

# Article critiques on finance



**ASSIGN  
BUSTER**

A SEEDBED OF REVOLUTION The Rockefeller Foundation and the Gates Foundation have jointly decided to devote \$150 million over five years to bring about an agricultural revolution in Africa. Some of this money will be spent on training crop scientists as well as on developing seed varieties that are more suited to the African climate. The funding by these two foundations is most welcome, as interest in crop science has been dwindling, with biotechnology becoming a profit-driven enterprise and skewed research. The agricultural revolution pioneered by Norman Borlaug in the 1970s, somehow failed to make an impact in Africa although it was a success in Asia, where it was an important social issue. Asian governments, "made sure their farmers, big and small, were able to avail themselves of fertiliser, irrigation and connections to markets". A large part of this credit goes to the Nobel laureate, Norman Borlaug, who pioneered the green revolution. In Africa however, governments saw improvements in agriculture technology only as a "means to secure political favour, not the food supply". Hence the renewed interest in Africa is welcome to ensure that the benefits of the green revolution succeed at least at the second attempt.

#### Comments

No nation will ever be able to enjoy political and economic stability unless it is self-sufficient in its food supply. Food is important in the developing and least developed countries because buying and selling of food accounts for a major chunk of economic activity. Improvements in the agriculture sector results in economic upliftment at the grass-roots level where it is most needed.

#### References

The Economist, September 16th, p 90.

<https://assignbuster.com/article-critiques-on-finance/>

## THE MEDIA INDUSTRY'S ODD MAN OUT

The media industry was shocked when in September 2006, Viacom CEO, Tom Freston was sacked and replaced by Philippe Dauman, a corporate lawyer unknown in the media industry. This resulted in a sharp fall in the value of Viacom shares, until Dauman re-assured shareholders that there would be no major policy shifts in the near future. Mr Dauman is seen as a protégé of Viacom's octogenarian controlling shareholder Sumner Redstone, who has made such changes in the past. However, Dauman's lack of experience of building media firms is a cause of concern, his area of expertise being the fine-print in mergers and acquisitions. Of the possible reasons for Mr Freston's ouster is a fall in share prices by 10% during his eight months as CEO, as also his inability to expand Viacom's digital business rapidly enough. Mr Freston's success story - MTV Networks - which is a major source of revenue was also showing signs of "losing its resonance with young people" resulting in a fall in returns. Whatever be the case, the octogenarian founder of Viacom decided that a change was needed.

### Comments

Many analysts feel the sacking of Mr Freston and his replacement by an unknown a very surprising move. If change was really needed, Viacom would have been better served by bringing in another qualified media manager rather than a loyal retainer. As things stand, the new incumbent will first have to steady the ship, and stop the company from falling apart. Only then can he introduce changes which was the object of the whole exercise.

### References

The Economist, October 14th 2006. p 76.