Game for new ideas?

Gamification appeals to employees' sense of competition and desire for recognition

HUMAN FACTOR

SHYAMAL MAJUMDAR

Are your employees getting distracted easily, or slipping on job targets? Are they getting in to and leaving work bang on the dot? Some employees will always be in this mode, irrespective of the nature of work they are doing, but if the tribe of employees with slumped, negative body language is increasing, you better do something to stop the brighter among them hitting the exit door.

Of course, there is no easy solution. Some of the world's top companies are spending millions of dollars to improve engagement, retention, and performance — and yet over half their employees are still imagining greener pastures and looking at their 9-to-5 paycheck instead of a long-term career. Some companies, however, have gone beyond the obvious and put in place new systems to bump up the motivation quotient. One of these tools that is gaining popularity is "gamification". Though not a new concept, many companies have brought it up to speed to cater to the new generation workforce who say they do not have the opportunity to show their best work or have a vehicle to contribute their ideas and suggestions. Using gamification to address this usually improves engagement levels.

Take Google, for instance. The technology giant has incorporated a travel expense game that encourages people to keep track of their expenses related to business trips. The motivating factor is that every penny that they save from spending is paid back to them as an addition to their salaries. Google has also been organising a Google Code Jam software-writing competition as a way to find fresh talent. Developers and engineers who enter the contest are competing in a game to win monetary prizes up to $50,000.

HR experts say there is nothing like a little competitive element to increase learning engagement and have employees try to outdo each other. Gamification, in essence, is based on the idea that human beings like games — not only just as a child, but well beyond adulthood. According to *Forbes*, 80 per cent of smartphone users play mobile games on their device, and nearly 50 per cent play games every day. Additionally, mobile game apps are used equally by both men and women. While more teens play mobile games than adults, 62 per cent of adults do use these apps.

Cisco, for example, teaches social media skills to its employees and contractors through a multi-level training programme that lets learners advance through the ranks to obtain the ultimate title of a social media "Master", through 46 courses. This was a wide success because of the in-built competitive element.

Gamification, in fact, is a simple strategy of applying game-oriented thinking to various non-game applications. It makes such non-game applications more engaging and fun for employees. Smart marketers use it to increase consumer engagement and influence consumer behaviour, the broad idea being that it helps companies to engage people with the brand. For a company that adopts a game-like attitude, it showcases that your brand and company culture believes in innovation and creativity.

Domino's did that with great effect. Its Pizza Mogul game (users create and name their own ideas for pizzas and toppings, and then for every item sold, they get certain monetary rewards) built enough brand awareness to show to potential job candidates that the company is game for new ideas in the workplace.

Undoubtedly, employee engagement is one of the holy grails of human resource function, which is why HR leaders have been exploring the ways gamification can transform talent management and company culture by applying point scoring, competition with others and rules of play among them to their employee management strategies. It appeals to an individual's sense of competition and desire for recognition. Uber drivers, for example, are able to earn badges for "excellent service" and "great conversation" etc. Other firms use it to engage employees in particular initiatives.

It's true that gamification gets people excited like no other strategy does, probably because it holds the promise of fun and engagement, and extraordinary results. But it has to be thought through and designed well. Otherwise, it can have the Cobra Effect. Here's why: Concerned about the rise in venomous cobra snakes in Delhi, the then British government offered a bounty for every dead cobra. The strategy proved successful initially, resulting in a large number of snakes being killed. However, people soon began gaming the system, breeding cobras for the extra income.

Organisations thus have to put in place systems so that unintended, and even undesirable behaviours do not become the side effects of a gamification initiative.

CHINESE WHISPERS

Scramble to lose

It is unusual for leaders to fight for seats when the chances of victory are bleak. But that's exactly what is happening in the Kerala unit of the Bharatiya Janata Party (BJP). State leaders are jockeying to contest from Pathanamthitta, the epicentre of the Sabarimala issue. At least four top leaders including Union Ministers K J Alphons and senior leader K Surendran are vying for a ticket to contest the seat. Interestingly, the BJP has never won a Lok Sabha seat from the state. Also the Rashtriya Swayamsevak Sangh and BJP cadres in Kerala do not see eye to eye. Given that, political observers are betting on either the Congress or the Left, despite the mileage BJP gained out of the Sabarimala stir.

Don't gatecrash

It's not unusual to hear stories about students in India gatecrashing weddings. Just for fun or to indulge in a hearty meal when hostel mess food is nothing but torture and the monthly allowance from home is diminishing rapidly. A premier institution in the country has had enough of this. The National Institute of Technology (NIT), Kurukshetra, has issued a directive of sorts for its students urging them to desist from gatecrashing weddings, calling it "unethical, immoral and uncivilised behaviour". Although the institute did not mention what action would be taken if someone was found violating the directive, some said NIT might impose a fine or short-term suspensions. And as it happens quite often these days, a copy of the circular was posted online and tweets, backing and opposing the administration's move, started pouring in.

Too many cooks?

The Congress party on Tuesday identified three agencies that would manage its digital and social media campaign for the 2019 Lok Sabha polls. Some more would be hired in the coming days and assigned other tasks. The publicity committee of the party is headed by party leader Anand Sharma. But there was much disgruntlement in the team — some members complained to Congress President Rahul Gandhi that they were not being kept in the loop. The Congress chief first asked senior leader Jairam Ramesh to take part in the meetings, and when that alone did not help, overseas Congress Chief Sam Pitroda was summoned hastily, which helped break the stalemate.

Boards and political funding

In a perfect world, business and political parties need to maintain a respectful distance. But given the influence policy has on the fortunes of a business, it is naïve to expect this

OCCASIONAL ASIDE

AMIT TANDON

Elections are expensive and need to be funded. The Election Commission spent ₹3.43 billion in 2014. Add the cost of the EVM's, also costs that are not directly incurred by the Election Commission including that of deploying security personnel, their movement, communication and training, this number is estimated at a further ₹325 billion. The expenses for the conduct of the election is paid for directly by the citizens, through the taxes collected. This sum no-doubt is high, but an equally large amount — ₹350 billion, is said to have been spent by candidates and parties during 2014 elections. To put it in relative context, the US elections that elected Trump, the house and the senate in 2016 was ₹455 billion. And note, State elections need to be tallied separately.

Those contesting elections are expected to spend ₹600 billion in the coming national elections. This is why we now see many more millionaire candidates. Data from the Association for Democratic Reforms shows that 1,249 out of the 7,810 candidates (15 per cent) who contested the 2004 national elections were *crorepatis*. Their number jumped to 2,207 out of 8,163 candidates (27 per cent) by 2014. That the 2014 Parliament had 443 *crorepati* MPs (83 per cent), suggests their winnability is higher. Are the rich intrinsically more winnable? I believe political parties go for more well-heeled candidates because they can spend their way to the victory stand — creating a bias for their selection.

How campaigns are funded is crucial for a well-functioning democracy. A nexus between corporates, a perennial money-tap, and politicians can be toxic. It is in this context that there is a need for more transparency with regard to corporate funding of elections.

There was a brief period after 1969 when corporates were banned from political donations. But since elections still needed to be funded, corporates used this ban to justify creation of black money. This was reversed in 1985, capping donations to 5 per cent of the previous three-year average profit. Today political funding is covered under Section 182 of the Companies Act, 2013, with no caps, subject to board approval and disclosure in the annual report.

The 2017 Budget limited cash donations to ₹2,000 per person, down from ₹20,000 earlier, to contain the use of black money. It also introduced electoral bonds akin to bearer instrument in nature of promissory note. It's too early to judge the efficacy of electoral bonds, but rather than encouraging transparency, the opacity adds to the murkiness.

There is a need for more transparency with regard to corporate funding of elections

We have also seen the creation of electoral trusts. Under this, business groups contribute to a trust and the trust in-turn passes on the money to a political party. This helps in a few ways. More than one company or business group can contribute to an electoral trust — and if many do, there is some distance between the companies and the political parties. Two, the trusts put in place principles or guidelines that determine how the money gets passed on — contributions are non-discretionary. Further, companies do not have to report whom they donated too, saving them blushes if the party they back, does not win.

How should managements and boards deal with political contributions (or demands)?

First, boards must take a call on the amount they wish to donate. Note that CSR spend is put at 2 per cent and each candidate's campaign-spending is currently capped at ₹7 million and there is a compelling reason to increase this. Putting these numbers together even 7.5 per cent of three-year profits — the earlier cap which has conveniently been done away — appears far too high. An absolute number should be preferred to a percentage of profits.

Second, once the amount is decided, it should be put to shareholders to vote. The shareholder resolution should have a validity period and renewed periodically. This helps to bring an ex-ante cap on the number. Importantly, the board approved limit can be changed in a hurriedly called board meeting; a limit approved in a shareholder meeting has its own timeline. And greater scrutiny implies the number is less flexible.

Three, boards should maintain oversight and not leave it unattended. Putting in place a framework to report to the board will help. Four, have guidelines regarding how this money will be disbursed. If the money is passed on to an electoral trust, the board should familiarise itself with the trustees, what their role is, as well as the gifting principles. Whether directly or through the trust route, keeping discretion to the minimum should be a core principle. The Progressive Electoral Trust donates all the funds on the basis of the performance in the outgoing Lok Sabha. There is a case for a percentage on the basis of past and the balance on the basis of the performance in the incoming Parliament — assuming that many of the expenses get settled after then elections, but for this regulation need change. Five, disclose all donations. Six, move to a system of annual contributions. This means the amounts can be smaller. Companies will then be able to fund one party in the Centre and a regional party in the state. And from a shareholder perspective, annual contributions help smoothen cash flows.

In a perfect world, business and political parties need to maintain a respectful distance. But given the influence policy has on the fortunes of a business, it is naïve to expect this. Nor should one expect the political class to throw its weight behind electoral finance reforms. Nevertheless, it is easy to imagine a scenario where each business gives more, thereby nullifying any advantage each hopes to gain, and in the process choking our democracy. It is in this context that boards need to redefine the underlying purpose their political donations serve.

Political donations by companies should be made to help a larger cause — not merely to get policy tweaked in their favour. Such contributions must come with strings attached, that is, push for greater transparency in political funding or political parties filing better quality accounts tax returns in a timely manner or nominating candidates who don't face criminal charges. I realise this last bit is a tall ask given the equation is weighted in favour of the legislature. But a decade ago, funds were shy of asking companies to change. Today, these investors acknowledge their responsibilities and are far more engaged and demanding of companies. Similarly, corporates, through their collective donations are in a far better position to be a force of good: they must push for a healthier polity.

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BUSINESS LIFE

Should Netflix be afraid of Apple?

JOHN KOBLIN

On March 25, a delegation of producers, studio executives and big-name actors will enter the subterranean 1,000-seat Steve Jobs Theater in Cupertino, Calif, for one of those Apple showcases, with the Chief Executive, Tim Cook, commanding the stage before a crowd of loyalists.

This time around, the focus won't be on the next must-have device. With iPhone sales showing signs of fatigue, the event is intended to draw attention to the company's billion-dollar-plus bet on entertainment, an initiative that will put Apple in direct competition with Netflix, Amazon and HBO.

The premiere date for the service is getting closer, with the first of a dozen or more shows likely to start streaming before the year is out. At next week's presentation, Apple is expected to reveal details of what it has been working on with stars from both sides of the camera.

The tag line, "It's show time," appeared prominently on the invitations. For many of the show business people, this will be their first trip to Cupertino, the corporate home of their new patrons.

Apple didn't need stars before, but it needs them now. Although the company was the first publicly traded American firm to be valued above $1 trillion, its most recent earnings report showed flat profits and falling revenue.

So the plan now is not only to sell devices, but to fill them with content. That has led the company into the alien territory of Hollywood, where local customs can clash with Silicon Valley folkways.

Apple is a relatively late arrival to streaming. Netflix, Amazon and Hulu have offered original programming for several years. In 2018, there were nearly 500 scripted television shows available in the United States, with Netflix spending at least $8 billion on new content.

Apple has decided to put more emphasis on its services — think Apple Music and Apple Pay — to increase revenues. The strategy will include an expansion of Apple News, which is expected to be highlighted at the showcase, and the star-studded streaming service. Apple has negotiated with the likes of HBO, Starz and Showtime to populate its screens, Bloomberg has reported, but the centerpiece will be original programming.

The event at the Apple Park campus in Cupertino is also meant to drive home just how many shows Apple has pulled together. Five series have completed filming. Around a half dozen more are on the verge of wrapping production, according to several people familiar with the shows who were not authorized to speak publicly. And the number of original productions is expected to increase in 2020.

With all that new material, Apple will transform itself, seemingly overnight, from a tech giant into a more general enterprise, with a slate of original entertainment offerings sizable enough to put it in a league with Showtime, Hulu or FX.

Interviews with more than a dozen people who have had dealings with Apple, all of whom said they couldn't speak publicly about private discussions, suggest that, while the producers and stars appreciate having another deep-pocketed company to pitch, they also have concerns.

Those concerns have arisen from the culture clash that may inevitably come about when a tech company that is used to guarding its trade secrets gets involved in show business.

Players expect to be kept in the loop. But many of the people working with Apple said they have received little or no information on how, exactly, their shows will be released. They also don't have a clear idea of Apple's marketing plans for the shows.

Apple's entertainment team is based in Culver City, Calif, and is led by two former Sony television executives, Jamie Erlicht and Zack Van Amburg, under the watch of the senior vice president of internet software and services Eddy Cue. Cue hired the Sony veterans in 2017, after Apple rolled out its first original series, a reality show called "Planet of the Apps," which was a dud. About $1 billion was set aside for them to spend on programming, and they have blown well past that amount by now.

Apple's entertainment team has not been totally opaque. It has provided feedback to individuals involved in the shows, but it has been tight-lipped about the marketing and rollout plans.

People involved in the coming series also said that Apple executives had expressed squeamishness when it comes to the portrayal of technology in the shows — how exactly are you using that iPhone? Or that Mac laptop?

Apple had no comment on any aspect of its streaming plans.

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LETTERS

Don't be emotional

Apropos your editorial "Review takeover code" (March 20), I am in total agreement with your comment that the high drama and outburst on the part of Mindtree founders *(pictured)* will hardly meet the end objective. Call it hostile or whatever, the fact remains that not only is L&T well within the law, but it also makes sound business sense for the very successful engineering conglomerate that already has two software services arms to take over Mindtree, which will complement its existing strengths, and hopefully create a powerhouse that can aim a shot at larger contracts. Even Ashok Soota, co-founder and former chairman of Mindtree, has gone on record saying that the promoters are fighting a losing battle. It is time for the well-meaning but over-enthusiastic promoters to be more pragmatic and less emotional about the issue.

As far as the broader point is concerned, our laws do need changes, not only to bring in the provision of a leveraged buyout — notwithstanding the fact that in the present case even that won't help — as well as differential voting rights for promoters. As our businesses become global, it is essential that we also embrace international best practices and laws governing these. The consolidation through mergers and takeovers is an accepted fact; these will happen with greater regularity. It will be useful to have a proper framework in place.

Krishan Kalra Gurugram

You think we are fools?

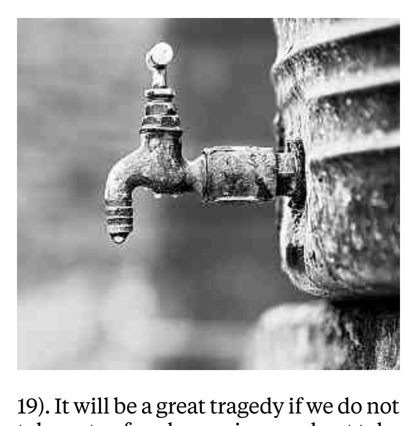
What an irony! In the run up to the election in 2014, Prime Minister Narendra Modi reminded people that he was a *chaiwala* (tea server) at Vadnagar railway station in Gujarat. Come 2019 elections, he has now launched the "*MainBhiChowkidar*" campaign countering Congress President Rahul Gandhi's "*chowkidarchorhai*" jibe. As if that was not enough, all of his cabinet colleagues and a lot of their followers have prefixed *chowkidar* to their Twitter handles.

We the people are amused at the fall of the country's *pradhan sevak* or Prime Minister to *chowkidar*, after Pulwama and after the Rafale documents were allegedly stolen. I think we as common people had voted for a prime minister and not for a *chowkidar* or *chaiwala*. While the PM might not acknowledge, the common people are quite aware of the government's failures: to name a few, agrarian crisis, jobless growth, and damage done to all democratic institutions. They cannot fool us voters anymore.

Bidyut Chatterjee Faridabad

Take action now

This refers to "India staring at severe water crisis, among the worst in the world, says WaterAid research" (March



19). It will be a great tragedy if we do not take note of such warnings and not take effective measures in managing our water resources, with special emphasis on ground water recharging on a grand scale. We have the ability to do it. Just that it is not getting the attention that it deserves. It appears some dried up rivers in Rajasthan and Maharashtra have been revived through private efforts. Such efforts must spread all over, especially in the north, where depletion of ground water is the fastest. Further, the consumption of water in agriculture should also go down with better agricultural practices.

N P Sinha Jamshedpur

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HAMBONE

Business Standard
Volume XXIII Number 156
MUMBAI | FRIDAY, 22 MARCH 2019

Jet's new flight path

Banks gave too long a rope to promoters

Lenders to Jet Airways have finally decided to act tough by asking promoter Naresh Goyal and three of his nominees to step down from the board immediately so that they have no role in running the airline. The lenders have agreed to put in ₹1,200 crore of interim financing, which would make them the majority equity holder after Etihad decided to pull out. The move by lenders is in tune with a framework outlined by the Reserve Bank of India (RBI) last year. The procedure, applicable for companies with a negative net worth, is called bank-led provisional resolution plan. The only other option the lenders had was to take Jet to the National Company Law Tribunal, but it was obvious that they wanted to avoid that route, as Jet's failure meant that banks would have to take a full hit on their loans as the liquidation value might not be much, unless a very high value is attached to the brand. It would have been bad optics too because of the potential job losses and possible surge in air fares, giving an opportunity to a vocal opposition to attack the government for another failure after the Air India privatisation fiasco.

But there is no doubt that the lenders gave too long a rope to Mr Goyal, as the writing on the wall was clear for the past 12-18 months. The airline was in the news for the last several months for all the wrong reasons: A cash crunch, mounting losses, unpaid salaries, diminishing market share, and governance issues. Jet needed urgent recapitalisation to survive and the promoters just did not have the money. It was also open knowledge that Etihad and the promoters were not seeing eye to eye after Mr Goyal tied up with KLM and Air France to create an alternative alliance for Europe, which conflicted with Etihad. The foreign carrier gave enough indication that it would not put any more cash or pledge its shares to bail out the airline until Mr Goyal was out of the cockpit. Finally, Mr Goyal's refusal to limit his holding in Jet Airways to 22 per cent and exit active management reportedly scuppered the deal with Etihad. Lenders, it seems, preferred to live on hope for a long time.

Now that the promoters are set to be on their way out, lenders have their task cut out. They neither have the expertise to run the airline, nor can they own a majority stake for any length of time in a company that operates in a profoundly risky sector such as aviation. That means banks will have to appoint a new board, which will oversee the interim phase of keeping the airline flying and look for a new strategic investor who has the cash and the management depth to turn around Jet. That itself is a tremendous task as the aviation industry is facing turbulent weather. With hyper competition between six players and growing capacity additions (IndiGo is adding nine planes a month and all airlines will add 90 more planes in FY20), yields are getting severely dented. According to CAPA, while passenger growth will be robust at 14-16 per cent (because of low average fares) in FY20, the consolidated losses of the airlines are expected to increase. Banks have to act before time runs out.

A swap in time

RBI's new liquidity management tool is a welcome move

The Reserve Bank of India's (RBI's) move to provide a swap facility of $5 billion to banks will provide liquidity to them without causing any expansion to the central bank's balance sheet. It has also resulted in forward rates coming down and opens an opportunity for long-term dollar borrowers to hedge at a lower cost. RBI Governor Shaktikanta Das has introduced the liquidity management tool, which was used once in the past by Raghuram Rajan in 2013 to rein in the rupee, which had depreciated a lot in a short period. But that was a different situation, and the measure was an extraordinary one. What Mr Das and team intend to do is to make this swap more mainstream and likely a regular feature.

With this facility, banks will no longer need to deplete their bond holdings to shore up liquidity, and for the RBI, the swap will stop a massive expansion of its balance sheet. It will provide additional liquidity even as the RBI continues with its secondary market bond purchases through open market operations (OMO) in the next fiscal year as well. This fiscal year, the central bank prevented interest rates from increasing by buying 72 per cent or about ₹3 trillion of the government's net borrowing from the market. The next fiscal year's borrowing target is equally stiff at ₹7.1 trillion in gross and ₹4.73 trillion on a net basis. Banks cannot buy gilts unless the central bank chips in with liquidity support. Now for the RBI, undertaking open market operations expands its balance sheet, which is bad for a central bank that has mounted a war against inflation and is focused on a better transmission of policy rates. The balance sheet expansion corresponds with increase in money supply, which in turn stokes inflation. To control that, the RBI will have to raise interest rates, which then stifles growth. The central bank is now trying to aid growth through lower interest rates. But unless banks pass it on, a policy rate cut doesn't hold any significance. In the face of a massive supply of bonds, estimated to be over ₹14 trillion, including state development loans, public sector undertaking bonds, central government borrowing, and corporate bonds, the RBI's continued liquidity support in the next fiscal year would be a must. Therefore, it is necessary to expand liquidity tools.

The swap of dollars with rupees works only when there is adequate dollar supply in the economy. The month of March, with $4.6 billion net foreign portfolio investments in equity and debt combined, has been promising in this respect. The heat map of the last 12 years shows that the last quarter is always the time when the rupee appreciates due to increased dollar supply. So, the $5-billion swap will likely sail through this time. The expectation of this amount in the near future also means that the RBI's intervention (purchase of dollars) has reduced in the currency market, which is letting the rupee appreciate. No doubt, exporters who were sitting on dollars have been hit now by the rupee appreciation. The first instance of the swap is expected to be a success as foreign flows have been strong, but how this new tool shapes up in future remains to be seen.

ILLUSTRATION: BINAY SINHA

A contest of content in this election

We need to hear from our political parties why we should vote for them, what ideas they stand for, their policies, reform, etc

INDIA'S WORLD?

NAUSHAD FORBES

This has been a dispiriting election campaign. Most of what we hear are negatives — why we should not vote for the other fellow. Most of the rest is rhetoric — platitudes masquerading as content. We need an election where we see a contest of ideas and not hate. Start with three propositions: First, both the government and opposition are equally committed to the national interest and try to serve it with equal integrity. Neither has a monopoly on patriotism or integrity, and accusations of being anti-national or corrupt in either direction are shameful. Second, when in government, both the BJP and Congress have done their best to develop the economy. This best has often been lacking. The last 20 years have seen India governed by the government led by the BJP and Congress for 10 years each. Each can take roughly half the responsibility for what we have achieved in these 20 years and what we haven't. And third, both the government and opposition would serve the country well if they debated ideas instead of personalities. We do not need a strong leadership; we need a government that does the right things.

So what right things should we seek as election promises from our political leaders?

Economic issues must dominate debate

India needs decades of high growth to become a developed country. If we grow 8 per cent a year (better than we are achieving now), it will take 20 years for our per capita GDP (currently $2,000) to match *today's* mid-income level of China ($9,000). If we grow 10 per cent a year, it will take 30 years to reach *today's* developed country level of South Korea ($30,000). Very few countries have grown 10 per cent a year for over 20 years: Japan, South Korea, Taiwan and China. We must have the same aspiration. What will it take? Three things: Our growth must be inclusive, we need consistent structural reform of the economy, and the private sector must be the growth dynamo.

First, as 60 per cent of India's GDP growth comes from consumption, our growth must be inclusive. Both the government and opposition talk inclusive growth, but rely on giveaways — whether loan waivers or direct cash transfers. Giveaways alleviate current poverty; they do not include people in growth processes. We should rely, instead, on education and skills. We need specific commitments on education spending, policies to improve education outcomes, and ideas to kick-start our moribund skill development programme.

For too long we have tolerated governments which do not accord school education the priority it demands. The results are depressing: The 2018 Annual State of Education Report (ASER) says:

- Under half of all children in government schools in Standard V can read a Standard II text;
- Only 23 per cent of children in government schools in Standard V can do division. Forty per cent of children in Standard III cannot even subtract;
- Only 12 per cent of Standard III children in Uttar Pradesh can read a Standard II text while 47 per cent of children in Himachal Pradesh can.

Eventually, the ASER tells us, many children learn something. But if our children spend most years in school simply learning how to read, add and subtract, they are missing the basic skills needed to learn anything else. Shouldn't such fundamental issues, which are crippling the nation in the long run, be front and centre in our election?

Second, we need consistent economic reform — defined as moving decision-making from the government to the market. We do not need better government; we need less government. This government's ease of doing business programme is in the right direction, but we have a long way to go. Every improvement in reducing regulation by one department (e.g. industry) seems to be matched by a new regulation from company affairs, or a regulator like the Securities and Exchange Board of India, or the Anti-Profiteering Authority (the name itself is a throwback to our pre-1991 slumber). Election manifestos may be necessarily short on detail, but we need specific commitments of which areas would be reformed, and how. Two examples of sensible economics are missing in our political discourse: Instead of free power, farmers should be promised 24-hour high-quality power — at market rates. If we need subsidies, provide a direct cash transfer. Agriculture should be taxed as for any other activity — will any party have the courage to tax personal agricultural income above, say, ₹1 crore per year?

Third, the strength of the Indian economy, unlike the Chinese economy, rests in the private sector. Much of the increase in our growth rate since 1991 has come from the unleashing of private enterprise. We should hear how business in general (as opposed to some individual crooks) would be trusted to invest and take the economy forward. A 1970s cartoon by the wonderful R K Laxman shows a businessman walking away from a minister's desk: "Did you see how depressed and miserable that businessman looks? That shows our industrial policy is working." We have come a very long way after 1991, and the progress must continue. And just as business must be trusted to do the right thing, business must repay that trust — by investing in capacity and proprietary technology by complying with all applicable laws in full, and by funding political parties completely transparently — saying who and how much they fund.

If politicians are human, and voters are intelligent

Finally, as voters, we should expect our politicians to be human. We should not expect them to be supermen or miracle-workers, able to bring peace and prosperity to all while balancing the books. We should expect them to wrestle with conflicting priorities and display the humility of not having all the answers. We should expect responsibility for actions and accountability for failures. We should expect decency in debate and civility in how opponents are addressed. And, equally, politicians should expect us as voters to be intelligent. That we do wish to hear ideas debated and policy presented. That we do want politicians to call on us to think for ourselves and make real choices, instead of pandering to our worst instincts. Let us have a contest of content when we go to the polls in April and May.

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Italy enjoys a rare moment of banking bliss

FERDINANDO GIUGLIANO

The banking industry hasn't given Italy many reasons to celebrate. The country has stumbled from crisis to crisis, as it fought a rearguard action against the European Union's rules for handling failing lenders.

This week, EU judges gave Rome a rare moment of joy. The bloc's general court, its second-highest tribunal, ruled on Tuesday that the 2014 rescue of Banca Tercas SpA by the Italian deposit guarantee scheme didn't break the law. Italian politicians and regulators feel vindicated. They've long argued that deposit insurance funds should be used not just to compensate savers, but also to help struggling banks — a position the European Commission has opposed.

The case has implications that go well beyond a tiny lender in Abruzzo, one of Italy's smallest regions. Many in Rome believe they could have acted faster to save other struggling banks by using this tool — for example, the four small banks that were resolved in 2015. Antonio Patuelli, the head of Italy's banking association, said EU Competition Commissioner Margrethe Vestager should resign. Enzo Moavero Milanesi, the country's foreign minister, wouldn't rule out seeking damages from the EU.

The Commission can now appeal to the European Court of Justice, the EU's highest legal authority. But even if the judgment stands, it will be a Pyrrhic victory for the Italians. Creative use of the deposit guarantee scheme doesn't magically solve the problems of a rescued bank. It simply forces healthier lenders (which contribute to the fund) to share the burden. Any such rescue depletes the scheme, which cannot fulfil its primary mission: To guarantee deposits of up to €100,000. That makes it more likely that taxpayers will have to step in.

Creative use of the deposit guarantee scheme doesn't magically solve the problems of a rescued bank. It simply forces healthier lenders to share the burden

A short history of Italy's recent banking troubles illustrates this point. After the EU blocked them, the Italian authorities found an imaginative way to let the guarantee fund intervene anyway in saving Tercas: They used a "voluntary" scheme that doesn't count as state aid. But Banca Popolare di Bari SCpA, which rescued its rival with the help of the fund, now finds itself in need of a new capital injection.

Italy's banking system has also chipped in to contribute to a separate rescue fund, Atlante, which took over Banca Popolare di Vicenza SpA and Veneto Banca SpA. Atlante failed to turn around the banks, which were eventually liquidated. Finally, the deposit scheme has now intervened to rescue Banca Carige, another troubled lender, by investing in a subordinated bond. Several participating banks, including Intesa Sanpaolo SpA have already written off the investment.

This sequence shows that asking industry funds to support troubled banks is not a free lunch. In fact, it rewards bondholders who have lent money to a mismanaged lender, at the expense of shareholders who've invested in a healthier rival. That's hardly fair. The banking system will also seek to recoup some of costs from its customers, via higher charges. Plus the bigger the burden you place on healthier rivals, the higher the risk of contagion.

Letting regulators do what they want with national deposit guarantee schemes may give the authorities an extra degree of freedom in dealing with crises, but it won't solve the fundamental problems. These have to do with the quality of the loanbooks of certain banks and, most important, their ability to generate profit in a challenging economic and technological environment. When a bank can't compete, far better to manage its orderly exit than chuck more money at it.

Indeed, broader use of these schemes would probably hinder a much-needed reform for European banks: Setting up a joint deposit guarantee across the eurozone. Several countries, including Germany, are opposed to that because they don't want to subsidise weaker banks. But this looks a little rich. As the mooted merger between Deutsche Bank AG and Commerzbank AG shows, German lenders are as disaster-prone as anyone else.

Ironically, more expansive use of national guarantee funds by Italy or whomever would only make Berlin even more suspicious of setting up a joint one (something coveted by the Italians). Rome should be careful what it wishes for.

The writer is an economics columnist for La Repubblica and was a member of the editorial board of Financial Times

The United States of open wounds

BOOK REVIEW

PARUL SEHGAL

All literature is literature in translation. There is no mother tongue. All of it migrates out of the body, out of a tangle of sensations and intuitions, obscure rancour and desires; we hunt racks of ready-made language for words that might fit.

Mitchell S. Jackson is the author of a sharply drawn novel, *The Residue Years*, and a new memoir, *Survival Math*. Questions of translating his experience have long preoccupied him. "I'm not writing for white people, to inform them on black lives," he has said. Nor does he want the reader to be dazzled by the instability and violence of his childhood and miss the "bounteous love" that is as much his legacy.

Mr Jackson's work is set in Portland, Ore., one of the whitest big cities in America, scarred by a long history of racist violence and intimidation. The black community he grew up in was small and straitened, hit hard by years of redlining. He writes about a lifetime of losses and near escapes, his mother's crack addiction and his own drug dealing.

It's an American story Jackson tells, nesting his own among others — that of the first black man thought to set foot in Oregon (Markus Lopius) and those of the friends and relatives whose lives Jackson depicts in interspersed "survivor profiles." He includes poems woven out of lines lifted from the Declaration of Independence and the Emancipation Proclamation.

Exuberant maximalism is his mode. The digressions have digressions. There are pages of garrulous footnotes. Every story veers off into a lesson — on the history of the Bloods and Crips, the invention of whiteness and crack cocaine, the composition of plasma and the cultivation of apple trees — some sections only tenuously knitted into the narrative. The detours recall the hectic narrative nonfiction of the nineties and early aughts, by writers like Dave Eggers and David Foster Wallace.

Mr Jackson tells us so much, but it's the omissions that are deafening.

There are patterns in his reticence. He begins a personal story, he opens a wound — and when we expect emotion, he floods us with information. The elaborate architecture of the book can feel like an exercise in misdirection, especially when Jackson turns to his treatment of women.

He introduces his concept of "The Men on the Scale" — players, users of women. He has been such a man, he says, but he alludes only vaguely to how he harmed them. Instead he includes "victim statements," testimonies of his behaviour from five former partners. They describe being cheated on and lied to, coerced into abortions, feeling too traumatised to date again. "I blamed me," one writes. "I wasn't pretty enough. I wasn't light enough."

These stories shimmer with pain. But Mr is impatient to talk about victimology instead. He wants to discuss Don Giovanni, Lord Byron, the writer Chantal Thomas, Steven Pinker, Frantz Fanon, Picasso, Simone de Beauvoir, the psychologist Grazyna Kochanska — all in two pages. He wants to tell us about history's great Lotharios.

There have been a slew of new books that have reckoned powerfully with manhood and masculinity and their intersections with race and sexuality. Mr Jackson has the facility, but what does he force himself to face? Too often, a strong protective instinct takes over. He writes, of the men he grew up with, some who dealt drugs or pimped women: "Though their foibles weren't the crux of what I used to compose, best believe not a single man I mentioned has existed in my life beyond critique. And that's all sorts of apropos, since I too am a flawed human striving, striving."

The syntax turns knotty and tortured here; it trips over itself. It's as if Jackson has remembered he's being overheard, and by readers who might summarily condemn these men. He retreats to a safer bank — aren't we all just imperfect human beings? On other occasions, he takes cover behind the abstractions of the pulpit. "Ours is a revolutionary era of gender fluidness and sexual equality and same-sex parents and girls doubtless need fathers, too," he writes. "However" — however! — "this is my beating heart: Boys need fathers. Boys need fathers — period, exclamation point."

This is stale writing — period, exclamation point. It is beneath Mr Jackson. Not only because it so casually dismisses same-sex and single parents, but because it misses the pungency and wisdom of the scenes, the richness and beautiful uncertainties of the voice he inhabits, when he seeks to depict and not merely sermonize.

The retelling of his first foray into drug dealing is indelible. "I kept faith, stood out in the shadows among others determined to clock a dollar. It was frightening and exhilarating all at once. It was near ineffable seeing that world demystified, witnessing firsthand the landscape, which by that time my mother had been roaming for years. There was also a part of me that half hoped I'd see her."

He does, eventually. I will never forget their encounter. What a book this might have been had he stayed in this register a little longer, had he stayed with all that is "frightening and exhilarating," and let us truly encounter him.

SURVIVAL MATH: Notes on an All-American Family
Mitchell S Jackson
Scribner
315 pages, $26