

# NEWS WRAP

AGD

In the disputed waters around the Falklands Islands, geo-logical surveys in 1998 found upto 60 billion barrels of oil, that could be recovered profitably. Both the Falklands Islands and Argentina would benefit from any significant find. However, the arrival in Falklands waters of the 'Ocean Guardian', an oil drilling platform sent by Desire Petroleum, a British Oil exploration firm, has been described in Buenos Aires, as a "unilateral act of aggression by Britain" and as "whipping up the spectre of war". Argentine has launched a new diplomatic offensive, to rally support for its efforts to block British exploration for oil, in the disputed waters. Buenos Aires has introduced new restrictions on ships passing through Argentine waters. Britain's oil fields in the North Sea too are being disputed.

## **MANIPUR INSURGENCY**

There are about 38 armed factions in Manipur (North East India), about one for each ethnic group, with varied aims, and unified with the common goal of seeking independence. They have been locked in a battle with the Indian army and security forces for more than thirty years. With one security officer for every 40 of the 2.6 million population, more than 10,000 people have already died in the armed insurgency. Foreigners need a special permit to visit Manipur, which is generally never granted. Around 444 people were killed in Manipur in 2009, in the course of armed violence, and about two-thirds of the fatal casualties died in "encounters". The Armed Forces Special Powers Act (AFSPA) is the emergency law, which provides a legal umbrella for the security forces. Manipur police won 74 of India's gallantry awards in 2009, while the other states of India won 138 awards. The armed police in Manipur won the awards in "encounters" with suspected insurgents.

Opium production in the insurgency areas along Myanmar is rising. Besides confined to injecting drug users Manipur has the highest adult HIV-prevalence (1.7% in 2006), in India. The 600,000 registered unemployed in Manipur, represent a quarter of the population. No longer self sufficient in food, Manipur imports rice from Punjab. Extortion by armed groups is rampant.

## **INDIA FISCAL**

The share of the Indian states in Central taxes has been raised from existing 30.5% to 32%. Proceeds from disinvestment would be made available for funding infrastructure projects. To ensure more backward states get more support, one of the factors considered in the sharing formula is per capita gross state domestic product of a state, relative to the average for states. Rapid expansion in mining activities has led to a sharp growth in the gross state domestic product of poor states like Orissa, Chattisgarh and Bihar. Hence, these states will be receiving less as tax share from the Centre. The "gainers" include Maharashtra, West Bengal, Uttar Pradesh, Himachal and J&K, as their respective growth is below the national average.

For 2010-11, the government's "Economic Survey" estimates growth at about 8.5%. While a double-dip recession is affecting western countries, sub-normal monsoons, kharif crop failure, hoarding and delays in the market release of imported raw sugar fuelled high inflation in food items. But financial stimulus packages have added purchasing power in the hands of the poor. The 600 million Indian farmers have average monthly family income of about Rs 2500. While the Budget for 2010-11 blends fiscal correction with tax relief, India's domestic debt is 56.6% of GDP, and its external debt is 23.4% of GDP.

### **FUNDS FOR RAILWAYS**

The revised estimate for Indian Railways 'excess' for 2009-10, is now revealed to be only Rs 951 crore. The Union Railways Minister's budget for 2010-11, has no clear strategy to generate funds to fulfil an ambitious plan of adding 2500 km of railways, every year, the coming decade as part of the Railways Vision 2020 document. No money stands allotted under Rail Capital Fund, for expenditure on new assets. The Rail Development Fund has a meagre Rs 951 crore for the current fiscal year. While there has been no increase in passenger fares for the last seven years, the losses due to low passenger fares is around Rs 14,000 crore every year. The proportion of expenditure on rolling stock has been reduced from 32% to 26%, proportion on new lines reduced from 11% to 7%, and the proportion on track renewals reduced from 18% to 10%. The operating ratio, i.e. the amount spent to earn Rs 100 has declined from about 76% in 2007-08, to around 92.3% in 2010-11. The Railways is being over burdened with non core activities like running hospitals and six clean drinking water bottling plants.

### **RED CORRIDOR BATTLES**

The CPI (Maoist) have expanded the "Red Corridor" in India, stretching from West Bengal, across Jharkhand, Bihar, mineral-rich Orissa, Andhra Pradesh and parts of Maharashtra. Naxalites started entering the forests of Chattisgarh since the 1980s. Popular support was gained by giving protection to the rural residents against aggressive government forests guards and helping them secure better prices for the Tendu leaves, which were sold to the bidi industry. Later many villagers joined the Naxal movement, or were forced to join the Maoists, as full time cadres. Over the years, unhappy at the Maoists' efforts to halt the traditional animist spiritual practices of local tribes, and at the increasing violence against traditional leaders and other dissenters, many locals are dissatisfied with the Maoist guerillas. The Maoists have carried out detailed socio-economic surveys of the villages in the "Red Corridor", and their inhabitants. From the villages, the Maoists demand monthly payments, and food from each family. Those with public sector jobs and school teachers have to give the most. Some teachers pay as much as Rs 1500 per month. Leftist cadres from all over India are trained in the hidden jungle bases of the so-called liberated areas, in the forests of Chattisgarh.

The Indian government's Operation Green Hunt, launched at end 2009, resulted in the despatch of battle-hardened paramilitary forces from Kashmir, to bolster the beleaguered and poorly trained state police forces, with the aim of dislodging the Maoist guerillas. Local human rights groups accuse the security

forces of killing innocent civilians, then branding them as Naxal rebels. The security forces are slowly pushing into Maoist-held areas to battle the rebels. Police are stepping up their own surveillance of villages, and offering to solve local problems. The villagers do not allow the police to sit in anyone's house for conversation. All dialogue is done in the village square, for fear of retribution from the Maoists. The villagers are seized with anxiety. The Maoists keep the villagers compliant with beating of dissenters, rumoured killings of suspected police informers, and fears that children will be forcibly inducted in the Maoist cadres. Government studies show that the rebels have flourished in areas neglected by the government, and where spending is dis-proportionately low on education, health, infrastructure and other services. The Maoists claim to represent tribal people and lower-caste peasants, whose rights have often been trampled upon in India. Present in India for four decades, the Maoist rebels call for the overthrow of the government, within West Bengal, presently Maoist influence has spread to around 32 police stations. □□□