



**Weekly Roundup
of
News on Policy**

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City Bus Service of Curitiba, Brazil: from the UN "State of the World's Cities Report 2012-2013"
(photo: Paul Smith/Panos Pictures)

World Body Calls for Radical Change in Urban Development Policy

**Policy Response to the Emergence of Cities in 2011 as New
Flash Points For Political Uprising;
New Emphasis on Equality, Equity, Inclusion and Rights of
the Poor**

United Nations-Habitat's latest *State of the World's Cities Report (2012-2013)*, released on October 17, 2012, **marks a radical shift in Urban Development Policy.**

New Approach

The Report proposes a fresh approach to urban development.

At the heart of this new approach is a new understanding *of a city as the "home of prosperity" for all. The Report also describes the city as a locus where the right to shared prosperity is claimed and fought for.*

The Report says, "Cities are where human beings find satisfaction of basic needs and essential public goods. Where various products can be found in sufficiency and their utility enjoyed. Cities are also where ambitions, aspirations and other immaterial aspects of life are realized, providing contentment and happiness and increasing the prospects of individual and collective well-being."

The Report argues, "However, when prosperity is absent or restricted to some groups, when it is only enjoyed in some parts of the city, when it is used to pursue specific interests, or when it is a justification for financial gains for the few to the

detriment of the majority, the city becomes the locus where the right to shared prosperity is claimed and fought for."

Based on this re-conceptualization of the city, the Report proposes a new approach to urban development based "on a broader and more holistic concept of "prosperity" that goes beyond merely financial prosperity -- one that reaches beyond the sole economic dimension and promotes a collective well-being and fulfillment of all."

HEADLINES

Table 1.1.1

Defining a prosperous city

A prosperous city is one that provides

Productivity	Contributes to economic growth and development, generates income, provides decent jobs and equal opportunities for all by implementing effective economic policies and reforms
Infrastructure development	Provides adequate infrastructure – water, sanitation, roads, information and communication technology in order to improve urban living and enhance productivity, mobility and connectivity
Quality of life	Enhances the use of public spaces in order to increase community cohesion, civic identity, and guarantees the safety and security of lives and property
Equity and social inclusion	Ensures the equitable distribution and redistribution of the benefits of a prosperous city, reduces poverty and the incidence of slums, protects the rights of minority and vulnerable groups, enhances gender equality, and ensures civic participation in the social, political and cultural spheres
Environmental sustainability	Values the protection of the urban environment and natural assets while ensuring growth, and seeking ways to use energy more efficiently, minimize pressure on surrounding land and natural resources, minimize environmental losses by generating creative solutions to enhance the quality of the environment

This broader concept of “prosperity” takes in four other vital dimensions: **quality of life, infrastructures, equity and environmental sustainability**

New Index and Metric

The Report introduces a new statistical instrument, the **City Prosperity Index**, measuring the prosperity factors at work in an individual city, together with a **general matrix, the Wheel of Urban Prosperity, which suggests areas for policy intervention.**

UN-Habitat advocates for a new type of city – the city of the 21st century – that is a ‘good’, people-centred city, one that is capable of integrating the tangible and more intangible aspects of prosperity, and in the process shedding off the inefficient, unsustainable forms and functionalities of the city of the previous century.

UN Habitat argues that the new approach responds to the crises by providing safeguards against new risks, and it **helps cities to steer the world towards economically, socially, politically and environmentally prosperous urban futures.**”

Four Categories of Cities

Based on the new methodology, the Report classifies cities into groups, based on their performance: category 1 is the highest and category 4 the lowest.

The India Story

There are only two Indian cities featured in the Report: Mumbai and Delhi. **Mumbai is placed at 52 and New Delhi at 58 out of 95 cities in the new global City Prosperity Index.**

The two Indian cities are in Group 3 (the second to last category). In contrast, Shanghai, as well as cities in Europe and North America are in Group 1.

Mumbai and Delhi are weak in several dimensions of the index such as productivity, quality of life, adequate infrastructure, equity and environmental sustainability. The Report says that cities in India are expanding at the cost of rural areas. It calls for a national policy for use of land in Indian cities. The Report also contains passing references to Bangalore, Hyderabad and Kerala, but does not offer an in-depth analysis of the Indian situation.

Impediments to Prosperity for All

The Report identifies the following main impediments to ‘Prosperity for All’ in Cities: (i) poor government and weak institutions; (ii) high incidence of slums and poverty; (iii) crime; (iv) corruption; (v) high cost of doing business; (vi) infrastructure; and (vii) low levels of human capital.

Solutions

The Report advocates a number of policy measures to enhance the prosperity of a City: (i) vocational education and training; (ii) cash transfers and financial support to disadvantaged groups; (iii) access to employment opportunities; (iv) financial institutions for the poor; (v) rules that promote equitable development (such as mixed neighbourhoods, for example); (vi) targeted projects for the benefit of the poor; (vii) reduction of inequality; (viii) effective government; (ix) eradication of

The India Story

CITY PROSPERITY INDEX (CPI) CATEGORY	CITIES (illustrative)
I. HIGH (well integrated)	Shanghai, Ankara, Mexico City, Sao Paulo, Moscow, Seoul
II. SOLID (some aspects poorly balanced)	Beijing, Manila, Johannesburg, Cairo, Cape Town, Jakarta
III. MODERATE (with structural and institutional failures)	New Delhi, Mumbai, Nairobi, Pnom Penh
IV. WEAK (dysfunctional)	Monrovia, Conakry

corruption; (x) greater commitment and interest on the part of ruling elites; (xi) elimination of discrimination; (xii) provision of adequate funds; (xiii) ensuring that public institutions are not controlled by elites; (xiv) strong civil society to claim/defend rights of the poor; (xv) effective urban planning and management; (xvi) provision of basic amenities/public goods including public transport; (xvii) effective decentralization; (xviii) equality of opportunity; (xix) elected officials; and (xx) sound business environment and an entrepreneurial culture.

Background: Cities in Revolt

The new pro-poor approach in the Report comes in response to the strong popular political protests witnessed in cities across the world in 2011 against economic inequality and inequity.

The Report says: “As people in the latter part of 2011 gathered in Cairo’s Tahrir Square or Madrid’s Puerta del Sol, in front of London’s St Paul’s cathedral or in New York’s Zuccotti Park, *they were not only demanding more equality and inclusion; they were also expressing solidarity with fellow citizens that belong with the “99 per cent” (the vast majority) as opposed to the “one per cent” (those with vastly disproportionate shares of wealth and decision-making capacity).*”

New York’s Occupy Wall Street movement explicitly “called for a society organized around the needs, desires, dreams, of the 99 per cent, not the one per cent.”

All these urban uprisings of 2011 were motivated by similar demands for better and deeper democracy as essential for overall prosperity. These **movements also highlighted the inherent risks of ill-balanced growth or development policies, and their failure to safeguard prosperity for all.**

In a world in which (since 2008) the majority of humanity lives for

the first time in history in urban areas (and 70% of humanity are expected to be urban by 2050), the Report warns **that cities are emerging as the new flash points of political revolt by the poor.**

The Report says, **“Throughout history, cities as seats of power have served as stages for protests and the recent social movements are no exception. Demographic concentrations in dense urban spaces allow critical masses of protestors to congregate and air new ideas, highlighting cities’ role as sounding boards for positive social change.”**

This points to another of the promises of a prosperous city – not just a more productive socio-economic use of space and the built environment, **but also one that safeguards the city’s role as a public forum where plans and policies can be discussed and challenged for the sake of a more prosperous society.**

Rising Inequality

The Report strongly highlights the challenge of rising inequality worldwide. It says, “The 2011 OECD report *Divided We Stand* stresses that income gaps between rich and poor are expanding in both developed and developing countries. In OECD countries, inequalities are as steep as they have been for over 30 years. The Report shows that, in advanced economies, the average income of the richest 10 per cent of the population is about nine times higher than that of the poorest 10 per cent.

In Europe’s Nordic countries, the average is a multiple of six but growing, compared with multiples of 10 in Italy, Korea and the United Kingdom, and up to 14 in Israel, Turkey and the United States. These are overshadowed by countries such as Chile and Mexico with multiples of 27, and in Brazil, despite recent declines in inequity (the exception among the BRICs countries), the ratio of

incomes between the richest and the poorest reached a staggering 50:1.4 In the 34 OECD member countries, Gini coefficients have risen by 10 per cent on average between the 1980s and the late 2000s (from 0.29 to 0.316).

In emerging economies (such as Argentina, Brazil, China, India, Indonesia, the Russian Federation, and South Africa) income inequality is significantly steeper than the OECD average. Inequality has increased in all these countries over time, reaching extremes in Argentina, Brazil and South Africa.”

The Report says, **“Equity and lack thereof work in exactly opposite ways. When actively pursued, equity can act as a powerful catalyst for prosperity, exerting multiplier effects on other prosperity factors, optimizing their respective performances and creating linkages amongst them.”**

Massive Scale of Urbanization

The World Cities Report says that, “Today, of every 10 urban residents in the world more than seven are found in developing countries, which are also hosts to an overwhelming proportion of humankind (82 per cent of the world’s population).”

The Report says that “In the last decade, the *urban population in the developing world grew an average 1.2 million people per week*, or slightly less than one full year’s demographic growth in Europe’s urban areas.

Asia dominated the picture, adding **0.88 million new urban dwellers every week**. Africa was the second largest contributor with an additional 0.23 million per week, dwarfing Latin America and the Caribbean’s 0.15 million weekly increment.

It is estimated that, between 2010 and 2015, some 200,000 people on average will be added to the world’s urban population each day. The Report says that 91 per cent of this daily increase (or

183,000) is expected to take place in developing countries.

The aggregate annual population increase in six major developing-country cities – New Delhi and Mumbai (India), Dhaka (Bangladesh), Lagos (Nigeria), Kinshasa (Democratic Republic of Congo) and Karachi (Pakistan) – is higher than Europe’s entire population.

In the more “advanced” nations, urban population growth is next to stagnant (0.67 per cent on an annual average basis since 2010), which represents an additional six million or so every year. In Europe, the annual increase is only two million. Population growth in North American cities was the least slow of all those in the developed world between 2005 and 2010, particularly in the United States (one per cent on average).

The Report says that “between 2005 and 2010, net international migration counterbalanced the excess of deaths over births in 11 developed countries, while contributing twice as much to population growth in another nine countries.” **With the ongoing economic crisis, the aggregate flow of immigrants to developed countries has slowed down from an annual 2.3 per cent average rate in 2000–05 to 1.7 per cent in 2005–10.** Rising unemployment in some of the host cities/countries may cause governments to impose restrictions on immigration.

Ineffective Urban Planning

The Report also contains a strong critique of current approaches to urban planning and development.

The Report says, “So far, in most cities of the developing world, modern urban planning (where any) **has proved unable to nurture shared socioeconomic advancement.** For all the paraphernalia of legislation, complex regulations and spatial design plans, **a majority of those cities have continued with the flawed models which, as ‘advanced’ countries have finally found out, are unsustainable in a variety of**

ways.”

Cities have found themselves woefully unprepared in the face of the spatial and demographic challenges associated with urbanization, not to mention those of an environmental nature.

With a few commendable exceptions, **modern urban planning has failed to integrate the urban poor in the socioeconomic fabric of the city. As an expert in Bangalore put it, “The poor have survived despite master planning.”** Understood primarily as a technical tool, **planning has been unable to address the power relations that have been at work to the detriment of the great majorities of urban populations.** Planning has also proved unable to prevent environmental degradation or the formation of slums, and is notable for serious shortcomings in terms of transport and urban mobility.

Rejection of Trickle Down Development

In the face of these massive challenges, the Report rejects the pre-2008 conventional approaches to development that focused exclusively on economic growth, is not capable of responding to the challenge posed by the now brewing urban revolts.

The Report says, “Evidence showing that equity is a critical dimension of prosperity runs against the conventional development approaches that prevailed before the 2008–09 global financial crisis. **A particular case in point is the ‘Washington Consensus’, which reinforced the notion that economic growth is to take place first before equity issues can be addressed. Although the Consensus promoted pro-poor growth and the provision of primary education along with primary health and infrastructure development, it was based on the premise that poorer sections of society benefit from whatever ‘trickles**

through’ the economic and social pyramid, in an environment of free enterprise and deregulation. The dramatic collapse of the banking system in major Western countries in 2008 and the subsequent world economic crisis has seriously discredited the Consensus approach.

In a damning indictment of current urban development approaches, UN Habitat described them as suffering from “**a lopsided focus on purely financial prosperity [that] has led to growing inequalities between rich and poor, generated serious distortions in the form and functionality of cities, [and caused] serious damage to the environment – not to mention the unleashing of precarious financial systems that could not be sustained in the long run.**”

The Report says that approaches focusing on “**the narrow domain of economic growth**” have “**dominated ill-balanced policy agendas over the last decades**”.

The new approach presented in the Report would reject such approaches and mark a turning point in urban development policy.

To Download The “State of the World’s Cities” Report (2012-2013):
<http://www.unhabitat.org/pmss/listItemDetails.aspx?publicationID=3387>

Enforcement Of Labour Laws In Gujarat Has Declined Considerably In Last Two Decades, Says ILO Study

(Counterview, October 11, 2012)

An International Labour Organisation (ILO)-sponsored study, **“Decent Work in Ahmedabad: An Integrated Approach”** has said that the **enforcement of labour laws in Gujarat has declined “considerably in the past two decades”**.

According to the study, there are 154 sanctioned posts of labour officers (Class I and II), which is two-thirds the state requirement.

The study points out that the poor conditions of the Labour and Employment Department originate from its paltry budget in the past few years; the Department’s total expenditure in the past three years has been 0.005–0.006 per cent of the state GDP, instead of the ideally accepted 2 per cent. As a result, the minimum wages set in Gujarat are “far lower than that of Maharashtra, which is also an industrialized and urbanized state, and surprisingly lower, than that of the central Government.”

<http://counterview.org/2012/10/11/enforcement-of-labour-laws-in-gujarat-has-declined-considerably-in-two-decades-says-ilo-study/>

(Date accessed on 16.10.12)
(Karishma Mutreja)

Who Moved my Poverty Report? *(Inclusive Media for Change)*

The National Commission for Enterprises in the Unorganized Sector (NCEUS) Report, which asserts that “almost 80% Indian survive on less than Rs 20 per day”, **has gone missing from the public domain**. Popularly known as the Arjun Sengupta Committee Report, it is missing from hundreds of government sites and resource centres. Meanwhile, the official website of NCEUS (<http://nceus.gov.in>) is no more working, raising doubts whether it is an attempt to hide the embarrassing govt. figures on poverty, landlessness, unemployment and agrarian crises. The NCEUS was constituted in 2004 to examine the problems faced by the unorganized/ informal sector. Among other things, it guided the Government with various bills. Some of the important facts from the NCEUS Report as quoted from the article are:

- 77 percent of the population with a per capita daily consumption of up to Rs. 20 (in 2004-05) have been termed "Poor and Vulnerable" by NCEUS.
- 92 per cent of the country's workforce is employed in the informal or unorganised economy.
- Compared to the decade between 1983 and 1993, during 1993-94 to 2004-05 there has been a decline in the growth rate of employment, wages and average earnings of workers.

<http://www.im4change.org/news-alert/who-moved-my-poverty-report-please-save-your-copy-fast-17376.html>

(Date accessed: 15-10-2012)
(Amrutha Jose)

Inequality and Fairness Move Right Up the Political Agenda

Zanny Minton Beddoes

ECONOMIST, Oct 13th 2012 |

The ECONOMIST puts a spotlight on the re-emergence of economic inequality and fairness to the top of the global political agenda.

The ECONOMIST says, “Although inequality has been on the rise for three decades, **its political prominence is newer....after the [2008] crash...** bank rescues shone a spotlight on the unfairness of a system in which affluent bankers were bailed out whereas ordinary folk lost their houses and jobs. And in today’s sluggish economies, more inequality often means that people at the bottom and even in the middle of the income distribution are falling behind not just in relative but also in absolute terms.”

The article says, “The Occupy Wall Street campaign proved incoherent and ephemeral, **but inequality and fairness have moved right up the political agenda**. America’s presidential election is largely being fought over questions such as whether taxes should rise at the top, and how big a role government should play in helping the rest. In Europe France’s new president, François Hollande, wants a top income-tax rate of 75%. New surcharges on the richest are part of austerity programmes in Portugal and Spain.”

The Article argues, “Even in more buoyant emerging economies, inequality is a growing worry. **India’s government is under fire for the lack of “inclusive growth” and for cronyism that has enriched insiders, evident from dubious mobile-phone-spectrum auctions and dodgy mining deals**. China’s leaders fear that growing disparities will

cause social unrest. Wen Jiabao, the outgoing prime minister, has long pushed for a “harmonious society”.

The ECONOMIST present some worrying statistics. “America’s Gini for disposable income is up by almost 30% since 1980, to 0.39. Sweden’s is up by a quarter, to 0.24. China’s has risen by around 50% to 0.42 (and by some measures to 0.48). The biggest exception to the general upward trend is Latin America, long the world’s most unequal continent, where Gini coefficients have fallen sharply over the past ten years. **But the majority of the people on the planet live in countries where income disparities are bigger than they were a generation ago.**”

The article says that “The widening of income gaps is a reversal of the pattern in much of the 20th century, when inequality narrowed in many countries. Many economists, too, now worry that widening income disparities may have damaging side-effects. ... **big income gaps can also be inefficient, because they can bar talented poor people from access to education or feed resentment that results in growth-destroying populist policies**”.

The article says that “The mainstream consensus has long been that a growing economy raises all boats, to much better effect than incentive-dulling redistribution. **But now the economics establishment has become concerned about who gets what.** Research by economists at the IMF suggests that **income inequality slows growth, causes financial crises and weakens demand. In a recent report the Asian Development Bank argued that if emerging Asia’s income distribution had not worsened over the past 20 years, the region’s rapid growth would have lifted an extra 240m people out of extreme poverty.** The article points out that, “Some societies are more concerned

about equality of opportunity, others more about equality of outcome. **Europeans tend to be more egalitarian, believing that in a fair society there should be no big income gaps. Americans and Chinese put more emphasis on equality of opportunity. Provided people can move up the social ladder, they believe a society with wide income gaps can still be fair. Whatever people’s preferences, static measures of income gaps tell only half the story.**”

The ECONOMIST says that “Despite the lack of nuance, today’s debate over inequality will have important consequences. The unstable history of Latin America, long the continent with the biggest income gaps, **suggests that countries run by entrenched wealthy elites do not do very well.** “

The ECONOMIST says “there is a reform agenda to reduce income disparities that makes sense whatever your attitude towards fairness. It is not about higher taxes and more handouts. Both in rich and emerging economies, it is about attacking cronyism and investing

Foreign Debt: Bailing Out Private Indian Corporate Borrowers

(Hindustan Times, 16th October 2012)

Indian companies are facing a crisis as they are being urged to pay back the huge amount of money they borrowed overseas in the past.

“The Government is worried that an outflow of \$4-5 billion in this financial year on this account could pull down the rupee further. It is thinking of setting up a fund to bail out companies that must pay off their creditors. The prospects of a sovereign ratings downgrade make the picture more worrisome.” With the recently proposed set of reforms, the government is expecting to revive the economy and attract investors. The Indian companies are totally looking up to the government for monetary and fiscal policies that could help them survive.

<http://www.hindustantimes.com/editorial-views-on/Edits/It-s-not-a-sound-plan/Article1-945783.aspx>

Date accessed: 17.10.12

(Simi Sunny)

Government Set To Push For Cash Transfer Of Subsidies

(Siddharth & Surojit Gupta, The Economic Times, 16 Oct, 2012)

Taking cue from preliminary findings of ‘cash transfer based subsidy’ twin test in Mysore and Rajasthan, the government is planning to push for cash transfer of subsidies across various sectors. “A pilot project for cooking gas in Mysore run by state-run oil companies saw the number of connections dropping 40% from 35,000 to around 20,000 while a similar experiment for kerosene in Rajasthan's Alwar district resulted in consumption sliding by 80% from 80 kilolitres a month to around 14 kilolitres.” The results indicate that cash transfers may help the government save a significant amount of tax payer's money while enhancing benefits for users. Currently, the government spends nearly Rs 2.5 lakh crore on three major subsidies - food, fuel and fertilizer. Results, from these twin tests have prompted the government to announce a similar test run for fertilizer subsidies and food subsidies.

<http://economictimes.indiatimes.com/news/economy/policy/government-set-to-step-up-its-push-for-cash-transfer-of-subsidies-and-adopt-it-as-a-policy-doctrine/articleshow/16831801.cms>

(Date accessed on 17.10.12)

(Simi Sunny)

Why the Euro Will Survive

(C. Fred Bergsten, Foreign Affairs, September/ October 2012)

The Eurozone presently faces serious economic and financial problems and is in the midst of multiple overlapping and mutually reinforcing crises.

The first is the fiscal crisis which affects Greece the most along with the countries in the southern part of the Eurozone.

The next is the competitiveness crisis evident in the current account imbalances between the Eurozone countries.

The third is the banking crisis which took root in Ireland but spread to Spain. The financial crisis is rooted in institutional design failure which needs to be addressed.

It is being argued that the European crisis is rooted in a failure of institutional design. The Economic and Monetary Union (EMU) that Europe adopted in the 1990s comprised an extensive, if incomplete, monetary union, anchored by the euro and the European Central Bank (ECB). But it virtually excluded economic union, fiscal union, banking union, shared economic governance institutions and meaningful coordination of structural economic policies, which eventually led to the present challenges.

Economists are of the opinion that the Euro will not survive for much longer. However, several of these claims are overblown since the countries have successively taken steps to build “a substantial firewall to prevent debt problems from spreading and are now well on their way to creating a banking union and a partial fiscal union”.

<http://www.foreignaffairs.com/articles/137832/c-fred-bergsten/why-the-euro-will-survive>

(Date accessed: 16 October 2012)

(Anjora Sarengi)

Infrastructure

Debt Fund

(Shamima Siddiqui, Echo of India, 15th October, 2012)

Realizing that infrastructural development and growth pace have not been in sync, government has taken several initiatives to promote private sector participation in the sector.

As a result, investment in infrastructure as a percentage of GDP increased from 5% in 2007 to 7% in 2009-10 and more than 8% in 2011-12.

Several initiatives have been taken by the Ministry of Finance to promote the flow of long term funds in infrastructure sector (both domestic and off-shore funds) like setting up of the Infrastructure Debt Fund (IDF), raising the FII limits and liberalizing the ECB regime in order to facilitate off shore fund flows to infrastructure.

It was decided to reduce withholding tax on interest payments on the borrowings by the IDFs from 20% to 5% to attract offshore funds. IDFs are expected to provide long-term low-cost debt for infrastructure projects and a range of other benefits. Three IDFs have been launched so far.

<http://echoofindia.com/reflex-action/infrastructure-debt-fund-13009>

(Date Accessed 16.10.2012)

(Naina Bhardwaj)

POLITICS

Demand For Dima Raji Will Continue: Nunisa

(*Arup Biswas, Assam Times, October 14th, 2012*)

Dilip Nunisa while addressing an gathering following the historic signing of the Memorandum of Settlement between the two DHD factions, Government of India & Assam on 8th October, 2012, said that “this peace accord has enough provision to preserve and protect the culture, language, tradition of all the tribes and communities living here since time immemorial. For the people outside the district would get development council through which all the development would be executed”. However he also restated “the demand of ‘Dima Raji’ to continue democratically. It is not that with the signing of MoS, the struggle for the Dima Raji has stopped”.

<http://www.assamtimes.org/hot-news/7708.html>

(Date accessed on 16.10.2012)
(Junty Sharma Pathak)

DEVELOPMENT

The Central Place of Dignity

(*Josiah Ober, American Political Science Review, Stanford University*)

Along with liberty and equality, dignity is democracy’s third core value. Dignity allows us to exercise our liberty and equality and “a civic dignity regime is theoretically stable in a population of self-interested social agents”. Its stability is based on two things: firstly, citizens are highly motivated to defend those whose dignity has been threatened and secondly, they have resources for

effective collective action. Meritocracy and civic dignity may both be present within a liberal democracy, although they are not inherently liberal.

<http://journals.cambridge.org/acton/displayAbstract?fromPage=online&aid=8693908>

(Accessed on 15th October, 2012)
(Harpreet Kaur)

Punjab: Government Fails to Stem Liquor Sales

(*The Tribune, Chandigarh, 16th October, 2012*)

Punjab is behind only Kerala in liquor consumption in the country.

The government is obliged under the Panchayati Raj Act by a resolution passed by Panchayats saying “no liquor shop to be opened” in a village. However, there is another provision which says that if there is illicit liquor sale in the area, then shops may not be closed. This provision is used by the government to reject the Panchayat pleas and continue with existing illegal liquor shops. All this is not only promoting liquor consumption but also causing heavy loss to the exchequer.

<http://www.tribuneindia.com/2012/20121016/edit.htm#2>

(Accessed on: 16th October, 2012)
(Harpreet Kaur)

AGRICULTURE

GM Crops Come At A High Price

(*Vivekananda Nemana, The New York Times Blog, October 16, 2012*)

Bt Cotton, India’s only genetically modified crop accounts for 95% of all cotton farming today, however, it has

resulted in increasing the cost of production more proportionately than the price of cotton.

According to the article, stringent regulatory mechanisms in terms of conducting research and field trials has contributed to inflating costs for seed companies, which are then passed on to the farmers.

Costs have also risen because price ceiling on the Bt Cotton seeds has engendered a black market; a problem which is compounded by the fact that there are no suppliers of the normal cotton seeds.

In addition, farmers incur higher pesticide expenditure on countering aphids, which replaced the bollworms that Bt cotton was designed to resist.

“Therefore, higher seed and pesticide costs have left small farmers in India – and other developing countries – more vulnerable to failed monsoons and other climate change-related dangers.”

<http://india.blogs.nytimes.com/2012/10/16/in-india-gm-crops-come-at-a-high-price/>

(Date accessed on 16.10.12)
(Karishma Mutreja)

Sugar Decontrol and its Implication

(*Frontline, 06-19 October 2012*)

The issue of sugar decontrol has been a burning concern for India for a while now.

The Rangarajan Committee was set up earlier this year to understand the different aspects of deregulation of this sector. At present, the sugar industry is one of the most controlled sectors in India with the centre controlling release of sugar.

Currently, sugar mills have to buy sugarcane at the State Advised Price (SAP) set by State governments which are much

higher than the Fair Remunerative Price (FRP) fixed by the centre.

Export of sugar is fraught with difficulties due to recent government policies. Decontrol is seen as a solution to these problems but State governments are against it as they would have to pay the difference between the SAP and FRP. It is yet to be seen what the committee recommends and the subsequent impact it will have on the sugar industry.

<http://www.frontlineonnet.com/stories/20121019292013600.pdf>

(Date accessed: 15 October 2012)
(Anjora Sarengi)

INDUSTRY

Rectifying Neglect of SMEs

(Dr. K.C. Chakrabarty, Reserve Bank of India, 08 October, 2012).

Talking about Micro, Small and Medium Enterprises (MSMEs), Deputy Governor of the RBI Dr. K.C. Chakrabarty points out that **26.1 million MSMEs account for 45 percent of manufactured output, 40 percent of exports and employs 59.7 million people.**

He argues that a healthy MSME sector can propel India's growth rate to a sustainable nine percent plus.

However, he notes that credit growth to MSMEs from the banking sector had slowed to ten percent.

He further highlights that 93 percent of those in this sector were financially excluded.

Those that are offered credit have to pay high interest rates starting from 16 percent, which in turn forces MSMEs to maximize labour productivity at low wages and poor working conditions.

Dr. Chakrabarty argues that there is a need to take a second look at

business processes, increase access to equity capital and technology, enhance skill and entrepreneurship development, to educate SMEs about the benefits of adopting sound corporate governance practices, and provide factor services to MSMEs.

http://www.rbi.org.in/scripts/BS_SpeechesView.aspx?Id=739

(Date accessed on 17.10.2012).
(Pushparaj. V. Deshpande).

EDUCATION

Can A Democratic Education System Survive in a Neo-liberal Society ?

(Henry A Giroux, Truthout, 16th October 2012)

In this article, the author criticizes the right wing reform policies in the US where money no longer controls only elections but also controls policies that shape public education.

There have been aggressive attempts to disinvest in Public schools and replace them with charter schools, thereby making schools just another "Corporate Asset", which is evident from the fact that majority of hedge fund managers form a part of school boards across the country.

This kind of education seeks to produce students who laud conformity and view public values as irrelevant.

Schools are being transformed into a private right rather than a public good.

According to the author, "this poisonous virus of repression, conformity and instrumentalism is turning public education into a repressive site of containment, a

site devoid of poetry, critical learning and soaring acts of curiosity and imagination and Privatization, commodification, militarization and deregulation are the new guiding categories through which schools, teachers, pedagogy and students are defined".

Schools are crucial to any viable notion of democracy, while the pedagogical practices they employ should be consistent with the ideal of the good society. Educators need to not only define public education but also their role as civic educators.

<http://truth-out.org/opinion/item/12126-can-democratic-education-survive-in-a-neoliberal-society>

(Date accessed 17.10.2012)
(Naina Bhardwaj)

How To Make Sure The Next Generation Is Better Off Than We Are

(Mohamed A. El – Erian, The Atlantic)

The global economic crisis calls for an urgent response through reforms of various sectors of which the education sector is a high priority.

In the latest US employment report, within the aggregate 8 percent unemployment, the rate for those with a bachelor degree is 4 percent compared to 11 percent for those that lack a high school diploma.

Joblessness among 16-19 year olds in the labor force is a stunning 24%.

Financial literacy should be a larger part of our children's basic education as a responsive asset-liability management will be a constant requirement for them.

Vocational training will also need to play a more important role in preparing the next generation. Policy makers should keep the interest of the next generation and the changing reality of the globalized world in mind while framing policies.

<http://www.theatlantic.com/business/archive/2012/10/how-to-make-sure-the-next-generation-is-better-off-than-we-are/263579/>

(Date accessed: 17.10.2012)

(Varun Kumar Reddy)

Why College May be Totally Free Within 10 Years

(Dan Kadlec, *Time.com*, 12 October, 2012)

Reporting on the Nantucket Project, a big think conference, this article focuses on the views of hedge fund billionaire Peter Thiel, author and entrepreneur Vivek Wadhwa, and Prof. Lawrence Summers.

The article contrasts Thiel's idea of the "20 under 20 fellowship" (which grants high school graduates with a sound business idea \$100,000, to skip collage and work on it) and Wadhwa's belief that online courses will revolutionize higher education by cutting costs in the light of the Council for Economic Education's figure of student debt rising to one trillion dollars, and because Universities will monitor coursework and teachers will not deliver lectures but serve as guides.

While highlighting Summer's argument that the University experience is unique, the article leans towards Wadhwa's belief in the upcoming higher education revolution being led by a non-traditional college experience.

<http://moneyland.time.com/2012/10/12/why-college-may-be-totally-free-within-10-years/>

(Date accessed on 16.10.2012)

(Pushparaj. V. Deshpande).

HEALTH

EU-India Free Trade Agreement Could Wipe Out Generic Drug Production in India and Threaten Health of the Poor

(Aakash Mehrotra, *Infochange News & Features*, October 2012)

The EU-India Free Trade Agreement (FTA), which is being described as the "most ambitious agreement that India is hoping to enter into as compared to the earlier FTAs with other countries", **has attracted serious reservations from the generic medicine market.**

Currently, India's approach to the Intellectual Property Rights (IPR) regime has helped her drive the prices of many life saving drugs. These cheap Indian drugs are also exported to many developing countries for use by the poor.

The FTA comes with an IPR agreement, which could require licensing of these drugs under patents, and wipe out generic, cheap, unpatented drugs from the market, escalating the prices of drugs more than 7 fold.

The pact has been termed as a "trade-off between huge economic benefits and the 'Right to live' for millions of vulnerable people across the world."

<http://infochangeindia.org/trade-a-development/analysis/corporate-profits-or-the-right-to-life.html>

(Date accessed on 16.10.12)

(Karishma Mutreja)

Urgent Need for Government Action to End Tobacco Use in India

(*The Banyan Blog, Economist*)

State governments in India are cracking down on chewing-tobacco products.

On October 2nd 2012, Himachal Pradesh became the 15th state in India to ban *gutka*. Many other states are planning to follow suit. More than 26% of Indians chew tobacco and 14% smoke it.

Gutka, in particular, is prevalent among children who get addicted due to easy access and dirt-cheap prices.

Of the annual 5.6m cancer deaths in India, a third can be blamed on tobacco use.

While the bans are a crucial step forward, enforcement remains difficult—without a nation-wide ban, many users can get their fix from a neighbouring state quite easily.

According to the World Health Organisation many poor families spend up to 10% of their income on tobacco, leaving that much less to spend on education and health care. Policy makers should push for a nationwide ban on chewing tobacco products and also ensure its effective implementation.

<http://www.economist.com/blogs/banyan/2012/10/tobacco-india>

(Date accessed: 17.10.2012)

(Varun Kumar Reddy)

TRANSPORT

Mumbai's Public Transport Infrastructure One of the Worst in the World

(Madhavi Rajadhyaksha, Times News Network, 15 October, 2012)

The article looks at the “Cities of Opportunity, 2012” report (Price Waters House Coopers and the Partnership for New York City) which analyses the state of public transport in Mumbai in comparison to 26 other cities.

Mumbai ranked among the six worst cities in terms of providing mobility to its citizens. The indicators taken into consideration included systemic coverage, connectivity, reliability and safety among others.

Other indicators used in the survey included bike sharing, bus rapid transit systems, trolleys etc., none of which exist in Mumbai. Johannesburg, Sao Paulo, Los Angeles, Sydney and Istanbul were the other cities that fared worse than Mumbai. The article argues for the need for some out of the box thinking to solve these problems.

http://articles.timesofindia.indiatimes.com/2012-10-15/mumbai/34471823_1_public-transport-mass-transit-cities
(Date accessed on 16.10.2012).
(Pushparaj. V. Deshpande).

Delhi Row Over Bus Lane Reveals Class Divide

(Rajesh Joshi, BBC, October 15th, 2012)

A petition seeking to write off the cities Bus Rapid Transit (BRT) has also exposed the class divide

in the Indian society. The main petitioner BB Sharan argued “the system has slowed down the traffic and created problems for the people, without any evident advantage to bus users”. On the other hand, road safety expert, Geetam Tiwari maintains “the definition of “people” should include those who walk to work or use bicycles and buses. The problem of car users, who are in a minority, is being portrayed in the press as the people's problem.”

<http://www.bbc.co.uk/news/world-asia-india-19572583>
(Date accessed on 16.10.2012)
(Junty Sharma Pathak)

TECHNOLOGY

Competition Law for IT Sector: Different Approach Needed

(Marvin Ammori, Wired)

The Federal Trade Commission (USA) is investigating Google, based on accusations from an alliance of companies calling itself Fair Search. In software and many other online markets, even dominant firms face potential threats because of the low costs for competitors to enter those markets. Regardless of the industry, antitrust law is meant to benefit consumers – not competitors. The key question, of course, is whether a particular monopoly is harming consumers – or merely harming its competitors for the benefit of those consumers. The answer isn't as simple as “big equals bad”, or “competitor harm equals consumer harm.” The problem is our analyses are based on industries such as oil, shoes, and cigarettes, which have very different economics than software and networked industries. Courts must rely on complex economic analysis to determine whether

consumers, not just competitors, have suffered harm.

<http://www.wired.com/opinion/2012/10/antitrust-is-supposed-to-protect-consumers-not-competitors/>
(Date accessed: 17.10.2012)
(Varun Kumar Reddy)

ENVIRONMENT

Water Scarcity Compounds India's Food Insecurity

(Siddharth Chatterjee, Reuters, October 16, 2012)

India currently ranks 65 out of 79 countries in the [Global Hunger Index](#) and 19% of the total Indian population is undernourished.

Our food security challenges may be further exasperated by water insecurity and climate change.

Water challenges arise from increasing usage, poor infrastructure, and pollution.

Increasing temperatures have led not only to faster melting of Himalayan glaciers but also erratic monsoons, both leading to water- fuelled food insecurity.

The Government of India spends only 1% of agricultural GDP on research to build food security for the poorest.

Our response to water crisis like the ‘National Action Plan on Climate Change’ focuses mostly on long term solutions. “To secure the future of India’s water resources vis-à-vis its agriculture in the future, it is important that certain steps be taken immediately”.

If this issue is not addressed exigently, it may lead to increased instability, poor human development and can enhance inter-generational poverty.

<http://blogs.reuters.com/india/2012/10/16/from-alertnet-water-scarcity-compounds-indias-food-insecurity/>

(Date accessed on 17.10.12)
(Karishma Mutreja)

Climate Engineering to Impact Biodiversity?

(Postnoon, 15 October 2012)

In the past few years, environmental scientists are increasingly employing geo-engineering techniques such as Sunlight Reflection Methods (SRMs), Carbon Dioxide Removal (CDR), injection of sulphates into the upper atmosphere, deploying sun shields in space etc. to consciously intervene into the earth's climate system and reduce the magnitude of global warming. The question that needs to be asked is, what could be the impact that these methods will have on biodiversity?

This issue is being addressed in the ongoing 11th meeting of Conference of Parties to the Convention on Biological Diversity (CBD) which includes the participation of more than 170 countries.

There are competing opinions on how to tackle climate change and all sides need to be considered to make an informed decision.

<http://postnoon.com/2012/10/15/climate-engineering-to-impact-biodiversity/80178>

(Date accessed: 16 October 2012)
(Anjora Sarengi)

SPV Recommended to Implement Environment Conservation Plan

(Samachar, 16th October 2012)

The Central Empowered Committee (CEC) appointed by the Supreme Court has recommended the formation of a Special Purpose Vehicle (SPV) to implement the Environment Conservation Plan (ECP) in the three mining districts of Bellary, Chitradurga and Tumkur.

The project with a term of 30 years and a total cost of Rs 30000 crore has been undertaken as unsustainable and illegal mining have been causing damage to environment, agriculture and livelihood in the mining zone.

It has also suggested ways to mobilize funds for SPVs through different shares of sale proceeds of existing stock of Category A, B and C leases and this amount shall be used exclusively for undertaking socio-economic and infrastructure development, afforestation, soil and biodiversity conservation. CEC has also recommended cancellation of mines involved in illegal mining and reserving them to state owned PSUs through a transparent process.

[http://www.thehindu.com/news/states/karnataka/spv-recommended-to-implement-environment-conservation-](http://www.thehindu.com/news/states/karnataka/spv-recommended-to-implement-environment-conservation-plan/article4001597.ece)

[plan/article4001597.ece](http://www.thehindu.com/news/states/karnataka/spv-recommended-to-implement-environment-conservation-plan/article4001597.ece) (Date accessed 17.10.2012)

CASTEISM

Casteism in Education

(Subhash Gatade, *Kafila*, 15th October, 2012)

Bhalchandra Mungekar, ex-vice chancellor of Bombay University and ex-member of the Planning Commission submitted his report on the caste discrimination at Vardhman Medical College, Delhi. He has demanded that legal action under the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989 be taken against the faculty members and officials. The story in the national daily *Mail Today* titled 'Caste Aside: AIIMS Junks Report Nailing Discrimination at Institute' in May 2012 points out how the 'institute has decided to junk a report, which had recommended action against several officials including a former director'. The I.I.T's are also not an exception with reserve quota seats remaining under-utilized for students as well as teachers.

The UGC formulated and enforced a new set of regulations called UGC (Prevention of Caste-Based discrimination/Harassment Victimization and Promotion of Equality in Higher Educational Institutions) Regulations 2012. Rules have been formulated to identify both overt and covert acts of casteism and it is mandatory to appoint anti-discriminatory officer from amongst staff, establish grievance redress committee etc. However, the task of purging caste based discrimination in educational institutions remains a difficult one.

<http://kafila.org/2012/10/15/drona-charyas-all-2/>

(Date accessed on: 15th October, 2012)

(Harpreet Kaur)

GENDER

The terrifying world of child brides

(Snejana Farberov, *Daily Mail*, 12 October 2012)



"In an effort to start a global conversation about the devastating effects of early marriages, which are currently practised in more than 50 developing countries, the United Nations designated October 11 as International Day of the Girl Child this year." Though child marriage is against law in many countries, and international treaties forbid it, **it is estimated that around 51 million girls below 18 years of age are married.** In Afghanistan, around 57 per cent of girls are believed to be wed before the legal age of 16. The reasons for these weddings are myriad, which include following of age-old customs to economic factors such as offering daughters to settle debts. Apart from denying them education and childhood life, they are vulnerable to domestic violence as well as abuse of various kinds - verbal, physical and sexual. Early marriage can lead to pregnancy death as most of these girls are expected to get pregnant right away. According to statistics revealed by the Pulitzer Center on Crisis Reporting, **pregnancy death for child brides is double that of women in the 20s.** The writer feels that "unless international organizations take steps to reverse the troubling trend, it is estimated that over the next decade, 100

million more girls—or about 25,000 girls a day—will marry before they turn 18."

<http://www.dailymail.co.uk/news/article-2216553/International-Day-Girl-Child-2012-Devastating-images-terrifying-world-child-brides.html>

(Date Accessed: 17-10-2012)

(Amrutha Jose)

Nothing Consensual About Rape

(Amit Baruah, *Dawn*, October 15th, 2012)



-Photo by Eefa Khalid/Dawn.com

The article talks of the reality of Haryana beyond Millennium City where the law of the land is in conflict with the law of the khaps. It talks of the recent incidents of rape in the state, and how the political class, instead of cracking down hard on the culprits, and exhibiting zero tolerance for such crimes is in denial and refusing to recognise the real issues. The khaps and the dominant society reflect a mindset where they want to regulate people's lives. **The political class is wary of "tinkering with the fabric of conservative societies", but in doing so, they fail to recognise that "there is nothing consensual about rape."**

<http://dawn.com/2012/10/15/nothing-consensual-about-rape/>

(Date accessed on 17.10.2012)

(Junty Sharma Pathak)

Women Friendly Policies, Please

(*Al AHRAM, 11-17 October, 2012*)

A report titled “**Women in Business: Policies to support Women’s Entrepreneurship Development** in the MENA Region” released by the Organisation for Economic Cooperation and Development (OECD) shows **that only 27 per cent of women in the Middle East and North African (MENA) region join the labour force, compared to 51 per cent in other low, middle and high-income economies, while only 11 per cent are self-employed against 22 per cent of men.** The report suggests that “governments, the private sector and business associations should implement policies to encourage women’s entrepreneurship and higher involvement in the labour force”. **According to the report, only one in 10 self-employed women is an employer with their share being higher in the informal sector. Their share in the private sector is also very low at 20% compared with 28 per cent in the public sector.** The report suggests improving policy design and implementation by ensuring the following: allocating enough resources, enhancing coordination of women’s entrepreneurship policies across ministries, easing access to finance, providing entrepreneurial financial training etc.

(<http://weekly.ahram.org.eg/2012/1118/ec3.htm%20>)

(Date accessed 17.10.2012)

(Naina Bhardwaj)

SOCIAL JUSTICE

The Purposes of ‘tradition’

(*Surinder S. Jodhka, Indian Express, 15 October, 2012*)

The author argues that while the idea and processes of ‘modernity’ have been conceptually contested and critiqued, the idea of tradition has not been interrogated. He further argues that the “problem with this approach...is that it blocks us from engaging with questions of power and politics of personal relations and the contemporary dynamics of institutions like caste, kinship and family”. He illustrates this by pointing to how economic development induced education for girls in villages enhanced their personal capacities. Women increasingly exercised agency, thus challenging the authority of patriarchy, which was sought to be reasserted through *khap panchayats*.

(<http://www.indianexpress.com/news/the-purposes-of--tradition-/1016714/0>)

(Date accessed on 15.10.2012).

(Pushparaj. V. Deshpande).

REGIONALISM

Punjab’s Drug Problem:

The Cross-Border

Connections

(*The Tribune, Chandigarh, 16th Oct, 2012*)

The rising use of drugs by youngsters in Punjab is linked to the growth of smuggling and illegal cross-border drug trade with Pakistan and Afghanistan. International community also has raised concerns about the

increasing production of opium in the tribal areas in Pakistan, Afghanistan, Myanmar and some other countries. Over 90 per cent of the world’s poppy crop is cultivated in Afghanistan. Myanmar is second in opium production, but it is the Afghan opium which has been the primary ingredient for heroin and other kinds of narcotics. The world community needs to find out an effective solution to this rising problem.

(<http://www.tribuneindia.com/2012/1016/edit.htm#2>)

(Accessed on: 16th Oct, 2012)

(Harpreet Kaur)

DISABLED

Lower the Barriers

(*The Hindu, 13 October 2012*)

The writer discusses the draft bill on the rights of persons with disabilities, which seeks to replace the 1995 law and establish harmony with the 2007 United Nations Convention on the Rights of Persons with Disabilities which was ratified by India. He praises the bill for increasing the proportion of reservation in government jobs from 3 per cent to 5 per cent as this will accommodate greater number of disabilities. The author suggests that the law should reflect the current policy wherein government departments can make additions, but not deletions, from a pre-determined catalogue of jobs. Similarly, the rotation system should be modified so that vacancies do not lapse just because a candidate with a particular disability is not available. While such initiatives in employment can greatly improve lives of the disabled, quality education and universal access too are major determinants.

(<http://www.thehindu.com/opinion/editorial/lower-the-barriers/article3992120.ece>)

(Date accessed: 13-10-2012)

(Amrutha Jose)

INDIA IN THE WORLD

India Australia Relations

(The Pioneer, October 15, 2012)

The article highlights the upcoming visit by the Australian PM, which is likely to boost ties between the two countries. It is speculated that if the visit goes well, then civil-nuclear cooperation ties between Australia and India are likely to begin, with Australia agreeing to sell Uranium to India. The article states that a part of the reason for the upliftment of the ban is India's stellar non-proliferation record. The visit is likely to help bilateral ties between the two countries, which have been lukewarm in spite of a shared colonial history. It is also important for both countries to develop good relations to keep an aggressive China at bay.

<http://www.dailypioneer.com/columnists/item/52643-uranium-and-more.html>

(Date accessed on: 16.10.2012)
(Ranjana Adhikari)

Russia Assures India It Won't Sell Arms To Pakistan

(Correspondent, Dawn, October 15th, 2012)

Ahead of his visit Russian President Vladimir Putin's office issued a clarification assuring India "it will not sell any arms to Pakistan." The Russian Deputy Prime Minister while co-chairing India-Russia Inter-governmental Commission with his Indian counterpart said, "We are always cooperating with India to ensure safety of the region. We never created trouble for India in the region as compared to other countries. If

someone says otherwise, spit in his face." "We don't do military business with your enemies. We don't transfer any arms to them." He also provided better clarity "on several high-level engagements with Pakistan in recent times, which has led to talk about a reset in Russia-Pakistan ties."

<http://dawn.com/2012/10/16/russia-assures-india-it-wont-sell-arms-to-pakistan/>

(Date accessed on 16.10.2012)
(Junty Sharma Pathak)

SOUTH ASIA

Tactical Nuclear Weapons: Pakistan Playing A Dangerous Game

(Gurmeet Kanwal, The Tribune, Chandigarh)

The Pakistan Army's efforts to arm the 60-km Hatf-9 (Nasr) short-range ballistic missile (SRBM) with nuclear warheads will adversely impact deterrence stability on the Indian subcontinent.

The Nasr missile was first tested in April 2011 and then again in May 2012 and is reported to be a replica of the Chinese M-20. India has opted not to go down the tactical nuclear weapons (TNW) route, but Pakistan has chosen to acquire these dangerous weapons.

According to Pakistani analysts, "the Htf-9 (Nasr) missile is their answer to India's Cold Start doctrine as the use of TNWs will stop India's armoured spearheads from advancing into Pakistan."

The international community must come together to stop Pakistan's dangerous quest to acquire these destabilising weapons.

<http://www.tribuneindia.com/2012/20121016/edit.htm#4>

(Harpreet Kaur)

Pakistan Keen To Strengthen Relations With Bahrain

(The Nation, October 17, 2012)

A meeting was held between the Pakistan PM, Raja Pervez Ashraf and the King of Bahrain, Hamad bin Isa Al Khalifa on the sidelines of the Asian Cooperation Development Summit in order to strengthen relations between them. Reports say that in the meeting, the King of Bahrain said that the two countries enjoy close, cordial and friendly relations based on mutual trust and understanding. While economic and trade opportunities have been increasing between the two countries, there is scope for improvements by availing of opportunities. Long overdue bilateral meetings and speedy conclusion of the free trade agreements should also be expedited.

<http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/17-Oct-2012/pakistan-keen-to-strengthen-relations-with-bahrain-pm>

(Date accessed on: 17.10.2012)
(Ranjana Adhikari)

Taliban Attack on Girls' Education in Pakistan: Karzai's Asks Pakistan for Joint Action

(The Nation, October 16, 2012)

Against the backdrop of "the merciless shooting on Malala Yousafzai", Afghan President Hamid Karzai has written to top

Pakistani political and religious officials saying that the Governments of Afghanistan and Pakistan should adopt a common approach for protecting the future of these children, and urging coordinated action by the two countries against terrorist elements that use violent means to deny education to girls.

Separately, the Afghan Foreign Ministry spokesman vehemently condemned Imran Khan's dangerous and ill-informed comment "calling the insurgency in Afghanistan 'jihad'".

<http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/editorials/16-October-2012/karzai-s-call-for-action>
(Ranjana Adhikari)

EAST ASIA

China: The Renminbi Challenge

(Barry Eichengreen, Livemint, 15 October 2012)

The article discusses China's step-by-step progress towards internationalising its currency (renminbi) and the challenges to be addressed while transforming renminbi into an international rival to the dollar. China's measures towards this goal range from letting Chinese companies use renminbi in cross-border trade settlements to signing of currency swap agreements with other countries as a step towards making the renminbi a reserve currency.

China's success will depend on building more liquid financial markets, how it navigates the transition to a more open capital account and how it handles its growth slowdown.

But the important question is whether China's political system will be an obstacle to renminbi's internationalization.

For the last two centuries, the leading international currencies have been those of countries with democratic political systems, where arbitrary official action is constrained. China is itself witnessing changes with the deliberations of the NPC becoming more substantive.

Chinese policy makers are being forced by internet based movements to have better standards for labour and environment.

China will have to create a more transparent rules-based bureaucracy in order to achieve its monetary goals.

<http://www.livemint.com/Opinion/RIBfYMaDThTyFd0IOYp9IK/Th-e-renminbi-challenge.html>
(Date Accessed: 16-10-2012)
(Amrutha Jose)

MIDDLE-EAST

Iran's Economic Crisis

(Stephen Royle, The Foreign Policy Centre)

The current Iranian crisis has been building for some time due to a combination of restrictive economic sanctions, inefficient economic policies, reliance upon oil money and the addition of non transparent actors. The humanitarian conditions are worsening due to international sanctions and caution should be adopted in regards to tightening the noose. Three events after the 1979 revolution have particular significance to Iran's financial sector: nationalisation, Islamisation and privatisation. Ignoring the demands of free market supply, demand and inflation (maintenance of low interest charges in the face of high inflation for example) has resulted in structural irregularities within the banking system. Attempts by the Iranian Central Bank to increase charge rates to control

inflation were thwarted and by October 2012, Iran's rial lost approximately 40% of its value against the US dollar.

<http://fpc.org.uk/fsblob/1488.pdf>
(Date accessed: 17.10.2012)
(Varun Kumar Reddy)

Sanctions Target Iran

(Al Jazeera, 15 October 2012)

For the EU and US, Iran's nuclear programme has been a matter of immense concern and uneasiness countered with continuous foreign and trade sanctions.

EU foreign ministers recently agreed on a fresh round of sanctions targeting EU transactions with Iran's banks, shipping and gas imports.

It has threatened to intensify pressure unless successful negotiations are carried out. "An EU asset freeze and travel ban will be imposed on 34 additional entities, particularly in the oil, gas and financial sectors."

The US has welcomed this move as part of international efforts towards isolating the Iranian government. The Iranian leaders initially impervious to the pressure are now gradually acknowledging the adverse impact of the sanctions on their country's economy which may have an influence on their nuclear policy.

<http://www.aljazeera.com/news/europe/2012/10/20121015165922892373.html>
(Date accessed: 16 October 2012)
(Anjora Sarengi)

Tentative Jihad: Syria's Fundamentalist Opposition

*(International Crisis Group,
October 12, 2012)*

The article explains the political aspect of Salafism in Syria and its impact.

The gamut of issues that have caused this problem are the internal dissensions in Syria of sectarianism and violence and other international problems. "The opposition has a responsibility: to curb their influence, stem the slide toward ever-more radical and confessional discourse and halt brutal tactics." "The issue, in other words, is not so much whether to arm them – and, if so, with what – but rather to rationalise and coordinate the support provided to the opposition in order to make more likely the emergence of a more coherent, structured, representative and thus effective interlocutor in what, sooner or later, must be a negotiated outcome."

<http://www.crisisgroup.org/en/regions/middle-east-north-africa/egypt-syria-lebanon/syria/131-tentative-jihad-syrias-fundamentalist-opposition.aspx>

(Date accessed on: 17.10.12)
(Ranjana Adhikari)

AFRICA

Why Is Africa Poor?

*(Greg Mills, The Cato Institute, 6
December, 2010)*

It has been over fifty years since most countries in Sub Saharan Africa have gained independence but development has remained an issue which has been grossly overlooked and mismanaged leading to stagnation of the economies. The blame game continues among most of the

leaders on who is responsible for the lack of development. The responsibility is often externalised. However, it is the leaders themselves who are responsible for the dismal state of the countries' economy. It is essential for the African countries to follow the Asian example and liberalize their economies and embrace globalization to ensure steady growth. This would make the countries' investment environment much more accessible to domestic and foreign investors. **It is essentially the political elite which benefits from the status quo, preventing reform.** The spread of democracy, though erratic will ensure that the leaders become accountable for their actions enabling a change which is the need of the hour. People and ideas must be given priority by African governments rather than narrow political interests only.

<http://www.scribd.com/fullscreen/44608986>

(Date accessed: 17 October 2012)
(Naina Bhardwaj)

Why African Leaders Fail

*(Opinion, Daily Nation, October
15th, 2012)*

For the third time consecutively the prestigious "Ibrahim Prize for Achievement in African Leadership" recognising "those African leaders who excelled in good governance during their tenures, especially if they relinquished power voluntarily" will *not* have a winner.

Good governance in Africa is infrequent because "some leaders believe their survival is synonymous with that of their countries." In certain parameters, Kenya comparatively performed reasonably well but fared very poorly on infrastructure development, personal safety, accountability, and "sustainable economic opportunity".

It is suggested that that the "foundation should consider the

gap between the rich and poor. If a leader does not deliberately attempt to bridge that gap, then anything else he or she does is a failure."

<http://www.nation.co.ke/oped/Editorial/Why+African+leaders+fail/-/440804/1533956/-/13mes67z/-/index.html>

(Date accessed on 16.10.2012)
(Janty Sharma Pathak)

Assessing Turkey's Role In Somalia

*(International Crisis Group,
October 8, 2012)*

Turkey has played a key role in Somalia in 2011, by their decision to open an embassy and establish lasting peace. Turkey also played a major role during the famine in Somalia, by giving timely relief, which was viewed with gratitude by Somalia. "But Somalis' dream of a quick and comprehensive recovery has created great expectations in the regions that are not receiving Turkish assistance, particularly because of their highly visible activities in Mogadishu. The article says that if continued support in terms of aid and relief efforts are not given by Ankara to Somalia, it will strain relations between the two countries. The article also highlights the political, social, medical and financial assistance that Turkey is expected to deliver to help stabilise and develop the war-ravaged country.

<http://www.crisisgroup.org/en/regions/africa/horn-of-africa/somalia/b092-assessing-turkeys-role-in-somalia.aspx>

(Date accessed on: 18.10.2012)
(Ranjana Adhikari)

Tokyo Offers Its Water Distribution Technology To Africa

(Hiroko Nakata, The Japan Times, Oct. 13, 2012)

Many African countries like Burkina Faso and Mauritiano, lack water purification facilities. In Mauritiano, where two third of the geographical area consists of the Sahara Desert, it is too costly to get water to capital or to purify the low-quality groundwater. The Tokyo Metropolitan Government has set up a subsidiary company to export its technological know-how to such countries. Tokyo has 11 water purification plants using advanced technology, to supply tap water to 13 million people. Also, “Tokyo’s rate of nonrevenue water — water that is lost, stolen or slips by meters unmeasured and therefore earns no money — is one of the world's lowest, at 4 percent of the total supply, compared with a range of 10 to 40 percent in most countries”. Sharing of technological know-how can have a positive impact on the world, where nearly 800 million people do not have access to safe drinking water.

<http://www.japantimes.co.jp/text/mn20121013fl.html>

(Date accessed on 16.10.12)

(Karishma Mutreja)

Paramilitarism And The Assault On Democracy In Haiti

(By Jeb Sprague)

In '*Paramilitarism and the Assault on Democracy in Haiti*', Jeb Sprague gives an account of the paramilitary insurgency that contributed to the internationally-sanctioned overthrow of Haiti's constitutional government in 2004. He studies the dangerous world of right-wing paramilitarism in Haiti and its role in undermining the democratic aspirations of the Haitian people. In this book Sprague tries to understand how connections between paramilitaries and their elite financial and political backers, in Haiti, United States and the Dominican Republic gave rise to political and paramilitary machinations of the new global capitalist order, that have led to the subversion of democratic ambitions of the Haitian people. The book draws information from years of interviews, investigative reporting, and analysis of classified U.S. government documents.

<http://monthlyreview.org/press/books/pb3003/>

(Date accessed on 16.10.12)

(Simi Sunny)