

## NEWS WRAP

### AGD

INDIA'S NATIONAL BUDGET OF Feb 2011, assumed economic growth of nearly 9% in 2011-12, and projected bold deficit cuts. As the cumulative effects of twelve interest rate increases in eighteen months squeeze demand, growth is expected to fall below 7% in the coming quarters. With high inflation exceeding official forecasts, the Reserve Bank of India continued to raise rates, even as growth slowed down. The effects of interest rate increases, combined with declining global demand caused by fiscal problems of developed economies, will hurt India's exports and impede capital infusion. The fall in the value of the rupee and a heavy oil import bill are leading to upward pressure on prices. India is running far behind its fiscal deficit goal of 4.6% of gross domestic product, despite tax collections that are approximately on target, while there is heavy expenditure on rural subsidies that win votes and raise consumption, there is a shortfall of 10% to 12% expenditure, on targeted \$500 billion infrastructure investment on roads, ports and power supply. Poor infrastructure increases inflation in India by about 2 percentage points, even as 40% of fresh produce rots due to inadequate supply chains.

### TRIPURA'S POROUS BORDERS

Tripura has a landmass of 10,491 sq km and shares a porous border of 839 km on three sides with Bangladesh. It is the smallest state in the north east, but has the largest population. People from Bangladesh can enter at will, and the voices of the indigenous tribes are muted. Indigenous people of Tripura comprise only 26% of Tripura's total population, which is around 3.5 million. The different tribes maintain that all development expenditure benefits the illegal migrants. 6% of land in Tripura is forested and should actually belong to the tribes, but the non-tribal population is also being settled there. Over the years the Tripura District Councils, meant to protect tribal rights under the sixth schedule, have become *ineffective*. The tribal leaders are co-opted to the councils, and persuaded to toe the ruling state government line. 119,000 pattas have been given to the tribes in Tripura, for access and use of forest resources. Tripura is the first state to successfully implement the Forest Rights Act of 2005.

### DIAMOND IN MP

The mining conglomerate, Rio Tinto plans to extract 37 million tons of diamond bearing ore from Madhya Pradesh, from land in one of the finest strands of teak forest in India. The mine project in Chatarpur district, inaugurated by the chief minister of Madhya Pradesh in 2009, threatens the watershed of Panna Tiger Reserve and the Shyamri River. Long before government permission, the Rio Tinto company was exploring the eco-sensitive zone. Officials who objected have been transferred to other assignments. Mining has been permitted "in gross violation of rules and regulations". The High Court in Bhopal has called for explosions from the union and state governments. Rio Tinto started exploring for minerals in India in 1996, after the sector was opened for foreign direct investment. In 2004, Rio Tinto discovered significant diamond deposits at the Bunder Project in Chatarpur district.

On 16 August 2011, Shehla Masood was found dead in her car outside her home, in a prosperous area of Bhopal, with a single gunshot on her neck. Through the Right to Information Act, she was despatching numerous applications in all directions, exposing wrong doings of the Madhya Pradesh State Government. She had started making fresh Right to Information applications on the Rio Tinto diamond mine deals, and was planning public-interest challenges to the mine, in the High Court. Police investigations have not yet found any clues to the killing, and the offer of Rupees five lacs reward has failed to focus on any single witness, to the killing in broad daylight, on a busy road.

### **PUBLIC OUTCRY IN MYANMAR**

Risks of tampering with nature, damages to wildlife, and displacement of villagers are some of the major concerns surrounding the construction of the massive Myitsone dam, in a remote corner of Myanmar. The Myitsone dam is being built and financed by China Power Investment, a state run Chinese company. In recent months, the Myanmar civilian government has loosened controls on the news media. There has been strident criticism of the government project in the domestic media, and people are demanding to stop the project. The strong criticism of the project has spread through Facebook, blogs, and even local newspapers, suggesting that the government itself may be divided on the issue. Cautious in criticisms of the government since her release from house arrest, dissident Daw Aung San Suu Kyi has written an open letter, calling for the project to be reassessed.

The Myitsone dam would be the first dam across the Irrawaddy River, and there are fears that the dam would degrade the river further. The huge project was made without public consultaion. China is expected to import 90% of the electricity generated by the project, but the financial conditions have not been explained to the public. In an apparent conciliatory gesture, Myanmar's authoritarian government has suspended construction of the \$ 3.6 bn Chinese backed hydro-electric dam. □□□