

## NEWS WRAP

### AGD

INDIA'S SUPREME COURT HAS cancelled all 122 mobile phone licenses, which the Union Government awarded in 2008, because former Telecom Minister A Raja decided to do so on a first-come, first-served basis, instead of through a fair auction. The National Auditor had alleged that only 85 of the 122 licenses were given in situations in which the recipient did not fulfil the state's eligibility criteria. The second generation licenses were issued at below market prices, which a federal agency estimated cost India \$7 billion in lost revenue. The scrapping of the phone licenses has hurt India's image as a destination for foreign investment, and raising uncertainties over billions of dollars that companies like NTT DoCoMo and Telenor ASA have pumped into India. Despite the advent of 3G services in India, many subscribers still have access to only basic technology. Hence, there is bound to be high demand at the new 2G auction.

### MAOISTS WIN IN PANCHAYETS

In the recent panchayet elections in Orissa, the Maoists have gained control of panchayets, in about thirty blocks of districts Malkangiri and Koraput. Threats to locals against nominating any other candidate, resulted in the outfit's nominees being elected unopposed. Thirty two heads of panchayets (sarpanch) have known Maoist links, and around 2500 members of these panchayets have been elected unopposed. The Union Government of India, besides being worried over the Naxals expanding their base, is concerned that panchayets have access to funds under various social schemes, including the National Rural Employment Guarantee Programme and the devolution packages of Backward Region Grand Fund. Earlier the Maoists had been boycotting elections in Malkangiri, Koraput, Kandhamal, Nuapada and Nayagarh.

### JOBS IN SOUTH AFRICA

The African National Congress is faced with the world's deepest inequalities and highest youth unemployment. In contrast with forecasts of 5% growth for sub-Saharan Africa as a whole, the South African economy is expected to grow by just 2.5% in 2012. Youth unemployment in South Africa is around 50% now. Five million jobs are required to be created by 2020 for which South Africa requires a 7% growth, Julius Malema, the militant leader of the NAC's Youth League, has called for the nationalization of mines. This has unsettled investors. While mineral riches have built Africa's most advanced economy, it has benefited a small, predominantly white elite. In the face of darkening economic outlook, it is still not clear as to the role the state could play. The state owned African Exploration Mining and Finance Corporation was launched in 2011. The ANC government's focus is on strategic sectors, that could be used to support an ailing manufacturing industry. Monopolies and oligopolies are operating in South Africa's steel industry. The government may become more active in mining; but the state was not the primary job creator. Even though there is factionalism within the ANC, the ANC has

been credited for its prudent fiscal management. The nation's huge problems arise from infrastructure bottlenecks, labour market inflexibilities, and crucially, poor quality education and skills. As a large part of the workforce have basic or no formal educational qualifications, South Africa needs expanding companies that provide jobs for a low skilled labour forces.

#### MAYANMAR'S KACHIN GUERILLAS

The Kachin Independence Army controls an autonomous region, where rivers from China rampage through the deep valleys of northern Myanmar. President U Thein Sein is attempting to curtail the repressive policies of the military dictatorship. However, renewed hostilities have driven 70000 villagers from their homes. One tenth of them have sought refuge in China. Major Robin Maran, the commander of a Kachin guerilla force does not have much faith in proclamations of peace, as war wages on. Baptist churches abound in Myitky, the capital of the Myanmar controlled part of Kachinland. As they know the hills, the Kachins have the advantage of terrain. In recent decades, the Myanmar officers have received better training, sometimes in India. The Myanmar security forces have upgraded to deadlier arms like heavy mortars. The mortar rounds shatter Kachin huts. Myanmar wants to expand their control of the area around a hydro electric power project, on the Taping River, run by China Datang Corporation. Meanwhile the Karen National Union has submitted a list of eleven sweeping demands, including a call for a ceasefire, covering all ethnic groups.□