

PREFACE

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മികച്ച മൂല്യനിർണ്ണയ സംവിധാനത്തിന്റെ ആവശ്യകത

പ്രൊഫ. അഖ്താർ സിദ്ദ്

മൂല്യ നിർണ്ണയം, വിലയിരുത്തൽ, പരിശോധന തുടങ്ങിയ പദങ്ങൾ നമുക്ക് സുപരിചിതമാണ്. എന്നാൽ ഇവ തമ്മിലുള്ള വ്യത്യാസത്തെ കുറിച്ച് അപൂർവ്വമായി മാത്രമേ നാം ചിന്തിക്കാറുള്ളൂ. കുട്ടികൾക്ക് മാർക്ക് നൽകുമ്പോഴും അവരെ വിവിധ ക്ലാസുകളിലേയ്ക്കും വിഭാഗങ്ങളിലേയ്ക്കും തരം തിരിക്കുമ്പോഴും സാക്ഷ്യപത്രത്തിനും സ്ഥാനക്കയറ്റത്തിനും എല്ലാം നാം ഈ പദങ്ങൾ യഥേഷ്ടം ഉപയോഗിക്കുന്നു. ഇവയിൽ എളുപ്പത്തിൽ മനസിലാകുന്നത് പരീക്ഷകളാണ്. കാരണം നമ്മളെല്ലാവരും ജീവിതത്തിൽ പല പരീക്ഷകൾക്കും ഹാജരായിട്ടുള്ളവരാണ്. എന്നാൽ പലപ്പോഴും അതിസമർത്ഥരായ വിദ്യാർത്ഥികൾ പോലും പരീക്ഷകളുടെ അനിശ്ചിതത്വവും, അസ്ഥിരതയും, അവിശ്വാസ്യതയും നിമിത്തം അവയെ ഭയപ്പെടുന്നു. ചോദ്യങ്ങൾ തയാറാക്കുന്നിടം മുതൽ ഈ ഘടകങ്ങൾ ആരംഭിക്കുന്നു. പിന്നെ അവയുടെ വിതരണം, ഉത്തരങ്ങൾക്ക് മാർക്ക് നൽകൽ, കുട്ടികൾക്ക് ആകെ ലഭിച്ച മാർക്കുകളുടെ പട്ടിക തയാറാക്കൽ വരെ ഇതു തുടരുന്നു. ഈ പരീക്ഷകളിലെല്ലാം ധാരാളം കെണികൾ പതിയിരിക്കുന്നുണ്ട്. യഥാർത്ഥത്തിൽ ഓരോ പരീക്ഷയും കുട്ടികൾക്ക് സാക്ഷ്യപത്രങ്ങൾ നൽകി, ശ്രേണി നിശ്ചയിച്ച് കൂടുതൽ ഉയർന്ന പദവിയിലേക്ക് അവരെ എത്തിക്കുന്നതിനുള്ള സംവിധാനമാണ്. ഇവയാണ് വിദ്യാർത്ഥികളുടെ ഭാവി നിശ്ചയിക്കുക.

പഠന ഫലങ്ങൾ, പഠനത്തിനു നേരിടുന്ന ബുദ്ധിമുട്ടുകൾ, പഠനം മെച്ചപ്പെടുത്താനുള്ള പ്രതിവിധികൾ തുടങ്ങിയവയുമായി ബന്ധപ്പെട്ട കൃത്യമായ പദങ്ങൾ മൂല്യനിർണ്ണയവും വിലയിരുത്തലുമാണ്. കുട്ടിയുടെ പൊതുവായ വ്യക്തിത്വ വികസനം, ഉയർന്ന ക്ലാസുകളിലേയ്ക്ക് സ്ഥാനക്കയറ്റം ലഭിക്കുന്നതിനു മുമ്പെ തന്നെ മാതാപിതാക്കൾ ആഗ്രഹിക്കുന്ന നിലവാരത്തിലുള്ള പഠനം തുടങ്ങിയ സങ്കല്പ



ങ്ങളാണ് സമഗ്രവും അനുസ്യൂതവുമായ വിലയിരുത്തൽ (കണ്ടിന്യൂസ് ആൻഡ് കോംപ്രഹെൻസിവ് ഇവാലുവേഷൻ-സിസിഇ) എന്നതുകൊണ്ട് ഉദ്ദേശിക്കുന്നത്. ഇതായിരുന്നു. 2009-ൽ ആർടിഇ നിയമം നടപ്പിലാക്കുന്നതിനുള്ള പ്രധാന മാനദണ്ഡവും. എട്ടാം തരം വരെ എല്ലാ വിദ്യാർത്ഥികൾക്കും (6-14 വയസ്) ഒരു തടസവുമില്ലാതെ, തോൽവി കൂടാതെ നിശ്ചിത സമയത്തിനുള്ളിൽ പ്രാഥമിക വിദ്യാഭ്യാസം പൂർത്തിയാക്കുന്നതിനുള്ള സൗകര്യം ഈ നിയമം വഴി ഉറപ്പാക്കുന്നു. അതോടൊപ്പം സിസിഇ നിശ്ചിത വിദ്യാഭ്യാസ നിലവാരം ഉറപ്പാക്കുകയും ചെയ്യുന്നു. സിസിഇയുടെ ഈ വിശാല സങ്കല്പം അത് നടപ്പാക്കപ്പെട്ടപ്പോൾ അധ്യാപകരും മറ്റ് ഉത്തരവാദിത്തപ്പെട്ടവരും മനസിലാക്കുകയോ പരിശോധിക്കുകയോ ചെയ്തില്ല എന്നതാണ് നിർഭാഗ്യകരമായ വസ്തുത.

അതിന്റെ ഫലമായി, എഴുത്തും വായനയും ഉൾപ്പെടെയുള്ള അടിസ്ഥാന കഴിവുകൾ സ്വായത്തമാക്കാതെ വിദ്യാർത്ഥി സമൂഹം പ്രാഥമിക വിദ്യാഭ്യാസം പൂർത്തിയാക്കിക്കൊണ്ടിരുന്നു. ഇതു മൂലം പിന്നാക്കം പോയത് വിദ്യാഭ്യാസ നിലവാരമാണ്. സ്കൂൾ വിദ്യാഭ്യാസത്തിന്റെ വിവിധ ഘട്ടങ്ങളിൽ എൻസിഇആർടി നടത്തിയ നാഷണൽ അച്ചീവ്മെന്റ് സർവ്വേകളാണ് ഇത് കണ്ടെത്തിയത്.

വർത്തമാനകാല സാഹചര്യം

ഇപ്പോഴത്തെ അവസ്ഥയ്ക്ക് ഒരു മാറ്റം വരുത്താൻ നിരവധി ശ്രമങ്ങൾ ആരംഭിച്ചെങ്കിലും യഥാർത്ഥ ആവശ്യം നിറവേറ്റുന്നതിൽ അവയെല്ലാം തന്നെ പരാജയമായിപ്പോയി. ലക്ഷ്യപ്രാപ്തിയിൽ പരിമിതികളുള്ള ഇപ്പോഴത്തെ പരീക്ഷാ സമ്പ്രദായത്തിനു പകരം കുറച്ചുകൂടി കാര്യക്ഷമമായ ഒരു മൂല്യനിർണയ സംവിധാനം കൊണ്ടുവരാനും ശ്രമം നടന്നു. ഇത്തരത്തിലൊരു വിദ്യാഭ്യാസ സമ്പ്രദായം നടപ്പിൽ വരുത്തുന്നതിനായി എത്രയോ നാഴികക്കല്ലുകൾ നാം പിന്നിട്ടു. 1968-ലെ ദേശീയ വിദ്യാഭ്യാസ കമ്മീഷനും തുടർന്ന് 1968-ലെ ദേശീയ വിദ്യാഭ്യാസ നയവും, 2005-ലെ ദേശീയ പാഠ്യപദ്ധതി ചട്ടക്കൂടുമെല്ലാം പൊതുവേ മുന്നോട്ടുവെച്ച നിർദ്ദേശം പഠന നിലവാരത്തോടൊപ്പം വിദ്യാഭ്യാസ സമ്പ്രദായത്തെയും മെച്ചപ്പെടുത്താൻ മൂല്യനിർണയത്തെ ശക്തമായ ഉപകരണമാക്കുക എന്നതാണ്.

നിർഭാഗ്യവശാൽ ഇവയിൽ ചുരുക്കം ശിപാർശകൾ മാത്രമേ ഇതുവരെ നടപ്പിലാക്കാൻ സാധിച്ചിട്ടുള്ളൂ. മാത്രവുമല്ല, കാലാകാലങ്ങളായി ചെയ്തുകൊണ്ടിരുന്നതു തന്നെ നാം തുടരുകയും ചെയ്യുന്നു. ഉന്നതവിദ്യാഭ്യാസ മേഖലയെക്കാൾ സ്കൂൾ തലത്തിലാണ് കൂടുതൽ പരിഷ്കാരങ്ങൾ നടപ്പാക്കിയിട്ടുള്ളത്. കാരണം അടിത്തറയാണല്ലോ കൂടുതൽ ബലപ്പെടുത്തേണ്ടത്.



സ്കൂൾ തലത്തിലായാലും, ഉപരി പഠന മേഖലയിൽ ആയാലും വിദ്യാഭ്യാസ നിലവാരം ഇന്ന് വലിയ പ്രശ്നം തന്നെയാണ്. സർവശിക്ഷ അഭിയാൻ, രാഷ്ട്രീയ മാധ്യമ ശിക്ഷാ അഭിയാൻ, രാഷ്ട്രീയ ഉച്ചതാർ ശിക്ഷാ അഭിയാൻ തുടങ്ങിയവയിലൂടെ നടത്തിയ പരിശ്രമങ്ങളൊന്നും ഉദ്ദേശിച്ച ഫലം കണ്ടില്ല. അവയ്ക്കുള്ള കാരണങ്ങൾ-

- സമ്പ്രദായത്തിന്റെ ബൃഹത്സ്വരൂപം അതേപടി നടപ്പാക്കുന്നതിൽ പ്രയോഗികമായി ബുദ്ധിമുട്ടു നേരിട്ടു.
- അധ്യാപകരുടെ അപര്യാപ്തത.

എന്നിവയാണ്. ഇന്ന് നമുക്ക് 15 ലക്ഷത്തിലധികം സ്കൂളുകളും, 35000 കോളേജുകളും, 4500 സാങ്കേതിക പരിശീലന സ്ഥാപനങ്ങളും, 660 സർവകലാശാലകളും ഉണ്ട്. കൂടാതെ പരീക്ഷകൾ നടത്താനും വിദ്യാർത്ഥികളുടെ ജയപരാജയങ്ങൾ പ്രഖ്യാപിക്കുവാനും മാത്രമായി 40 സ്കൂൾ വിദ്യാഭ്യാസ ബോർഡുകളും ഉണ്ട്. പഠനവും പരീക്ഷയും ഒരു നാണയത്തിന്റെ രണ്ടു വശങ്ങൾ പോലെ ഒന്നിച്ചു പോകേണ്ടവയാണ്.

പുതിയ മൂല്യനിർണയരീതികൾ അവലംബിക്കണം

മൂല്യനിർണയത്തിന് നാം ഉപയോഗിച്ചുകൊണ്ടിരിക്കുന്നത് ക്ലാസിക്കൽ ടെസ്റ്റിംഗ് (സിടിടി) എന്ന പ്രമാണമാണ്. അതിനാകട്ടെ പരിമിതികൾ ധാരാളമുണ്ട്. ഒരു സാക്ഷ്യപത്രം നൽകുന്നതിനപ്പുറം ഒരു ധർമ്മവും അത് അനുഷ്ഠിക്കുന്നില്ല. എന്നാൽ ആധുനിക പരിശോധനാ രീതികൾക്ക് സമയബന്ധിതമായി പരിശോധനകളും നിലവിലെ സംവിധാനം മെച്ചപ്പെടുത്തുന്നതിനുള്ള കഴിവുമുണ്ട്. പ്രോഗ്രാം ഫോർ ഇന്റർനാഷണൽ സ്റ്റുഡന്റ് അസസ്മെന്റ്, ട്രെൻഡ്സ് ഇൻ മാത്തമാറ്റിക്സ് ആൻഡ് സയൻസ് സ്റ്റഡീസ്, പ്രോഗ്രസ് ഇൻ ഇന്റർനാഷണൽ റീഡിങ് ലിറ്ററസി തുടങ്ങി എല്ലാ അന്താരാഷ്ട്ര പഠനങ്ങളിലും ഐറ്റം റെസ്പോൺസ് തിയറി എന്ന രീതിയാണ് ഉപയോഗിച്ചു വരുന്നത്. ഇതിന്റെ പ്രയോജനങ്ങൾ:

- പരീക്ഷയുടെ ബുദ്ധിമുട്ടുകൾക്കുപരി ഇത് കുട്ടികളുടെ യഥാർത്ഥ കഴിവുകൾ വിലയിരുത്തുന്നു
- ആവർത്തിച്ചുള്ള പരിശോധനകൾ മാനദണ്ഡങ്ങളാക്കുന്നു
- ഒരോ ഇനങ്ങളുടെയും സങ്കല്പങ്ങളുടെയും ശക്തി ദൗർബല്യങ്ങൾ തിരിച്ചറിയുന്നു.



• സംവിധാനത്തിനു പുരോഗതി ഉണ്ടോ ഇല്ലയോ എന്നു തിട്ടപ്പെടുത്തുന്നതിന് വിദ്യാർത്ഥികളുടെ യഥാർത്ഥ നേട്ടങ്ങളെ ദീർഘ കാലം താരതമ്യപ്പെടുത്തുന്നു.

ഈ ദിശയിൽ സ്വീകരിച്ചിരിക്കുന്ന രണ്ടു നടപടികളെ കുറിച്ച് സൂചിപ്പിക്കാം.

(I) 2009-ൽ നടന്ന പ്രോഗ്രാം ഫോർ ഇന്റർനാഷണൽ സ്റ്റുഡന്റ് അസസ്മെന്റ് അഥവാ പിഐഎസ്എ യിൽ കോസറ്റാറിക്ക, ജോർജിയ, മലേഷ്യ, മാൾട്ട, മൗറീഷ്യസ്, വെനിസ്വേല, മൊൾഡോവ, യുഎഇ എന്നീ രാജ്യങ്ങൾക്കൊപ്പം ഇന്ത്യയും പങ്കെടുക്കുകയുണ്ടായി. 2010-11 ൽ ഹിമാചൽ പ്രദേശ്, തമിഴ്നാട് എന്നീ സംസ്ഥാനങ്ങളിൽ പിഐഎസ്എ പരീക്ഷകൾ ആദ്യഘട്ടമെന്ന നിലയിൽ നാം നടപ്പാക്കുകയും ചെയ്തു. പ്രത്യേകമായി ഒരു പാഠ്യപദ്ധതിയുമായും ബന്ധമില്ലാത്ത ചോദ്യങ്ങളോട് 16 വയസുള്ള നമ്മുടെ വിദ്യാർത്ഥികൾ എങ്ങനെ പ്രതികരിക്കുന്നു എന്ന് മനസ്സിലാക്കുകയായിരുന്നു ഇതിന്റെ ലക്ഷ്യം. 74 രാജ്യങ്ങൾ പങ്കെടുത്ത ഈ പഠനത്തിൽ നമ്മുടെ രാജ്യത്തിന്റെ സ്ഥാനം താഴെ നിന്ന് കിർഗിസ്ഥാന്റെ തൊട്ടുമുകളിലായിരുന്നു. ഈ ഫലം പ്രതീക്ഷിച്ചതു തന്നെയായിരുന്നു. കാര്യങ്ങൾ അപഗ്രഥിക്കാനും, വിവേചിക്കാനും, ഫലപ്രദമായി ആശയവിനിമയം നടത്തുവാനും അവ ഭാവിജീവിതത്തിൽ പ്രയോഗിക്കാനുമാകുന്നതിനും വിദ്യാർത്ഥികൾ പഠിച്ചു എന്ന് പരിശോധിക്കുകയായിരുന്ന പിഐഎസ്എയിൽ 2000 ൽ നടന്ന ആദ്യഘട്ട മത്സരം മുതൽ ധാരാളം രാജ്യങ്ങൾ പങ്കെടുക്കുകയും വളരെ ദരിദ്രമായ പ്രകടനം കാഴ്ചവയ്ക്കുകയും ചെയ്തെങ്കിലും പിസയിലെ പങ്കാളിത്തം മൂലം അവരുടെ വിദ്യാലയങ്ങളുടെയും വിദ്യാഭ്യാസ സംവിധാനങ്ങളുടെയും നിലവാരം മൊത്തത്തിൽ ഉയർന്നുവെന്ന് ഭാവി പ്രവർത്തനങ്ങളുടെ പരിശോധനയിൽ തെളിയുകയുണ്ടായി. ഏറ്റവും വലിയ ഉദാഹരണം ബ്രസീൽ തന്നെ. 2000-ൽ നമ്മുടെ നിലവാരം മാത്രം പുലർത്തിയ അവർ തുടർച്ചയായി പിസയിൽ പങ്കെടുക്കുകയും പ്രകടനം മെച്ചപ്പെടുത്തുകയും ചെയ്തു .

(II) രാജ്യമെമ്പാടുമുള്ള കുട്ടികളുടെ പഠന നിലവാരം നിർണ്ണയിക്കുന്നതിന് ദേശീയ തലത്തിൽ എൻസിഇആർടി മാതൃകാടിസ്ഥാനത്തിൽ തുടക്കം കുറിച്ചിട്ടുണ്ട്. സർവശിക്ഷാ അഭിയാൻ അടിസ്ഥാനമാക്കി, പഠന നിലവാര പുരോഗതി അടയാളപ്പെടുത്തുന്നതിന് സ്കൂളുകളിൽ തന്നെ ഏർപ്പെടുത്തിയ വിവിധ സംവിധാനങ്ങൾ അവലംബിച്ച് മധ്യപാഠ, അന്ത്യപാഠ പഠനങ്ങൾ എൻസിആർടി നടത്തി. ഇപ്പോൾ ഓരോ വിഷയവും അടിസ്ഥാനമാക്കി ഇനം തിരിച്ചുള്ള പ്രകടനം, പിന്നാക്കം നിൽക്കുന്ന മേഖലകൾ, മൊത്തത്തിലുള്ള ശാസ്ത്രീയ നിലവാര സൂചിക എന്നിവ നൽകാൻ ഈ പഠനങ്ങൾക്ക് സാധിക്കുന്നു. നിലവിൽ നമുക്കു മുൻപിലുള്ള വൻ വിവരശേഖരം ഉപയോഗപ്പെടുത്തി വിദ്യാഭ്യാസ സമ്പ്രദായം പരി



ഷ്കരിക്കേണ്ടിയിരിക്കുന്നു. സംസ്ഥാനങ്ങളും കേന്ദ്രഭരണപ്രദേശങ്ങളുമാണ് ഈ സംരംഭത്തിൽ പങ്കാളികളാകേണ്ടത്. ഇത്തരം സംസ്ഥാന തല പഠനങ്ങൾ ആരംഭിച്ചിട്ടുണ്ട്. ഇതിന് സംസ്ഥാനങ്ങൾക്ക് എൻസിഇആർസിയുടെ സഹായവും ലഭിക്കുന്നു.

മുന്നിലുള്ള വഴികൾ

നമ്മുടെ വിദ്യാഭ്യാസ ബോർഡുകളുടെ പ്രവർത്തന മേഖലയിൽ ഫലപ്രദമായ മൂല്യ നിർണ്ണയ സംവിധാനം അടിയന്തിരമായി നടപ്പിലാക്കേണ്ടിയിരിക്കുന്നു.

പ്രാഥമിക വിദ്യാലയ തലത്തിൽ ഗ്രഹണ ശേഷിയും ഭാഷയുടെ (ഏതെങ്കിലും) ഉപയോഗവും ആണ് ഏറ്റവും പ്രധാനം. വായന, എഴുത്ത്, സംസാരം എന്നീ കഴിവുകൾ വികസിപ്പിക്കുകയും അവ വിലയിരുത്തുകയും മെച്ചപ്പെടുത്തുകയും വേണം. അല്ലാത്ത പക്ഷം തോൽവിക്കും പഠനത്തിൽ താല്പര്യമില്ലാമയ്ക്കും തദ്ദേശം കൊഴിഞ്ഞുപോകാനുമുള്ള കാരണമായി ഇതു മാറാം. ഗണിതശാസ്ത്രത്തിന്റെ കാര്യത്തിലും ഇതു തന്നെയാണ് അവസ്ഥ. ഈ വിഷയങ്ങളിലുള്ള കുട്ടിയുടെ ഗ്രഹണശേഷിയ്ക്കും താല്പര്യത്തിനും പൊതുവെ തൊഴിൽ മേഖലയിലെ വിജയവുമായി പരസ്പര ബന്ധം കാണുന്നുണ്ട്. അതിനാൽ പ്രാഥമിക ഘട്ടത്തിൽ വിലയിരുത്തൽ, നിർണ്ണയം, പരിഹാരം എന്നിവയ്ക്ക് ഊന്നൽ നൽകേണ്ടിയിരിക്കുന്നു. അതുപോലെ തന്നെ ബോർഡുകൾ തമ്മിൽ പാഠ്യപദ്ധതി, ചോദ്യകടലാസ്, തുടങ്ങിയവയിലുള്ള താരതമ്യവും നടപ്പാക്കേണ്ടിയിരിക്കുന്നു. കുട്ടികൾ കൂടുതൽ നേട്ടങ്ങൾ കൈവരിക്കാൻ വേണ്ടി അവരുടെ ബാഹ്യതല മൂല്യനിർണ്ണയവും സ്കൂൾ തല മൂല്യനിർണ്ണയവും തമ്മിൽ ഏകോപിപ്പിക്കാൻ ബോർഡുകൾ ശ്രദ്ധിക്കണം.

വിവിധ രീതിയിലുള്ള പരീക്ഷാ സമ്പ്രദായങ്ങൾ സ്വീകരിച്ചിട്ടുള്ള നിരവധി കോളേജുകളും സർവകലാശാലകളും മറ്റു വിദ്യാഭ്യാസ സ്ഥാപനങ്ങളും നമ്മുടെ രാജ്യത്തുണ്ട്. എന്നാൽ ഇവിടെയൊന്നും മികച്ച മൂല്യ നിർണ്ണയ സംവിധാനം ഇല്ല. ഫലമാകട്ടെ, വളരെ താഴ്ന്ന വിദ്യാഭ്യാസ നിലവാരവും. ബ്രിക്സ് (BRICS) അടുത്ത കാലത്ത് നടത്തിയ സർവ്വേയിൽ നമ്മുടെ ഒരു സ്ഥാപനം പോലും 15-ാം സ്ഥാനത്തിനുള്ളിൽ വന്നിട്ടില്ല. 200 സ്ഥാപനങ്ങളിൽ ബാംഗളൂരിലെ ഇന്ത്യൻ ഇൻസ്റ്റിറ്റ്യൂട്ട് ഓഫ് സയൻസ് മാത്രം 16-ാമത് എത്തി. ആഭ്യന്തര മൂല്യ നിർണ്ണയം, പ്രസന്റേഷൻ, പ്രോജക്ടുകൾ, ബാഹ്യ മൂല്യനിർണ്ണയം എന്നിവ ഉൾപ്പെടുന്ന സമഗ്രമായ സംവിധാനത്തിനു മാത്രമേ യഥാർത്ഥത്തിൽ ബിരുദപഠനം പൂർത്തിയാക്കിയ വിദ്യാർത്ഥി എന്ത് നേടി എന്ന് വിലയിരുത്തി അത് പ്രതിഫലിക്കുന്ന

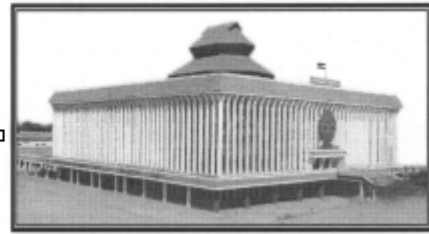


സർട്ടിഫിക്കറ്റ് നൽകാൻ സാധിക്കുകയുള്ളൂ. പഠന നിലവാരം മെച്ചപ്പെടുത്തുന്നതിന് യുജിസി അടുത്ത കാലത്ത് ക്രെഡിറ്റ്-ഗ്രേഡ് സംവിധാനം ആരംഭിച്ചിട്ടുണ്ട്.

ഈ പരീക്ഷണങ്ങളും നവീകരണങ്ങളും പരിഷ്കാരങ്ങളും എല്ലാം നടപ്പാക്കുന്നുണ്ടെങ്കിലും വിദ്യാഭ്യാസത്തിന്റെ നിലവാരം ഉയർന്നോ താഴ്ന്നോ എന്ന് പരിശോധിക്കാനുള്ള സംവിധാനം നമുക്ക് നിലവിൽ ഇല്ല തന്നെ. ഈ പ്രശ്നം പരിഹരിക്കാൻ ന്യൂജേഴ്സി (യു എസ്)യിലെ പ്രിൻസ്ടണിലുള്ള എജ്യൂക്കേഷനൽ ടെസ്റ്റിംഗ് സർവീസ് (ഇടിഎസ്) പോലുള്ള സ്ഥാപനങ്ങൾ നമുക്കു ആരംഭിക്കണം. മേൽ പറഞ്ഞ പ്രവർത്തനങ്ങളും ഗവേഷണ പഠനങ്ങളുമാണ് ഈ സ്ഥാപനം നടത്തുന്നത്. ഒരു ദേശീയ മൂല്യ നിർണ്ണയ സ്ഥാപനം ആരംഭിക്കണമെന്ന് എൻപിഇ 1986-ൽ ശുപാർശ ചെയ്തിരുന്നെങ്കിലും ഇപ്പോഴും നടപ്പാക്കപ്പെട്ടില്ല.

**യോജന,
ജനുവരി 2016.**

ജിജിജിജി



A disaster for democracy

Jayati Ghosh

The recent Supreme Court ruling in *Rajbala and Others vs the State of Haryana*, by a two-judge bench of Justices J. Chelameswar and Abhay Manohar Sapre, must rank as one of the most retrograde judgments in the history of that august court. It dismissed the challenge to the constitutionality of the Haryana Panchayati Raj (Amendment) Act of 2015. In effect, it can be interpreted as a direct attack on democracy, with extremely adverse implications for the process of making our political system more inclusive, accountable and representative. Indeed, it goes against the very spirit of the Constitution and the founding vision of Dr B.R. Ambedkar, ironically the man whom the Central government has belatedly chosen to honour.

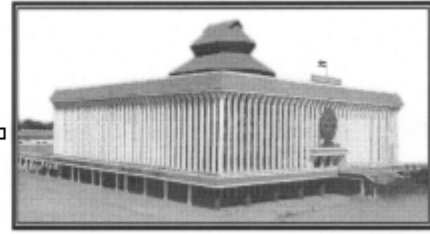
The case was brought against the Bharatiya Janata Party-run government of Haryana, which recently passed a law in the State legislature to prevent people who do not meet certain criteria from contesting panchayat elections. The Constitution already allows debarring of candidates for elected office on the basis of mental incapacity, insolvency issues that could create conflict of interest with the office, or criminal conviction. However, the Haryana Act goes much further in restricting the category of eligible candidates to what would become a minority of the total eligible voters.

The new provisions of the Act ensure that a person cannot contest panchayat elections if s/he

(1) has not been convicted but charges have been framed in a criminal case for an offence, punishable with imprisonment of not less than 10 years;

(2) fails to pay any arrears of any kind due by him to any Primary Agriculture Cooperative Society, District Central Cooperative Bank and District Primary Cooperative Agriculture Rural Development Bank;

(3) fails to pay arrears of electricity bills;



(4) has not passed matriculation examination or its equivalent examination from any recognised institution/board (for women Scheduled Caste candidates, minimum middle school pass; and for women S.C. candidates for post of Panch, 5th class pass);

(5) fails to submit a self-declaration to the effect that s/he has a functional toilet at her/his place of residence.

Haryana is not the only State to have passed such a regressive law-the State of Rajasthan, also ruled by the BJP, passed a similar law recently. But the Supreme Court judgment is particularly appalling because if it is not challenged and taken to a full bench (which surely should have been done in the first instance for such a significant decision) it can become the standard for the entire country.

DAMAGING IMPLICATIONS

Each of these conditions on eligibility to contest panchayat elections has huge implications that are very damaging for democracy and for the constitutional rights of citizens. Let us consider each of these in turn.

The curb on the candidacy of those who have been charged but not convicted of crimes is a serious problem because all those who have had false cases slapped against them for various reasons would be prevented from exercising their right to contest elections. It is well known that trade union leaders, social activists and other citizens who are actually keeping our democracy alive through their activities in mobilising people against injustice run very high risks of having extremely severe and punitive cases against them, often on flimsy or non-existent grounds. The irresponsibly slow pace of our judicial system means that such cases can drag on for years, if not decades. This judgment will mean that such people, even if they are completely wrongfully charged, cannot contest in local level elections that would promote grass-roots democracy.

By contrast, local strongmen and actual criminals with political clout who can manage to have the cases against them removed could continue to participate as candidates.

The second addition disqualifies those who have any arrears with local cooperative credit agencies of various kinds. Note that this is really sweeping because it refers simply to having arrears rather than being declared insolvent, which is a more widespread provision. The high levels of indebtedness of farmers and other small producers in local areas and the difficulties of repayment in the context of greatly increased uncertainties in cultivation and in input and crop prices are so well known that the learned judges also note them in their judgment. Preventing those with any arrears from contesting elections would amount to preventing those who are directly aware of the suffering of cultivators through their own experience from having a say in local self-government.



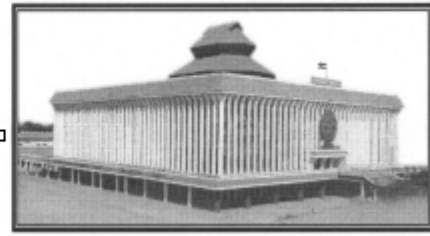
BIZARRE ARGUMENT

The bench's verdict that this is justifiable is based on an argument that is both bizarre and cynical and therefore deserves to be quoted at some length: 'We can certainly take judicial notice of the fact that elections at any level in this country are expensive affairs In such a case, the possibility of a deeply indebted person seeking to contest elections should normally be rare as it would be beyond the economic capacity of such persons. In our opinion, the challenge is more theoretical than real. Assuming for the sake of argument that somebody who is so indebted ...is still interested in contesting the panchayat elections, nothing in law stops such an aspirant from making an appropriate arrangement for clearance of the arrears and contest elections' (pages 55-56). This betrays a breathtaking ignorance of the actual conditions prevailing in the countryside for millions of small peasants, as if the act of non-payment of such dues is simply a voluntary decision that can be casually reversed.

A similar argument can be brought against the restriction on those with arrears of electricity bills, even when these are disputed. More to the point, this seems like an extremely discriminatory response to poor rural people with debts that are large relative to their income but small in absolute value, when those who run large corporations that have been habitual offenders in terms of not paying their debts are not just allowed but often positively encouraged to run for elections at State and national levels. The elitist mindset that runs through such a position is unfortunately only too evident.

But such elitism reaches its apogee in the verdict's justification of disqualification on the basis of educational qualifications. By their own reckoning, the judges note that the suggested criteria would immediately disqualify more than half of the women in rural Haryana from contesting panchayat elections. In addition, deprived categories would be especially hard hit: 68 per cent of S.C. women and 41 per cent of S.C. men would be ineligible to contest panchayat elections. (Among the many ironies involved in this, note that the legislature that passed this law includes one MLA declared as "illiterate", four as less than matriculate and eight who have just passed their matriculate examinations.)

However, the judgment finds that this widespread exclusion is not a problem. It states: "If it is constitutionally permissible to debar certain classes of people from seeking to occupy the constitutional offices, numerical dimension of such classes, in our opinion should make no difference for determining whether prescription of such disqualification is constitutionally permissible unless the prescription is of such nature as would frustrate the constitutional scheme by resulting in a situation where holding of elections to these various bodies becomes completely impossible" (pages 50-51). In other words, unless no candidates can be found who meet the criteria, it is a valid basis for restriction, even if it excludes most of the people and particularly the most vulnerable groups.



What is worse is that these people are being penalised for no fault of their own, since it is the state that is responsible for education or the lack of it. If the state has failed (and it has indeed dismally failed for more than six decades) to provide universal good quality schooling for all, why should citizens who have suffered from this lack of provision be discriminated against?

In any case, those who are too old to have benefited from the relatively recent Right to Education Act and are now adults can hardly put themselves through school and are unlikely to be admitted into any schools even if they so desire, so there is nothing they can do about their condition. Since, once again, it is the poor and marginalised groups that are worst affected, it means that they will be disproportionately excluded from the possibility of being elected people's representatives.

But why is this restriction considered necessary when so many governments at the Central and State levels have included elected representatives and Ministers who have not met these criteria but have distinguished themselves in office and left a mark in history?

This is because the learned judges have come to the following conclusion: "It is only education which gives a human being the power to discriminate between right and wrong, good and bad". Surely this is a perfect example of an oxymoron, in this case a sentence that contradicts itself, at least insofar as a judgment that springs from such highly educated sources can be seen as quite "wrong" and even "bad".

TOILET QUESTION

The insistence on a functional toilet may be a nod in the direction of one of the current Central government's flagship schemes, the Swachh Bharat Abhiyaan. But anyone who has tracked the often haphazard and hasty way in which this is being sought to be implemented will know that this is medicine that is being administered without any real consideration for the illness or the requirements of the patients.

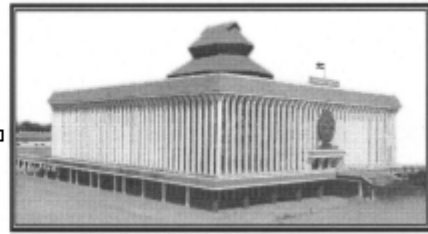
Any kind of functional toilet is considered acceptable (even those that continue to be cleaned by manual scavenging) but it has to be within the home. What about those who are homeless (according to the 2011 Census, nearly one third of the population has no permanent residence)? Or those whose cramped conditions in tiny plots simply do not allow it, and so they are forced to depend on communal lavatories? Indeed, many government programmes actually build such communal toilets in small settlements. Why should such people be prevented from contesting local elections? The judges believe that "if people still do not have a toilet it is not because of their poverty but because of their lacking the requisite will". But this is yet another sign of ignorance of the ground realities prevailing in many parts of the country, especially about poor and socially marginalised communities.



This judgment of the Supreme Court is especially worrying because it comes in the wake of other trends that are suggesting a reinforcement of elite control-and in some cases even corporate control-of local bodies. The recent takeover of a panchayat in Kerala by the “Corporate Social Responsibility” wing of a textile company is a case in point. Apparently, courts and elections commissions alike do not take cognisance of the clear possibility of conflict of interest in such cases. The company concerned had earlier been involved in disputes with the previous elected panchayat over the contamination of water sources and the prevention of trade union activities within the company.

These are extremely serious issues for anyone concerned with the fate of Indian democracy. The necessity of an appeal against this judgment and consideration by a full bench of the Supreme Court is obvious. But if even the Supreme Court fails to uphold the spirit of the Constitution, it is important for people across the country to mobilise themselves for legislative changes that will prevent such attempts at elite control.

**FRONTLINE,
JANUARY 8, 2016.**



STRONG SUSTAINABLE GROWTH FOR THE INDIAN ECONOMY

Raghuram Rajan

I am being a bit loose here. The short run tradeoff works because economic actors can be surprised by unexpected loosening, and the surprise can have positive growth effects. In the long run, the central bank loses its power to surprise, and the public embeds its correct forecast of how much inflation the central bank will create into all nominal variables such as interest rates. To the extent that high inflation is harmful for growth and welfare, a central bank that continuously tries to give short run positive surprises will entrench long run high inflation, which will be bad for growth.

“What is Responsible for India’s Sharp Disinflation?”, Sajjid Chinoy, Pankaj Kumar, and Prachi Mishra, working paper, August 2015.

We live in an increasingly uncertain world. Seven years after the financial crisis, advanced economies are still growing slowly, while a number of emerging economies are experiencing difficulty as the old export-led growth model flounders. In this environment, there is both challenge and opportunity. Challenge because the world will not provide the strong and supportive growth environment we had in the last decade, opportunity because global capital is looking for investment opportunities.

To implement the Prime Minister’s vision of producing in India at a time when trade across the world is falling, we will have to strengthen the domestic market so as to absorb much of the increased production until the global market recovers. This means we have to increase domestic demand, while avoiding the booms and busts that typically plague such efforts by emerging markets. My focus in today’s talk will be on what the RBI is doing to help the Government create the conditions for sustainable growth .. Structural reforms will help strengthen this growth - two weeks ago, the Government announced Indra-dhanush, last week we licensed new payment



banks, next month we will license new small finance banks, two new universal banks are starting in October, the providers of the TREDs system will be licensed in November, and so on, but these developments are best left to a future speech.

Challenges in the Current Macroeconomic Environment

We have come a long way since the difficulties in 2012-13 as a result of actions taken by the Government and regulators. Growth is stronger, the current account deficit has narrowed significantly, the fiscal deficit is on a consolidation path, and inflation has halved. However, three areas are still “work in progress” from RBI’s perspective. First, economic growth is still below levels that the country is capable of. Second, while consumer price inflation has moderated, inflation expectations amongst the public are still high, creating a gap between the real rates that savers expect and the rates corporations think they pay.

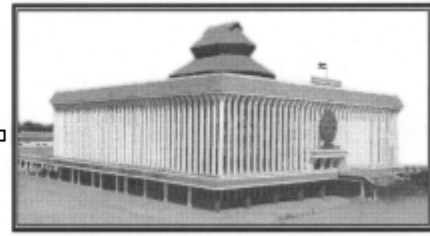
Third, stressed assets in the financial system continue to be high, which holds back growth and new lending, even while dampening bank incentives to cut base rates. The short-term macroeconomic priorities of the Reserve Bank are therefore clear:

1. Help growth by bringing down inflation in line with the proposed glide path, thus creating room for monetary easing; and
2. Work with the Government and banks on speeding up the resolution of distressed projects and cleaning up bank balance sheets.

Let me start first with inflation am sure many of you are interested in what we will do next on policy. For that, I think the best summary is still our last policy statement, from which I quote, “Significant uncertainty will be resolved in the coming months, including the likely persistence of recent inflationary pressures, the full monsoon outturn, as well as possible Federal Reserve actions. As the Reserve Bank awaits greater transmission of its front-loaded past actions, it will monitor developments for emerging room for more accommodation.” Having said all I want to say on future policy, let me explain what we have been doing so far, and why we have been doing it.

Inflation and Growth

Despite India’s known antipathy towards inflation, we have experienced an average of more than 9 percent inflation between 2006 and 2013. The longer we had high inflation, the more the public’s expectations of inflation became entrenched at high numbers. Because the public’s inflation expectations are adaptive - meaning they change only after they see a sustained change in realized inflation - we required a long period of low inflation before expectations came down. Unfortunately, our past focus on WPI inflation, which puts weight on internationally traded goods like commodities rather than domestic non-traded goods like education and healthcare, meant that whenever international inflation came down, the clamour for rate cuts increased. So



we often did not take the fight to domestic sources of inflation. Put in technical terms, the real policy rate was below the neutral real rate for years, and coincided with a pick-up in CPI inflation.

The strong disinflation, even deflation, in the world in the last few years gives us a golden opportunity to change. What better time than the current for an inflation prone country like India to bring its inflation finally in line with the world's? With commodity prices declining and astute food management by the Government, part of our work is done for us, without India having to undergo the kind of extreme demand compression that was seen in the Volcker disinflation. Indeed, with real expected policy interest rates in the 1.25-1.5% range and real after tax deposit interest rates barely positive, it would be hard to argue that the disinflationary glide path the RBI has embarked on is extremely onerous.

While low inflation for a while will lower the public's inflationary expectations and increase their real disposable income, in order to achieve a sustainable victory against inflation the public has to believe that inflation will stay low even after commodity prices start picking up in the future. For the public to look through future price spikes without raising wage demands, the RBI has to have credibility that it will act firmly against any future inflationary threats. Credibility comes from frameworks and institutions. In this regard, the RBI has signed a historic agreement with the Government, wherein RBI's mandate is clearly spelled out in terms of an inflation objective over the medium term. In the coming year, the Finance Minister proposes to lay out, after consultation with RBI, the structure of a monetary policy committee that can be formally and legally entrusted with policy decisions. These are welcome steps in building the institutions we need for transparent and independent monetary policy.

Responding to the Inflation Commentariat

As regards some popular misconceptions, modern economic theory suggests there is indeed a short run trade-off between inflation and growth. In layman's terms, if the central bank cuts the interest rate by 100 basis points today, and banks pass it on, then demand will pick up and we could get stronger growth for a while, especially if economic players are surprised. The stock market may shoot up for a few days. But if the economy is supply constrained, we could quickly see shortages and a sharp rise in inflation. The central bank may then

Put differently, when people say "Inflation is low, you can now turn to stimulating growth", they really do not understand that these are two sides of the same coin. The RBI always sets the policy rate as low as it can, consistent with meeting its inflation objective. Conversely, the best way the monetary authority can support growth over the medium term is to anchor inflation at low levels so that policy rates can also be low. We can never abandon inflation to focus on growth, nor do we focus on inflation to the exclusion of growth. The extended glide path over which we are bringing inflation in check appropriately balances inflation and growth.

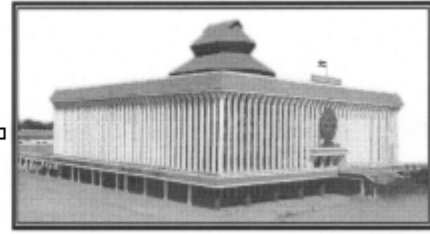


The statement “Inflation is low, you can now turn to stimulating growth” also perhaps reflects a misunderstanding of how central banking works. Monetary policy works with a lag of 3 to 4 quarters. So in deciding policy today, we need to predict how inflation will look approximately a year ahead. Today’s inflation therefore matters only in informing us about future inflation. However, today’s inflation measured on a year on year basis may be low because there was an unexpected price spurt last year - the so-called base effect. So we need to take out base effects before we even assess the information from current inflation, something many observers fail to do. Also, there may be many sources of uncertainty that cloud the future inflationary picture and disconnect it from current inflation - the strength and distribution of the monsoon, the extent and persistence of low commodity prices, the effect of external disturbances on the exchange rate, etc. In practice, we use models to project how all this might play out on inflation, and we overlay the models with the subjective assessments that our internal committee and its advisors offer, to ultimately arrive at a policy decision.

Our model based assessments of the inflation path are almost surely going to differ a little from the realization, given that the world is uncertain, but they are our best professional assessments, and we set policy based on those assessments. As information comes in, monetary policy is adjusted - for instance, the substantial disinflation from November 2013 gave us confidence about the persistence of low inflation into the future, allowing us to cut the policy rate three times.

What such an approach rules out is what might best be described as “inflation following policy” that some populist commentators on monetary policy advocate. Starting with the premise that all economic forecasting, especially about the future, is impossibly imprecise, inflation followers advocate cutting policy rates whenever inflation is low until inflation starts picking up. I have never heard them say what we should do then, but I presume that they would advocate raising rates at that point. But because monetary policy works with long lags, inflation could surge significantly before policy starts working. A policy that tracks current inflation, rather than anticipates inflation, is inherently biased towards more volatile inflation, which is not in the public’s interest.

Another set of commentators write articles arguing that monetary policy is impotent for a variety of reasons, ranging from its irrelevance in taming food inflation to the small size of interest sensitive sectors in the economy and the lack of transmission by banks. Yet, they somehow always end the article by advocating rate cuts. Now why would rate cuts matter if monetary policy was impotent in affecting demand? Perhaps more informative is a recent study which suggests that the disinflation that has happened over the last year and a half follows from a combination of good food management by the Government, good luck because of external factors such as lower crude prices, and monetary policy, including the new framework.² We believe this is a fair view of the disinflation so far, entirely uninfluenced by the fact that two of the three authors are from the RBI.



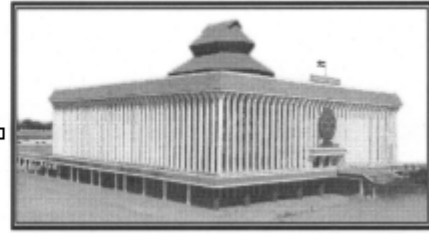
Some issues in tackling inflation

Let me turn to some other issues in inflation management. First, in picking the policy rate path and the pace of deflation, we have to be mindful that there are multiple players in the economy; consumers and producers who need to borrow, households that need to save, and banks that need to do both. Producers love lower interest rate, and they do not hesitate to tell us. But saving households balk as deposit rates are cut, especially if rates do not compensate adequately for inflation. The fall in household financial savings, the increase in gold purchases, and the widening of the current account deficit in recent years was partly caused by negative real after tax deposit rates. If we are not to see distortions in the economy, therefore, any policy rate path has to balance these interests - in other words, be a Goldilocks rate path which is neither too high nor too low.

Of course, banks stand partially in between borrowers and lenders, and to transmit rate reductions they should be able to cut both borrowing as well as lending rates. Concerns have been expressed about Government small savings schemes that pay a high rate to households, making banks reluctant to cut their own deposit rates for fear of being dis-intermediated. While Government small savings rates should be readjusted more frequently to market rates, the growth of these schemes is small for the most part, and at least for now these schemes should not be an insuperable barrier to transmission.

Second, because of a large divergence between WPI and CPI, some economists have argued there is a difference between the real rates manufacturers face and the real rates savers get. I am sympathetic to the argument, but believe the only way to tackle it is to get inflation of all kinds down - so long as the divergence between inflation in traded goods and in non-traded services is large, the problem will not go away. But I also think the concern is overblown. Even if manufacturers do not have much pricing power because of global competition, their commodity suppliers have even less. So a metal producer benefits from the fall in coal and ore prices, even though they may not get as high a realization on sales as in the past. The true measure of inflation for them is the inflation in their profits, which is likely greater than suggested by WPI. So the real interest rate they face is lower than that obtained by subtracting WPI from the nominal interest rate.

Third, I have said in the past that the central bank is not a “cheerleader” for the economy. By this I did not mean that the RBI does not want to do its utmost to see the economy do well. Far from it! What I meant is that it is not the role of the central bank to elevate sentiments unduly, to deliver booster shots to the stock market so that it can soar for a while, only to collapse when reality hits. We do not have to look too far beyond our borders to see the consequences of such



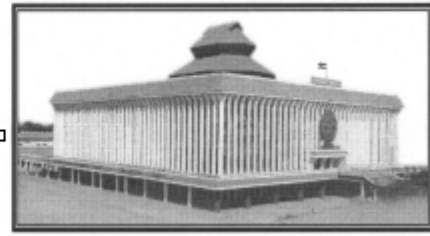
boosterism. Rate cuts should not be seen as goodies that the RBI gives out stingily after much public pleading. Instead, what is important is sustained low inflation, something the Prime Minister emphasized in his Independence Day speech, and rate cuts are a natural consequence that the RBI has no hesitancy in delivering.

Stressed Assets and Speedy Resolution

Let me turn to stressed assets. In dealing with stressed bank assets, RBI has been focused on getting the underlying real project back on track. There are a number of impediments here. The stigma as well as the provisioning (and the associated fall in profitability) attached to a loan being labelled “non-performing” makes banks eager to avoid the label. In some cases, they ignore the reality that existing loans will have to be written down significantly because of the changed circumstances since they were sanctioned (which includes extensive delays, cost overruns, and over optimistic demand projections). The Debt Recovery Tribunal system has not been speedy, which also emboldens uncooperative promoters and keeps them from accepting their share of the losses.

Regulatory forbearance, where RBI makes it easy for banks to “extend and pretend”, is not a solution. Since no other stake-holder such as the promoter, tariff authorities, tax authorities, etc. contributes to resolution, the real project limps along becoming increasingly unviable. Meanwhile, analysts grow increasingly suspicious of bank balance sheets and the growing volume of “restructured” assets. Also, some large promoters take advantage of banker fears about assets turning non-performing to extract unwarranted concessions, without any sacrifice in the value of their stake. Regulatory forbearance therefore ensures that problems grow until the size of the provisioning required to deal with the problem properly becomes alarmingly large - which then prompts calls for yet more forbearance. Forbearance is also a disservice to the bank’s owners (which may include the Government) who, instead of being faced with a small problem early and being given the opportunity to apply corrective action, are faced with large problems suddenly when they cannot be pushed into the future any more.

One example of the difficulties stemming from forbearance is the plight of state power distribution companies (DISCOMS). In 2012, a number of states signed up to a financial restructuring plan (FRP) with banks and the central government, based on which the RBI permitted restructured loans to DISCOMS to be treated as standard. Unfortunately, three years later, states have not undertaken many of the actions promised under the FRP, perhaps because the urgency to act was not there so long as banks continued financing losses. Mean- while, debt has built up further, and the cost of power, including line losses and interest costs, is mounting inordinately. The central government and the RBI are taking the lessons of recent experience into account as they discuss remedial action with the states.



To deal both with project paralysis as well as the unfair distribution of losses, RBI ended the forbearance accorded to restructured loans. Henceforth, restructured loans will be classified as non-performing loans. However, RBI has made it easier to recognize and deal with distressed projects. In other words, while ending forbearance, we have introduced flexibility for those who recognize and deal with stressed assets. Consider some measures.

First, RBI has created a database of loans over Rs. 50 million (the CRILC database), and has required banks and NBFCs to report regularly on the status of the loans. Early identification of distressed projects offers the best opportunity to put them back on track. So if a loan is identified as more than 60 days overdue, all lenders to the borrower have to come together in a Joint Lenders' Forum (JLF) to see how the underlying problems can be fixed. The JLF has to follow strict timelines, failing which the project loans' classification will be downgraded. On the other hand, if the timelines are met, the deterioration in loan classification is halted. Furthermore, by bringing the banks and NBFCs into one forum, RBI has made it easier for the promoter and the creditors to reach a consensus on actions, even while making it harder for the promoter to play one creditor off against another.

Second, to deal with genuine problems of poor structuring, it has allowed bankers to stretch repayment profiles for performing loans to infrastructure and the core sector (the so-called "5/25" rule), provided the project has reached commercial takeoff, has a genuinely long commercial life, and the value of the NPV of loans is maintained. RBI is undertaking periodic examination of randomly selected "5/25" deals to ensure they are facilitating genuine adjustment rather than becoming a back-door means of postponing principal payments indefinitely. Also, in cases of restructuring, RBI and SEBI have together allowed banks to write in clauses that allow banks to convert loans to equity in case the project gets stressed again. Not only will such Strategic Debt Restructuring give creditors some upside in return for reducing the project's debt, it can also give them the control needed to redeploy the asset (say with a more effective promoter).

We have discussed the experience with the JLF with banks, and we will shortly announce some measures that should improve their functioning. The move by the Government to recapitalize banks is welcome, as is the proposal to reward bankers based on progress in cleaning up balance sheets and generating healthy growth. The innovative proposal to create a fund with majority private ownership and minority Government participation to lubricate the process of resolution could be very helpful. RBI and Government are also discussing ways to revitalize Asset Reconstruction Companies so that they can play a greater role in resolving distress. The Finance Minister spoke last week about accelerating the working of Debt Recovery Tribunals through the use of information technology, an idea whose time has certainly come.

Given the state of the world economy, firms in some industries are in deep real distress. Some firms can survive with a little help from the Government, but others are unviable. Too much



help to unviable firms can also cause distress to spread to healthy firms. In this regard, the country needs rapid progress in the coming year on the creation of the institutions necessary for resolution such as the new Bankruptcy Code and the Company Law Tribunals that will administer it as well as the Financial Resolution Authority (for resolving financial institution distress). Ongoing government efforts in this regard will pay rich dividends.

Conclusion

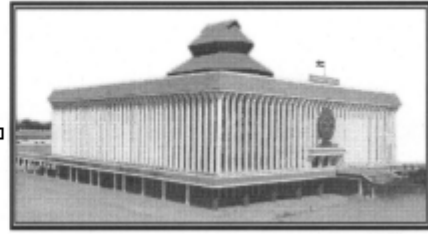
Author focuses on the challenges in ensuring sustainable growth should not detract from the tremendous progress we have made. There is much to be optimistic about, including the massive investments that are starting in infrastructure, the tremendous sweep of information technology across every facet of Indian life, and the radical changes that are taking place in the financial sector. The Indian economy is full of possibilities, even as much of the world is mired in pessimism. Indeed, I have been arguing that the fragility of the world economy is precisely because it has focused on quick fixes rather than deep reform.

At the same time, we should not delude ourselves into thinking our work is done, or postpone hard choices to a seemingly easier tomorrow. The question for us as a society is whether we have the discipline to do what is necessary at a time when global conditions are propitious - commodity prices look like they will stay low for a time, helping the fight against inflation, and there is plenty of money around the world and at home, looking for investments, including in distressed assets, that can help us clean bank and corporate balance sheets. As India strives to regain its place in the ranks of prosperous nations, we must remember that what sets poor nations apart from the rich is not people or resources or even luck but good governance, which comes from strong frameworks and strong institutions. A summary explanation of the economic problems of the recent past is that they arose because India outgrew its institutions. A summary of the Government and the Reserve Bank's measures to restore sustainable growth is that we are building the necessary institutions.

SOUTHERN ECONOMIST,

JANUARY 1, 2016.





Compulsory Licence for Diabetes Drug Legality of Lee Pharma's Application

B. N. Pandey, Prabhat Kumar Saha

Balancing the need to protect the patent rights of multinational pharmaceutical companies, with the need to ensure access to essential medicines is one of the most pressing challenges in India after the introduction of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Against this backdrop, Lee Pharma, a Hyderabad-based domestic pharmaceutical company, submitted an application (on 29 June 2015) for compulsory licence for Saxagliptin (Onglyza and Kombiglyze). The patents for this diabetes drug is held by the Swedish MNC AstraZeneca (Lee Pharma 2015). The Controller of Patents (henceforth the controller) in its notice of 12 August 2015 to Lee Pharma said that a prima facie case has not been made out for the order of compulsory licence (Controller of Patents 2015).

Lee Pharma has requested the controller for a hearing in the matter. Lee Pharma's move is the third in- stance for a compulsory licence application in India after the TRIPS. Before the Hyderabad-based pharma company made its application, Natco Pharma applied successfully for a compulsory licence application for Bayer's Nexavar while BDR's application for Bristol-Myers Squibb's (BMS) Dasatinib was rejected.

This article examines the legality of Lee Pharma's application and the merits of the prima facie view taken by the controller in its notice to Lee Pharma. It looks closely at the possibility of Lee Pharma getting the compulsory licence under the Indian patents law by scrutinising all three claims made by it.

Saxagliptin, a "cyclopropyl-fused pyrrolidine-based compound" is a dipeptidyl peptidase - 4 (DPP-4) inhibitor prescribed for the prevention and treatment of type-2 diabetes mellitus (DM), one of the most common chronic diseases across the world. There are 6.68 crore diabetics in India, of whom over 90% (about 6.01 crore) suffer from type-z diabetes mellitus, even as 3.54 crore remained undiagnosed. There were about 15 lakh deaths (between the ages of 20 and 79) due to diabetes in 2014 (IDF 2014).



1. Voluntary Licence

Before applying for a compulsory licence, it is mandatory for the applicant to make efforts to obtain a licence from the patentee. The controller prima facie found that Lee Pharma tried to get voluntary licence of AstraZeneca's Saxagliptin and failed. This unsuccessful effort made it a fit case to move an application to obtain compulsory licence for Saxagliptin (Onglyza and Kombiglyza). The application, claimed fulfillment of all three grounds of Section 84 (1) of the Patents Act, namely:

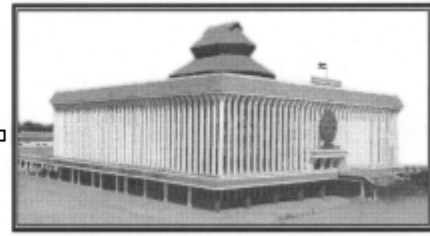
- a) that the reasonable requirement of the public with respect to the patented invention have not been satisfied; or b) that the patented invention is not available to the public at a reasonably affordable price; or c) that the patented invention is not worked in the territory of India.

Subsections (a), (b) and (c) of Section 84(1) are separated by the disjunctive "or" and therefore, even if one condition is satisfied, the controller of patents will be within his rights to order the compulsory licence.

2. Reasonable Requirement

There are four key medicines in the Indian market in the DPP-4 inhibitors category-Linagliptin (Trajenta), Sitagliptin (Januvia), Vildagliptin (Glavus) and SaxagIiptin (Onglyza and Kombiglyze)-for treating type-z diabetes. Lee Pharma assumes the lowest requirement for AstraZeneca's drug. It mentions that if the other three drugs were prescribed to even 90% of the patients suffering from type-2 diabetes, even then close to 66 lakh people would require the patentee's drug. However, even if only 10 lakh out of the 6.01 crore type-2 diabetes patients are prescribed the AstraZeneca's drug, 36.5 crore tablets per year would be required. As per the information furnished by AstraZeneca in Form-27, a total of 8.241akh SaxagIiptin tablets (Onglyza and Kombiglyze) were imported for the year 2013, which is about 0.23% of the requirement. Thus, there is more than a 99% shortage of AstraZeneca's drug in the Indian market.

The controller took into account the capacity of the compulsory applicant and found it capable of working the invention. If there are four medicines available in the market with no statistical figures about market share of each medicine, then a 25% demand for each medicine would be a reasonable assumption. However, the controller found it impossible to arrive at any conclusion regarding the demand for Saxagliptin keeping in mind the absence of any kind of detail regarding the quantum of the other three medicines available in the market. For argument's sake, we consider that only 1% of the diagnosed patients were prescribed AstraZeneca's drug. Even then, more than 10 crore SaxagIiptin tablets per year would be required. The 8.241akh tablets imported by AstraZeneca for the whole year constitute less than 1% of the total requirement. It means that only an insignificant quantum of the AstraZeneca's drug was made available to the public. Even though the import of the medicine *in* India itself is less than what is required, a



majority of the imported medicines are being exported back, making this medicine virtually unavailable to Indian patients (Zauba 2015).

While taking the view that a prima facie case has not been made out under Section 84(1) (a), the controller considered the fact of availability of the other three DPP-4 inhibitors category in the Indian market. The satisfaction of reasonable requirements of the public has to be judged with respect to the patented invention in question as explicit in Section 84(1) (a) of the Patents Act. It is also pertinent to refer to this section:

For the purposes of this Chapter, the reasonable requirements of the public shall be deemed not to have been satisfied-Ca) if, by reason of the refusal of the patentee to grant a licence or licences on reasonable terms- (i) an existing trade or industry or the development thereof or the establishment of any new trade or industry in India or the trade or industry of any person or class of persons trading or manufacturing in India is prejudiced; or (ii) the demand for the patented article has not been met to an adequate extent or on reasonable terms.

The aspect of adequate extent would vary from article to article. In respect of medicine, the adequate extent test has to be 100%, that is, to the fullest extent. Medicine has to be made available to every patient and he or she cannot be deprived in order to safeguard the rights of the patent holder (*Bayer Corporation v Union of India and Others 2014: 38-39*). In such circumstances, Section 84(7) (a) (i) and (7) (a) (ii) of the Patents Act may be invoked by the controller of patents. Clearly, the reasonable requirements of the public with respect to the AstraZeneca's drug have not been satisfied. Therefore, this section validates Lee Pharma's application for a compulsory licence.

3. Reasonably Affordable Price

The controller noted that the Form-27 furnished by AstraZeneca reveals that the cost of importing per tablet of Onglyza and Kombiglyze is less than one rupee. AstraZeneca sells an Onglyza tablet for Rs 41 to Rs 43 and a Kombiglyze tablet for Rs 49-more than so times the cost of importing the tablets. About 30% of the total population of India lives below the poverty line, and earns even less than Rs 32 per day in rural areas and less than Rs 47 in urban areas. The cost of one tablet of AstraZeneca's medicine is more than their day's earning. This clearly demonstrates, as alleged by Lee Pharma, that the excessive high price of Onglyza and Kombiglyze is directly affecting Indian diabetes patients who cannot afford the high price of medicine. The price proposed by Lee Pharma for the generic version of an Onglyza tablet is between Rs 27 and Rs 29 and between Rs 30 and Rs 32 for a Kombiglyze tablet.

In 2014, the Bombay High Court observed that the reasonably affordable price has to be determined on the basis of the relative price being offered by the patent holder and the applicant (*Bayer Corporation v Union of India and Others 2014: 41*). The price offered by Lee Pharma is not much less than AstraZeneca's price thus making it unaffordable to the common man and



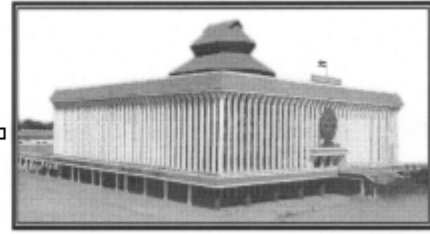
therefore inaccessible and out of reach. In addition, a “reasonably affordable price” does not relate to the lowest price relative to the cost of manufacturing alone. It must necessarily take into account the cost of research and development (R&D) and reasonable gain of the patentee as compared to the generic version offered by the applicant for the compulsory licence. In view of the above, the controller rightly observed that the price of Onglyza and Kombiglyze and the price offered by Lee Pharma prima facie failed to show that the patented invention is not available to the public at a reasonably affordable price. It, therefore, said that Lee Pharma does not have a case for the grant of compulsory licence under Section 84(1) (b) of the Patents Act.

4. Working of the Patent

The controller noted that even after eight years of granting the patent in India, AstraZeneca imports the drug into the country. It has not taken adequate steps to manufacture Saxagliptin in India. Consequently, according to Lee Pharma, the working of the patented product in the country is hindered by the imports by AstraZeneca.

But the controller relied on the judgment of the Bombay High Court which upheld the decision of the Intellectual Property Appellate Board that the term “working” would need to be decided on a case-to-case basis. Manufacture in all cases, may not be necessary for the satisfaction of Section 84(1)(C) of the Patents Act. However, the patent holder would have to show reasons as to why the patented invention could not be manufactured in India, particularly when the petitioner has manufacturing facilities in the country (*Bayer Corporation v Union of India and Others* 2014: 48). The Intellectual Property Appellate Board and the Bombay High Court both went against the controller in the Natco-Bayer dispute and interpreted “working” broadly so as to encompass the importation of the patented inventions also.

The missed opportunity by the high court affects the strategic use of compulsory licence provisions by domestic pharmaceutical firms to challenge dominance of foreign pharmaceutical giants, who only import patented products to either sell it in the Indian market or prevent domestic pharmaceutical firms from producing the generic version of their products. The court clearly failed to appraise the objectives of the patent system, that is, transfer and dissemination of technology to the patent granting country. Simply granting Intellectual Property Rights in the hope of eventual technology transfer to the patent-granting country can hardly make any transfer or diffusion of technology. In this context, the local working requirement is desirable because it contributes to technology transfer resulting in industrial and technological capacity building. Moreover, the contexts in which the word “work” has been used in different sections of the Patents Act, make it clear that the legislation is speaking of actual manufacture of the patented products in India.



At the same time, the application for compulsory licence by Lee Pharma must be seen by all stakeholders concerned as an opportunity to push for the narrow interpretation of “working” as manufacturing domestically. There must be a concerted effort by all these stakeholders to contest this compulsory application and its interpretation of the word “working.” Otherwise, India will continue to be used by the MNCS as a market to exercise monopoly rights; negating the principles of Patents Act to develop India technologically through grants of patents.

5. Conclusions

All three instances of compulsory licence applications are related to pharmaceuticals because of the sector’s strong technological and manufacturing capabilities in India. Given their weak technological capacities and heavy dependence on foreign firms, other industrial sectors of India are unlikely to engage in the process for such a licence. Pharmaceutical MNCs have, however, been extremely aggressive in preventing compulsory licences for medicines. Nevertheless, the possibility of a compulsory licence order in favour of Lee Pharma cannot be ruled out.

**ECONOMIC & POLITICAL WEEKLY,
JANUARY 9, 2016.**





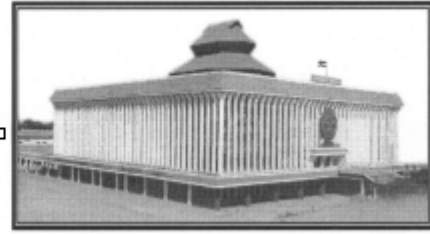
Livelihood in India- Issues, Measurements and Policies

Vijayalakshmi V.

Development of rural economy and diversification of livelihood pattern of the rural people in India beyond the primary goods' production as the main path for progress of rural inhabitants has been discussed much. This book on rural livelihoods in India is an addition to the studies on rural economy. This book is presented in three sections and 19 articles/papers. The contributors are teaching at various colleges of Jadavpur University, University of Burdwan, Vidyasagar University, University of Kolkata all in West Bengal) and faculty of GNK Institute of Management Studies, Kolkata.

Section I include 5 papers and deals with Conceptual issues. Chapter 1 discusses concepts, measurements and determinants of rural livelihood diversification in India. The authors of this paper (Biswajeet Chatterjee & Sangeetha Kundu) have focused on a mix of pull and push factors to estimate their impact on the growth of rural non- formal employment in India during the Post-reform period. The chapter on Rural Livelihoods in India (Chapter 2) discusses the major areas of concern. In Chapter 3, Globalization & Rural Livelihood) the authors have constructed a general equilibrium model to examine the effects of globalization on factor prices, income distribution and sectoral consumption of output. Chapter 4 explains priorities for agriculture and rural development, issues, challenges and status of India's rural markets. In Chapter 5, the author (Asim K.K) has attempted at compiling some of major information relating to the context in which rural livelihood needs to be understood. He has analyzed the major trends over the past two decades.

Section II focuses on determinants of livelihood and includes 6 articles. It includes articles on challenges of SHGs in generation of sustainable livelihood in India (Chapter 6), Poverty eradication through NRLM (Chapter 7), discussing the major changes of rural livelihoods, Impact of MGNREGA on the rural livelihoods of West Bengal (Chapter 8), Food and livelihood security in West Bengal (Chapter 9), Food deprivation as a choice among poor in backward rural India during liberalization, (Chapter 10) and focusing on factors influencing rural livelihood in India.



Section III consists of Case Studies. It is presented through 8 articles. Chapter 12, the authors (Mriduchhanda Chattopadhyay) discuss the feminization of agriculture, hardships faced, gender-wise wage disparity in agricultural sector, women centric poverty eradication programmes, and, women's participation in micro-credit. Dalit and rural livelihoods (Chapter 13), discusses the issues and challenges of dalits. Rural livelihoods in India (Chapter 14), analyzes the factors influencing rural livelihood, branding and marketing of rural products, Government employment schemes and effects of globalization on rural livelihood. Disaster and Environmental hazards hampering rural livelihoods are explained in Chapter 15.

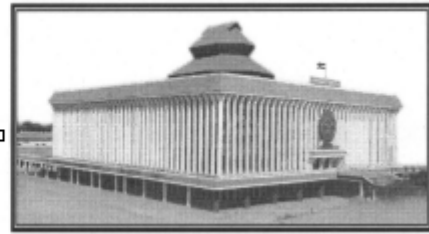
Chapter 16 presents a case study of a village in Nadia district, the case is about van rickshaw pullers and factors affecting their livelihood. Chapter 17 presents a case study about impact on micro finance through SHG on livelihood, considering a village in Nadia (West Bengal). Chapter 18 discusses the case of Santipur weavers and their problems. The last chapter (Chapter 19) presents a case of forest dependence of households, considering the districts of Bankura and Paschim Medinapur (West Bengal). The authors have considered 17 Forest Protection Committees (FPCs) of Bankura and 6 FPCs of Paschim Medinapur; they have used regression for analyzing the extent .of dependency on forest resources.

Though the title is rural livelihoods in India, the articles mainly focus on West Bengal. The papers on problems of weavers, dalits and rural livelihoods, disaster are thought provoking. This could be a useful reference material for those pursuing post graduate course in rural development, researchers and policy makers. Such books should be included in all the social science institutions' libraries.

**SOUTHERN ECONOMIST,
JANUARY 15, 2016.**

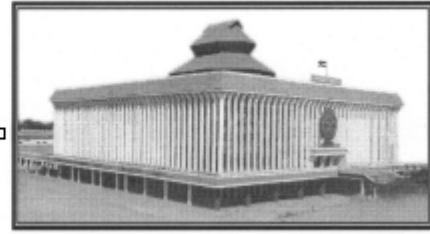


FOCUS



THE LEGISLATIVE BODIES IN SESSION DURING THE MONTH OF JANUARY 2016

| Sl. No. | Name of Assembly/Council | Duration |
|----------------|--|-------------------------|
| 1. | Jammu and Kashmir Legislative Council | 18.01.2016 - 09.03.2016 |
| 2. | Jammu and Kashmir Legislative Assembly | 18.01.2016 - 09.03.2016 |



Site Address of Legislative Bodies in India

| Sl.No | Name of Assembly/Council | Site Address |
|--------------|--|--|
| 1. | Loksabha | loksabha.nic.in |
| 2. | Rajyasabha | rajyasabha.nic.in |
| 3. | Andhra Pradesh Legislative Council | aplegislature.org |
| 4. | Andhra Pradesh Legislative Assembly | aplegislature.org |
| 5. | Arunachal Pradesh Legislative Assembly | arunachalassembly.gov.in |
| 6. | Assam Legislative Assembly | assamassembly.nic.in |
| 7. | Bihar Legislative Assembly | vidhansabha.bih.nic.in |
| 8. | Bihar Legislative Council | biharvidhanparishad.gov.in |
| 9. | Chhattisgarh Legislative Assembly | cgvidhansabha.gov.in |
| 10. | Delhi Legislative Assembly | delhiassembly.nic.in |
| 11. | Goa Legislative Assembly | goavidhansabha.gov.in |
| 12. | Gujarat Legislative Assembly | gujaratassembly.gov.in |
| 13. | Harayana Legislative Assembly | haryanaassembly.gov.in |
| 14. | Himachal Pradesh Legislative Assembly | hpvidhansabha.nic.in |
| 15. | Jammu and Kashmir Legislative Assembly | jklegislativeassembly.nic.in |
| 16. | Jammu and Kashmir Legislative Council | jklegislativecouncil.nic.in |
| 17. | Jharkhand Legislative Assembly | jharkhandvidhansabha.nic.in |
| 18. | Karnataka Legislative Assembly | kar.nic.in/kla/assembly |
| 19. | Karnataka Legislative Council | kar.nic.in/kla/council/council |



| | | |
|-----|-------------------------------------|--|
| 20. | Madhya Pradesh Legislative Assembly | mpvidhansabha.nic.in |
| 21. | Maharashtra Legislative Assembly | mls.org.in/Assembly |
| 22. | Maharashtra Legislative Council | mls.org.in/Council |
| 23. | Manipur Legislative Assembly | manipurassembly.nic.in/ |
| 24. | Meghalaya Legislative Assembly | megassembly.gov.in/ |
| 25. | Mizoram Legislative Assembly | mizoramassembly.in |
| 26. | Nagaland Legislative Assembly | http://nagaland.nic.in |
| 27. | Odisha Legislative Assembly | odishaassembly.nic.in |
| 28. | Puducherry Legislative Assembly | www.py.gov.in |
| 29. | Punjab Legislative Assembly | punjabassembly.nic.in |
| 30. | Rajasthan Legislative Assembly | rajassembly.nic.in/ |
| 31. | Sikkim Legislative Assembly | sikkimassembly.org |
| 32. | Tamil Nadu Legislative Assembly | assembly.tn.gov.in |
| 33. | Tripura Legislative Assembly | tripuraassembly.nic.in/ |
| 34. | Uttar Pradesh Legislative Assembly | uplegassembly.nic.in |
| 35. | Uttar Pradesh Legislative Council | upvidhanparishad.nic.in |
| 36. | Uttarakhand Legislative Assembly | ukvidhansabha.uk.gov.in |
| 37. | West Bengal Legislative Assembly | wbassembly.gov.in/ |
| 38. | Telangana Legislative Assembly | telanganalegislature.org.in |