Economist's View

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Saturday, May 20, 2006

Stiglitz: What the IMF Must Do to Reestablish Legitimacy

Joseph Stiglitz says the IMF must identify the U.S. as the major cause of global imbalances in order to have legitimacy as an institution, and the U.S. must begin to reduce its budget deficit to address the problem:

> The IMF's Problem Called America, by Joseph Stiglitz, Resource Investor, Business Day: The International Monetary Fund’s (IMF’s) recent meeting was lauded as a breakthrough, with officials given a new mandate for “surveillance” of the trade imbalances that contribute significantly to global instability. The new mission is crucially important, both for the health of the global economy and the IMF’s own legitimacy. But is the fund up to the job?
>
> There is obviously something peculiar about a global financial system in which the richest country in the world, the U.S., borrows more than $2 billion a day from poorer countries - even as it lectures them on fiscal responsibility. So the stakes for the IMF ... are high: if other countries eventually lose confidence in an increasingly indebted U.S., the potential disturbances in the world’s financial markets would be massive.
>
> The task facing the IMF is formidable. It will, of course, be important for the fund to focus on global imbalances, not bilateral imbalances. ... China can have a trade deficit with the Middle East and a trade surplus with the U.S., but these bilateral balances indicate nothing about China’s overall contribution to global imbalances. ... If one looks at multilateral trade imbalances, the U.S. stands head and shoulders above all others. Last year, the U.S. trade deficit was $805 billion, while the sum of the surpluses of Europe, Japan, and China was only $325 billion. So any focus on trade imbalances should centre on ... the U.S.
>
> The task of assessing trade imbalances - whom to blame and what should be done - involves both economics and politics. Trade imbalances are the result, for instance, of decisions about how much to save and how much - and what - to consume. They are also the result of government decisions: how much to tax and spend (which determines the amount of government savings or deficits), investment regulations, exchange-rate policies, and so forth. These decisions are interdependent.
>
> For example, huge U.S. agriculture subsidies contribute to its fiscal deficit, which translates into a larger trade deficit. But agricultural subsidies have consequences for China and other developing countries. Were China to revalue its currency, its farmers would be worse off...
>
> This poses a dilemma for Chinese policy makers. Subsidising their own farmers would divert money from education, health, and development projects. Or China can try to maintain an exchange rate that is slightly lower than it would be otherwise. If the IMF is to be even-handed, should it criticise American farm policies or China’s exchange-rate policies?
>
> Ascertaining whether a country’s trade imbalances are the result of misguided policies or a natural consequence of its circumstances is also no easy task. ... Moreover, a change in China’s exchange rate would do little to alter the multilateral trade deficit in the U.S. Americans might simply switch from buying Chinese textiles to imports from Bangladesh. It is difficult to see how a change in China’s exchange rate would have a significant effect on either savings or investments in the U.S. - and thus

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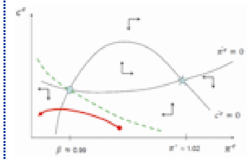

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- Minutes of the Federal Open Market Committee, October 27-28 - FRB

how it would redress global imbalances.

> With the U.S. trade deficit the major global imbalance, attention should focus on how to increase U.S. national savings... While it is true that tax preferences might yield slightly higher private savings, the loss of tax revenues would more than offset the gains, thereby actually reducing national savings. There is only one solution: reduce the fiscal deficit.
>
> In short, the U.S. bears responsibility both for trade imbalances and the policies that might quickly be adopted to address them. The IMF's response to its new mission of assessing global imbalances will thus test its battered political legitimacy. ...
>
> If the IMF's analysis of global imbalances is not balanced, if it does not identify the U.S. as the major culprit, and if it does not direct its attention on the U.S.'s need to reduce its fiscal deficits, through higher taxes for America's richest and lower defence spending, the fund's relevance in the 21st century will inevitably decline.

Dean Baker has another perspective on the budget deficit and global imbalances in his comments on a NY Times editorial. He ends with:

> An over-valued dollar, regardless of the cause, creates imbalances (i.e. trade deficits) that inevitably imply a painful correction process. The current over-valuation was not caused by budget deficits (remember, we had a huge budget surplus in 2000, when the dollar was considerably higher than it is now). The correction from the over-valued dollar is going to hurt regardless of what we do with the budget deficit. The price of imports will rise between 10-20 percent, raising the rate of inflation and reducing living standards in the United States.
>
> There are good arguments for reducing the budget deficit, but it's just silly to pretend that the pain from a falling dollar is attributable to the budget deficit, or that a lower deficit will somehow prevent this pain.

Posted by Mark Thoma on Saturday, May 20, 2006 at 03:38 PM in Budget Deficit, Economics, International Finance, Policy, Politics, Taxes | Permalink TrackBack (0) Comments (21)

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Comments

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anne said...

Oh dear, when the dollar lost from 40% to 50% in value relative to the prime international currencies after the Plaza Accord of September 1985, I remember my parents feeling ever so much poorer and complaining of all sorts of inflation. The problem was cheese, cheese, French cheese, which suddenly who could afford while Dad, poor dear, had a thing for French cheese. "Cheese," I would hear him groan and cover my head with a blanket. "Cheese, cheese, cheese." But, there was more to come.

Reply Saturday, May 20, 2006 at 04:26 PM

anne said...

A few cheeseless years later, we got those French and got them good because the French were threatened currency-wise by speculators who forced a devaluation and

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Wealth Distribution and

suddenly they were begging us to buy cheese while the Frenches went about with barrels of inflation money moaning of the loss of, well, affordable, highly affordable, um, what do Frenches buy from us anyway :)

Reply Saturday, May 20, 2006 at 04:32 PM

anne said...

We have had years to prepare as importers and investors, as have our trading partners and international investors, for a decline in the value of the dollar. Besides, the dollar has been relative strong and weak before and the Federal Reserve chiefs past and present have noted the economy would not be sacrificed for the sake of the dollar. Where then is the worry? Dad may go through French cheese pangs again, but I am stronger and can pledge to abstain from "that" :)

Reply Saturday, May 20, 2006 at 04:51 PM

Winslow R. said...

If the IMF's analysis of global imbalances is not balanced, if it does not identify the U.S. as the major culprit, and if it does not direct its attention on the U.S.'s need to reduce its fiscal deficits, through higher taxes for America's richest and lower defence spending, the fund's relevance in the 21st century will inevitably decline.

Stiglitz is trying to pin the blame for higher inflation on the 'real' cause, higher wasteful defense spending that destroys 'real' wealth.

I am not convinced that tax cuts for the wealthy qualify as an 'inflationary' force. I would argue they are even deflationary if 'saved'. Suboptimal wealth distribution does lead to other undesirable consequences like substandard growth.

Twenty years from now, Republicans will blame inflation on rising wages/unions etc. and a few economists will agree. We may 'need' the wealth distruction resulting from a war with Iran before inflation really takes hold.

Reply Saturday, May 20, 2006 at 05:27 PM

anne said...

Quite a powerful comment, Winslow. I do appreciate Stiglitz; also Baker, though I have aquibble with the dollar value issue :)

Reply Saturday, May 20, 2006 at 06:02 PM

dryfly said...

Joseph Stiglitz says the IMF must identify the U.S. as the major cause of global imbalances in order to have legitimacy as an institution, and the U.S. must begin to reduce its budget deficit to address the problem

Amen.

But if I'm not mistaken doesn't a European head up the IMF? Like Team Bush will listen or even care... Until these guys are gone it will be nothing but silent trees falling in the forest.

Reply Saturday, May 20, 2006 at 06:58 PM

a said...

Dryfly, by your logic, UN is run by Ganna, because Kofi is from there?

US has the single veto power in IMF.

Yes, one can blame the Bush team, but publci awareness of the problem is so very important for the next administration to carry out anything different. The Bush may be incompetent in many ways, but polluting public opinion with lies has been them single strength. It is foolish not to take care of that.

Reply Sunday, May 21, 2006 at 07:40 AM

mauisurfer said...

If the IMF's analysis of global imbalances is not balanced, if it does not identify the

U.S. as the major culprit, and if it does not direct its attention on the U.S.'s need to reduce its fiscal deficits, through higher taxes for America's richest and lower defence spending, the fund's relevance in the 21st century will inevitably decline.

Stiglitz is trying to pin the blame for higher inflation on the 'real' cause, higher wasteful defense spending that destroys 'real' wealth.

Thanks for that Stiglitz and Winslow, makes sense to me, only more so. If you examine the cost of deactivating this vast armada of nukes, the "real cost" is far higher than any govt estimate. And if you add the costs of cleanup at Hanford and elsewhere, USA is really so broke it cannot afford to hire a plumber to fix the toilet.

Years ago Sam Bowles suggested that the true cost of "goods and services" could only be accounted for accurately by subtracting the cost of "bads".

Reply Sunday, May 21, 2006 at 10:54 AM

anne said...

The idea that we can needlessly spend $10 billion a month for the war and occupation of Iraq, but that there should be no consequences for doing so, as though a mere accounting were the only wasteful enterprise, is a perversion of economic responsibility, to ourselves and others, to persons and instutions. There have been consequences from Iraq, each wound suffered, external or within, to the material cost however supposedly hidden. We must leave Iraq, immediately.

Reply Sunday, May 21, 2006 at 11:15 AM

dryfly said...

a - The director of the IMF is usually a European & the World Bank an American. Vestige of Bretton Woods & outdated considering Asia's rise... but that's the way it is.

A little over a year ago there was a big 'pissing match' between the EU & the US over who would run the World Bank... Bush appointed Wolfowitz (one of the 'master minds' of the Iraq War). Wolfowitz was charged with the task of reforming the World Bank (to be more neo-con friendly). The IMF (being headed by Rato) isn't quite as neo-con friendly.

I don't expect the Bush admin to care much if the IMF brands the US a major source of imbalances... they will consider the source and chalk it up to 'Bush hatred' on the part of 'Old Europe' and brush it off.

Not much will come of this. Politics not economics.

Reply Sunday, May 21, 2006 at 07:19 PM

a said...

"

Bush appointed Wolfowitz (one of the 'master minds' of the Iraq War). Wolfowitz was charged with the task of reforming the World Bank (to be more neo-con friendly). The IMF (being headed by Rato) isn't quite as neo-con friendly. "

It is probably not that important to argue which one is more neo-liberal, I do think that the argument that because IMF's head is a European, hence it is less neo-liberal is misleading.

IMF is headed by groups of powerful western countries' finance ministers (40% of the voting power goes to USA, which by far has the largest voting power, Japan, Germany, France and UK)
(See http://www.imf.org/external/np/sec/memdir/eds.htm).

The Bretton Woods Project keeps close eyes on then bank and the fund and here is an unflattering news on the European head of the Fund:
http://www.brettonwoodsproject.org/article.shtml?cmd[126]=x-126-537521

quote (the fact the Fund just recycle bankers from Wall Street is not an coincidence, it refelcts the core intrerest groups in represents in reality):
=================

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Merrill Lynch on economic impact of El Niño: Q1 "Risk" to Upside
DOT: Vehicle Miles Driven increased 2.3% year-over-year in August, Rolling 12 Months at All Time High
Lawler: Preliminary Table of Distressed Sales and All Cash Sales for Selected Cities in October
Philly Fed Manufacturing Survey showed slight expansion in November
Weekly Initial Unemployment Claims declined to 271,000

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With the imminent departure of Anne Krueger from the post of first deputy managing director of the IMF, Rodrigo de Rato had a unique chance to move the Fund in a different direction as it looks to implement its medium-term strategic review. Instead, the managing director nominated US banker John Lipsky, maintaining the convention of keeping the top two posts at the Fund split between the transatlantic power centres.

Lipsky, currently the vice chairman of JP Morgan Investment Bank, is no stranger to the IMF, having worked there from 1974 to 1984, including a stint as the country representative to Chile when it was under Pinochet's rule. He also has an agreeable educational pedigree, with economics degrees from Wesleyan and Stanford Universities.

Reply Monday, May 22, 2006 at 07:14 AM

a said...

"I don't expect the Bush admin to care much if the IMF brands the US a major source of imbalances"

It is not about the Bush administration. It is about IMF, which is in trouble now for lack of credibility of the borrwer countries. Asia Countries, for one, are forming their own development bank to solve their fund needs. And Latin American countries are also pre-paying the debt and getting out of the grips of IMF as quickly as they can. Without much victim's blood to suck, one has to see how IMF manage to make itself relavant.

In comparison, the world bank has solid development programs and will still be in business for a long time to see.

Reply Monday, May 22, 2006 at 07:21 AM

a said...

"the world bank has solid development programs " ---While, that is before Paul Wolfwitz completely ruined it, of course.

Reply Monday, May 22, 2006 at 07:25 AM

Richard said...

"Twenty years from now, Republicans will blame inflation on rising wages/unions etc. and a few economists will agree. We may 'need' the wealth distruction resulting from a war with Iran before inflation really takes hold."

I've been thinking the same thing: inflationary inputs today might take a decade or two before they are realized as inflationary outputs tomorrow.

But please, I'm already unhappy enough about Iraq. I'm trying very, very hard to imagine that the more muted tones we hear from the administration today are the result of prudence, caution and lessons learned, and not the quiet of crackpots prior to a final, quixotic conflict.

Reply Monday, May 22, 2006 at 01:43 PM

a said...

Reported by Democracy Now:
http://www.democracynow.org/article.pl?sid=06/05/22/1352205
===
Economist Joseph Stiglitz Backs Bolivia's Move to Nationalize Gas Resources

The Nobel Prize winning economist Joseph Stiglitz has publicly backed Bolivia's decision to nationalize its vast gas and oil reserves and to renegotiate all contracts with foreign oil companies. Stiglitz met with Bolivian President Evo Morales on Friday. The former World Bank official said Bolivia was right to receive just compensation for its natural resources and that nationalization is part of a process of returning what already belonged to the Bolivian government. Stiglitz added that it is clear that the neo-liberal economic policies of Washington have failed the people of Bolivia.

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Wisconsin Private Employment: "highest one-month jump since 1992"
Closing the Output Gap
The Wisconsin Economy since the Last Peak
Potential GDP, Again
"…inflation expectations can change quickly"
What the Taylor Rule(s) Say(s)
Preparing for lift-off

WSJ Econ Blog

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Video: The Married Millennial Parents Are Coming
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Renters Spent a Record-High Share of Income on Rent This Spring
As Home Prices Rise, the Foreclosure Crisis Continues to Recede
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The surprising reason more police dogs are dying in the line of duty
The refugees Americans have fought against over 200 years
Why Missouri might be the next big battleground in the right-to-work debate
Specialty drugs now cost more than the median household income
Bernie Sanders is right: The top 0.1 percent have as much as the bottom 90 percent
A growing number of lawmakers wants Obama to fire the nation's top drug cop

Free exchange

To get a climate agreement, first set out principles for fair cost-sharing

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The Berkeley Econ Blog
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Miscellaneous
Monetary Policy
MoneyWatch
Oil
Oregon
Policy
Politics
Press
Productivity
Reading
Regulation
Religion
Saving
Science

Reply Tuesday, May 23, 2006 at 12:18 PM

said...

in contrast, democracy now is reporting
(http://www.democracynow.org/article.pl?sid=06/05/23/1358246)

============================
Bush Warns of “Erosion of Democracy” in Venezuela & Bolivia
President Bush warned Monday that Venezuela and Bolivia are suffering from what he described as an “erosion of democracy.” Bush’s comments come a week after the U.S. cut off military sales to Venezuela and three weeks after Bolivia announced it would nationalize its natural gas resources. Bush said he had a message for Venezuela, Bolivia and other nations in the hemisphere. President Bush: I am going to continue to remind our hemisphere that respect for property rights and human rights is essential for all countries in order for there to be prosperity and peace. I'm going to remind our allies and friends in the neighborhood that the United States of America stands for justice; that when we see poverty, we care about it and we do something about it; that we care for good -- we stand for good health care. I'm going to remind our people that meddling in other elections is -- to achieve a short-term objective is not in the interests of the neighborhood.”

Reply Tuesday, May 23, 2006 at 12:20 PM

anne said...

Nice :) Perfectly contrasted, and I agree with Stiglitz.

Reply Tuesday, May 23, 2006 at 12:34 PM

anne said...

http://www.nytimes.com/2006/04/02/books/review/02reich.html?ex=1301634000&en=6e5bda8116c5eb20&ei=5090&partner=rssuserland&emc=rss

April 2, 2006

The Poor Get Poorer
By ROBERT B. REICH

It is not exactly a new debate. On my bookshelf sits "Which? Protection or Free Trade," edited by H. W. Furber and published in Boston in 1888. That was some 70 years after the British economist David Ricardo first suggested that the gains from trade exceed the losses regardless of whether trading partners are more or less economically advanced, as each nation shifts to where it has a comparative advantage. Most economists and policy makers now accept Ricardo's argument, although the popular debate over the merits of free trade continues.

The new and more interesting debate is about how the benefits of trade should be shared. During the 1990's, the so-called Washington consensus of officials from the International Monetary Fund, World Bank and United States Treasury Department thought the best way to spur growth in developing nations was for them to quickly lower their trade barriers and deregulate their markets. But that prescription hasn't worked especially well, even though it still shapes American trade policy. Apart from China and India, the gap between rich and poor nations has continued to widen. More than two billion people worldwide live on the equivalent of less than a dollar a day. Trade talks initiated in Doha, Qatar, in 2001, were intended to redress the balance but have gone nowhere. The last major international meeting, in 2003 in Cancún, Mexico, ended in failure and recrimination, and there's been little progress since. The world's poorer nations think the richer ones are still offering a lousy deal.

In their provocative book, "Fair Trade for All," Joseph E. Stiglitz, a professor of economics at Columbia, and Andrew Charlton, a research officer at the London School of Economics, argue that the poorer nations are right. A better deal would be for them to move toward free trade gradually, each according to its own particular circumstances. The authors urge richer nations to help poorer ones prepare themselves for trade, while dismantling their own trade barriers, which prevent developing

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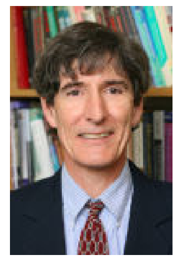

Mark Thoma
Department of Economics
University of Oregon

Blog Established March 6, 2005

nations from selling them many goods and services.

Stiglitz is worth listening to. A winner of the Nobel in economic science in 2001 for his pioneering work in the economics of information, he was a member and then chairman of the Council of Economic Advisers from 1993 to 1997 (during which time, in the interest of full disclosure, we frequently attended the same White House meetings), thereafter becoming chief economist and senior vice president of the World Bank. In other words, Stiglitz was in Washington when the Washington consensus was formed. He was a dissenter, however, and in recent years has been an outspoken critic of Washington's trade and global investment policies.

Stiglitz and Charlton show that standard economic assumptions are wrong when it comes to many developing economies. When markets in sub-Saharan Africa and elsewhere are opened, people often can't move easily to new industries where the nation has a comparative advantage. Transportation systems that might get them there are often primitive, housing is inadequate and job training is scarce. They're vulnerable in the meantime because safety nets are weak or nonexistent. Most people lack access to credit or insurance because financial institutions are frail, so they're unable to start their own businesses or otherwise take advantage of new opportunities that trade might bring. Many poor countries are already plagued by high unemployment, and job losses in the newly traded sector might just add to it....

Reply Wednesday, May 24, 2006 at 07:43 AM

a said...

Anne, thanks for your attention on world issues.
Yesterday, Democracy Now! interviewed Arundhati Roy, author of God of Small Things (one of my favorite modern novels), and activist. She painted a rather dark picture of India's current social-economic situation. Here is some excerpt (the whole transcript is really worth reading) from (http://www.democracynow.org/article.pl?sid=06/05/23/1358250):

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ARUNDHATI ROY: But I must say that while Bush was in Delhi, at the same time on the streets were -- I mean apart from the protests, there were 60 widows that had come from Kerala, which is the south of India, which is where I come from, and they had come to Delhi because they were 60 out of the tens of thousands of widows of farmers who have committed suicide, because they have been encircled by debt. And this is a fact that is simply not reported, partly because there are no official figures, partly because the Indian government quibbles about what constitutes suicide and what is a farmer. If a man commits suicide, but the land is in his old father's name, he doesn't count. If it's a woman, she doesn't count, because women can't be farmers.

AMY GOODMAN: So she counts as someone who committed suicide, but not as a farmer who committed suicide.

ARUNDHATI ROY: Exactly.

AMY GOODMAN: Tens of thousands?

ARUNDHATI ROY: Tens of thousands. And then, anyway, so these 60 women were there on the street asking the Indian government to write off the debts of their husbands, right? Across the street from them, in a five-star hotel were Bush's 16 sniffer dogs who were staying in this five-star hotel, and we were all told that you can't call them dogs, because they are actually officers of the American Army, you know. I don't know what the names were. Sergeant Pepper and Corporal Whatever. So, it wasn't even possible to be satirical or write black comedy, because it was all real.

Reply Wednesday, May 24, 2006 at 08:36 AM

a said...

Continue quoting Arundhati Roy on call centers, colonialism, democracy... :

AMY GOODMAN: Our guest today for the hour is Arundhati Roy. She just recently flew in from New Delhi, India. She is the author of a number of books, her Booker Prize

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Macro and Other Market

award-winning book, The God of Small Things, and then her books of essays, The Ordinary Person's Guide to Empire, The Checkbook and the Cruise Missile among them. Arundhati, you were just talking about what is happening in India. Thomas Friedman, the well-known, much-read New York Times columnist and author, talks about the call center being a perfect symbol of globalization in a very positive sense.

ARUNDHATI ROY: Yes, it is the perfect symbol, I think, in many ways. I wish Friedman would spend some time working in one. But I think it's a very interesting issue, the call center, because, you know, let's not get into the psychosis that takes place inside a call center, the fact that you have people working, you know, according to a different body clock and all that and the languages and the fact that you have to de-identify yourself.

AMY GOODMAN: And just for people who aren't familiar with what we're talking about, the call center being places where, well, you might make a call to information or to some corporation, you actually are making that call to India, and someone in a call center is picking it up.

ARUNDHATI ROY: But, you know, the thing is that it's a good example of what's going on. The call center is surely creating jobs for a whole lot of people in India. But it comes as part of a package, and that package, while it gives sort of an English-speaking middle or lower middle class young person a job for a while, they can never last, because it's such a hard job. It actually is also part of the corporate culture, which is taking away land and resources and water from millions of rural people. But you're giving the more vocal and the better off anyway -- the people who speak even a little bit of English are the better off among the millions of people in India. So, to give these people jobs, you're taking away the livelihoods of millions of others, and this is what globalization does.

It creates -- obviously it creates a very vocal constituency that supports it, among the elite of poor countries. And so you have in India an elite, an upper caste, upper class wealthy elite who are fiercely loyal to the neoliberal program. And that's exactly, obviously, what colonialism has always done, and it's exactly what happened in countries in Latin America. But now it's happening in India, and the rhetoric of democracies in place, because they have learned how to hollow out democracy and make it lose meaning. All it means, it seems, is elections, where whoever you vote for, they are going to do the same thing.

Reply Wednesday, May 24, 2006 at 08:42 AM

anne said...

http://www.nytimes.com/2006/05/23/world/asia/23india.html?ex=1306036800&en=ed9584778b703c1d&ei=5090&partner=rssuserland&emc=rss

May 23, 2006

Quotas to Aid India's Poor vs. Push for Meritocracy
By SOMINI SENGUPTA

NEW DELHI — The problem of caste prejudice here is as ancient as the Hindu texts. The efforts to redress it date from the formation of modern India nearly 59 years ago. Today — as India enjoys awesome rates of economic progress and confronts the challenge of spreading the benefits to its needy majority — the nation faces a polarizing totem of public policy: a government plan to extend college admission quotas to certain "backward" castes.

Affirmative action is in some ways an even more emotional issue in India than in the United States. In recent weeks, a proposal to extend quotas for admission to some of the country's flagship, federally financed universities has caused fresh turmoil.

Protests — particularly by medical students who say merit should be the only basis for admission to India's intensely competitive medical schools — have spread across the country and, here in the capital, hobbled public health services. Advocates and opponents of the measure have exchanged often ugly rants.

For the government, redressing age-old caste discrimination has become mired in divisive politics. The government has said it will not back down from its proposal.

Musings

- Going All Natural at the Fed
- How to Trigger a Panic Attack at the Fed
- Fact Checking the Fact Checkers
- No, the Fed Did Not Enable Large Budget Deficits--You Did!
- A Plea to My Fellow Free Marketers
- People's QE Has Been Tried Before and Failed
- The Courage to Act in 2008

Worthwhile Canadian Initiative

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Chris Blattman

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Caste-based quotas are not new. As authorized by its Constitution, India has long set aside 22.5 percent of public university seats, including those at the most elite institutions, for the lowest castes on the Hindu social ladder and indigenous tribes. Quotas also apply to government jobs and elective office.

The latest proposal extends that principle by setting aside an additional 27 percent of seats for a group known in the bizarre parlance of Indian bureaucracy as "other backward classes," or O.B.C.'s.

The new quotas would apply to the country's most competitive federally financed universities, including the Indian Institutes of Technology, the Indian Institutes of Management and some elite medical colleges.

Medical students have been particularly outraged because the plan would further restrict the limited number of seats. Medical education in India begins with a five-year undergraduate program, and the proposal could affect students' chances of completing their training.

The central lawn of the All India Institute of Medical Sciences, the pre-eminent public hospital, was occupied Friday by medical students on the fifth day of a strike that began last week and continued on Monday. "My merit is my caste. What is yours?" read one T-shirt.

The quota advocates have also mobilized. On Friday in Patna, a group of them clashed with the police. Earlier in the week they faced off against antiquota medical students at the All India Institute of Medical Sciences, arguing that it was against the law for doctors to strike....

Reply Wednesday, May 24, 2006 at 08:46 AM

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- I'm at that point in my career where I'm ready to do something absolutely crazy
- "Economists Recommend Setting Aside Part Of Every Paycheck In Case Of Dire Straits Reunion Tour"
- Data point of the day
- A reminder of who we are supposed to be (or used to be?)
- Can my students now use The Onion as a legitimate news source?
- Now maybe John will stop whining about how stressed out he is*

Tim Taylor

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- Why More Humanitarian Aid Should be Given in Cash
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10 Friday AM Reads

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Angry Bear

- **Open thread Nov. 20, 2015**
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- **Oscar Landerretche on Inequality**
- **Clinton Campaign Spokesman Brian Fallon Says Healthcare Insurance Premiums Aren't Paid by Families and Employers, Because They're Paid to Private For-Profit Insurers. Seriously.**
- **High slack or Low slack?**
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Greg Mankiw

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What I've been watching

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Links 11/20/15

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On the Lack of Courage in Regulators

2:00PM Water Cooler 11/19/2015

TPP's Orwellian Definition of "Science" in its Sanitary and Phytosanitary (SPS) Chapter

Kevin Drum

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Obamacare's Growing Pains Are About What You'd Expect in a Newly Competitive Market

Republicans Play "Can You Top This?" Over Refugees

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What Bernie Sanders gets wrong about Obama's trade deal

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Duncan Black

- Maybe I'll Take The Afternoon Off
- Cutting Their Way To Prosperity
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- Soak The Rich
- Late Night
- Evening Thread
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Steve Benen

- Rubio faces leadership test and flunks
- Friday's Campaign Round-Up, 11.20.15
- Failing to rise to the occasion
- The importance of Cruz's 'National Prayer Team'
- GOP congressman tries to connect refugees, Benghazi
- The 'reality gap' poses real political challenges
- Jeb Bush clumsily claims high ground against Trump

Felix Salmon

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- Marriott won’t pillage your SPG rewards. Here’s why.
- The Great Debate Edition
- Why Uber should become a car insurer
- Why we fear technology
- Yes, Marco Rubio, philosophy matters—and we could use a lot more of it