



## Midnight makeover

With the adoption of GST, a clear road map is needed to simplify the indirect tax regime

In a landmark reform, India today switches to a new indirect tax system, the Goods and Services Tax. The GST subsumes the multiple Central, State and local taxes and cesses levied on goods and services, unifying the country into a single market, thereby making it easier to do business and ensure tax compliance. This will attract investors and more efficiently mop up revenues for the exchequer. The reform has been years in the making, and having shown the political will to finally pull it off, the Central government must work with the States to chart a road map to simplify the tax regime. Currently there are multiple tax rates ranging from 0% to 28%, plus a cess on some products, creating incentives for lobbying and rent-seeking. The level of preparedness for the new tax system too is not optimal, with sections of industry, trade as well as the bureaucracy visibly anxious about several aspects of the GST's operational and legal framework. In response, the date for businesses to file the first GST returns has been deferred. The generation of e-way bills for moving goods worth over ₹50,000 too has been put on hold, along with the requirement for e-commerce portals to deduct tax at source from small sellers. The GST Network, which will digitally capture billions of transactions daily, was not able to test its software in advance; and there is concern about the preparedness of intermediaries mandated to help businesses transition to the completely electronic compliance system. The coming days therefore could test the system, and the capacity of the authorities to think on their feet will be vital.

As it stands, the GST in its initial *avatar* has a complicated structure, with far too many tax rates that could lead to classification disputes, and with the exclusion of key inputs such as petroleum products (with particularly high indirect tax levies). The Finance Minister has asked industry to ensure that the benefits of GST rate cuts are passed on to consumers, but it is not clear how businesses with higher tax incidence are to adjust pricing strategies or how the stringent anti-profiteering clauses will be interpreted. The transitory effects on India's largely informal economy, which has already been hit by demonetisation, must be watched closely. Tax buoyancy, an easier investment climate and the 1% to 2% growth spurt expected from GST may take some time to be realised. Yet, reforms are the art of the possible and the government has said it will strive to rationalise the number of tax rates and bring excluded sectors into the GST over time. This is the first step in the evolution of the GST, and some initial hiccups are perhaps inevitable in a system founded on political consensus and federal adjustments. This is why it is unfortunate that some opposition parties, including the Congress which led the initiative on the GST for much of the past decade, decided to boycott the midnight inauguration in Parliament's Central Hall.

## Walk the talk

Narendra Modi's remarks on cow vigilantism are pointless, unless backed by action

While it is impossible to fault Prime Minister Narendra Modi for speaking up against killing in the name of cow protection, it is equally impossible to be convinced about its earnestness and efficacy. His remarks at an event in Mahatma Gandhi's Sabarmati ashram have come at a time when there is a groundswell of popular revulsion about violent, even murderous, cow vigilantism, leaving the unfortunate impression that it was but a response to public pressure. The #NotInMyName movement, which began with a Facebook invitation to participate in a protest in Delhi, had assumed viral dimensions, with other cities in India and elsewhere in the world organising or planning to organise similar events. What began as a somewhat limited mobilisation to campaign against lynching morphed into a broader movement involving all communities against state apathy to the phenomenon. The timing is not the only thing that gives rise to scepticism about Mr. Modi's observations about cow vigilantism. Frequency is the other issue. A phenomenon that has wreaked violence, affected livelihoods, and created insecurities over the last couple of years – all of which have been compounded by a mischievous and hugely flawed order to regulate cattle sale – is deserving of a more muscular and frequent response. More importantly, it needs to be coupled with tangible action on the ground.

One of the contradictions that Mr. Modi must square up to as well as grapple with is that, by and large, aggressive cow vigilantes who take the law into their own hands are members or sympathisers of one or the other organisations of the Sangh Parivar, the Bharatiya Janata Party's extended family. Given this, words are simply not enough – unaccompanied by strong corroborative action, they only serve to perpetuate the lie that the top is either totally divorced from the distasteful happenings at the bottom or that it doesn't have the means to control it. It is true that as Prime Minister, Mr. Modi has no direct control over law and order, which is a State subject. But as the BJP's most popular leader, one who has no real rivals in the party, he must wield his influence and power to crack down on those who indulge in violence in the name of cow protection. In the absence of this, Mr. Modi's remarks may constitute nothing more than a mild reprimand. There is no denying that speech is better than silence and his remarks may help sharpen the focus on how determined governments are to uphold the rule of law – firmly, decisively, and in a manner that deters cow vigilantism. Any politician worth his salt knows there is condemnation and there is condemnation. Mr. Modi should show us that he hasn't used the small c.

# Entering the age of GST

The long-term benefits of GST are clear – the challenge is to quickly address the short-term obstacles



M. GOVINDA RAO

The Goods and Services Tax (GST) is in force from today. The reform, touted as a "game changer" and the "reform of the century", was deemed worthy of a launch on the midnight of June 30 in the Central Hall of the Parliament. Indeed, one is reminded of the famous speech by Pandit Jawaharlal Nehru on the midnight of August 14-15, 1947. He spoke of a "trust with destiny", of "redeeming the pledge" and referred to India waking up to life and freedom when the whole world slept. Given the fanfare with which unveiling of the GST reform has been planned, it seems to be a reform with consequences never before seen in the country.

The enormous publicity that it has received and the great gains spoken about the 'one nation, one market, one tax' by both the government and the captains of industry have raised high expectations. However, there is palpable nervousness at both government and industry levels.

The country has waited for the reform for long, and I had once described implementation of the GST as the "bullock cart stuck in the mud". The discussion on the reform has spanned more than a decade and half, and the then Finance Minister, P. Chidambaram, in his Budget of 2007 spoke of implementing the levy from April 2010. Suddenly the mud seems to have



dried and the bullock cart seems to have been powered with a Rolls-Royce engine!

### Check the optimism

While the implementation of the GST reform is surely a cause to celebrate, one should not get carried away, for over-optimism on its favourable consequences builds expectations which may be difficult to fulfil. It must be noted that petroleum products are excluded and cascading on that account will continue – they contribute over 35-40% of revenue from indirect taxes.

With multiple rates, it is not a simple tax and robs much of the benefits from lower administrative, compliance and distortion costs. There will be classification disputes, and many of them will end up in courts. Having multiple rates is a sure invitation for lobbying. This also puts additional burden on administration, increases the compliance cost and the load-bearing capacity of technology needed for providing input tax credit with multiple rates by matching every invoice. Requiring the regular GST dealers to file 37 returns in a year

raises anxiety, given an untested technology platform. Despite the assurances given, the anti-profiteering clause creates considerable apprehension. The requirement of e-way bills for inter-State movements has also been a cause of concern. Above all, there is a palpable fear of the unknown, given the recent disruptive experience with demonetisation. Indeed, any major tax reform could lead to disruption, and the complexity of the structure and the untested technology platform adds to the fear. Of course, a majority of retail traders, who buy and sell commodities and services within a State and have a turnover of less than ₹75 lakh, will come under the compounding system. They will pay a simplified tax at 1-2% on the turnover without the facility of availing or according input tax credit, and submit only quarterly returns.

### How short is the short term?

It is clear that the GST reform will lead to significant disruption in the economy in the short term. How short is the short term depends on how well the transition is planned,

and how fast the economic agents will adjust to the new normal. The disruptions caused by demonetisation continue to haunt large parts of the unorganised economy even as the economy had been substantially remonetised. It is very difficult to predict the impact of such disruptions and the discontent they create. The power loom sector has considerably suffered on account of one disruption, and with different tax rates proposed to be levied on yarn, fabrics and readymade garments, Tamil Nadu manufacturers are at war. Transporters will soon find that the tax paid on fuel cannot be credited against the GST payable on the transportation services rendered by them. There are concerns about the rates of tax, mandated compliances and glitches in transition, and investment activity is virtually at a standstill, with everyone waiting to see how the reform pans. Even as the tax is about to be unveiled, old decisions are changed and new decisions taken by the GST Council, and there is hardly any time to internalise them. The government could have used the time until September to provide greater clarity and test the technology through some dry runs to ensure a smoother transition.

Instead of viewing the GST as a game changer, it is useful to see it merely as the next stage of consumption tax reform in the country. To be sure, there will be disruptions, and this may actually contribute to some slowdown in the economy in the short term. The much-vaunted growth acceleration may happen only in the long term when the transaction cost of businesses comes down. The statement by the Union Finance Minister that

there could be short-term pains for long-term gains is appropriate. The Revenue Secretary too has stated that this is a work in progress, and that is refreshing. Hopefully, his statement that the tax will be unified eventually to have one or two rates will be achieved soon. The objective of including real estate within a reasonable time period is welcome because besides expanding the tax base, this will help in fighting black money. It would be useful to simultaneously include petroleum products within the ambit of the GST, for the expanded base could offset the revenue loss due to the prevailing high rates on petroleum products.

### Reducing the cost

The GST reform is an important reform. It is a major tax harmonisation exercise and will significantly reduce the transaction cost of doing business in India. It will unify multiple taxes into a single tax and reduce compliance and administrative cost in the long term, do away with levies like octroi and ensure a more unified market. It will reduce cascading on account of levies like octroi, purchase tax and central sales tax and make the economy more export-competitive. More importantly, it might see a significant increase in revenue productivity of income tax as the seeding of PAN in GST registration will make it difficult for businessmen to evade the tax. All these could contribute to acceleration in growth. To know how and when that will happen, we will have to wait and keep the fingers crossed.

M. Govinda Rao is Emeritus Professor, NIPFP and Chief Economic Adviser, Brickwork Ratings

# For a more representative House

Reform is urgently needed to make Parliament more productive and responsive



FEROZE VARUN GANDHI

Parliament is supposed to be a union of exemplary orators, with a grass-roots touch. Unfortunately, one is rarely inspired by the quality of India's parliamentary debates nowadays. Parliamentary debates, which once focussed on national and critical issues, are now more about local problems, viewed from a parochial angle. With niggardly attendance by our Members of Parliament (MPs), poor quality of debates and pandemonium marking the proceedings, there is seemingly little value that a parliamentary representative can add to the policy discourse.

### Low productivity

Consider the utilisation record. Each minute of running Parliament in sessions costs ₹2.5 lakh, which is utilised poorly. Between the 1950s and the 1960s, the Lok Sabha used to meet for an average of 120 days in a year. In comparison, in the last decade, it has met for an average of 70 days a year. Its productivity in the 2016 winter session was 14%, while that of the Rajya Sabha was 20%.

In comparison, the British House of Commons has met for an average of 150 days a year over the

last 15 years, while the U.S. House of Representatives has met for 140 days in the same period. Most Parliaments are in session throughout the year. While our Parliament lacks the power to convene itself, it should have a minimum mandated number of days to meet – with the National Commission to review the working of the Constitution recommending 120 and 100 days for the Lok Sabha and Rajya Sabha, respectively. Odisha has already shown the way, mandating a minimum of 60 days for the State Assembly to sit. Without Parliament meeting often, it will be derelict in its duty to hold the executive to account.

### Passing Bills

Meanwhile, political power continues to be a male bastion. The Lok Sabha and the Rajya Sabha have not seen women MPs cross the 12% mark.

In 2012, India ranked 20th from the bottom in terms of representation of women in Parliament. While the 73rd and 74th constitutional amendments enabled the reservation of 33% of seats in local government, political representation by women candidates continues to be subdued, with no significant rise in the number of women MLAs in recent Assembly elections; women constitute less than 10% of the Assemblies in Tamil Nadu, West Bengal, Assam, Kerala and Puducherry. This needs to be changed dramatically, beginning with the passage of the Women's Reservation Bill (108th amend-



ment) reserving 33% of all seats in Parliament and State legislatures for women.

Now, parliamentary legislation is often criticised for being hastily drafted and being rushed through Parliament in an ad hoc and haphazard manner. In 2008, for instance, 16 Bills were passed with less than 20 minutes of debate. The non-passage of private member Bills doesn't help either. Only the second half of every Friday, during a parliamentary session, is devoted to debating private member Bills. To date, only 14 private member bills have been passed.

We need a systematic approach to legislative engineering and prioritisation – the parliamentary committee, an unfashionable institution, long out of vogue, can assume institutional importance in this process. For a backbencher MP, such committees offer a place to raise issues in the general public interest and conduct advocacy amidst legislative engineering. As highlighted by the Law Ministry, we require a constitution committee. Instead of constitutional amendments being presented to Parliament like ordinary pieces of

legislation in the form of Bills, often at short notice, it would be desirable to have the committee conduct an appropriate priori scrutiny before the actual drafting of the proposal for constitutional reform.

### On debates and research

Even the individual voting record of MPs remains unknown. With no record maintained of the voting record associated with each MP, it is difficult to distinguish their individual progressive or conservative nature, let alone their leadership abilities. Currently, the Anti-Defection Act punishes MPs who deviate from their parties' stated position, with the risk of losing their seats.

The Anti-Defection Act needs to be recast, and used only in the most exceptional circumstances, while allowing MPs free rein on their self-expression. The U.K., for example, has the concept of a free vote allowing MPs to vote as they wish on particular legislative items.

In this context, most MPs have limited or no research staff, leaving them bereft of expert in-house advice – budgetary expenses allocated for their secretarial staff and constituency expenditure leave little for conducting primary research. Parliament's Library and Reference, Research, Documentation and Information Service (LARRDIS) currently has a sanctioned strength of 231 staffers but employs 176, about 8% of the total strength of the Lok Sabha secretariat. In comparison, the Congressional Research Service, a part of the Lib-

rary of the U.S. Congress, employs 600 people, of whom 400 are policy analysts, attorneys and sectoral experts, while the Congressional Budget Office has an additional 200 people. Other parliaments offer funds to hire research teams for MPs. Investing in Parliament's intellectual capital is necessary and additional budgetary support should be provided to LARRDIS while assisting MPs in employing research staff.

We also need an institutionalised process to raise the quality and rigour associated with the budget scrutiny process. India needs a parliamentary budget office, akin to the U.S. Congressional Budget Office, which can be an independent and impartial institution devoted to conducting a technical and objective analysis of any Bill with spending or revenue raising requirements. Other countries have led the way with such entities established in Kenya, South Africa, Morocco, the Philippines, Ghana and Thailand.

India's citizens need a more robust legislative system that offers public representatives – our MPs, Ministers and the Prime Minister – a greater sense of authority. However, one must stand wary against rank populism infecting our body politic. Parliament should be a space for policy and not for politics. We need to undertake reforms to ensure that it is recast as such.

Feroze Varun Gandhi is a Member of Parliament, representing the Sultanpur constituency for the BJP

## LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

### The Washington visit

The unusual warmth that U.S. President Donald Trump exuded towards Prime Minister Narendra Modi can be traced to the fact that he is a hardcore businessman and that India is one of the largest importers of prohibitively expensive American armaments. The piece de resistance for Mr. Trump seems to have been the fact that India's massive defence purchases will generate much-needed jobs, given his protectionist stand. Though controversial issues such as the Paris climate accord and the H-1B visa issue were not on the plate, it should bring some cheer that the visa issue has been sugar-coated a wee bit through Mr. Trump welcoming India's entry into the International Expedited Traveller Initiative. Nonetheless, even if the joint statement reflected a healthy give-and-take policy, New Delhi must be cautious given that Mr.

Trump is known to be whimsical. The Trump-Modi bonhomie also has the potential to annoy China. ("Promises in the Rose Garden", June 29).

NALINI VIJAYARAGHAVAN, Thiruvananthapuram

One hopes that the promises made in the Rose Garden do not prove to be costly for India. Buying of military equipment such as drones may improve our surveillance capabilities but it also affects our indigenous capabilities and the "Make in India" programme. India needs to push the U.S. for a reliable supply of spares and equipment. There may be some convergence on fighting global extremism but will the U.S.'s unreliable Pakistan policy pose problems for us?

DOOSHAN K., Tirunelveli, Tamil Nadu

The arresting optics of the Modi visit appear to have clouded the judgment of analysts. The Prime Minister lets loose charm

abroad which is conspicuous by its absence in India. How his personal diplomacy has failed with respect to Pakistan should make one sceptical about the relevance of "diplomatics".

The personal effervescence of leaders on ceremonial occasions cannot be a barometer of foreign policies. The State Department's reference to "administered Kashmir" is a timely reminder of diplomatic realities. The price to be paid for a complete drift into the U.S. orbit obviously needs careful weighing.

MANOHAR ALEMBATH, Kannur, Kerala

### A disservice

Recently, India ratified the UN Convention on Persons with Disabilities and the Marrakesh treaty to provide accessibility of books to visually impaired persons. Thus the current decision of the GST Council to tax disability appliances at the rate of 5% may further marginalise the community.

Already the 2.1% disabled population is largely disadvantaged and under-represented in all quarters of government. Most of them reside in the rural areas where they don't have access to basic education and health facilities. As a result, they are often neglected and seen as a burden by family members. This act of increasing taxation on appliances will further hit them. It is time that the government focussed on providing

disabled-friendly infrastructure and policies to bring everyone into the mainstream and addressed the issue of stigmatisation ("Fighting an old battle", June 29).

GAGAN PRATAP SINGH, Noida, Uttar Pradesh

### Battle of the sexes

A letter writer (June 30) recounts Billie-Jean King's defeat of Bobby Riggs in the so-called "battle of the sexes" in 1973. Without going into the merits or demerits of John McEnroe's comment about Serena

Williams not being able to beat the No. 700th-ranked male player and for the sake of the record, two points need to be noted about the above-mentioned match: first, Riggs was 55 years old and way past his prime, having retired from professional tennis in 1951 while King at 29 was at her peak. Second, earlier that year, Riggs had beaten then women's world number one Margaret Court 6-2, 6-2. Incidentally, as teenagers, Serena and sister Venus in

1998 had thrown open a challenge that they could beat the men's number 200. This was taken up by Germany's world number 203 Karsten Braasch and he beat Serena 6-1 and Venus 6-2.

Also, in 1992, Martina Navratilova, with the rules tweaked to allow her a big advantage, was beaten 7-5, 6-2 by Jimmy Connors.

GULU EZEKIEL, New Delhi

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### CORRECTIONS & CLARIFICATIONS:

In the report headlined "U.S. stand on Hizb chief alarming: Hurriyat chairman" (June 30, 2017), a quote attributed to Hurriyat chairman Mirwaiz Umar Farooq said "the militaristic position taken by India on the Kashmir issue pushes south Kashmir to the brink..." It should have been *South Asia*.

A sentence in "A controversial inheritance" (Editorial page article, June 27, 2017) that said "arbitrariness is the antithesis of inequality" should be corrected to read "arbitrariness is the antithesis of equality".

In the Ground Zero feature, "The anonymous addicts" (June 24, 2017), there was a reference to *pentothal* – an opioid analgesic, a common painkiller. It should have been *pentazocine*.

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (place of publication), date and page. The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300 (11 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-28552963; E-mail: readerseditor@thehindu.co.in; Mail: Readers' Editor, The Hindu, Kasturji Buildings, 859 & 860 Anna Salai, Chennai 600 002, India. All communication must carry the full postal address and telephone number. No personal visits. The Terms of Reference for the Readers' Editor are on www.thehindu.com



**In a byte:** "Nobody seems to be talking about the elephant in the room." Which is technology taking away jobs." An aerial view of Apple's new headquarters, across 175 acres, in Cupertino, California. •JUSTIN SULLIVAN/GETTY IMAGES

# Slowdown in Software Central

As President Donald Trump signals 'America First', Indian-Americans in the Silicon Valley begin to look beyond the bubble. More than H-1B visas, it is automation that threatens to alter the dynamics for all times to come, reports **Varghese K. George**

From his hilltop perch on the eastern side, across the San Francisco Bay, Vinod Dham has a bird's-eye view of the Silicon Valley. When the lights come on, headquarters of Google, Facebook, Apple, Uber and Intel – where he once led the invention that revolutionised computing, the Pentium chip – are clearly visible. The story of Dham's journey, from chasing DTC buses in Delhi in the 1960s as an engineering student to the Fremont mansion where he lives now, is relegated to the background as software rock stars dominate the world's digital imagination. But the mansion is testimony to his status in Silicon Valley – the higher up the hills that surround the Valley your house is, the higher up you are in the pecking order of its cut-throat social hierarchy. An eight-tonne stone Buddha sculpted in Mamallapuram near Chennai sits in the garden. "It is exciting, and disconcerting," Dham says of the emerging era of computing. "Disconcerting, because of the massive job losses and social displacement that is just round the corner. Artificial Intelligence (AI) is not like anything that humanity has seen so far."



tions and hiring more people locally in America. Some companies have also laid off people in their back-end offices in India. A U.S.-based executive of an Indian IT company that does data processing in Pune for a major American bank explains: "In the last two years, the pace at which automation has progressed, we could easily let go of 30-40% workers. The only reason we are not doing it is the potential political backlash."

"Software is eating the world," argued technology entrepreneur Marc Andreessen in a provocative piece in *The Wall Street Journal* in 2011, "... the technology required to transform industries through software finally works and can be widely delivered at global scale."

## The United States of India

The software explosion in the preceding decade is what put Indian engineers at the centre of Silicon Valley, California. Around 40% start-ups in the Valley have an Indian CEO, CTO, CFO or COO. As they expand, they are even "renaming" the towns – Sunnyvale is called Surya Nagari; Mountain View is Paharganj and Fremont is Azad Nagar as the Indian invasion expands to new frontiers. In conversation with then presidential candidate Trump, Steven Bannon, now his chief strategist and then the head of Breitbart News, lamented in November 2015 that "two-thirds or three-quarters of the CEOs in Silicon Valley are from South Asia or from Asia". The Indian-origin population is estimated to be 1% of the country's total, and their representation in the U.S. Congress is also 1%. Silicon Valley is represented in the House of Representatives by Ro Khanna, the grandson of an Indian freedom fighter. The rising star among Democratic Senators, Kamala Harris from California is half-Indian, her mother Shyamala Gopalan hailing from Chennai.

American CEOs discovered India's software prowess when they were struggling to fend off the Y2K catastrophe ahead of the millennium, and since then there has been no looking back for Indian engineers. But a new turn is here, says Dham. "AI is now eating software." Dham had toyed with the idea of bringing hardware manufactur-

ing to India, but gave up on it as the technology rapidly changed, making India an impossible destination. "But AI is a software opportunity that India must seize immediately," he says. For one, Dham believes, the Indian government should stop trying to incubate start-ups and divert whatever money is available to public funding of technology education.

Dham worked closely with Intel co-founder Gordon Moore, whose prediction that the processing power of chips would double every 18 months has held true for at least 40 years. But that is now saturating. Transistor size has already reached subatomic proportions. "Next ten years it will muddle along," says Dham. But AI will explode in the meantime. "People who can teach the computers to learn will be the most sought-after professionals."

The political and social impact of this is reaching an inflection point and Donald Trump is a symptom of it. "He observed it, highlighted it and leveraged it to his benefit. He saw that this whole section of people has been disenfranchised and began talking about it. People living in Silicon Valley had no clue of what was happening in middle America. People have been hurting. Somebody should have been addressing that. Which I think is not being addressed even now. When AI comes, the problem will be more exacerbated. But at least he brought the spotlight on the issue," says Dham.

## Bunker beds and shared toilets

The journey to the hilltops in the Valley begins modestly. In earlier times, it typically began in a garage. Rents are so high that starters in the Valley often pay up to three quarters of their earnings in rents.

Negev, in downtown San Francisco, is a community living facility for those who dream big but have little money. Named after the Israeli desert – the reclaiming of which is a national project – Negev itself is a start-up targeting millennials who prefer to avoid or delay marriage and are averse to buying fixed assets, explains Danny Haber, its co-founder. Newcomers and those starting out sleep on bunker beds and share kitchen, living area and toilets. The buildings are theme-based – introverts, social geeks, sporty-partying kinds, etc. In the evenings they share their experience of exploring opportunities in the Valley. Usually, the residents stay for about a year and then move out with friends they make at these communities.

Arjun Satish Fadnavis arrived here only a month ago from Bengaluru. A graduate from the University of Illinois at Urbana-Champaign, he is now a management consultant with Pricewater-

houseCoopers. He returned to India after graduation after missing out in the H-1B lottery in 2014. He tried again in 2015 from India to no avail. The third time, in 2016, he got lucky and is finally here, at a time companies have slowed down on applying for H-1B visas after Trump came to power.

Several Negev residents are working on their start-ups. Shaffi Mather, who arrived two years ago, has launched a pilot of his app in Punjab, aiming to do to health care what Uber has done to personal transportation. Mather's MURGENCY app aims to utilise idle ambulances and medical professionals to provide emergency medical care in less than 12 minutes. "Thousands of ambulances are available in cities but not used optimally, while emergency care is beyond reach for most people in India," says the Keralite who counts Ratan Tata, Infosys co-founders Kris Gopalakrishnan and S.D. Shibulal, and the Azim Premji family among his investors. In the U.S., where emergency care is extremely efficient, the app seeks to make it affordable. For instance, in a recent incident, a small cut on a baby's finger that required a band-aid left the family with a \$600 bill. MURGENCY will launch in the U.S. next year.

Divey Gulati grew up in Delhi and reached Chicago in 2007 to study computer engineering. His break came in 2014 when his start-up idea made the cut at Y Combinator, an influential Silicon Valley start-up incubator. ShipBob, his start-up, offers a hybrid of software and logistics solutions to e-commerce start-ups for online deliveries. While it operates in Los Angeles, Chicago, New York, and San Francisco, ShipBob is aiming to go global in the near future.



Vinod Dham believes that the Indian government should stop trying to incubate start-ups and divert whatever money is available to public funding of technology education. •VARGHESE K. GEORGE

The journey to the top is arduous. But Indian-Americans are at it. "The emphasis on education is what makes the Indian community so successful in the Valley," says Dham. "The difference between having and not having a college education has been huge in India, unlike America."

When I meet Rehan Kumar (name changed), a 19-year-old university student whose parents came to the Silicon Valley 32 years ago, at an Indian restaurant in San Carlos, his mother by his side, he has a different story to tell about the emphasis on education, that is taking a severe toll on Indian-American kids. As his mother related how their pre-Y2K generation started with a one-bedroom apartment, then moved up to two before finally acquiring a house, Rehan interjects: "They made a load of money, and are now looking for ways to spend it. So they are recreating a new Renaissance era here. They want differentiators, they buy art, read about esoteric topics and flaunt their knowledge at parties, and go on exotic vacations."

Rehan studied in a school in Palo Alto, where an overwhelming majority of his schoolmates were Indian-Americans. By eighth grade, many of his classmates were training in Unix and Java. "They all look the same, talk the same, wear the same thick glasses and march to Vishu and Pongal celebrations. On weekends, they go to study Hindu culture and philosophy," he says. But that is still not enough, as Princeton, Harvard and Yale look for 'well-rounded' candidates during admission screening, which is the topmost subject of discussion for Indian parents. And these kids are not the ones who plan to stay in Negev – the mansion is very much on their mind, always.

Classical dance, classic music, and theatre cohabit with Unix and Java in their universe. When they go on vacation to India, it is a *Dangal*-style regimen for them. "Getting up at 4 a.m. to study dance or music. And crash courses run throughout the vacation. They come back to the Valley exhausted after the vacation," says his mother. Adds Rehan, "Every kid is under a lot of pressure. From peers, from parents. To make it to an Ivy League [institution], then to land an internship at Google or Apple, then to find a job, then to have a start-up of your own... and join the race."

## It's a pressure cooker

Rehan likens Indian performance in the Silicon Valley to the performance of a pressure cooker. "You throw it all in, shut it and wait for a quick result." It can blast too. After seeing it all, including three suicides of Indian-American kids in the school, and overcoming a depression, Rehan has decided that he wants to

dance only for the sake of dancing. And grow up in the slower lane.

However, for the Y2K generation, and those with uncertain immigration status, questions are different. Rishi Bhilawadikar came to study in the U.S. in 2005 and is on an H-1B visa to date. "For here or to go?" the question that anyone is asked while ordering fast food in American restaurants, has a profound existential meaning for people like Bhilawadikar. Exploring the questions that confront Indian-Americans with temporary work visas, Bhilawadikar wrote a feature film *For here or to go?* with Rajit Kapur and Omi Vaidya among its cast. "The Indian-Americans community's contribution is barely appreciated here. Moreover, the uncertainty surrounding our immigration status makes our personal lives so uncertain and stops us from realising our full potential here," he says. Bhilawadikar continues to work in a technology company through weekdays and promotes his film on weekends.

Silicon Valley was outraged when Trump pressed ahead with restrictions on travel from several Muslim countries to America, and many, including Google's Sundar Pichai and Apple's Tim Cook protested. Few months down, the Valley is taking a closer look.

Bruce Fram, a 30-year Silicon Valley veteran who has been the CEO of six venture capitalist-backed companies, says the victory of Trump has broken the bubble that techies lived in. They are now getting to hear more about the America that they hardly knew existed. As Facebook founder Mark Zuckerberg said while addressing students on May 25 at Harvard, the university that he dropped out of a decade ago, "Let's face it. There is something wrong with our system when I can leave here [Harvard] and make billions of dollars in 10 years while millions of students can't afford to pay off their loans, let alone start a business."

In the Silicon Valley, CEOs and Uber drivers always talk about diversity. At evening dinners, CEOs are asked to raise their hands if they increased renewables in their energy mix since they last met. But the rise of Trump has been the moment of political baptism for the Valley as they begin to look beyond the bubble. But the distance between them and the rest of the world is not easy to bridge. Here, men can love men or women and women can love men or women. But most of them love machines the most. Machines that solve the problems of the world. When Silicon Valley solves the problem of road accidents in the U.S. caused by human error by automating driving, three million truck drivers will be rendered jobless. Every solution has a problem. Trump is only a symptom.