Human Rights and Development

We will not enjoy development without security, we will not enjoy security without development, and we will not enjoy either without respect for human rights. Report of the UN Secretary-General, ‘In larger Freedom: towards development, security and human rights for all’, 2005.

When the interrelationship between human rights and development co-operation was established in the 1970s, the linkage between the two concepts was often connected with debates about the discontinuation of assistance to a country whose government grossly violated human rights and the punitive aspect of the linkage appeared to prevail in public opinion. Most donors have had experiences with the withdrawal of aid, often a much debated and not necessarily effective measure; and active promotion of human rights through, for example, assistance to the judiciary or human rights institutions, can be interpreted as interference in internal affairs.

In the course of the 1980s, the relationship between human rights and development co-operation began to take on a different form. The use of development co-operation to promote human rights through, e.g., additional support to democratising governments, support to human rights NGOs or decentralised co-operation, received increasing attention. Gradually, human rights became part of the dialogue between donors and recipients. One of the first instruments formally establishing the linkage and confirming the emerging human rights policy was the Lomé III Convention between the EC and its partner states in Africa, the Caribbean and the Pacific (signed in 1984). Human rights were mentioned in the Preamble of the Convention and further elaborated upon in the joint declarations attached to it. The dramatic changes in Central and Eastern Europe in 1989 influenced governments’ views on the relationship between human rights and sustainable development, generating an approach where the individual was placed at the centre, becoming the main protagonist and beneficiary of development. The conviction emerged that, in the long term, respect for human rights, the rule of law, political pluralism and effective, accountable political institutions form the basis of all development and equitable distribution.

An important achievement in establishing the relationship between human rights and development were the so-called ‘Millennium Development Goals’ (MDGs). At the UN Millennium Summit in 2000, world leaders agreed upon a set of time-bound and measurable goals and targets for combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women. These goals aim at achieving measurable progress in a number of specific fields which are considered essential for human development and several lead to increased enjoyment of human rights, such as primary education. The goals provide a framework for development co-operation institutions to work coherently together towards a common end. Close co-operation is imperative as a large majority of nations can only reach the MDGs with substantial support from outside. Progress toward the MDGs is being measured on a regular basis.

The MDGs have led to increased emphasis on human rights-based approaches to development and poverty reduction. A human rights-based approach deals with the substance of the development support initiatives, but focuses on the way in which development is being approached. The human rights-based approach, in essence, requires that policies and institutions working on development and reduction of poverty base themselves on the obligations that emanate from the international human rights conventions (ICCPR, ICESCR, CERD, CEDAW, CAT, CRC and CRPD). Human rights are inherent to the person and belong equally to all human beings and their realisation has to be carried out as a participatory, egalitarian and transparent process. Human rights instruments, such as the Universal Declaration of Human Rights, provide a coherent framework for practical action at the international and domestic levels to reduce poverty. The human rights-based approach to poverty reduction upholds the principles of universality and indivisibility, empowerment and transparency, accountability and participation.

The United Nations Development Programme (UNDP) plays a central role within the UN in realising the human rights-based approach to development. It focuses its policy, programming and capacity development support to this approach. In particular, it:

- Encourages all actors to adopt a human rights-based approach in tailoring and customising the MDG targets to the local context.
- Focuses on the capacities of duty-holders to meet their obligations to respect, protect and fulfil rights; as well as the capacities of rights-bearers to claim their rights.
- Enhances the synergy between poverty reduction and democratic governance. Programmes for local governance, access to justice, capacity of human rights institutions, grassroots initiatives for community development, and human rights education will be included among pro-poor poverty programming.
- Engages in the work of UN Treaty Bodies; particularly strives to incorporate selected and relevant recommendations that result from periodic reviews into its programme development.
- Promotes and supports participatory assessment methodologies that link rights, obstacles and strengths around which poor people can secure their livelihood.
- Build in-house capacity to undertake multi-disciplinary review and analysis that maximise meaningful participation of the poor.

The human rights-based approach is a perspective and process that can lead more directly to increased enjoyment of human rights. Development processes – traditionally technical and economically orientated - are becoming increasingly focused on enjoyment of rights and promotion of values. One of the most important aspects of this approach is the increased recognition of poverty as one of the greatest barriers to the universal enjoyment of human rights. In short, HRBA aims for sustainable outcomes by analysing and addressing the inequalities, discriminatory practices and unjust power relations which are often at the heart of development problems.

MILLENNIUM DEVELOPMENT GOALS T0 BE ACHIEVED BY 2015

- *Halve extreme poverty and hunger.*
- *Achieve universal primary education.*
- *Empower women and promote equality between women and men.*
- *Reduce under-five mortality by two-thirds.*
- *Reduce maternal mortality by three-quarters.*
- *Reverse the spread of killer diseases, especially HIV/AIDS and malaria.*

- *Ensure environmental sustainability.*
- *Create a global partnership for development, with targets for aid, trade and debt relief.*

A HUMAN RIGHTS-BASED APPROACH TO DEVELOPMENT CO-OPERATION

The terms ‘human centred development’ and ‘human rights’ are prominent features in present policy documents and the strategy papers of most donor agencies. This placing of the individual at the centre of development and including human rights as one of the principal objectives of development co-operation is, however, the outcome of a crucial paradigm-shift in development thinking throughout the last decades.

- The development model after the Second World War focused on growth and development at the macro-economic level. Today we observe a broadening of the term development to include a distinct micro-level perspective which also takes into account individual well-being. This individual component is closely linked to the recognition of the instrumental role of individual participation and choice for development and underlines that particular attention has to be paid to disadvantaged and most-marginalised groups. Furthermore, the emergence of ‘good governance’ in the late 1980s reflects a growing awareness that development in economic terms cannot be detached from capacity building and institutional considerations in the political field.
- These changing perceptions eventually paved the way for increased attention to the relationship between economic development and democratic governance as well as for an enhanced role for human rights as a means and objective of development.
- With regard to the inclusion of human rights in development co-operation two approaches can be noted. From a more traditional perspective, development and human rights are in principle still viewed as two distinct concepts and fields of activity. Within such an approach, human rights projects and programmes are simply ‘added’ to the traditional activities of development co-operation, which itself is understood as aiming primarily at economic (and social) development.
- In contrast, the so-called human rights-based approach to development (HRBA) takes the view that the ultimate aim of development can be defined as the fulfilment of all human rights. Such an approach is based on the conviction that human rights and development are closely interrelated and mutually reinforcing and that neither human rights nor development are prerequisites of, or just ingredients of, the other.
- In essence, a HRBA can be defined as a conceptual and analytical approach to development co-operation, which is based on the standards and principles of human rights and which aims to incorporate these standards and principles in all planning and implementation of development co-operation.
- While ‘standards’ refer to the norms enshrined in the international human rights treaties (in particular the seven core Conventions) the term ‘principles’ regularly encompasses ‘non-discrimination’, ‘participation’, accountability’ and ‘the rule of law’. UNDP in its 2003 practice note on ‘Poverty Reduction and Human Rights’ names ‘universality and indivisibility’, ‘equality and non-discrimination’, ‘participation and inclusion’ as well as ‘accountability and the rule of law’ as the principles of a human rights-based approach to development and to poverty reduction.

- A HRBA however, does not refer to a closed model which can be mechanically applied to any given situation, but it requires, as a starting point, a thorough and in-depth analysis of the status of the implementation of the international human rights obligations of a given country. With regard to the variety of civil, political, economic, social and cultural rights as well as to differing country situations this is a complex task and the expertise needed has to be drawn from both, best development as well as human rights practice. Accordingly, many development agencies are still struggling with the practical implementation of a HRBA in a comprehensive way, which, in addition, also respects the local ownership of the development process.
- However, it is also increasingly recognised that a HRBhp A can contribute in a very relevant way to development analysis and programming. Firstly, it offers a common and universally accepted framework of analysis for both donors and recipients. Secondly, being based on the notion of 'rights' instead of 'needs', a HRBA looks at the root causes of uneven development by analysing the underlying power mechanism and by focusing on discriminated and marginalised strata and groups of society. Furthermore, it introduces a corresponding relationship between 'rights-bearers' and 'duty-holders' which makes it possible to identify concrete accountability for lacking development. Finally, a HRBA has the potential to deepen the best development practices of empowerment and participation as it is based on the recognition of the (human) rights of the poor to be heard and to take part in the formulation and implementation of development affecting their lives.

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A. DEMOCRACY

Democracy and human rights have historically been regarded as very different phenomena occupying separate areas of the political sphere. Democracy is generally connected with terms such as competitive elections, multi-party democracy and the separation of power. Moreover, democracy aims to empower the people in order to ensure that they rule society. Human rights, on the other hand, aim to empower the individual and to guarantee the minimum necessary conditions for pursuing a distinctively human life. Human rights, moreover, apply to all 'humans' and are universal in their scope and subject to international definition and regulation. The constitutional arrangements of governments, including democracy, have traditionally been regarded as an internal matter of the state, comprising the essence of 'sovereignty'.

The Universal Declaration of Human Rights proclaimed that 'the will of the people shall be the basis of the authority of government' and guaranteed to everyone the rights that are essential for effective political participation. The ICCPR conferred binding legal status on the right of individuals to participate in the processes that constitute the conduct of public affairs, and further strengthened the protection accorded to participatory rights and freedoms.

Since the fall of the Berlin Wall and the collapse of most communist regimes, the issue of democratisation has been prioritised and democracy and human rights are now seen as firmly standing together. As a consequence, in the 1990s, democracy became the theme of a number of international conferences. UN organs such as the Secretariat, the General Assembly and the former UN Commission on Human Rights and the Human Rights Council have commented on ways to strengthen democracy and several conferences on new or restored democracies have been convened in close co-operation with the UN.

In resolution 2003/36 the Commission on Human Rights called on the OHCHR to organise a second expert seminar to examine the interdependence between democracy and human rights. The seminar was held in 2005 with the aim to facilitate a constructive dialogue on the interaction between democracy, human rights and the rule of law. The seminar adopted a concluding document (E/CN.4/2005/58) where, *inter alia*, it was affirmed that democracy and the rule of law are interdependent and both are necessary to create an environment in which human rights can be realized and that:

Free, fair, and periodic multiparty elections are a key component of democracy, the rule of law and the protection of human rights. They also have an autonomous value as a means of self-realization and recognition of human dignity. Periodic elections are essential to ensure the accountability of representatives for the exercise of the legislative or executive powers vested in them. The conduct of elections should be entrusted to an independent mechanism, as appropriate, one that is free from executive or other interference that could undermine the fairness of elections.

According to the UN Secretary-General, 'democracy is not a model to be copied from certain states, but a goal to be attained by all peoples and assimilated by all cultures' (A/50/332). There is no single formula for how to secure democracy. Although the specific circumstances of each society or culture determine the choice and outcome of democratic processes, it is now widely accepted that democracy is a precondition for the full realisation of all human rights, and *vice versa*. It was, however, not until 1999 that the UN Commission on Human Rights explicitly recognised the existence of a right to democracy, stating that 'democracy, development and respect for all human rights and fundamental freedoms are interdependent and mutually reinforcing, and that democracy is based on the freely expressed will of the people to determine their own political, economic, social and cultural systems and their full participation in all aspects of their lives'. The Commission identified the following components of the rights of democratic governance: a) the rights to freedom of opinion and expression, of thought, conscience and religion, and of peaceful association and assembly; b) the right to freedom to seek, receive and impart information and ideas through any media; c) the rule of law, including legal protection of citizens' rights, interests and personal security, and fairness in the administration of justice and independence of the judiciary; d) the right to universal and equal suffrage, as well as free voting procedures and periodic and free elections; e) the right to political participation, including equal opportunity for all citizens to become candidates; f) transparent and accountable government institutions; g) the right of citizens to choose their governmental system through constitutional or other democratic means; and h) the right to equal access to public service in one's own country.

The Inter-American Democratic Charter, adopted by the General Assembly of the Organisation of American States in 2001, defines respect for human rights as an essential element of democracy as well as *inter alia*

access to and the exercise of power in accordance with the rule of law, the holding of periodic, free, and fair elections based on secret balloting and universal suffrage as an expression of the sovereignty of the people, the pluralistic system of political parties and organisations, and the separation of powers and independence of the branches of government. (Article 3).

And:

Transparency in government activities, probity, responsible public administration on the part of governments, respect for social rights, and freedom of expression and of the press are essential components of the exercise of democracy. The constitutional subordination of all state institutions to the legally constituted civilian authority and respect for the rule of law on the part of all institutions and sectors of society are equally essential to democracy. (Article 4).

Although not yet in force, as of March 2009, mention should also be made of the African Charter on Democracy, Elections and Governance. The Charter was adopted by the AU Assembly in 2007 as part of the AU's stated emphasis on promoting democracy and good governance. It draws reference from the African Charter on Human and Peoples' Rights, urging member states to take a wide range of measures to promote democracy, elections and good governance.

The European Community established, in 2006, the 'European Instrument for Democracy and Human Rights' (EIDHR) allowing the EU to provide support for the promotion of democracy and human rights worldwide.

From a human rights perspective, democracy appears to play two different roles. On the one hand, democracy is considered the basic guarantor of human rights, on the other we are witnessing the merging of human rights with democracy. A democratic system of governance is not a panacea for all human rights abuses. Many serious human rights violations occur in democratic countries. Reports and jurisprudence of international human rights supervisory mechanisms prove that rights to freedom of opinion, expression, information, dissent, association and participation on an equal basis, and fair trial have been violated in virtually every country in the world. However, respect for democratic principles is an indispensable condition for protection and promotion of all categories of rights and freedoms. Democratic principles have become a cornerstone of the human rights regime indispensable for the promotion of civil and political as well as economic, cultural and social rights.

B. GOOD GOVERNANCE

Good governance is the transparent and responsible assertion of authority and use of resources by governments. Many states seek to promote good governance in their foreign policies and in relations with developing countries as well as with countries that are in a process of transition towards a market economy and democracy.

Good governance concerns the fulfilment of three elementary tasks of government: a) to guarantee the security of all persons and of society itself; b) to manage an effective framework for the public sector, the private sector and civil society; and c) to promote economic, social and other aims in accordance with the wishes of the population.

Good governance and human rights are closely related. They can mutually reinforce each other in important ways; both are concerned with the rule of law and with equity in the outcomes of government policies and they overlap in specific areas. However, they remain distinct as good governance is about providing society with a framework for the effective and equitable generation and division of wealth while human rights seek to protect the inherent dignity of each and every individual.

In recent years, good governance has evolved from a topic of growing international debate to an explicit policy aim of many international organisations. In the Poverty Reduction and Growth Facility (PRGF) of the International Monetary Fund and the International Development Assistance (IDA) lending activities of the World Bank, criteria of good governance play a major role in asserting the effectiveness of economic and social policies of governments for sustainable development. These include, for example: financial transparency, the quality of the public sector, the effectiveness of public service delivery, the equity of taxation by the government and the quality of the legal and institutional framework that protects independent activities within the private sector and civil society.

The UNDP policy document 'Governance for Sustainable Human Development' (1997) defines (good) governance as:

The exercise of economic, political and administrative authority to manage a country's affairs at all levels. [...] Good governance is, among other things, participatory, transparent and accountable. It is also effective and equitable. And it promotes the rule of law. Good governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources.

This definition draws on various UN human rights instruments, notably the UDHR, which states that 'the will of the people shall be the basis of the authority of government', and reiterates that 'everyone has the right to take part in the government of his country, directly or through freely chosen representatives' and that 'everyone has the right of equal access to public service'.

The UNDP's concern for governance touches directly on legal instruments, governmental and non-governmental institutions and processes affecting human rights. Concern for human rights and good governance is reflected, for example, in public management programmes, which address such issues as accountability, transparency, participation, decentralisation, legislative capacity and judicial independence. The UNDP's governance programme, for instance, identifies three domains playing a unique role in promoting sustainable development and good governance: the state, the private sector, and civil society.

The Human Rights Council has recognised that 'transparent, responsible, accountable and participatory government, responsive to the needs and aspirations of the people, including women and members of vulnerable and marginalized groups, is the foundation on which good governance rests and that such a foundation is an indispensable condition for the full realization of human rights, including the right to development'. The Council expressly linked good governance to an environment conducive to the enjoyment of human rights and 'prompting growth and sustainable human development' (Resolution 7/11). By linking good governance to sustainable human development, emphasising principles such as accountability, participation and the enjoyment of human rights, and rejecting prescriptive approaches to development assistance, the resolution stands as an implicit endorsement of the human rights-based approach to development. Thus, governance and human rights are mutually reinforcing; human rights principles provide a set of values to guide the work of governments and other political and social actors but also provide a set of performance standards against which these actors can be held accountable.

In addition to the above-mentioned resolution, there exists a considerable body of human rights standards of direct relevance and applicability to questions of good governance. The ICCPR requires states parties 'to respect and to ensure [...] the rights recognised' in the Covenant and 'to take the necessary steps [...] to give effect to the rights.' States parties are required, inter alia, to ensure that an effective remedy for violations is available; to provide for determination of claims by competent judicial, administrative or legislative authorities; and to enforce remedies when granted (Article 2).

Similarly, under the ICESCR, states have undertaken 'to take steps [...] with a view to achieving progressively the full realisation of the rights recognised [...] by all appropriate means' (Article 2).

The Declaration on the Right to Development (1986) (see V§1.C) further clarifies the nature of these obligations, setting forth important objectives for governance. It mandates states 'to formulate appropriate national development policies that aim at the constant improvement of the well-being of the entire population and of all individuals, on the basis of their active, free and meaningful participation in development and in the fair distribution of the benefits resulting there from'. Moreover, states are expected to 'undertake, at the national level, all necessary measures for the realisation of the right to development' and to 'ensure, *inter alia*, equality of opportunity for all in their access to basic resources, education, health services, food, housing, employment and the fair distribution of income'. 'Effective measures' are to be undertaken to ensure that women have an active role in the development process, and 'appropriate economic and social reforms' are to be carried out with a view to eradicating all social injustices. In sum, the Declaration requires states to take steps 'to ensure the full exercise and progressive enhancement of the right to development, including the formulation, adoption and implementation of policy, legislative and other measures at the national and international levels'.

Finally, an important aspect of good governance is the civilian control over military activities and expenditures; part of good governance might be the restriction of military spending. Excessive military expenditure not only reduces funds available for other purposes, but can also contribute to increased regional tensions and violations of international law. Furthermore, the military is often used for purposes of internal repression and denial of human rights.

C. THE RIGHT TO DEVELOPMENT

The right to development is rooted in the Charter of the United Nations, the Universal Declaration on Human Rights and the two International Human Rights Covenants. Development and human rights are intricately linked. As such, numerous documents have explicitly acknowledged their indivisibility, including the Declaration on the Right to Development (1986), the African Charter on Human and Peoples' Rights, the Declaration on the Rights of Indigenous Peoples (2007), the Vienna Declaration and Programme of Action (1993) and the Rio Declaration on Environment and Development (1992).

Ultimately, both development and human rights movements share the same enthusiasm and motivation to promote the freedom, well-being and dignity of individuals. On the one hand human development improves the capabilities and freedoms of individuals while on the other hand human rights provide the framework for a social arrangement that facilitates and secures capabilities and freedoms expressed by human development. Article 1 of the Declaration on the Right to Development states that:

The right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realised.

Moreover, the preamble of the Declaration states that:

Development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well being of the entire population and of all individuals on the basis of their active, free and meaningful participation in development and in the fair distribution of benefits resulting there from.

Article 1 identifies the human person as the beneficiary of the right to development. It imposes obligations on individual states to ensure equal and adequate access to essential resources and on the international community to promote fair development policies and effective international co-operation.

The right to development was reaffirmed at the World Conference on Human Rights in Vienna in 1993 'as a universal and inalienable right and an integral part of fundamental human rights'. The former UN Commission on Human Rights spoke of an important right 'for every human person and all peoples in all countries' (Resolution 1998/72) and placed emphasis on the individual as bearer of the right to development. The Commission also underlined the importance of structural measures to tackle the problems developing countries have to overcome. In a resolution on the right to development, the Commission, *inter alia*, stated that

[I]nternational co-operation is acknowledged more than ever as a necessity deriving from recognised mutual interest, and therefore that such co-operation should be strengthened in order to support efforts of developing countries to solve their social and economic problems and to fulfil their obligations to promote and protect all human rights (Resolution 1998/72).

To illustrate the need for such an approach, the Commission addressed 'the unacceptable situation of absolute poverty, hunger and disease, lack of adequate shelter, illiteracy and hopelessness, being the lot of over one billion people; the gap between developed and developing countries remaining unacceptably wide; the difficulties developing countries have to face when participating in the globalisation process, risking to be marginalised and effectively excluded from its benefits.'

In a resolution on the right to development in 2003 the Commission confirmed the right to development as 'an inalienable human right and that equality of opportunity for development is a prerogative both of nations and of individuals who make up nations, and the individual as the central subject and beneficiary of development' (Resolution 2003/83). It should, however, be noted that the states themselves are primarily responsible for development. The international community can contribute to development but cannot take over that responsibility.

An open-ended Working Group on the Right to Development was established in 1998 following a recommendation by the UN Commission on Human Rights to the ECOSOC (E/CN.4/RES/1998/72). In its resolution 4/4, the Human Rights Council renewed the mandate of the Working Group for a period of two years, and also extended the mandate of the high level task force on the implementation of the right to development. The Working Group is mandated to a) monitor and review progress made in the promotion and implementation of the right to development; b) review reports and other information submitted by states and international or non-governmental organisations; and c) submit reports to the Human Rights Council. The Working Group holds annual sessions where it considers operational aspects of the right to development and discusses the progress made in implementing the right to development.

In its consideration of the 6th report of the Independent Expert on the right to development, the Working Group discussed what the right to development entails, *inter alia*:

The realization of the right to development is seen as the fulfilment of a set of claims by people, principally on their State but also on the society at large, including the international community, to a process that enables them to realize the rights and freedoms set forth in the International Bill of Human Rights in their totality as an integrated whole. The right to development encompasses the right of the people to the outcomes of the process, i.e. improved realization of different human rights, as well as the right to the process of realizing these outcomes itself. It is to be facilitated and ensured by the corresponding duty-bearers on whom the claims are made, and who must adopt and implement policies and interventions that conform to the human rights norms, standards and principles. In other words, both the ends and the means of such a process of development are to be treated as a right.

Further, it has to be viewed as a composite right wherein all the rights, i.e. economic, social and cultural, as well as civil and political rights, because of their interdependence and indivisibility, are realized together. The integrity of these rights implies that if any one of them is violated, the composite right to development is also violated. The independent expert has described the realization of the right to development in terms of an improvement of a 'vector' of human rights, such that there is improvement of some or at least one of those rights, without any other right being violated. Also, this right is not a finite event but a process in time, wherein some, if not all, of the desired outcomes are realized progressively, with resource constraints on their realization being gradually relaxed through, inter alia, economic growth consistent with human rights norms and principles. (E/CN.4/2004/WG.18/2).

The indivisibility and interdependency of development and human rights has led many organisations to merge the two concepts in their work. The UNDP, for example, has stated that eliminating poverty, sustaining livelihood, promoting gender equality, protecting the environment, and capacity building will assist in mainstreaming human rights in the development sector. The UNDP has concluded that a human rights approach to development will result in a mutually beneficial arrangement that enhances the achievement of universal human rights and development goals.

It should be noted that because of the complexity and contentious issues regarding the right to development, despite several attempts, only limited progress has been made from 1998 to date in reaching consensus on a specific ‘binding’ instrument establishing the right.

RERA

Introduction

- Real Estate (Regulation and Development) Act (RERA) is an act passed by the Parliament in 2016 that came into effect fully from 1st May, 2017.
- It seeks to protect **home-buyers** as well as help **boost investments in the real estate sector** by bringing efficiency and transparency in the sale/purchase of real estate.
- The Act establishes Real Estate Regulatory Authority (RERA) in each state for **regulation of the real estate** sector and also acts as an adjudicating body for speedy d**ispute resolution.**

Need for the RERA

- Real estate sector had been largely unregulated, no standardization of business practices and transactions.
- Prevalence of issues like delays, price, quality of construction. Delays in projects had been a major issue plaguing real estate sector- huge cost overrun due to delays.
- Numerous instances where developers cheated property buyers.
- No grievance redressal mechanism.
- Huge generation of black money in real estate sector.

Objectives of RERA

- Enhance transparency and accountability in real estate and housing transactions.
- Boost domestic and foreign investment in the real estate sector.
- Provide uniform regulatory environment to ensure speedy adjudication of disputes.
- Promote orderly growth through efficient project execution and standardization.
- Offer single window system of clearance for real estate projects.
- Empower and protect the right of home buyers.

Key Provisions of Real Estate Regulation Act

- **Establishment of state level regulatory authorities- Real Estate Regulatory Authority (RERA):** The Act provides for State governments to establish more than one regulatory authority with the following mandate:
    - Register and maintain a database of real estate projects; publish it on its website for public viewing,
    - Protection of interest of promoters, buyers and real estate agents
    - Development of sustainable and affordable housing,

  - Render advice to the government and ensure compliance with its Regulations and the Act.

- **Establishment of Real Estate Appellate Tribunal-** Decisions of RERAs can be appealed in these tribunals.
- **Mandatory Registration:** All projects with plot size of minimum 500 sq.mt or eight apartments need to be registered with Regulatory Authorities.
- **Deposits:** Depositing 70% of the funds collected from buyers in a separate escrow bank account for construction of that project only.
- **Liability:** Developer's liability to repair structural defects for five years.
- **Penal interest in case of default:** Both promoter and buyer are liable to pay an equal rate of interest in case of any default from either side.
- **Cap on Advance Payments:** A promoter cannot accept more than 10% of the cost of the plot, apartment or building as an advance payment or an application fee from a person without first entering into an agreement for sale.
- Defines **Carpet Area** as net usable floor area of flat. Buyers will be charged for the carpet area and not super built-up area.
- **Punishment:** Imprisonment of up to three years for developers and up to one year in case of agents and buyers for violation of orders of Appellate Tribunals and Regulatory Authorities.

Benefits

- **Timely delivery of flats**
  - Developers often make false promises about the completion date of the project, but hardly ever deliver.
  - Strict regulations will be enforced on builders to ensure that construction runs on time and flats are delivered on schedule to the buyer.
  - If the builder is not able to deliver the flats on time, he/she will have to refund the purchaser with interest.
- **Furnishing of accurate project details:**
  - In the construction stage, builders promote their projects defining the various amenities and features that will be part of the project. But not everything goes as per plan, with several features missing.
  - As per the Act, there can't be any changes to a plan.
  - And if a builder is found guilty of this, he/she will be penalized 10% of the project's costs or face jail time of up to three years.

- **Specifying carpet area:**
  - Generally, builders sell flats on the basis of built-in area, which includes a common passage area, stairs and other spaces which are 20-30% more than the actual flat's area.
  - But, not all buyers are aware of the concept of carpet area.
  - With this Act it will become mandatory to declare the actual carpet area.
- **All clearances are mandatory before beginning a project:**
  - Builders often attract buyers with huge discounts and pre-launch offers. And, the buyer, enticed by the offers, does not bother about the clearance.
  - But, due to delays in getting clearance, the buyer does not get the flat on time.
  - This Act ensures that developers get all the clearances before selling flats.
- **Each project should have a separate bank account:**
  - Developers raise funds through pre-launch offers and use them to purchase some other land or invest it in other projects.
  - This Act will make it compulsory that a separate bank account be maintained for each project.
  - Each transaction will have to be recorded, and diversion to another project will not be entertained.
- **After sales service:**
  - As per an interesting clause in the Act, if the buyer finds any structural deficiency in the development of the building, the buyer can contact the builder for after sales service.
  - But, the buyer should approach the builder within 5 years of purchase to rectify such defects without further charges.

Concerns

- **Past real estate projects not included**
  - Only new projects are covered by the Act.
  - Projects that are ongoing, completed or stuck due to clearance or financial issues, don't come under this.
  - Hence, many buyers will not be benefitted by it.
- **Delay from government agencies**

    - There can be delays caused by the government, which sometimes takes a lot of time to clear a project.
    - It is up to government bodies to timely approve projects, so that developers can launch, complete and deliver them on time.
- **No compulsory regulation for projects less than 500 square meter:**
    - Registration with the regulator will not be mandatory for projects less than 500 square meter.
    - So, small developers will not be bound to register.
- **New project launches expected to be delayed:**
    - Because a project will not be allowed to launch without the requisite clearances from the government (which generally takes two to three years), projects will automatically get delayed.
- **It does not deal with the concerns of developers** regarding force majeure (acts of god outside their control) which result in a shortage of labour or issues on account of there not being a central repository of land titles/deeds.
- State governments regulated real estate before RERA as land and land improvement are in the **State List** of the Seventh Schedule of the Constitution. RERA has been enacted under **Concurrent List.** This has increased the tussle between various states and Centre over implementation of RERA.

Way Forward

- Avoiding any conflict between the Centre and the States regarding regulation of real estate sector.
- States should not dilute the RERA provisions. Provisions for punishment of violations, should be kept intact in all State laws.
- States should fully implement RERA to curb black money
- Issues regarding the implementation of RERA in North-Eastern States should be resolved to avoid any uncertainty in the housing sector in that region.
- Government agencies should be made accountable for the delay in granting approvals.
- A robust IT infrastructure should be established for monitoring projects and quick redressal of grievances.
- All the concerns of developers should be addressed in a time-bound manner to avoid unnecessary litigations in courts.

Right to Education

The Constitution (Eighty-sixth Amendment) Act, 2002 inserted Article 21-A in the Constitution of India to provide free and compulsory education of all children in the age group of six to fourteen years as a Fundamental Right in such a manner as the State may, by law, determine. The Right of Children to Free and Compulsory Education (RTE) Act, 2009, which represents the consequential legislation envisaged under Article 21-A, means that every child has a right to full time elementary education of satisfactory and equitable quality in a formal school which satisfies certain essential norms and standards.

Article 21-A and the RTE Act came into effect on 1 April 2010. The title of the RTE Act incorporates the words ‘free and compulsory’. ‘Free education’ means that no child, other than a child who has been admitted by his or her parents to a school which is not supported by the appropriate Government, shall be liable to pay any kind of fee or charges or expenses which may prevent him or her from pursuing and completing elementary education. ‘Compulsory education’ casts an obligation on the appropriate Government and local authorities to provide and ensure admission, attendance and completion of elementary education by all children in the 6-14 age group. With this, India has moved forward to a rights-based framework that casts a legal obligation on the Central and State Governments to implement this fundamental child right as enshrined in the Article 21A of the Constitution, in accordance with the provisions of the RTE Act.

The RTE Act provides for the:

- Right of children to free and compulsory education till completion of elementary education in a neighbourhood school.
- It clarifies that ‘compulsory education’ means obligation of the appropriate government to provide free elementary education and ensure compulsory admission, attendance and completion of elementary education to every child in the six to fourteen age group. ‘Free’ means that no child shall be liable to pay any kind of fee or charges or expenses which may prevent him or her from pursuing and completing elementary education.
- It makes provisions for a non-admitted child to be admitted to an age appropriate class.
- It specifies the duties and responsibilities of appropriate Governments, local authority and parents in providing free and compulsory education, and sharing of financial and other responsibilities between the Central and State Governments.
- It lays down the norms and standards relating inter alia to Pupil Teacher Ratios (PTRs), buildings and infrastructure, school-working days, teacher-working hours.
- It provides for rational deployment of teachers by ensuring that the specified pupil teacher ratio is maintained for each school, rather than just as an average for the State or District or Block, thus ensuring that there is no urban-rural imbalance in teacher

postings. It also provides for prohibition of deployment of teachers for non-educational work, other than decennial census, elections to local authority, state legislatures and parliament, and disaster relief.

- It provides for appointment of appropriately trained teachers, i.e. teachers with the requisite entry and academic qualifications.
- It prohibits (a) physical punishment and mental harassment; (b) screening procedures for admission of children; (c) capitation fee; (d) private tuition by teachers and (e) running of schools without recognition,
- It provides for development of curriculum in consonance with the values enshrined in the Constitution, and which would ensure the all-round development of the child, building on the child's knowledge, potentiality and talent and making the child free of fear, trauma and anxiety through a system of child friendly and child centred learning.

Theories of Development and Indian Economy

Sem III

-Akshay Ugale

▪Module 01 Economic Development and Growth

Concept of Development, Economic Development and Economic Growth

- **Economic Growth**: may be defined as a rate of expansion that can move an underdeveloped country from a near subsistence mode of living to substantially higher levels in a comparatively short period of time i.e. in decades rather than centuries.
- Positive change in real output of the economy in particular span of time.
- It is a narrow concept.
- Measured by the increase in indicators like Gross Domestic Product(GDP) Per Capita Income(PCI)
- A short-term process.
- Applicable to developed/developing countries.

Referred from Misra & Puri and A N Agrawal

Concept of Development, Economic Development and Economic Growth

- Quantitative indicators change in the economy.
- It is an automatic process.
- Can be put on a haul or break for sometime.

Concept of Development, Economic Development and Economic Growth

- **Economic Development**: is generally defined to include improvements in material welfare, especially for persons with the lowest incomes, the eradication of mass poverty with its corelates of illiteracy, disease and early death, changes in the composition of inputs and outputs that generally include shifts in the underlying structure of production, away from agricultural towards industrial activities.
- Economic Development involves rise in level of Production in an economy along with the advancement of technology, improvement in living standards.
- It is a broad concept.
- Improvement in life expectancy rate, infant mortality rate, literacy rate and poverty rate.
- It is a long-term process.

Concept of Development, Economic Development and Economic Growth

- Its for the developing nations.
- This is a qualitative indicator.
- This is a desperate, forced and planned process.
- This is a continuous ongoing process.

Referred from Misra & Puri and A N Agrawal

Concept of Development, Economic Development and Economic Growth

Economic Growth	Economic Development
It focuses on the rise in the real per capita income or increased flow of goods and services in the economy	It includes increase in economic welfare along with increase in real per capita income
It is merely a quantitative concept, concerned with rate of production	It is both a quantitative and qualitative concept concerned with quality of life along with increase in per capita rate of production
Economic growth may not be associated with increase in productivity	Economic development is essentially associated with increase in productivity
Growth may occur without any change in the outlook of people towards quality of life	Development is associated with change in the outlook of the people towards quality of life
It may occur independently of any structural, institutional or technical change in the economy	It is invariably associated with some structural, institutional or technical changes in the economy
It is a narrow concept	It is a broader concept

Referred from Surbhi Arora

Human Right Dimension in Economic Growth and Economic Development

HUMAN RIGHTS AND ECONOMIC GROWTH

In the econometric analysis "Human Rights and Economic Growth" the Danish Institute for Human Rights investigates how freedom and participation rights interact with economic growth. Using a dynamic panel data estimation method on 167 countries between the years 1981 to 2011, we can see that freedom and participation rights have a positive effect on economic growth.

Observers have argued that investments in human rights generally are a burden on economic growth. Our analysis shows this not to be true. Globally, there is no trade off between human rights and economic growth.

This means that by investing in human rights, the economic growth rate of a country is likely to increase. Especially, the rights to freedom of speech, freedom of assembly and association and electoral self-determination demonstrate a significant positive effect on economic growth.

The positive effects from freedom and participation rights on economic growth are channelled through institutional and economic factors such as government effectiveness, investments and trade.

$$y_{it} = \sum_{k=1}^{p} \gamma_k y_{i,t-k} + \sum_{k=0}^{r} \beta_k x_{i,t-k} + \sum_{k=0}^{q} \varphi_k z_{i,t-k} + u_{it}$$
$$u_{it} = \alpha_i + \varepsilon_{it}$$

FREEDOM AND PARTICIPATION RIGHTS → EFFECTIVE INSTITUTIONS, INVESTMENTS AND TRADE → ECONOMIC GROWTH

THE DANISH INSTITUTE FOR HUMAN RIGHTS

MAIN CONCLUSIONS
MAY 2017

In Sub-Saharan Africa, Europe and Central Asia the analysis finds a significant, positive, long-run effect of human rights investments on economic growth.

The analysis reveals no evidence of the reverse causal effects from economic growth to human rights: higher economic growth does not result in higher respect for freedom and participation rights across the countries analysed.

Features and Indicators of Economic Development

- Low Per Capita Income(PCI) and low rate of economic growth.
- High proportion of people below poverty line(BPL)
- Low level pf productive efficiency due to inadequate nutrition and malnutrition.
- Imbalance between population size, resources and capital.
- Problems of Unemployment.
- Instability of output of agriculture and related sources.
- Imbalance between heavy industries and wage goods
- Imbalance in distribution and growing inequalities

Features and Indicators of Economic Development

- Improved levels of living
- Rise in national income of the economy.
- Rise in the Per Capita Income of the country over a long period.
- Sustainable Development

Referred from Datt and Mahajan

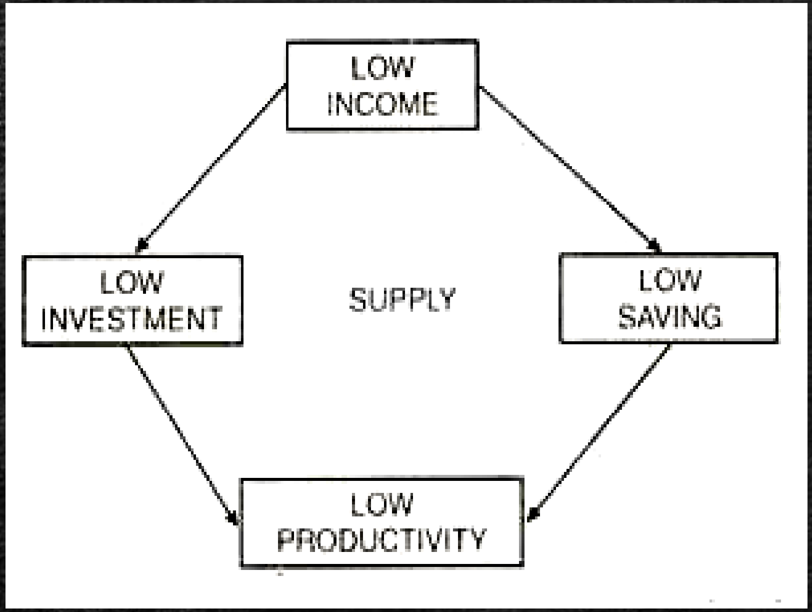
Vicious Cycle of Poverty

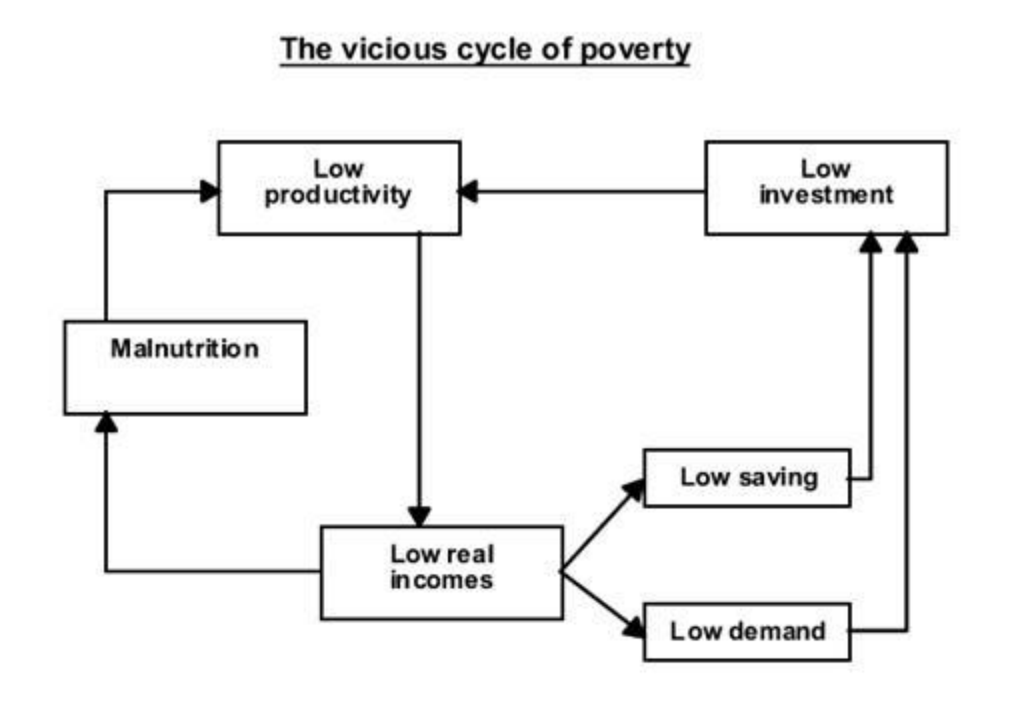
- Concept was given by Nurkse
- 'A country is poor because it is poor'
- Forces acting continuously to act and react in such a way to keep a nation in a constant state of poverty.
- E.g.- a poor man --- has less food to eat --- as a result is underfed --- Poor health ---low capacity to work --- poor
- Solution to the problem

- Rate of capital formation needs to be increased
- When the capital formation is increased then the income increases which results in the rise in savings and ultimately the consumption is increased.

Referred from A.N.Agrawal

Vicious Cycle of Poverty

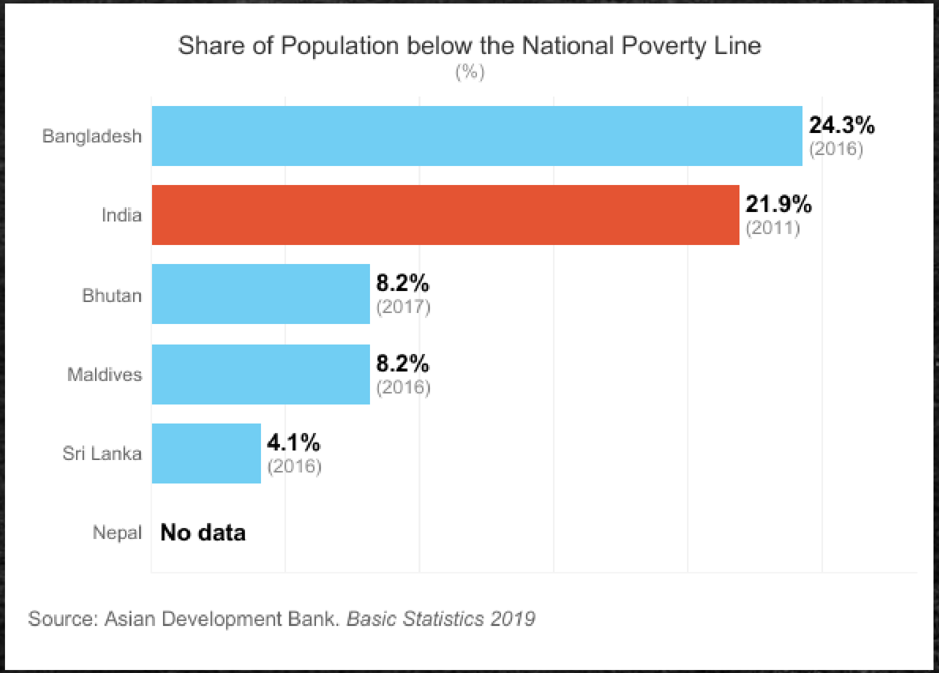




Vicious Cycle of Poverty

- <u>How can the capital formation be increased?</u>

- Domestic resources i.e. taxing the ostentatious living of rich.
- By raising the marginal rate of saving.
- Providing higher attractive savings rate to increase savings rate
- Taking foreign loans



Referred from A.N.Agrawal

Determination of Poverty Line In India

BASIC NEEDS ARE USUALLY LISED IN THE MATERIAL DIMENSIONS AS THE NEED TO BE ADEQUATELY NOURISHED, THE NEED TO BE DECENTLY CLOTHED, THE NEED TO BE REASONABLY SHELTERED, THE NEED TO ESCAPE AVOIDABLE DISEASES, THE NEED TO BE ATLEAST MINIMALLY EDUCATED AND THE NEED TO BEMOBILE FOR PURPOSE OF SOCIAL INTERACTION AND PARTICIPATION IN ECONOMIC ACTIVITY

- **Definition**- Poverty Line is the level of income to meet the minimum, living conditions. Poverty Line is the amount of money needed for a person to meet his basic needs. It is defined as the money value of all the goods and services needed to provide basic welfare of an individual.

Referred from Misra & Puri

Determination of Poverty Line In India

Current Poverty Lines in India

Year	Rural	Urban
2004-05	₹444.6 ₹14/day	₹578.8 ₹19.28/day
2009-10	₹672.8 ₹22.42/day	₹859.6 ₹28.65/day
2011-12	₹816 ₹27.2/day	₹1000 ₹33.33/day

Referred from Misra & Puri

Determination of Poverty Line In India

The Suresh Tendulkar Committee (December 2009)

- Criticism by Tendulkar Committee

- Outdated consumption pattern data
- Crude price adjustments
- Improper Health and education expenditure representation

Estimation of poverty by this committee

- The Tendulkar committee estimated the new all India poverty line for the year 2004-05 for rural areas at ₹ 446.68 per capita per month and for the urban areas at ₹578.80 per capita per month. On this basis, 41.8% of the rural population and 25.7% of the urban population was below poverty line in 2004-05. for the country as a whole, 37.2% of the people were below the poverty line in 2004-05

Referred from Misra & Puri

Determination of Poverty Line In India

Rangarajan committee

-Submitted its report in **2014**

-Gave 'per capita monthly expenditure' as **₹972** in rural areas and **₹1407** in urban areas as poverty line.

-It preferred to use 'Monthly expenditure of household of five' for the poverty line purpose which came out to be **₹4860** in rural and **₹7035** in urban areas.

-The Expert Group (Rangarajan) therefore estimates that the **30.9%** of the rural population and **26.4%** of the urban population was below the poverty line in **2011-12**. The all-India ratio was **29.5%.** In rural India, 260.5 million individuals were below poverty and in urban India 102.5 million were under poverty. Totally, **363 million** were below poverty in **2011-12**.

Module 02: Strategies of Economic Growth

Theories of Development

Balanced Growth Strategy

- Core idea given by Nurkse
- Simultaneous investment in varied sectors
- E.g. – of a shoe factory
- Major obstacle in underdeveloped nations is of 'Vicious Circle of Poverty'
- Low income – Low savings – Low investment – Low production – Low income – Low demand

Referred from A.N.Agrawal

Add a Slide Title - 5

- Developed by Hirschman, Singer, Fleming and others
- Theory postulates that there is needed an unbalance in the economy rather than a balance
- Two sectors 1. Social Overhead Capital

  2. Directly Productive Activities

Unbalanced Growth strategy

Referred from A.N.Agrawal

Theories of Development

Advantages of Unbalanced Growth Theory

- More realistic than the balanced growth approach
- Role of government very important
- The emphasis of the theory on the generation of favorable climate
- Connection of forward and backward linkages

Criticism of Unbalanced growth theory

- Resources are not just scarce but are very scarce
- Neglecting the problem of inflation
- Likely wastages which occur
- Resistances to Resistance
- The optimum degree of imbalance not explained

Referred from A.N.Agrawal

Theories of Development

- Big Push Theory
- Strategy first formulated by Rosenstein-Rodan back in early 1940's. It was designed in the context of and aimed at the industrialisation of Eastern and South Eastern Europe.
- The strategy is called "Big Push" for the reason that it envisages at the minimum a very large amount of investment in the industrial sector so as to jump over the obstacles to development.
- The investment is confined to the development of industries as the solution to the problem of backwardness is sought through industrialisation.
- Instead of small amounts of investments over a long period of time, the strategy emphasizes the need for acceleration in investment over a short period.

Referred from A.N.Agrawal

Criticism of Big-Push Theory

- Inelastic Demand issue
- Problem of less developed countries
- Over emphasis on industry/manufacturing
- No solution for inducing further investments
- Ignores the contribution of private sector

Referred from A.N.Agrawal

Relation between Population growth and Per Capita Income

- Per Capita Income(PCI) rises with the formation of human capital as the skilled labor increases
- When the birth rate reduces immediately the PCI of family is increased.
- Rise of the women's participation in the labor force
- Whenever the working capital starts becoming more and more skilled
- Better use of existing resources, addition to its productive capacity

Relation between Population growth and Per Capita Income

- The growth in the per capita income is an index of economic growth. Though there is much growth in national income, the population growth has made the per capita income almost stagnant with a slow rise during the last 5 decades. During 1960-61 and 1990-91 the national income of India at constant prices rose by 215% but the PCI rose by only 58% on account of a rise in population by 82% and during 1980-81 and 2000-01, the annual average growth of net national product was 5.4% and of PCI was 3.4% thus population growth coming in the way of increasing per capita income has acted as a factor retarding the economic development.

Sustainable Development

- The term Sustainable Development first came into prominence in the World Conservation Strategy, presented in 1980 by the International Union for the Conservation of Nature and Natural Resources.

- It was clearly defined in the Brundtland Report 'Our Common Future' 1987 in the following words "*sustainable development seeks to meet the needs and aspirations of the present without compromising the ability of the future generations to meet their own needs*"

Referred from Misra & Puri

Sustainable Development

- Sustainable Development seeks to meet the needs and aspirations of the present without compromising the ability of the future generations to meet their own needs
- Sustainable Development can be achieved only if the environment is conserved and improved. Moreover, a development path is sustainable if and only if the stock of overall capital assets remains constant or rises over time
- The main health and productivity consequences of environmental damage are

- Water Pollution
- Outdoor urban air pollution
- solid and hazardous wastes
- Soil degradation
- Rangeland degradation
- Deforestation
- Loss of biodiversity
- Atmospheric Changes

Referred from Misra & Puri

Sustainable Development Goals

What are the Sustainable Development Goals?

- The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

- These 17 Goals build on the successes of the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interconnected – often the key to success on one will involve tackling issues more commonly associated with another.

What is UNDP's role?

- The SDGs came into effect in January 2016, and they will continue to guide UNDP policy and funding until 2030. As the lead UN development agency, UNDP is uniquely placed to help implement the Goals through our work in some 170 countries and territories.

- Our strategic plan focuses on key areas including poverty alleviation, democratic governance and peacebuilding, climate change and disaster risk, and economic inequality. UNDP provides support to governments to integrate the SDGs into their national development plans and policies. This work is already underway, as we support many countries in accelerating progress already achieved under the Millennium Development Goals.

- Our track record working across multiple goals provides us with a valuable experience and proven policy expertise to ensure we all reach the targets set out in the SDGs by 2030. But we cannot do this alone.

- Achieving the SDGs requires the partnership of governments, private sector, civil society and citizens alike to make sure we leave a better planet for future generations.

Referred from https://www.undp.org/content/undp/en/home/sustainable-development-goals.html

Sustainable Development Goals

Referred from https://www.undp.org/content/undp/en/home/sustainable-development-goals.html

Concept of Human Development

- People’s choices of leading a long and healthy life, to be educated and to enjoy a decent standard of living along with it political freedom, other guaranteed human rights and various ingredients of self-respect.
- Human development is thus a process of widening people’s choices as well as raising he level of well being achieve.
- According to Mahbub-ul-Haq “The defining difference between economic growth and the human development schools is that the first focuses exclusively on the expansion of only one choice-income- while the second embraces the enlargement of all human choices whether economic, social, cultural or political

Referred from Puri & Misra

Determination of HDI

- Human Development Index (HDI) measures the average achivements in a country in three basic dimensions of human development which are-

1. Long and Healthy Life
2. Access to Knowledge
3. Decent standard of living

Since 2010, HDI is being defined in HDR as the *geometric mean* of normalised indices measuring achievements in each dimension, prior to HDR 2010 simple *arithmetic mean* of the three dimension indices used to be taken

Referred from Puri & Misra

Determination of HDI

- Goalposts for calculating the HDI according to HDR 2016

Dimension	Indicator	Minimum	Maximum
Health	Life expectancy (years)	20	85
Education	Expected years of schooling	0	18
	Mean years of schooling	0	15
Standard of living	Gross national income per capita	100	75,000

Referred from Puri & Misra

Determination of HDI

- Calculation of HDI
- Dimension Index = $\frac{\text{Actual value – Minimum value}}{\text{Maximum Value-minimum value}}$

Calculation of HDI from dimension indices

$$(I^{1/3} * I^{\frac{1}{3}} * I^{1/3})$$

Referred from Puri & Misra

Determination of HDI

Rank	Country	HDI	Life Expectancy at birth	Expected years of schooling	Mean years of schooling	GNI Per Capita (PPP $)
1	Norway	0.953	82.3	17.9	12.6	68,012
2	Switzerland	0.944	83.5	16.2	13.4	57,625
3	Australia	0.939	83.1	22.9	12.9	43,560
4	Ireland	0.938	81.6	19.6	12.5	53,754
5	Germany	0.936	81.2	17.0	14.1	46,136
130	India	0.640	68.8	12.3	6.4	6,353

Referred from http://www.hdr.undp.org/en/composite/HDI

Determination of PQLI

- Morris D. Morris developed ***"Physical Quality of Life Index (PQLI)"***. He included three indicators like life expectancy, infant mortality rate and literacy rate. For each indicator he devised a scale which includes the numbers ranging from 1 to 100 where 1 represents the worst performance by any country and 100 is the best performance. For life expectancy, the upper limit of 100 was assigned to 77 years which was achieved, by Sweden in 1973, and the lower limit of 1 was assigned to 28 years which was the life expectancy of Guinea-Bissau in i960.

- Within these limits each country's life expectancy figure is ranked from 1 to 100. As the midway between the upper and lower limits of 77 and 28 years is 52 years will be assigned a rating of 50. Similarly, for infant mortality, the upper limit was set at 9 per thousand was achieved by Sweden in 1973 and the lower limit at 229 per thousand was achieved by Gabon in 1950. The minimum rate regarding IMR was rated 100, while the highest IMR was given the scale of 1. Whereas the literacy rates, measured as percentages from 1 to 100, provide their own direct scale. Once a country's performance in life expectancy, infant mortality and literacy has been rated on the scale of 1 to 100, the composite index for the country is calculated by averaging the three ratings, giving equal weight to each.

▪Module 03: Agrarian Economy In India

Main Features of Indian Agriculture

- Nature's Uncertainties
- Multiplicity of Crops
- Diversities in other spheres
- Semi-Commercialised farming
- Large Inequalities
- Low level of productivity
- Vast Underemployment
- Predominance of small farmers

Referred from A.N.Agrawal

Sub-division and Fragmentation of land

Causes for small size of holdings in India

- Growing population of the country
- The laws of inheritance
- The decline of joint family system
- The decline of handicrafts and village industries

Referred from Datt and Mahajan

Remedies for Sub-Division and Fragmentation of land

- Creation of Economic holdings
- Consolidation of holdings
- Co-Operative farming

Referred from Datt and Mahajan

Agricultural Credit: Institutional Sources and Non-Institutional Sources

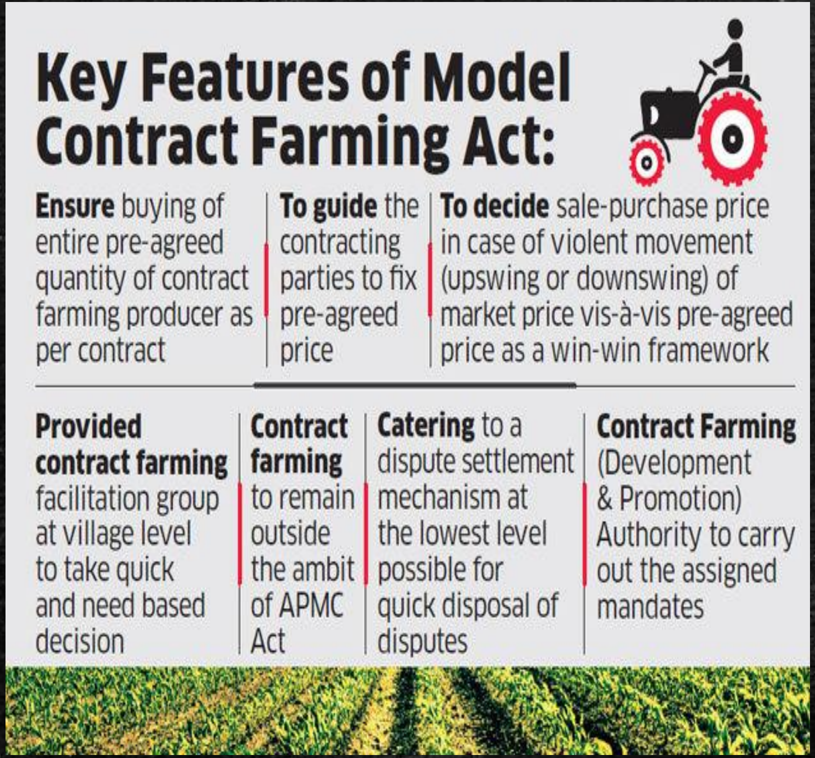
- Co-operative credit societies
- Commercial bank credit
- Government Loans
- Money lenders
- Other Private sources

Referred from Misra & Puri

Issues of Agricultural Labours

- Miserable Living
- Meagre Earnings
- Unsatisfactory Employment
- Low Consumption
- Socially Deprived Classes
- Heavy Indebtedness

Contractual Farming



- Contract Farming can be defined as agricultural production carried out according to an agreement between a buyer and farmers' which establishes conditions for the production and marketing of a farm product or products. Typically, the farmer agrees to provide agreed quantities of a specific agricultural product. These should meet the quality standards of the purchaser and be supplied at the time determined by the purchaser. In turn, the buyer commits to purchase the product and, in some cases, to support production through, for example, the supply of farm inputs, land preparation and the provision of technical advice

Issues of Corporatisation of Farming

- Liberalisation of Agriculture
- Landlordism
- Farmers at the mercy of corporate houses
- Profitability as priority concern
- Issues of food security
- Farmers will be employees not entrepreneurs
- Profiteering without social cause
- Lack of Transparency

▪ Module 05: Other Areas in Indian Economy

Black Money and Corruption: Reasons and Measures

Causes of Black Money

- Money Laundering
- High Tax rates and Black incomes
- State, controls and black economy
- Urban land and property deals
- Complex tax structure and poor enforcements of tax laws
- Generation of black money in public sector
- Corruption in awarding public works
- Telecom and mining scams
- Bribes for out of turn favours
- Donations to political parties

Referred from Misra & Puri

Black Money and Corruption: Reasons and Measures

- Measures to control Black Money

1. Measures to check Tax Evasion
2. Demonetisation
3. Special Bearer Bond Scheme
4. Voluntary Disclosure Schemes
5. Prevention of Money Laundering Act, 2002
6. Right to information Act
7. Lokpal and Lokayukta Bill

Referred from Misra & Puri

Inflation Trends in Prices and Money Supply

- Price trends – The Earlier Period (1951 to 1981)
- In the whole of planning period starting from 1950-51 till now, it was only during the First Plan period that general price level recorded a fall. The general price level in five years had fallen at an annual rate of 3.2%
- The period starting from 1956-57 and continuing up to 1963-64 may be characterised as the period of moderate rise in price level.
- From 1964-65 onwards for about seventeen years the general price level rose at an annual average rate of 9.5% per annum. This price rise caused a lot of trouble for the masses.

Inflation Trends in Prices and Money Supply

- Price Trends from 1981-82

1. The wholesale prices in India during the period from 1981-82 to 1993-94 rose at an annual rate of 8.2%.

Issues of Special Economic Zones

- SEZ’s are duty free enclaves of development and are deemed as foreign territories for purpose of trade, duties and tariffs. The policy offers several fiscal and regulatory incentives to developers of the SEZ’s as well as to the units within these zones.
- **Exemptions given to the SEZ’s**

Corporations in SEZ will not have to pay any income tax on their profits for the first 5 years and only 50% of the tax for two years thereafter. The concession of paying only 50% of the tax can be extended for another three years if half of the profits is reinvested in the corporation. Besides income tax benefits, units in SEZ shall be exempted from a host of other taxes and duties like customs duty, excise duty, service tax, Value Added Tax(VAT)

For SEZ developers, all raw materials from cement to steel to electrical parts shall be exempted from any tax/duty. All imports for developing SEZ’s shall be exempt from any custom duties.

Referred from Datt and Mahajan

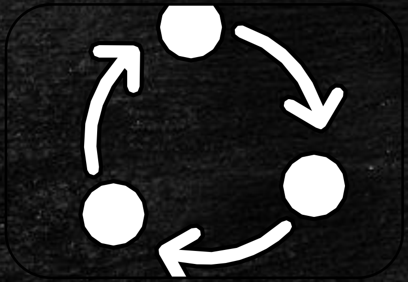
Issues of SEZ's

- Firstly, the issue of key concessions, land use and the future of existing export oriented units. A study made by the National Institute of Public Finance and Policy (NIPFP) found that the government will lose Rs. 97000 crores in tax revenues during 2005-10 as a consequence

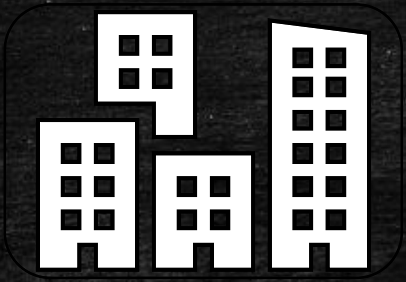
Referred from Datt and Mahajan

Make in India

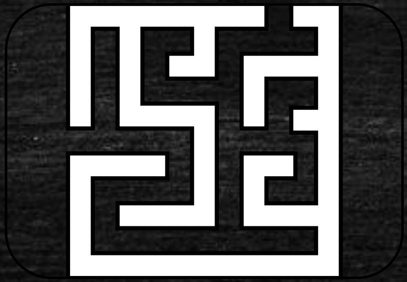
- The PM launched the 'Make in India' global initiative on September 25, 2014 to invite both domestic and foreign investors to invest in India. The initiative is based on four pillars, which have been identified to give boost to the entrepreneurship in India, not only in manufacturing but also other sectors the four pillars are



New Process



New Infrastructure



New Sectors

New Mindset

Referred from Notes forwarded on the group

Food Security

- "Food security implies access by all people at all times to sufficient quantities of food to lead an active and healthy life"

To tackle the quantitative and qualitative aspects of the food security problem the Government of India has relied on the following three food based safety

1. Public Distribution System (PDS)
2. Integrated Child Development Services (ICDS)
3. Mid Day Meal Scheme (MDM)

Referred from Misra & Puri

Public Expenditure in India: Trends

Developmental Expenditure	Non-Developmental Expenditure
1. Expansion in Developmental activities	1. Defence
2. Increasing expenditure on subsidies	2. Interest payment
3. Expenditure on Social Services	3. Tax collection charges

Referred from Misra & Puri

▪Module 04: Industrial Economy in India

Features of Indian Industry

Positive Features	Negative Features
Impressive Growth	Long Retrogression
Strengthened industrial base	Large inefficiency
Some modernisation	Widespread sickness
Self Reliance	Gross regional imbalances
Positive Investment scenario	Insufficient production of wage-goods
	Small employment generation
	Unsatisfactory performance

Referred from Aggarwal

SME, MSME, PSU & MNC

Manufacturing Sector	
Enterprises	Investment in plant machinery
1. Micro Enterprises	Does not exceed 25 lakh rupees
2. Small Enterprises	More than 25 lakh rupees but not more than 5 crore rupees
3. Medium Enterprises	More than 5 crore rupees but does not exceed 10 crore rupees

Service sector	
Enterprises	Investment in equipment
Micro enterprises	Does not exceed 10 lakh rupees
Small enterprises	More than 10 lakh rupees but does not exceed 2 crore rupees
Medium enterprises	More than 2 crore rupees but does not exceed 5 crore rupees

SME, MSME, PSU & MNC

- The term Public Sector Undertaking (PSU) or Enterprise refers to a Government Company. Government Company is defined under the Section 2 (45) of the Companies Act, 2013 as any company in which not less than 51% of the paid up share capital is held by the Central Government or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary company of such a Government company. The term is not intended to mean a public company where shares are freely transferable and has a shareholder base of more than 200 people) though public sector enterprises are mostly public companies

SME, MSME, PSU & MNC

- A multinational corporation (MNC) has facilities and other assets in at least one country other than its home country. A multinational company generally has offices and/or factories in different countries and a centralized head office where they coordinate global management. These companies, also known as international, stateless, or transnational corporate organizations tend to have budgets that exceed those of many small countries.
- A multinational corporation, or multinational enterprise, is an international corporation that derives at least a quarter of its revenues outside its home country. Many multinational enterprises are based in developed nations. Multinational advocates say they create high-paying jobs and technologically advanced goods in countries that otherwise would not have access to such opportunities or goods. However, critics of these enterprises believe these corporations have undue political influence over governments, exploit developing nations, and create job losses in their own home countries.

Issues of Labour Legislation and Industrial Labour

Issues

- Multiplicity of Labour laws and the need for fewer labour legislations if not a single labour code
- Law relating to multiple definition of same/similar terms under labour legislation to be eliminated
- Law relating to arena of interaction
- Number of persons employed
- Laws regulating strikes and lockouts
- Notice of change under section 9A of the Industrial Disputes Act, 1947
- Governments permission for retrenchment, lay off and closure of enterprises
- Problem of enforcements and compliance of labour laws
- Recognition of Unions
- National Minimum Wage

Sources of Capital for Industries

1. Internal Self Finance
2. Equity, Debentures and bonds
3. Public Deposits
4. Loan from banks
5. The managing agency system
6. Indigenous bankers
7. Development finance institutions
8. Foreign capital

Referred from Aggarwal