Life begins at 70

Romesh Sobti joins the growing list of reluctant retirees

HUMAN FACTOR

SHYAMAL MAJUMDAR

IndusInd Bank Managing Director Romesh Sobti is scheduled to retire in March next year when he turns 70. But Sobti says he would be happy to continue if the Reserve Bank of India allows him to do so. In an interview to CNBC TV 18 this week, Sobti also roped in his counterpart at HDFC Bank, saying "both of us would be happy to continue". The views of Aditya Puri, MD of HDFC Bank, aren't known, but there is no evidence to suggest anything to the contrary.

While his desire to stay on even after reaching the retirement age is a debatable issue, Sobti's candour is refreshing. Many others at his age and position have also been reluctant retirees, but have used all kinds of other excuses to hang on. The usual excuses are the company's failure to find a suitable successor, or that the company is in a transition mode and needs continuity at the top. Some believe in their indispensability so much that they simply refuse to leave — even if that means repeatedly increasing the retirement age of the entire board filled with people who share the same opinion about the leader's rare brilliance. There is the case of this famous chairman who increased the retirement age of directors twice to stay on at the helm, but reduced it just before finally retiring from the group. In recent times, at least two other high profile gentlemen have stayed on as non-executive chairman after appointing their chosen ones as managing directors. An Insead study ("The Retirement Syndrome") attributes this to what it calls the "edifice complex" — the strong desire to leave a legacy.

It's nobody's case that these leaders haven't done much — they are all super-brilliant, have given everything to work and have left a huge impact on their respective organisations. The only thing is they didn't learn to let go, making things difficult for their chosen successor. All of them are a reminder of a *Wall Street Journal* cartoon showing a man hunched over a desk. The cartoon caption read: "He retired as an executive, returned as a consultant, and now he's a brooding presence." After a life of working, the idleness of retirement can indeed be a problem for anyone.

And it may not have anything to do with financial obligations. The strong desire to stay on stems in a large number of cases for people seeking to stay in control. To be fair, letting go is perhaps one of the most difficult things to do for everybody — whether you are an MBA student or a CEO after the "official" retirement. For example, Stanford researchers conducted an experiment in which 282 MBA students were recruited to play the roles of managers or subordinates who were designing a new wristwatch advertisement. The data showed that the more involvement and control a manager felt he or she had over the task, the more favourably the manager judged the final ad.

People also find it difficult to give up because they need emotional crutches after retirement. It's ironic that most of them looked forward to retiring in the hope that it would free them from daily work obligations. However, most never really planned for their big respite and soon grew bored, lost a sense of purpose and felt unwanted. The recurring question they face when they go to bed every night is: What do I do after I wake up tomorrow?

It is this experience of nothingness that single-minded careerists suffer from after retirement that was brilliantly captured in *About Schmidt*. The story is about Warren Schmidt's life after retirement from a senior position in a life insurance company. In the film, Schmidt finds it difficult to adjust to his new life; he visits his young successor periodically to offer advice and help, but his overtures are politely declined.

One obvious solution for the breed of reluctant retirees is to work as long as they can. In fact, quite a few are doing so. Research shows that the number of people working after retirement has soared in the last five years. But HR experts suggest people who tend to stay on for ever exposes the organisation to the risk of being crushed under the burden of one man or woman's indispensability. Experts say people should look at going off the beaten track – even after retirement, they shouldn't just keep doing something they have anyway done with distinction in the most productive years of their life.

When will we see the next rate cut?

Probably in August. We can argue whether RBI is dovishly neutral or neutrally dovish but the telltale signs of at least one more rate cut are strewn all over the policy statement

BANKER'S TRUST

TAMAL BANDYOPADHYAY

Barring unforeseen developments (read: inflation overshooting the central bank's estimate or sudden growth impulse in the Indian economy), another round of rate cut is in the offing for sure. The question is when. Can it happen in June, at the Reserve Bank of India's (RBI's) rate-setting body's next meet? Or, in August?

My bet is on a August rate cut after the Union Budget (in July) is presented by a new government. By that time, the monsoon will also be halfway through and the impact of El Nino on the Indian monsoon as well as on food prices will be known.

Why am I talking about yet another rate cut? Hasn't the Indian central bank cut its policy rate in quick succession bringing it down from 6.5 per cent to 6 per cent between February and now?

Well, central bank watchers may quibble on the stance of the policy — whether it's dovishly neutral or neutrally dovish — the telltale signs of at least one more rate cut are strewn all over the Thursday statement of the RBI's monetary policy committee (MPC).

What are they?

- The estimate of retail inflation is revised downwards to 2.4 per cent in the last quarter of fiscal year 2019; 2.9-3.0 per cent in the first quarter of 2020 and 3.5-3.8 per cent in the second quarter. While the MPC doesn't see any "upside risks" to this estimate, and says the risks are "broadly balanced", most analysts feel the RBI is over-conservative in its estimate, the estimate could actually undershoot.

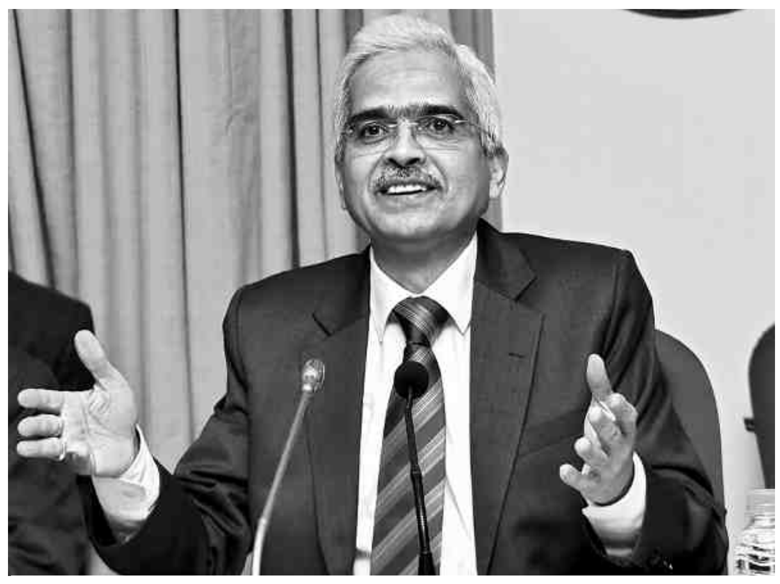
In February, the inflation target for the last quarter of 2019 was pegged at 2.8 per cent; 3.2-3.4 per cent for the first half of 2020 and 3.9 per cent for the third quarter.

- Similarly, the GDP growth projection for 2020 has also been revised downwards — 7.2 per cent (in the range of 6.8-7.1 per cent in the first half and 7.3-7.4 per cent in the second half). Here too, the risks are "evenly balanced".

In February, the RBI had projected GDP growth for 2019-20 at 7.4 per cent (7.2-7.4 per cent in the first half and 7.5 per cent in the second half). Since then, there are signs of domestic investment activity weakening; besides, the slowdown in the global economy will also impact India's exports.

- Finally, the MPC observes that the output gap remains negative and the domestic economy is facing headwinds. It also emphasises that "the need is to strengthen domestic growth impulses by spurring private investment which has remained sluggish". Don't all these keep the door ajar for yet another rate cut?

If indeed the retail inflation is contained at below 4 per cent, the real rate will high side if the policy rate is kept at 6 per cent.



Governor Shaktikanta Das had listened to all constituents of the market in the run-up to his second policy but he is not necessarily willing to say yes to all the suggestions. The latest policy statement clearly shows he is maturing as India's chief money man

The market, however, does not seem happy. Bond yields rose (and prices dropped), local currency lost its value against dollar and most bank stocks as well as Bank Nifty, the representative index of the banking sector on the National Stock Exchange, fell.

The traders are upset because there has been no change in the stance of the policy; it remains "neutral". Many were expecting it to be changed to "accommodative" and the greedy ones were even rooting for half a percentage point rate cut.

As was his wont, governor Shaktikanta Das had listened to all constituents of the market in the run-up to his second policy but he is not necessarily willing to say yes to all the suggestions. The latest policy statement clearly shows he is maturing as India's chief money man. For instance, the statement says, "the fiscal situation at the general government level requires careful monitoring". There was no reference to India's fiscal situation in the February policy.

Also, at this MPC meeting there seems to be some concerns about the so-called core inflation or non-food, non-oil inflation, which was missing earlier (the focus was solely on headline inflation).

Theoretically, by keeping the stance unchanged at "neutral", the MPC has sent a message that its future course of action will be data-dependent and not made any commitment but the underlying bias cannot be missed.

The classic challenge before the RBI at this point is: It can lead a horse to water but can it make it drink? Even after another round of rate cut, as and when that happens, will the banks cut their lending rates?

Traditionally, Indian banks are miserly when it comes to passing on the benefit of low policy rate to the lenders and, of course, there are structural reasons behind this phenomenon. Will Das, known for his consultative approach, be able to address this?

Finally, no prizes for guessing who voted for what at the MPC meeting. It is becoming increasingly predictable. Pami Dua, Ravindra Dholakia, Michael Patra and Das voted in favour of the decision to cut the policy repo rate by 25 basis points. Chetan Ghate and Viral Acharya wanted the rate to be unchanged. And, barring the eternal dove Dholakia, all others were in favour of maintaining the "neutral" stance of monetary policy. Dholakia's choice was changing it to "accommodative". Once-upon-a-time a hardcore inflation fighter Patra seems to be convinced that the inflation genie is bottled but, unlike Dholakia, he is not willing to let his guard down.

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CHINESE WHISPERS

Staying top of mind

A former policeman with ₹1.76 trillion in assets and a loan of ₹4 trillion from the World Bank is contesting from the Perambur assembly constituency in Chennai. In the 2016 assembly polls, Mohanraj Jebamani, son of a freedom fighter and leader of the Jebamani Janatha Party, contested against M K Stalin and submitted that he had an estate in Kodanadu and a house in Gopalapuram, in the heart of Chennai, apart from some "2G spectrum assets" and ₹3 trillion liability. Do these numbers sound familiar? ₹1.76 trillion was the alleged loss to the state exchequer because of the 2G spectrum scam, and ₹4 trillion is the estimated debt of former chief minister J Jayalalithaa's Kodanad estate. While the Election Commission has accepted his affidavit and allowed him to contest, Jebamani says winning elections is not his goal, keeping these figures alive in the mind of the voter is.

Seized booklets fly off shelves

A booklet on the Rafale deal that an Election Commission "flying squad" seized in Chennai to stop its release has reportedly flown off the shelves. On Wednesday, copies of the booklet, "*Rafale: The Scam That Shook the Nation*", written by S Vijayan, were taken away by the poll squad from Bharathi Puthakalayam. It returned to the shelves a few hours after being seized. The bookstore and publishing house reportedly had links with a political party. The "flying squad" said the booklet violated the model code of conduct in place for the coming Lok Sabha election. The booklet, priced at ₹15, compiled reports on the Rafale jet deal and allegations of corruption, including investigative reports by veteran journalist and the Hindu Publishing Group Chairman N Ram.

Saree war

The countdown for the coming Lok Sabha election has begun and a marketing war of a different kind has taken over many shop shelves. While various party leaders are caught up in verbal fisticuffs, saree makers are making a killing, luring prospective buyers with "NaMo sarees" and "Priyanka & Rahul sarees". While NaMo sarees have inundated shops in Gujarat, Priyanka *(pictured)*, Rahul and Indira sarees were spotted in and around the national capital region. The Namo sarees caught attention with their interesting designs — that included images of the PM in a war setting and in the peace mode with Sardar Patel.

INFRA DIG

Srinagar to Leh

BIBEK DEBROY

After renumbering, the Srinagar-Leh Road is part of National Highway 1. This is "the highway connecting Uri, Baramula, Sringar, Kargil and terminating at Leh in State of J&K". I have never driven along this road, but I believe the view is beautiful and the drive exciting. After all, it traverses Zoji La and Fotu La and the stretch near Zoji La figures in lists of most dangerous roads in India. The road links Kashmir and Ladakh. In 1911, Francis Younghusband wrote his book, "Kashmir". Since "La" means "Pass", Zoji La Pass is inappropriate. But we continue to say Zoji La Pass as the British, and Younghusband, did. "Up this valley also lies the road to the Zoji-La Pass on the far side of which branch off roads to Baltistan, on the one hand, with its fine ibex-shooting ground, immense glacier region, and the second highest mountain in the world; and on the other to Ladak with its Buddhist monasteries perched on any inaccessible rocky pinnacle that can be found, and Leh, the meeting-place of caravans from Lhasa and from Central Asia — a most quaint and picturesque little town embedded among bare, sun-baked mountains which has been the starting-point of two journeys I have made across the dreary, lofty Karakoram Pass (18,500 feet) to Turkestan and to the Pamirs." In Younghusband's time, it wasn't much of a road.

A few years later, in 1931 and 1934, Rupert Wilmot travelled through Ladakh, taking photographs. With text by Nicky Harman and Roger Bates, those pictures were published in a book, "The Lost World of Ladakh". "By the 1930s, goods were trucked or sent by train to Srinagar, where they were loaded onto horses. It then took 14-16 days to reach Leh. The pass of Zoji-La and the Lamayuru defile were the most difficult parts of the route." When did it become a proper road, transcending tracks even ponies found difficult to cross? The first turning point seems to be 1834, when Ladakh became part of the Dogra empire, thanks largely to General Zorawar Singh. But at that time, though trade through Ladakh and beyond seems to have been recognised as important, nothing much was done about the road proper. For example, the 1846 Treaty between the British and Maharaja Gulab Singh required the latter to pay an annual tribute to the former of "twelve pashmina goats and three pairs of shawls". The 1870 Treaty between Ranbir Singh, Gulab Singh's son, and Thomas Douglas Forsyth, on behalf of the British, brought in the maintenance of the road, as a responsibility of Jammu and Kashmir state. The Srinagar-Leh-Yarkland road became a Treaty Road. I haven't been able to track down the original source. But several people say that from 1873, Jammu and Kashmir state spent Rs 2,500 every year on maintenance of the road.

But was trade to Ladakh and beyond really that important, as opposed to strategic importance of the road? Several decades before Younghusband, between 1819 and 1825, William Moorcroft and George Trebeck travelled in "the Himalayan Provinces of Hindustan and the Panjab; in Ladakh and Kashmir; in Peshawar, Kabul, Kunduz and Bokhara". In 1841, the Asiatic Society of Calcutta published this travelogue in two volumes, edited by the great Horace Hayman Wilson. In this, "The commerce of Ladakh is of no great value or interest as affects the produce or consumption of the country itself, although may be taken into account in the general result. Its chief consideration, however, arises from its centrical (sic) situation, by which it becomes the great thoroughfare for an active commercial intercourse between Tiber, Turkistan, China, and even Russia on the one hand, and Kashmir, the Panjab, and the plains of Hindustan on the other."

Trucks carrying goods pass through Zoji La Pass, a high mountain pass between Srinagar and Leh at 11,575 ft

Back to the turning points, the next one was setting up of Border Roads Organisation in May 1960. However, even more important as a turning point was declaration of the Srinagar-Leh road as a National Highway in 2006. This was the old NH 1D, now part of NH 1, along with the old NH 1A. Not long ago, there weren't all-weather roads to Ladakh. Now there are (will be) two, the other one being via Manali. Not long ago (May 2018), the Prime Minister laid the foundation stone for the Zoji la tunnel. That 14 km Zoji la tunnel will be India's longest road tunnel and Asia's longest bi-directional tunnel, reducing time taken to cross Zoji la from 3.5 hours to 15 minutes. On that same visit, but in Jammu and not in Leh, PM inaugurated some other projects, including Jammu's Ring Road. This was done in General Zorawar Singh Auditorium of Jammu University. In 2003, Jammu University received a grant to construct a new auditorium complex and this was inaugurated in 2007 and named after General Zorowar Singh. Perhaps the name is an obvious choice, but it took my mind back to 1830s.

The author is chairman, Economic Advisory Council to the Prime Minister. Views are personal.

LETTERS

Too ambitious

This refers to the edit "Where is the money?" (April 4). Apart from the lack of information on how the Congress party will fund the plethora of welfare schemes, its election manifesto is also a reiteration of what it failed to do or should have done during its 10-year rule (2004-14). The Congress' 2009 election manifesto assured 33 per cent reservation for women in Lok Sabha which it promised to pass in the 15th Lok Sabha. It did not support the Bharatiya Janata Party on this in the last five years. Also, its much touted Nyay (Nyuntam Aay Yojana) costing Rs 3.6 lakh crore is a carryforward of its undertaking of "garibi hatao" in the sixties. Since Indian voters judge the credibility of an election-time manifesto by recalling the past record of the political party concerned and not by what it promises (as there is a wide gap between the two), the Congress manifesto would score low on this.

Some of its ideas are a cause for worry -- such as filling up all four lakh vacancies in the government and public sector institutions when they are already overstaffed. One is not sure about the sincerity of some of the promises. When in power, it tried earlier to do away with the use of Armed Forces (Special Power) Act in Jammu & Kashmir, but had to give up due to the objection from the army. It is promising to review again knowing that the army would not agree. The only silver lining is the promise to raise the education budget to 6 per cent, something it should have done when it introduced the Right to Education Act in 2011.

Y G Chouksey Pune

Tall promises

This refers to "Where is the money?" (April 4). The Congress party is the oldest political party of India. Hence, every promise made in its manifesto assumes importance. One of the prominent promise made is the scheme of Nyuntam Aay Yojana (NYAY) that will cost Rs 3.6 lakh crore. It has been said that prominent economists of the world were consulted before framing this scheme. Some of the eminent economists have also suggested funding of the NYAY scheme by levying 2 per cent wealth tax on the rich who have wealth valued more than Rs 2.5 crore though the draft of the Act is not available. It has also been a suggestion to levy income tax @50 per cent on income of more than Rs 50 lakh. I doubt whether P Chidambaram, who is an economist and tax expert and has been the finance minister of the country for a number of years, will accept these two proposals. I agree with the question "Where is the money coming from to fund manifesto promises?".

SC Aggarwal New Delhi

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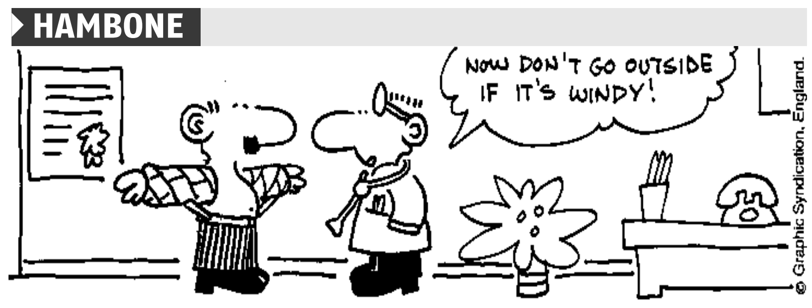
HAMBONE



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A cut to grow

RBI does its bit to boost economic activity

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has delivered its second consecutive rate cut of 25 basis points each. The broad message in the latest policy is a continuation of the sharp shift that occurred in February, when the MPC not only cut the benchmark rate for the first time since August 2017, but also changed the policy stance from "calibrated tightening" to "neutral". That stance has been maintained this time as well because the MPC perhaps wants more clarity on uncertain factors such as the status of monsoons, fuel price trajectory and the next Budget. Crucially, the MPC rolled back its forecast for India's gross domestic product growth in 2019-20 from 7.4 per cent earlier to 7.2 per cent. It also rolled back the inflation forecast for the year ahead. The broad message is that at a time when inflation is well contained and growth is struggling, there is a need for an impetus to boost economic activity. The RBI has made its priorities clear by stating that there is a strong need to "strengthen domestic growth impulses by spurring private investment which has remained sluggish".

The latest reduction in the repo rate is thus in line with expectations. While it is true that headline retail inflation, measured by year-on-year change in the consumer price index (CPI), rose to 2.6 per cent in February after four months of continuous decline, RBI Governor Shaktikanta Das asserted that the increase had been less than anticipated. As in the recent past, the real worry is that the uptick in inflation is being driven by an increase in prices of items excluding food and fuel. But the RBI policy statement also highlighted that inflation expectations, measured by the central bank's survey of households, declined in the February round over the previous round by 40 basis points each for the three-months ahead and for the one-year ahead horizons.

The main concern therefore is the deceleration in economic growth, which is what it should be as growth has indeed been anaemic. For instance, the second advance estimates for 2018-19, released by the Central Statistics Office (CSO) in February 2019, revised India's real GDP growth downwards to 7 per cent from 7.2 per cent in the first advance estimates. This was perhaps a reflection of the deceleration in domestic consumption, both public and private. Other key indicators such as the index of industrial production (IIP) and the growth of eight core industries have also been disappointing. Indicators of investment activity such as the production of capital goods (in January) and imports of capital goods (in February) showed contraction. Of course, it is not all gloom and doom. For instance, the manufacturing purchasing managers' index (PMI) remained in the expansion zone for 20th month in March. Similarly, indicators of the construction sector, such as consumption of steel and production of cement, have continued to show healthy growth.

The only disappointment was that the policy did little to address concerns over weak transmission of interest rate reductions. Banks have only reduced their lending rates by a token 5-10 basis points after the RBI's last 25 bps cut in February. In that context, the markets, which were looking for a change in the liquidity stance, were disappointed with just a general assurance that adequate liquidity would be provided to the banking system.

Worsening climate

World Meteorological Organization gives a dire warning

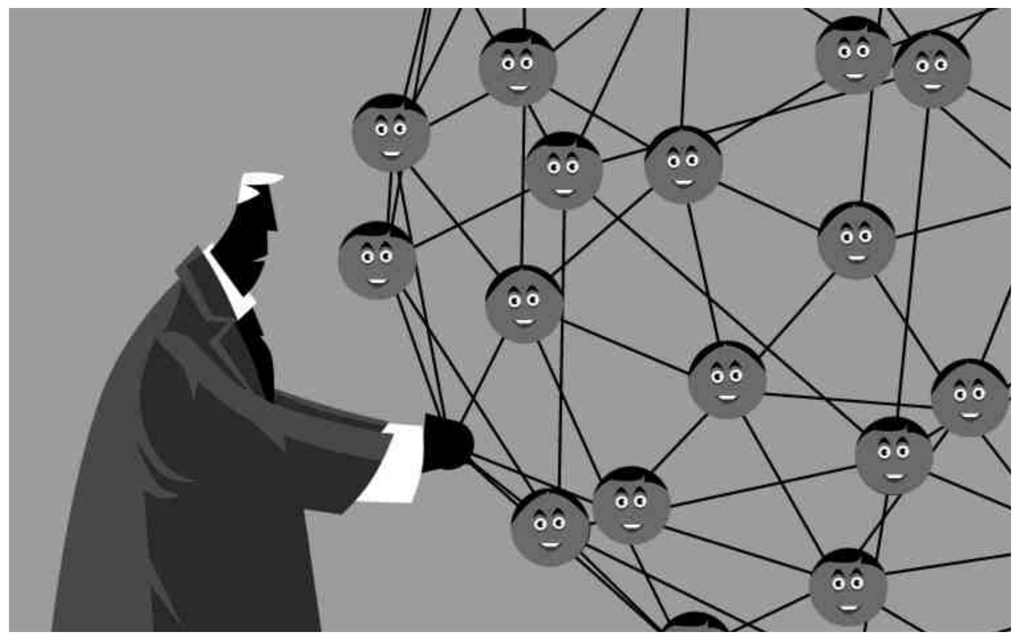
The report on the state of global climate by the World Meteorological Organization (WMO) shows record spikes in sea level, ocean acidification, Arctic snow loss, and freakish weather events in 2018. It validates the notion that climate change is outsmarting all efforts to contain it. Worse still, it confirms that the fight against global warming is backsliding on almost all climate markers. The past four years have been the warmest on record, with the average surface temperature in 2018 being nearly 1 degree Celsius above the pre-industrial baseline. The sea level has risen during the year by a record 3.7 mm, spelling peril for small island nations. The acidity of ocean waters has shot up sharply due to an escalation in the emission of greenhouse gases (GHGs) and their absorption by the seas, thus, posing a grave threat to marine biodiversity. The carbon dioxide concentration in the atmosphere, which had touched a peak 405.5 parts per million (ppm) in 2017, is believed to have scaled new highs by now.

As if these signs are not ominous enough, the WMO statement goes on to reveal that the incidence of devastating weather bouts, which inflict economic damage in excess of $1 billion, has soared menacingly. The US alone witnessed 14 such events in 2018. The catastrophic deluge in Kerala in August 2018, which caused an economic loss of worth around $4.3 billion, also belonged to this category of weird weather. The state's rainfall in that month was 96 per cent above normal with a couple of weekly spells pouring more than double the usual rainfall. This WMO report assumes special significance as it has come ahead of the "climate action summit" in September in New York, where the heads of states will review the progress towards attaining the Paris agreement's coveted goal of limiting temperature rise to below 2 degrees Celsius from pre-industrial levels.

The WMO findings do not inspire much confidence in fulfilling this aspiration. This is more so because most countries are losing the political will to sacrifice economic development to protect the environment. They are reneging on the self-determined climate action commitments, even if without explicitly saying so. Some, notably the world's biggest polluter, the US, have gone to the extent of threatening to withdraw from the Paris agreement. Financial contributions to the Global Green Fund, meant to assist poor nations to slash their emissions and go in for climate-resilient development, too, have not been forthcoming. Moreover, the anticipated reduction in the use of environment-vitiating fossil fuels, including coal, does not seem to materialise, though the renewable energy rates have dipped below the power produced from coal and other mineral resources. Even India can ill-afford to forgo the use of coal, regardless of taking significant strides in the renewable energy sector.

With such being the ground reality, world leaders need to come up with revamped action plans in the forthcoming climate summit. For vulnerable countries like India, in particular, a prudent course of action would be to build capacity to live with the changed climate by conceiving climate-smart development strategies. Adaptation, indeed, holds the key to withstand climate change.

ILLUSTRATION: BINAY SINHA



Network science, the new ABCs of life

A new way of looking at the world is emerging by studying the patterns in everyday life

Every schoolboy must have been taught this story: It is the middle of the 17th century, a wave of bubonic plague is sweeping through England, closing all schools and colleges. Twenty-three-year-old Isaac Newton is forced to leave Cambridge University, where he is a researcher, and go back to his home town in Lincolnshire and seek refuge in the small house where he was born and grew up. There, one evening, the weather being warm, he went down to the garden and sat down to enjoy a cup of tea in the shade of an apple tree when an apple landed plunk on his head. What made the apple fall straight down, he wondered and not sideways or upward? It must be because the Earth's matter draws it? Is there a drawing power in the Earth's matter? In all matter? What is this power that draws one object to the other? This line of thinking led Newton to his theory of gravity, and from there to the foundation of the science of physics. This is how science progresses: Observing a pattern in everyday life and constructing a theory about it, which then explains a much wider range of similar events.

AJIT BALAKRISHNAN

A similar search for patterns in mundane events is now focusing its attention on, god forbid, patterns of human behaviour. "Are our actions governed by rules and mechanisms that in their simplicity match the predictive power of Newton's law of gravitation… might we go so far as to predict human behaviour", asks Albert-Laszlo Barabasi in his new book *Bursts, The Hidden Patterns Behind Everything We Do, From Your Email to Bloody Crusades*. He recounts, in this book, some extraordinary findings. For example, he and his co-workers found in analysing email data that we as human beings have short periods of intense email activity followed by long periods, often days, of no emails. Lest we conclude that this type of "bursty" human behaviour is specific to email activity, he and his coworkers analysed that the paper mail correspondence of Albert Einstein in the 1905-1910 period also followed a similar burst pattern!

A big area of research currently attempts to understand how another common pattern in everyday life, social networks, among human beings operate. An example of one such pattern that is receiving a lot of attention is citation networks. These occur when the author of a scientific paper cites other scientific papers. In the academic world, the number of research papers you publish in quality journals and the number of other papers citing your papers can make all the difference in whether you get promoted or hired by prestigious universities. Researchers are now closely studying the patterns of such citations to detect patterns. One such pattern already noticed is the "citation cartel" that has been established in order to make the difference between the quality of the scientists, measured by the number of cites, higher. Network analysis is also revealing groups of editors and journals working together for mutual benefit by using the inter-journal cites to increase the impact factors of their journals as also other relationships, like editor to authors or authors to authors.

A wide range of networks are being currently researched — financial networks to detect insider trading, terrorist networks to detect their emergence being two examples

Such deep study of networks is already yielding techniques to elevate this field almost to the same level as that of the traditional sciences such as physics and chemistry and with a similar set of abstract concepts. "Size" of a network is now defined as the sum total of the links between the actors (called "nodes") in the network. "Density" is the ratio of the number of links (called "edges") between actors divided by the number of all possible links. The "degree" of an actor or node is the number of links (or edges) connecting to it. The "node centrality" measure tells you how import the role of each node (or actor) is in the network, to name some of the emerging scientific terminology in the emerging science of "network science".

It turns out that even successes of artists can be traced to their position in network. For example, researchers at the Network Science Institute, Northeastern University, Boston, reconstructed the exhibition history of half a million artists, mapping out the co-exhibition network that captures the movement of art between institutions. Centrality within this network captured institutional prestige. They concluded that "early access to prestigious central institutions offered life-long access to high-prestige venues and reduced dropout rate. By contrast, starting at the network periphery resulted in a high dropout rate, limiting access to central institutions".

Universities and governments throughout the world are rushing to set up "Network Science Centres". The Yale Institute for Network Science is studying word-of-mouth networks to see how "buzz" happens; Harvard is pushing the study of networked medicine to research "the role, identification, and behaviour of networks in biology and disease and the integration of multiple types of data into perturbed, dynamic networks as a paradigm". In India, green shoots can be seen at, among other places, Indian Institute of Science Education and Research at Pune, and at the Complex Systems Lab, IIT Indore.

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Elizabeth Warren's big ideas on Big Tech

Displaying a degree of courage and clarity that is difficult to overstate, US senator and presidential candidate Elizabeth Warren has taken on Big Tech, including Facebook, Google, Amazon, and Apple. Warren's proposals amount to a total rethink of the United States' exceptionally permissive merger and acquisition policy over the past four decades. Indeed, Big Tech is only the poster child for a significant increase in monopoly and oligopoly power across a broad swath of the American economy. Although the best approach is still far from clear, I could not agree more that something needs to done, especially when it comes to Big Tech's ability to buy out potential competitors and use their platform dominance to move into other lines of business.

KENNETH ROGOFF

Warren is courageous because Big Tech is big money for most leading Democratic candidates, particularly progressives, for whom California is a veritable campaign-financing ATM. And although one can certainly object, Warren is not alone in thinking that the tech giants have gained excessive market dominance; in fact, it is one of the few issues in Washington on which there is some semblance of agreement. Other candidates, most notably Senator Amy Klobuchar of Minnesota, have also taken principled stands.

Although the causal relationships are difficult to untangle, there are solid grounds for believing that the rise in monopoly power has played a role in exacerbating income inequality, weakening workers' bargaining power, and slowing the rate of innovation. And, perhaps outside of China, it is a global problem, because US tech monopolies have often achieved market dominance before local regulators and politicians know what has happened. The European Union, in particular, has been trying to steer its own course on technology regulation. Recently, the United Kingdom commissioned an expert group, chaired by former President Barack Obama's chief economist (and now my colleague) Jason Furman, that produced a very useful report on approaches to the tech sector.

The debate about how to regulate the sector is eerily reminiscent of the debate over financial regulation in the early 2000s. Proponents of a light regulatory touch argued that finance was too complicated for regulators to keep up with innovation, and that derivatives trading allows banks to make wholesale changes to their risk profile in the blink of an eye. And the financial industry put its money where its mouth was, paying salaries so much higher than those in the public sector that any research assistant the Federal Reserve System trained to work on financial issues would be enticed with offers exceeding what their boss's boss was earning.

There will be similar problems staffing tech regulatory offices and antitrust legal divisions if the push for tighter regulation gains traction. To succeed, political leaders need to be focused and determined, and not easily bought. One only has to recall the 2008 financial crisis and its painful aftermath to comprehend what can happen when a sector becomes too politically influential. And the US and world economy are, if anything, even more vulnerable to Big Tech than to the financial sector, owing both to cyber aggression and vulnerabilities in social media that can pervert political debate.

Another parallel with the financial sector is the outsize role of US regulators. As with US foreign policy, when they sneeze, the entire world can catch a cold. The 2008 financial crisis was sparked by vulnerabilities in the US and the United Kingdom, but quickly went global. A US-based cyber crisis could easily do the same. This creates an "externality," or global commons problem, because US regulators allow risks to build up in the system without adequately considering international implications.

It is a problem that cannot be overcome without addressing fundamental questions about the role of the state, privacy, and how US firms can compete globally against China, where the government is using domestic tech companies to collect data on its citizens at an exponential pace. And yet many would prefer to avoid them.

That's why there has been fierce pushback against Warren for daring to suggest that even if many services seem to be provided for free, there might still be something wrong. There was the same kind of pushback from the financial sector 15 years ago, and from the railroads back in the late 1800s. Writing in the March 1881 issue of *The Atlantic*, the progressive activist Henry Demarest Lloyd warned that, "Our treatment of 'the railroad problem' will show the quality and caliber of our political sense. It will go far in foreshadowing the future lines of our social and political growth. It may indicate whether the American democracy, like all the democratic experiments which have preceded it, is to become extinct because the people had not wit enough or virtue enough to make the common good supreme."

Lloyd's words still ring true today. At this point, ideas for regulating Big Tech are just sketches, and of course more serious analysis is warranted. An open, informed discussion that is not squelched by lobbying dollars is a national imperative. The debate that Warren has joined is not about whether to establish socialism. It is about making capitalist competition fairer and, ultimately, stronger.

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Decoding Tamil Nadu

BOOK REVIEW

ANKUR BHARDWAJ

Khan Market in New Delhi is a tiny market favoured by journalists, lawyers, even politicians who find it convenient for quick meetings during the day or a relaxed dinner. The market, named after freedom fighter Badshah Khan, is one of the most expensive retail streets in the world. The market happens to be located on Subramania Bharati Marg in Lutyens' Delhi. If one were to perform a social experiment and ask the intelligentsia visiting this market who Bharati was, they might struggle for an answer.

In his book, *Tamil Characters: Personalities, Politics, Culture*, author A R Venkatachalapathy calls Bharati the icon of modern Tamil culture. The Tamil bard died at age 39 and his writings continue to influence Tamil a century later. The writer wonders why Bharati is not celebrated outside Tamil Nadu the same way Tagore is feted outside West Bengal. Is it only because Tagore won the Nobel prize, he asks.

Tamil Nadu poses a challenge to common sense, says the writer in the preface and it couldn't have been more apt. With this book, Dr Venkatachalapathy has sought to make the state more accessible to outsiders who may be intrigued by the state, its politics, its culture and art.

The book has three parts. The first has seven chapters, each about a major political personality, who have left a deep mark on its political complexion. As we read about Periyar, we learn about the anti-Brahmin movement that deeply influenced Tamil politics. We also learn about C N Annadurai and his estrangement from Periyar and how it gave Tamil politics another direction.

The English-speaking, non-Brahmin castes felt they were denied opportunities and were sidelined by a Brahmin-dominated Congress, they started a new organisation, the Justice Party. A non-Brahmin manifesto was issued in Chennai in 1916 by this organisation. This movement took a strong turn when it was taken over by non-English speaking Periyar.

The author doesn't restrict himself to leaders of political parties. He also sheds some light on cultural and literary figures. Take Iyotheethoss Pandithar (1845-1914). An intellectual who tried to do what Ambedkar did two generations later, Iyotheethoss worked on the revival of the Buddhist faith in its "primitive purity" to give self-respect to those oppressed by Hinduism's unsparing caste system.

Through 26 chapters, the author, a historian and professor, manages to inform the reader about the broad details of Tamil Nadu's politics, its art and cultural scene, and its anxieties. The picture he presents is fascinating, such as the welfarist streak of the state's different chief ministers.

Another trait that comes through is the amalgam of ideology, party, art and culture. Nowhere is this depicted better than in the world of Tamil cinema. Tamil cinema has managed to mix social reform with entertainment since inception. Take the example of a "DMK film" that mixed social reform content, provocative dialogues and helped take Periyar's ideology to the masses. And Karunanidhi mastered this art as a writer. A star writer whose dialogues alone could ensure a film's success, Karunanidhi decorated his screenplays and dialogues with politics. Karunanidhi showed his political mettle when he managed to wrest the support of a majority of the DMK legislature party when chief minister Annadurai died in 1969.

Tamil Nadu politics' principal characteristic comes out to be its acknowledgement of caste and its near-militant targeting of this disease over the last one hundred years. This democratisation of power in the state has ensured that all castes have a stake in power and the state has excellent human development indicators. The writer also manages to depict its singularity well. Nowhere does it come across more strongly than when he writes about the questions surrounding Jallikattu.

One cannot but underline the difference between caste assertion in Tamil Nadu's polity and in Hindi-speaking India. The emergence of backward caste politics in Tamil Nadu precedes that in Hindi-speaking areas by nearly six decades. But what explains its more progressive character? Perhaps it is thanks to its social and cultural characteristics rather than just pursuit of power.

One conspicuous miss, however, is former "Kingmaker" and "Syndicate" leader, K Kamaraj. Kamaraj, who belonged to the Nadar community (an Other Backward Caste), rose to be the president of the Indian National Congress and was a chief minister of the state as well. He was perhaps the most influential Tamil leader on the national scene in history. One who oversaw two prime ministerial transitions. As CM, he was even credited with the introduction of the revolutionary mid-day meal scheme in schools in the state and it is not entirely clear why he doesn't feature in this book. Kamaraj is also significant because he rose to prominence in the same Congress that had rightly been accused of being a Brahminical organisation a few decades earlier by the Justice Party. Perhaps that can be remedied in the next edition.

There is always a chance of eulogising parochialism but the author doesn't betray that sentiment in this book. He comes across as objective in presenting a fair picture of Dravidian politics in the state, warts and all. Read it to understand one of the most important, flourishing regions of the country and what might have led to its riches.

TAMIL CHARACTERS: Personalities, Politics, Culture
A.R. Venkatachalapathy
Pan Macmillan, 340 pages, ₹399