

## Jackson hope

This year's meeting of A-listers from the financial world in Jackson Hole was not the show to beat all shows. But reading between the lines, it was not disappointing also



### WORLD MONEY

ABHEEK BARUA & TUSHAR ARORA

For a few days every August the resort town of Jackson Hole in the Western US state of Wyoming, known for its skiing, mountain trails and fishing spots, turns into the Woodstock, the Mardi Gras, the festival of festivals for the rather dour breed of economists and investors. The

A-listers of this world including top-notch academic economists, central bank governors and policy officials gather in Jackson Hole to discuss the most pressing issues in global economics, especially interest rates, inflation and monetary policy.

This year's meetings at the Jackson Lake Lodge that took place last week were perhaps a little more important than those of other years, particularly for investors who have been fretting over the course of monetary policy going forward. Their curiosity had been kindled after hearing European Central Bank (ECB) President Mario Draghi two months ago at a similar central banking forum in Sintra, Portugal, when he discussed the possibility of ending his central bank's money printing programme. Investors were hoping that they would get more

clarity about the European monetary authority's plans at Jackson Hole.

Just to put this in context, the ECB currently buys assets worth €60 billion every month (to infuse liquidity) and has held interest rates at exceptionally low levels (including negative interest rates for some deposits) for a long time. Given Draghi's intentions — communicated at Sintra and some other forums — to wind down ECB's asset purchases and hike interest rates, investors have been taking large long positions in the euro and the currency has appreciated by more than 12 per cent in 2017 against the US dollar. Investors hoped that Jackson Hole would confirm whether they had placed the right bets.

Investors were also eager to know more from Janet Yellen, who possibly attended this grand meeting for the last time as the chairperson of the US

Federal Reserve. Although she stated topic of Yellen's speech was "financial stability", everyone believed that she would devote some time to explain the recent softness in US inflation and the Fed's stance on its balance sheet tapering. In the past, the former chairman of the US Fed, Ben Bernanke, used this forum to prepare the financial market for big changes. For example, the third round of the Fed's quantitative easing programme was gently hinted at in this Wyoming resort a few months before the policy was officially launched. Since the Fed has communicated its intention of winding down its six-year-long policy of monetary easing, the markets hoped that Yellen would give more details.

In a sense, both the top draws disappointed. Yellen stuck to the script and focused on regulatory reforms since the 2008 crisis and warned against their removal. Draghi, too, avoided talking about the timeline for paring his balance sheet and other monetary matters and decided to talk about "trade liberalisation" instead, a topic as safe as it can get for a central banker. (His Sintra speech had inci-

dentally rocked the currency markets.)

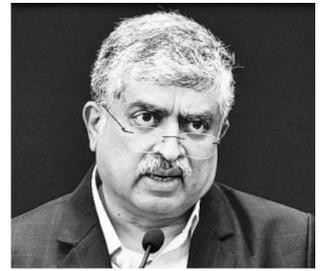
Policy watchers and investors are known never to give up. Yellen's critique of the Trump agenda of greater deregulation seems to have been read as a confirmation that she is on her way out. Her successor, likely to be a Trump camper, could play a completely different ball game, bringing the rate-hiking cycle to an end to push the dollar down further to help exporters, keep the cost of capital low and incentivise investments.

While Draghi might have chosen not to explicitly talk about monetary policy, the fact that he didn't express any concern about a strong euro is being seen as a signal that the appreciating euro will not hold the ECB boss from some monetary tightening in the future.

Was this year's meeting the show to beat all shows? Clearly not. However, for the aficionado, silence carries its own meaning and the stuff that lies between the lines are just as important as the large print. Perhaps Jackson Hole did not disappoint that much after all.

Abheek Barua is chief economist and Tushar Arora is senior economist, HDFC Bank

### CHINESE WHISPERS



#### Gag order debut

Among the first things new Infosys Chairman Nandan Nilekani (pictured) undertook to bring the company back on track is put a gag order on out-of-turn talk by company executives to the media. The negative press the company received over the last year can be ascribed in part to the spat between the Infosys board and its founder N R Narayana Murthy, exacerbated by comments before journalists by senior executives. Nilekani is so riled that he has instructed executives to stop the practice without delay.

#### Ministers still on tenterhooks

Members of the Union Council of Ministers have spent the last couple of days in New Delhi. Those who were planning to go out of the city also changed their plans after they were conveyed the message that it would be better that they stay in Delhi. The ministers have taken it to mean that the Cabinet expansion and reshuffle can take place on any day before Prime Minister Narendra Modi leaves for China to attend the BRICS Summit on September 3. Ministers have also been keen to find out from journalists whether the Ashoka Hall of the Rashtrapati Bhavan, where ministers are sworn in, has been booked and for which date. When a top leader of the Bharatiya Janata Party (BJP) held an informal chat with journalists, several ministers phoned journalists and wanted to know if the leader gave any indication about the shape of the Cabinet reshuffle. However, Modi and BJP chief Amit Shah have perfected the art of keeping everyone guessing, including journalists and their own party.

#### Who'll win this race?

Two home-grown auto majors, Mahindra & Mahindra and Tata Motors seem to be taking digs at Fiat Chrysler Automobiles' latest sports utility vehicle (SUV), the Jeep Compass, in their respective ads. Showcasing the Hexa in an ad against the background of a hilly terrain, Tata Motors says the SUV "takes you anywhere. No compass required". In a separate ad, Mahindra & Mahindra says it takes guts to win races and "you don't need a compass to win" them. The company's XUV 500 had won a race recently and was pictured in the ad.

# Relationship with the successor

Increased success of one's successor should be a matter of pride for any retired chairman of a business enterprise



T THOMAS

Having retired a quarter century ago from active management of business enterprises, but still active as an investor, mentoring the management of a few medium-sized business, I feel tempted to share some views on successor relationship. This is an issue every manager has to face as he moves up the ladder in any organisation. Your are always tempted to find out how your successor is doing in the job you have left and, more importantly, how the wider circle of managers in the company is comparing you with your successor, both in terms of conduct and performance. This is true even if you are promoted to a position where your successor will be reporting to you. While you are happy that you have been in a position to select and install a successor of your choice, you can be curious or even anxious to assess whether that person is undoing things you have done or even gaining exceptional acclaim for his/her effort in improving the performance of the organisation. It is only human. Depending on the type of person you are, you either feel proud or jealous. Or you can migrate from pride to jealousy over time. Mature and sensible people tend to be proud of the suc-

cess of their chosen successors, just as they would be of the performance of their children.

The other side of the coin is the behaviour of the successor. He can either be loyal and appreciative of his predecessor or he can set out to show off how much more competent he is compared to that person, even to the extent of fabricating stories about that person's tenure at the helm or by casting aspersions on his or her personal life. The callous assumption is that by running down one's predecessor one's position and reputation are enhanced.

There are plenty of examples of these phenomena in all walks of life — business, politics sports etc. Of course, there are rare examples where the predecessor's performance was so poor compared with that of the successor that the latter did not have to make any special claim. I was fortunate to have this experience in the first job I had as a young man. When my expatriate senior had gone on furlough three months, I was given the responsibility of our small department. It inspired me to work hard, sometimes 16 hours a day, and achieve results not only in terms of improved performance but also in terms of acceptance by workers and managers. It set me on the path of further advancement in the organisation.

That brings us to the current debate about the conflict between founders and the current management of Infosys — a vivid example of the successor relationship. Without any personal knowledge of the individuals involved, I shall venture to present some suggestions.

Both N Narayana Murthy and Vishal Sikka are mature, successful business-



men, having experience in dealing with difficult and hostile circumstances. Instead of seeking mediators and consultants, they might find it useful to meet each other at an early date. Even though Sikka has resigned and relocated to the USA, it is in the interests of everyone concerned at Infosys and the wider Indian entrepreneur community that a reconciliation takes place between these two individuals, who are both icons of the Indian information technology (IT) industry. Murthy, being the senior of the two, could take the initiative of arranging such a meeting. Perhaps, a salubrious location near the San Francisco Bay Area, away from the inevitable glare in India, would be appropriate. There, no one would take note of two middle-aged Indians having

a long lunch or dinner and taking a walk on the beach. Now that Sikka has hopefully settled down into a new assignment, he should have no objection to meeting Murthy as an erstwhile colleague. Both should accept that there will be no reversal of the recent changes in the management of Infosys.

In preparation for the meeting, each of them should put down on paper what they feel about both sides of the conflict. Murthy and Sikka should deliberate and put down on paper their respective assessments of each side's views. That process would help assuage feelings. Sikka would be able to purge any regrets on having to leave Infosys and take it up as a challenge to succeed even more in the wider world of IT business opportunities available in the Bay Area. Judging

from the way he has conducted himself, the chances of his succeeding in this effort are high. Eventually, he may end up with a much greater fortune and job satisfaction than he would have achieved in the second-ranking IT company in a county like India, whose economy and IT business are only a fraction of comparable parameter to that of the USA. He is still young enough to dare. From personal experience, I can vouch that some events, which initially appear to be disastrous, can turn out to be blessings in the long run.

Murthy, on the other hand, has to reflect on how his actions have dented the reputation and morale of the iconic company he helped build. He is a big enough man to do so and can help the management of Infosys by trying to instil confidence in itself while resisting any temptation to interfere in the day-to-day operations. It is a difficult and delicate task as I know from my somewhat longer business career. It is always a temptation to continue to scrutinise the performance of the company you had left to your successor. You can either take pride in the company under your chosen successor doing even better than it did in your time or feel jealous of your successor. The wiser course would be to share the pride and joy of your successor in achieving greater success for the company. Only an insecure person would feel otherwise. In other words, increased success of one's successor should be a matter of pride for any retired chairman of a business enterprise.

The author is a former chairman of Hindustan Lever

### AS I SEE IT

## The story that didn't get media attention

The decision to forcibly deport Rohingya refugees is damaging to the idea of India



KARAN THAPAR

In a country the size of India it's not surprising that important developments sometimes don't get the attention they deserve. However, the fact that the home ministry's decision to forcibly deport 40,000 Rohingya refugees, including 16,500 who have been officially registered by the UN High Commission for Refugees (UNHCR), has been disregarded by most of the media is particularly dismaying and upsetting. This is not just because an important story has been neglected but, more importantly, because the decision to forcibly deport is immoral, arguably illegal and definitely damaging to the idea of India we supposedly cherish.

Home ministry officials have said the government plans to set up "detention centres" for the Rohingyas and, if required, "push them back" over the India-Myanmar border. Speaking in Parliament, the junior home minister, Kiren Rijju, confirmed that states have been directed to deport in a "continuous manner". A home ministry advisory (24013/29/Misc./2017-CSR.III(i)) of August 8 has informed all state governments they have "powers to identify and deport the foreign nationals staying illegally in the country."

If this were to happen, the deported Rohingyas would face discrimination and persecution in Myanmar but also, possibly, elimination. There can be no doubt of that. The UNHCR reports that since last October hundreds have been killed and up to 69,000 forced to flee to Bangladesh.



This is why the UN Secretary General's office, Amnesty International and Human Rights Watch have appealed to the Indian government to reconsider. So too our own National Human Rights Commission (NHRC). As the NHRC put it: "Refugees are no doubt foreign nationals but they are human beings." However, home ministry officials continue to maintain India will proceed with its deportation plans.

India is not a signatory to the 1951 Refugee Convention or its 1967 Protocol but we are still bound by the many UN and other international conventions on human rights. This includes the UN principle of "non-refoulement", which explicitly forbids the forcible return of refugees. The decision to "push back" Rohingyas deliberately disregards all of this.

Worse, it's clear proof that India is treating Muslims facing persecution in their countries differently to people of other religions. In September 2015, the home ministry issued a notification exempting minorities facing persecution in neighbouring countries from the requirements of the Passport Act and Foreigners Act. The notification explicitly mentioned "Hindus, Sikhs, Christians, Jains, Parsis and Buddhists" but pointedly left out Muslims. The Rohingyas refugees fulfil two requirements of this notification but not a critical third. They're a minority

and they face persecution. Unfortunately, they're Muslims. Is this not immoral discrimination?

As the NHRC has pointed out, this deportation could also flout India's Constitution. The Supreme Court has ruled that the Right to Life and Personal Liberty under Article 21 applies to all people in India, irrespective of citizenship. That includes the Rohingyas no matter how much their presence might embarrass Narendra Modi when he visits Myanmar next month. But instead of circumventing our legal requirements, Modi should remind Aung San Suu Kyi nothing has damaged her iconic status more than her expedient equivocation on the Rohingya issue.

Finally — but, perhaps, most importantly — the decision to forcibly deport Rohingyas damages the idea of India which we claim to uphold. We see ourselves as a secular democracy where equal treatment is guaranteed regardless of caste, creed, culture or complexion. Indeed, in 1971 India accepted 10 million refugees from Bangladesh, many or most of whom were Muslims, and considered that as a badge of honour. Today, when we boast we are the third-largest economy in terms of purchasing power parity, a home ministry advisory says of the 40,000 Rohingyas: "Infiltration from the (the) Rakhine state of Myanmar into Indian territory... (is) a burden on the limited resources of the country."

That's only true if our concept of India has altered. That's only true if our hearts have shrivelled up. That's only true if prejudice has eroded our principles and diminished our commitment to justice. In fact, it's not true at all. It's an unconscionable lie trumped up to justify a deplorable decision which, if implemented, will shame us. But does the government care? It seems deporting Muslims is a greater priority than protecting human lives.

### LETTERS

#### Awareness on privacy

The editorial, "The new fundamental" (August 25), encapsulates the historic and landmark judgement of the Right to Privacy correctly. I am happy *Business Standard* has taken a view of the privacy issue and directed public opinion on it.

There are several contentious issues. One, whether Aadhaar adoption will lead to techno-surveillance, as has been alleged. There has been no word about Central Monitoring Services, developed by the Centre for Development of Telematics, and Netra projects of the Defence Research and Development Organisation. This is believed to have become prominent under the present administration. Likewise, Project Insight by the income tax department that now accounts for social media updates. After this judgment, a balanced and nuanced approach would be required so as not to compromise on national security goals.

Silicon Valley majors with a considerable presence in India are a more vital, persistent threat; internal surveillance is still subject to Indian laws and judicial oversight, but that the mass of generated data is being ferreted out of India without adequate control requires the country to set up a data shield and clamp down on egress.

China's path is worth emulating in this regard. Despite howls of protest, Apple and Microsoft have bent over backwards to get a slice of the Chinese market while Google and Facebook have been denied entry for the benefit of home-grown companies.

India could reap rich dividends with multiple trickle-down benefits for Digital India, pursuing a safe harbour for data retention within the country's geographical confines. If data is the new oil, we deserve full benefit of this "oil boom".

This judgment brings up a lot of interesting possibilities and has helped bring privacy to the forefront. Hopefully, people will become more aware of keeping things private.

Abhishek Puri Mohali



#### Don't count Mayawati out

With reference to the report, "BSP will not participate in Lalu Prasad's anti-BJP rally in Patna: Mayawati" (August 24), it is evident from the Bahujan Samaj Party president's stand that there is a great deal of distrust among the main political players, who are looking to become constituents of a secular alliance to combat the ruling Bharatiya Janata Party in the 2019 general elections.

Although Mayawati (pictured) is lying low, she is not out. She remains an important leader in Uttar Pradesh, the most populous state. Her stand reveals that the secular alliance, if it ever comes into being, would have a lot of squabbles when dealing with the real business of seat sharing.

Samiul Hassan Quadri Bikaner

#### Ominous sign

The abdication of responsibility by the Haryana government in Panchkula where supporters of Dera Sacha Sauda chief Gurmeet Ram Rahim went on a rampage torching vehicles and causing unrest after he was convicted of rape was even more complete than when the government failed to quell the Jat agitation earlier.

A prescient high court had already warned the lax government to meet eventualities with firmness. The Bharatiya Janata Party (BJP), in coalition with the People's Democratic Party in Jammu and Kashmir, was at least making noises over the continued state of unrest there.

In running Haryana, the BJP has not only been ineffective in upholding law and order but worse, tongue-tied. Vote bank politics is not new to this nation but for a government to be rendered helpless to this extent because of it, is an ominous sign.

Tamil Nadu and Karnataka are now sought to be acquired by the BJP, which is to be expected as it has to look for new political pastures. But with such a skewed approach to political governance, as in Haryana, south India could well be in far more trouble than the limited harm it bears due to endemic regional politics.

R Narayanan Ghaziabad

Letters can be mailed, faxed or e-mailed to: The Editor, Business Standard, Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi 110 002. Fax: (011) 23720201. E-mail: letters@bsmail.in. All letters must have a postal address and telephone number.

### HAMBONE

BY MIKE FLANAGAN



## Reimagining Infosys

Nandan Nilekani has to restore the firm's credibility

He may have joined Infosys at 26 and rejoined at 62, but Nandan Nilekani clearly hasn't lost any of his old traits: Combative (some questions from the media on Friday were dismissed with disdain); clear-headed and diplomatic (over the weekend, he has already given the world enough idea about his course of action without giving away anything specific); confident (he has repeatedly asserted that he will take all the critical decisions and wants everybody to leave him alone); consensus-builder (he has talked about using his skills as a unifier) and loyal (he has described NR Narayana Murthy as the father of corporate governance in India and got the board to issue an apology letter of sorts to Mr Murthy).

Among his other priorities are identifying a managing director and putting in place a long-term corporate governance structure. It is also obvious that Mr Nilekani will re-examine all the initiatives started by Vishal Sikka during his three-year-long "new and renew" approach. But his overall message is important: He has hit the ground running on the important task of rebuilding Infosys. In what is possibly its worst hour of crisis, Infosys needs such a strong and widely admired man at the top who has impeccable credentials and knows the company inside out, having been one of its founders and chief executive for five years.

However, even Mr Nilekani might find the task hugely challenging. For example, while putting in place a "long-term governance structure" is a laudable idea, he has to sort out an immediate and complex task at hand. While he has skilfully deflected all queries in this regard, saying he would first get a full briefing on the Panaya investigations before taking an appropriate course of action, he has to walk a tightrope. The stand-off between the board and Mr Murthy turned into a full-blown crisis after the latter demanded a public disclosure of the investigation report relating to the \$200-million acquisition of the start-up. As non-executive chairman, he has to now decide whether the report can indeed be made public as it might violate client confidentiality agreements. Besides, he will have to find a way to attract talent to a company that has been in a state of turbulence for quite some time; where the founders have come back twice in the past four years and still want to have a strong say in how Infosys should be run.

But the thing going for Mr Nilekani is that he is seen as someone whom the co-founders, led by Mr Murthy, would listen to. After all, amid all the boardroom acrimony, Mr Nilekani maintained a studied silence that now weighs in his favour and conflicting parties will give him the benefit of the doubt initially. His biggest challenge would be that he is returning to an Infosys that is different from the one he left a decade ago. The company is facing unprecedented challenges: The traditional outsourcing business faces a margin squeeze and newer ventures have yet to make money. Steering Infosys through its transformation and getting growth while minimising the effects of its internal turmoil and restoring credibility will require Herculean efforts.

## Impunity in Haryana

Political surrender led to govt's failure to protect citizens

The primary duty of any government is to ensure that law and order prevails; but the government of Haryana, over the course of the past week, has failed in that duty. The conviction for a murder of Gurmeet Ram Rahim Singh, the head of the Dera Sacha Sauda spiritual sect, set off rioting and clashes with the police across Haryana and those led to dozens of lives being lost. After a Central Bureau of Investigation (CBI) court in Panchkula in Haryana convicted Singh, his followers ran riot in that town, at the cost of 28 lives. Eight were also reported dead in Sirsa, near the headquarters of the Dera Sacha Sauda. The administration was inept throughout. First it allowed large numbers of people to gather in spite of the danger that the mobs would pose, and then it reacted too weakly in some areas and with live ammunition in others.

The Punjab and Haryana High Court has rightly been harsh about the state government's failures. The Court held the government responsible, and said it was a "political surrender". This fear is given substance by the fact that the Bharatiya Janata Party, in power in Haryana, has long courted Singh for the votes it believes he will be able to corral for the party. The state government claimed that a "clerical error" meant that Section 144, restricting the gathering of large numbers of people, was not properly enforced. But it is difficult to see this as anything other than the government perpetuating a state of impunity for those whom it believes it relies on for political support. Singh rode to the CBI court in a convoy of hundreds of vehicles, after all.

Going forward, two things are essential. First, the horrific scenes of Friday must not be repeated on Monday, when the court announces the sentence that Singh will have to serve. The police must be better equipped to control crowds — if necessary, paramilitary forces should be used — and the state's power to control the build-up of crowds should be used. Furthermore, accountability at the highest level should be imposed. The BJP has defended the chief minister of Haryana, Manohar Lal Khattar, by arguing that his government controlled the situation in just three hours. Yet this is not the first time that Mr Khattar's government has failed on the law and order front. It is actually the third, after the Jat agitations and the arrest in 2014 of the head of the "Satlok Ashram", Rampal. In that case, too, Rampal thought that he could operate under a cloak of impunity, and deny court summons. There is no excuse for self-styled spiritual leaders being allowed to suppose that, because of political clout or the size of their followings, they will receive special treatment by the government. Mr Khattar, in spite of receiving advance information, failed to protect citizens. The BJP must impose accountability on its government, or it is more than likely that voters will do it for them.

ILLUSTRATION BY AJAY MOHANTY



## Has India given up on scale?

Small-scale, local or state-level solutions do not match up to the size of India's ambitions

Whatever else may be underwhelming about Prime Minister Narendra Modi's government, you cannot say it lacks ambition. Mr Modi's Independence Day speech reiterated and expanded the targets he has set for India in 2022; some had earlier been outlined in more detail by Finance Minister Arun Jaitley in a Budget speech. Few could disagree with the notion that a pukka house, reliable electricity, health care, and a decent wage are necessary targets, and with the timeframe within which the prime minister expects that these should be delivered.

To create a decent society, with a vastly expanded set of those earning enough, requires India to think and act on the largest possible scale. The millions who join the workforce daily expect it; the gap between what is promised and what is provided requires it.

I fear, however, that the concrete vision for progress shies away, in many important respects, from action at this scale. Let's look at just three ways in which this might be true.

First, the government has moved away from promising jobs to urging individuals to become "job creators". This is an interesting framing of a change in approach that it no doubt believes has been forced on it by its failure to actually create jobs. (Note: I accept that governments do not, in any real way, "create jobs" themselves; but the government seems to have tacitly accepted that, under its watch, the pri-

vate sector is not creating enough jobs.)

What does shift in focus actually mean? It implies that the government is relying on a combination of interventions — financial inclusion, digitisation, and so on — to create innovation and entrepreneurship at the grassroots. Certainly, this would be a great achievement. And the effort to broaden financial inclusion is indeed action at the kind of scale that we need.

But suppose small-scale entrepreneurship cannot create the quality or the number of jobs we need? Are we giving up on big companies as engines of job creation? Speaking at the release of the NITI Aayog's three-year "plan" last week, officials complained that India Inc was not investing in labour-intensive industry. What concrete actions are being

taken to change that? A basic rule of governance is that, if the private sector is not acting as the government would like it to, then that is not the private sector's "fault"; it is a product of the wrong regulatory environment.

So, question one: Are we giving up on big companies? Note that this comes at a time when smaller enterprises have been delivered an enormous knockout blow by demonetisation and then the goods and services tax (GST). A recent analysis of listed companies by the Reserve Bank of India showed that companies with paid-up capital of under ₹50 lakh saw net profits fall by 23 per cent in 2016-17.



POLICY RULES

MIHIR S SHARMA

## Floods with drought: Changing nature of monsoons

Floods in the time of drought are India's new normal. Let us get this clear. Each year, without fail, a vicious cycle of crippling drought and then devastating floods plays out before us. Sometimes this cycle becomes so bad that the reports on these even hit the headlines. But the fact is that this cycle is getting a new normal. First, floods and drought come together. Today, even as 40 per cent of the districts in India face the prospects of drought, close to 25 per cent of the districts have had heavy rain of more than 100 mm in just a matter of hours. Secondly, the rain is not only variable but also extreme.

Chandigarh, a city of open parks, was recently submerged in water. It had deficient rain till August 21, and then it got 115 mm of rain in just 12 hours. In other words, it got roughly 15 per cent of its annual monsoon rain in just a few hours. Bengaluru hardly had any rain and then it poured. It got 150 mm of rain in just about a day, which is close to 30 per cent of its annual monsoon rain. It is no wonder that the city drowned. Mount Abu got more than half its annual monsoon rain in two days.

This is the double whammy I have discussed on many occasions in my articles. The fact is that, on the one hand, we are getting our water management wrong. We are building on floodplains, destroying our waterbodies, and filling up our water channels. On the other hand, climate change is beginning to show its impact on the monsoon. It is leading to more rain in fewer rainy days, as scientists have predicted. We now see more rain and

more extreme rain events.

This year, up to the middle of August, the data show that India has had 16 "extremely heavy rain events", defined as rain of more than 244 mm in a day, and 100 "heavy rain events", defined as rain of 124-244 mm in a day. This means that the rain will become a flood. Worse, in the Met records, the rain will be shown as normal, not recognising that it did not rain when it was needed most for sowing or that all the rain came in just one downpour. It came and went. It brought no benefits but only grief.

It is time we understood this. This means learning to cope with the twin scenarios, all at once. This means being obsessive about how to mitigate floods and how to live with scarcity of water. But the good news is that doing one can help the other. But we need to stop debating, dithering, or dawdling. We know what to do. And we have no time to lose. Climate change will only accelerate because weather and rain will only get more variable, more extreme, and more catastrophic.

Take the floods. The media has reported that the government is considering — and this can only be called a hare-brained scheme — desilting the massive Brahmaputra to control floods in Assam. This is not just unfeasible but an unnecessary distraction because it means we will lose more time. In Bihar, the government wants to do more of the same by building embankments along its rivers. This is when its own Kosi is perhaps the only Indian river that is called both "mother" and "witch". It comes down from the Himalayas, is



DOWN TO EARTH

SUNITA NARAIN

Companies with sales of less than ₹25 crore saw revenue fall by 44 per cent. This doesn't look like a sector capable of reviving the supply of jobs. Nor is investment here going to be easy; commercial bank credit has slowed so much, and the government has been so slow to resolve the banking crisis that alternative forms of financing investment will be needed: Corporate bonds, for example. But, naturally, that helps only larger companies. If there's a revival, it will come at the top end of the scale.

Here's question two: Are we thinking of reform at scale? At the same NITI Aayog function, officials also complained that companies are not taking advantage of areas where labour law has been reformed or rationalised. In other words, rather than recognising the failure of piecemeal reform to factor in markets, the blame is being put once again on the private sector. It should be clear that state-led and local approaches are no replacement for nationwide changes; the officials' own concerns underline that fact. Question two: Are we giving up on big reform?

Even the GST, a nationwide, big reform if ever there was one, has stopped short in certain crucial ways. For one, I do not understand why a single national indirect tax requires multiple different tax offices and multiple different points of payment. State tax officers "winning" here meant everybody loses. Scale is not just about size: It is about scope. It is about expanding the effectiveness of policy while minimising the scarce government managerial constraints required. We needed a simple, universal, minimal-complexity, low indirect tax, with a single tax authority overseeing it. That is not what we got.

These two errors together mean that there India's private sector is struggling to achieve scale. But even if these two were corrected, do we have the workforce that these companies could hire? The 'Skill India' mission abandoned, in June, its target of skilling 500 million people by 2022. Only 11.7 million were trained in the first two years of the Modi government; it is not known how many of those received jobs. Worse, school education is struggling; the Annual State of Education Report (ASER) and other similar surveys have shown a significant drop in learning outcomes. Yet the government has not sought interventions at scale here. The most that is being suggested is reform of the RTE mandate to change it to a "right to learn". This, unfortunately, might only repeat the errors of the past. It will put more pressure on state managerial capacity — and thus scale will be limited.

The government has worked on a platform for online learning, called Swyam. This could and should have been the way in which education scaled up. But the government has failed to tightly link this platform to certification and evaluation, and tightly link that certification to the job market. If you want an intervention at scale, that forward integration should have been a priority, but it has not been. So, Question three: Is 'Big education', as it were, also being abandoned?

The government has shown its ambition. It has, when it comes to infrastructure, financial inclusion, and power, shown also its ability to focus and to act at scale. But these are no longer the binding constraints on creating an India with less under-employment and a better standard of living. If its ambitions are to be realised, India should not give up on scale so soon.

m.s.sharma@gmail.com  
Twitter: @mihirsharma

## Hope for the humanities



BOOK REVIEW

TIMOTHY AUBRY

Surely one day the ability to interface directly with the nanomachinery connected to our brains will render computer science as we know it obsolete. When experts start arguing for its continued relevance, undergraduates choosing a major will begin to realise that the obscure art of manually punching arcane symbols into keyboards is no longer a safe bet. At the present moment, however, it is only liberal arts majors who have to wonder whether all of the articles and books promoting the marketability of their chosen discipline should make them more or less uneasy about the future. Two additions to this

growing field have appeared just in time to try to soothe the post-graduation panic that some within the class of 2017 may be experiencing.

According to both George Anders and Randall Stross, the ever-expanding tech sector is now producing career opportunities in fields — project management, recruitment, human relations, branding, data analysis, market research, design, fund-raising and sourcing, to name some — that specifically require the skills taught in the humanities. To thrive in these areas, one must be able to communicate effectively, read subtle social and emotional cues, make persuasive arguments, adapt quickly to fluid environments, interpret new forms of information while translating them into a compelling narrative and anticipate obstacles and opportunities before they arise. Programmes like English or history represent better preparation, the two authors argue, for the demands of the newly emerging "rapport sector" than vocationally oriented disciplines like engineer-

ing or finance. Though it does not automatically land one in a particular career, training in the humanities, when pitched correctly, will ultimately lead to gainful and fulfilling employment. Indeed, by the time they reach what Stross terms the "peak earning ages," 56-60, liberal arts majors earn on average \$2,000 more per year than those with pre-professional degrees (if advanced degrees in both categories are included).

While both books supply useful talking points in support of the financial viability of studying the liberal arts, they may arouse more fear than hope. Both feature myriad anecdotes of job searches, all with happy endings, but the journey there invariably proves daunting, circuitous and chancy. Moreover, the reality that apparently favours liberal arts majors is precisely what makes the current job market so forbidding: Extreme precariousness. Trained to be flexible and adaptable, these students are well equipped, according to Anders, to navigate an unstable job market, where companies, fields and sometimes whole industries rise and fall at a nauseating clip, where automation is rendering once coveted skills redundant and where provisional

short-term jobs, freelance assignments, part-time gigs, unpaid internships and self-employment are replacing long-term, full-time salaried positions that include rights and benefits protected by unions. While Anders, a contributing writer at *Forbes* magazine, clearly wants the best for recent liberal arts graduates, his pep talk often consists of rebranding the treacherous market conditions of the 21st century as part of a thrilling new frontier. But somehow it seems unlikely that his analogy to white-water rafting will get them excited to send out yet another batch of cover letters and résumés.

The two books also raise hard questions about who exactly can turn a liberal arts degree into a successful career. In almost all of the stories, job candidates must survive a significant lag time before finding a position that pays the bills, during which they are often forced to pursue additional training or accept poorly compensated work while relying on financial support from their parents. Moreover, in just about every case, they end up tapping into an extensive network of family and friends. Ominously, Stross, a professor of business at San Jose State University,

chooses to restrict his study to Stanford graduates in order to ensure that he has a sufficient number of success stories. And even these individuals end up struggling along the way. How much harder must it be for those with fewer connections and with BAs from less prestigious schools? No wonder first-generation, working-class and foreign students are so often drawn to technology and business majors, which appear to provide a more direct line between credentials earned and career opportunities secured.

Advocates of the liberal arts will maintain that the intellectual experiences fostered in these disciplines ought to be available to everyone. If the trust-fund kids don't have to weigh the practicality of studying feminist philosophy when registering for classes, why should the scholarship students? Moreover, many academics dismiss the now widespread tendency to assess fields of study in terms of their marketability, viewing it as a sign of the American university's capitulation to a corporatist, neoliberal ideology. The goal of the liberal arts, they would say, is to impart knowledge, promote the capacity for serious intellectual inquiry and encourage critical per-

spectives on prevailing norms and assumptions, whether or not such training attracts prospective employers. But then what professors don't want their students to get good jobs after college, particularly those saddled with debts accrued to pay their tuition? Thus true believers in liberal arts degrees may find themselves rejecting the criteria that Anders and Stross use to assert their value and viability while secretly, desperately hoping that the two authors' prognosis is correct.

©2017 The New York Times News Service

**YOU CAN DO ANYTHING**  
**The Surprising Power of a "Useless" Liberal Arts Education**  
George Anders  
Little, Brown & Company  
342 pages; \$27

**A PRACTICAL EDUCATION**  
**Why Liberal Arts Majors Make Great Employees**  
Randall Stross  
Redwood Press  
291 pages; \$25