

NEWS WRAP

AGD

As part of wages, food grains will be shortly distributed to National Rural Employment Guarantee Scheme (NREGS) workers in India. The NREGS is poorly administered. The part payment of NREGS wages in foodgrains kind may work in states like Andhra Pradesh and Tamil Nadu which are well administered, but it could be chaotic in poorer states. Under the NREGS less than perfect wage disbursement mechanism, foodgrains to NREGS workers could create more irregularities and delays. It is unlikely that the “foodgrains as wages” would be available at highly subsidised prices for Below Poverty Line (BPL) families under the Public Distribution System (PDS). In the past, food-for-work programmes for the poor have often led to rampant corruption. In Andhra Pradesh, 4000 kms of mythical roads were built under food-for-work programme, and the state had to seek funds for the same stretches of road construction under Prime Minister Gram Sarak Yojana.

INFORMATION TECHNOLOGY ACT

The e-mail comic strip, derived from Satyajit Ray’s film “Sonar Kella” which satirized West Bengal Chief Minister Mamata Banerjee and Trinamool Party MPs Mukul Roy and Dinesh Trivedi, and its fall-out of police FIRs, and arrests, highlights the glaring dangers in the Information Technology Act (IT Act) of 2000. The subsequent amendments of 2008 (notified in April 2011) provides even wider latitude for misuse. The cartoon combined with stock photographs was printed by the press and re-produced on several Television Channels, and went viral on the Web, quickly. Many sections of the IT Act are loosely worded, and open to subjective interpretation for harassing anybody who uses the internet. The internet service providers and websites are liable as “intermediaries” for hosting the comic strip or links to it. The IT Act raises the concept of “blasphemy”, which does not otherwise exist in Indian law. Content defined as “objectionable”, “disparaging”, “harassing”, “blasphemous” or “hateful” can be legislated for removal by the IT Act. Anybody who creates or hosts such content can be prosecuted. There is no easy route of appeal, and the definition of the objectionable words is extremely subjective and discretionary. There are several law suits pending against social networking sites and web hosts, where individuals have asserted that they have been offended by online content.

US CRUDE OIL GUSHING

New oil rigs and drilling equipment is helping gush crude oil in the Permian Basin of West Texas, in USA. Reversing two decades of decline, across the United States, oil and gas industry is rapidly increasing production. From the deepest waters of the Gulf of Mexico to the prairies of North Dakota, the oil industry is extracting millions of barrels more a week. The US import of liquid fuels it uses, declined from 60% (2005) to 45% (2011). With recession and higher prices demand for gasoline has declined. People are driving shorter distances, and replacing older

cars with more fuel efficient vehicles. USA is moving towards independence from foreign oil, with increasing production and declining consumption. USA's National Security Policies will have more flexibility, as the country is importing a lot less oil. Technological advances have allowed the extraction of oil and natural gas, once considered too difficult and too expensive to reach. Oil production has risen from 4.9 million barrels a day in 2008, to 5.7 million barrels a day. USA has become a net exporter of refined petroleum products like gasoline, for the first time since the early 1950s. Its oil imports from members of Organization of Petroleum Exporting countries has reduced by more than 20% in the last three years.

IRAN'S MARINE INSURANCE

90% of the world's tanker insurance is based in western industrial countries. The two centuries old world of reinsurance and liability coverage has become a powerful weapon. OPEC's second largest producer, Iran exports most of its 2.2 million barrels a day to Asia, via giant crude oil cargoes en route from Iran to refineries across Asia in China, India, Japan and South Korea. Set to take effect in July 2012, a European oil embargo on Iran prohibits EU insurers from covering Iranian oil exports anywhere in the world. Lack of marine insurance has become the most effective sanction used by western nations on Iran's nuclear programme. There is no agreement whether governments should guarantee the clean up costs of any spills. Iranian backed insurance may be unable to pay out against any claim, since western sanctions prohibit transferring cash out of Iran. Many ships are heavily mortgaged, and bank loan covenants require that vessels must be covered by triple-A rated insurers. □□□