

Raghuram Rajan declared as 'Governor of the Year'

Reserve Bank of India (RBI) Governor Raghuram Rajan was felicitated with the Central Banker of the Year Award (Global and Asia Pacific) for 2016 by *The Banker*, the Financial Times Group's monthly publication. He was named as the "governor of the year" and applauded for "his deep understanding of the root causes of economic problems of the country combined with an impressive leadership style." The British magazine *Central Banking*, said, "Mr. Rajan's disciplined and focused approach in leading the Reserve Bank during his first year as Governor was remarkably impressive."

"Although there is still much to do, his decisive policy actions based on robust analysis and deep understanding of the underlying causes has contributed significantly to changing perceptions about the strength of the Indian economy," Central Banking Editor Christopher Jeffery said in a statement issued from London.

It further noted Mr. Rajan, who was the chief economist of IMF and a well-known economist and author's forthright observations about some of the less welcome developments in the global economic, financial and monetary system also represent an important voice for change.

"His insights combined with his strong leadership skills make Mr. Rajan an inspirational figure in the central banking community," Mr. Jeffery said, adding Mr. Rajan has enjoyed a trail-blazing first year as RBI governor. "RBI's focus on taming inflation - India is set to hit its 6 per cent target in 2016 - was key to this performance and reinforced foreign investors' confidence in India's currency and rupee-denominated assets," the magazine said.

Here are some other awards conferred upon the RBI Governor:

1. In January last year, British magazine *Central Banking*, named Rajan as the 'Governor of the Year'. The magazine said: "Rajan's disciplined and focused approach in leading the Reserve Bank during his first year as governor was remarkably impressive." The award was presented in March, 2015, in London.
2. In October, 2014, Rajan was conferred with the Best Central Bank Governor award for 2014 by *Euromoney* magazine. According to the magazine, Rajan's tough monetary medicine mitigated the storm ravaging the deficit-ridden economy in the recent emerging market crisis.
3. In September, 2013, Rajan was awarded the Fifth Deutsche Bank Prize for Financial Economics 2013. He was conferred with the award in recognition of his research work which influenced financial and macro-economic policies around the world.
4. Rajan's book *How Hidden Cracks Still Threaten the World Economy* won the *Financial Times* Business Book of the Year award in 2010.
5. Raghuram Rajan won the Fischer Black Prize in 2003. The prize, established in 2002, honours individual financial research. It is awarded for a body of work that exemplifies developing original research that is relevant to finance practice.

Raghuram Govind Rajan is currently serving as the 23rd Governor of the Reserve Bank of India, the central bank of India. He was chief economist at the International Monetary Fund from 2003 to 2007, the youngest to occupy the position. He was a professor of finance at the University of Chicago Booth School of Business from 1991 to 2013, when he went on public service leave. At the Federal Reserve annual Jackson Hole conference in 2005, Rajan warned about the growing risks in the financial system and proposed policies that would reduce such risks. Former U.S. Treasury Secretary Lawrence Summers called the warnings "misguided" and Rajan himself a "luddite". However, following the 2008 economic crisis, Rajan's views came to be seen as prescient and he was extensively interviewed for the Oscar winning documentary *Inside Job* (2010).

Jammu and Kashmir Chief Minister Mufti Mohammad Sayeed dead

Chief Minister of Jammu and Kashmir Mufti Mohammad Sayeed passed away of multiple organ failure in New Delhi after nearly a week-long hospitalisation. He was 79. Under treatment at the hospital since December 24, Mr. Sayeed, was detected with sepsis, decreased blood counts and pneumonia and his condition took a turn for the worse.

Mr. Sayeed, a two-time chief minister, started his second tenure on March 1st, 2015 in alliance with the BJP, after having led the State government between 2002-05 previously. He was the founder of the Jammu and Kashmir People's Democratic Party (JKPDP) that he founded in 1999 to persuade "the Indian government into an unconditional dialogue with the Kashmiri people."

In a long career in politics, Mr. Sayeed was a Congressman till 1987. He was Minister for Tourism in the Rajiv Gandhi government in 1986, after which he joined former Prime Minister V P Singh's National Front government as Home Minister. His short stint there (1989-90) was marred by the kidnapping by Kashmiri militants of his daughter Rubaiyya Sayeed.

Mr. Sayeed's other daughter Mehbooba Mufti is considered his political heir, and through his illness there has been talk of her succeeding as Chief Minister.

Here is a look at the veteran politician's career that spanned nearly six decades:

Stepping into politics

Sayeed joined the Democratic National Conference of G M Sadiq in the late 1950s. Sadiq, recognising the potential of the young lawyer, appointed him as the District Convenor of the party.

Into the Assembly

In 1962, Sayeed was elected to the state assembly from Bijbehara, the seat which he retained five years later. He was appointed a Deputy Minister by Sadiq, who by then had become Chief Minister.

Joining Congress

He fell out with the DNC a few years later and joined the Indian National Congress, a decision that raised eyebrows at that time given the unstinted support of most Kashmiris to Sheikh Mohammad Abdullah, who was in jail.

Cabinet Minister

In 1972, he became a Cabinet Minister and also Congress party's leader in the Legislative Council. He was made the state Congress president a couple of years later.

Stint as Tourism Minister

In 1986, he was appointed as the Union Minister for Tourism and Civil Aviation by Prime Minister Rajiv Gandhi.

Home Minister under V.P. Singh's reign

He quit as tourism minister in 1987, left the Congress and co-founded Jan Morcha with V.P. Singh. In 1989, he won the Lok Sabha election from Muzaffarnagar in Uttar Pradesh as a Janata Dal candidate and became the Union Home Minister in Prime Minister V.P. Singh's cabinet. Sayeed was the first Muslim Home Minister.

Daughter's kidnapping

Sayeed's stint in the Home Ministry, at a time when militancy had begun to rear its ugly head in his home state, would, however, be most remembered for the kidnapping of his third daughter Rubaiya by JKLF. The militants demanded freeing five of their comrades in exchange for Rubaiya's freedom and let her off only after their demand had been met.

Founding of PDP

In 1998, Mufti Mohammad Sayeed won the Anantnag / Islamabad Lok Sabha seat, but soon resigned from both his position and the Congress party to launch a regional party Peoples Democratic Party in the state. PDP participated in 2002 assembly election and went on to form a coalition government with Indian National Congress. In 2002, Mufti Mohammad Sayeed was sworn in as the Chief Minister of Jammu and Kashmir for a term of three years.

Second stint as CM

Sayeed became the unanimous choice for Chief Minister when PDP and BJP reached an agreement to form a coalition government and took oath on March 1, 2015.

World Bank released World Development Report 2016: Digital Dividends

The World Bank released its annual World Development Report (WDR), this year entitled *Digital Dividends*. As suggested in the title, and in line with the mandate of the World Bank, it focuses on the impact of the Internet, along with mobile phones and other information and communication technologies (ICTs), on economic development.

The WDR 2016 is a comprehensive and detailed report that aims to answer two fundamental questions: why should we focus on promoting digital technologies, and how to achieve the digital dividends. Those of us already lucky enough to use the Internet in our working lives may intrinsically understand its economic benefits, while others feel an urgency to not fall further behind in reaping those benefits. The report serves to provide a framework for this understanding that helps assess why digital dividends are not being realised, and what can be done about it.

Broadly speaking, the digital dividends identified in the report are growth for businesses, jobs for people, and better services delivered by governments; digital technologies realise these dividends by promoting innovation, efficiency and inclusion. In order to help reap these dividends, the report focuses on what it calls 'analog complements' - regulations that enable competition and innovation, skills that enable people to realise their opportunities, and institutions that ensure that governments are responsive. A lack of these analog complements explains why, even where there is access to digital technologies including Internet, the benefits may fall short and be unevenly distributed within society.

From a global perspective, the Sustainable Development Goals (SDGs) recently approved by the UN contain an explicit goal to target universal and affordable Internet access in developing countries, along with a number of other goals where Internet access can be critical, such as universal health coverage. The WDR can help to provide a bridge to ensure that increasing Internet access helps to achieve these broader objectives.

In its annual World Development Report (WDR) the Bank appeared to strike a balance between outlining the positive outcomes from a deepening digital economy in countries such as India, and the fact that automation of jobs was in some cases leading to inequalities in the labour market between high-skill and low-skill workers. The 2016 WDR noted that almost 1.063 billion Indians were offline even though India ranked among the top five nations in terms of the total number of Internet users, along with China, the U.S., Japan and Brazil.

Commenting on the report's findings that 40 per cent of the world's population is connected by the Internet, Kaushik Basu, Chief Economist for the World Bank, said, "While these achievements are to be celebrated, this is also occasion to be mindful that we do not create a new underclass. With nearly 20 percent of the world's population unable to read and write, the spread of digital technologies alone is unlikely to spell the end of the global knowledge divide."

The report also cautioned that with the advent of big data, which includes the likes of India's Aadhaar unique identity project, "secret snooping by governments can be for legitimate law enforcement reasons, but sometimes violates laws and rights, as the Edward Snowden revelations about spying by the security agencies of the United States, the United Kingdom, and others have shown."

In fact, the Bank found that a large proportion of Indians believed that their online information was entirely private. The WDR noted, "57 percent of Indians believe private information on the Internet is very secure, but only 18 percent of French and 16 per cent of German respondents do."

Yet, there were numerous examples worldwide of success stories where the power of the Internet had been leveraged to improve, for example, the delivery of public services. These cases notwithstanding, the delivery of services through the Internet ultimately depends on the regulation of the service sector itself, the Bank argued, and India, along with Ethiopia and Zimbabwe, has “the greatest restrictions on service trade.”

Overall, it was possible for digital technologies to be transformational, but for that to happen the analogue complements are necessary, the report’s authors said.

Among the conditions that may apply to the Indian case is the need to have an appropriate business environment, which shapes how firms adopt and use technology.

In this context, the World Bank said, “A poor business climate and vested interests often hold back digital adoption. Among online firms, the economics of the Internet may enable natural monopolies to exploit their dominant position, hurting consumers and suppliers.”

The WDR both increases attention to the importance of Internet access and usage for development, while also providing a detailed roadmap for helping to realise these benefits. Digital technologies have spread rapidly in much of the world. Digital dividends—that is, the broader development benefits from using these technologies—have lagged behind. With 60 per cent of the world’s population still offline, institutional and regulatory barriers to efficiency are exacerbating the problem of low and unevenly distributed “digital dividends” from growing Internet penetration across countries. In many instances, digital technologies have boosted growth, expanded opportunities, and improved service delivery. Yet their aggregate impact has fallen short and is unevenly distributed. For digital technologies to benefit everyone everywhere requires closing the remaining digital divide, especially in internet access. But greater digital adoption will not be enough. To get the most out of the digital revolution, countries also need to work on the “analog complements”—by strengthening regulations that ensure competition among businesses, by adapting workers’ skills to the demands of the new economy, and by ensuring that institutions are accountable.