

# Indian Tech Can Soar Over H-1B Hurdle

Tech evolution pushes in the same direction

President Donald Trump's executive order to review the US H-1B visa programme for technology workers has not quite set the cat among Indian IT pigeons. Existing rules have not changed. But the order "Buy American and Hire American" could mean fewer opportunities to send Indian nationals, the largest group of H-1B recipients annually, to the US. Federal agencies have been directed to "suggest reforms to ensure that H-1B visas are awarded to the most skilled and highest paid petition beneficiaries", putting IT companies on notice for changes ahead. These companies must swiftly reinvent themselves to become more innovative for a challenging environment, given that governments want to keep the interests of their country and people at the centre.

Last year, UK tightened visa rules that include the intra-company transfer route largely used by Indian IT companies. Australia has tightened its visa rules and New Zealand will follow suit. Such curtailment of access to Indian manpower in their export markets only nudges Indian companies to move rapidly along a path they already have started treading. The focus has to shift from low-cost manpower to high productivity. Artificial intelligence and automation already threaten to eat up much of the work Indian IT performs with its H-1B manpower. So, Indian IT services companies must raise their game, acquiring serious consulting capability, entering new, cutting-edge areas of business such as big data analytics and the Internet of Things (IoT), and deploying high-end computing of their own, incorporating artificial intelligence and automation, to take on the competition. It helps that artificial intelligence is now available on tap from the cloud, thanks to business conduct innovation by companies like IBM and Microsoft.

The salaries these companies offer reflects the quality of their manpower. Legislative proposals seek a minimum salary of \$130,000 to qualify for H-1B. Indian IT companies should take it as a challenge to reorganise their business, to more than comply with such stipulations.

# Now, to Export India's Election Services

The government has done well to accede to the Election Commission's demand for funds required to kit out every electronic voting machine (EVM) that would be used in the 2019 general elections with a voter-verifiable paper audit trail (VVPAT) mechanism. This serves two immediate purposes and can lead on to a larger benefit for the economy. There are two immediate benefits: it exposes the campaign that the BJP owes its electoral victories to a sinister ability to hack the EVMs; and, two, it reassures the voter that his vote has, indeed, been registered as intended. This is most commendable.

When an EVM is equipped with VVPAT, the voter's act of pressing the EVM button of his choice causes a slip of paper to be printed inside the machine's transparent window, showing the voter's electoral choice. The piece of paper then gets automatically cut and falls into a box inside the locked machine, where it will lie for 45 days after the results are declared, ready to be counted if there is any dispute over the vote count produced by the EVM.

This is a double-check on the veracity of EVM process: the voter gets to see that the machine has registered his vote as he had intended and, in case the machine malfunctions for any reason, the votes that had been cast would have left a physical record that can be accessed.

The conduct of elections by the Election Commission of India is an exportable government service, which has the potential to generate considerable revenue and/or goodwill for India. The VVPAT gear adds to the credibility of the EVM, which is already high, thanks to the chip inside that can be programmed just once and is not plugged into a network that could be vulnerable to hacking. This can be a proud offering from India to the world.

 Turmeric is the super spice that brightens the India-US relationship

# US Discovers a Haldi Alternative

It is heartening to observe that a quintessential Indian condiment, turmeric, is bringing colour to western tables. India tenaciously won a second battle of 'haldighati' in 1997 by getting a US patent on turmeric's anti-inflammatory and healing properties cancelled by providing proof of its continuous use in India for centuries. A couple of decades later, turmeric — thanks to its active chemical curcumin — has become a staple in trendy haunts as the panacea for everything from flu and depression to arthritis and cancer. While its "sunshine" colour is certainly attractive, the American propensity to put it in their infusions and lattes — spiced up further with cinnamon and vanilla — will strike many Indians as strange. However, it being promoted as the ideal "after workout" drink dovetails nicely with the promotion of yoga. Coconut oil is another soft power ambassador, and may soon rival olive oil as the cooking medium of choice in certain circles.

All this bodes well for India's soft power initiative, especially as the popularity of turmeric and coconut oil has spread without any investment of time, effort or money. A recent study claiming turmeric is not really a "super spice" has not got much traction, so Prime Minister Narendra Modi may well find some familiar colours and flavours on the menu when he goes to the US this summer.

It's critical that generating stations help drive the country's economy instead of becoming NPAs

# Have the Power to Change



Anil Sardana

India's power sector is facing a conundrum. While existing power plants are suffering from low utilisation rates of about 60%, or are lying stranded for either want of fuel or power purchase agreement (PPA), there is a brisk addition of new renewable and thermal capacities through public sector undertakings (PSUs). Today, India's grid-connected installed capacity is 310 GW, while the peak power demand is only 170 GW. Under-utilisation of existing assets affects the profitability of power companies, hampers their capacity to service debt obligations and increases the risk of becoming non-performing assets (NPAs). There is an estimated 90 GW of grid-connected power capacity that is stranded. Solving this challenge will result in two major benefits. One, it will boost 'Make in India' by generating more employment, and, two, it will ensure power to all.

## Alternating Current

Over the last few decades, the real growth in power demand hasn't matched up to Central Electricity Authority (CEA) estimates due to less energy-intensive services sector driving economic growth rather than the manufacturing sector. This is exacerbated by the poor performance of distribution companies with high aggregate technical and commercial (AT&C) losses that resort to load-shedding.

The target on renewable power must be reassessed to identify the capacity that would be needed vis-à-vis the expected future demand for electricity

India's per-capita power consumption of 1,010 kWh per annum is very low compared to nations such as China (4,000 kWh per annum) and developed countries (about 15,000 kWh per annum). Here are a few possible remedies to enhance power demand and gainfully deploy built-up assets: ► Minimise use of DG set: Go should deter users of diesel generator (DG) sets and levy penalties for using oil-based power supply. Grid-based power, even at industrial tariffs, is cheaper, and deterring DG set users will shift these customers entirely to the grid and put pressure on distribution companies to not default on power supply. ► Make state distribution companies accountable: Discoms need to be more accountable for the supply of 24x7 electricity to boost economic activity. To ensure reliability of supply, regulation should be formulated to penalise discoms for disruption of supply to industrial consumers.

To finance discoms for such a framework, a small reliability charge may be charged along with the tariffs, thereby offering them an incentive to procure and supply sufficient power. This would consolidate power demand in the national grid and bring the highest value to all stakeholders in the long term. If distribution companies still shed load, the regulator should deprive such discoms of tax benefits, or even consider privatising them. ► Correct cross-subsidy regime distortion: The average industrial power tariff in almost all states is higher than that charged in most developed countries. This is clearly not aligned to 'Make in India'. To make industrial tariffs even more cost-competitive, the cross-subsidy regime imposed on them should be removed. This can substantially shift power demand back to discoms and send the right economic signals to all consumers.



Make the discom dinosaurs extinct

Low-end domestic consumers may be cross subsidised by high-end residential or commercial consumers. Agricultural subsidy may be funded through high-end residential and commercial customers. The fund for cross-subsidy can be formed by accumulating the cross-subsidy surcharge into a corpus, which may be used to disburse the direct benefit transfers. This can help minimise leakage and misuse of the subsidised power.

By leaving industrial consumers out of this cross-subsidising and keeping tariffs close to cost of supply, manufacturing can be made greatly cost-competitive with respect to global players.

## Direct Current

► Incentivise industrial consumption: Industry can be incentivised to add capacity and expand its production and market activities by giving high-performing production units 10-15% discount as 'credits' in industrial tariffs to be funded through GST or through a corpus created to boost industrial production. This will help enhance demand profile, improve competitiveness and create more jobs. ► Re-evaluate capacity addition programmes: To ensure existing generation capacity gets fully utilised and existing PPAs are honoured, fresh capacity addition needs to be re-evaluated. Nearly 50 GW of thermal capacity is under execution, mainly by PSUs. A large portion of the new capacity is expected to supply power at prices above ₹4 per kWh, whereas existing

assets with sub-₹3.50 per kWh generation are lying stressed or stranded. ► Retire old generating sets: Old, inefficient assets of nearly 35GW capacity need to be retired and their fuel linkages and PPAs transferred to the more efficient generating stations. Go should encourage power sector consolidation, including PSUs acquiring stranded assets, to usher efficiencies and present opportunities for growth. ► Reassess renewable capacity addition pace: The target on renewables must be reassessed to identify the capacity that would be needed vis-à-vis the expected future demand for power and the most efficient way to meet that demand using renewables. Lower growth projections in renewable generation may ensure a smooth transition in the country's power mix. ► Privatisation distribution supply: Power is available at near-variable cost on a short-term basis in the power exchanges. But this is not being lifted by discoms, and load-shedding is often the route to curtail demand. The distribution business must be efficient to ensure consumers are offered the lowest price for power. Reforms can bring in competition in the power distribution supply business. ► Look at Delhi: Allowing private players to bring in professional management has brought in efficiency in discom operations and has slashed T&C losses — ultimately benefiting the consumer.

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# The Baha'i Ridvan

A K MERCHANT

Ridvan is a garden chosen by Baha'u'llah for announcing his divine mission. The Festival of Ridvan is celebrated over 12 days from April 21 to May 2. The first ninth and twelfth days are consecrated for special worship and service. The Baha'is believe that the events in the Garden of Ridvan are of tremendous significance for the regeneration of humankind. So, the festival is celebrated with great joy and fellowship.

Baha'u'llah wrote of the spot, "This is the Paradise the rustling of whose leaves proclaim: O ye that inhabit the heavens and the earth! There hath appeared what hath never previously appeared. He Who, from everlasting, had concealed His face from the sight of creation is now come." Since 1863, the teachings proclaimed by Baha'u'llah have spread the world over.

Baha'u'llah called upon world leaders and the people to realise that a new era had dawned similar to the promised golden age recorded in the sacred scriptures and traditions of all peoples. The basic principle of this new age He proclaimed to be the oneness of humankind a principle that "implies an organic change in the structure of present-day society, a change such as the world has not yet experienced... It calls for no less than the reconstruction and demilitarisation of the whole civilised world..."

During the Festival of Ridvan, the Baha'is re-dedicate their efforts to restore Dharma to its pristine glory and fulfil the aspirations of the peoples of all faiths to transform today's dangerous world into a prosperous, peaceful one.

## Chat Room

# Don't Count Your Beacons

It remains to be seen what happens to the beacons after May 1. It is not so easy for the Indian VVIP to give up his penchant to make an announcement of his presence, importance and movement. So, what will happen? Here are my guesses. All sorts of boards, etc, will appear on the car to announce his designation, service, seniority, etc. I once saw a car that said the occupant was a Senior Deputy Accountant General of India. So what?

Now, the VVIPs will not use the beacon but it will remain on the car, covered with a black or even red cloth, which will then become a sign of his importance. The Supreme Court must order the beacons to be physically removed from all cars. Don't be surprised, the Indian VIP has a lot of juggaads at his disposal — you may even find him travelling in ambulances and police vehicles!

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# Water, Water, But Nowhere

Apropos the Edit, 'Lots to Do, Beyond Monsoon Forecasts' (Apr 20), we have enough water in the form of precipitation, but we waste most of it. The average annual rainfall in India is 1,170 mm, and total precipitation is 4,000 billion cu m. Unfortunately, only 48% of rainfall ends up in rivers, and 18% remains utilisable. In fact, a large numbers of lakes, ponds, etc, have been encroached and filled to create land for urbanisation and industrialisation. As a result, most of the precipitation water is lost to the sea and, in the process, causes floods.

Further, of the total 10,812 billion cu m static groundwater, 432 billion cu m is replenished annually. Of that, 395 billion cu m is utilisable. Some 190 km<sup>3</sup> of groundwater is being pumped out a year. Nature is refilling only 120 km<sup>3</sup>. With no charges for using groundwater, there is no incentive to conserve or recycle water. Consequently, water table is sinking. Poor and marginal farmers' crops fail and many of them commit suicide. There is an urgent need to change the policy.

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## WIT & WISDOM

"To win without risk is to triumph without glory."

Pierre Corneille  
Dramatist

## Public Health Spending

India's public expenditure on health as a share of total health spending is half of the world's average. A look at some expenditure indicators of select countries below gives an idea of why the government needs to urgently step up investment in healthcare.

### Key health financing indicators, 2014

	India	World	Brazil	Russia	US	China	S Africa
Total health expenditure as a share of GDP, %	4.7	7	8.3	7.1	17.1	5.5	8.8
Public expenditure on health as a share of GDP, %	1.4	4	3.8	3.7	8.3	3.1	4.2
PE on health as a share of THE, %	30.0	60	46.0	52.2	48.3	55.8	48.2
Private expenditure on health as a share of THE, %	70.0	40	54.0	47.8	51.7	44.2	51.8
PE on health as a share of total PE, %	5.0	12	6.8	9.5	21.3	10.4	14.2
Out-of-pocket expenditure as a share of THE, %	62.4	31	25.5	45.8	11.0	32.0	6.5
Total health expenditure per capita*	267.4	795	1,318.2	1,835.7	9,402.5	730.5	1,148.4
Public health expenditure per capita*	80.3	912	606.9	958.3	4,541.2	407.5	553.9

\*General government; \*In int PPP \$  
HE: health expenditure; THE: total health expenditure; PE: public expenditure

## MEME'S THE WORD



## INTELLECTUAL PROPERTY RIGHTS

# IP, IP, Not Much Hurray



Ranjana Smetacek

A healthy India requires balancing the need for innovation with the necessity for more affordable medicines, within a robust intellectual property (IP) environment. PM Narendra Modi has declared that India should align its IP rights (IPR) laws with global standards. A body of IPR experts was tasked with conducting a detailed review of India's IPR regime and of creating a National IPR Policy. This policy was to "nurture the IP culture and address all facets of the IP system, including legal, administrative and enforcement infrastructure, human resources, institutional support system and international dimensions". It was intended to form an important step towards building an IP regime in India with the potential to support a number of economic and sociocultural benefits.

One of its stated objectives was "to guide and enable all creators and inventors to realise the potential for generating, protecting and utilising IP which would contribute to wealth creation, employment generation and business development". The policy also aimed to "foster predictability, clarity and transparency in the entire IP regime in order to provide a secure and stable climate for stimulating inventions and creations".

India unveiled its National IPR Policy a year ago. As IPR experts Achal Prabhala and Sudhir Krishnaswamy wrote ("Patently a Missed Opportunity", The Hindu, goo.gl/HY26bt), the policy "is a bewildering document... a gigantic exercise in dissimulation, with a terse declaration — India is not changing its IPR laws — tucked inside a mountain of hot air". Some industry bodies have been more

charitable. "The new National IPR Policy puts forward an important framework for strengthening India's innovation ecosystem; still, greater predictability and reliability is needed and implementation of the policy offers an opportunity to advance concrete policy improvements," is how the Pharmaceutical Research and Manufacturers of America (PhRMA) reacted.

Pharmaceutical innovators remain concerned about the challenging policy environment in India. Despite some positive signs from GoI during the past year, the signals have not yet translated into a real change in policy or practice. Pro-innovation policies would help advance the development of innovative medicines and offer hope to patients.

Life-saving drugs are necessary for combating life-threatening diseases. But patients also need new drugs and solutions for changing disease profiles. The huge unmet medical needs and therapeutic areas need to be addressed with innovation-driven cures.

It is short-sighted to view patents as blocking access to drugs. Or to see patented medicines and generic drugs as mutually exclusive. The latter exist because someone invested in research and innovation to invent the former. Currently, only 5% of our medicines are patent-protected in India. Where patented products are beyond the reach of Indian patients, companies have robust access programmes to make them available for a low price.

On the matter of making life-saving

drugs affordable in India, we need a different dialogue. The just-launched National Health Policy proposes to raise public health expenditure to 2.5% of GDP (from its current 1%). It is hoped that some portion of this increased budget will be allocated toward the procurement of patented medicines at negotiated prices.

Only seven cancer drugs were introduced in India during 2010-14, even as 50 breakthrough therapies were rolled out globally. This disparity became starker during 2007-16, with less than one-third of 270 oncology molecules being available in India. There are concerns beyond the availability of new drugs, which include cancer care, diagnosis and poor infrastructure.

India has only 2,000 oncologists to treat over 10 million cancer patients. Clearly, we need holistic solutions. Accurate diagnosis is often more important than the price of medicine. More than affordability, the barrier to access is the inability to pay out-of-pocket and the lack of insurance cover.

A robust IPR framework can promote the development of new medicines and encourage investment in innovation. We must incentivise innovators to invest in research. Drug discovery is a long, costly and complex process.

According to a Tufts University Study, the average cost of developing a drug, including the cost of failure, is around \$2.6 billion and it takes 10 years to bring a new molecule to market. Today, patients are living longer and healthier lives, thanks to innovative medicines. In many cases, these medicines are their only chance for survival.

IPR not only attracts innovative drugs to a market, it can, to quote Scientific American Worldview: A Global Biotechnology Perspective, "also impact whether that nation's scientists and physicians will play a role in global drug development, and if drugs will be developed for locally endemic conditions".

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## Citings

# Behavioural Tendencies

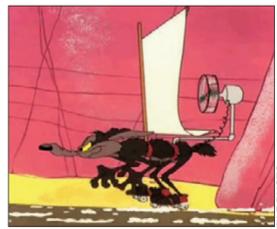
SARA TAYLOR

When we observe anything, or when we're in an interaction, all kinds of thoughts come to our mind: I think he's this, I think he's that, I thought this about what he said. What we don't realise is, the vast majority of those thoughts are coming from our unconscious. That's the "Explain" and "Evaluate". My unconscious takes what I see, what's objective, and then its job is, "I've got to pass up an explanation to that conscious mind. Here's how I'm going to explain what I think I see." The unconscious goes even further: It says, "Now, I've got to place a judgement on it. Here's the judgement of what I think I see." Those filters are operating, doing all this in my unconscious, but those filters are created by my past experiences.

In my interaction with you, my brain is giving me all kinds of explanations and judgements about you. But I have no idea if what my filters are telling me matches what your filters are telling you.... I've asked this question to probably tens of thousands of people — folks in the audience during my presentations, and I see head-nods in agreement — "Do you think the vast majority of us enter the workplace every day with positive intent?"

If we all are entering the workforce and want to have positive relationships, we want to contribute, and we've got that positive intent, then why do we have misunderstandings? The reason we have misunderstandings is because we aren't able to match that positive intent with an equally positive impact.

From "How Unconscious Biases Block Effective Interactions"



The wind beneath innovation's sail