

Government constitutes 15th Finance Commission under chairmanship NK Singh

The government announced that former revenue secretary NK Singh will be the chairman of the 15th Finance Commission (FC) that will recommend distribution of taxes between the Centre and the states. Other members of the Commission are former economic affairs secretary Shaktikanta Das, former chief economic adviser Ashok Lahiri, NitiAayog member Ramesh Chand and Georgetown University Adjunct Professor Anoop Singh.

The Commission will work on "the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States by way of grants-in-aid of their revenues under Article 275 of the Constitution for purposes other than those specified in the provisos to clause (1) of that article," the government said.

The Commission will also suggest measures to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities. The panel has been asked to take into account the impact of the GST, including payment of compensation for possible loss of revenues for 5 years, and abolition of a number of cesses, earmarking thereof for compensation and other structural reforms programme, on the finances of Centre and States

The government has further tasked the Commission to suggest a fiscal consolidation roadmap for the Centre and the states. The Commission may consider proposing measurable performance-based incentives for States, at the appropriate level of government in areas in following areas including expansion and deepening of tax net under GST, progress in moving towards replacement rate of population growth, increase in capital expenditure, eliminating losses of power sector, promoting digital transactions, ease of doing business, among others.

The recommendations of the 15th FC will have to come into effect from April 1, 2020. The FC is formed every five years to recommend principles governing the allocation of tax revenue between the Centre, states and local bodies. In the Budget 2017-18, the government had allocated Rs 10 crore for setting up of the 15th FC.

Finance Commission is a body set up under Article 280(1) of the Constitution. Its primary job is to recommend measures and methods on how revenues need to be distributed between the Centre and states. The recommendations of the previous 14th Finance Commission, chaired by former Reserve Bank of India (RBI) Governor Y V Reddy, are valid from 2015 to 2020. The recommendations of the 15th Finance Commission will be implemented for the period starting 1 April 2020 to 31 March 2025. The 14th FC had suggested a sharp 10 percentage points rise in tax devolution to states to 42 per cent of the divisible pool of the tax revenue between FY16 and FY20, compared with the previous five-year period. This recommendation was accepted by the Narendra Modi government.

Cabinet approves schemes for women empowerment/welfare

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Narendra Modi gave its approval for expansion of the schemes of Ministry of Women and Child Development under Umbrella Scheme "Mission for Protection and Empowerment for Women" for a period 2017-18 to 2019-20. CCEA also approved a new scheme called 'Mahila Shakti Kendra', which will empower rural women through community participation to create an environment in which they realize their full potential. Expansion under Beti Bachao Beti Padhao was also approved based on the successful implementation in 161 districts.

The financial outlay during 2017-18 to 2019-20 will be Rs.3,636.85crore with a Central Share of approximately Rs.3,084.96 crore.

Benefits of the Scheme:

The approved sub-schemes are social sector welfare schemes especially for care, protection and development of women. It will also aim at improvement in declining Child Sex Ratio; ensuring survival. & protection of the girl child; ensuring her education, and empowering her to fulfil her potential. It will provide an interface for rural women to approach the government for availing their entitlements and for empowering them through training and capacity building. Student volunteers will encourage the spirit of voluntary community service and gender equality. These students will serve "agents of change" and have a lasting impact on their communities and the nation.

Major activities of the Umbrella Scheme:

The new scheme "Mahila Shakti Kendra (MSK)" is envisaged to work at various levels. While, National level (domain based knowledge support) and State level (State Resource Centre for Women) structures will provide technical support to the respective government on issues related to women, the District and Block level Centres will provide support to MSK and also give a foothold to BBBP in 640 districts to be covered in a phased manner.

Community engagement through Student Volunteers is envisioned in 115 most backward districts as part of the MSK Block level initiatives. Student volunteers will play an instrumental role in awareness generation regarding various important government schemes/ programmes as well as social issues. More than 3 lakh student volunteers from local colleges will be engaged in this process, while association with NSS/NCC cadre students will also be an option for contributing to nation building as responsible citizens. This will provide an opportunity to Student Volunteers to participate in the development process by bringing change in their own communities and ensuring that women are not left behind and are equal partners in India's progress.

The outcome based activities of student volunteers will be monitored through web based system. On completion, certificates for community service, will be displayed on national portal for verification and can also be used as resource /asset for the participating students in future.

Expansion and intensification of efforts have also been approved for Beti Bachao Beti Padhao (BBBP) through sustained nation-wide Advocacy and Media Campaign in 640 districts and focused multi-sectoral action .in selected 405 districts. All low CSR districts shall be taken up in the first year itself under BBBP. To provide support to working women 190 more Working Women Hostels to accommodate approximately 19,000 additional working women will be set up. Additional Swadhar Grehs have been approved to provide relief and rehabilitation of approximately 26,000 beneficiaries.

To provide comprehensive support to women affected by violence, One Stop Centres (OSCs) will be established in 150 additional districts during the period. These one stop Centres will be linked with women helpline and will provide 24 hour emergency and non-emergency response to women affected by violence both in public and private space across the country. A unique initiative involving engagement of Manila Police Volunteers (MPVs) on a voluntary basis in States/UTs will also be done to create public-police interface, which will be expanded to 65 districts covering all States /UTs.

Monitoring and Evaluation of the Scheme:

One common Task Force shall be created at National, State and district level for planning, reviewing and monitoring all the sub-schemes in this Umbrella, with the objective of ensuring convergence of action and cost efficiency. Every scheme shall have a set of clear, focussed target set forth in the guidelines, aligned with SDGs. Mechanism for monitoring of outcome based indicators for all the sub-schemes as suggested by NITI Aayog will be put in place. The schemes will be implemented through the States/UTs and Implementing Agencies. All the sub-schemes have inbuilt monitoring structure at the Central Level, State, District and Block level.

Telangana leads state-wise ease of doing business ranking

Andhra Pradesh and Telangana jointly topped the 2016 all-India State/Union Territory-wise Ease of Doing Business rankings, while last-year's topper Gujarat slipped to the third spot. The rankings, announced by Commerce and Industry Minister Nirmala Sitharaman, are on the basis of a 340-point business reform action plan and their implementation by the States. This covers the period from July 1, 2015 to June 30, 2016. The 340 reform areas are broadly under categories including construction permit, environmental and labour registration, obtaining electricity connection, online tax-return filing, inspection reform, access to information and transparency, single window, land availability and commercial dispute resolution.

The top ten ranks in 2016 included Andhra Pradesh & Telangana (98.78 per cent each implementation rate), followed by Gujarat (98.21 per cent), Chhattisgarh (97.32 per cent), Madhya Pradesh (97.01 per cent), Haryana (96.95 per cent), Jharkhand (96.57 per cent), Rajasthan (96.43 per cent), Uttarakhand (96.13 per cent) and Maharashtra (92.86 per cent).

Meanwhile, the World Bank said what was interesting this year was that four of the seven states with the lowest income levels in India have found a place in the top ten ranks, while all the seven such states had an implementation rate of over 75 per cent. These low-income states included Chhattisgarh (97.32 per cent implementation rate regarding the 340 reform measures, and fourth rank), Madhya Pradesh (97.01 per cent and fifth), Jharkhand (96.57 per cent and seventh), Rajasthan (96.43 per cent and eighth), Odisha (92.73 and 11th), Uttar Pradesh (84.52 per cent and 14th), Bihar (75.82 per cent and 16th rank). The national implementation average stands at 48.93 per cent, significantly higher than last year's national average of 32 per cent.

The laggards falling in the "jump start needed" category with an implementation percentage of 0-40 per cent include Kerala, Goa, Tripura, Daman and Diu, Assam, Dadra and Nagar Haveli, Puducherry, Nagaland, Manipur, Mizoram, Sikkim, Arunachal Pradesh, Jammu and Kashmir, Chandigarh, Meghalaya, Andaman and Nicobar Islands, and Lakshadweep.

The 'leaders' category with an implementation percentage of 90-100 per cent include the top ten ranked states and Odisha and Punjab (91.07 per cent). The next category of 'aspiring leaders' with an implementation rate of 70-90 per cent include Karnataka, Uttar Pradesh, West Bengal and Bihar. This is followed by the 'acceleration required' category that include Himachal Pradesh, Tamil Nadu and Delhi.

The Bank, along with the Centre's Department of Industrial Policy & Promotion (DIPP) was involved in the process of reviewing the evidence submitted by states/UTs regarding implementation of reforms for the rankings. The World Bank said it was looking into India's suggestion that the World Bank Group's global Doing Business rankings need to consider reforms undertaken across the country and not just in Mumbai and Delhi as is being done currently. India's rank in the recently released global Doing Business rankings was a lowly 130th, just one rank up from the previous year's 'revised' ranking of 131st.