a million workers will lose jobs. There needs to be a clear roadmap on how these workers will be transitioned to any other industry. Devising feasible alternatives for single-use plastic items and targeting consumers and retailers for better marketing is needed.

Options of giving enough time of transition to industry along with tax rebates for alternative industry need to be explored.

Presently, consumer awareness about negative impacts of littering single-use plastics is still limited. This further needs to be strengthened through communication, strategic planning and consumer awareness campaigns. This will not only improve eco-consciousness among citizens but will also empower and encourage widespread actions.

India Inc must embrace solutions rather than lobbying against regulations. It can create a golden opportunity for India to lead the world in innovations to solve plastic pollution. Where plastic cannot be eliminated, the next best option is reusability, like replacing plastic bottles with glass bottles.

Where single-use plastic cannot be avoided, a plethora of technologies can help recover and sort the waste. Examples are smart bins, sorting machines, reverse vending machines and smart packaging technologies that make it easier to separate different materials. Once sorted, there are many options to recover value from waste plastics.

We need more innovative ideas and a fundamental change in mindsets to minimise the use of single-use plastic. It is high time we also turn to the larger challenge of plastic waste management if we want to continue to avail of the advantages offered by plastics in our modern lifestyle.

Single-use plastics (SUPs), or disposable plastics, are products that are used only once before they are thrown away. A FICCI study estimates that 43 percent of India’s plastics are used in packaging and much of it is single-use plastic.

Close to 20 states in India have imposed a partial or total ban on single-use plastics at one time or another. Unnecessary single-use plastic entering our homes in the form of covers for invitation cards, magazines, bread wrappers and advertisements.

Rising e-commerce in India with people buying from companies like Amazon and Flipkart that use single-use plastic for disposable packaging.

India is enriching other countries by buying their crude oil and ruining its own environment by converting it into plastic waste. India has put off the ban on single-use plastic items.

This is unfortunate, as it would put India at the forefront of regulations to solve plastic pollution, well ahead of even the EU. Industry lobbies against plastic ban and pointing out that plastic ban would “harm the economy.”

Alternatives to single-use plastics are not immediately available. India, which uses about 14 million tonnes of plastic annually, lacks an organised system for management of plastic waste, leading to widespread littering.

A study by FICCI points out that fast-growing consumption has brought us to a point where consumption has clearly outstripped India’s current capacity to recycle plastics.

Plastic waste is at epidemic proportions in the world’s oceans with an estimated 100 million tonnes dumped there, according to the United Nations.

Scientists have found large amounts of micro plastic in the intestines of deep-dwelling ocean mammals like whales.

The toxins, poisons and persistent pollutants present in plastic products leach and enter human bodies where they cause several diseases, including cancer.

There are hundreds of solutions and alternatives to single-use plastics.

Many have been developed by startups led by environmentally focused entrepreneurs — ecopreneurs.

For scaling up, this requires visionary leadership in corporations, capital from investors, and collaborative efforts between competitors within industries.

Some examples of upstream innovations are bioplastics made from algae.

Some bioplastics like PHAs (polyhydroxyalkanoates) are soil- and marine-safe — that is, they safely degrade in the environment.

Indian entrepreneurs have created solutions that can replace packaged plastic bottled water in most locations.

To date, over 14,000 km of so-called plastic roads have been built which are long-lasting and free of pot-holes.
Diaspora is an omnibus phrase which brackets people of Indian origin who have emigrated since the 19th century to all corners of the world. They spread the Indian culture and traditions abroad, benefiting India in general and send back remittances back home helping the foreign exchange reserves in particular.

The ‘Howdy, Modi!’ event in Houston showcased the influence that the Indian diaspora has in the US.

Indians settled all around the world even during the colonial period and in the immediate aftermath of independence.

From the 1980s, a new wave of migration took hundreds of thousands of the Indians seeking better economic opportunities to the United States, Australia, and other parts of Europe.

Now many have turned towards East Asian countries including China.

India has the largest diaspora in the world, according to the United Nations’ Migrant Stock 2019 report.

It is not just the largest but also among the most successful diaspora’s in the world.

The United Arab Emirates was the top destination of Indian migrants followed by the US, Saudi Arabia, Pakistan, and Oman.

The Indian diaspora has been economically successful and often among the most-educated and prosperous communities in the host countries.

They occupy prime positions in the corporate world, academia, hi-tech sectors, and even small and medium businesses in the western countries.

Large number of the Indian workers and mid-level managers are crucial to the functioning of the West Asian economies.

Indian diaspora acts like a good-will ambassador of India.

Indian Diaspora is an important part of India’s ‘soft diplomacy’

In the last decade for example, the diaspora generated much-needed political support in the US Congress for changing the American non-proliferation laws and facilitating civil nuclear cooperation with India.

They have also contributed to the growth and development of the country of their residence. For example, Silicon Valley represents the success of Indians.

The Indian Diaspora has played an important role in the field of science & technology.

Remittances

According to a World Bank report, India was the largest remittance-receiving country in the world, with an estimated $69 billion in 2015.

This amounts to a whopping 3.4 per cent of India’s GDP.

When they visit India, they tend to spend more lavishly than the locals, thereby helping economic activity.

NRIs are more prone to donating to domestic charities because of the strong cultural and emotional feelings that they nurse.

They bring technical and domain expertise to domestic startups and often act as angel investors.

Diaspora Indian faculty abroad volunteer time and resources to help faculty on Indian campuses improve the quality of education.

Besides the hard economic and political power, the diaspora spreads the culture, awareness and soft-power of India by favourably influencing the local society and politics.

The role of the Dalit diaspora in instituting chairs in the name of the Dr. Ambedkar or installing his statues in universities across the world and celebration of the Ambedkar Jayanti by the United Nations.
Expanding coal-based generation to meet peaks of demand that cannot be met by solar and wind power.

Transition to electric mobility, beginning with commercial and public transport.

The existing internal framework, the National Action Plan on Climate Change (NAPCC) is more than a decade old.

NAPCC lacks the legal foundation to incorporate the key national commitment under the Paris Agreement: to reduce the emissions intensity of economic growth by a third, by 2030.

India is a victim of climate events on the one hand and a major emitter of GHGs in absolute terms on the other.

Rising concerns about how the world is falling behind in its fight against climate change.

Science tells us that on our current path, we face at least 3°C of global heating by the end of the century.

The five years since 2015 is set to be the warmest of any equivalent recorded period.

Sea level rise is accelerating, and oceans have become 26% more acidic since the dawn of the Industrial era.

Events like Hurricane Dorian rendered large parts of the Bahamas uninhabitable, fires in the Amazon, central Africa and even Siberia.

The heat wave in France and Germany was made eight to 10 times more likely by climate change.

A turn towards nationalism in multiple countries has created a short-term, look-out-for-our-own mentality that is harmful to the global collective action needed to address climate change.

Need for all countries to walk the talk on climate change action.

The Central government must come up with a strong domestic action plan.

Need for an update to the NAPCC and its mission-mode programmes, and new green norms governing buildings, transport, agriculture, water use and so on.

It is equally urgent to arrive at a funding plan for all States to help communities adapt to more frequent climate-linked disasters such as cyclones, floods and droughts.

As per UN estimates, the world would need to increase its efforts fivefold to contain climate change to a 1.5°C rise at most.

Behavioural change is the need of the hour, which can be attained only through education and awareness.

It’s absolutely essential to invest billions in a decade-long awareness campaign to reduce wastage of food and change consumer behaviour.

India and China, which faced the highest burden of death from air pollution, will reap the biggest health benefits of a robust climate policy aimed at reducing carbon emissions.

India and China can ensure that Africa’s development is powered by renewable energy rather than fossil fuels and based on an energy efficient future.

Recently United Nations Climate Action Summit was held in New York.

The summit was organized by UN Secretary General António Guterres to urge countries to enhance their Nationally Determined Contributions (NDCs).

India declared enhanced ambition on cutting greenhouse gas emissions.

Scaling up electricity from renewable sources to 175 GW by 2022 and even to 450 GW later.

India announced the setting up of Coalition of Disaster Resilient Infrastructure (CDRI), a major global coalition to promote setting up of disaster-resilient infrastructure, in the wake of rising extreme climatic events.

The CDRI can emerge as a platform for generating and exchanging knowledge and providing member countries technical support and training in building resilient infrastructure systems.

Delhi Metro could be an example. When the devastating earthquake that killed over 9,000 people hit Nepal in April 2015, Delhi Metro picked up the seismic signals almost instantaneously, leading to stoppage of all trains plying then.

CDRI plans to focus on developing resilience in ecological infrastructure, social infrastructure with a concerted emphasis on health and education, and economic infrastructure with special attention to transportation, telecommunications, energy and water.

India has given a major push to electric mobility and mixing of bio-fuel to reduce the consumption of fossil fuels.

India has provided clean cooking gas to 150 million families, thus improving the health of the environment, of women and children.

India would make investments of up to $50 billion on its Jal Jeevan Mission to conserve water resources.

India is also leading a coalition on transforming industry along with Sweden to enable more industries to transition to low-carbon pathways.

India inaugurated solar panels on the roof of the UN building, built at a cost of USD 1 million.

India has the potential to show the pathway to accelerating action on climate change even while pursuing its development interests.

A notable example is its energy efficiency track record, which helps limit greenhouse gases even while saving the nation energy.