

Newspaper Clips

September 11, 2010

Economic Times Kolkata 10.09.10 p-5

E-GOVERNANCE DEALS

Ohio may not spoil US firms' fortune in India's IT drive

Harsimran Julka & Debjoy Sengupta
NEW DELHI/KOLKATA

WHILE Indian IT service providers are just readying to tap the US government contracts, their American peers are having rich pickings from India's booming e-governance spends.

For instance, IBM, which has landed major contracts such as Bharti Airtel's total outsourcing IT deal, is also a significant player in the government projects. It is one of the vendors in the ₹2,000-crore Tax Net project being implemented by the Central Board of Direct Taxes, while its US rival Accenture has landed one of the contracts in the prestigious Unique ID (UID) project.

IBM, along with Hewlett Packard, is also competing with home-grown Indian service providers such as Tata Consultancy Services, Wipro, Infosys Technologies for another ₹2,000-crore contract, which is part of the UID project.

Microsoft is involved with the Citizen Service Centre project, while Intel is involved with the WiMAX programme.

Even smaller jobs like LIC's ₹50-crore CRM project has been awarded to IBM.

An interesting fact is that most strategic planning work for e-governance in India is done by US consulting firms, though HCL, Wipro, Infosys and TCS all have consulting arms. "US IT companies get almost

80% of the consulting assignments. Any e-governance contract we execute, the first two questions asked are that how will you secure the data and how will you ensure that strategic control rests with the government. But almost all consulting work is awarded to US firms, which create a security issue and which is almost always structured in a manner to benefit them profitably in the long run," said an e-governance business head of a tier-I IT company.

While Ernst & Young is a consultant in the Unique ID programme, PwC advises the central government on the nation's e-governance programmes. Accenture has devised the strategy of India's department of posts programme. "We even invite US companies to participate and look forward to them," said a top e-governance official at the ministry of IT and communication.

IBM is one of the vendors in the ₹2,000-crore Income Tax Network project being implemented by the Central Board of Direct Taxes, while its US rival Accenture has landed one of the Rs 200-crore biometric solutions contracts in the UID project.

"Over 50% of the budget in e-governance projects goes towards US IT companies, even if we (Indian IT company) win an e-governance contract," said an official involved in e-governance tendering and contracts. "That's because most product companies like HP, Intel, AMD, Microsoft, EMC, Cisco and Red Hat are US based," he pointed out.

The US government IT market, on the other hand, offers a \$77-billion un-

tapped potential. Still, none of the Indian IT companies feel that US firms should be disallowed from participating. "Nobody likes a closed market. Markets have to open. Only then we can do business. We must not do anything like this because the Government of India is entitled to best services. Only by keeping our markets open can we force other markets to be open," said TV Mohandas Pai, director — HR at Infosys Technologies.

A top e-governance official at the ministry of IT and communication, who overlooks the \$6-billion NeGP IT spending, called the Ohio ban a discriminatory decision. "We even invite US companies to participate and look forward to them. On the other hand, they have taken a drastic measure."

Regarding a possible ban of US IT companies from participating in critical e-governance tenders, he said the ministry of commerce has the rights to decide if they want to take it as a reciprocal measure. "The IT ministry cannot take a policy decision on it," he said.

Analysts also claim that the Ohio ban is a loss of potential business opportunity

for Indian IT providers in the long term as state governments in the US take a protectionist stance. "Smaller IT offshoring companies would find it more challenging as they will now have to work onshore, which might become a survival issue," said Arup Roy, research analyst at Gartner.

Commenting on the ban, Nasscom also felt that the US states should reciprocate. "The issue here is that when India doesn't discriminate between American and Indian firms when doling out billion-dollar e-governance contracts, the US should also reciprocate. This is about services, but state governments in India do not discriminate too when procuring products like IT hardware between Indian or American firms," a Nasscom spokeswoman had told ET earlier.

"The volume of outsourcing business done by the US-based companies in India is far less than the total business being done by Indian companies in the US. A counter-ban could in fact have negative effects on the Indian IT companies only, who depend heavily on clients in the US," said Kumar Parakala, head of IT advisory at KPMG.

But international trade experts believe that India cannot technically take up the issue under WTO rules because the Ohio ban is against all foreign offshore providers, and not against a single nation.

MindTree, which is headquartered in New Jersey, also feels that India should not react. "To be honest, the cost of this has to be decided on business sense. This is political gimmickry. At the end of the day, if you look at the last job creation data in the US, the government jobs have gone down and they should be addressing that. The US reacting to this situation does not make sense," said Krishnakumar Natarajan, CEO and MD, MindTree.

(With inputs from Srividya Iyer)

SHORE TO SHORE

IBM is one of the vendors in CBDT's ₹2,000-crore Tax Net project while Accenture has landed a contract in the prestigious UID project

IITs to offer medical courses

Up To 10% Of Faculty & 25% of Students Can Be Non-Indian

Our Political Bureau
NEW DELHI

IITs will now be able to offer medical education, permanent faculty positions to foreign nationals and admit foreign students at the post-graduate level. These decisions were taken at a meeting of the IIT Council headed by human resource development minister Kapil Sibal on Friday. The Institute of Technologies Act will have to be amended to enable IITs to offer medical courses.

The health ministry has been opposed to the idea of IITs setting up their own medical schools. It asked that the engineering schools start courses on health information technology, biomedical engineering and e-health rather than running a hospital or starting MBBS courses. At present, only IIT Kharagpur has expressed an interest in setting up a full fledged medical school. IIT Kharagpur has argued that there are no hospitals or medical colleges in the area and that it would actually be addressing a need.

The IIT Council has worked out a compromise. The proposed amendments will deal with IITs' medical venture in two distinct ways. For courses of instruction that lead to a degree that allows for the practice of medicine, clearance will have to be sought from the Medical Council of India or its successor body. However, for medical courses that do not lead to a degree in the practice of medicine and are more as part of interdisciplinary research, no approval will be required from the medical education regulator.

"We are making sure that wherever the instruction leads to a degree relating to any branch of medicine, then of course clearances from MCI under the Act will have to be taken," Mr Sibal said. The IIT Council would like to ensure

greater interdisciplinary research and collaboration among IITs and with other institutions. For this exercise, it has been decided to set up a permanent standing committee under R A Mashelkar, former head of Council for Scientific and Industrial Research. To enable IITs to undertake collaborations with institutions in other parts of the world, the Council was expanded to include, the chairman of the Scientific Advisory Council to the Prime Minister, the president of the Indian National Science Academy, and president of the Indian National Academy of Engineering.

The Council decided that IITs would set up centres for policy studies to serve as an advisory forum for policy formulation and conduct research in strategic areas.

The IITs which have been raising the issue of faculty crunch will now be able to recruit faculty from abroad. The council has decided to allow IITs to recruit foreign nationals, with a maximum limit of 10% of permanent faculty. "In principle, we agreed that IITs are entitled to recruiting foreign faculty members", Mr Sibal said adding they will set up a mechanism with the home ministry to ensure there is no 'hiccup in the process and there is easy exit and entry of people' as faculties. The minister said he did not expect this to be a simple process, as issues like amendments to the Indian Citizenship Act would also be required. IITs have argued that foreign faculty would expose students to globally distinguished professors besides lending a true international flavour in campuses and reducing brain drain.

Mr Sibal said that the Council also agreed in principle to admit up to 25% foreign students at the post graduate level on a "supernumerary basis without affecting the present admission norms for Indian students".

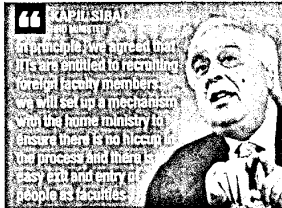


NEW SEATS

For courses that enable practice of medicine, clearance will have to be sought from the Medical Council of India. But for courses that do not lead to a degree in the practice of medicine and are more as part of interdisciplinary research, no such approval will be required

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The health ministry has suggested engineering schools start courses on health information technology, biomedical engineering and e-health rather than running a hospital or starting MBBS courses



"We are making sure that wherever the instruction leads to a degree relating to any branch of medicine, then of course clearances from MCI under the Act will have to be taken," Mr Sibal said.

Panel to decide future of IIT-JEE

Our Political Bureau
NEW DELHI

THE IITs stand a divided house over the admission process. While all 15 IITs want to reduce students' burden of multiple examinations and give due importance to the class XII examinations, not all are willing to sacrifice the IIT-JEE (joint entrance examination). The task of finding an acceptable alternative has now been entrusted to yet another committee.

The IIT Council meeting held on Friday witnessed sharp differences of opinion. Seven of the 15 IITs have objected to recommendation by the Damodar Acharya Committee, which suggested students be admitted on the basis of the class XII board examinations and a national aptitude test. The dissenting IITs have said that while they are in agreement with the aim, giving up the IIT-JEE would mean giving up their special identity. The Damodar Acharya Committee was set up in March to streamline and rationalise the admission process. The decision on the future of the IIT-JEE has now been handed over to yet another committee.

The Council decided to set up a committee under the chairmanship of T Ramaswami, secretary department of science and technology. It will assess the examination and admission system for engineering programmes. The committee will submit its report in three months. It will

address the demand by some of the institutes like IIT (Madras), IIT (Kanpur) and IIT (Gandhinagar) for retaining the IIT-JEE as an add-on test in the entrance exam process.

It will also take into consideration the objections raised by state education boards to giving weightage to class XII marks. The state boards have argued that each of them has its own standard of examination and way of evaluation, and a uniform national weightage to the class XII results is likely to prove detrimental to their students.

At the council meeting, Mr Ramaswami suggested that performance of each state board should be looked at individually and not on a national uniform scale. He suggested students in the top percentile in each board could be considered to be eligible for admission to IITs. This, he argued, would address the question of difference in standards and evaluation system between boards.

Over the past decade several attempts have been made to reform the IIT admission system. The IITs and the human resource development ministry both agree that the class XII school leaving examination needs to be given greater importance in the admission process. There is agreement on the need to reduce the importance of coaching schools in the admission process. This would require a change in the examination process.

E-cigarettes violate drug rules: FDA

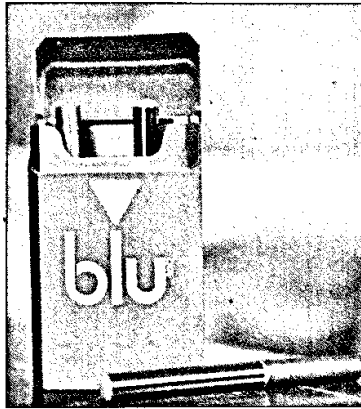
Molly Peterson
BLOOMBERG

ELECTRONIC cigarettes sold in the U.S. are being marketed illegally as smoking-cessation aids, the Food and Drug Administration said.

E-cigarettes and related products sold by five closely held companies require approval as drugs or medical devices because they're promoted to help smokers stop or reduce use of regular cigarettes, the FDA said in warning letters posted today on the agency's website. To sell the products, companies must conduct animal and human studies and apply for FDA clearance, the agency said in a separate letter to the Electronic Cigarette Association, a Washington-based industry group.

E-cigarettes are metallic tubes filled with a vaporized liquid nicotine mixture. While the devices mimic the look and feel of traditional cigarettes, they don't contain tobacco or produce smoke. The FDA in February won a temporary delay of a U.S. judge's ruling that the agency lacks authority to regulate the products as drugs or medical devices and must allow them to be imported. The case is scheduled for a Sept. 23 hearing.

"Although these products are frequently marketed to help consumers quit smoking, the FDA has not evaluated them for safety or effectiveness," Michael Levy, director of the agency's Divi-



sion of New Drugs and Labeling Compliance, said today on a conference call.

Five Companies

The warning letters were sent to Gamucci America, a unit of Smokey Bayou Inc. in Jacksonville, Florida; E-Cig Technology Inc. in Las Vegas; Ruyan America Inc. in Minneapolis; Johnson Creek Enterprises LLC in Johnson Creek, Wis-

consin; and E-CigaretteDirect LLC in Parker, Colorado. The companies have 15 days to respond.

The FDA will evaluate those responses before deciding whether the products should be taken off the market, Levy said.

Ruyan America hasn't imported or sold any products containing nicotine since May 2009, the company's president, Bill Bartkowski, said today in a telephone interview.

"There seem to be references in the letter to a variety of things that are a little bit dated and no longer accurate," Bartkowski said. "We hope to address that in our response to the FDA."

E-Cig Technology, Johnson Creek and E-CigaretteDirect didn't immediately respond to e-mails sent through contact procedures on their websites. Smokey Bayou didn't immediately respond to a voicemail message left at a listed phone number. The FDA should hold e-cigarettes to the same standards for safety and effectiveness as other drugs, including nicotine replacement therapies, said Matthew Myers, president of the nonprofit Campaign for Tobacco-Free Kids, in Washington.

"Electronic cigarettes should be regulated to protect public health before they are permitted to be sold to consumers," Myers said today in an e-mail. Smoking-cessation products approved by the FDA include prescription nasal sprays and over-the-counter gums, patches and lozenges.

Economic Times,
ND 11-Sep-10 P-5
IN A NUTSHELL

Mahindra Satyam removes freeze on hiring

NEW DELHI: Nearly 20 months after a freeze on hiring in the wake of founder chairman B Ramalinga Raju's Rs 14,000 crore accounting fraud, Satyam Computers -- now known as Mahindra Satyam -- is visiting IT campuses around the country to recruit 3,000 fresh graduates. This is first time that Mahindra Satyam, the new brand entity of Satyam, will visit campuses to hire talent after the Satyam Computer scam erupted in January, 2009. The company had to freeze campus hiring after Raju's accounting fraud left it on the brink of collapse. "We are going to recruit close to 3,000 entry-level associates and at the same, we will look at hiring across various technologies and competencies. We will visit campuses and begin the process from the next month," Mahindra Satyam Head of Recruitment M V Sridhar said here. At present, the company employs about 30,000 people. In April, 2009, Mahindra Group's IT arm, Tech Mahindra acquired a majority stake in Satyam and rebranded it as Mahindra Satyam. "With the brand Mahindra Satyam winning back clients and getting repeat business from existing clients, we think this is the right time to visit the campuses and hire talents," Sridhar said. Working with renewed vigour under trying circumstances, Mahindra Satyam has secured nearly 35 new clients over the last 20 months since the Satyam scam broke out in January, 2009. The company had also secured an extension of contracts with existing clients such as GE and GlaxoSmithKline. It has also worked on projects including the Fifa World Cup. Mahindra Satyam was the 2010 FIFA World Cup official IT services provider.—PTI

Times of India Lucknow
10.09.10 p-7

IITs, IIMs get in-house shrinks to beat stress

Bangalore: If getting into any of these premier institutes is difficult, coping with the pressure once inside is even more difficult.

A realization that students in a premier institute wake up to once they walk into the campus. Amid the most hectic and tough academic schedules and with the pressure to perform, they realize that stress is their worst enemy. Be it at the 100-year-old IISc or IIT in Mumbai/Chennai or the IIM-B, stress has become a raging campus epidemic. Almost all the institutes have counsellors on campus, both student counsellors and professionals. The latter are approached only when the internal centre cannot handle the case.

Dr Nalini Dwarakanath, psychologist and social counsellor at IISc, told TOI that she counselled many students every month. There are months when there are hardly any cases and times when there are many, she said. Though counselling days are twice a week, if needed, she goes to the campus on other days as well.

In IIT Madras, there is a guidance and counselling unit — a student counsellor is available from 9am to 5pm and a psychiatrist available at the IIT Hospital. IIT Mumbai has an on-campus hospital and on its rolls are part-time psychologists and psychiatrists.

At least one doctor is on campus every day. IIM-B has a 15-member student body called Mitr and a parent body called Vishwas that consists of professional counsellors.

The problems faced by the students range from feelings of loneliness and depression to stress caused by increasing academic demands. TNN

Times of India Ahmedabad 10.09.10 p-7

IIT professors to teach MSU students

TIMES NEWS NETWORK

Vadodara: Students in electrical engineering department of M S University (MSU) will get a chance to be trained by professors from IIT Mumbai in their own campus. The department in faculty of technology and engineering (FTE) has been selected by Powai Labs based inside IIT Mumbai campus to set-up Centre for Enhancement of Technical Competence and Manpower in micro electronics. MSU has got a grant of Rs 1.5 crore for infrastructural development.

This centre will be a training hub where professors from IIT will deliver lectures and will conduct sessions for undergraduate and post graduate students from electrical engineering department. "I was trying hard to get approval to set-up this centre for last two years. This time, in January, I had sent a proposal giving details of our departmental activities. I was informed two days back that our department was selected to start such a centre," head of electrical engineering department A S Kanitkar said.

Western region that had submitted proposals to Powai Labs out of which MSU is one of the selected few that will be funded to start the centre. The project will be funded by government of India's department of science and technology.

Times of India ND 11/09/2010 p-1

IITs to offer MBBS, have foreign faculty, students,

TIMES NEWS NETWORK

New Delhi: Acceding to the long-standing demand by many IITs and recommendations by various committees, the IIT Council on Friday gave its consent to the institutes to start courses in medicine.

But the IITs have to follow a slew of procedures before they can start – to begin with, they will have to seek approval of the Medical Council of India. The HRD ministry will also have to amend the Institutes of Technology Act to allow them to offer medicine.

In another major decision, of the total faculty strength in an IIT, up to 10% of the teaching staff can be foreign nationals. The move comes in the wake of IITs facing a severe faculty crunch. The

Branching Off

► Before offering the course, IITs will have to seek **MCI approval**; HRD ministry will have to **amend Institutes of Technology Act**

► IITs can now undertake **inter-disciplinary research** in medicine, bio-engineering, biotechnology and related subjects

► Of the total faculty strength in an IIT, up to **10% of teaching staff** can now be **foreign nationals**

Council also decided to allow 25% foreign students on a supernumerary basis in post-graduate courses.

► IITs can undertake med research, P 17

IITs can undertake medical research

New Delhi: With the IIT Council giving its consent to the institutes to start courses in medicine, IITs can now undertake inter-disciplinary research in the field of medicine, bio-engineering, biotechnology and related subjects. The approval comes even as health ministry has not favoured IITs starting medical courses, suggesting instead that they consider starting PhD programmes, involving collaboration between engineering and medical science.

The council's nod to hiring foreign faculty will also require policy-level changes. Though there are 4,267 vacancies of which only 2,983 have been filled, security clearance is required ahead of hiring of a foreign national at a salary that is on a par with his Indian counterpart. "We will set up a mechanism the with home ministry so that the process can be done without any hiccups," HRD minister Kapil Sibal said.

Interestingly, the ministry's proposal for Innovation Universities says foreign nationals will be hired as faculty for which the Citizenship Act needs to be amended.

Lack of consensus on reforms in the JEE — proposed by the Damodar Acharya committee — led the IIT Council to set up another panel, under T Ramasami, secretary, science and technology, that will submit its report in three months.

On JEE was no consensus on an alternate model for the present system. Though there was agreement that class XII results should be given weightage, the Damodar Acharya panel report, which has suggested normalization of class XII results, did not find enough support. Directors of seven IITs felt that the existing system of test should continue as an add-on examination along with the marks in class XII and aptitude test. TNN

Times of India ND 11/09/2010 p-17

IIM-A class of 2010 to admit¹⁷ highest no. of foreign students¹⁷

Parth Shastri | TNN

Ahmedabad: The golden jubilee year has been special for IIM-Ahmedabad. The institute is gearing up to accommodate the highest number of foreign students under its student exchange programmes the next year.

According to sources in IIM-A, India's global image as an emerging economy has helped foreign students queue up for the famed institute. According to IIM-A authorities, for the trimester — September to December (2010) — 65 students have come under exchange programme from premier European and North American business schools. "Next year for the trimester commencing from January 2011, we are expecting more students for various courses," said AK Laha, faculty co-ordinator at IIM-A.

The number has been ris-

ing constantly: According to sources in IIM-A, India's global image as an emerging economy has helped foreign students queue up for the famed institute

ing constantly: According to officials, the number was 57 in 2008-09 and 69 in 2009-10. In these two years, IIM-A sent 96 students to foreign institutes each year. Most of the students coming from foreign countries join PGPM, institute's flagship programme, whereas there is a growing demand for PGPX and double specialization courses. India has become a hot destination world-wide for management graduates. Apart from being one of the biggest growing economies, it is India's re-

source pool of professionals with English that puts foreign nationals at ease.

Atanu Ghosh, dean, alumni and external relationships, told TOI there was a substantial interest among foreign business schools to partner with IIM-A. "It is the experience of studying at a top institution in India, networking with potential top managers of India and the continuing growth of India as an economic power is attracting more students from Europe and North America," he said. Tanu Singh, a student and spokesperson for the students exchange at IIM-A, said it was a win-win situation for both the parties. "Our students get to interact with students from other countries and understand their culture. It is an excellent platform to interact with students across the globe, share ideas with them," she said.

CORNER OFFICE **BOBBY MITRA**, PRESIDENT, TI INDIA'S INSTRUMENTS

Texas 'Instrumental' in getting tech MNCs here

The late Murasoli Maran had once reportedly said that if the M G Ramachandran regime in 1985 had been more accommodating towards Texas Instruments (TI), then Chennai, and not Bangalore, would have emerged as the Silicon Valley of India. Maybe it was just a frivolous dig at a political rival, but the fact is that the US semiconductor company's decision to set up an R&D centre in Bangalore that year brought global attention to the city's technology capabilities. And the rest, as they say, is history. Last month, the \$10-billion TI completed 25 years in Bangalore. One man who has been a witness to the evolution of TI India is its president and managing director, Bobby Mitra. He was recruited by TI from IIT-Kharagpur in late 1985 when he was in the final year of his B.Tech in electronics in IIT-Kharagpur, and has remained with TI India ever since, barring five years when he worked in the US headquarters. One would imagine that after a 25-year stint with one company, his enthusiasm would flag. But Mitra shows no such signs. He is currently also the chairman of the India Semiconductor Association (ISA) and is on a passionate drive to include, for the first time, electronic product manufacturers in the ISA in order to collectively create electronic systems that are more efficient and useful to the industry, and to all of us in our everyday lives. In a two-hour discussion

with Sujit John and Mini Joseph Tejaswi, Mitra spoke of TI India's 25 years and more.

Tell us how you were recruited by TI?

I saw this small ad in a newspaper that TI was entering India and was looking for people. I must have been about 21 years then. In the IIT labs, we used TI chips in all our experiments involving circuits, and there was this big fat yellow data book, providing details of all the chips of TI. We never thought we could get inside the company. And when I saw that ad, it was like the yellow data book coming to life. About 26 of us were selected from around the country and were sent to the US and UK for training on chip design technology. I was sent to the UK.

Why did TI choose India to set up an R&D centre?

It was clearly about access to talent. Indians had been doing well globally. And the quality of universities in India — be it the IITs or the Indian Institute of Science — was well recognized by TI. But it was also a big bet that TI was taking.

Why Bangalore?

One reason was the science and engineering institutions. We also wanted to collaborate with public sector units, which were the important companies of the time. The depth of public sector companies in Bangalore was great. They were building electronic systems. We worked very closely with them and many of them have over time launched very sophisticated and innovative systems.

Do you think TI's decision encouraged others to come to India?

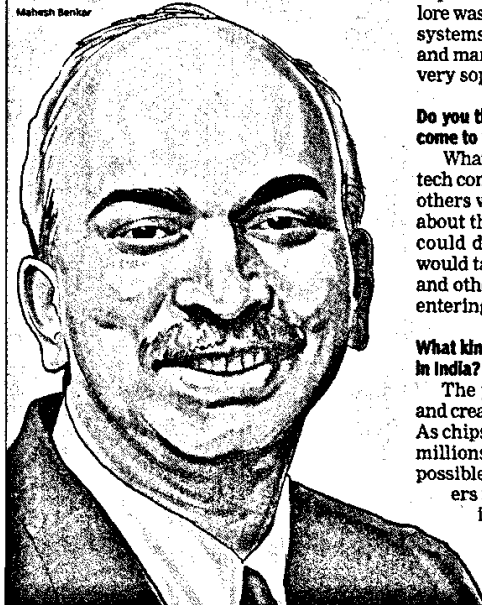
What I can say is that being the first MNC tech company to come here, we shared with others what works here and what does not, about the level of complexity of work they could do in India and how much time it would take to do things. Cadence, Motorola and others came within a few years of our entering India.

What kind of work did you originally intend to do in India?

The plan was to do design automation and create software to automate chip design. As chips became complex with hundreds of millions of transistors in them, it was impossible to handcraft the design. So designers needed automation tools. But within two years, we moved on to chip design itself.

► 'Bangalore Is TI's largest R&D centre outside US', P 25

Mahesh Benkar



Times of India ND 11/09/2010 p-24

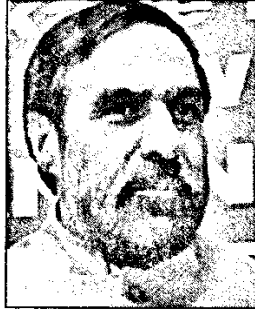
'Ohio ban on outsourcing regressive'

Bangalore: India has conveyed its "serious concern" to the US over Ohio's ban on offshore outsourcing of government business and a hike in US visa fees for professionals, commerce and industry minister Anand Sharma said here on Friday.

"We have expressed our serious concern to the US through a communication," he said, adding that the measures on outsourcing and the increase in fees for H-1B and L-1 visa were "regressive".

Talking to reporters after the award ceremony of the Engineering Export Promotion Council here, Sharma said India is examining whether there is any violation of the WTO agreement on services.

"Every country has its own WTO commitments, we



India is examining whether there is any violation of the WTO agreement, says Sharma

will have to examine if there is violation of Mode 3 and Mode 4 (clauses relating to free flow of services across borders)," he said.

Sharma, who would be chairing the Trade Policy Fo-

rum (TPF) in Washington on September 21 along with US Trade Representative Ron Kirk, said, "We have already flagged this to the US... We intend to place it on the table for discussion. I hope they will reflect and we will be able to find a meaningful solution."

He said in a globalised world, policymakers and decisionmakers must take a global view. Sharma's comments come a day after US President Barack Obama hit out at US companies outsourcing their work to offshore locations. agencies

Ohio Governor Ted Strickland has banned offshore outsourcing by government departments. Earlier, the US increased professional visa fees significantly to fund its \$600-million programme to secure its border with Mexico. p11

'Weak case for India in WTO'

New Delhi: As India has kept out of the multilateral agreement on public procurement, it may find it tough to contest in the WTO the US state of Ohio's ban on offshore outsourcing by government departments, experts said.

The Agreement on Government Procurement (GPA) is the only legally binding agreement in the WTO setting fair rules for public purchases. In operation since January, 1996, the GPA is a plurilateral treaty that includes only some members of the World Trade Organisation (WTO) and India remained out of it. India became an 'observer' member of the GPA in February this year. p11

Obama bashes outsourcing again

Press Trust of India
 ■ letters@hindustantimes.com

WASHINGTON: Stepping up his campaign against outsourcing, US President Barack Obama on Friday asserted his administration will offer tax benefits only to firms that create jobs in the country, a move that may hit Indian IT firms in a big way.

"We believe on tax breaks for firms that create jobs in the US. So we are beginning to do that," Obama said. His remarks came on the heels of Ohio's ban on

**(We believe in tax breaks
 for those firms that
 create jobs in the US.
 BARACK OBAMA)**

outsourcing, a development that has raised concerns in India.

All firms that would innovate in the US would get tax breaks, Obama said. Though the US economy is growing again, progress is "painfully slow", he said, insisting that his strate-

gy for recovery was moving the country in the right direction.

Obama said the US, which lost 8 million jobs during the recession, must stay competitive with Asian nations. He also said that before he became President, four million people lost their jobs. The number rose to eight million during recession.

Obama's increasing pitch against outsourcing came amid indications that the issue could become a hot topic in the run-up to the November Congressional polls.

O-NEGATIVE FOR INDIAN IT INDUSTRY

Every time US president Barack Obama repeats his opposition to offshoring work — never mind the uproar in India against US protectionism — he gets a bonus round of applause. The political pressures in the US against outsourcing could mean tough times for India's technology companies. » P25

Hindustan Times ND
11/09/2010 P-1

IIT DIRECTORS, SIBAL SPAR OVER ENTRANCE EXAM

IIT EXAM REFORM

Charu Sudan Kasturi

■ charu.kasturi@hindustantimes.com

NEW DELHI: Directors of seven Indian Institutes of Technology (IIT) on Friday opposed a proposal to scrap the IIT Joint Entrance Examination, stalling for now human resource development minister Kapil Sibal's suggestion for a single aptitude test replacing multiple examinations for admissions into undergraduate schools across the country.

The plan aims to reduce the influence of coaching classes and at reducing the number of entrance tests students need to take.

Unable to arrive at a consensus over examination reforms, the IIT Council — the highest decision-making body of the institutes — set up a panel to evolve a reform blueprint acceptable to both the institutes and the government.

CONTINUED ON PAGE 17

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A panel set up by the HRD ministry had suggested in addition to the aptitude test, institutions like the IITs be allowed to conduct their own add-on test. The ministry is unwilling to accept the add-on test.

The council chaired by Sibal also accepted a proposal — first reported by *HT* on September 2 — allowing foreign faculty to teach at the IITs holding permanent posts. The IITs can also create extra seats for foreign students in postgraduate courses up to 25 per cent of their student strength.

The HRD ministry had earlier sought to amend the Institutes of Technology Act to allow IITs to teach medicine and inter-disciplinary programmes involving medicine. But the health and law ministries had opposed it. On Friday, the council once again proposed the Act be amended to incorporate medicine as a stream at the IITs.

O-negative for Indian IT industry

OBAMA, OHIO, OUTSOURCING
Political pressures in the US spell tough times for India's technology companies

Yashwant Raj
■ yraj@hindustantimes.com

WASHINGTON: The voice at the other end says he is Mark. But he isn't. And if an increasing number of US politicians can have their way, Mark's job would actually revert to the real Mark somewhere in America. Every time President Barack Obama repeats his opposition to offshoring work, he gets a bonus

round of applause with a few "yeahs" thrown in. It's an act he plays from the heart, the same way each time, never mind the uproar in India against US protectionism.

Actually, it's not an act at all. A tax concession on US companies' earnings abroad stands withdrawn and he has not shown a change of mind or heart on the issue yet.

"For years, our tax code has given billions of dollars in tax breaks that encourage companies to create jobs and profits in other countries," Obama said on Wednesday. "I want to change that."

Sharing the stage was Ohio governor Ted Strickland, who only a month ago banned offshoring of projects funded by government money.

If there are hopes of either gentleman changing his mind, here is what Strickland's office told *Hindustan Times*, on Wednesday: "The governor's executive order (issued in 2008) made it very clear that Ohio's policy has been — and must continue to be — that public funds should not be spent on services provided offshore."

But one company violated that order. The gov-

A HARD LOOK AT SOFTWARE POWER

There is plenty of steam left in India's darling forex-earning sector despite the huge size it has built up over the years

■ Workers at IBM's IT centre in Bangalore



\$64 billion
Value of India's IT exports in 2009-10

61 per cent
Share of Indian export revenue coming from the US

51 per cent
Estimated Indian share in global offshore IT services market

2.3 million
Number of people directly employed in Indian IT/IT-enabled services

900
The number of multinationals that have their own captive IT/IT-enabled service units in India, employing about 400,000 people.

WHAT DRIVES THEM TO INDIA

■ Low costs and matching quality of service, with as much as 70 per cent cost savings compared to locations in developed countries

WHY US GOVERNMENT PROJECTS MAY BE IMPORTANT

■ Business from governments is a fast-growing segment for IT companies

■ Governments across the world are expected to spend close to \$175 billion on IT.

■ The IT budget of US federal government is around \$36 billion.

IS THIS THE END OF OFFSHORING AND OUTSOURCING IN IT?

■ Not really. While political obstacles may rise, India continues to provide key cost advantages and increased competencies.

■ Consulting firm McKinsey estimates that of the approximately \$1.45-\$1.47 value derived from a dollar spent offshore, US firms receive \$1.12-\$1.14 — which means foreign firms receive only a smaller portion of the savings

HT GRAPHIC; TEXT: VIVEK SINHA SOURCE: NASSCOM



ernor's office said the official responsible for policing the violation had been fired and the governor had redoubled his commitment to make sure public funds are not sent offshore at the cost of Ohio or US workers if they can do the job.

Both Obama and Strickland are Democrats whose supporters come from the section of people worst hit by offshored jobs. "They cannot afford to look soft on the issue," said a political observer.

Unemployment is around 9.6 per cent countrywide and around 10 per cent in Ohio. They cannot be seen to be sending jobs abroad.

Republicans, with the traditional backing of the big businesses, stand in contrast.

■ CONTINUED ON PAGE 27

■ US STOPS BPO TRAINING IN SRI LANKA: PAGE 27

For years, our tax code has given billions in tax breaks that encourage firms to create jobs and profits in other countries. I want to change that.

BARACK OBAMA, US President

What offshoring? India is actually creating jobs in US

Vivek Sinha and Salil Mehtaad
■ vivek@hindustantimes.com

NEW DELHI/BANGALORE: The US state of Ohio has strictly enforced a ban on government projects from being serviced out of offshore locations.

Does that matter? If Ohio is unwelcoming, there are Oklahoma, Minnesota, Florida and other provinces peppered across the US that can continue to fuel growth in India's software service companies, say industry executives.

As worried IT firms went back to the drawing boards to redraft their growth strategies, experts said it could well make greater economic sense to set up technology parks in smaller cities within the US.

This would ensure that work is not "off-shored," or moved to a foreign location — something that

hurts American jobs — and also make them eligible for US government projects.

An anti-outsourcing campaign is gathering political steam ahead of US Senate elections in November.

"In the best case an IT company can save close to around 40 to 45 per cent costs through offshoring. But if they set up campuses in smaller cities in the US, they could still enjoy tax breaks, qualify for government projects and create job opportunities locally," Avinash Vashistha, CEO of offshore service advisory firm Tholons, told *HT*.

In the final analysis this would help offset costs — economic as well as political, Vashistha said.

In fact, Indian firms could be creating jobs in the US. Experts expect Indian IT firms to ramp up their capacities there in the coming years.

HCL Technologies, which currently works with numerous state and local government agencies in the US, said its projects are managed and staffed almost exclusively through local service delivery centres located Raleigh, North Carolina and New Jersey.

"HCL has been increasingly creating domestic delivery capabilities in the US," the company said.

Many of HCL Tech's peers have also executed similar strategies. Wipro has invested in expanding presence there through partnerships with States like Georgia where it has built a development centre.

Tata Consultancy Services, the country's largest software exporter, and Number Two player Infosys also have service centres in the US. Infosys has a consulting unit that employs dozens of consultants.

Hindustan Times ND P-4
11/09/2010

Time to change the Indian education system

It has been more than a century since India adopted the British education system. Yet, the Indian education system has not changed much since that time to meet the fast changing needs and requirements of the country. Though IITs and IIMs have exceptional students and teachers, situation is very bleak in other institutions. India must have more quality centres of education to make its mark on the world stage.

To bridge this gap Academic Aims International (AAI) is providing a one stop solution for all your international education needs. The core activity lies in assisting students to make the right choice with regard to pursuing education

in overseas educational institutions. They are also helping the students for securing admission in the universities of their choice over the last decade. Now they have entered into a venture with the Bristol Business School and many other top class world universities to provide educational tours to the students. These tours will not be just a great experience for the students studying at different schools and colleges in India but it may act as eye opener to the different cultures and pattern of education in different countries. To end with, AAI has justified its existence by incorporating the International Education needs in India.

Overseas education made easy

An independent organisation working as international education consulting organisation, Raj Educational Services Pvt. Ltd. (RES), provides excellent value based services to both International institutes and aspiring students in India. RES came into existence in 1992 with a view to impart counselling to students and professionals seeking admissions in International Universities and Colleges. Since then RES has been representing various Australian Universities, Technical Colleges (TAFE), schools and private institutions.

RES is one of the leading international student recruitment solutions company in India. They assist international institutes in student recruitment, market research, and exploring new business opportunities. They have professional network of offices all across India with their head office in New Delhi. They have a strong network of referral consultants all over India. They provide professional



assistance and develop strategies for institutes to recruit students from these markets and build their brand and expand their market share.

RES provides complete information on study opportunities overseas to its clients and helps them through well trained and PIER certified counselors. The company has also ventured into online

business so as to broaden the prospects of our enterprise and to provide a better platform to reach out to bigger markets. We are focused on reaching a larger market backed by our professional expertise in assisting, recruiting larger student numbers.

RES is best known for its comprehensive support services. They offer open enroll-

ment sessions and on site seminars specifically tailored for students. To attract students from other part of India they conduct more focused conferences in collaboration with their partner Universities. RES is proud member of AAERI (The Association of Australian Education Representatives in India, which is supported by AEI .

HIRING MORE LOCALLY, BUT OUTSOURCING RHETORIC HAS A LIMIT, SAYS INFOSYS

SHIVANI SHINDE
Mumbai, 10 September

India's second largest information technology services provider, Infosys, believes businesses in the US, including the government, will continue to favour global sourcing. This despite the increase in anti-outsourcing voices and a ban on it by the Ohio state government.

Infosys, which recently set up a US subsidiary focused on public services, also said it was too early to talk of the Ohio ban on outsourcing impacting its business. However, it does feel that onsite efforts will go up.

"To cater to the public service, one requires a local subsidiary, which we have set up. But that does not mean offshoring will stop. The percentage of effort in onsite and offshore will be a function of business. The fact remains that global delivery has come to be mainstream for consulting and IT implementation," said B G Srinivas, VP and executive council member, Infosys.

In case of consulting and packaged implementation, Infosys mostly has around 30-35 per cent of people onsite, while business process outsourcing operates with almost



INFOSYS VICE-PRESIDENT AND EXECUTIVE COUNCIL MEMBER B G SRINIVAS SAID:
'The fact remains that global delivery has come to be mainstream for consulting and IT implementation'

95 per cent offshore.

Trends

"Private business houses and the government both favour global sourcing. Simply because they have seen the advantages in terms of scale, quality of talent and what India can offer. More important, it is also at the end of the day about the cost proposition, which they cannot ignore," said Srinivas.

He added that Western

multinational firms have leveraged India to be globally competitive. If that is the case, it hardly makes any sense to buck the trend. Infosys, which has about 12,000 people in the US, is also increasing its local hiring. Of this, about 1,300 are locals. "The composition of locals in the US centres for us will go up in the next three to four years. But the solution to this is to build a business model that embraces local hiring at both onsite and near-

shore locations," said Srinivas.

The company is also not ruling out training graduates in the US and make them capable of being software engineers. "Infosys has been doing this in India and we have made investment in our Mysore campus. Even India does not have enough engineers, but having a training facility makes us have eligible engineers," he added.

When asked if the anti-outsourcing sentiment in the US will impact its operations in Europe, Srinivas said this will have little to no impact, "European clients have always been more cautious. Besides, when the British Prime Minister had visited the Infosys campus recently, he did say that they will look at outsourcing and he will not overturn the process."

Increasing local hiring has been a focus in the European region, too. The company has 1,000 employees in the Czech Republic and Poland. "These are all local employees and expansion of the Europe centre will depend on how the business grows. We have hired local heads to lead the France and German units and will continue to get locals for the front office role," said Srinivas.

India to discuss visa row with US in trade meet

BS REPORTER
Bangalore, 10 September

The Indian government will discuss the issue of growing protectionist policies of the US government in the next bilateral trade meeting later this month. "We are going to meet US authorities later this month on the issue bilateral trade. We will raise issues like hike in visa fee, along with the ban on outsourcing, in the upcoming meeting with US government," commerce and industry minister Anand Sharma said here today.

Referring to the issue of the recent visa row, he said Indian IT professionals were going to various countries, including the US, as part of the WTO regulations that allows free movement of professionals up to a certain number.

"We need to examine that whether these regulations are followed in right spirit along with little restriction," the minister added.

Business Standard ND 11/09/2010 p-12

Obama steps up campaign against outsourcing

PRESS TRUST OF INDIA
Washington, 10 September

Stepping up his campaign against outsourcing, US President Barack Obama today asserted his administration would offer tax benefits only to those firms which create jobs in the country, a move that may hit Indian IT firms in a big way.

"We believe on tax breaks for those firms that create jobs in the US. So, we are beginning to do that," Obama said at a press conference.

His remarks came close on the heels of the Ohio state Governor passing an executive order to ban outsourcing, a development that has raised concerns in India, often described as the world's back office.

All firms that would innovate in the US would get tax breaks, he said.

Even though the US economy is growing again, progress has been "painfully slow", he said and insisted his strategy for the economic recovery was moving the country in the right direction.

He said America, which lost eight million jobs during the recession, needs to remain competitive with Asian nations. Obama said before he became the President, four million people lost their jobs, while the



US President Barack Obama gestures as he speaks during a nationally televised news conference in the East Room of the White House in Washington on Friday. PHOTO: REUTERS

number rose to eight million during the recession.

Obama's increasing pitch against outsourcing came amid indications that the issue could become a hot topic in the run-up to the November polls.

The Indian IT sector, which gets 60 per cent of its export revenue from the US, has come out strongly against US' moves to ban outsourcing.

New Delhi's concerns on

outsourcing and the steep hike in H-1B and L1 visa fees is expected to be raised during Obama's maiden visit to India in November.

This is the second time in a week that Obama has spoken about outsourcing.

Earlier on Wednesday, speaking in Cleveland, Ohio, Obama made it clear that he intends to push this course to propel companies to invest more in the US, thereby open-

ing fresh avenues for jobs.

"One of the keys to job creation is to encourage companies to invest more in the United States. But for years, our tax code has actually given billions of dollars in tax breaks encouraging companies to create jobs and profits in other countries," Obama said.

The president said he was determined to change that.

"I want to change that. Instead of tax loopholes that

incentivise investment in overseas jobs, I'm proposing a more generous, permanent extension of the tax credit that goes to companies for all the research and innovation they do right here in America," he said, with Ohio Governor Ted Strickland standing by his side.

With election due in November for 37 of the 100 seats in the United States Senate, and the opinion polls painting a grim picture for the Democrats, Obama had sought to project the tax issue as a key policy difference between his party and the Republicans.

"I think if we're going to give tax breaks to companies, they should go to companies that create jobs in America - not those that create jobs overseas. That's one difference between the Republican vision and the Democratic vision. And that's what this election is all about," Obama said.

Running behind in opinion polls, Strickland of Democratic party, who till now was going out of his way to woo Indian companies, last week passed an executive order that banned outsourcing, arguing that this undermines economic development and has unacceptable business consequences.

p-10

Business Standard ND 11/09/2010

An embarrassment of riches?

India may be poor but thanks to the World Bank and ADB, Indians are rich



WHERE MONEY TALKS

SUNANDA K DATTA-RAY

Bengalis with some money but little English use the English words "middle class" as a term of disparagement even in their Bengali speech. They dismiss a flat or a car as middle class if it's not grand enough to merit attention. The upper reaches of Delhi society are more subtle in expressing the same snobishness. A diplomatic wife recalls the ambassador's lady lifting her eyebrows in pained surprise and murmuring disapprovingly, "So bourgeois, my dear!" when she — a mere third secretary's wife then — said "Bon appetit" before a meal. My friend had the aplomb to retort, "But I am bourgeois!"

So she would be counted by any international reckoning. But given India's abysmal average income and the mysteries of Purchasing Power Parity, she is probably in the highest income bracket. Does that make for class? Her father was in the heaven-born serv-

ice, but upper class English youths at Oxford in his day had a rude name for ICS cadets who had achieved entry by merit and not birth. That was unforgivable. The "competition-wallah" was a figure of fun.

Applying a similar yardstick, V S Naipaul was surprised when I told him that Jawaharlal Nehru's father was an advocate. "Then why do they call Nehru an aristocrat?" Naipaul demanded. "He's middle class!" Naipaul hadn't reckoned with India's pragmatic materialism. Motilal Nehru was rich. Therefore, he was aristocratic.

But, then, who does comprise the middle class whose suffocating morality provoked Mr Doolittle's anguish in *Pygmalion*, but whose numerical supremacy over the rich and the poor Aristotle thought essential for stable democracy?

American sceptics argue that the Great American Middle Class is only another Great American Dream though Barack Obama on the stump accuses his Republican predecessor of doing his best to destroy this backbone of the Land of the Free. Too few Americans have tertiary qualifications, equity holdings and retirement savings, critics complain, to qualify as middle class. In fact, 43 per cent of Americans can't even muster \$10,000 to fall back on after retiring. They would starve in capitalism's highest temple without Social Security.

Our situation is even more complex as B P Mandal discovered when Karnataka Brahmins pleaded for OBC status. India religiously trots out 300 to 350 million consumers as the passport to world status. South Koreans flocked

here to make cars for this supposedly burgeoning middle class. George W Bush licked his chops at the thought of selling pizzas and washing machines to aspiring consumers. George Yeo, Singapore's foreign minister, cited them to recommend robust economic relations between the two countries.

I asked Yeo where he got the figure, and he replied in surprise, "From the Indians of course!" The irrepressible Mani Shankar Aiyar split the beans. Or was he just boasting? According to Mani, the 300-350 million figure popped out of the top of his head when a foreign journalist popped the question. It's been written in stone ever since. Now, the stone is in danger of being eroded.

For, like the Great American Dream, the much-vaunted Great Indian Middle Class may be no more than the Great Indian Mythic Class. But for totally different reasons. If Americans have not yet achieved middle class status, astonishing as it may seem, we have surpassed it. According to a new World Bank publication, *Equity in a Globalising World*, those who earn more than a daily \$10 in a developing country — which must include all readers of this column — are in the top 5 per cent. They are the elite. Toss that with PPP and hey presto! a daily \$10 becomes a monthly ₹5,176.8, a Delhi driver's wage.

The Asian Development Bank even more generously lavishes middle class status on anyone who earns between ₹1,000 and ₹2,000 a month. Anything more is wealth. India may be a poor country but thanks to the World Bank, ADB and PPP, Indians are rich, look-

SURYAKANT NIWATE



ing down on others as in Gilbert and Sullivan's *Iolanthe*. "Bow, bow, ye lower middle classes! Bow, bow, ye tradesmen, bow, ye masses."

Holding that the middle class outnumbers both rich and poor in the best democracies, Aristotle would have been dismayed. The world's oldest democracy is too poor, the largest too rich!

No one told him it's all a question of definition and strategic action. There's no writing on the wall if the wall is demolished. Abolish exams and nobody fails. Do away with the poverty line and the poor disappear. India is ready to take its place at the high table of the comity of nations.

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IITs TO OFFER MEDICAL COURSES, HAVE FOREIGN FACULTY, STUDENTS

Aptitude test instead of IIT-JEE being mullied

BS REPORTER
New Delhi, 10 September

The Indian Institutes of Technology (IITs) will now be able to offer courses in medicine and give degrees in the same, besides getting foreign nationals on permanent faculty positions and students from abroad at the post graduate level.

"We are making sure that wherever the instruction leads to a degree relating to any branch of medicine, then clearances from MCI under the Act will have to be taken. No MCI approval would be required where IITs engage with inter-disciplinary research for the advancement of learning and dissemination of knowledge not leading to a degree or qualification for the practice of medicine," said Minister for Human Resource Development Kapil Sibal here today, after chairing the meeting of the Council of IITs.

The council said areas of medicine involved a large number of engineering techniques and the IIT Act would have to be amended for the premier institutes to offer courses in medicine with MCI's approval. For this exercise, the council decided to set up a permanent standing



A file photo of IIT-Kanpur. The government has sought MCI approval for the medicine course

committee under R A Mashekar, former head of Council for Scientific and Industrial Research.

Also, in an attempt to reduce the multiplicity of entrance exams, class 12 marks along with an aptitude test would decide admissions into IITs and other engineering colleges. The minister said modalities were still being worked out to make changes in the admission process and no timeframe has been set for implementing new propos-

als.

The council also decided to enable IITs to recruit foreign teachers, who should not be more than 10 per cent of the total faculty strength besides proposing that foreign students may be allowed admission up to 20 per cent on a supernumerary basis in post-graduate programmes, without affecting the present admission norms for Indian students.

"In principle, we agreed that IITs are entitled to re-

cruit foreign faculty. They will set up a mechanism with the home ministry to ensure there is no hiccup in the process and there is easy exit and entry of people as faculties. The home ministry is revising the guidelines for foreign faculty. Some other issues like bringing amendments to the Indian Citizenship Act will also have to be looked into," Sibal said.

The council decided that norm-based funding may be considered to allow greater autonomy in financing decisions to the IITs and to put an end to the disputes arising out of the hiring process.

He added that centres for policy studies, which would serve as an advisory forum for policy formulation in strategic areas, would also be set up by IITs and each IIT could concentrate on a particular country. The council also decided to set up a cadre of technical staff within the IIT system for the benefit of academic staff and to ensure seamless teaching process. "The present norm of the finance ministry of having 1.1 technical staff for one academic staff is creating a lot of problem in getting adequate technical people. The proposed cadre will not be covered under this norm and once the papers are prepared, they would move the Cabinet for its approval," said Sibal.

Business Line ND 11/09/2010 P8

US economy could turn for the worse



PAUL KRUGMAN

▶ Like their Japanese counterparts, American policymakers initially responded to a burst bubble and a financial crisis with half-measures.

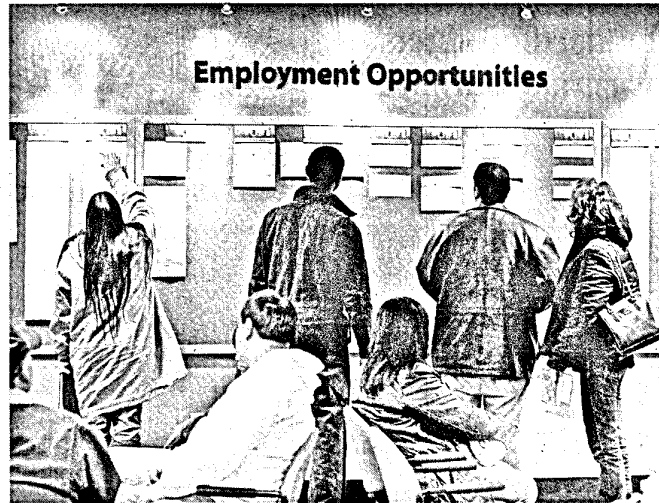
“Japan’s problems now are the same as they were in the 1990s, when you were writing about them. It’s depressing.” So declared one economist I spoke to here. “But the Japanese don’t seem all that depressed,” objected another. Both were right — and the conversation crystallised some thoughts I’ve been having about Japan’s situation, and ours.

A decade ago, Japan was a byword for failed economic policies: Years after its real estate bubble burst, it was still suffering from chronic deflation and slow growth. Then America had its own bubble, bust and crisis. And these days, Japan’s record doesn’t look that bad to an American eye.

Why not? For all its flaws, Japanese policy limited and contained the damage from a financial bust. And the question in America now is whether we’ll do the same — or whether we will take a hard right turn into economic disaster.

TOO LITTLE, TOO LATE

In the 1990s, Japan conducted a dress rehearsal for the crisis that struck much of the world in 2008.



Americans are frustrated with the state of the economy, but disappointment is better than disaster.

Runaway banks fuelled a bubble in land prices; when the bubble burst, these banks were severely weakened, as were the balance sheets of everyone who had borrowed in the belief that land prices would stay high. The result was protracted economic weakness.

And the policy response was too little, too late. The Bank of Japan cut interest rates and took other steps to pump up spending, but it was always behind the curve and persistent deflation took hold. The government propped up employment with public works programmes, but its efforts were never focused enough to start a self-sustaining recovery. Banks were kept afloat, but were slow to face up to bad debts and resume lending. The result of inadequate policy was an

economy that remains depressed to this day.

Yet the picture is grayish rather than pitch black. Japan’s economy may be depressed, but it’s not in a depression. The employment picture has been troubled, with a growing number of “freeters” living from temporary job to temporary job. But thanks to those government job-creation plans, the country isn’t suffering mass unemployment. Debt has risen, but despite constant warnings of imminent crisis — and even downgrades from rating agencies back in 2002 — the government is still able to borrow, long term, at an interest rate of only 1.1 per cent.

In short, Japan’s performance has been disappointing but not disastrous. And given the policy

agenda of America’s right, that’s a performance we may wish we’d managed to match.

Like their Japanese counterparts, American policymakers initially responded to a burst bubble and a financial crisis with half-measures. I’ve lamented that fact, but at this point it’s water under the bridge. The question is: What happens now?

Republican obstruction means that the best we can hope for in the near future are palliative measures — modest additional spending like the infrastructure programme President Barack Obama proposed this week, aid to state and local governments to help them avoid severe further cutbacks, aid to the unemployed to reduce hardship and maintain spending power.

Even with such measures, we’ll be lucky to do as well as Japan did at limiting the human and economic cost of the economy’s financial woes. But it’s by no means certain that we’ll do even that much. If the Republicans go beyond obstruction to actually setting policy — which they might if they win big in November — we’ll be on our way to economic performance that makes Japan look like the promised land.

DESTRUCTIVE IDEAS

It’s hard to overstate how destructive the economic ideas offered earlier this week by John Boehner, the House minority leader, would be if put into practice. Basically, he proposes two things: large tax cuts for the wealthy that would increase the budget deficit while doing little to support the economy, and sharp spending cuts that would depress the economy while doing little to improve budget prospects. Fewer jobs and bigger deficits — the perfect combination.

More broadly, if Republicans regain power, they will surely do what they did during the Bush years: They won’t seriously try to address the economy’s troubles; they’ll just use those troubles as an excuse to push the usual agenda, including Social Security privatisation. They’ll also surely try to repeal health reform, which would be another twofer, reducing economic security even as it increases long-term deficits.

So I find myself almost envying the Japanese. Yes, their performance has been disappointing. But things could have been worse. And the case Democrats now need to make — the case the president finally began to make in Cleveland this week — is that if Republicans regain power, things will indeed be worse. Americans, understandably, are disappointed over, frustrated with and angry about the state of the economy; but disappointment is better than disaster.

New York Times News Service

Business Line ND 11/09/2010 P10

Special purpose vehicle to boost hardware manufacturing mooted

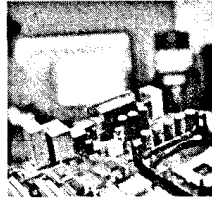
Semiconductor body working on the framework for initiative

Moumita Bakshi Chatterjee
New Delhi, Sept 10

India Semiconductor Association – an umbrella body of 140 electronic system design and manufacturing companies – has crafted a proposal for creation of an industry-Government Special Purpose Vehicle company that would galvanise investments in electronics sector and work towards transforming India into a manufacturing hub.

This assumes significance in the backdrop of the report by a 13-member taskforce last year, cautioning that India could be staring at a demand-supply gap of \$296 billion in electronics sector by 2020, unless it practically doubles the annual production growth rates to 31 per cent.

The precedence for such a joint venture between the Government and the industry already exists today in other sectors. In 2009, in a bid to promote foreign direct investment into the country, the



► *The proposed special purpose vehicle could act as a 'single point reference' for potential investors into the sector.*

Union Cabinet had cleared a proposal by the Department of Industrial Policy and Promotion for the formation of a company – 'Invest India'.

'Invest India' was established as a joint venture between the Government, FICCI and the State Governments.

RIGHT TIME

When contacted, Ms Poornima Shenoy, President of ISA, said, "The IT Department had requested the ISA to put together a note on the formation of a SPV to promote the Indian electronics industry...These are preliminary discussions

and no final decision has been taken yet. It is an appropriate time for Government to start increasing its focus on the electronics industry."

The ISA has said that the proposed SPV could act as a 'single point reference' for potential investors into the sector. It would work towards positioning India as a preferred investment destination and facilitate the development of electronics ecosystem including manufacturing clusters.

Such an SPV could function as the facilitator between Government and the industry, and

between the industry and investors, ISA has said. Besides attracting global investments to the electronics sector, it could provide impetus to SMEs and entrepreneurial start-ups and promote 'Brand India'.

The ISA has also mooted that the SPV company for electronics can be set up as a joint venture between the IT Department and the Council of Electronic Hardware Associations (of which the ISA is a member).

The ISA has said that proposed SPV could start off with funding support from the IT Department (for the initial few years) and move into a self sustaining model going forward.

PANEL RECOMMENDATIONS

It is pertinent to mention here that the IT and electronics taskforce, headed by the HCL Infosystems Chairman, Mr Ajai Chowdhry, in its report submitted to the Communica-

tions and IT Minister, last year, had suggested a slew of measures to boost electronics manufacturing in India. It observed that the increase in demand for electronics hardware, coupled with a low production growth rates, had resulted in a demand-supply gap in industry. While the demand for electronics stood at \$45 billion for FY09, domestic production stood at a mere \$20 billion.

The report had cautioned that the demand-supply gap could widen in the next ten years and touch \$296 billion by FY20, if the production continued to grow at the current rate of 16 per cent. Making a strong case for accelerating the pace of growth, the report had said that a growth rate of 31 per cent needs to be achieved between FY09-20, to push up the electronics production level to \$400 billion by the end of the target period.

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Business Line ND 11/09/2010 P10

Taiwan keen to tap Indian electronics, auto parts sectors

Plans to increase trade through better marketing

T.E. Raja Simhan
Chennai, Sept. 10

India is the next major market of focus for Taiwanese companies in the electronic, machinery and auto component sectors.

While the Taiwan Formosa Industrial Park in the SEZ at Sri City in Andhra Pradesh (ground breaking function for this was held on Thursday) is a major boost in this direction, a couple of Taiwanese companies are planning joint ventures in India, according to Ms Maggie Liu, Manager, Exhibition Department, Taiwan External Trade Development Council.

Ms Liu, who was part the Taiwanese delegation at the EMMA Expo India 2010 - the Best Sourcing Fair from Taiwan, said India's trade has been strong with Asian countries such as China, Vietnam, Indonesia and Malaysia but not with Taiwan.

"We want to change this. There is now a growing interest among Taiwanese companies to tap the large Indian domestic market right from electronic components to finished goods and machinery," she said.

BILATERAL TRADE

The bilateral trade between Taiwan and India was around \$6,700 million. This, Ms Liu said, was not even half of Taiwan's trade with Malaysia or Indonesia. "Despite having a strong presence in the electronics products, we are yet to



Bullish on India: An official of the Taiwan External Trade Development Council demonstrating the award winning 'all-in-one' personal computer at the EMMA Expo India 2010 show, in Chennai on Friday. — Bijoy Ghosh

penetrate the Indian market. This could be due to cultural issue as there are a large number of Indian origin people living in Malaysia or Indonesia or due to lack of marketing," she said.

This year's EMMA Expo with 180 exhibitors has been a 'great success.' The exhibitors are happy with the response from the type of visitors who were mostly 'serious trade officials than just

common people.' When compared to last year, the number of visitors this year grew by nearly 20 per cent to over 6,000 people. This was despite the fact that the exhibition was held in the mid week

than the usual week end, she said.

ON DISPLAY

The three-day expo, which concluded today at the Chennai Trade Centre, showcased 35 brands and 158 products including the first hand products that have won Taiwan Excellence awards. Some of the leading Taiwanese companies in the expo were ASUSTek, D-Link, China Motor Corporation and Lien Chief Machinery.

Among the products on display were the award winning Sunonwealth cooling fan, claimed to be the world's thinnest and can be used in miniature mechanisms. There was the all-in-one desktop router made by D-Link that combines the functions of a wireless Internet router for network-attached storage that also works as a print server, said Mr Ryan J.Y. Su, Image Enhancement Plan Promotion Section of the Council. "We are very happy with the response," he said.

Taiwan companies are technology leaders making nearly 75 per cent of the world's personal computers; about half of the world's flat panel displays and around 30 per cent of the world's semi-conductors. Innovative products such as electronic storybooks for children, digital readers, smart phones and 3D projects were at the expo, he said.

Business Line ND 11/09/2010 P10

I have the option of investing in Accelya, says Kale MD

INTERVIEW

Adith Charlie
Mumbai, Sept. 10

Twenty five years after Kale Consultants was started with a team of eight persons, the promoters have decided to divest their holding in the company for Rs 172 a share. While larger names such as NTT, Wipro, Verizon and Interglobe were reported to be interested in Kale, the divestment finally happened in favour of French back-office provider Accelya. (Both Accelya and Kale work for companies in the airline and travel industry).

In the process, the company's non-executive Chairman Mr Narendra Kale and the Chief Executive Officer Mr Vipul Jain have pocketed nearly Rs 90 crore. Though Mr Kale will vacate the Chairman post after the completion of transaction, Mr Jain will continue to spear-

head the company as the CEO and Managing Director.

Business Line spoke to Mr Jain to understand what went on behind the scenes and to gauge future plans for the company.

As a company, Kale had a reasonable track record in the last 25 years. What really prompted the promoters to offload their holding in the company at this point?

Over the last five years we had been in a growth phase as we were focused on implementing a new strategy focussed on the airline travel sector and platform-based back-office services. From a pure strategy perspective, we have grown the company to a certain level. And then the idea was to come up with something that will benefit shareholders, employees and customers. I must re-iterate here that I will continue to be the MD of the company from a long-term perspective.



► We spent some time thinking about the alliance with Accelya and that is how the two companies came together - Mr Vipul Jain, Chief Executive Officer and MD

Kale's name was being associated with several other players such as NTT, Wipro, Verizon, Interglobe...

It is amazing that some of these names have absolutely nothing to do with what we do. I would be really surprised if they had any interest in Kale. We are astounded with the amount of rumour and speculation that were doing the rounds. The so called 'conversations' with

Verizon, Wipro and NTT never happened. With Interglobe there have been some initial conversations...Once the round of speculation started I started getting calls from companies saying they wanted to talk to us. The conversation with Accelya happened thanks to a chance dinner meeting that I had with the company's CEO. We did not appoint a merchant-banker and then decide we have to go and sell out. We spent some time thinking about the alliance with Accelya and that is how the two companies came together. What's more, the deal allows me to keep my job which I love so much.

What is the roadmap for the two companies? Is a merger going to be a part of the strategy?

We have not thought it through yet. I do not expect anything on this count to happen either in the short or medium term.

Moreover, I have been given the option of investing into the Accelya Group which is something that will ensure long-term commitment and continuity.

How much stake would you be picking into the Accelya Group?

It is an option that I have. The stake will be in a personal capacity. We have not really talked about how much stake I will pick in the company, but it may be 'couple of percentages'.

Business Line ND

11/09/2010 P13

Nominated to education panel

Kolkata, Sept. 10

The National Commission for Minority Educational Institutions under the HRD Ministry has nominated Mr Mahbubul Hoque as the honorary coordinator of the commission for Guwahati, according to a press release. Mr Hoque, who is Chairman of ERD Foundation, is the first person from the region to get this honour, the release added. - **Our Bureau**

Business Line ND 11/09/2010 P13

IIT-Bombay gets \$5-m funding from Wadhvani Foundation

To set up centre in biosciences and bioengineering

Shubhra Tandon
Mumbai, Sept. 10

The Wadhvani Foundation has invested \$5 million (Rs 23 crore) in setting up the Wadhvani Research Centre in Biosciences and Bioengineering (WRCBB) at the Indian Institute of Technology-Bombay (IIT-B).

The WRCBB is being established as the primary research centre at the Department of Biosciences and Bioengineering at IIT-B and will focus solely on research and innovation.

With the centre, the Department at IIT expects to accelerate its scale of research in areas relating to healthcare, infectious diseases like malaria or tuberculosis, drug delivery for them.

"They (IIT) are already working on various research problems. Our goal is to identify in what way we can help them progress their research at a faster pace...and encourage research that would make a big impact and have greater utility," the President and CEO of Wadhvani Foundation, Dr Ajay Kela, told *Business Line*.

► *Wadhvani Foundation is also looking to expand the scope of its initiatives in the biosciences and biotechnology field. The foundation has already invested \$30-\$50 million in biosciences area on various initiatives.*

The funding from the foundation will also enable the biosciences and bioengineering department to raise the quality of its research to international standards.

"Money will act as a catalyst. So it will give support in the most crucial areas for which other funding is not available. For example, ability to attract some outstanding post-doctorate fellows, allow and promote collaboration between our faculty and international faculty anywhere and so on. If there

is flexible funding involved which you know is available at an instant, that can definitely speed things up," said IIT-B's Director, Prof Devang Khakhar.

ADVISORY COUNCIL

The WRCBB has also constituted an Advisory Council under the Chairmanship of Prof Khakhar. The Advisory Council includes foremost experts from academia and Government from the fields of Biosciences and Bioengineering.

Meanwhile, Wadhvani Foundation is also looking to expand the scope of its initiatives in the biosciences and biotechnology field. The foundation has already invested \$30-\$50 million (Rs 140-Rs 230 crore) in biosciences area on various initiatives, said Dr Kela.

However, he said even this \$30-\$50 million "will not transform or build an industry".

"So it is not just research that we focus on, but we would also like to see if that research would also translate into creation of companies and jobs," he said.

Business Line ND 11/09/2010 P13

IITs move to offer medical courses

Press Trust of India

New Delhi, Sept. 10

The prestigious Indian Institutes of Technology would now offer courses in medicine with foreign nationals on permanent faculty positions and students from abroad at the post-graduate level.

A decision to this effect was taken at a meeting of IIT Council presided by the HRD Minister, Mr Kapil Sibal, here today.

The Government decided to seek the approval of the Medical Council of India for the course, Mr Sibal told reporters.

The IIT Council meeting decided to carry out appropriate amendment in the Institute of Technologies Act to enable the IITs to offer the

medicine programme, he added. He, however, said no MCI approval would be required where IITs engage with inter-disciplinary research for the advancement of learning and dissemination of knowledge not leading to a degree or qualification for the practice of medicine.

For this exercise, it has been decided to set up a permanent standing committee under R A Mashelkar, former head of Council for Scientific and Industrial Research.

The council also decided to enable IITs to recruit foreign faculties which should not be more than 10 per cent of the total faculty strength.

"In principle, we agreed that IITs are entitled to recruiting foreign faculties," Mr Sibal said.



New arena: A file photo of IIT Kharagpur campus. According to government officials, the institute wants to start MBBS courses and even plans to open a hospital.

SELECTION METHOD

IITs oppose ministry plan to scrap entrance exam

HRD ministry wants IITs to use class XII exams and aptitude test to make selection, reduce burden on students

By PRASHANT K. NANDA
prashant.n@livemint.com

NEW DELHI

The Indian Institutes of Technology (IITs) have opposed a plan to change the way they select students and said they weren't in favour of picking them on the basis of class XII exams and an aptitude test.

"The seven leading IITs said that they are not for doing away with the Joint Entrance Examination (JEE)," human resource development minister Kapil Sibal told reporters on Friday after a council meeting of all the IITs in the national capital.

A panel under department of science and technology secretary T. Ramasamy will examine the issue, the minister said.

"The committee will discuss it with faculties and state boards before devising a plan and submit it within three months," Sibal said.

There are 15 IITs, but the seven older ones—Delhi, Kharagpur, Guwahati, Roorkee, Bombay, Madras and Kanpur—form the core of the council. The eight new ones established in the last two years are being mentored by the older IITs. Over 472,000 students vied for nearly 10,000 undergraduate seats in all the IITs this academic year.

The human resource development (HRD) ministry wants the IITs to pick students just on the basis of Class 12 exam marks and an aptitude test. But that view wasn't backed up in the report submitted at the meeting by an HRD panel led by IIT Kharagpur director D. Acharya, which favours having the additional test along with an aptitude test and weightage to the class XII exam.

"JEE is a good format and this is helping in filtering students well. Till a suitable system evolves, it cannot be done away with," IIT Roorkee director S.C. Saxena said.

Sibal referred to another suggestion at the meeting for separate aptitude tests at the state school board level, with the top performers at this going on to an IIT aptitude test.

There was a consensus view however, that JEE and the All India Engineering/Architecture Entrance Exam (AIEEE) "has to change" to reduce the burden on students.

"There were some other proposals, too, but our ministry is

Sibal says no to IITs starting medicine courses

By PRASHANT K. NANDA
prashant.n@livemint.com

NEW DELHI

After a year-long debate and little enthusiasm from the health ministry, the human resource development (HRD) ministry has decided that the Indian Institutes of Technology can't start medical courses to produce doctors without permission from the Medical Council of India (MCI).

The ministry will, however, allow them to conduct multi-disciplinary research in the field of medical sciences, it was decided at a meeting of the IIT council on Friday in the capital.

"IITs can do cross-boundary research. But if they want to produce medical practitioners, they have to take permission from the MCI," Sibal said after the meeting. "We are making sure that wherever the instruction leads to a degree relating to any branch of medicine, then of course clearances from MCI will have to be taken."

In its letter to the HRD ministry, the health ministry said "IITs are institutes of excellence" and they should collaborate with institutes such as the All India Institute of Medical Science (AIIMS), the Post Graduate

Institute Chandigarh and the Jawaharlal Institute of Postgraduate Medical Education and Research (Jipmer), Puduchery, to conduct Ph.D courses in biomedical engineering, e-health, biotechnology and other related fields.

"Medical colleges in IITs are not feasible," the health ministry had said to the HRD ministry in a document that was presented at the IIT council meeting.

"In the last meeting, the health ministry was of the view that they (IITs) should do collaborative projects and research. We in MCI have not given any thought to it," said Ranjit Roy Chowdhury, a member of the newly appointed board of governors at MCI.

According to government officials, IIT Kharagpur wants to start MBBS courses and even plans to open a hospital. "Looking at the area where IIT is, they want to set up a hospital. It's their requirement. We don't think IITs in Delhi and Mumbai will want to open a medical college," said a senior HRD ministry official.

The HRD ministry feels it will bring an amendment in the IIT statute to allow multi-disciplinary research in some areas of medical sciences.

of the view that the students should not be stressed because of too many tests," the minister said.

The IITs agreed that they needed to recruit faculty and admit students from overseas to gain an international flavour.

"Faculty crunch is an issue and all IITs have agreed to hire 10% faculty from foreign countries and benefit from their global perspective. They also want to take 25% students from other countries but only at the postgraduation level. But this 25% will be above the current strength," the minister said.

Sibal said his ministry will consult the home ministry on this issue, as the current law does not allow foreign nationals to get permanent jobs in the government-run institutions. "There needs to be some change and the security related issue has to be taken care of."

The ministry also said all the IITs were critical of cram schools as they contend "it is

detrimental in getting quality students."

He, however, said that his ministry has no plan to bringing any legislation in this regard. "We don't have any plan to regulate the coaching centres or bring in a legislation in this regard. With exam reforms, coaching will become redundant," he told *Mint*.

The council decided that the IITs should set up centres specializing in strategic and policy research that will serve as an advisory forum in key areas. The council also discussed adding academicians of eminence in the fields of science, engineering, industry and the social sciences to the board of governors.

Another proposal was the inclusion of the chairman of the Prime Minister's scientific advisory council, the president of the Indian National Science Academy and the president of the Indian National Academy of Engineering on the IIT council. The IIT Council will meet again in January 2011.

Tribune, ND 11-Sep-10 p-1

Wannabe doctors, try IITs

BIG SHIFT: Top tech school to now dole out MBBS degrees

ADITI TANDON/TNS

NEW DELHI, SEPTEMBER 10

The Indian Institutes of Technology (IITs) will now produce doctors by setting up medical colleges and hospitals on their campuses.

At a meeting here today, under the chairmanship of Human Resource Development Minister Kapil Sibal, the IIT council — the supreme decision making body for the institutes — decided to amend the Indian Institutes of Technology Act to widen its scope and include "medicine" among the disciplines taught at the premiere technical institutes.

The move comes at a time when the Health Ministry, in its response to the HRD Ministry on this matter, had categorically rejected the idea, saying it was not advisable for the IITs to teach conventional medicine courses and they should instead concentrate on offering higher courses like PhDs in areas of collaborative research between engineering and medicine.

The Health Ministry letter (of which The Tribune has a copy) in this regard says: "The IITs must work with AIIMS, PGI, Chandigarh and Jawaharlal Institute of Postgraduate Medical Education and Research to design PhD courses in biomedical engineering, biotechnology, e-health and other fields which require medical technology. Also, they must work to provide new profes-

MAJOR PROPOSALS

Freedom to enroll foreign students (up to 25%) in PG courses. Induction to be over and above existing strength.

Appointment of foreigners as permanent faculty.

Doing away with the Finance Ministry norm of 1.1 technicians against one academic post.

Allow IITs total freedom on faculty recruitment and salary.

sionals required in the wake of the implementation of the Medical Devices Act — like bio-statisticians, bioengineers and biotechnologists. If they open medical colleges outside the regulatory control of the Medical Council of India (MCI), it would not be useful for the country which is already grappling with lack of basic health needs."

Taking the Health Ministry's suggestion on board, the IIT council today agreed to subject to MCI oversight any course that leads itself to the practice of medicine (like MBBS, BDS, etc). A necessary clarification would be made along with the proposed amendment to the IIT Act, said Sibal. Defending the move, he said boundaries of knowledge were fading away in the modern world. In case of other courses pertaining to inter-disciplinary

Continued on page 8
■ Acharya report on JEE reforms junked P2

Wannabe doctors, try IITs

From Page 1
 research - like biotechnology and bio-engineering - where a degree does not lead to a formal practice of medicine. IITs will not seek MCI approval.

IIT Kharagpur has already proposed to start an MBBS course on its campus and other IITs too appear keen on it. Asked whether the move did not amount to the IITs moving away from their core strength, Sibal said, "IIT Delhi has long been working with AIIMS.

You can't limit knowledge or its fields these days."

The proposal to teach medicine was first made at the 39th meeting of the IIT council held on January 29, 2009. Later, the HRD Ministry wrote to their health counterparts for a response.

The Health Ministry objected to IITs teaching medicine and said the technical institutes should work to make medical technology cheaper for the poor instead of foraying into conventional medicine.

Tribune, ND 11-Sep-10 p-2

Acharya report on JEE reforms junked

ADM TANDON/TNS

NEW DELHI, SEPTEMBER 10

Students will have to wait before multiple exams for entry to various technical institutions in the country can be replaced with a less stressful process.

Six months after the Human Resource Development Minister Kapil Sibal set up a panel under Director, IIT Kharagpur Damodar Acharya to propose a system of replacing multiple engineering entrance tests, including JEE, with a simpler format, the IIT Council today junked the Acharya report and constituted a fresh panel under Secretary, Science and Technology T. Ramasami to suggest more acceptable mechanisms to discourage coaching and reduce financial and psychological burden on students.

The Acharya panel set up on March 8 this year was to submit its report in three months but eventually tabled the interim report today. It suggested entry of students to technical institutions on the basis of their combined score

FRESH PANEL CONSTITUTED

THE IIT COUNCIL constituted a fresh panel under Secretary, Science and Technology T. Ramasami to suggest more acceptable mechanisms to discourage coaching and reduce financial and psychological burden on students.

A MAJOR OBJECTION to the Acharya panel report pertained to normalisation of Class XII marks across different state boards which have their own exams and evaluation.

of Class XII (70 per cent weightage) and the National Aptitude Test. For entry to IITs, the Acharya panel, despite stiff resistance from HRD Ministry, suggested an add-on subjective test.

Sibal, who chairs the IIT Council, said at the end of the three-hour meeting, "The most important subject we discussed was IIT-JEE reforms. Although there was unanimity on the need to crush the coaching centres and de-stress students by ending a slew of entrance exams, there was no unanimity on how to achieve the desired objectives. We have set up a new committee under Ramasami to look at ways to ensure exam reforms." At present, there are 150 different exams in the

country for entry to various technical institutions (including JEE, AIEEE, NITs, state engineering institutions, deemed to be technical institutions etc). A major objection to the Acharya panel report pertained to normalisation of Class XII marks across different state boards which have their own exams and evaluation. Several state boards objected to the idea of 70 per cent weightage to Class XII exams saying students from state boards that inflate their marks would stand to gain.

At today's Council meet, a suggestion was made to look at Class XII percentiles of respective state boards (instead of national equivalence) along with the result of a national aptitude test.

Statesman ND 11/09/2010 p-10

Sibal mulls changes in engg entrance test

NEW DELHI, 10 SEPT: The Indian Institute of Technology (IIT) entrance exams needs an overhaul to discourage coaching institutes, human resource development minister Mr Kapil Sibal said today. "The present system of coaching must go as it is detrimental to the quality of intake," Mr Sibal told reporters after a meeting of the council of IITs.

The changes in the pattern of engineering entrance exams had been proposed by the ministry earlier as well. A committee was formed

under IIT Kharagpur director, Mr Damodar Acharya, which suggested including weightage of the 12th Class result and a national level aptitude test for admission in engineering courses. "The Acharya committee has given its report and it was widely agreed that the entrance exam system needs to be changed but it is yet to finalise how," Mr Sibal said. Though a consensus could not be built on the recommendations of the Acharya report, Mr Sibal said all members agreed on the need for a change. **ians**

Statesman ND 11/09/2010

p-1

IITs to offer medical courses, have foreign faculty, students

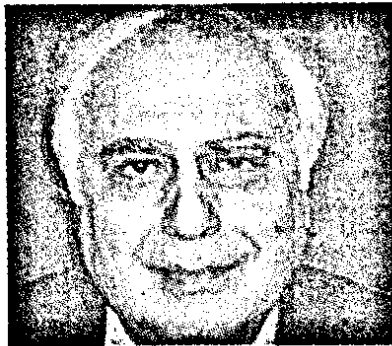
NEW DELHI, 10 SEPT: Expanding its sphere of activities, the Indian Institutes of Technology would now offer courses in medicine.

They would also allow foreign nationals on permanent faculty positions and students from abroad at the post graduate level. Decisions to this effect were taken at a meeting of IIT council presided by HRD minister Mr Kapil Sibal (*in photo*) here today. The government decided to seek the approval of the Medical Council of India for the medicine course, Mr Sibal told reporters.

The IIT council meeting decided to carry out appropriate amendment in the Institute of Technologies Act to enable the IITs to offer the medicine programme, he added.

"We are making sure that wherever the instruction leads to a degree relating to any branch of medicine, then of course clearances from MCI under the Act will have to be taken," Mr Sibal said.

He, however, said no MCI approval



would be required where IITs engage with inter-disciplinary research for the advancement of learning and dissemination of knowledge not leading to a degree or qualification for the practice of medicine.

For this exercise, it has been decided to set up a permanent standing committee under Mr RA Mashelkar, former head of Council for Scientific and Industrial Research. The council also decided to

enable IITs to recruit foreign faculties which should not be more than 10 per cent of the total faculty strength.

"In principle, we agreed that IITs are entitled to recruiting foreign faculties", Mr Sibal said adding they will set up a mechanism with the home ministry to ensure there is no "hiccup in the process and there is easy exit and entry of people" as faculties.

Some other issues like bringing amendments to the Indian Citizenship Act will also have to be looked into, he said.

IITs have contended that the presence of foreign faculty in their campuses would expose students to globally distinguished professors besides lending a true international flavour in campuses and reducing brain drain. Mr Sibal said the meeting also agreed in principle to admit up to 25 per cent foreign students at the post graduate level on a "supernumerary basis without affecting the present admission norms for Indian students". **pti**

P&B Daily ND 11/09/2010 p-1

IITs set to offer medical course

Foreigners allowed on faculty

PBD BUREAU/PTI

NEW DELHI, SEPT 10

IN a major move in higher education, the Government has decided that the Indian Institutes of Technology would now also offer courses in medicine. The IITs would also allow foreign nationals on permanent faculty positions and students from abroad at the post-graduate level.

Decisions to this effect were taken at a meeting of IIT council presided by HRD Minister Kapil Sibal here today.

The Government decided to seek the approval of the Medical Council of India for the medicine course, Sibal told reporters.

The IIT council meeting decided to carry out appropriate amendment in the Institute of Technologies Act to enable the IITs to offer the medicine programme, he added.

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Hindu ND 11/09/2010

p-12

No consensus yet on IIT entrance exam

Another committee to look at issue

Special Correspondent

NEW DELHI: There appears no early end to the debate over the examination system for admission to the Indian Institutes of Technology. The 41st meeting of the Council of IITs, here on Friday, failed to arrive at a solution acceptable to all members.

Chaired by Human Resource Development Minister Kapil Sibal, the meeting set up a committee, headed by Science and Technology Secretary T. Ramasami, to take a re-look at the issue and come out with its recommendations in three months.

The decision came at the end of a spirited discussion on the interim report of the committee headed by IIT Kharagpur Director D. Acharya.

Dr. Ramasami and several others suggested that admissions be based on students' scores in the Class XII examination and a national aptitude test for all technical courses alone, with the caveat that the Class XII examination performance be assessed State-wise so that there would be no complaint of bias.

Directors of several IITs, however, insisted on an additional examination, on the lines of the Acharya committee recommendations.

Briefing journalists, Mr. Sibal noted that while there was no unanimity on the examination pattern, there was a general consensus that the present system of multiple entrance tests for admissions to various technical institutions need be changed to reduce burden on the students.

There was also unanimity that the present system of coaching classes for admission to IITs and other courses was not good for getting the right quality of students and should be done away with.

Foreigners on faculty

The four-hour meeting

• **Change system of multiple entrance tests: meeting**

• **Coaching classes should also go**

gave in-principle approval for appointment of foreigners to permanent faculty positions up to 10 per cent, and to admit foreign students, up to 25 per cent, to postgraduate courses on a supernumerary basis, without affecting the present admission norms for Indians.

Mr. Sibal said his Ministry would soon initiate discussions with the Home Ministry on the modalities of getting this decision implemented.

Medicine in IITs

The Council approved a proposal to amend the Institutes of Technology Act to enable the IITs to offer courses in medicine with the approval of the Medical Council of India. For, medicine involves many engineering techniques and there have been demands that the IITs conduct research and impart education in medicine.

Collaboration for research

It was decided to set up a permanent standing committee, under the former Director-General of the Council of Scientific and Industrial Research, R.A. Mashelkar, to foster collaboration among the IITs and between the IITs and other institutions in inter-disciplinary research.

The meeting gave the green signal for inclusion of the Chairman of the Scientific Advisory Council to the Prime Minister, and the Presidents of the Indian National Science Academy and the Indian National Academy of Engineering as members of the Council of IITs.

Hindu ND 11/09/2010
p-5

IIM-Raipur academic session from October 10

INDORE: Indian Institute of Management (IIM) will start functioning at Raipur from October 10.

"The first academic session of IIM-Raipur will begin from October 10 this year," IIM-Indore officials said on Friday

The session will begin with a batch of 70 students enroll-

ing for the two-year post-graduate programme in management. The Central Government has made IIM-Indore as the mentor of IIM-Raipur. Initially the classes will be held at Government Engineering College in Sejbar area of Raipur. - PTI

Hindu ND 11/09/2010 p-4

New 5,000-crore fund to promote innovation

Special Correspondent

NEW DELHI: The recently set up National Innovation Council has got off to a flying start with its members unanimously deciding to work for establishing a Rs.5,000-crore fund to promote innovations.

At its first meeting here, Prime Minister's Adviser on Public Information Infrastructure and Innovation and Council chairman Sam Pitroda said the endeavour was to establish the fund within the next six months.

To begin with, the fund would be set up with a corpus of Rs.1,000 crore, with the government putting in seed money of about 20 per cent. The balance would be raised from industry and other stakeholders.

"If you want, you will also be able to contribute," he said when asked by a reporter as to who all could contribute to the fund. The fund, he said, would be used to finance a whole range of research activities, with focus on issues that affected the people "at the bottom of the pyramid".

Focus on the poor

The aim of the Council is to provide for a more inclusive and innovative India. "The rich can find the resources needed for solving their problems. It is the poor who need support. The Council would focus on them".

The two-hour meeting also discussed the possibility of producing television reality shows with innovation as the main theme and measures needed to promote research at universities and industry

• **Website for National Innovation Council launched by Pitroda**

• **Steps for innovation in public services delivery discussed**

clusters, and to bring in innovations in the delivery of public services.

Mr. Pitroda launched a website of the Council: www.innovationcouncil.gov.in

The 17-member Council includes Planning Commission members K. Kasturirangan and Arun Maira; former Director-General of Council for Scientific and Industrial Research R.A. Mashelkar; former Nasscom president Kiran Karnik; Tata Sons executive director R. Gopalakrishnan; and Biocon hairperson Kiran Mazumdar Shah.

CSIR Director-General Samir Brahmachari, CII Director-General Chandrajit Banerjee, FICCI Secretary-General Amit Mitra and IIT-Kanpur Director Sanjay Dhande are also members.

Further, the Council has Devi Prasad Shetty of Narayana Hrudalaya, film director Shekhar Kapur, C.A. Technologies chairman Saurabh Srivastava, Anil K. Gupta of the Indian Institute of Management-Ahmedabad, and Sujatha Ramadorai of the Tata Institute of Fundamental Research, Mumbai, as members. R. Gopalakrishnan, Additional Secretary in the Prime Minister's Office, is the Member-Secretary.

Asian Age ND 11/09/2010 p-1

IITs to offer medical courses

AGE CORRESPONDENT

NEW DELHI

Sept. 10: The Indian Institutes of Technology may soon offer courses in medicine. The prestigious institutes have also been allowed to employ foreign nationals in permanent faculty positions and open post-graduate courses to foreign students.

These major decisions were taken at a meeting of the IIT council presided over by Union human

resources development minister Kapil Sibal on Friday. However, the much-awaited reforms in the IIT-JEE entrance examination were again delayed after opposition from seven IITs, forcing the council to establish a committee to further study the issue.

"The IIT council meeting decided to carry out appropriate amendments in the Institutes of Technology Act to enable the IITs to offer the medicine programme," HRD minister

● IITs also decide to employ foreigners in permanent faculty positions

Kapil Sibal said. The IITs will require the approval of the Medical Council of India before launching any course in medicine. Mr Sibal, however, clarified that no MCI approval would be required where the IITs engaged with interdisciplinary research for the advancement of learning

and dissemination of knowledge not leading to a degree or qualification for the practice of medicine.

The council also gave the go-ahead for recruitment of foreign nationals to the faculty. "However, their numbers should not be more than 10 per cent of the total faculty strength. We will be working with the home ministry to set up a mechanism for easy exit and entry of people as faculty," he added.

Asian Age ND 11/09/2010

7 IITs against single entrance

AGE CORRESPONDENT

NEW DELHI

Sept. 10: The IITs have contended that the presence of foreign faculty on their campuses would expose students to globally distinguished professors. The HRD minister stated that the meeting also agreed to admit up to 25 per cent foreign students at the post-graduate level. "Foreign student intake will be over and above the Indian student

Exam reform is aimed at reducing psychological and financial stress levels for students

intake, on a supernumerary basis without affecting the present admission norms for Indian students," he added.

However, in a major setback to the proposed reforms in the IIT entrance examination system, seven IITs have opposed plans for

a single examination for entrance to technical institutes. "The seven IITs have made it known that they were happy with the present format of IIT-JEE," Mr Sibal stated, adding that there was unanimity on revisiting the proposed two-tier entrance exam structure suggested by a panel headed by IIT-Kharagpur director Damodar Acharya. "A committee under secretary, science and technology, Dr T. Ramasami, will study the

issue and a detailed study will be submitted within three months," the HRD minister said. He added that examination reform is aimed at reducing psychological and financial stress levels for students who have to sit through multiple tests.

The IIT council also decided to adopt norm-based funding. "This will allow the IITs greater autonomy on matters related to financial decisions," Mr Sibal added.

After fine, botox awaits approval for migraine

focus Natasha Singer

IN PUBLIC relations, it's known as "seeding the market" — stirring up excitement for a forthcoming product or application. It happens with smartphones, social networks and even designer handbags. But it is not supposed to happen with prescription drugs marketed to doctors, according to federal law.

That is the charge levelled against Allergan, the maker of botox, in a phalanx of false-claims lawsuits and federal inquiries that resulted last week in the company's agreeing to pay \$600 million to resolve criminal and civil complaints of illegal marketing tactics. Allergan also agreed to plead guilty to one misdemeanor charge of misbranding botox from 2000 through 2005, but the company denied the other allegations.

Allergan's settlement with the justice department resolves the latest crack-down by the federal government against major drug makers. In 2009, Pfizer and Eli Lilly paid hefty sums to resolve federal charges of illegal marketing. The lengthy federal investigation of Allergan tracked the rise of botox in an ever-expanding market. Over the last decade, botox has gained fame — and talk show notoriety — as a wrinkle killer.

Along the way, the drug has become a blockbuster brand, with worldwide sales in 2009 of about \$1.3 billion, in no small part because it can also be used to treat a variety of muscle

and gland disorders. The Food and Drug Administration has over time approved the injections to mitigate uncontrolled blinking, certain neck muscle spasms, excessive underarm sweating, and wrinkles between the eyebrows. This year, the agency again expanded the use of botox, permitting injections for increased muscle stiffness in the elbows and hands, and it is now considering whether to approve botox as a preventive treatment for severe migraines.

Meanwhile, Allergan is currently studying botox as a treatment for overactive bladders, and owns patents on dozens of other potential botox treatments. The company denies most of the complaints in lawsuits by whistle-blowers and federal prosecutors. But documents released by the justice department related to the settlement outlined claims that Allergan had systematically built botox sales by promoting it for unapproved treatments to relieve conditions like migraines, pain, muscle spasticity and cerebral palsy in children.

Doctors are allowed to prescribe drugs in unapproved ways as they deem medically appropriate, but it is illegal for a drug maker to promote those unapproved, or off-label, uses. Court filings have detailed an aggressive marketing strategy, saying that Allergan financed and widely disseminated a video, featuring a well-known neurology professor,



A woman receives a botox injection.

PHOTO: AFP

to promote botox as a headache treatment; set up an educational website called the Neurotoxin Institute, registered by Ogilvy Healthworld, an advertising agency, to promote botox treatments to doctors; and paid kickbacks to doctors to induce them to prescribe botox. "What concerns FDA is that, if companies can promote off-label uses without submitting evidence showing the drug to be safe and effective, it potentially puts patients at risk and subverts the drug approval system," Dr Joshua M. Sharfstein, the principal deputy commissioner of the FDA, said in a phone interview about the case on Tuesday.

Without an independent determination by agency experts on the optimal doses and precautions for a particular drug treatment, he said, doctors can wind up prescribing medications with

If the Food and Drug Administration approves the headache shots, the treatment will address a significant and outstanding need in the treatment of chronic migraine that cannot be dismissed or discredited as a result of this settlement.

causing any patient harm," Ms Van Hove wrote in an email to a reporter on Monday, "and we adamantly deny any implication that this occurred." Allergan, she added, has spent hundreds of millions of dollars in medical research and development of new uses for botox. The drug is approved in 81 countries to treat 21 different conditions, she said. Several drug makers finance the Neurotoxin Institute, an independent scientific group, she added.

The settlement agreement comes at a delicate moment for the potentially vast new use of botox to prevent chronic migraines, a debilitating condition. The agency is expected to decide by the end of October on Allergan's application for that use, which was submitted in 2009. Even so, according to evidence in a separate product liability lawsuit, botox

headache shots already had sales in the United States of nearly \$56 million in 2007, signaling growing use for that treatment. Ms Van Hove of Allergan said the company had not promoted botox for migraines, but it had communicated appropriate scientific information about studies on that use.

If the FDA approves the headache shots, she added, the treatment will "address a significant and outstanding need in the treatment of chronic migraine that cannot be dismissed or discredited as a result of this settlement." Dr Sharfstein of the FDA said the Allergan settlement for off-label marketing would not influence the agency's scientific review of the agency's scientific review of the migraine application. "I think the approval should follow the evidence," he said. Millions of dollars are indeed at stake for Allergan.

The British medicines agency recently approved botox as a migraine treatment. If the FDA were to follow Britain's lead, some Wall Street analysts have estimated that sales of the drug for migraines could reach \$1 billion or more annually worldwide by 2016. Millions of Americans suffer from migraines. Some neurologists say that the standard pill treatments for the most severe problem of chronic migraine do not improve many patients' overall condition. The botox treatment is aimed at people who have the chronic condition in which people experience at least 15 days a month with headache, including at least eight days with migraine. A botox headache treatment session

typically entails a total of about 30 to 40 shots around the head, neck and shoulders. The drug's effect generally lasts three to four months. The headache shots could cost \$1,000 to \$2,000 for each of those sessions, for each of those sessions, industry analysts said. The FDA is reviewing the latest clinical trials using botox injections showing that at least some patients went headache-free for more days each month. But the studies also indicated that placebo shots reduced headaches for other patients, leading some experts to question whether botox really provides much headache relief. Patients in one study sponsored by Allergan, for example, typically experienced about five fewer headaches a month than they had before — no matter whether they had injections of botox or a placebo. In a second Allergan study, patients who received botox shots had 2.3 fewer headache days a month than patients receiving placebo shots. "It's fair to ask, for all those very satisfied doctors and patients out there who are using medications like botox to treat migraine, to what extent is that activity due to the drug and to what extent that might be a placebo effect," said Dr David M. Simpson, a professor of neurology at Mount Sinai School of Medicine in Manhattan. But Dr David W. Dodick, a professor of neurology, said botox has clear benefits. Chronic migraine patients treated with botox reported 120 fewer hours of headache a month, he said.

By arrangement with The New York Times

U.S. COURT ALLOWS EMBRYONIC STEM CELL FUNDING, FOR NOW

research Gardiner Harris

Despite staunch opposition by some critics, embryonic stem cell research is popular, and a legislative fight on the issue could prove a tonic for Democrats battling a tough political environment

A FEDERAL APPEALS court in Washington ruled on Thursday that federal financing of embryonic stem cell research could continue while the court considers a judge's order in August that banned the government from underwriting the work. The ruling by the United States Court of Appeals could save research mice from being euthanized, cells in petri dishes from starving and scores of scientists from a suspension of paychecks, according to arguments the Obama administration made in the case.

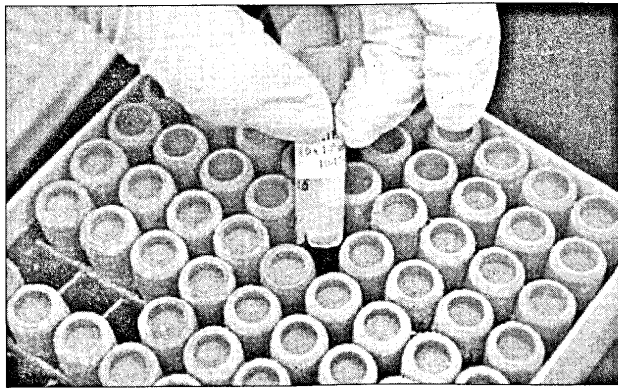
It could also allow the National Institutes of Health to provide \$78 million to 44 scientists whose research the agency had previously agreed to finance. The stay also gives Congress time to consider legislation that would, under the ban, and the executive order, largely moot, a prospect that some embattled Democrats have welcomed. Despite staunch opposition by some

critics, embryonic stem cell research is popular, and a legislative fight on the issue could prove a tonic for Democrats battling a tough political environment. "I've been involved in aggressive freshman and other vulnerable members saying it's not only the right issue to work on, but will also be politically good for them," said Representative Diana DeGette, Democrat of Colorado.

The appeals court's ruling was welcomed by advocates of stem cell research and condemned by those opposed, but it intensifies the uncertainty that has surrounded the research since August 23, when Chief Justice Royce C. Lamberth of Federal District Court for the District of Columbia ruled that the government's stem cell rules violated a legislative ban on federal money being used to destroy embryos.

In the order on Thursday, the appeals judges wrote that their ruling "should not be construed in any way as a ruling on the merits" of the case. The judges gave both sides until September 20 to file written arguments.

Carl W. Tobias, a professor at the University of Richmond School of Law, said the appeals court was likely to overturn Judge Lamberth's ban in its final ruling. Judge Lamberth's order "has been roundly criticized by many people in terms of



In this October 22, 2008 file photo, research associate Crystal Pacutin pulls a frozen vial of human embryonic stem cells at the University of Michigan Centre for Human Embryonic Stem Cell Research Laboratory in Ann Arbor, Michigan.

PHOTO: AP

the legislative history," Professor Tobias said. Steven Aden, the lawyer for two researchers who have said that embryonic stem cell research is unethical and are plaintiffs in the case, said the appeals court ruling "essentially calls a timeout." "We remain confident that the appeals court will recognize that the law is clear and will uphold the temporary injunction," Mr. Aden said. Matthew Miller, a spokesman for the justice

department, said the government was "pleased with the court's interim ruling, which will allow this important, lifesaving research to continue while we present further arguments to the court in the weeks to come." The research potential for embryonic stem cells, which were discovered in 1998, arises from their ability to morph into any cell in the body and possibly form new organs. The stem cells are derived from human

days old, and the embryos are destroyed in the process, leading some in the anti-abortion movement to liken the research to murder. The embryos used to create stem cells were donated to research by couples who had had the embryos created in fertility centres but no longer needed them.

Among the projects whose financing was threatened by Judge Lamberth's order was one overseen by Dr Ira J. Fox, a professor of surgery at the University of Pitts-

burgh, who has used embryonic stem cells to successfully transplant new liver cells into animals. Another threatened project was one by Dr Xuejin Parsons of the University of California, Riverside, who hopes to use embryonic stem cells to create nerve cells that could replace those damaged by Parkinson's disease.

President George W. Bush was the first to allow federal financing of human embryonic stem cell research, but he limited the research to 21

cell lines already in existence to discourage further destruction of embryos.

President Obama promised in his campaign to expand the research and in 2009 ordered the health institutes to create rules to do just that. This year, the health institutes provided \$131 million for the work, a vast expansion.

But Judge Lamberth's ruling in August was so sweeping that the Obama administration interpreted it as a ban on all stem cell research, including projects that had passed muster during the Bush administration. Eight research projects at government labs with a combined annual budget of \$9.5 million were suspended immediately, and university researchers were warned not to expect any further annual payments for projects that had already won financing. At first, the government appealed the ruling to Judge Lamberth, predicting that his ban would squander the \$546 million in government money already invested in human embryonic research and lead to the loss of "unique biological materials that have taken years to develop and that require ongoing maintenance." Judge Lamberth rejected that appeal on Tuesday, writing that the government was "incorrect about much of their 'parade of horrors' that will supposedly result from this court's preliminary injunction."

By arrangement with The New York Times

Pioneer ND 11/09/2010 P-3

JNU plans to digitise treasure trove

ABHISHEK ANSHU ■ NEW DELHI

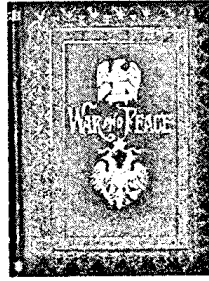
Rare books like Leo Tolstoy's *War and Peace*, Maxim Gorky's *The Lower Depths*, Alexander Pushkin's *Eugene Onegin*, Thomas Robert Malthus's *An Essay on Principals of Population* and several others, which are finding it hard to maintain shelf life due to wear and tear at the library of Jawaharlal Nehru University (JNU) will get a fresh lease of life. In a bid to save rare books, published before 1826, JNU is planning to digitise the books.

There is collection of as many as 10,000 such books in the JNU library. "These books are rare and we want to preserve these. For the purpose, we are planning to digitise them so that students as well as the faculty members could access

them on Internet. The JNU library has a collection of about 10,000 books, which are published before 1826," said sources. The collections includes books in foreign languages, famous books of social sciences and related to world politics and others.

The collection also includes work of famous authors, including Victor Hugo, James Fenimore, Max Planck, George Barnard Shaw and others. These books are in Asian, Arabic, Indo-Asian and other foreign languages.

Sharing details about the proposed plan, the sources further said that these rare books have become very old and thus are not in good condition. "We have a huge collection of such rare books and they have sustained wear and tear through all these years. We do not want



that them to get ruined. That's why we have planned to scan these books and then upload them on the Internet for students and faculty members," added the sources.

Besides, there are around 9,000 rare micro films in the library and university authorities are also planning to digitise



them as well.

The JNU library has a functional 'Cyber Library' as well. "The cyber library has around 200 systems and this has been established to promote research works in the university. For research works, we need to

have information at our fingertips. Students can come and access this service free of charge," said the sources, adding that for this, there are 40 online data base for this service. This cyber library is functional from 9 am till mid night. The JNU has also made a separate unit for visually-challenged students and there are 20 systems installed in this unit.

"We are using special softwares like Jaws and Magic for the visually-challenged students. These are assistive technology to help such students. They will be able to access the Internet through these special softwares," sources said.

They added that the JNU authority is also using other special softwares to digitise the newspaper clippings to help visually-challenged students access the newspapers as well.

Pioneer ND 11/09/2010 P-5

Now, study medicine at IITs

PIONEER NEWS SERVICE ■ NEW DELHI

Putting to rest speculation, the Government on Friday decided that the country's premier engineering institution — Indian Institutes of Technology (IIT) — would now also offer courses in medicine.

Not just that, the IITs have also been allowed to recruit foreigners as permanent faculty and admit foreign students at the post-graduate level, but with a cap on the numbers. Foreign faculties should not be more than 10 per cent of the total faculty strength and foreign students should only be up to 25 per cent of the total student strength.

Foreign faculties, the IITs had contended, would expose students to globally-distinguished professors, lend a true international flavour in campuses and in turn, reduce brain drain.

The IIT Council, chaired by HRD Minister Kapil Sibal, took the decisions at a three-hour-long meeting. "The Government decided to seek the Medical Council of India's approval for the medicine course and decided to carry out appropriate amendment in the Institute of Technologies Act to enable the IITs to offer the medicine programme," Sibal told reporters after the meeting.

But no MCI approval would be required where IITs engage in inter-dis-

OPENING NEW AVENUES

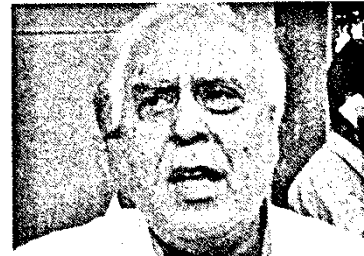
- ◆ Appropriate amendment to be carried out in the Institute of Technologies Act to enable the IITs to offer the medicine programme
- ◆ IITs allowed to recruit foreign faculties. Foreign faculties should not be more than 10 per cent of the total faculty strength
- ◆ The premier institutes can admit foreign students at the post-graduate level. Foreign students should only be up to 25 per cent of the total student strength

ciplinary research for the advancement of learning and dissemination of knowledge, not leading to a degree or qualification for the practice of medicine, Sibal made it clear.

Sibal said a mechanism with the Home Ministry will be set up to ensure there is no hiccup in the process and there is easy exit and entry of people as foreign faculties.

The issue of IITs venturing into the field of medical education was being debated for some time now, with the Health Ministry also expressing its reservations over it. A recent report by the IIT Directors had, however, showed keenness in starting medical education.

But then, Sibal's plans for ushering in reforms, in the process of admissions to the IITs, have been delayed further owing to



CLEARING HURDLES

opposition from seven IITs, which have opposed the system of single examination for entrance to technical institutes. "The seven IITs have made it known that they were happy with the present format of IIT-JEE," Sibal maintained.

There was unanimity, though, in revisiting the proposed two-tier entrance exam structure, suggested by a panel headed by IIT-Kharagpur Director Damodar Acharya, he said, adding that a committee under Secretary Science and Technology Dr T Ramasami will study the issue and a detailed study will be submitted within three months.

This apart, the IIT Council also decided on adopting norm-based funding. "This will allow greater autonomy, on matters related to financial decisions, to IITs," Sibal added.

Indian Express ND 11-Sep-10

P-19

Ohio ban: Weak case for India at WTO, say experts

ENS ECONOMIC BUREAU
NEW DELHI, SEPTEMBER 10

INDIAS decision to forgo the WTO's multilateral agreement on public procurement has come back to bite commerce officials who had hoped to challenge the US State of Ohio's ban on offshore outsourcing by government departments. The Agreement on Government Procurement (GPA) is the only legally binding agreement in the WTO, setting fair rules for public purchases. In operation since January, 1996, the GPA is a plurilateral treaty which carries a limited number of WTO member nations, not including India. India became an 'observer' member of the GPA in February this year, however the process for becoming a full-fledged is a long road and would require an extended investment of time, sources said.

"We can only criticise and make noise," said R S Ratna, the head of the Centre for WTO Studies in the Indian Institute of Foreign Trade (IIFT). Furthermore, while the US is a member of the GPA, its coverage in regard to software procurement is limited to the federal government and does not include subsidiary states, provinces or territories.

Earlier this week, experts had declared that India would not be able to challenge the Ohio ban on offshore outsourcing. Through an executive order, Ohio Governor Ted Strickland had banned offshore outsourcing by government departments. In the run-up to elections to the US Congress in November, US President Barack Obama has also raised the pitch against outsourcing, a key earning avenue for the \$50 billion Indian software export industry.

In the absence of the country being a part of the GPA, India can only try and score some moral points, even when WTO negotiations in other areas take place, he said. Ratna said India should make use of other platforms like the G-20 (Group of 20 most advanced and developing countries) to raise its voice against the protectionist measures.

His views were echoed by Delhi-based think-tank Research and Information System for Developing Countries (RIS)'s trade economist and Director General, Bishwajit Dhar. "Let's keep reminding them in fora like the G-20. We can tell them it (refraining from protectionism) is a commitment. Open trade is all the more important when there is a fear of a double dip in the global trade," he said.

A FICCI official said that while *prima facie* the Ohio ban looks discriminatory, it requires a detailed study on whether the move can be contested in the WTO. The Secretary General of CUTS International, Pradeep Mehta, who follows multilateral affairs closely, said as India is not a signatory to the GPA, "The issue can be taken up at the bilateral level."



In the absence of India being a part of the Agreement on Government Procurement, the country can only try and score some moral points, says R S Ratna, the head of the Centre for WTO Studies in IIFT

Apple gives application developers its review guidelines

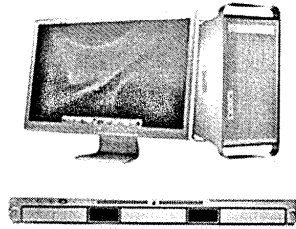
JENNA WORTHAM
NEW YORK, SEPTEMBER 10

APPLE, which keeps a tight lid on its products and inner workings, is loosening up a little. The company said on Thursday that it would relax its rules on how software developers can build applications for its iPhone and iPad. And for the first time it published detailed guidelines explaining how it decides what programs can and cannot be sold through its App Store.

Apple has long faced criticism from developers who say its application review process is opaque and that it makes seemingly arbitrary decisions about what is acceptable for its customers. This year, some were incensed when

the company purged some sexually suggestive applications it deemed to be inappropriate — like a jigsaw puzzle featuring scantily dressed women — while a Sports Illustrated application with bikini-clad models remained.

Analysts said the moves on Thursday were a sign that Apple was growing increasingly aware of competition in the smartphone market, and was trying to be friendlier to the developers whose applications have helped drive the success of its products. In particular, Android, the mobile operating system by Google, has steadily increased market share in the United States and abroad. Shipments of smartphones using Android grew by 886 percent during the second quarter from a year



earlier, according to the research firm Canals. And a wave of Android tablet computers that will compete with the iPad are on the way.

"Apple is concerned enough about the shifting tide towards Android that it feels it has to loosen restrictions to keep developers on its side," said Jeffrey S. Ham-

mond, an analyst at Forrester Research.

Although Mr. Hammond said that Apple's App Store was outpacing opponents in both the number of applications available for download and the amount of revenue generated for developers, he said Apple's announcement was a "pre-emptive strike."

"Google has done a better job at leveling the playing field for independent developers, and that matters," he said. "I don't think Apple can tolerate that, especially with the dozen or more pads that we're going to see hit the market in eight to nine weeks." In the newly released guidelines, which are written in an unusually conversational style, Apple acknowledges that its App Store policies could give the

impression that the company is made up of "control freaks," but adds that "maybe it's because we're so committed to our users and making sure they have a quality experience with our products."

Although the guidelines list many things that will lead to an app's rejection, like the inclusion of pornography or violent images, or mimicking features that are already on the iPhone, they still leave much to interpretation. For example, Apple says that "apps that are not very useful or do not provide any lasting entertainment value may be rejected."

Even so, software developers, many of whom have expressed frustration about the app review process, said the company's newfound candor came as a relief.

"This is gold. This is great," said Dom Sagolla, chief executive of Dollar App, a mobile development company based in the Bay Area. "It feels like we're finally getting a clue about what Apple wants."

"This is a document I've been wanting to see for two years," said Raven Zachary, president of Small Society, a software development firm. "It's going to foster the creation of better apps because we know going in what to do and what to avoid."

Apple also said it would begin to allow developers to use third-party tools to create applications for its iOS mobile operating system, which is used on the iPhone, iPad and iPod Touch. It had banned such tools in April. NYT

Indian Express ND 11-Sep-10

P-14

Breaking rank

India must be rescued from
the higher education morass

THE QS World University Rankings have showed Indian higher education its place. Indian universities have steadily sunk in the rankings — even the IITs, our most talked-up education brand, only place between 187 and 501. Many Chinese schools have clambered even higher, with three in the top 50 improving their standing even more. The US and the UK between themselves have cornered the top 17 spots, and continue to overwhelmingly score over the others. It makes for depressing reading, even if one argues that the budgets and mandates of our universities are different, and may have tilted these rankings despite strong faculty and student profiles. Perhaps it doesn't make sense, at this stage, to be judged on the strength of international faculty and students, or on teacher-student ratios.

But the larger question remains — when universities across the world are reinventing themselves, making this list highly dynamic, why is India still sliding down? As the board convener for these rankings pointed out, IITs apart, the most striking fact is how other Indian institutions have figured. Delhi University, which should be the top of the pole in India, comes in at a dismal 371. Liberal arts colleges suffer a legitimization crisis, in a country emphatically on the make.

What's the point of wide and purposeless learning for its own sake, when it is technical proficiency that makes you employable? That's a valid question, and it is perhaps just a superstition that the pursuit of "practical" and "true" knowledge are incompatible. However, the liberal arts mission is closely related to a consciousness of the civic good, and India's lack of investment in these disciplines has long distorted our mental field — for instance, it's arguable that a lack of common grounding in history is what makes certain subjects so flammable, and makes it so hard for us to accept ambivalence or contestation.

What's more, young people are made to tend narrow patches of learning right after school, even in an institution like Delhi University, instead of freely exploring subjects and finding the joins between them — part of what makes the American undergraduate experience so creative. Apart from a few bright spots in science, our research universities, where academic collaboration and infrastructure make a tangible difference, rarely make the cut either. HRD Minister Kapil Sibal struck a cheery note about the rankings, saying that India would tell a different story in the next decade. But without a willingness to take apart, tinker, and put the system back together, that is a long shot.

Indian Express ND 11-Sep-10

P-8

IITs get council nod for medical courses, foreign faculty

**EXPRESS NEWS
SERVICE**

NEW DELHI, SEPT 10

THE coveted Indian Institutes of Technology (IIT), the country's premier institution for technical education, will now offer courses in medicine as well.

Taking some key decisions, the IIT Council on Friday gave the go-ahead to its institutes to venture into medical education, open the doors to foreign faculty as well as foreign students at the postgraduate level and institute a special cadre of technical staff.

The plan to revamp the IIT-JEE admission process, however, suffered a jolt with no consensus on the issue, which has been referred to another committee.

"The IIT Council has decided in favour of enabling IITs to offer medicine as a course. While this will require an amendment to the IIT Act, it was also considered that in case of a medical course that leads to a degree allowing one to practice medicine, clearance would

be required from the Medical Council of India," said HRD Minister Kapil Sibal, who chaired the council meeting.

The IIT Council, headed by the HRD minister, is the governing board for all IITs.

The IITs have been showing keen interest in expanding its horizons and setting up of medical schools, with IIT Kharagpur even having firmed up a proposal. But with opposition from the Ministry of Health, the plan could not take off earlier.

Sibal pointed out that besides medicine courses leading to the awarding of a degree, there were a number of inter-disciplinary courses with engineering and health science components that could be offered at IITs.

To tide over faculty shortage, the council also decided that 10 per cent of the faculty positions could be kept open for foreign academics and as many as 25 per cent supernumerary seats could be kept for foreign students without affecting seats for Indian aspirants.

Mail Today ND 11/09/2010

p-3

After techies, IITs to churn out docs now

By Kavita Chowdhury in New Delhi

INDIA'S premier technical institutions, the IITs, will soon be churning out doctors. The IITs can now offer courses in medicine, but will need to take the approval of the Medical Council of India (MCI).

The decision was taken at a meeting of the IIT Council presided over by Union human resource development (HRD) minister Kapil Sibal on Friday.

It will necessitate an amendment in the existing Institutes of Technology Act. The IITs have also decided to allow foreign nationals on permanent faculty positions and students from abroad at the postgraduate level.

The IITs have been demanding the nod for offering medical education. IIT-Kharagpur has already started working on setting up a medical college. IIT-Madras is also rather keen.

For some years now, IIT-Kharagpur has been offering a master's programme in medical technology, where leading doctors of the country enroll.

Initially, the ministry wanted a statutory institute status like that granted to the All-India Institute of Medical Sciences so that it would not require the MCI's approval for conducting undergraduate and postgraduate courses.

But it seems the health ministry's say prevailed in the decision to seek the MCI's approval.

"Wherever the medical instruction leads to medical practice and requires clearances from the MCI, that will have to be taken," Sibal said. "For the courses of inter-disciplinary

Courses will need the MCI's approval

research not involving medical practice, institutes can decide for themselves," he added.

The HRD ministry had announced its plan to allow the IITs to impart medical education, including mainstream medical courses, in April. But the health ministry opposed the move and asked it to work on inter-disciplinary courses.

IITs have also decided to hire foreign nationals as permanent faculty members.



It argued that medical courses by the IITs were not feasible and that they should collaborate with institutions such as AIIMS, PGI (Chandigarh) and JIPMER to start courses in biotechnology, biomedical engineering, health information technology, e-health etc.

The law ministry, however, backed Sibal. But it advised seeking the MCI's approval for offering medical courses.

IIT-Guwahati director Gautam Barua said: "This is an enabling clause for the IITs to get into the medical sector."

HRD ministry officials rejected any suggestion of being "arm-twisted" by the health ministry over the issue of MCI's approval.

"Just like the architecture courses at IIT-Roorkee and IIT-Kharagpur needed clearance from the Council of Architecture, the medical courses will need the MCI's nod," an official said.

NO CONSENSUS ON SCRAPPING JEE

THE IITs are divided over the issue of scrapping the existing IIT-JEE exam.

At the IIT Council meeting on Friday, seven of the 15 IITs said they did not want to scrap the entrance test altogether.

The Acharya committee, working on IIT-JEE reforms, had recently proposed giving greater weightage to the Class XII results and selecting students on the basis of a national aptitude test.

"A committee under T. Ramasami has been set up to report on the assessment and examination criteria for engineering courses and IITs. It will submit its report in three

months," HRD minister Kapil Sibal said.

Going by the Acharya committee proposal, it would require different boards to standardise their scores on a national level. But this has been opposed by the states.

"The IITs were unanimous that reforms were needed to cut down on the multiplicity of exams. It will also help to reduce the large numbers that appear for the IIT-JEE," Sibal said.

The council has decided to let the IITs recruit foreign faculty. But they should not be more than 10 per cent of the total faculty strength. *Mail Today*

Google's 'sixth sense' just made it sexier

GOOGLE Instant has a way of making you fall in love with Web search all over again. In terms of utility it is not a giant leap for mankind — more like a Katrina Kaif shortening her skirt from knee-length to two inches above it. You know, from a beautiful girl to a sexy actress.

But that is not the thing about Google's new showcase. Instant, released on Wednesday night, gives search results on the page even before you finished typing a certain query. That's the two-inches-above-the-knee skirt we spoke about earlier. It converts web search into sexy-cool stuff.

It does not save that much time though. If you ended up spending five seconds searching for "How to buy gold ingots in the official market for cheap", Google Instant could reduce that to three, maybe two seconds. It may not seem much. But the fascinating part is that Google's sixth sense just got sharper, and you wonder: "When will we ever stop making things faster?"

Here's how it works. Let's say you are searching for Sachin Tendulkar's batting world records. Even before you finish typing "Sachin", it shows more than 2.4 million pages with the great batsman's Wikipedia entry right at the top, Cricinfo at No 2 and a much-admired Sachin Tendulkar fan site at third spot. That's a spot-on result.

It also suggests search strings not only as a drop down (as has been happening for a year or so now) but also in the search box so you don't have to type — just glide your cursor across to complete the search query. Yes, so Google will

Google Instant quickens your search results

make us lazy with its mind-reading ability, but it also quickens your search results by almost 100 per cent — a tribute to the complex mathematical algorithms that are constantly fine-tuned at Mountain View, California, the headquarters of the world's largest internet company.

But do you really need Google's mindboggling mathematics at work when a majority of browser users do not visit the Google home page at all? Most of us use the Google toolbar that is either embedded in our browser or has been downloaded later to make life easy when browsing. This is a question that Google needs to ask itself and answer quickly.

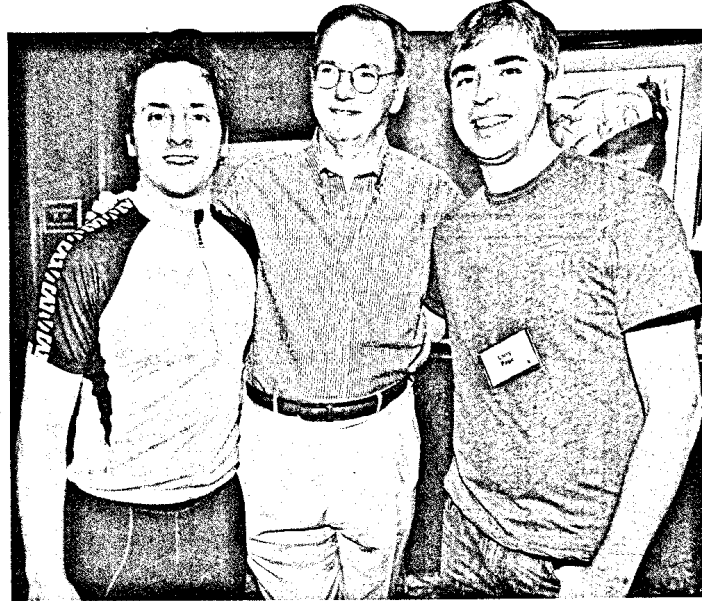
The logical way would be to

introduce Google Instant on to toolbars. This can be done in two ways — one, introduce Google Instant in its Chrome browser. This would allow consumers to get used to Instant right in their browser rather than on the Google home page. The other way would be tie up with Mozilla Firefox to do the same with its embedded search toolbar.

Microsoft's Internet Explorer

could do the same for Bing, but to be honest Bing lags so far behind Google Search that it is almost embarrassing.

Bing entered the market with promise and in fact, in the first three months of launch, you'd be forgiven for thinking that Bing could become a major competitor to Google. Instead, Google has marched ahead with its search, including introducing personalised search (although



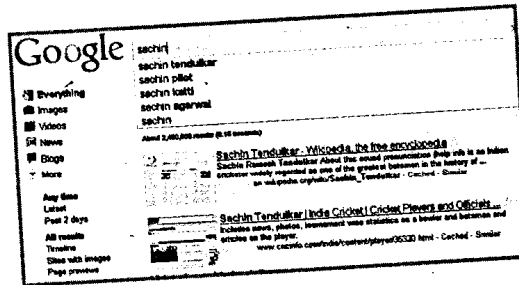
Google CEO Eric Schmidt flanked by co-founders Sergey Brin (L) and Larry Page (R); (Inset): A screen grab of the new Google Instant

that has not caught on much because of justified privacy issues). You could even hazard an educated guess here: Google Instant could spell the death knell for Microsoft Bing.

Not that Google is the epitome of search. It has a long way to reach perfection in search or even the breadth in its scope.

For instance, as tech writer Nitin Karandikar points out in ReadWriteWeb, Collarity is a web search tool that allows for personalised search even without logging in (at present, on Google, you have to log in to get personalised search). Another tool to search for jobs, SimplyHired, is used by employers and employees to search for talent or by individuals to highlight it. Karandikar points out 17 such areas where Google has yet to catch up.

But Instant is a beginning we cannot just ignore.



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IITs to offer medical courses

New Delhi, Sep 10: Expanding its sphere of activities, the Indian Institutes of Technology would now offer courses in medicine.

They would also allow foreign nationals on permanent faculty positions and students from abroad at the post graduate level.

These decisions were taken at a meeting of IIT council presided by HRD minister Kapil Sibal here on Friday.

The government decided to seek the approval of the

Medical Council of India for the medicine course, Sibal told reporters.

The IIT council meeting decided to carry out appropriate amendment in the Institute of Technologies Act to enable the IITs to offer the medicine programme, he added.

"We are making sure that wherever the instruction leads to a degree relating to any branch of medicine, then of course clearances from MCI under the Act will have to be taken," Sibal said. *PTI*

Not so competitive

IIT Bombay's falling rankings explain India's poor competitiveness

INDIA'S position in the three sets of global rankings in yesterday's newspapers varied sharply and were apparently very disconnected. But a closer look shows that the contradictions were largely superficial and everything falls in place like a sophisticated puzzle. Thus, we have the World Investment Prospects Survey 2010-12, brought out by the United Nations Conference on Trade and Development (Unctad), which identified India as the second-most favoured investment destination, next only to China. And then there was the Global Competitiveness Report 2010-11, brought out by the World Economic Forum (WEF), which indicated that India has slipped two rungs in the rankings to the 51st position, the worst in three years. And the third report on the best global educational institutions, by a leading career and education network, showed India's sole representative in the top 200 global educational institutions, IIT Bombay, had slipped 19 ranks to the 187th position. So, what explains this dichotomy and what does it imply for the Indian economy?

One reason is the focus areas of the the three reports. While the first report, on India's FDI prospects, is a forward-looking document that provides a picture of the future trends, the other two reports look at current scenario in the macro economy and in higher education. So, while the Unctad survey tries to project the FDI prospects, the WEF study looks at the performance of the countries in areas that determine productivity, one of the key factors that facilitate macro economic growth, and the third study looks at the quality of educational institutions. Thus, the FDI survey reflects the perception of the 300 largest of the largest transnational corporations, investment promotion agencies and location experts, while the competitiveness report investigates the various factors that have pulled down India's productivity levels and pushed down its per capita income to the 162nd position despite being the 12th largest economy in the world. The WEF numbers show that India's low competitiveness rankings is mainly on account of its performance on the basic requirements front, which includes institutions, infrastructure, macroeconomic environment, and health and primary education, where the country ranking is even lower at 81. In fact, it was the country's improved performance because of efficiency enhancers like higher education, technological readiness and market size and efficiency that pushed up India's overall competitiveness. So, in policy terms, this implies that sustaining the FDI flows would require more progressive reforms that urgently tackle the lacunae in the basic requirements and further improve the achievements in other areas like higher education, where China accounted for as many as 46 of the top 200 educational institutions in Asia, compared to just 12 from India.