

## BULLETIN OF THE ROTARY CLUB OF BOMBAY

### World Economics, Political Movements, And Emerging Market Concerns

#### From the President's Desk



**B**havishya Yaan has once again made RCB proud by setting another milestone

with E-learning, which has now also become a thrust area for the Rotary International TEACH Initiative of the Rotary India Literacy Mission.

Kudos to Committee Chair Satyan Israni and all those who were involved in making it happen!

Last Tuesday's meeting with Dr. Raghuram Rajan was one etched in stone. He managed to woo the audience with his keen understanding and knowledge of the world economics and the clarity with which he spoke his mind.

Rotary Club of Bombay wishes him great success in all his future endeavors!

*Handwritten signature*

Eagerly awaited by most, last week's talk by Dr. Raghuram Rajan was a packed house. Having come directly from his farewell at RBI, he was gracious to accept his first award (as the Citizen of Mumbai) post his tenure as the Governor, and spend a few hours with Rotarians before he returned to his much-loved teaching position at the University of Chicago Booth School of Business.



Dr. Raghuram Rajan, Ex-RBI Governor

With a view to give his successor space to establish his views, Dr. Rajan had decided not to speak publicly on any matter related to India, thus he decided to speak about the global situation. What has been happening, why are we seeing political movements across countries, and

as an emerging market what kind of concerns we should have going forward?

Setting the background for the current economic scenario, Dr. Rajan started by saying that typically recessions are expected to last only for a while, followed by rollicking growth. In fact, deeper the recession, stronger is the expected

growth. However, apart from 2010-11, we've been stuck in a period of very slow growth since the beginning of the financial crises in 2007. So why is the world not growing faster?

According to some, the slow growth was because of the build up of large debt over the great recession, and households that were consuming the most, could not borrow any more, as

**Today's Meeting** Mr Ajit Ranade, Chief Economist, Aditya Birla Group - 'Why Inclusive Growth Needs Lower Inequality'

#### Forthcoming Events

- **Sept 20, 2016** Meeting will be held in the evening at the Asiatic Society  
**Mr. P Sainath, Senior Journalist and Magsaysay Awardee**
- **Sept 27, 2016** Talk on 'Increasing Heart Ailments' by **Dr. Ashish Contractor**  
**Meeting will be held at Rendezvous, Taj Mahal Hotel**
- **Oct 04, 2016** **Mr. Shailesh Gandhi, Activist - Right To Information (RTI) Act**
- **Oct 11, 2016** **Dussera - No Weekly Meeting**

#### In this Issue

- World Economies, Political Movements and Emerging Market Concerns** \_\_\_\_\_ 2
- Events and News** \_\_\_\_\_ 5
- Next Week's Speaker** \_\_\_\_\_ 8

# Citizen of Mumbai Award Presented To Dr. Raghuram Rajan



Above (L-R) Rtn Shernaz Vakil, Rtn Camellia Panjabi, Dr. Raghuram Rajan, President Dr. Mukesh Batra and Honorary Secretary Manish Reshamwala



Rtn Camellia Panjabi reading the Citation:

The Citizen of Mumbai Award is presented to  
Dr. Raghuram Rajan:  
For being one of the most admired and acclaimed  
Governor's of any central bank in the world.  
For his erudition in economics and the accom-  
plishments as an author.  
For his keen understand and foresight and his  
courage of conviction.  
For his unwavering commitment to curbing  
inflation, increasing savings and deepening  
financial markets.  
For becoming one of Mumbai's favorite  
citizens and making us all so proud!

they were paying down the debt. This was the proverbial American housewife who went out and shopped until she dropped, and kept the world economy alive.

"Of course, the answer to revival of growth is reduction in debt. But it isn't just debt. While in the US, it is household debt, in Europe, some of it is government debt. There are some very heavily indebted governments in Europe, including Greece. And some heavily indebted banks as well, like those with moderate capital in Italy today. The debt disease has spread across the world, and certainly in China. So why did we get into so much debt? Was debt the solution to a prior problem?", he questions.

Some people including him, argue that debt was a solution to the very slow growth. However, in his book *Fault Lines*, Dr. Rajan talks about how aging, like in the case of Japan and Germany, contribute to slow growth. This is because, households as they age stop buying enough. This reduces the demand for goods and services and thereby weakening economic growth.

Another problem, which is demonstrating itself is low productivity. "So what is productivity growth?" he asks. "It is essentially one's ability to make goods and services in a more efficient way than before using less labor and less capital. One would like to believe that with all the technological innovation, productivity has increased. However, historically speaking, productive growth is low compared to in the past."

Author Robert Gordon is one of the biggest proponents of the fact that all this hype about Internet and social media is overblown. How much productivity can one get from 140 characters? Compare the gains from this kind of communication to gains you had from the invention in the early part of the 20th century when the motor car was invented, when railroads went around the entire country, and replaced coaches, or air transport, air conditioning, etc. and compare that to twitter, facebook and the other stuff that we feel so good about, it seems like night and day!

Dr Rajan affirms, "It is not that productivity is low today, it's just that we are not measuring it well. The doctors

amongst us will tell you that an operation today is very different from one performed 20 years ago. It's much less invasive, with much fewer post operative problems, and the chances of success are much higher. But when we measure productivity, we don't take into consideration quality, which is much improved."

"Therefore, while there is a lot of value that is created by the new services, we don't measure or monetize them. And since they are not monetized, they don't show up in GDP, and we believe they don't exist. Likewise, life today is better than life in the past, but we don't measure the stuff that makes it better. All these are reasons why people say productivity growth may look low, but we are actually better off than in the past."



Continuing further, he adds, "In US for example, the manufacturing share in the GDP has remained relatively constant. However, jobs in manufacturing have plummeted, as over time, the manufacturing process has become more efficient. And the way upwards for moderately skilled workers has disappeared."

"So across the industrial world, in this period of slow growth, there is increased anxiety. And that anxiety comes from two things: 1) The fear of their job being outsourced, 2) Like the case of driver-less cars, the people fear that their jobs will be taken over by robots. And what is particularly insidious is that when both these concerns come together as being replaced by a robot in 'Bangalore!'"

"Interestingly, even when I talk to some of the very well-to-do business people, whose kids are going to Stanford and Harvard, and they say, I wonder if my kid will have a job. That's the level of angst which is very worrisome."

The problem is everybody can see the old jobs going away, but they can't see the new ones coming. Today, Google itself, has spawned a whole new set of jobs in advertising based on measuring the impact of online advertising and finding out

how that pays off, but no one knew that job would exist 10 years ago. So in addition to anxiety, the state finances too are stretched across the industrial world because they had too much debt, and that makes for a really volatile mix.

"Who are the people supporting Trump? Who are the people supporting BREXIT?", questions Dr. Rajan. "They are the people who are worried about their future and their jobs. They are worried about their social security, because the government finances aren't good, and they don't want their social security being taken away by an immigrant. So they'd rather keep the immigrant out."

"A lot of the debate around BREXIT too, especially from a distance seems to be about immigration. The guys for it say immigration is good, while the guys against it are saying, lets keep the guys who are basically free-riders and not particularly useful to the

system, out. The idea is to close everything. And once everything is shut off, society will become wonderful and we'll make all the stuff internally."

The truth is an unrealistic possibility. If a country shut off all its borders, cut off the global supply chains and tried to run everything by themselves, they may actually be much worse. In making it all themselves, the prices would increase, and the real value of livelihood would go down. The problem therefore is that it's very hard to explain the value of free trade to people, because that part where it keeps prices low is easily forgotten, and the part where they lose jobs is what is remembered.

Earlier the global system was led by the US. Because it had one of the strongest and most efficient economies, it was strongly bent on keeping trade open, expanding trade or keeping capital trade open, expanding investment in other countries, etc.



# Dr. Raghuram Rajan Honored With Paul Harris Fellowship



President Dr. Mukesh Batra felicitated Dr. Raghuram Rajan by pinning the Paul Harris Fellow pin and a certificate from Rtn Rohan Dalal announcing the Rotary Foundation, which will be sent to Dr. Rajan in due course.

The Rotary Club of Bombay also recognized Dr. Raghuram Rajan as Paul Harris Fellow. The Club decided to honor Mr. Rajan from the contribution made by the Water Resources Committee to the Rotary Foundation.

Named after the founder of Rotary, Paul Harris, a Paul Harris Fellow is one who has contributed or in whose name is contributed a sum of a USD 1000 as a gift to the Rotary Foundation.

Now with the angst inside the United States about its own capacity to compete, there is very little appetite to expand trade.

Adding further, Dr. Rajan says, "For a country like India which is trying to make in roads into global trade at this time, the environment is becoming harsher and harsher. That basically suggests that we have to step up our game, and be much more forceful in pushing for open borders, for freer trade and for freer investment. But it also means that we have to change our stand, which historically was to resist others who wanted to push into the country, instead now we have to move forward and say now we want access to your markets, we want you to keep boarders open and not erect walls."

"That's the difference, but it's something that needs to be done. At the G20 meeting recently, President Xi Jinping of China forcefully said that the biggest problem was that while we want open borders and world is closing down. It is interesting because historically the push towards open borders was more from the industrial

countries. Today, they seem to have lost confidence. Politically too, it has become harder for them to push given that their domestic constituencies are opposing, and in times like these, it is our responsibility, to pick up as a collective emerging market to push towards open borders and towards free trade."

"This becomes a little problematic because many of the international institutions are dominated by the industrial countries. Dominated not in the sense of vote or power (that too), but primarily in agenda setting. Agendas are set by the industrial countries in these bodies, and I think that one of the things that we need to do as emerging markets is to improve our intellectual contribution so that we can start setting the agenda. If we wait for them to set the agenda, then we are always in the reactive mode, saying we can't do this, we can't do that, or stop trying to open up our agriculture and so on."

"But setting the agenda requires thinking, coordinating with emerging markets, and a much more savvy use

of international platforms. However, the mistake that we sometimes make is that we try to transform the institutions in the belief that greater vote or presence will change those organizations, but without intellectually changing the environment in which those organizations operate. So as long as it is believed that what is happening is shaped by the western intellectual mind or by the western universities, we will not get a change in those organizations, no matter how many votes we have or how many people we send there."

"What we need is our think-tanks, our universities to step up to offer ideas about the way we see the world, and push other countries to come on board. On climate change for example, we all understand that climate change is ultimately going to be a problem for all of us. So to push forward an agenda that makes collective sense, we need intellectual firepower (much more than any other form of power) and for that we need to upgrade our universities, upgrade our think-tanks and get them outward looking rather than looking internally within the ivory tower."

# Hon' Rtn Ajay Piramal Become AKS Member



Recently, Hon' Rtn Ajay Piramal was awarded the Arch Klumph Society (AKS) Membership. Named after the 6th Rotary President, AKS acknowledges and recognizes the highest tier of donors, i.e. those who have contributed \$250,000 or more in their lifetime.

Membership in the AKS is lifelong and members are formally inducted with their name, portrait, and biographical information displayed at Rotary International World Headquarters. In addition, they are also given specific AKS recognition pins and pendants, and several other benefits commensurate with their generosity.

Given via the Term Gift Global Grant method, the donated amount will be matched by TRF and will be utilized for the literacy project across 145 schools in Thane.

Above (L-R): District Governor Gopal Mandhanja, Past Rotary International Director Ashok Mahajan felicitate AKS Member Hon' Rtn Ajay Piramal

# Bhavishya Yaan Achieves A New Milestone With E-learning

E-learning at Bhavishya Yaan began as a pilot project under the Chairmanship of Rtn. Shivkumar Israni and the then President Rtn. Shailesh Haribhakti. It was run for a year at Dr. Ambedkar School at Worli and the NMJ School at NM Joshi Marg. After evaluating the successful performance of the students with the benefit of the E-learning facility, the Bhavishya Yaan Committee decided to extend it to all the five BY schools.

Last week, E-learning was implemented across all the BY schools. And it is a matter of great pride that E-learning has now also become a thrust area for the Rotary International's TEACH Initiative of the Rotary India Literacy Mission.

The E-learning facility consists of the following:

- An overhead projector
- A computer system
- A speaker system
- Internet Connection

With it, a special software licensed for E-learning offers tools to help students improve their listening, reading, writing and comprehension skills. Students from standard 6th to the 10th are provided with the benefit of the E-learning facility.

There is also a fortnightly online assessment that takes place where each student is given an individual tablet and he/she has to take a 30-minute test.



## Events This Quarter

### OCTOBER 2016

Date	Details
3rd	In Camera - Meditation with Mr. Sanjay Bhatia
4th	Shailesh Gandhi, Activist - Right To Information (RTI) Act
11th	Dussera - No weekly meeting
18th	Sudhendra Kulkarni - 'Creating a PM's Mindset'
25th	Diwali night party - M.V.M. Banquet 6:00 p.m. onwards (No afternoon meeting)

### NOVEMBER 2016

Date	Details
1st	Diwali - No weekly meeting
8th	Subha Barry - Princeton, USA - 'Battling & Surviving Cancer'.
15th	*Rafiqe Dada - Sr Counsel - 'Alternate disputes mechanism'
22nd	Mr. Mopalwar, MD, MSRDC - 'Future of Mumbai'
24-26	Amritsar Fellowship
29th	Indu Sahni, President & Executive Chair ISDI, ISDI WPP, ISME - 'Re-imagining Education'

### DECEMBER 2016

Date	Details
6th	*Bhushan Gagrani - MD, CIDCO - 'Vision for Navi Mumbai 2030 & international airport'
13th	*Don Gardner - Principal, B.D. Somani International School - 'Learning from Shakespeare'
20th	X'mas Dinner - Cocktails and dinner
27th	*Seema Mehta - Director - Chhandam Nritya Bharati. Student of dance from Harvard University. 'The power of Indian Classic arts'

\* To be confirmed



## Just For Laughs

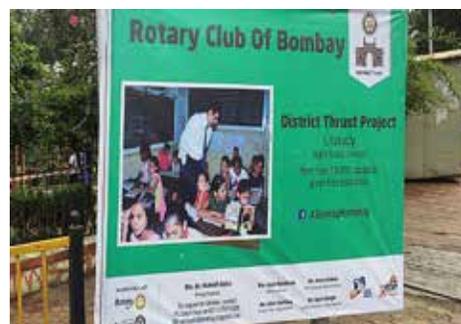
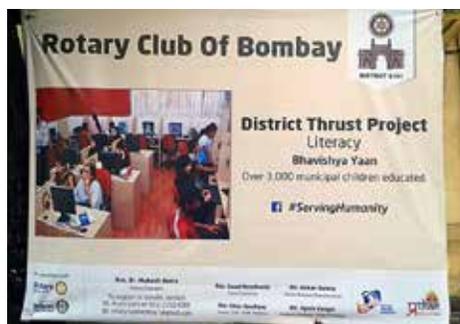


## BOOK LAUNCH AT ASIATIC SOCIETY

The Urban Heritage Renewal Committee is pleased to announce the launch of 'Conservation Laboratory at the Asiatic Library', during the evening weekly Club meeting at the Asiatic Society on September 20, 2016. The inauguration will be followed by the meeting in the Durbar Hall, where guest speaker Mr. P. Sainath, author, eminent journalist and Magsaysay Award winner, will address the Club.

## RCB Projects Make A Public Appearance

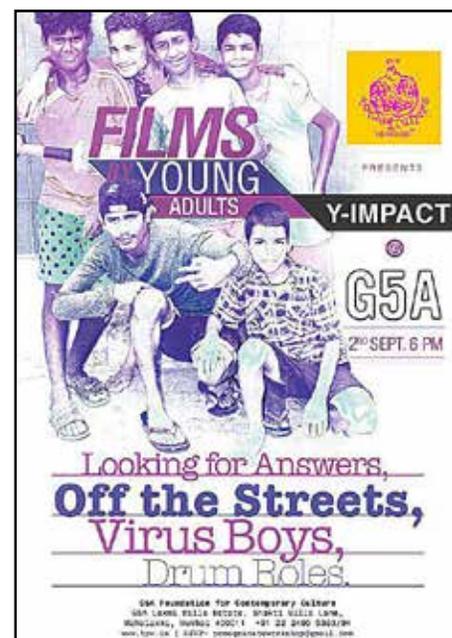
The Rotary Club of Bombay showcased its various service projects such as Bhavishya Yaan, Water Resources, Night Study Centers, and Pediatric Heart Surgeries by putting up hoardings at key locations in Worli, Prabhadevi and Haji Ali. This was as part of the PR initiative of the District, and RCB was the largest participant with eight such hoardings.

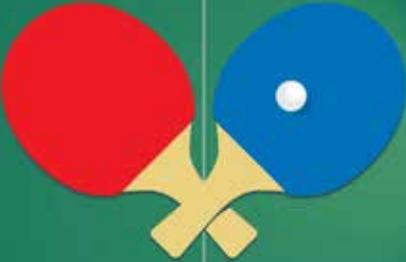


## Film 'Virus Boys' Makes BY Proud

An ex-BY 11th grade student from Elphinstone College, Abhishek Gupta, delighted the audience at the Pomegranate Foundation's Youth Impact screening with his short movie. Titled 'Virus Boys', the movie revolved around a group of friends who find each other through their passion for cricket.

Once the dedicated teachers from VIDYA connected Abhishek to Pomegranate's Youth Impact program, he participated in their eight-week summer workshop to learn how to make video clips and documentaries - the movie is a culmination of his efforts. The event was attended by Colaba School Principal, Mr. Magar, VIDYA teachers and Rotary-ane Poonam Surana





**Table Tennis  
Tournament**

**Where** YMCA, Colaba  
**When** 25<sup>th</sup> Sept.  
**Time** 9:30 a.m.

Considering the overwhelming response of last year, all those interested are requested to register their names as soon as possible with the Sports Committee (Jamshyd Vazifdar - 9821435558 / jamshydv@gmail.com, or Rtn. Moy Biswas - 9820051887 / moybiswas@gmail.com)

## Rotaractors Focus On Community Service At A Shelter



The Rotaract Club of Bombay recently carried out a community service project at the Aruna Shelter Home, Salvation Army. The project named *Rishtey*, offered a rakhi-making class for the kids of the shelter home. Having explored this simple yet satisfying craft, 40 young girls made rakhis for their brothers.

Inviting all Rotarians to be an active part of this weekly bulletin. If you have any feedback, suggestions, news and project updates, please email them to [gateway@rotaryclubofbombay.org](mailto:gateway@rotaryclubofbombay.org). Also, follow us on [facebook.com/rotaryclubofbombay](https://www.facebook.com/rotaryclubofbombay)



## Bohri Thaal Nite

*The Fellowship Committee takes great pleasure in inviting you for a Bohri Thaal Nite on Friday, 23rd September, 2016 8pm onwards, at the Wodehouse Gymkhana, Cooperage, Mumbai.*

*Enjoy the unique experience of eating in a traditional Bohri Style Thaal at an evening with fellow Rotarians!*

*As there is a limited capacity at the venue, we will be able to accommodate only the first 100 registrations. So would appreciate an early response from those who are interested in attending.*

*Hosted by*

<i>Aliakbar Merchant</i>	<i>Aziz Javeri</i>
<i>Farhat Jamal</i>	<i>Gulam Vahanvaty</i>
<i>Huzaiifah Bagasrawala</i>	<i>Ishraq Contractor</i>
<i>Sabira Merchant</i>	<i>Shariq Contractor</i>
<i>Sherebanu Baldiwala</i>	<i>Sohel Shikari</i>
<i>Suhail Nathani</i>	

RSVP: Rashmi Dhuri  
Email: [rotaryclubbombay.rashmi@gmail.com](mailto:rotaryclubbombay.rashmi@gmail.com) | Tel : 22024089 / 22882495  
(Please specify whether you are Vegetarian or Non-vegetarian)



## Paul Harris Fellowship Matching Scheme

As per the recently announced PHF Matching Scheme, any member who brings in x amount in Cash - approx 35% of balance to become PHF of next level, in multiple of USD 50 on higher side,  
 ■ District will match with points equal

to the contribution brought in cash by the Member.

■ Club will match with remaining points required to make him / her PHF of next level.  
 District will match to make him PHF of any level.

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Rtn. Arun Sanghi  
Rtn. Dr. Adi Dastur  
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Rtn. Ramesh Narayan  
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## NEXT WEEK'S SPEAKER

# P. Sainath, Senior Journalist and Magsaysay Awardee

**P.** Sainath, former Rural Affairs Editor of The Hindu, is the 2007 winner of the Ramon Magsaysay Award, Asia's most prestigious prize (and often referred to as the 'Asian Nobel'), for Journalism Literature and Creative Communications Arts. He was given the award for his "passionate commitment as a journalist to restore the rural poor to India's national consciousness." He was the first Indian to win the Magsaysay in that category. He was also the first reporter in the world to win Amnesty International Global Human Rights Journalism Prize in its inaugural year in 2000. His latest award is the World Media Summit Global Award for Excellence 2014. He won its Public Welfare award for exemplary news professionals in developing countries, taking the WMS prize in its inaugural year.

In a career spanning 34-year as a journalist, P. Sainath has won over

40 global and national awards for his reporting (though he has turned down several, including one of India's highest civilian awards, the Padma Bhushan. Which he declined because, in his view, journalists should not be receiving awards from governments they cover and critique). Almost the entire amount from his awards goes towards prizes for other journalists or to support other projects aimed at improving journalism. His latest project, the People's Archive of Rural India aims at capturing the labour, languages, livelihoods, arts, crafts and many other aspects of rural India. This will be a platform that combines video, audio, still photography and print.

He is also actively involved in the training of journalists in the poorest regions of India's countryside, and has also been teaching journalism across various colleges in India and also lectured at many universities worldwide.



## Birthday Greetings



**Abhin Alimchandani**  
13th September



**Ram Mehra**  
14th September



**Ashwin Didwania**  
17th September



**Cyrus Guzder**  
17th September



**Rajan Dalal**  
18th September



**Khurshed Poonawala**  
18th September

## Rotaryanne

14th September - Mr. Ratnakar Desai  
14th September - Arnaz Soonawalla  
15th September - Susmita Mitra  
15th September - Dr. Renu Raina  
18th September - Dr. Soonnu Balsara

## Statistics for last week's meeting

Members	195
Guest	61
Rotaryannes	34
Rotaractors	08
Total Attendance	298
Service Box Collection	₹ 6,750

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