Why Should We Care About Development Finance?...because it’s our money!

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The Economy This Week!

Windfall tax on corporations goes as 5% GST on food items kicks in:

In keeping with its anti-people and pro-corporate tax policy, the Central government decided on July 19 to impose a 5% Goods and Services Tax (GST) on food items, which directly impacts the poor fighting high inflation, chronic job crisis and hunger. A day later, the Central government withdrew the windfall tax on oil exports, which it had imposed on July 1. While it is welcome that the Central government has decided to withdraw the windfall tax on oil exports, the people are not convinced that the tax on food items is just to help the common people. On the contrary, the GST on food items will only add to the burden of the common people. The Central government should have withdrawn both the windfall tax on oil exports and the GST on food items. The Central government should have also imposed a windfall tax on the profits of the Adani Group, which has overtaken Bill Gates and has become the 4th richest person in the world. India ranked 101 out of 116 countries in the Global Hunger Index. The Adani Group’s debt has doubled in FY22, at the same time the group is also seeking another loan from the SBI for a project which is yet to receive environment clearance. All this when the ruling dispensation is eager to privatise all public sector banks, including the SBI itself. Team CFA

Is SBI getting Privatised?

Arvind Panagariya and Poonam Gupta have come up with a demand that all public sector banks except the State Bank of India should be privatised. Their argument is based on certain parameters of performance. Arvind Panagariya was the Chief Economic Advisor of the Asia Development Bank and served as the first vice-chairman of the government of India think-tank NITI Aayog between January 2015 and August 2017. Read more.

World Bank Approves $245 Million Loans to Modernize Indian Railways

World Bank, Washington, D.C. on March 31st 2023: The World Bank has approved a $245 million loan to modernize Indian Railways. The loan will support the modernization of the national rail network, including the construction of new rail lines, the upgrading of existing rail infrastructure, and the introduction of new technologies. The funds will also be used to improve the financing of rail projects and to support capacity building and institutional strengthening. The World Bank has been a long-term partner of the Indian Railways, providing support for various rail projects over the years. Read more.

Tracing the Origins of Gati Shakti Missions

This briefing paper looks at large linear projects being implemented in India and the influence which international financial institutions are seemingly able to exert on the governments to follow their recommendations through their various research reports, studies, data analytics, country ratings and rankings, etc. IFIs have also been extending policy advice to the governments on various sectoral issues from the past several decades. Read more.

Economy Off-track: Understanding Deregulation, Privatization, and economic reforms

Sambhaavnaa Institute of Public Policy and Politics, in collaboration with CFA and RLS, is organising a 4-day workshop for activists, students, and groups to understand how deregulation, privatization and economic reforms. Dates: 8th to 11th Sep 2022 at Sambhaavnaa Institute, HP. Read more.

Podcast: Weekly round-up of economy and finance | You, Me and the Economy

Here is your weekly round-up of economy and finance. Listen and share.

Listen here.

Has GST failed? Were the States tricked? Dr Thomas Isaac speaks | ON SECOND THOUGHT- EP 2

Centre for Financial Accountability, New Delhi