
innovation cooperation Superpower Syndrome: Sid Harth

Posted by chhotemianinshallah - 2010/01/08 18:28

INDIA: BHABHA BLAST AND NUCLEAR UNDERWORLD Written by (Author) Editorials, World Jan 1, 2010 ONLY THE US CAN FORCE INDIA TO OPEN HER NUCLEAR INSTALLATIONS FOR INSPECTIONS Bhabha Nuclear Centre India The week ending December, 2009 has again opened many possibilities for the global nuke experts and IAEA to investigate the real troubles of Indian nuke plants. Year 2009 is also leaving number of unresolved questions regarding Indian nuke safety and security that might not be resolved even in 2010 also? On second last day of 2009, a high intensity explosion at a chemical laboratory inside Bhabha Atomic Research Centre (BARC) took place which resulted into the death of two junior scientists, Umang Singh and Partha Bagh. Though Indian authorities claimed that no reactor, radioactivity or radiation was involved in the incident but severely charred bodies of the scientists and totally burnt equipment revealed that something very serious happened inside the plant. It is important to highlight here that BARC was started in 1954, as the Atomic Energy Establishment and apparently conducts the research in Biotechnology and Gamma Rays. The initial investigations regarding BARC failure has given three leads to solve the mysterious occurrence. * Firstly, Indian scientists might be carrying out some experiment on biological and chemical agents. The experiment failed and chemical reaction caused damaged to the lives of the scientists and the laboratory. According to a world news agency staff working on the plants also heard the blast inside the project. The blast and condition of the death bodies do confirm that India is preparing Weapons of Mass Destruction (WMD). The preparation of WMD is the desired of Indian top military and political leadership. The intensity on this venture has been multiplied since self predicted Chinese threat on the border is being considered by the Indian leadership. * Second opinion could be that Indian scientists were yet to achieve expertise and hall mark in the nuke field. Their weak knowledge and causal attitude might become the reason of their death. But poor expertise of Indian nuke Programme has also put the lives of Indian and regional masses at stake. In this connection again we can noticed the lapses of security. There are reports that junior Indian scientists were busy in carrying out experiments on preparing some chemical and biological weapons but failed to tackle the situation because of their less experience. It was further reported that they even never have been guided by their senior colleagues. August 27, 2009 interview of senior nuke scientist K Santhanam, with "Times of India" confirms that nuke test at Pokhran II further endorse the weakness of Indian nuke programme. He admitted that the only thermonuclear device tested was a "fizzle". The incidents of Kaiga, Pockran and now BARC do reflects that Indian nuke plants are real danger to humanity since her scientists are lacking requisite experience in this field. * Third version could be that some member out of nuke staff intentionally carried out some sabotage activities inside the plant with the purpose of killing some key members of the team. The two killed might be having some knowledge of on going Indian nuke proliferation and killed by the Uranium smugglers present on Indian nuke plants. Earlier also, on June 13, 2009 dead body of Indian famous nuke scientist Lokanathan Mahalingam was recovered from Kali River. The scientist was working on Kaiga Atomic Power Station for the last eight years. Reportedly, he was in possession of highly sensitive information and might be doubted for Indian nuke proliferation. Mahalingam was involved in training apprentices on a replica of the actual reactor. However the exact cause of the fire has yet to be ascertained with some deliberate efforts to dig out the actual causes of repeated nuke incidents in India. As the frequent recurrences of this magnitude will not only endanger the Indian population but the spill over affects could bring harm to the region also. Thus IAEA should send some teams of expertise to inspect the Indian nuke plants to ensure safety of the people on and off the nuclear installations. Indian government should also carry out detailed investigations through global experts since some members of the police and the Central Industrial Security Force (CISF) of the centre could be involved in the frequent nuke accidents in India. Indian Prime Minister should not declare BARC incident as mischief and should seriously remove the weaknesses of the safety and security of Indian Nuke programme. In fact, the incident of BARC need to be thrashed out seriously since India is already heading towards making WMD. So called think tank Bharat Verma, Editor Indian Defence Review has started propagating that China and Pakistan would be attacking India in 2012. Indian scholars on their government directions are creating hype in the masses by design, since they are trying to divert the public attention from their internal problems like poor nuke safety arrangements, ongoing separatist Maoist movement and regional issues like Khalistan, Kashmir, territorial disputes and water conflicts with the regional issue. Thus, we can deduce from the present media hype that India is preparing for global war, her propaganda campaign against China and Pakistan would be taken as her preemptive action against two allies. Chinese and Pakistan governments are already taking notice of new development in the region. Both the governments have the concern over increasing USA influence in Asia and Indo-USA Nuke Deal. American Nuke exerts do have serious reservations about the said deal since Indian nuke safety arrangements are very poor. India is already facing the charges of smuggling and theft of enriched uranium. The world community should force India to open her Nuke Programme for regular inspections because the gravity of the threat posed to its immediate neighbours like China, Pakistan, Bangladesh, and Sri Lanka because of the location of Nuke Plants. IAEA should act as a watchdog to ensure smooth and safe running of Indian Nuclear Installations; presently the fear created by RAW amongst the staff could cause some high magnitude disasters. In short the detail investigations are required to be carried out at Indian nuke programme, covering the type of weapons being made, safety arrangements, cause of abductions, murders and killing of nuke scientists and staff. Big question is 'Is India involved in Nuclear Underworld?' Zaheerul Hassan <http://www.daily.pk/india-bhabha-blast-and-nuclear-underworld-13859/> ...and I am Sid Harth

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Losing the war against poverty? 31 Dec 2009, 0221 hrs IST, By R Gaiha & Vani Kulkarni If we go by the number of expert groups constituted in recent years to re-examine the methodology of conducting BPL census and to assess poverty, it is tempting to conclude that all is not well with the poor. While official estimates are self-congratulatory in portraying a significant reduction in poverty over the decade 1993-2004—from about 37% to over 28% — as a direct consequence of the liberalisation of the Indian economy and the concomitant growth acceleration, the expert groups are at pains to underplay or steer clear of the implications of a marked decline in calorie intake over the period 1983-2004. A recent analysis by Deaton A and J Dreze (2009) 'Food and Nutrition in India: Facts and Interpretations', EPW, Vol XLIV, No. 7) shows that the decline in total calories' intake is more or less the same for the rich and poor. But cereal calories decline is much faster among the rich. In fact, per capita calorie intake has fallen at all levels of per capita household expenditure. Why people at higher expenditure levels have reduced their consumption of calories over time is perhaps not so hard to understand but why those at the lower end of the expenditure have done so is intriguing. A somewhat stunning result is that if we go by the norms of per capita calorie norms of 2,100 for urban areas and 2,400 for the rural, the proportions of calorie deficient populations in the urban and rural areas have risen over the period 1993-2004 — from about 58% to about 64% in urban areas, and from about 71% to about 80% in rural areas. As a result, at the all-India level, the calorie deficient population rose from about 68% to about 76%. If these figures tell a story of considerable worsening of nutritional deprivation over a period of comprehensive macro-policy reforms and accelerated growth, it is also a story of abysmal failure of anti-poverty programmes to correct nutritional deprivation and inequity. While there is no dearth of conjectures — an important one being that calorie requirements may have gone down because of better access to drinking water, transportation and last but not least improved epidemiological environment with less exposure to disease and infections — they are just that without empirical validation. A complementary explanation resting on changes in food preferences that involve emulation of consumption patterns of the rich and influence of advertisements ought not to be overlooked in understanding this calorie decline puzzle as incomes have risen. Unmindful of this puzzle, a valiant effort by two World Bank researchers (Datt G and M Ravallion, 2009) 'Has India's Economic Growth Become More Pro-Poor in the Wake of Economic Reforms?'; Washington DC: Policy Research Working Paper 5103, October) produces a dazzling array of statistical evidence to establish that there has been a trend decline in different indices of poverty (i.e., the head-count ratio, the poverty gap index and the squared poverty index gap) over a period of 50 years, including 15 years of economic reforms. Both urban and rural poverty measures have declined. The more interesting results, however, relate to the comparison of the pre-reform (until 1991) and post reform periods (up to 2005-06). These include a faster reduction in the head-count ratio in the latter. Other measures of poverty that take into account intensity of poverty (the poverty gap index) and greater valuation of the gains of the poorest (the squared poverty gap index) do not register larger reductions in the post-reform phase. But the effects of changes in the composition of growth on poverty are dramatic. In the period up to 1991, the main driving force for overall reduction in poverty was rural economic growth. Moreover, urban growth reduced urban poverty while rural growth reduced rural poverty. However, in the post-reform phase, the more rapid rise in urban living standards has not just reduced urban poverty but also replaced rural economic growth as the main driver of reduction in overall poverty. Sluggish rural growth, by contrast, has benefited the deprived sections in rural areas but without any spillovers to the urban population. Urban growth, on the other hand, has alleviated not just urban poverty but also rural. Unfortunately, as the poverty estimates are not anchored to nutritional adequacy, the battery of statistical tests and their results do not help resolve the divergence between reduction in poverty and the consistent rise in calorie deficient population. Besides, the overemphatic view that urban growth is driving both rural and national poverty despite accentuation of expenditure inequality is intriguing in the absence of a clear articulation of the mechanisms through which these effects are transmitted. In brief, if the war against poverty is judged in terms of nutritional adequacy, the prospects of winning it are daunting. (Raghav Gaiha is Professor of Public Policy, Faculty of Management Studies, University of Delhi; Vani S Kulkarni is Senior Lecturer, South Asian Studies, Yale University) <http://economictimes.indiatimes.com/articleshow/5397530.cms> ...and I am Sid Harth

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India's defence spend doubled in the past five years Josy Joseph / DNA Thursday, December 31, 2009 23:33 IST New Delhi: In keeping with the government's commitment to modernisation of the forces, India spent around Rs140,000 crore on defence purchase in the past five years. The amount is almost double the money spent on capital acquisitions in the previous five years. A senior official in the ministry of defence (MoD) said the three services entered into 465 contracts worth over Rs135,000 crore in the past three years alone. The official said there was a steady increase in funds being committed to modernisation and this was evident from the fact that in 2004-09, MoD spent Rs137,496 crore on capital acquisitions. In the five years before that, i.e. during 1999-2004, the total capital acquisitions were worth only Rs62,672 crore. If the trend of the past five years is anything to go by, India could end up spending almost Rs850,000 crore on defence deals in the decade starting this year. The capital expenditure, however, is only 39% of the defence budget. The defence budget of Rs141,703 crore this fiscal was a 23.65% increase over the

revised budget estimates of last year. The MoD official said the government, which has been returning thousands of crores annually because of delay in procurements, was confident of spending the entire capital allocation this year. According to the defence expenditure review committee, which looked into MoD's spending methods and suggested several reforms in its recently-submitted report, the drawbacks in the acquisition process resulted in the three services wasting the opportunity to utilise Rs42,691 crore between 2000-01 and 2007-08. But this year has been different. MoD has already spent 35.99% of its capital outlay in the first six months. The corresponding figure for last financial year was 13.65%. http://www.dnaindia.com/india/report_india-s-defence-spend-doubled-in... ...and I am Sid Harth

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China's century: on the march Rowan Callick, Asia-Pacific editor From: The Australian January 02, 2010 12:00AM Verdant mountains cannot stop water flowing; eastward the water keeps on going. THUS the headline for an article in which China's Xinhua newsagency has responded to Western critics of the country's role in the recent climate change conference. It included a detailed account of the government's efforts, and of Premier Wen Jiabao's meetings during his 60 hours in Copenhagen for the summit. It said, in defiance of attacks such as that of Britain's Climate Secretary Ed Miliband, who accused China of hijacking the event: The Copenhagen conference has put China on a higher and broader world stage. China has reason to be proud, and China will work even harder! This process is now viewed in China

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India to overtake China in 2020: Swaminathan Aiyar Swaminathan S Anklesaria Aiyar, ET Bureau 1 January 2010, 12:15pm IST In the past decades, India has been world number one in starvation deaths, foreign aid and bribery. In the 2000s, it was transformed from a chronic under-performer to a potential superpower. Here are eight predictions of what it will look like in 2020: India will overtake China as the fastest-growing economy in the world. China will start ageing and suffering from a declining workforce, and will be forced to revalue its currency. So its growth will decelerate, just as Japan decelerated in the 1990s after looking unstoppable in the 1980s. Having become the world's second-biggest economy, China's export-oriented model will erode sharply - the world will no longer be able to absorb its exports at the earlier pace. Meanwhile, India will gain demographically with a growing workforce that is more literate than ever before. The poorer Indian states will start catching up with the richer ones. This will take India's GDP growth to 10% by 2020, while China's growth will dip to 7-8%. India will become the largest English-speaking nation in the world, overtaking the US. So, the global publishing industry will shift in a big way to India. Rupert Murdoch's heirs will sell his collapsing media empire to Indian buyers. The New York Times will become a subsidiary of an Indian publishing giant. In the 2000s, India finally gained entry into the nuclear club, and sanctions against it were lifted. By 2020, Indian companies will be major exporters of nuclear equipment, a vital link in the global supply chain. So, India will be in a position to impose nuclear sanctions on others. India, along with the US and Canada, will develop new technology to extract natural gas from gas hydrates - a solidified form of gas lying on ocean floors. India has the largest gas hydrate deposits in the world, and so will become the biggest global producer. This will enable India to substitute gas for coal in power generation, hugely reducing carbon emissions and making Jairam Ramesh look saintly. India will also discover enormous deposits of shale gas in its vast shale formations running through the Gangetic plain, Assam, Rajasthan and Gujarat. New technology has made the extraction of shale gas economic, so India will become a major gas producer and exporter. Meanwhile, Iran's mullahs will be overthrown, and a new democratic regime will usher in rapid economic growth that creates a shortage of gas in Iran by 2020. So, the Iran-India pipeline will be recast, but in reverse form: India will now export gas to Iran. More and more regions of India will demand separate statehood. By 2020, India will have 50 states instead of the current 28. The new states will not exactly be small. With 50 states and a population of almost 1.5 billion, India will average 30 million people per state, far higher than the current US average of 6 million per state. China, alarmed at India's rise, will raise tensions along the Himalayan border. China will threaten to divert the waters of the Brahmaputra from Tibet to water-scarce northern China. India will threaten to bomb any such project. The issue will go to the Security Council. Islamic fundamentalists will take over in Afghanistan and Pakistan. The US will withdraw from the region, leaving India to bear the brunt of consequences. Terrorism will rise in India, but the economy will still keep growing. How so? Well, 3000 people die every year falling off Mumbai's suburban trains, and that does not stop Mumbai's growth. Terrorism will bruise India, but not halt its growth. <http://timesofindia.indiatimes.com/india/India-to-overtake-China-in-2...> ...and I am Sid Harth

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T N Ninan: Now fix the state T N Ninan / New Delhi January 02, 2010, 0:51 IST The big economic challenge of the past two decades was to improve efficiencies and achieve faster growth. Both goals have been achieved in substantial measure. Savings and investment rates have shot up, laying the ground for the GDP growth rate to accelerate from under 6 per cent to 8.4 per cent in the past seven years. The expectation now is that sustained 9 per cent annual growth is possible. The other challenge was to end the foreign exchange problem, which had brought India to near-bankruptcy in 1991. That too has been achieved, with a manageable current account situation and large net capital inflows. These results came from greater market-orientation, freer rein to the private sector, and opening up the economy to the world. All of it was needed, and the results are there for everyone to see. The largest reductions in poverty in recent decades have been achieved by the fastest-growing economies. But given the evidence of rising inequality, much of which has a state or regional dimension, and the threats posed by those excluded from the benefits of rapid growth, the time has come to broaden the focus, from just growth to the quality of growth. It is also time to assess what is urgent in all that remains undone. Hence, the following four propositions for the new decade. First, since India's enterprise sector works better than its government sector, it is vital to focus attention on improving government systems, processes and capabilities. Without this, it becomes impossible to create a modern physical infrastructure, provide quality social infrastructure (health care, education services), and put in place the required institutional infrastructure, including policies that bring the best out of the private sector. Second, it is not enough to free the Tatas, Ambanis, Birlas, Mittals and others to compete; the narrow base of large private industry and the problems in public-private partnership arrangements make it essential that quality public institutions continue to get built. After all, no privately created management institute other than one has been able to replace the Indian Institutes of Management at the top of the B-school rankings. It needs to be asked why the country could create five Indian Institutes of Technology in the late 1950s and early 1960s, and enterprises like Bharat Heavy Electricals in the 1960s and National Thermal Power Corporation in the 1970s, and why it is so difficult to replicate them now; why it was possible to set up the Indian Agricultural Research Institute then, and why agricultural research is floundering today. Third, no one can be proud of India in 2020 if the eastern hinterland is not brought up to speed. It is not possible to solve the problems of Bihar by forcing Biharis to go to Mumbai; they need options in their own state. Once again, it is public policy that has failed. The surprising truth is that fiscal transfers from the Centre to the states have worked against the poorest states; if Maharashtra got the same per capita fiscal transfers that Bihar did, the story in that state would have been the same as in Bihar (as the Thackerays should be told). As in so many other things, the starting point has to be public investment. Finally, India as a lower-middle income country has reached the stage where it should have a proper social security system to take care of those who cannot take care of themselves. Not boondoggles marked by leakages and misallocations, not subsidies that mostly go to the non-poor, but straight fiscal transfers that go directly to the poorest. These are not new issues, but they will define the India of 2020. <http://www.business-standard.com/india/news/t-n-ninan-now-fixstate/38...> ...and I am Sid Harth

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Sustaining growth Confidence marks India's entry into 2010 Business Standard / New Delhi January 1, 2010, 0:17 IST The entire media has been focusing this past week on the decade that was, the year gone by, and what lies ahead. The exhaustive coverage of events and trends in newspapers, magazines, websites and on television has left nothing out. All the great achievers have been toasted, the important events analysed, the failures and foibles listed and the major challenges ahead noted. What is interesting about this carpet bombing is its generally upbeat tone. Exactly an year ago, the global crisis had turned expectations bearish. Few had a good estimate of the extent of India's global exposure and dependence and whether India could "decouple" itself or not. Opinions varied from misplaced optimism to excessive pessimism. Even as the economy showed signs of stabilising, despite the many knocks it took, uncertainty about the outcome of the 2009 elections kept most investors on the edge. The turnaround in the nation's, and market's, mood began with the elections in the summer and then the third quarter's good news on the economy. India enters the new year more confident. However, if growth has to be sustained and stabilised, the economy and the polity need special attention. The Indian economy may be taking off, but it cannot be placed on auto-pilot and is nowhere near the Rostowian "self-sustaining" growth phase. While both investment and consumption are driving growth, a large part of both are still fuelled by public expenditure. Despite a stable majority in Parliament, the Union government has still not got its act together and seems to lurch from one faux pas to another. The second United Progressive Alliance government has wasted its first six months in office. The government has got bogged down in handling the consequences of avoidable mistakes, like in Telangana. Institutions of governance, from Parliament and the Supreme Court to gram panchayats and urban municipalities, are in need of nurturing and revitalisation. The coming decade will pose even greater challenges than the previous one, even as it offers more opportunities. If Indians have to be able to take advantage of the opportunities, the challenges need to be addressed. India will have its inevitable tryst with destiny, but there's work to be done. <http://www.business-standard.com/india/news/sustaining-growth/381287/> ...and I

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Tower of Babel Too many government gurus confuse the market Business Standard / New Delhi December 31, 2009, 0:43 IST Economists are known to be a fairly harmless lot with a penchant for disagreeing with each other. This can be mildly annoying or simply amusing, depending on one's perspective, and has given rise to a rather tame brand of "economist" jokes. But when the economists happen to belong to different agencies of the government and differ on their forecasts or their opinion on policy, the discord could have deeper consequences. Take the case of GDP growth forecasts for 2009-10. The Reserve Bank of India has a forecast of 6 per cent for the year. The Prime Minister's Council of Economic Advisers (CEA) has an official forecast of 6.5 per cent, but recent statements by its chairman suggest that it could revise its forecast up to a range of 7-7.5 per cent. The deputy chairman of the Planning Commission believes that growth could be somewhat higher than 7 per cent. The mid-year review of the economy released by the finance ministry earlier this month forecasts growth at 7.75 per cent or more and the finance minister seems to believe that the economy will grow by 8 per cent. One could argue that this difference is actually good for policy-making. Dissent rather than consensus creates awareness of the risks associated with policy choices and could make policy-making robust. The problem, however, is the fact that financial markets tend to take these forecasts quite seriously and base investment and trading decisions on them. They also, perhaps somewhat naively, expect the different agencies of the government to speak in a common voice. When the government appears to speak in a "babel" of voices instead, it confuses market participants, often leading to a rise in market volatility. The problem becomes even more acute when there are conflicting opinions on specific policy measures. The recent confusion in the government bond markets over the likely monetary response to food inflation is an example. Officials from both the finance ministry and the Reserve Bank of India have repeatedly emphasised that they view the current inflationary episode as essentially "supply-driven" and hurried monetary action would not have much impact. The chairman of the CEA on the other hand suggested a few days back that if food prices did not abate soon, an "early reversal" in monetary policy is warranted. This led to a sharp spike in bond yields. The 10-year bond yield (a commonly-used benchmark for the bond market), fearing an imminent rate hike, went up by almost a quarter of a percentage point in response to the CEA chairman's statements. It settled down later as the monetary move did not come through and the fear abated. The global financial and economic environment remains fuzzy and financial markets have more than their fair share of risks and uncertainty to deal with. Government economic agencies might want to desist from adding to this with their cacophony of discordant views. This does not, of course, mean that there should be no difference of opinion between them. But it is perhaps best to keep these behind closed doors and present a more consistent view to the public. <http://www.business-standard.com/india/news/towerbabel/381184/> ...and I am Sid Harth

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How many mouths to feed? Estimation of poverty and poverty of estimation Business Standard / New Delhi December 17, 2009, 0:56 IST It used to be a quip in the 1970s that estimation of poverty in India is stymied by the poverty of estimation. The other joke was that far too many economists and statisticians had prospered trying to estimate poverty! So, we have yet another estimate of poverty in India. Rural poverty numbers for 2004-05 are up from the earlier estimate of 28.3 per cent to 41.8 per cent — with no change in the urban poverty estimate of 25.7 per cent, the all-India poverty estimates are up from 27.5 per cent to 37.2 per cent. However, the Planning Commission report on new estimates of poverty in India, prepared by a committee chaired by the renowned economist Suresh Tendulkar, cannot be compared with any previous estimate. This is because the reference basket of goods and services is different. Indian poverty estimates are based on consumption, not income, since the latter is notoriously difficult to measure. Since the early 1960s, Indian poverty numbers have been based on a calorie norm, i.e. a person is deemed to be poor if his calorie intake is less than 2,400 kcal per day for rural areas, and 2,100 kcal for urban areas. This norm has remained unchanged, even though the actual consumption pattern has changed vastly. Various NSS surveys have confirmed that Indians have moved away from coarse to fine cereals, from cereals to non-cereals (including dairy, meat and poultry) and indeed from food to non-food. Hence the consumption basket, the basis for the unchanged calorie norm, is very different from that of the 1960s. Clearly, this was the motivation behind the decision of the Planning Commission to seek a reassessment of poverty numbers. In recent years, there have been numerous attempts at poverty re-measurement, with different views being expressed. Indeed, a celebrated study published five years ago by renowned Princeton economist Angus Deaton was called the "Great Indian Poverty Debate". Deaton commented that the debate was often more about dogma rather than data, and the various claims more political than statistical. That debate is linked to the bigger debate on whether economic reforms have dented poverty or not. The earlier official

estimate of a reduction in overall poverty from 1993 to 2000 had detractors from both sides, i.e. too little or too much reduction. Hence, not surprisingly, we have independent expert estimates ranging from 70 per cent (Arjun Sengupta committee on small and unorganised sector), to 11 per cent (Surjit Bhalla in his book Imagine there is no country). But, despite the disagreement, there is a remarkable consensus on two things: that there has been a reduction in poverty rate from 1993 to now (whatever your starting point); and that the official numbers still underestimate vulnerability of the poor, whether it is to illness, malnutrition, illiteracy, social insecurity or any other calamity. Hence those hovering just above the poverty line can easily drop below due to an unexpected family emergency. We will not even try to go into the other debate on inequality — regional as well as across income classes, and between Forbes billionaires and the rest. The present Tendulkar estimates may spark yet another debate, but implications for policy-making remain largely unchanged — more social security, emphasis on education and health, employment generation in non-farm activity, industrial and infrastructure development, and policy reform aimed at opening new economic opportunities.
<http://www.business-standard.com/india/news/how-many-mouths-to-feed/3...> ...and I am Sid Harth

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Waterless Mumbai All Indian cities can make better use of the available water Business Standard / New Delhi December 16, 2009, 0:15 IST The irony will not have missed newspaper readers, who are informed on one day that the Central government will guarantee service delivery, to give effect to a citizen's charter, while on another day the Maharashtra government announces that no water connections will be given to new high-rise buildings for a couple of years — even if the buildings have been approved by the civic authorities. Without a water connection, no building gets a completion certificate — so hundreds, if not thousands, of flats will lie built and unused till the state government feels it can supply water. In 2012, Mumbai hopes to get substantial additional water from the Middle Vaitarana project, but the deadline is not sacrosanct and so the wait could be longer. For Mumbai, which has long since given up its old self-belief that it is the country's premier metropolis, and where the majority of residents struggle without basic civic amenities, this will come as further proof of the dysfunctionality of the governing apparatus. For there can be no doubt that citizens are being made the scapegoats for what is a government failure to make water available. The government will plead that the problem is the result of the monsoons having failed this year. Perhaps, but Mumbai's water shortage is not new. The fact is that Indian cities could manage better with the available water if there were efficient management, and less waste. The problem of inadequate supply is compounded by waste because public taps are perennially leaky. Private consumption too is profligate because the civic authorities refuse to charge for the true cost of water (well over Rs 10 per kilolitre); Delhi has just announced a near trebling of water rates, but even that may not be enough. Mumbai needs a third more than the 3,350 million litres of water that it gets. The 455 million litres that the Middle Vaitarana project will provide, on completion in 2012, will not be enough to fill the gap. Bear in mind that 650 million litres are currently stolen or wasted. The problem which the whole country needs to focus on is that India is on its way to a water crisis, in its cities as well as in its villages (the water table in states like Punjab has plunged to great depths). There has to be a new culture of using water frugally, and of recycling water. The chief minister has already announced that rainwater harvesting and recycling of water will be made mandatory by April. The Brihanmumbai Municipal Corporation has been told to come up with plans for desalination in six months. Chennai, for example, was plagued by severe water shortages but is seen to have mitigated it through rainwater harvesting and desalination. Mumbai can afford to pay for desalinated water at Rs 5 per litre. So why did the city delay taking action till the situation reached crisis proportions? <http://www.business-standard.com/india/news/waterless-mumbai/379682/> ...and I am Sid Harth

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ECONOMY Fragile growth C.P. CHANDRASEKHAR The gains of 25 years of neoliberalism are negligible; India's moderatemiracle phase may come to an end before the vast majority of people taste its benefits. The neoliberal TRIO INDIA'S economic development over the past 25 years has been a long journey down the road to a more market-driven and globally integrated "neoliberal" regime. By dismantling controls on investment (domestic and foreign), production, prices and trade; by deregulating financial sector operations; and by privileging private sector activity; the nature of the development trajectory India pursues has been fundamentally altered when compared with the first three decades after Independence. Advocates of this transition say the journey is still incomplete though none can deny that a regime change has already occurred. The beginnings of the transition can be traced to the Indian government's decision in 1981 to approach the International Monetary Fund (IMF) for an SDR 5 billion (roughly \$5.8 billion) Extended Financing Facility loan, quoting among other reasons the need to restructure the economy in response to the oil shocks and earn the foreign exchange needed to pay for the country's oil imports. In practice, it turned out that India did not really need that foreign exchange, with the government even choosing to forgo the last instalment of the line of credit equal to

about \$1.1 billion. The Bombay High oil and gas bonanza, which the government exploited in full, and remittances from and exports to West Asia steadied the balance of payments (BoP). What the loan did achieve, intentionally or otherwise, was that it whetted the appetite of the government and the elite of the country for borrowed foreign exchange to import the intermediates and capital goods required to produce commodities hitherto considered non-essential and, therefore, not easily available under the protectionist regime with state intervention instituted after Independence. Credit without COLLATERAL It was this appetite that was unleashed through the liberalisation of trade in the 1985 Budget under Prime Minister Rajiv Gandhi. Combined with deficit-financed spending, this release of the pent-up demand for import-intensive manufactures not only raised the rate of growth of the system but widened the current account deficit. This deficit, which earlier was financed with borrowing from the IMF, was now financed with external commercial borrowing that India, like many other "emerging markets", had gained access to. Among the consequences was not only the burgeoning of India's stock of external debt and a rise in its debt service ratio but a rise in the share of short-term debt in the total. Unfortunately, by this time international banks overexposed to emerging markets had burned their fingers many times since the Mexican debt crisis of 1982. Not surprisingly, even when India's debt-to-gross domestic product ratio was much lower than in many other developing countries, the fact that debt service costs were a rising proportion of current receipts of foreign exchange provided the basis for a growing reluctance on the part of lenders to extend new debt and rollover past short-term debt. The result, in an increasingly open economy, was a sharp decline in reserves, leading to a BoP crisis when those reserves fell to levels equal to a few weeks' imports. It was at this point in time that the Indian government chose to take another IMF loan of around \$2.5 billion (besides borrowing against its gold reserves) and accepted conditionalities that served as the spur for an engineered shift in the direction and content of India's development strategy. That shift is still under way despite having traversed much distance. Advocates of this shift, within and outside the government, point to the remarkable improvement in India's GDP growth performance since the 1980s (when creeping liberalisation began), from a 3 per cent-plus rate of growth to 5 per cent-plus initially and, subsequently, to close to 9 per cent over a five-year period preceding the recent slowdown. That growth has occurred in what is seen as a virtuous context in which there are some limited signs of "fiscal correction" in the form of a reduction in deficit-financed government spending and no signs of a return to the BoP difficulties of the 1980s and earlier. Combined with the obvious opulence visible in metropolitan and urban India, evidence of a more generalised revolution in access to communications as epitomised by the ubiquitous cellphone, and a services boom that has absorbed a significant number of educated middle-class Indians, this growth is presented as proof of the success of neoliberal "reform". Conspicuous CONSUMPTION There are, however, four features of this growth performance that are disturbing. The first is its rather uneven and imbalanced sectoral distribution. Growth has only marginally touched agriculture, with evidence that over a prolonged period starting in the early 1990s, the per capita output of foodgrains was on the decline for the first time in the country's post-Independence history. Around 55 per cent of the increment in GDP over the last decade has come from the services sector, with less than half of that contribution being due to an expansion of organised services, public administration and defence. Since unorganised services consist largely of low-paid work accepted for lack of alternative employment opportunities, the burgeoning of this sector as evidenced by the statistics should be an indicator of growing distress rather than progress and development. And organised manufacturing growth has been volatile, with an increasingly small number of sectors accounting for a very high share of the growth occurring in this sector. In the case of 52 three-digit industries, the top three in terms of rates of growth during the period 1993-94 to 2003-04 accounted for 38 per cent of the growth in all industries, with the figure for the top five rising close to 55 per cent and for the top 10 to almost 75 per cent. The second feature is that unlike the case of China, India's large foreign exchange reserves, which are seen as a sign of economic strength, are not owing to current account surpluses earned through exports or garnered from remittances but because of large inflows of capital in the form of portfolio investments and external commercial borrowing by the private corporate sector. This kind of accumulation of reserves is not only expensive (as measured by the difference between the rate of return paid by residents to foreign investors in the Indian economy and the interest earned from the investment of reserves by the Reserve Bank of India) but is also unstable and prone to rapid depletion through capital outflows. Services BOOM A third feature of this growth is that it rests on tenuous stimuli. Fiscal reform has meant that the role of public expenditures as a stimulus for growth is on the wane, excepting for the most recent period when the implementation of the Sixth Pay Commission's recommendations combined with post-crisis initiatives to generate a spike in expenditures. Further, though there has been some improvement in India's export performance, exports are not large enough to constitute the basis for manufacturing growth. If there is a new stimulus to growth it appears to come from credit-financed investments in housing, credit-financed purchases of automobiles and credit-financed consumption. One consequence of financial liberalisation and the excess liquidity in the system created by the inflow of foreign capital has been the growing importance of credit provided to individuals for specific purposes such as purchases of property, automobiles and consumer durables of various kinds. Not only has credit expanded at a scorching pace, resulting in a sharp increase in the bank credit-to-GDP ratio (it increased from 27 per cent at the end of March 1997 to about 60 per cent by the end of March 2008), but the share of personal loans in total non-food credit has risen from a small magnitude in the early 1980s to around a quarter in 2008. Ubiquitous CELLPHONE This implies a degree of dissaving on the part of individuals and households. It also implies that financial institutions, which are willing to provide such credit without any collateral, are betting on the inter-temporal income profile of these individuals, since they are seen as being in a position to meet their interest payment and amortisation commitments on the basis of speculative projections of their earnings profile. These projections are speculative because with banks and other financial institutions competing with each other in the housing and consumer finance markets, individuals can easily take on excess debt from multiple sources without revealing to any individual creditor their possible overexposure to debt. Since there is a strong speculative element involved in lenders providing credit and borrowers

increasing their indebtedness, the state of confidence of both parties matters. When such confidence is “good”, we can experience growth or even a mini-boom. When such confidence is low, we can experience recessionary conditions. The evidence increasingly is that such confidence is on the decline. Not only has the RBI cautioned banks against increasing their retail loan exposure, but according to Financial Times (November 23, 2009), Moody’s rating agency has issued a report flagging deteriorating credit conditions and rising problem loans in India’s banking sector. During the fiscal year ending March 2009, the level of gross non-performing loans for commercial banks rose by 22.5 per cent, almost double the 11.9 per cent recorded during the previous year. This could lead to an end of the credit-financed boom. S. THANTHONI Miracle economy does not work for the deprived. Finally, a fourth feature of the process of growth is
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Posted by chhotemianinshallah - 2010/01/08 18:28

Volume 27 - Issue 01 :: Jan. 02-15, 2010 INDIA'S NATIONAL MAGAZINE from the publishers of THE HINDU ECONOMY Starvation deaths in Andhra Pradesh BY A FRONTLINE INVESTIGATION TEAM AS you drive along the roads of Guntur and Prakasam districts of Andhra Pradesh, never very far from the bustling city of Vijayawada, the paddyfields stretch away, lush and green, to the horizon. The verdant landscape affirms that it has been a good year for agriculture in coastal Andhra, one of South India’s most fertile and productive regions. And, one assumes, it has also been a good year for the local people. But if you stop at any of the weavers’ hamlets or colonies that dot the landscape, the story you will hear is very different. It is a story of narrowing options, desolation and despair – and, increasingly, of death. Reports of starvation deaths and of suicides triggered by sheer desperation are currently filtering out of the area with disquieting regularity. While officialdom may quibble over what exactly constitutes a “starvation death” (Did not the victim’s family draw its rice ration a few days before the death? Did not the stomach of the deceased reveal some remnants of nourishment?), what is clear beyond dispute is that the weaving community of this relatively prosperous accessible region of Andhra Pradesh is today trapped in an acute and deadly crisis. H. SATISH FOR THE HANDLOOM weavers of Prakasam and Guntur districts survival itself is a delicately poised matter. An old woman and a young boy work on a jacquard loom. In the reckoning of Pragada Kotaiah, Congress(I) MP and general secretary of the Andhra Pradesh Handloom Weavers’ Congress, at least 73 starvation deaths among weavers took place in the region between August 30 and November 8, 1991. Local officialdom and the Congress(I) government of the Prime Minister’s State have been at pains to deny that these deaths were caused by starvation. True, in one or two cases the final act of destruction was self-inflicted. In others, post-mortem reports turned up evidence of scraps of food in the victim’s stomach. Yet, as Frontline’s investigation team discovered when it visited some weavers’ communities in late 1991, the term “starvation death” cannot be wished away in a callous quibbling over definitions. As our case studies show, the current situation in the weaving communities of Guntur and Prakasam districts is one of sharply deteriorating conditions of life. Many weavers and their families, already existing below the threshold of poverty, seem poised to descend beyond the point of physical survival unless intervention is decisive, large-scale and immediate. Frontline’s case studies point to three broad conclusions. First, the general conditions of life of the weavers of Guntur and Prakasam districts are so desperately low that survival itself is a fragile, delicately poised matter. It is therefore meaningless to pose the clinical question whether deaths such as those investigated by the Frontline team are technically starvation deaths. Here, weavers subsist on painfully low levels of nutritional intake; they have access to very poor health care facilities; their weakened bodies are susceptible to all manner of infections and diseases which work to reduce further their physical “well-being”. Any crisis – a family problem, a reduction in income – is certain to accelerate the downward spiral, further lowering nutritional intake and reducing the body to the threshold of mortality. The final cause of death may be an infection; it may be something else. The second point from the Frontline case studies is that none of the survival strategies normally resorted to by people in crisis appear open to the Andhra weavers. For those who seek to migrate to nearby towns, there are simply no jobs. Thirdly, Frontline’s case studies suggest that recent Central and State government economic measures, especially those adopted by the Central government in its 1991-92 Budget, have in effect tipped the weavers over the edge. The sharp increase in yarn prices that followed the Budget has perhaps more than any other single factor precipitated the current crisis. This is no crisis affecting some outback, some “peripheral” section of the people and the economy. Weaving in India provides employment to the largest number of people in any sector other than agriculture; there are an estimated 3.5 million handlooms in the country, supporting roughly 17 million people. Of this, Andhra Pradesh has an estimated 525,000 handlooms on which some 2.5 million people subsist; nationally, it ranks next only to Tamil Nadu as a handloom-weaving State (with an estimated 556,000 looms and 2.8 million people). As yet, the unfolding tragedy of Andhra’s weavers has stimulated no meaningful or sensitive response from the government, whether at the Central, State or local level. On the contrary, the governmental emphasis is on assuring the world that Andhra’s weavers do not starve and that this season’s bountiful harvest does not coexist with death by starvation. The investigation team members were K. Nagaraj, Asha Krishnakumar, M. Venkateswara Rao, K. Rajaram and photographer H. Satish.
<http://www.flonnet.com/stories/19911206030.htm> ...and I am Sid Harth

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Volume 27 - Issue 01 :: Jan. 02-15, 2010 INDIA'S NATIONAL MAGAZINE from the publishers of THE HINDU ECONOMY 'A question of political will' DR. VENKATESH ATHREYA Interview with Prof. Prabhat Patnaik THE HINDU PHOTO LIBRARY Prabhat Patnaik. He is now a Professor at the Centre for Economic Studies and Planning, School of Social Sciences, JNU. Professor Prabhat Patnaik is one of India's foremost younger economists. Educated at Cambridge University and a student of Joan Robinson, he is a specialist in macroeconomic theory. He has been concerned with problems of growth, inflation and inequality in developing economies. He has written extensively on the world capitalist economy and socialist economic reform as well as on the political economy of development. Dr Patnaik is Professor at the Centre for Economic Studies and Planning in the School of Social Sciences, Jawaharlal Nehru University. He was interviewed in Delhi by Dr Venkatesh Athreya for Frontline. There has been a great deal of concern over the state of the Indian economy. The Prime Minister and the Finance Minister have spoken of this. How do you read the current economic situation? In other words, what are the main aspects/features of what we may call the current economic crisis? The main features are, of course, first the foreign exchange crisis – which is extremely serious – which is partly a reflection of the fiscal crisis of the government. The fiscal crisis manifests itself partly in terms of the inflationary pressures, and partly in terms of the balance of payments problem. Added, of course, to the fundamental balance of payments crisis, which consists in the fact of having an unsustainable level of current accounts deficit, there is the short-term problem of capital flight out of the country and that has given the immediate urgency to the balance of payments situation. So these three – the price rise, the basic imbalance in the balance of payments, and the fiscal crisis... Though I must add that these three relate to specifically the situation today, and these three are superimposed on much deeper problems which the economy has been facing for several years – particularly those relating to unemployment and to poverty, and so on. The Finance Minister has gone on record that there is no alternative in this context to the IMF loan. Now, how do you see this? Specifically a) Do we really need the IMF loan? b) If we do take it, what would be the consequences? Would it solve our problems? Let me answer these questions one by one. To the view that there is no alternative to the IMF loan, I would say this is an absurd proposition. First, what we actually find is that the government has figures which nobody knows. The government is demanding a consensus on the IMF loan by saying, "Okay, what alternatives do you have?" To any alternative that you suggest, they are going to say, "Oh! that would not be sufficient" because they alone have the figures! The government, in other words, is putting the onus on those who say the IMF loan is not necessary to find solutions to a problem which remains unstated. Nobody knows exactly what the current balance of payments problem is, exactly what kinds of obligations we have for payments. At the same time, we are told that there is no alternative. In other words, we have just to take it on trust. There is absolutely no iota of evidence that the government has given on the basis of which an independent observer can say whether there is an alternative or not. Secondly, it is absurd because, look, it is a question of political will. Countries go to war to defend their sovereignty.... Now, I do not see why we cannot adopt measures to defend our economic sovereignty which is definitely going to be jeopardised by the IMF loan. Let me elaborate. Why is there this current balance of payments crisis? After all, why did we have to borrow so much? It is basically a result of the fact that the liberalisation policy was pursued for some years and that has resulted in a significant inflation of our import bill, mainly to meet the domestic consumption requirement. We have had a luxury consumption boom. It was claimed that we have been having high rates of industrial growth. These high rates of industrial growth made no difference to the employment scenario of the country, but at the same time... the obverse of it, the other side of it was the fact that we actually had a balance of payments problem. Now, at that time we had been told that if we liberalised the economy, then very soon we would be able to develop a viable economy, we would be able to export more, we would be able, in fact, to meet our payments requirements. Today's crisis is the result of a set of wrong policies pursued then.... We were critical of the policies the government pursued then. They say today that we have a lot of short-term debt. Now, who asked them to go in for short-term debt? We did not ask them to go in for it. We had been warning the government that the country would fall into a debt trap if we went on liberalising imports the way we had been doing – basically to meet domestic requirements, not liberalisation of imports for the purpose of exports. In fact, the peculiar feature of the Indian import liberalisation measures is that they were not tied, in any way, to any export obligations. Now, if we take an IMF loan today, the first thing that the IMF is going to demand is that we liberalise our imports further.... Even the import restrictions we have had in the very recent months, immediately they would have to go; and the Fund would demand that we actually liberalise imports further. If we liberalise imports further, we would find that notwithstanding a reduction in the Budget deficit, which of course would have severe recessionary consequences, you would not be able to balance your balance of payments at a sustainable level. The IMF loan would be used up in barely a year's time and at the end of it, we would be back to square one – except that the economy would be in an even more vulnerable position than now. Once the economy is in a vulnerable position like this, then your whole effort is oriented towards maintaining the confidence of the international investors in the domestic economy. You will have to pursue economic policies which maintain their confidence, you in fact have to have a polity which maintains their confidence. You would have to have a Prime Minister whose presence maintains the international investors' confidence, you will have a Finance Minister whose presence maintains their confidence. That basically means that the sovereignty of the people – their having a say on economic policies that affect their livelihood – is going to be abridged, which I think is fundamentally undemocratic. In other words, if we pursue these policies and go to the IMF for a loan, we will find ourselves in a situation where what

happens to this country, what policies we pursue, what government we have, is something over which the power to decide will lie basically with the whims of international investors rather than the will of the people. Now if this is the situation, then obviously anyone committed to the sovereignty of the country and democracy has to think of alternative ways. And so, there is no question of there being no alternative to the IMF loan, we have to find an alternative. This is the first point. In a sense you have also touched, upon the second point – some of the consequences. Perhaps you would like to go on to that. You may also want to respond to the following: Earlier this year, a conclave of Left economists argued that the IMF package tends to put the entire burden of adjustment on the domestic economy and all this talk of reducing the fiscal deficit at one go from 9 per cent of GDP to 6 or 6.5 per cent would cause a deep recession. Could you elaborate on the consequences of two different strategies – one where the entire burden of adjustment is imposed on the domestic economy in this manner, and another where one could think of a different way? Yes, first, there is no question that if you have an unsustainable level of current account deficit, you are living beyond your means and you have to cut back on your expenditure. If that is the case, it is argued that the best way of doing so is through a cut in the fiscal deficit. Now, the question is what is going to be the distributional impact of such a cut on different sections of the people? I would like to make it very clear that the difference in the country is not between one group of people – economists or official spokesmen who would like to stabilise the economy by reducing its absorption – and another who would like to continue the absorption. The real difference is the mode of reduction of its absorption. We also would like to stabilise the economy. But we have a view of how to stabilise the economy different from the government's. If one actually takes the IMF loan, the reduction in the Budget deficit is going to be essentially at the expense of the working people and the relatively poorer sections. The reason for that is quite straightforward. The IMF, while it wants a reduction in the fiscal deficit, at the same time wants an appropriate climate to be built for the operation of capital – private capita], including foreign capital. Obviously, therefore, a whole host of measures such as, for instance, direct taxation, the imposition of higher taxes on corporate and individual income and wealth, are something which would go against the Fund's objective of building up a climate appropriate for private capital. Inevitably, therefore, the Fund conditionalities always entail a reduction of the fiscal deficit at the expense of the working people and poorer sections.... For instance, the slashing of food subsidies is evidently one of the measures. It is certainly true that the consumers of the food distribution system are

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India, Pak exchange lists of nuclear installations 1 Jan 2010, 1901 hrs IST, PTI NEW DELHI: India and Pakistan exchanged the lists of their nuclear installations for the 19th consecutive time under an agreement which prohibits any kind of attack on such facilities. The lists were exchanged through diplomatic channels simultaneously at New Delhi and Islamabad under the Agreement on the Prohibition of Attack against Nuclear Installations and Facilities, a statement by the External Affairs Ministry said here. Under the agreement signed on December 31, 1988, which came into force on January 27, 1991, the two countries share details of their nuclear installations with each other on the first day of every year. The pact is one of the best confidence-building measures between the two countries which has continued even when the relations witnessed chill. <http://economictimes.indiatimes.com/News/Politics/Nation/India-Pak-ex...> ...and I am Sid Harth

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Posted by chhotemianinshallah - 2010/01/08 18:28

Millennial Bharat, 2020 India Jaithirth Rao Posted: Friday , Jan 01, 2010 at 0324 hrs India In India, we measure time in terms of "yugas" with each yuga lasting a few million years. Millenia and centuries count for little. Who cares about decades? And yetz given that we invented the decimal system where the number "ten" is a central showpiece, it may not be untraditional to think in terms of decades. How will the next decade be? Are there any inflexion points, any crucial collective decisions which can turn us one way or the other? The cynical response, is that the next decade will be like any other. At the end of it, we will still be an aspiring super-power, mainly in our own minds; we will still have our ever-present poor with us—they of the "thin legs"; we will still have dirty cities, filthy towns and filthier villages; we will still have venality and corruption on a scale that will keep us world champions in this dubious space; some individual Indians will still succeed not because they are Indians, but despite being so; having said all this, we will still be making progress. Albeit in our own halting, fumbling way; our near-anarchic democratic system will ensure that we do not get too many things blatantly wrong even if we do not get many of them dead right. In short, ten years from now I will probably be writing another Express column not very different from this one! But then, not to bear witness to one's time and place could be construed as "adharmic"; hence this attempt to fulfil one's "manushya dharma"—a human obligation, not anything associated with "varnashrama" which is obsolete, politically incorrect and dysfunctional as it always has been.

Translated from the Sanskrit which has more or less disappeared from the landscapes of our minds: "In this reign of the Brahma who is known as Adi, in the second phase of his reign, in this Age of the White Boar, as a descendant of Vaivaswata Manu, in the first half of the Iron Age known as Kaliyuga, placed as I am south of Mount Meru, in Bharta Varsha which is part of Bharata Kanda, in the Crab Apple Continent of Jambu-Dvipa, west of the divine Godavari, on the shores of the western oceans, in the Land of Parashurama, on this island sacred to the goddesses Mumba and Mahalakshmi, in the calendar year 2009 as calculated by the Yavanas, as we enter the calendar year 2010 as now accepted by our own benign government (hence not referring to the calendars of Vikrama or Shaalivahana), in the fifty-ninth year of our glorious Republic, I hereby stand forth to give my testimony with respect to my fears, anxieties, hopes, aspirations, dreams and nightmares for this fair land of ours named for mighty Bharata, the son of forgetful Dushyanta." To abandon poetic Sanskrit and to revert to prosaic English is the task of a second. (In contemporary India, a Sanskrit phrase is literally "Kshana-Bhangura"—that which can be destroyed in a second!); let me make it even more prosaic by adopting the grammar of the dismal science of Economics. Given our Savings Rate and given our ICOR (Incremental Capital Output Ratio, to the uninitiated), I am of the firm opinion that in the next decade an eight to ten percent GDP growth rate is a given. There is virtually nothing that our leaders or any other sundry actors can do to prevent this. Pessimists and doomsayers simply do not know how to multiply one number by another. The real questions to ask are: Is it possible to have a higher growth rate? How will we handle the social and political tensions that growth will create? (As an aside, stagnation or low growth rarely create too many tensions!) Will our GDP growth help us lick the persistent poverty in our midst? Are we going to destroy our environment and leave a desert behind for our children? We must perforce confront each of these questions, we must grapple with the answers however difficult or problematic they may be. Is it possible to have a higher growth rate? Yes it is. There is nothing inherently Sinic about double digit growth rates. In order to get to the next level, there are a few things we need to do and some things that we definitely need not to do. We must not reintroduce a predatory tax system. In the guise of a new direct tax code, our finance minister should not destroy incentives to create wealth. The proposed re-introduction of wealth tax on financial assets is one such measure that may very well slip through in the fine print of the new code. Investments in start-up companies (a pre-requisite for healthy growth) will suffer as all investors will get mired in endless litigation with the mandarins of the Income Tax Department; promoters will try to suppress their share prices as they used to do when the clever Krishnamachari supervised the finances of our nation. On the other hand, the speedy introduction of a national GST will provide a fillip for growth, reduce prices all around and make government revenues more buoyant. We do not need any more Press Notes converting Indian companies into foreign ones. We must somehow manage to slip through labour law reform by sleight of hand, for given the realities of our democratic political economy and the power of the aristocracy of unionised labour doing this khullam khulla will simply not be possible. We must somehow create islands within the country where power generation and distribution are economically viable, where we finally escape the curse of power cuts. Again realistically speaking, this cannot and will not happen everywhere. But islands that slowly engulf the whole country are do-able and would constitute an eminently practical second order optimal solution. We must continue with the new-found focus on physical infrastructure. Our Central Government should stop expecting bankrupt states to fund these efforts fully or even partially. The Centre should just take bold steps and move on. If we do all of this, even with a fifty percent rate of success in their execution, a twelve to fourteen percent GDP growth is quite simply speaking staring us in our face. Will we like Arjuna, in the first chapter of the Gita be paralysed by faint-heartedness or will we like he does at the end of the eighteenth chapter go forth and fight to conquer? The choice, dear Brutus is ours to make! How will we handle the social and political tensions of the next decade? The poor of India, left to themselves have rarely rebelled against the worst of rulers. But the poor, once infused with aspirations for a better life are another matter altogether. Anyone who is even slightly acquainted with the young in our country knows that there is a hunger for betterment. They are willing and able to take risks and to work long and hard hours. They need the right tools, the right opportunities. The sad, but hopeful voices of many young people who say "I need to know English well" need to register with our rulers. If the children of the rulers can and do learn English, why not the children of the poor? Or are we committed to a new caste system that conspires to deprive many of crucial knowledge? A bold voucher-based education initiative where parents of the poor are free to choose the schools for their children will at one stroke dramatically improve our human capital and give a concrete opportunity for India's poor to pull themselves out of the blind alley that they are trapped in. Guess what...it will be a vote-winner as well. Will our rulers finally get it? Or will they continue to stay tethered to selfish fanatics and nay-sayers in their midst? If we spent a fraction of the money that we are willing to devote to fighting the Maoists on a voucher system to encourage parental choice of schools in any sector (government, private on a for-profit basis or private on a not-for-profit basis) one can safely bet that most Maoists would opt to send their children to these schools so that the children at least can escape from poverty and destitution. The time to act is now. Manmohan Singh and Kapil Sibal have an opportunity to make it big in the history books. Will they grasp it? Will our GDP growth help us lick our persistent poverty? The irony that high growth may make little impact on the excluded is a monumental human tragedy. Apart from a choice-based education system, the best antidote for this crippling ailment of our country is quite simply to make the NREGS more efficient and less corrupt. Throwing up our hands that the state delivery system in India cannot be reformed is an unacceptable cop-out. Attempts to amend the Right to Information Act to deprive it of its teeth must be resisted by all of us very forcefully. That is the only weapon the citizens of this country have against corrupt bureaucrats and venal politicians. A second initiative which needs to be seriously considered is the launch of an NREGS equivalent in small towns and cities. Let's face it: in urban settings the force of casteism gets dissipated; people are able to breathe the liberating air of a city; the media are much stronger in cities and that will force greater transparency and efficiency in monitoring the outcomes of our efforts. A National Urban Employment Programme is the need of the hour. We can create social assets in our cities and towns. Who knows, we might just be able to build virtually new cities. Manmohan

Singh should note that all great rulers of antiquity founded new cities and embellished existing ones and one of their motivators was to create job opportunities for their people. For a ruler who is not interested in increasing his family's wealth by corrupt means, one hopes that kind sentiments will prove an adequate incentive. Are we going to destroy our environment and convert Bharata's legacy into a desert? We need to heal the ravages inflicted on our land not because some busybodies in Copenhagen tell us to do so. We need to preserve our forests, our mangroves, our glaciers, our rivers, our reservoirs,
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January 02, 2010 India Nod to US gun purchase minus bids SUJAN DUTTA
http://www.telegraphindia.com//1100102/jsp/nation/story_11934631.jsp New Delhi, Jan. 1: The government has authorised an outright purchase of 145 ultra-light howitzers from the US, a highly-placed defence ministry source said today. The ultra-light howitzers are for the mountain artillery divisions of the Indian Army to be used in high-altitude frontiers opposite Pakistan and China. They can be transported slung from some helicopters. The defence acquisitions committee has decided to take the foreign military sales route. Foreign military sales is a US programme of government-to-government sales of military hardware bypassing a lengthy system of competitive bidding. But bidders who lose out to foreign military sales orders allege that the system lacks transparency. "We will also look at other options," defence secretary Pradeep Kumar said. The Indian Air Force has taken the foreign military sales route to contract six Lockheed Martin-made Hercules C130J air lifters and the army did the same to buy artillery fire-finding radars. Two brands of ultra-light howitzers were initially in contention for the Indian Army's estimated \$2.5-billion artillery modernisation programme — ST Kinetics' Pegasus and BAE Land Systems' M777 made in the US. BAE Land Systems has bought over the erstwhile Swedish firm Bofors that sold 410 155mm howitzers to India in 1986. The army has not bought a single big gun since the last of the Bofors howitzer was delivered in 1987, 22 years back. ST Kinetics was blacklisted this year after the company figured in investigations into the deals struck by the former director general of the Ordnance Factory Board in Calcutta. The government has lifted the bar on trials in multiple-vendor situations. If the government takes the foreign military sales route, the order is likely to go to BAE Land Systems. The source said the defence acquisitions council authorised the foreign military sales route before Prime Minister Manmohan Singh's visit to the US last month. The army wants to buy 145 ultra-light howitzers, 158 towed and wheeled, 100 tracked, and 180 wheeled and armoured guns in the first phase as part of its field artillery rationalisation plan, the programme to upgrade its artillery divisions. Defence secretary Pradeep Kumar said the government has speeded up the buying of military hardware. Between 2007 and 2009, a total of 465 contracts have been signed. These are worth more than Rs 1,35,000 crore. He said in 10 years, the defence ministry had doubled the capital expenditure for new acquisitions. The acquisitions were worth Rs 62,272 crore between 1999 and 2004. They total Rs 1,37,496 crore between 2004 and 2009. In the current year (2009-2010), Rs 41,000 crore was being spent on direct capital acquisitions. The acquisitions have included Phalcon Airborne Warning and Control Systems, Sukhoi 30MKI fighter aircraft, aircraft for VIPs, missiles of different types and tanks. Posted by Naxal Watch at 5:43 AM
<http://intellibriefs.blogspot.com/2010/01/india-nod-to-us-gun-purchas...> ...and I am Sid Harth

innovation cooperation Superpower Syndrome: Sid Harth

Posted by chhotemianinshallah - 2010/01/08 18:28

Yale, Harvard, MIT buy Sibal's plan Kalpana Pathak / Mumbai January 03, 2010, 0:41 IST Ivy League colleges – Yale, Harvard, Princeton and the Massachusetts Institute of Technology – have approached the ministry of human resources development to collaborate in the proposed Innovation Universities across the country, official sources said. These universities are a part of the ministry's "brain gain" policy to attract talent from all over the world. Human Resources Development Minister Kapil Sibal had last August announced that 14 Innovation Universities will be set up in the country under the 11th Five-year Plan (2007-12). During his visit to the US in October, Sibal had met senior functionaries of three top universities – Harvard, Yale and MIT – and had discussed the prospects of them setting up Innovation Universities in India in partnership and collaboration with Indian institutions. Sam Pitroda, the well-known technocrat and the head of the National Knowledge Commission, is learnt to be drafting the details for establishing the Innovation Universities. "Pitroda will soon meet Prime Minister Manmohan Singh and discuss the matter. An announcement on the details could come up during the Republic Day ceremonies," said a source close to the development. The ministry is also looking at public-private partnerships for establishing some of the Innovation Universities. This means that these universities would be autonomous, and outside the purview of the University Grants Commission or the All India Council for Technical Education. <http://www.business-standard.com/india/news/yale-harvard-mit-buy-siba...> ...and I am Sid Harth

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Posted by chhotemianinshallah - 2010/01/08 18:28

Mukesh Ambani ranked 5th best CEO in the world BS Reporter / Mumbai December 19, 2009, 0:24 IST Mukesh Ambani, India's richest man and chairman of the country's largest private sector company, Reliance Industries, has been ranked the fifth-best CEO in the world by Harvard Business Review. Ambani, the only Indian to feature among the top 50 CEOs, is in the same league as Steve Jobs of Apple, Yun Jong-Yong of Samsung Electronics, Alexey Miller of Russia's Gazprom and John Chambers of Cisco Systems. For the ranking, HBR collected data on over 2,000 CEOs of 48 nationalities, from companies based in 33 countries. Only two Chinese CEOs — China Mobile President Wang Jianzhou, ranked 41, and CNOOC President Fu Chengyu, ranked 42 — feature on the list. Ambani is also ranked number two among the top 10 emerging market CEOs, with Miller at the top. K V Kamath of ICICI Bank is the other Indian in the list of top 10 emerging market CEOs. He is ranked number 9. "Among the up-through-the-ranks leaders on our list are Yun Jong-Yong, who joined Samsung straight out of college and worked there for 30 years before becoming the CEO, and Mukesh Ambani, who joined RIL in 1981, when it was still a textile company run by his father. These CEOs may not be household names, but here's an objective look at who delivered the top results over the long term," Morten T Hansen, Herminia Ibarra and Urs Peyer, authors of the report said. "To be sure, we had reliable and sufficient data. We excluded CEOs who had assumed their roles before 1995 or after 2007. We measured their financial performance through the last day of their tenure or September 30, 2009. All told, we ended up with 1,999 CEOs from 1,205 companies," the report said. Steve Jobs, ranked the best CEO, delivered a whopping 3,188 per cent return on shareholder value (after adjustment to make the figures comparable across sectors) or 34 per cent compounded annually, since he rejoined Apple as CEO in 1997, when the company was in dire straits. From then till this September, Apple's market value increased by \$150 billion. Jobs was followed by Yun Jong-Yong, who ran South Korea's Samsung Electronics from 1996 to 2008. "Yun is an example of a leader who has stayed out of the limelight. During his tenure, he capably transformed Samsung from a maker of memory chips and me-too products into an innovator selling digital products such as leading-edge cell phones," the report added. "On an average, the top 50 CEOs increased the wealth of their shareholders by \$48.2 billion. These CEOs delivered a total shareholder return of 997 per cent during their time in office. That translates into a spectacular annual return of 32 per cent," the report said. While Ambani and Chambers were the only two on the top five to hold degrees in business administration, the top three CEOs did not hold an MBA. Many other celebrity CEOs also failed to make the cut, including Carlos Ghosn of Renault-Nissan, Sergio Marchionne of Fiat, John Mack of Morgan Stanley, Jeffrey Immelt of General Electric, Daniel Vasella of Novartis and Robert Iger of Walt Disney. CEOs from US-based companies fill 19, or 38 per cent of the slots on the top 50 list. Only 1.5 per cent were women, and only 15 per cent of the CEOs worked for companies based in a country that was not their country of origin. <http://www.business-standard.com/india/news/mukesh-ambani-ranked-5th-...> ...and I am Sid Harth

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Posted by chhotemianinshallah - 2010/01/08 18:28

Singing India's tune Abhilasha Ojha / New Delhi January 3, 2010, 0:01 IST Three Indians have been nominated at the Grammys this year. Could this lead to an All-Indian event in the years to come? Music, they say, has no barriers. No wonder, Vienna echoes in the strains of the music of the Manganiyars (a singing community from Rajasthan). No wonder also that Baul singers from the villages of West Bengal find themselves flying business class to perform — to packed auditoria — all over the world. And, really, no surprise that musicians from different parts of the world continue to collaborate to create delightful melodies for millions of listeners across the globe. Simply put, the global music scene is witnessing exciting times. What's more, Indian musicians are creating a greater impact by collaborating with global artistes of repute. While "collaborations" isn't a new phenomenon — Pandit Ravi Shankar partnered with The Beatles, Asha Bhonsle collaborated with Boy George, well-known music groups like Taal Tantra and Shakti are products of collaborations too — it's certainly a continuing trend. For this year, too, at the Grammys, a collaboration just might get rewarded. It may be too early to predict the turn of events, but for anyone who has heard this year's Grammy nominations, the collaboration of Indian musician Amjad Ali Khan and Iraqi artiste Rahim Alhaj for the album Ancient Sounds has taken them by pleasant surprise. Having heard the album only recently, we would certainly applaud this partnership. "Celebrations," one of the tracks on the album, is certainly a winner and one just hopes that the duo finally bag the Grammy on January 31, 2010, when the event will be held at the Staples Center, Los Angeles. Back home at the Khan household, celebrations are on even as the sarod maestro continues to field innumerable phone calls and congratulatory messages. "It is a blessing from god," says Khan, adding that all the songs on the album have been composed by him. The combination of oud (the instrument that Alhaj has played on the album) and the sarod, when you hear it first, is a dramatic jugalbandi which blends so harmoniously that you're quick to rewind and listen to the tracks more carefully. Come to think of it, it's wonderful to have two ancient instruments coming together to create such

brilliant melodies. The album, which was recorded in the US, Khan feels, was a winner but even he hadn't anticipated the unprecedented response to it. If Khan is busy gearing up for the ceremony in LA, tabla maestro Ustad Zakir Hussain is also celebrating his collaborative effort that has got him a nomination at this year's Grammy. Hussain has been nominated in the Best Classical Crossover Album category for The Melody of Rhythm, which consists of artistes like Leonard, Slatkin, Bela Fleck, Edgar Meyer and Hussain. Interestingly, Hussain previously won the Grammy (in the Contemporary World Album category) for his collaborative album Global Drum Project along with Mickey Hart, Sikiru Adepaju and Giovanni Hidalgo. In 1992, Planet Drum, an album co-created and produced by Hussain and Mickey Hart, was awarded the first ever Grammy for the best World Music Album. Predictably, the music market in India is already showing a keen interest in marketing albums of this year's Grammy nominees, with music stores like Planet M and Music World prominently displaying not just Ancient Sounds but also previous works of Ustad Amjad Ali Khan. Interestingly, at a local music store in Saket, we also spotted a couple of Khan's albums alongside some of A R Rahman, who, by the way, is also a proud nominee at this year's Grammy Awards. If 2009 was a significant year for Rahman, what with the music maestro grabbing two Oscars, and collaborating with Pussycat Dolls for another version of "Jai Ho", this year's Grammy Awards nomination (in two categories) is, as musician Salim Merchant explains, "another feather in his cap". Rahman is nominated in the category of Best Song Written for Motion Picture/ Television or Other Visual Media, along with lyricist Gulzar and singer Tanvi Shah for "Jai Ho". Rahman is also nominated for Best Compilation Soundtrack Album for Motion Picture/ Television or Other Visual Media, and will face competition from Quentin Tarantino's Inglourious Basterds, Darnell Martin's Cadillac Records, HBO's True Blood and Twilight. While experts are already predicting Rahman's win at the function, the music maestro continues to remain humble and down to earth. "Every tune that goes out from my studio is special. "Jai ho" was special too," he says. While Indians are rejoicing at the inclusion of the Indian artistes at the Grammy Awards in LA, musician Shubha Mudgal, in an article, makes an interesting observation: "Why is there no separate category for Indian music or even for Asian music, despite its strong and unique presence in the world? Why do we have to be dumped into a category called World Music with the rest of the world?... Why not a new South Asian Grammy, if not an all-Indian Grammy?" Going by the growing Indian presence at the Grammys, who knows, maybe the event in January 2010 will be an "all-Indian Grammy"? <http://www.business-standard.com/india/news/singing-india/s-tune/381464/> ...and I am Sid Harth

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Posted by chhotemianinshallah - 2010/01/08 18:28

Old highs may be tested Rex Cano / Mumbai January 03, 2010, 0:59 IST The year 2009 ended on a high note, with benchmark (BSE & NSE) indices registering best yearly gains in the last two decades and touching fresh 19-month peaks. The year, however, will be most remembered for the Sensex and the Nifty hitting the upper circuit for the first time. In the week under review, the markets surprisingly moved in an extremely narrow band despite the two holidays and the derivatives expiry. The BSE benchmark index, the Sensex, moved in a narrow range of 200-odd points. The index touched a high of 17,531 and settled with a gain of 104 points at 17,465. Among index stocks, Reliance Infrastructure surged over 4 per cent. NTPC, Grasim, Bharti Airtel, SBI, Hindalco and Jaiprakash Associates were the other major gainers. Sun Pharma dropped 3.6 per cent. DLF, Wipro and ITC were some of the other prominent losers. Lack of momentum on the upside suggests the up move may halt temporarily. The Sensex needs to sustain above 17,550 for further gains, while on the downside, the index may seek support at 17,385-17,335, below which the bears are likely to have the upper hand. The longer-term picture, since we are at the start of the New Year, looks quite promising. Chances are that we may re-test the 21,000-mark this calendar year, while there are multiple strong supports for the index on the downside. The bias will remain bullish as long as the index remains above 13,840 this year. There is a further deeper support around 11,590 in case of extreme bearishness. On the positive front, the Sensex is first likely to target 19,550, followed by 21,090, in 2010. The Nifty moved in a range of 62 points and ended with a gain of 23 points at 5,201. Last week, I had mentioned that the Nifty needed to sustain above 5,210 for fresh bullishness. As we see, the index was unable to close above 5,210 on any single day. Currently, the chart suggests that the Nifty needs to close above 5,237 for fresh bullishness. The Nifty may face resistance around 5,225-5,240 and find support around 5,177-5,163. A dip below 5,163 could see the index fall to 5,100 and then further lower to 5,010. Unlike the Sensex, the yearly Nifty chart reveals that it will be difficult for the index to attain its 2008 peak (6,357) this year. In fact, the index has strong resistance around 6,225. The first significant target for the index is 5,790. On the downside, the index is likely to find considerable support around 4,600 and further lower at 4,175. <http://www.business-standard.com/india/news/old-highs-may-be-tested/3...> ...and I am Sid Harth

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Posted by chhotemianinshallah - 2010/01/08 18:28

Japan's yo-yo ties with India The two share a variety of goals and concerns Business Standard / New Delhi January

03, 2010, 0:57 IST Given that almost all historical, cultural, economic and geo-political factors overwhelmingly point to a close partnership between India and Japan it has taken an inordinately long time for these two Asian nations to strike a meaningful strategic partnership. Hopefully the visit to India of Japanese Prime Minister Yukio Hatoyama should spur this up-again-down-again yo-yo relationship forward. The news that came on the evening of the Hatoyama visit that India has become the most important destination for Japanese investment, as it has been for Japanese aid, defines the new tenor of the relationship. This change is significant considering that in the past two decades there has been a secular decline in Japan's economic engagement with India. While India has been seeking investment and trade opportunities for sometime now, not just aid, Japan has been far too pre-occupied with its own problems and far too narrowly focused on China and south-east Asia to utilise the India opportunity till now. It is a pity, of course, that India's opening up in the 1990s coincided with Japan's slowdown and internal problems. Japanese investors have had their tale of woe and their 'suggestions' for improving India's investment climate. From land acquisition to the tax system, from infrastructure to logistics and regulatory policies, from administrative hassles to issues relating to intellectual property rights, Japanese companies have been waiting for India to become a more hospitable place, while rival Korean companies have stolen a march. Japan has clawed its way back, increasing its share of foreign direct investment and institutional investment into India. The iconic Delhi- Mumbai Industrial Corridor (DMIC) project and the high speed freight train line that it is partly funding have helped alter Japan's profile as a partner. These have laid the foundation for a bigger role for Japan in India's development. That in fact ought to be Japan's strategic approach — to be seen as India's key partner in the latter's rise. At a political and diplomatic level Japan and India are not only comfortable with each other but have a variety of shared goals and concerns. But this political cement has not been enough to forge a closer economic relationship. Unless Japan invests more in India, economically and politically, and above all strategically, the relationship will not graduate from good to great. The trick for both Asian giants is to set aside their differences on the contentious nuclear issue and move on a wider front, forging closer people to people and business to business contacts. Thus far Japan has adopted a regional approach to India — focusing on the coastal states rather than the north Indian heartland. The DMIC project would raise Japan's profile in the industrial development of north-western India provided the region is able to get over the teething troubles of providing the infrastructure necessary for seeding industrial projects. For its part Japan has to resolve internal differences between its economic and foreign ministries which tend to take divergent views on long term relations with India. There is really no reason why the Land of the Rising Sun and the Land of the Buddha cannot come closer in a win-win partnership.
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Posted by chhotemianinshallah - 2010/01/08 18:28

K Subrahmanyam: India's real partner is the US, not China K Subrahmanyam / January 3, 2010, 0:59 IST It is more important for India to focus on starting a clean energy initiative with the US, than to find common ground with the biggest GHG emitter, China. India and China seemed to be on the same side at the Copenhagen Climate Summit, while the United States had to gatecrash to join hands. However, India can do more with the US in dealing with the consequences of climate change than the real high emitter, China. As China industrialises rapidly it is also producing GHG at a faster pace than any other country, including the US. China and India argue justifiably that they cannot be expected to cap their GHG emissions and reduce the pace of their industrialisation at the cost of expanding domestic employment opportunities and lifting their populations out of poverty. They demand that developed countries should cut down their conspicuous consumption and moderate their luxurious standard of living to cut down their emissions of GHG. This is what the Kyoto Protocol was all about. There have been attempts by many developed countries to renege on their Kyoto commitments, since they feel they cannot fulfill those commitments without cutting down the standard of living of their populations which, most of them as democratic countries are unwilling to do. There is nothing surprising about it, at least for Indians who are unable to get their democratic government cut back popular but economically non-viable subsidies at home. Most of the non-democratic nations may not appreciate the problem faced by democracies. The industrialised countries tried at Copenhagen to bring down their Kyoto commitments on emission reduction. While they have been thwarted in their attempt by the Copenhagen accord and their commitments have been kept alive for further negotiation at the next Mexico global summit, it is reasonable to envisage, irrespective of the commitments they make on GHG, that the developed countries as well as major developing countries will implement only such cuts which improved technology make possible. Even if an international regime is negotiated and a dispute settlement mechanism is agreed to, the cuts will largely depend on advances in new clean energy generation and conservation technologies, enhancing efficiency in energy use and storage of energy. Speaking at Copenhagen on 18th December, US President Barrack Obama said, "These mitigation actions are ambitious, and we are taking them not simply to meet global responsibilities. We are convinced, as some of you may be convinced, that changing the way we produce and use energy is essential to America's economic future — that it will create millions of new jobs, power new industries, keep us competitive, and spark new innovation. We're convinced, for our own self-interest, that the way we use energy, changing it to a more efficient fashion, is essential to our national security, because it helps to reduce our dependence on foreign oil, and helps us deal with some of the dangers posed by climate change." Irrespective of what happens in Mexico, the US and most other major industrialised countries are going to invest heavily in green energy R&D and bring about an industrial revolution. It would not only help in reducing GHG emissions but in turn is

likely to result in change in lifestyle involving energy-efficient products from light bulbs to electric cars and even in food habits. It will be in the interest of large GHG emitters in both developed and developing world and the rest of the world if this inescapable industrial revolution can be expedited and accelerated. Before he was elected US President, Mr Obama wrote to Prime Minister Manmohan Singh on 23 September 2008, "We also should be working hand-in-hand to tap into the creativity and dynamism of our entrepreneurs, engineers and scientists to promote development of alternative sources of clean energy. Imagine our two democracies in action: Indian laboratories and industry collaborating with American laboratories and industry to discover innovative solutions to today's energy problems. That is the kind of new partnership I would like to build with India as President." Indo-US cooperation in R&D and subsequently in manufacture of products is bound to result in major cost reductions. It would appear that the two leaders, Manmohan Singh and Barack Obama, have a common vision on cooperation between the two countries. The joint statement of 24 November 2009 said, "Recognising the need to create the clean energy economy of the 21st century, Prime Minister Singh and President Obama agreed to launch a clean energy and climate change initiative. The goal of the initiative would be to improve the lives of the people of both countries by developing and improving access to technologies that make our energy cleaner, affordable and more efficient. The initiative will include cooperation in wind and solar energy, second generation bio-fuels, unconventional gas, energy efficiency and clean coal technologies including carbon capture and storage. The success of this initiative is expected to enhance the ability of India and US to provide new economic opportunities for their people and create new clean energy jobs." Today the US is under challenge from China. It is expected that the US will lose its position as the number one economy in terms of GDP to China in the next two decades. The US has a vital stake in sustaining its pre-eminence as a technological and economic power and Obama has strong views on the subject. He said on the campaign trail in 2008, "Having China as our banker isn't good for our economy, it isn't good for our global leadership, and it isn't good for our national security. History teaches us that for a nation to remain a pre-eminent military power, it must remain a pre-eminent economic power." Launching a new revolution in green energy technology, even as China continues to be the foremost emitter of GHG, is in the US interest. Let us not forget that China's rise to its present position was made possible by the US and other industrial powers making huge investments in China. This is what made China 'the factory of the world' for consumer products. If India and the US can work together in green energy technology development, the proposed joint Indo-US clean energy and climate change initiative can do to India what US investments and joint ventures did to China in the 1980s and 1990s. To deal effectively with climate change and GHG emission, India should concentrate attention on getting the clean energy and climate change initiative with the US started as early as possible. This is more important for India than finding common ground with the biggest GHG emitter, China. Now that Copenhagen is behind us, the Prime Minister should move on the initiative. This is the opportunity of a century for our industry. Such cooperation can trigger an industrial revolution. <http://www.business-standard.com/india/news/k-subrahmanyam-indias-rea...> ...and I am Sid Harth

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Posted by chhotemianinshallah - 2010/01/08 18:28

Need to liberate science from shackles of bureaucracy: PM Agencies Posted: Sunday , Jan 03, 2010 at 1103 hrs Thiruvananthapuram: PM Manmohan Singh has admitted that red tape has affected the growth of science in India. Terming as unfortunate regression in some sectors of Indian science due to red tape and political interference, Prime Minister Manmohan Singh on Sunday asked scientists to engage with government to liberate it from shackles of bureaucratism and in-house favouritism. Holding that time has come to give a new boost to science and technology, he asked Indian scientists working abroad to return to the country to convert the brain drain to brain gain. Singh announced that the government was considering revision of the value of doctoral and post-doctoral fellowships as well as formulation of schemes that would cover all research scholars with some funding support. It is unfortunately true that red tape, political interference and lack of proper recognition of good work have all contributed to a regression in Indian science in some sectors from the days of C V Raman and others, Singh said inaugurating the 97th Indian Science Congress here. He said he had taken note of 2009 Nobel laureate Venkataraman Ramakrishnan's remarks that there was a need for greater autonomy from red tape and local politics for Indian scientists. Singh said steps to improve science requires not only money but change in mindset, including that of the senior faculty and university administration. I invite you all to explore all these issues and engage with us so that we can do what is needed to liberate Indian science from the shackles and dead weight of bureaucratism and in-house favouritism, he told a gathering of about 5000 scientists and educationists. Only then we can unleash the latent talent and creative energies of our scientists and engineers, Singh said. The Prime Minister appealed to scientific institutions to introspect and to propose mechanisms for greater autonomy, including from the government, which could help to improve standards. We must make special efforts to encourage scientists of Indian origin currently working abroad to return to India, including to coming to universities or scientific institutions for a short period. In this way we can convert the 'brain drain' of the past into a 'brain gain' for the future, he said. Stressing on the centrality of scientific institutions in the innovation eco-system, he said, The system must include industry, and providers of venture funds, as well as regulators who set high standards of performance for products. Noting that the government has declared 2010-2020 as a decade of innovation, he said, We cannot continue with business as usual as we need new solutions in many areas to achieve the goals of inclusive and sustainable growth. He pitched for a strong outward orientation of the

innovation eco- system to stimulate innovation to find indigenous solutions for local problems.
<http://www.indianexpress.com/news/need-to-liberate-science-from-shack...> ...and I am Sid Harth

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Posted by chhotemianinshallah - 2010/01/08 18:28

Indian cos listed on US bourses gain USD 70 bn STAFF WRITER 10:57 HRS IST New York, Jan 3 (PTI) Indian companies listed on the American bourses notched up handsome gains in 2009 as their aggregate valuation scaled upward by USD 70 billion with stock markets worldwide rallying substantially in the year. The market capitalisations of all the US-listed companies grew up to three-fold. IT major Wipro witnessed nearly a two-fold increase in its valuation. However, only three entities

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Govt to set up intl shipyard worth up to 4k cr STAFF WRITER 10:21 HRS IST New Delhi, Jan 3 (PTI) The government plans to set up a shipyard to produce large-sized vessels under public-private partnership with an investment of Rs 3,000-4,000 crore, in lieu of the Hindustan Shipyard going to the Defence Ministry. The government will set up another shipyard, most likely on the east coast (of the country) under the PPP mode to make VLCC and other large vessels ... the total investment will be at Rs 3,000-4,000 crore, a senior government official told PTI. This will be the only facility in the country after Pipavav shipyard to produce huge vessels such as very large crude carriers (VLCCs). The government will hold anywhere between 26-49 per cent in the project...land will be acquired (for the project) by the private developer to expedite the project, he said. http://www.ptinews.com/news/450540_Govt-to-set-up-intl-shipyard-worth... ...and I am Sid Harth

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