

NEWS WRAP

AGD

In just thirty years Gurgaon's population has grown from a few thousand to more than 1.5 million people. Even though abounding in air conditioned shopping centres and residential complexes, Gurgaon's roads are potholed, electricity intermittent, and there are no pavements or parks. The shopping centres are surrounded by parking lots. The private city management, which constructs the urban condominiums, ensure water supply systems, electricity generators, parks, party venues and markets, all protected by walls. With more than 30,000 illegal tube-wells rapidly depleting the groundwater, the remaining groundwater is at risk of contamination by untreated waste. There are rising fears of water-borne diseases, such as cholera. With rains scarce, water is pumped out of the water table. There are threats of Gurgaon sinking in its own sewage.

MEASLES OUTBREAK

Measles was excluded from the expanded program on immunization launched in India, in 1978. Though nearly 15% of children fail to acquire sufficient immunity from a single dose of measles vaccine, the Universal Immunization Program against several vaccine preventable diseases launched in 1985, was confined to only one dose. Only in about twenty odd states, the much needed second dose measles vaccine was introduced in 2010. Worldwide, the overall mortality due to the measles scourge has fallen by 74% between 2000 to 2010. The decline in India has been barely 26%. 85% of children received protection against measles through routine vaccination, globally. The coverage for children has been less than 75% for India. Nearly half of all measles induced deaths occur in India. India's record of measles control is poorer than of Africa. There has been a current ongoing outbreak of measles in Odisha's Rayagada Region. Poor anti-measles vaccine coverage and low children's immunity due to widespread malnourishment have led to the measles outbreak.

DEFORESTATION IN BRAZIL

The Brazilian Congress has passed a bill that gives farmers an amnesty for destroying the country's forests. Brazil recently hosted the Rio plus 20 conference on the future of conservation. Brazilian government is fighting environmentalists over the Bebo Monte dam, a hydropower facility being built in the Amazonian state of Para, and other such plants in the Amazon. Brazil's new forest code will require farmers to regenerate vegetation on previously cleared land to meet new legal limits, which stand at 80% of land owned in the Amazon area, to avoid paying billions of dollars in fines. The Green groups claim that exoneration of fines on defrosters, offers a virtual amnesty. On the other hand, forest groups argue that the forest code sets some of the most stringent rules in the world for the protection of forest cover on private land, because it retrospectively increases the amount of natural vegetation they are required to keep on their land.

UKRAINE AND TYMOSHENKO

Yulia Tymoshenko was the Prime Minister of Ukraine from January to September 2005, and again from December 2007 to March 2010. The one time Orange Revolution leader lost to the current President Victor Yanukovich in 2010 Presidential elections. Tymoshenko was sentenced to seven years in jail for abusing her power in a gas deal with Russia in 2009. Western countries and the European Union had condemned the decision of the judge. On hunger strike for a prolonged period, Tymoshenko is being currently held prisoner in Kharkiv. Western leaders consider her abuse of power charges as motivated. Her protests arise from being allegedly mistreated prison official and doctors. On a forced visit to a prison hospital in April 2012, she was beaten by prison guards, which could amount to torture. Ukraine's human rights officials have examined her, and found bruising that appear to confirm her complaints. But Ukraine's prison service has denied any beating had taken place, and accused Ms Tymoshenko of engaging in a "political game" to discredit authorities. There is mounting international pressure on Ukraine, and the torture charges have cast a shadow over Ukraine's co-hosting with Poland the mid-2012 Euro Football championships. □□□

Calcutta Notebook

B J

Rural development minister Jairam Ramesh has de-fended the Government policy of acquiring farmer's lands for private uses on administratively determined prices. He has said that the Government must have a role in land acquisition as faster industrialization and urbanization were desirable. "Private firms serve only private interest is not my belief," he said. He has a point. Some indirect impacts of land acquisition are indeed positive. However, that only underscores the need to make a comprehensive assessment of all indirect impacts. It is unacceptable to work on the assumption that there are only positive impacts. It has to be shown that the positive impacts are greater than the negative impacts. The Government has failed to make such an assessment and is persisting with administrative pricing which smacks of arbitrariness, if not corruption.

At the root of the problem is valuation of natural resources. The problem is common to the sale of 2G Spectrum, allotment of coal blocks and land acquisition. Businesses want to buy these resources at low prices that are determined administratively. UPA Government is much inclined to oblige them. Critics argue that the real value of these resources is much greater and the Government has caused a national loss by selling them cheap.

2G Spectrum was sold to mobile phone companies at a price that was set administratively by the Telecom Ministry. Companies were willing to pay a higher price as evinced by later auctions. This would be the commercial price i.e., price at which commercial operations of the purchaser were admittedly profitable. The economic price of spectrum would be yet higher. Less frequency would be left for alternate uses such as internet and remote. Spectrum is required for defense communications, research, etc. Price of these alternate uses will increase and that burden will fall on the consumers. The economic price of spectrum would factor in the

cost to the country due to increase in price of these alternate uses. Social price of spectrum is yet greater. Control of selected companies on spectrum can lead to monopolistic pricing of mobile phone services. It can stifle small ventures seeking to enter this space. The social price would account for these aspects as well.

Price of spectrum can be reckoned at four levels. Lowest is the administrative price at which the Government sold it. Second is the commercial price which is the price that purchasers are willing to pay. Third is the economic price at which the economic impact on other competing activities is factored in. Last is the social price that takes into account the holistic impact on various facets of the society. The Government sold spectrum at administrative price and it was, therefore, rightly criticized for having ignored the higher commercial, economic and social price and thereby imposing a huge loss on the country.

The situation in allocation of forest blocks for coal mining is similar. The Government collects value of timber that is lost from the purchasers. The value of timber is determined administratively albeit under a formula approved by the Supreme Court. Purchasers would be willing to pay a much higher price for the forest blocks. That would be the commercial price. The forests provide many services in addition to timber. These include carbon sequestration, flood control, air purification, conservation of biodiversity, aesthetic value, etc. These services can be valued in monetary terms. That would produce the economic value of the forests. Then there are social aspects. Tribals living in the forests face 'loss of soul'. Inequality increases in the society. Problems such as that of alcoholism increase among the people receiving monetary compensation. The price arrived at after factoring in these social aspects would be the social price of the forests.

Government's position on land acquisition follows the same trajectory. The Land Acquisition Officer determines the price of land to be acquired. This price is fixed administratively irrespective of the factors considered. Manufacturing companies such as Tata at Singur or the builders of Greater Noida are willing to pay a higher price as they have done after the Court judgments. This is the commercial price. Conversion of agricultural or barren land into habitation imposes certain environmental costs on the society. These include recharge of groundwater, flood control, food security, etc. Factoring in these costs would provide economic price of land. Then there are social aspects. Inequality increases, recipients indulge in alcoholism and social relations become bitter. The social price of land would take these factors into account.

The UPA Government wants to continue with the practice of selling national resources at administrative prices. At most, the Government is willing to consider sale at commercial price through auctions. But there is a huge resistance to incorporating the impact on other economic activities and environment in making these sales. Social aspects do not even enter the Government's radar. □□□