

QUICK HITS

China Praises Military Ties with the US

Military relations with the US face a rosy outlook, China's Defence Ministry said, in an attempt to limit damage from a confrontation between their navies in the South China Sea. The US had said the cruiser USS Cowpens had a close shave with a Chinese patrolling ship on Dec 5. "Relations between Chinese and US militaries enjoy excellent prospects for development and both sides are willing to boost communication, coordinate closely... to maintain regional peace," the statement said.

Amnesty May Benefit Pussy Riot Singers

Russia's parliament on Wednesday adopted an amnesty which lawyers said would free two jailed members of punk band Pussy Riot and enable 30 people arrested in a Greenpeace protest against Arctic oil drilling to avoid trial. Such an outcome would remove two of many irritants in ties with the West before Russia hosts the Winter Olympics in February.

SABMiller's Veteran Chairman Dies



Graham Mackay, the chairman of brewer SABMiller and one of the best-known figures in the global consumer goods industry, died on Wednesday from cancer. He was 64. He steered its transformation from a South African industrial conglomerate to the world's second-largest beer maker.

TIPS, TRIVIA & TRENDS YOUR DAILY DIET OF FUN AND FACTS

What the World's Top Designers Like

Here's how some of the world's top designers – including the minds behind the iPod and Google Search – responded when asked: What are the things you love?



1 Goruck GR1 Backpack

Favoured by: JON WILEY

Lead Designer for Google Search

The \$295 GR1, made with military-grade water-resistant material, will protect the laptop and everything else in it. Made for war zones

2 BMW i8

Favoured by: TONY FADELL

iPod Designer, Founder of Nest Labs

A plug-in hybrid sports car that gets almost 100 miles per gallon

3 Standing Rice Scoop

Favoured by: JOHN MAEDA

President of RISD, Adviser to eBay

The \$10 spoon embodies the common sense of a good design

4 Copenhagen Bike Wheel

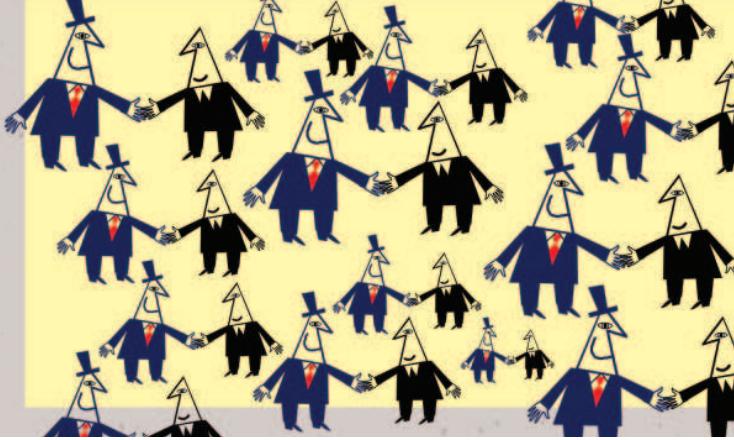
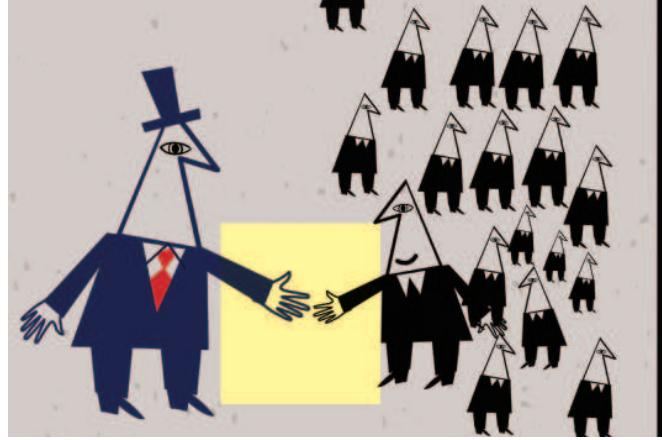
Favoured by: RAMA CHORPASH

Director of Product Design at Parsons

The \$699 Copenhagen wheel turns any bicycle into hybrid-electric vehicle & connects it to your smartphone

Forget Beijing & Delhi, Diplomacy Goes Local

The West needs to learn how to conduct global diplomacy with local power centres in India, China



ANIRBAN BORA

William J Antholis

Professional diplomats and policymakers in the West are trained to view China and India – in the jargon of political science – as “unitary self-interested agents”. Scholars of international affairs helped to shape this view by focusing on nations’ core economic and strategic interests. It is no accident that diplomats use “Beijing” for China or “New Delhi” for India.

Of course, the reality is far different. The politics between central and local forces in China and India may differ from those of the West, but they are no less complicated. In neither country is the central government completely in charge.

In both India’s multiparty democracy and China’s one-party “people’s republic,” a multicoloured map exists that delineates not only territorial units, but also multiple conceptions of what the priorities are.

Rise of the Locals

The power of politicians outside of the two capitals has expanded dramatically in recent decades. In India and China, subnational leaders now drive economic development. They make critical decisions about energy and natural resources.

The more economically advanced and wealthy places – such as Guangdong and Gujarat – have begun to emerge into the world’s aware-

ness. Real challenges exist in poorer or emerging provinces, but even there, success stories exist. It is not just that these places are diverse. Local leaders are starting to lead, moving the countries toward change from the inside out. And local leaders are becoming national leaders.

In fast-growing Guangdong, former party secretary Wang Yang just oversaw half a decade of sizzling growth. He helped harness the global economy, while also streamlining government, protecting intellectual property and cutting greenhouse gases.

In March 2013, he was promoted to vice premier, and some hope he will lead China someday. Still, his experiments in political and economic reform struck others in China as too much, too soon.

In Gujarat, Chief Minister Narendra Modi earned a reputation for bold leadership. He has overseen a decade of prosperity. He will now lead the BJP in the 2014 parliamentary polls.

Many Indians, especially business leaders, hope Modi will emerge as PM. Yet, his path to national power is not assured. He is loathed by many who see him as, among other things, a Hindu communalist.

In India’s Bihar and China’s Chongqing, local leaders became national celebrities by fighting corruption and tackling poverty. Bihar CM Nitish Kumar and Chongqing’s former party secretary Bo Xilai each aggressively prosecuted local hoodlums. Each used the very visible hand of state-led investment to bring eco-

nomic growth. Yet, they did so in very different ways. Kumar has become a model for addressing India’s endemic poverty, but his chances to someday run India are complicated, not least by the narrow reach of his Janata Dal (United) political party.

Bo’s career came to a crashing halt when he, his wife and a top lieutenant were caught in a web of corruption and murder.

What's the West to Do?

Successful cooperation with foreign countries and companies is often anchored in a few select states or provinces. So what should western nations do to better engage these localities?

First, double the number of consulates in each country. The US, for example, has the Beijing embassy and five consulates in China, and the New Delhi embassy and four consulates in India – or roughly one diplomatic post for every 200 million people in each country. That compares with one post for every 10 million people in the Americas or in the EU. We can’t begin to engage either country effectively unless or until we understand these places better.

Second, help governors and mayors connect with counterparts across borders, including trade missions abroad. Already, some leading American politicians have taken this seriously.

Jon Huntsman was a leader in this regard, both as governor of Utah, and during his time as ambassador to China. Mark Warner was a leader in

this regard as governor of Virginia, and he has followed through on that as the head of the India Caucus in the US Senate. Third, involve local leaders in global challenges.

Finally, the West needs to take a more nuanced perspective on how local governance in China and in India play into larger themes for managing a liberal democratic world order. The simple view is that China is an authoritarian one-party state and that India is a multi-party democracy.

The reality is more complicated when one looks at local politics. Many provinces and cities in China – while far from parliamentary democracies – are experimenting with e-governance, robust academic debates, public attention to provincial and local finances, and efforts to fight corruption.

In India, local government leaves much to be desired. Critical decisions are often made by New Delhi. Across all these issues, the West needs to take a fresh approach to diplomacy. China and India have both woken up to the reality that one cannot govern over a billion people without more directly engaging and empowering local authorities. The West’s diplomacy toward these two nations needs to reflect that reality.

This essay is adapted from Inside Out, India and China by William J Antholis (Brookings Institution Press, 2013). Copyright: 2013 Brookings Courtesy: The Globalist

Three Men at Fed's 100th Birthday Party

PETER COY

There were no balloons or party hats but if you’re a Fed watcher, there was no bigger deal this week than the ceremony on Monday marking the centennial of the US Federal Reserve. It was the biggest gathering of current and former senior Fed officials in the bank’s history.

The most interesting part of the ceremony was what former Fed chairmen Paul Volcker (1979-87) and Alan Greenspan (1987-2006), and current Chairman Ben S Bernanke (2006-present) had to say.

In 2008 Volcker had seemed to take a shot at Bernanke in a speech

about the Fed’s \$29 billion emergency loan that year that paved the way for JPMorgan Chase’s takeover of Bear Stearns. Volcker, 86, made no mention of that episode on Monday, but he seemed to toss a garland in Bernanke’s direction when he once again mentioned “strong actions, sometimes testing the limits of its legal authority,” but this time added that those actions by the Fed “rested on a sense of integrity – integrity it’s achieved and maintained over the years in the sense that it was able to act free of partisan political passions.”

Greenspan, 87, focused his brief re-

marks on the biggest one-day collapse in stock prices in US history on October 19, 1987, shortly after he took office. He said “the days that followed that crash were truly frightening.”

Interestingly, Greenspan said that the crash itself, in which the Dow Jones industrial average fell nearly 23%, “is a distant memory of no ongoing interest.” But it remains of intense interest to scholars of financial-market instability, who fault Greenspan for putting too much faith in the self-stabilising properties of markets.

Bernanke said he keeps in his office a two-by-four length of wood that was mailed to Volcker as part of a protest

by builders against his tight-money inflation-fighting policies, which depressed housing demand. He said the wood “communicates some distinctly unfavourable views of high interest rates and their effects.” Of course, with the federal funds rate at 0 to 0.25%, Bernanke is more often criticised for keeping rates too low, not too high.

The birthday party was a few days early because it wasn’t until December 23, 1913, that president Woodrow Wilson signed the Federal Reserve Act. Presumably, the Fed didn’t want to wait until nearly Christmas Eve to celebrate.

Bloomberg

This column looks at global science from an Indian perspective



Google's Brin at the Breakthrough Prizes

Calculate the Result of a \$3 m Science Prize



How many of us know about a Breakthrough Prize winner, Ashoke Sen?

At a Hollywood-style function in the Silicon Valley last Thursday, movie star Kevin Stacey presented the second \$3 million Breakthrough Prizes in physics and life sciences. Eight scientists got \$21 million in all.

The awards were set up two years ago by the Russian businessman Yuri Milner, Mark Zuckerberg, Sergey Brin and a few other top Silicon Valley celebrities.

Zuckerberg also announced the creation of another \$3 million prize for mathematics. The aim of the prizes, as acknowledged by Brin and others, is to make heroes of scientists. In the scientific world, however, life and work are judged in slightly different ways.

Like last time, the physics Breakthrough Prizes were mostly awarded to those who have little chance of getting a Nobel Prize, still the most coveted award in science. This was because their work is all theory and no experiment. Nobel Prizes are awarded only when a theory has experimental confirmation; Peter Higgs had to wait for five decades to get the prize.

Physicists and mathematicians have criticised the esoteric exclusivity of the Breakthrough Prizes in physics. In life sciences, the awards were similarly chosen, for research aimed at tackling incurable diseases, thereby excluding important areas of biology.

That has come up for criticism too. A \$3 million award will not make heroes of scientists and mathematicians, as hoped by the Silicon Valley billionaires. Very few people in India would know that we have a Breakthrough Prize-winner living and working in our country: Ashoke Sen of the Harish Chandra Research Institute in Allahabad. Sen, by far India’s best living physicist, works on string theory. Sen might have

won a Nobel Prize if string theorists were allowed to. In 1998, when he won the fellowship of the Royal Society, his name was nominated by none other than Stephen Hawking. Yet Sen is not well-known in India, and winning the \$3 million Breakthrough Prize last year has not changed that situation. A Nobel Prize with a shared \$1.2 million would definitely have made him a domestic celebrity.

We would need to wait and watch what the Breakthrough Prizes would eventually achieve. Some of the earlier prize-winners have channelled the money in admirable ways, donating to humanitarian causes and setting up fellowships for deserving postdoctoral students. Yet it is difficult not to feel, as many scientists do, that there are better ways of spending a billionaire’s money on science. Sponsoring research and setting up institutes have been mentioned by some scientists.

Other Than Prizes

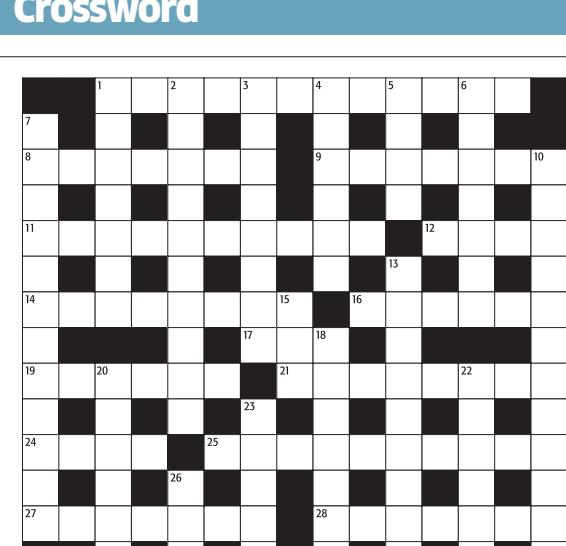
The work of Mike Lazaridis, the founder of BlackBerry, is a fine example. In 1999, he helped found the Perimeter Institute Theoretical Physics with a grant of \$150 million. This institute has since then developed into one of the best places in the world to do theoretical physics. In 2002, he had helped set up the Institute of Quantum Computing at the University of Waterloo, for which he has given \$100 million. Lazaridis is now working on making Waterloo a world centre for quantum computing. He has now founded the Quantum Valley Investments, a fund for commercialising research in quantum information science.

Commercialisation of research is one area where philanthropic money would be most welcome. Take a field that is recognised by Breakthrough Prize: cancer research. Cancer drugs are too expensive for most people in the world because research – often public-funded – is commercialised by private companies. Why not create institutions that can take public-funded research to the people at affordable prices? It will bring medicines for critical illnesses within the reach of a substantial number of patients. It will also break a vicious cycle that puts a higher and higher price on questionable innovation.

A \$3 million award will not make heroes of scientists and mathematicians, as hoped by the Silicon Valley billionaires. Very few people in India would know that we have a Breakthrough Prize-winner living and working in our country: Ashoke Sen of the Harish Chandra Research Institute in Allahabad. Sen, by far India’s best living physicist, works on string theory. Sen might have

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Crossword



ACROSS

1 A little do-good intake dreamed of (4,3,5)

2 She's put article in the wrong way (4)

3 Not likely to swear when rambling? (10)

4 See if it's news for a change (7)

5 She's a person of some class (10)

6 Afraid to lack knowledge of what's smart (4)

7 Wild ram let in at last (8)

8 On a river one boy can be a killer (6)

9 Dropping off game (3)

10 Expenditure on freerange eggs (6)

11 Easily persuaded by bird to (7)

12 A Western military claim (2)

DOWN

1 Clothing article included because of conditions outside (7)

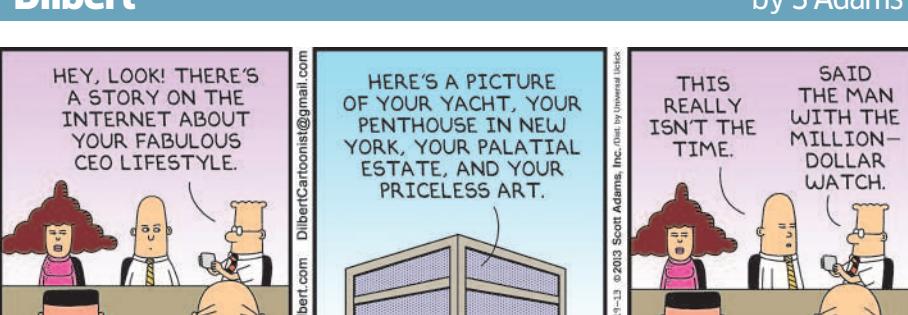
2 A Western military claim (2)

demolished in relation to a body (10)
3 Up river there's a hangout for a Turkish killer (8)
4 The way to get a rise (6)
5 Some frantic fighters showing hostility (4)
6 Where babies are left a child first tries to be sick without starting to give tongue (7)
7 Thousand bess squandered on the dogs (6-6)
10 Not the best side to support bingo legs (6,6)
13 Voting to include a way of cutting trees (10)
15 Fall behind a prisoner (3)
18 Means of exerting force by acquisition (8)
20 New tennis set holding nothing but strain (7)
22 Robber outfit captured by a gang (7)
23 Book for service young lady doesn't cool (6)
26 Lose the drink ball after taking drugs (4)

Solution to 5086
ACROSS: 1 Memento, 5 Deface, 9 Dilutes, 10 Stammer, 11 Cut, 12 Destruction, 13 Moron, 14 Uninvited, 16 Commotion, 17 Roots, 19 Mischiefous, 22 Era, 23 Emigres, 24 Dispose, 26 Unwell, 27 Regency.
DOWN: 1 Modicum, 2 Military mission, 3 Nut, 4 Oasis, 5 Desertion, 6 Franc, 7 Come into one's own, 8 Ironed, 12 Dingo, 14 Universal, 15 Virus, 16 Camper, 18 Stately, 20 Horse, 21 Order, 25 Sag.

The Daily Mail

Dilbert



Harvard Hoax by Lazy Student

Bomb threats that led to the evacuation of four Harvard University campus buildings this week were made by a student trying to get out of taking a final exam. Twenty-year-old Eldo Kim sent emails, saying bombs had been placed around campus, to the Harvard police. The messages said shrapnel bombs would go off soon in two of four buildings, including one where prosecutors say Kim was supposed to take an exam at 9 am Monday. The buildings, on Harvard’s campus in Cambridge, just outside Boston, were shut down for hours before investigators determined there were no explosives. The maximum penalties for a bomb hoax are five years in prison and a \$250,000 fine, prosecutors said. Poor grades sound so much cooler than that!