

The fear of AI

There is a lot of scaremongering about the "malicious applications" of this technology



TECH-ENABLED

DEVANGSHU DATTA

Fear-mongering about Artificial Intelligence has become commonplace as AI adoption has spread. In mid-February, there was a storm when an open-source AI developer postponed putting one of its products into public domain due to concerns of misuse.

OpenAI is a San-Francisco based non-profit organisation with a hundred-per-

son team and funding from billionaires Vinod Khosla, Elon Musk, Peter Thiel, etc. Its mission is to "ensure that Artificial General Intelligence (AGI) benefits all of humanity", as and when AGI arrives.

The OpenAI definition of AGI is "highly autonomous systems that outperform humans at most economically valuable work". OpenAI has released papers on AI systems that achieved super-human gamescores, and trained robotic hands to hold and manipulate objects with dexterity, etc.

The programme in question was a text generator called GPT-2, trained through unsupervised machine learning (ML). This sounds anti-climactic. AI is extensively used in weapons that actually kill people, and autonomous vehicles have already logged quite a few fatal accidents. The hype around GPT-2 was perhaps, over the top. OpenAI has just postponed the full release by six months, while publishing a technical

paper and explaining why they are withholding certain critical details.

What is GPT-2 and why is it so scary? OpenAI put together a database of millions of "3 karma" Reddit social media posts (Reddit "karma" is the equivalent of FB "likes"). Then it gave this 40Gb database to its AI model and told the AI to learn how to learn to predict the next (most probable) word.

We use text generators every day when we type email and SMS. But GPT-2 taught itself to perform tasks like question answering, reading comprehension, summarisation, and translation, from the raw text, without any task-specific training. This is "unsupervised learning" in ML terminology. GPT-2 searches for normal speech / writing patterns on its own.

It used 10x as many resources as GPT (the original AI developed by OpenAI).

This is a serious improvement on the usual text generator, which may be able to come up with the next word in a sen-

tence, but produces gibberish, if asked to do this in sustained fashion. OpenAI claims GPT-2 can "generate coherent paragraphs and perform rudimentary comprehension, machine translation, question answering, and summarisation — all without task-specific training".

The full model is being withheld due to "concerns about the malicious applications of this technology". In a blog post by the OpenAI Policy Director, Jack Clark, the decision is explained as "Due to concerns about large language models being used to generate deceptive, biased, or abusive language at scale, we are only releasing a much smaller version of GPT-2 along with sampling code. We are not releasing the dataset, training code, or GPT-2 model weights." The smaller model is less capable of producing coherent text to fool readers. This decision, and the discussion it has sparked off, are being categorised as "experimental" by OpenAI.

GPT-2 displays broad capabilities. It has good scores on standard language and comprehension tests. It can also generate conditional synthetic text samples of "human" quality, if given an input and asked to expand.

One of the samples should explain why OpenAI is worried about malicious use. GPT-2 was told to expand on the human-

written statement "Recycling is good for the world, no, you could not be more wrong". It responded: "Recycling is NOT good for the world. It is bad for the environment, it is bad for our health, and it is bad for our economy. Recycling is not good for the environment. It is destructive to the earth and it is a major contributor to global warming. Recycling is not good for our health. It contributes to obesity and diseases like heart disease and cancer. Recycling is bad for our economy. It increases the cost of a product, and in turn, the price of everything that is made with that product. We pay a tremendous price for the privilege of having the world's most advanced and efficient recycling system. Recycling is a huge, colossal waste of time, energy, money, and resources."

Ok, it's nonsense. But it's not gibberish. It's the sort of nonsense, a human with some education, might write. GPT-2 can indeed, generate scary samples of fake news, and it could easily do this at scale.

OpenAI has been criticised for postponing the release and the scare mongering about this program may be overstated. Other developers will surely be able to produce text generators of similar quality. But the debate could be useful and it may help us develop some filters for flagging fake news.

Will Jet continue to fly?

If Jet does not survive, the lenders will lose money but gain experience of how to deal with a defaulter airline and not repeat the Kingfisher mistake



BANKER'S TRUST

TAMAL BANDYOPADHYAY

On Thursday night, after Kolkata Knight Riders vanquished Royal Challengers Bangalore at an Indian Premier League match when Andrew Russell smacked his seventh six, Sunil Gavaskar said this was a classic instance of snatching victory from the jaws of defeat.

While watching the match in the evening on TV, I got many text messages from executives of Jet Airways (India) Ltd, giving a running commentary on how Indian Oil Corp Ltd stopped supplying aviation fuel to the airline that day and resumed later and its lessors were asking the India's aviation regulator to deregister planes leased to Jet for non-payment of lease rental. (Once they are deregistered, the lessors can take them out of India and lease to other airlines.)

All these were happening when a group of bankers was huddled at State Bank of India's local head office in Delhi, stitching the plan to put up the airline for sale. Can the lenders snatch Jet from the jaws of death? The clock is ticking away: Within 72 hours we will know whether Jet will survive or go the Kingfisher Airlines way. Even if Jet crashlands, a la Kingfisher

Airlines Ltd, the two stories are very different.

Wiser with the Kingfisher experience, the lenders have been proactive. They have forced the promoter Naresh Goyal out. Contrary to what many believe, they have not been trying to bail out the airline. By infusing little bit of fresh money, they want to sell it as a "going concern".

The lenders have not moved the insolvency court as an airline is not just another borrower; barring the enterprise value, an airline doesn't have many assets that can fetch money. Of course, if the revival plan fails, they will have no choice but to perform the last rites of Jet by moving court under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002, or SARFAESI Act, to recover whatever they can. By October 2018, when the 25-year old and till then India's second largest carrier Jet reported losses for the third straight quarter, the lenders had swung into action by writing to its promoters for a ₹4,500-crore fund infusion.

Goyal did not come forward and, in January, when the airline for the first time defaulted in its payment to the borrowers, the lenders decided to go for a bank-led resolution. Under the now-set aside 12 February 2018 Reserve Bank of India directive, banks need to act at the very first default, declare the account as bad asset and try to resolve it before going in for liquidation.

Compelled, Goyal ultimately "sacrificed" his "every control and interest" in the airline but all along he had failed to see the writing on the wall. Unlike say Kapil Wadhawan, promoter of the beleaguered Dewan Housing Finance Corporation Ltd, who has been selling

assets left, right and centre to revive the company, Goyal was refusing to move out even though the lenders made it clear to him that no new money would flow in till he leaves.

Deep-rooted mistrust between Goyal and his partner, Abu Dhabi's Etihad Airways PJSC also contributed to the delay in the airline's revival plan. By end of February, when the lenders finalised the resolution plan, Goyal moved out but Etihad declined to play along.

What are the salient features of the rather complex resolution plan?

- The lenders would own 50.5 per cent of Jet equity for ₹1.

- They would infuse ₹1,500 crore in the form of non-convertible debentures — a 10-year zero coupon bond. (Going by the so-called net present value, the lenders would have lost around ₹1,200 crore following this arrangement but that could have been offset by the upside from equities.)

- The existing fund exposure of the lenders to Jet would be restructured for a 10-year loan.

- Etihad would bring in around ₹1,800 crore equity.

- A few other investors would also bring in new money. India's first sovereign wealth fund National Investment and Infrastructure Fund (NIIF) could be one of them.

- Goyal's stake holding would come down to 17 per cent.

At its 10 March board meeting, Etihad put a spanner in the revival plan by declining to support it. I don't know the details but what I gather from many familiar with this is Etihad did not want Goyal to have even one board seat.

By that time, HSBC also made a claim of \$140 million from Etihad as the facility



was guaranteed by it.

The airline also wanted more sacrifice by the lenders.

The revival plan envisaged around ₹10,500 crore fresh fund, half of which needed to come in the form of equity but, following the delay, the required sum now could have gone up to ₹13,000 crore. With every passing day, the cost of revival is soaring.

Invitation for expression of interest (EoI) from the prospective bidders, which is expected to close on 10 April, is the proverbial last ditch attempt to save Jet. It is also the lenders' way of looking for price discovery — how much they can recover from their dues. The exposure of a group of banks, including Mashreq Bank but excluding HSBC, is around ₹6,600 crore. On top of that, Jet Airways owes to its operational creditors around ₹4,500 crore.

I guess, the lenders will be happy if they get back around 30 per cent of their money; ditto with the operational creditors. This means, if the new investors can bring in around ₹3,500 crore, Jet will be saved.

Of course, they would need to arrange more money to run it. Efforts are on to woo Etihad back to the Jet cockpit. It makes sense for the Abu Dhabi-based airline to bid for Jet after making close to \$4.8 billion losses in three years. Also feed of west bound traffic from Jet flights to Abu Dhabi into Etihad's long haul network is valuable. Private equity fund TPG Capital, Indigo Partners and NIIF may come as

INSIGHT

Credibility counts

The right response to surveys showing unexpected behaviour of key parameters is not to suppress them or cast doubts



SHREEKANT SAMBRANI

Consider the statement below on Balakot:

In the early morning hours of February 26, Indian Air Force Mirage jets dropped SPICE 2000 and Popeye precision guided missiles on facilities earlier identified as training camps for Jaish-e-Mohammed cadres. Graphic evidence of the destruction caused could not be collected immediately due to cloud cover. These missiles penetrate buildings and explode within, leaving not much by way of externally visible damage to standing structures in any case. Estimating casualties is also difficult for the same reason. The National Technical Research Organisation which gathers intelligence on wireless communication had reliable evidence of about 300 mobile phones being active in the vicinity of the target just before the bombing raid.

No such statement was made either immediately after the attack or later. It has been pieced together here from bits and pieces of information that became known over several days after the event.

The statement above is terse, precise and factual, yet it leaves little doubt about

the intent of the raid and its most likely effect. It makes no claim that can be easily challenged. It would have carried great credibility and helped avoid much of the heat generated by the questions reputable western media raised following the rather triumphalistic assertions of the death and destruction supposedly caused by the sortie. How does one question the veracity of a claim that has not been made?

The same truthful yet dispassionate approach could help us place the other burning issue of this election, the status of unemployment, in perspective. A plausible narrative follows.

Verifiable information on employment in India is hard to come by, because an overwhelming proportion of the labour force works on activities that do not keep reliable records: Small enterprises in cities and towns, farming and allied occupations in villages. Findings of surveys using scientific statistical methodologies, those by both National Sample Survey Office and Centre for Monitoring Indian Economy, have provided tested and time-honoured estimates in this situation.

Two complications cloud the employment picture. The first is disguised unemployment or partial employment. For example, adult members of land-owning rural households or small entrepreneurial urban families not engaged in other occupations were considered as employed in the family farm or firm, whether they actually worked in it or not.

The second is that a sizeable number of so-called jobs in the informal sector do not create or add economic value. For example, the ubiquitous chowkidars —

private security guards — would not be needed in all but the most exclusive gated housing colonies if the state discharged its policing function effectively. Operators in automatic elevators, plumbers' or electricians' assistants who merely carry tool bags and hand the needed implement, "cleaners" of modern buses and trucks, filing clerks and attendants in government and public offices are other examples of what can only be called filling of redundancies. Yet these jobs exist, whose numbers must be in millions.

Just as these work patterns overstated labour engaged in activities that make meaningful contributions to the overall economy, a raft of superfluous goods swelled the gross domestic product (GDP). Outages and unreliable quality were associated with grid power supply, compelling households, shops, factories and farms to invest in voltage stabilisers, diesel generators or pumpsets as fail-safe devices. Even though their value was included in the GDP calculations, they were not productive investments.

This situation is changing — and rapidly — in the last five years at that. With substantial improvements in power availability and reliability, fail-safe devices or captive generators are far less required. Improved infrastructure and logistics have greatly reduced idle investments in buffer stocks of production inputs. T N Ninan rightly observed in these pages "Greater efficiencies and the saturation of underserved markets have reduced the need for capital investment on the same scale as earlier. At least some of the downstream effects would register as an economic slowdown." (March 23, 2019). This paradox is symptomatic of an economy transiting from shortages to a semblance of adequacy.

A similar phenomenon may be at work on the labour front too. With faster growth and aspirational motivations, a fair number of those presently engaged in the redundancy tasks would

have realised the jobs they perform for what they really are: Dead-end occupations with zero job security and prospects of growth. They are just biding their time until something more worthwhile turns up. This is why even the lowest echelon government positions attract a huge number of applicants. They may not meet all aspirations but at least they offer security. Manish Sabharwal is right when he says that the Indian problem is not jobs per se but desirable or "good" jobs. Most such people would readily claim to be unemployed when asked about their job status, because they think what they presently do is not a job worth having. The fact that the spikes in unemployment rates reported in the surveys have occurred in periods coinciding with rapid rise in aspirations lends credence to such an interpretation.

The right response to surveys showing unexpected behaviour of key parameters is not to suppress them or cast doubts about survey methodologies or integrity. A nuanced interpretation may well provide explanation consistent with ground reality, which would also not be alarming. The above hypothesis about an aspirational labour force is one such.

Sadly, this has not happened and ugly, wholly unproductive, controversies consume attentions of policy makers, opposition politicians and scholars alike, whether the subject is the economy or national security. Governments all over the world display excessive sensitivity to such issues, clamping down hard on any data that might cast doubts on them, even as they could easily share verifiable facts and plausible analyses. I had demonstrated the validity of this approach with regard to the Rafale deal in these pages earlier (March 12, 2019), concluding that "truth remains the best defence against allegations: Transparency works at all times, while any attempt to hide facts only breeds suspicions." Credibility counts.

CHINESE WHISPERS

Customised campaigning

In western Uttar Pradesh, candidates of the 'gathbandhan', or the Samajwadi Party-Bahujan Samaj Party-Rashtriya Lok Dal alliance, are frequently asked why these parties have come together. At least one of them, the Samajwadi Party's Hathras candidate, Ramji Lal Suman, is trying to win over voters by being honest. In his public meetings, Suman tells people the three parties will criticise Modi separately, but soon realised they cannot defeat him without joining forces. He says the candidates have been advised against calling the Prime Minister unparliamentary names when they are among the youth because the PM's credibility remains high among the younger lot, while the older generation clings and appreciates if the PM is compared to someone who does not keep promises. The gathbandhan leaders have also been asked to tailor their speeches according to the time of the day. Their speeches in the afternoons — when most youngsters are out for work — are no holds barred, but those in the evenings are more restrained.

The pressure cooker challenge

The pressure cooker, the symbol with which the Amma Makkal Munnetra Kazhagam (AMMK) fought the RK Nagar by-election in 2017 and trounced many Dravidian party stalwarts, has come back to haunt its leader TV Dhinakaran. In at least three assembly constituencies, AMMK candidates are pitted against their namesakes contesting on the pressure cooker symbol. (The AMMK has changed its party symbol to a gift pack since then.) At Pappireddipatti in Dharmapuri district, AMMK candidate Rajendran DK (gift pack) is fighting independent candidate Rajendran C (pressure cooker). In Harur, the AMMK's Murugan R is pitted against independent Murugan P, who is also contesting with the pressure cooker symbol. In Tiruvurur, the AMMK's Kamaraj S will fight independent candidate Kamaraj B, branding... you guessed it... a pressure cooker symbol.

Dream merchant?

Pundits say US President Donald Trump takes the cake when it comes to the most outrageous lines uttered during rallies. But our politicians run him close. At an election rally in Sivaganga district, Karti Chidambaram, son of former Union finance minister P Chidambaram and the Congress candidate from the Sivaganga constituency, focused on women to drive his message. Concluding a speech, he asked the women in the audience, "Do you like Sembaruthi, Lakshmi Stores or Kalyana Veedu?" These, incidentally, are the titles of the three most popular Tamil-language family soaps on television. A majority of those present said they liked the first one. Junior Chidambaram's next question was, "Do you like Parvathi (the soap's heroine) or Vanaja (a villain)?" As expected, everyone voted for Parvathi. After a quick remark that the hero's name (Karthik) rhymed with his own, Karti promised to bring down the monthly cable television charges, which have shot up to ₹400 from ₹100 some time ago if his party won the election.

LETTERS

Difficult to undo damage

Wisdom dawned on L K Advani when he was denied the party ticket to contest the Lok Sabha election. Depending on their political inclinations and loyalties, some say that the denial of ticket to him is an act of humiliation and betrayal while others say it is time the octogenarian retires. It is a bit doleful that he was sent to political oblivion by someone who grew up under his tutelage. Advani mentored Narendra Modi as his protégé and saved him from being shown the door by Atal Bihari Vajpayee in the wake of the Gujarat pogrom. For his critics, it is poetic justice of sorts for his role in mainstreaming communal politics. How his rath yatra culminated in the demolition of the Babri Masjid and resultant bloodshed is not easily forgotten. As he is still hale and hearty, age cannot be cited against the veteran when it comes to be a candidate.

Perhaps what he wrote in the blog is his way of disapproving of the party branding anyone and everyone critical of it and the government as anti-nationals. But when the defenders of human rights and social activists were denounced as anti-nationals, he did not rebuke the Bharatiya Janata Party or the government for doing it. He has depleted the moral authority to ask his party "to look back and look within". Interestingly, the very day he wrote the blog, Modi accused the Congress of

backing and protecting "traitors and terrorists". No matter what Advani says now, it was he who sowed the seeds for the party's present leadership. It is difficult to undo the damage he did to the Indian polity.

G David Milton Maruthancode

New challenge for EC

The Chinese Whisper "Saree war" (April 5) made me think about the thousands of poor daily-wage women workers for whom it could be difficult to find a suitable attire, whereas in Gujarat everything seems to be a "dhandra" (business). I think many in the media might not be aware that the "KCR kheera" (cucumber) is a huge hit in many parts of Telangana. It so happens that KCR, apart from being a politician, is also a revolutionary *kisan* or farmer and it seems he had grown different varieties of *kheera* that had less seeds but were very juicy. The Election Commission of India, already under tremendous pressure, might have to handle one more issue if the women voters turn up wearing Modi/Priyanka sarees on polling day.

N Nagarajan Secunderabad

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



Regressive step

Pensions should be decided by the executive, not courts

The Supreme Court has upheld a Kerala High Court judgment against the Employees' Provident Fund Organisation (EPFO), as a consequence of which certain amendments to how pensions have been calculated will be struck down. This will create a situation in which those who had a particularly high previously drawn salary and several years of service might see their pension raised by as much as 1,000 per cent. This is naturally not in keeping with the ethos of the provident fund, which has always been scaled towards aiding the saving and retirement of those at the lower rung of the formal sector. The Court may well have upheld this regressive order, but the question is where the money to pay these much larger pensions will come from. That question has certainly not been taken into account by the court.

This appears to be an instance of legislative over-reach. The structure of the pension plan, the profitability and sustainability of the scheme, and so on, are questions that are properly determined by the executive. It is the executive that has to decide the proper distribution of subsidies and taxes — and support provided to state-guaranteed pension funds are nothing but a subset of that fiscal decision, which in all countries must remain with the executive. The executive, not the judiciary, is where the trade-offs that determine who benefits from guaranteed pensions should take place. For example, the EPFO system, which is limited essentially to employees in the formal sector, may not be considered the best form of savings, given the small size and disproportionate bargaining power of formal sector employment.

It is also entirely the executive's decision to decide how tax revenue must be spent to ensure greatest justice as long as the fundamental rights are not being ignored. If the executive believes that pensions are a less effective use of tax revenue than, say, health care, that is the executive's prerogative. Certainly, there are many Indian savings schemes open to the formal sector. On the other hand, health care is under-resourced, which hurts many older people. And employees who are outside the formal economy struggle to access proper savings schemes that are both state-guaranteed and provide a minimum return. This is part of the reason for the popularity of pyramid schemes and "chit funds". The judiciary can naturally not take any of these important questions into account — which is why it is best to allow the executive to make this sort of decision.

It is worth noting that the government has already set up a better alternative to the EPFO, which is allowing for high-end savers, namely the National Pension Scheme (NPS). The EPFO accounts should have been migrated to the NPS. In order to ensure that pension schemes can pay for themselves in time, entitlements based on individual pay-ins, structured around retirement accounts, are a good idea. However, how can the government proceed with such much-needed reforms if the courts believe that they can step in to prevent them from being carried out? Rational analysis, and not arbitrary court orders, should decide what proportion of an employee's earnings should mandatorily be saved.

Tomorrow, tomorrow and...

The 'flexextension' could be a good bet for Brexit

As things stand, the United Kingdom could leave the European Union (EU) on April 12, almost certainly without a deal, or on May 22 or June 30 with or without a deal, or on March 29, 2020, with or without a deal. Alternatively, it could choose to remain in the union by revoking Article 50 of the EU's Lisbon Treaty, the clause under which members can voluntarily leave. All options are on the table as confusion over Brexit intensifies, and businesses on both sides of the channel continue in a state of limbo. A frustrated EU 27 had refused a second extension of June 30 to the UK's embattled Prime Minister, Theresa May, but are being asked to reconsider that date when it meets on April 10 for the next summit. Whether the EU leadership will agree to the June 30 deadline again is an open question, since French President Emmanuel Macron has demanded a clear reason for the extension. In the circumstances, the European Union Council President Donald Tusk's proposal that the EU consider a "flexextension" deadline of March 29, 2020, with an option to exit before that if Parliament passes the withdrawal agreement, appears to offer all parties a breather from the deadlock at Westminster and Brussels.

But as with all things Brexit, the June 30 deadline and the "flexextension" both mean that the UK would be legally bound to participate in the elections for the EU Parliament. This prospect has enraged both the centrists in Ms May's Conservative Party and in the opposition Labour Party, both fearing a resurgence of far right politicians who have had a deleterious impact on British politics. Given that Ms May is unlikely to deliver a deal by the June 30 deadline — assuming the EU Council accepts it — Mr Tusk's "flexextension" could, at the very least, help clarify the political situation in which an increasingly unpopular prime minister grimly hangs on to office (indeed, the pound rose against the dollar following Mr Tusk's proposal). Having belatedly reached across the aisles to the opposition Labour Party to discuss mutually agreeable terms for a withdrawal agreement, she appears to have doubled down on the same deal that has been voted down three times in Parliament.

The alternative solution for the UK to leave without a deal has also been raised. In this situation, World Trade Organization (WTO) rules will apply, a solution that Brexiters may consider a tenable one. A WTO regime, however, appears a poorer solution than the Backstop agreement, the principal sticking-point of Ms May's deal. WTO rules imply that the UK would be treated like any third country — and without a trade agreement that would mean a return to tariffs on some items and border checks, including in Northern Ireland, which the Backstop, however open-ended and politically unacceptable, seeks to avoid. The disruption on businesses is incalculable. On current reckoning, there appear to be no good options for Brexit, underlining the dangers of relying on popular referendums in political decision-making in functioning democracies. The deadlock is taking its toll. The UK, once among Europe's fastest-growing economies, has seen growth slow since 2015. The public spectacle of the political deadlock is narrowing its options as multiple deadlines elapse. In the short term, April 12 could be the UK's D-Day.

ILLUSTRATION: AJAY MOHANTY



Better transition planning

The puzzle of 2019 lies in bringing enough knowledge and debate into the early weeks, to lay the foundations for an economic resurgence by 2022-23

The post-election transition is a difficult and important time. As institutions in India are weak, a lot rides on personalities. There is a pileup of 'debt' incurred from the previous period that demands attention and resources. There is a unique opportunity for long-term thinking. It is efficient to develop a transition team that will think about manifesto, CMP, staffing, and early actions.

Whether the BJP wins the elections or not, the next five years are going to be different. Even though the UPA won the elections in 2009, the nature of the UPA-2 was quite different. Even if a certain person, who occupies a certain cabinet portfolio in 2014, remains intact into 2019, that person has evolved, and the approach in 2019 will be different. And in practice, changes at the level of cabinet and officials are often found after elections.

Once the election results are in, the media will make a lot of noise about the greatness of the winners. There will be a certain euphoria in the air. Many people assume there is a 'honeymoon period' where a new team has great opportunities. However, these transitions are difficult problems.

In India, institutions are weak, and hence individuals matter greatly. New people take time to understand the landscape and learn the ropes. A thumb rule followed by many experienced civil servants is to speak less and do less for the first six months in a job. When institutions are weak, the relationships

between individuals and institutions are fragile and learned slowly.

What is different about the first six months are the time horizons. It is possible to act with greater intellectualism in the first six months, as there are four years in which the fruits of this labour can be obtained. This gives time for implementing complex reforms, and for the economy to absorb the change.

As an example, it is politically easiest to combat protectionism in the first few weeks. The incumbents who are hurt by these reforms will complain in the first year. But by year 4, the full gains from improved resource allocation and productivity are reaped. By this logic, June to September 2019 is an ideal time to remove customs tariffs, data localisation rules, FDI restrictions, etc.

As time passes, decision making becomes more short-term when the next elections come closer. This leads to the accumulation of 'policy debt'. Problems like sugar, IL&FS, Jet Airways, IDBI Bank, and off-balance sheet fiscal operations are being dealt with in short-term ways in the last year leading up to the election. This accumulated 'debt' has to be addressed by the next team.

The period immediately after the elections is thus a time where the new team is unsure of itself, has to deal with the policy debt left from the previous year or two, and has the opportunity to find long-term solutions as it has the luxury of time. The best story of



SNAKES & LADDERS

AJAY SHAH

Inconvenient truth of climate change

The question no longer is if climate change is real. The question is: What can we do as temperatures increase and weather changes to bring devastation in different parts of the world? This is where our conversation is struggling to keep pace with the scale of the energy transition that is required. But there is some good news in terms of where the possible answers will lie. This is what we should discuss. But in these ways forward, we must understand why transitions will be even more contested and even more difficult if we don't recognise the need for climate justice.

So, what is the good news? At first, the International Energy Agency's (IEA's) Global Energy — the CO₂ Status report for 2018 makes for depressing reading. It finds global energy consumption is up — twice the average rate of growth since 2010. This is because of robust economic growth in the world and weird weather, ironically because of climate change. As a result, energy-related CO₂ emissions are up, with the power sector accounting for two-thirds of emission growth. Oil demand increased by 1.3 per cent in 2018 and so did the demand for coal — but it is slower and much more sluggish than in the period before. But still coal is king; coal-based power plants, when added, end up being the single-largest contributor to growth in emission in 2018. The IEA estimates CO₂ emitted from coal combustion was responsible for over 0.3°C of the 1°C increase in temperature over pre-industrial levels. But there are some new trends which, if the world

can accelerate, may help to turn around the energy trajectory that jeopardises our future. First, coal is being switched big time with natural gas for generating power — roughly 24 per cent of growth in natural gas use in the world was because it was substituted for coal in power plants. This happened mostly in the US and in China, where its domestic policy to clean air pollution (called the Blue Skies initiative) pushed for coal use to be curtailed in industrial boilers and power plants. Without this shift, CO₂ emissions would have been 15 per cent higher, estimates the IEA. We need to note, however, that gas does have higher methane emissions — methane is also a potent greenhouse gas — and this is not accounted for by the IEA in this CO₂ balance sheet.

Secondly, renewable energy — everything from solar, wind, hydro and bioenergy — is now part of the big-power balance sheet of the world. Renewable-based electricity generation increased by 7 per cent — this, as the IEA puts in perspective, is Brazil's energy electricity demand and one point higher than the annual growth rate since 2010. China accounted for 40 per cent of the increase in renewables; Europe some 25 per cent and, interestingly, the US and India were matched at 13 per cent increase in renewable energy growth. Renewable energy accounted for a quarter of the global power output in 2018, second after coal. In Germany and also in the UK, renewable energy provided over 35 per cent of electricity.



DOWN TO EARTH

SUNITA NARAIN

good work under such conditions is the July 1991 Budget speech.

When institutions are weak, personnel is policy. We can form a good prognosis about performance in the coming five years by looking at the intellectual capacity, and team coherence, of the key persons in leadership roles by June or July. The puzzle of 2019 lies in bringing enough knowledge and debate into the early weeks, to lay the foundations for an economic resurgence by 2022-23.

Three kinds of mistakes need to be avoided. The first kind of mistake is that of only undertaking short-term moves to deal with the policy debt: the policy response to IL&FS in June 2019 should be different from that employed in June 2018. The second kind of mistake is to get carried away by the euphoria in the media and prematurely claim that the economic problems are solved. We should not believe our own press releases. The third kind of mistake is to not initiate a batch of difficult and long-term reforms — e.g. 10 teams for 10 work areas — which will yield results by 2022-23.

Of central importance is fiscal, financial, and monetary policy, which comes together to create conditions for firms to invest. Private persons are keen observers of the policy process, and respond to the prospect for improvement. When policymakers showcase teams and ideas, this yields rapid gains in the economy, as private persons become more optimistic about the economic environment. A strong performance on the inputs to policy (team, strategy, first wave of actions) in 2019 and 2020 will induce improvements in outcomes (private investment) in 2020 and 2021. Ideas and teams for economic reforms are the cheapest counter-cyclical policy.

How can political parties make the best of the first six months? Better planning holds the key. As an example, in the US, transition work starts in October, the election results come out in November, and the new team takes office in January. Four months of developmental work is in place before the new team takes charge. In India, we do not have these institutional arrangements. We go from cabinet formation in late May to Budget speeches in July and then February, by the seat of the pants.

How can we do better? Manifesto development is a good place where the objectives of the campaign are served while simultaneously preparing the mind for taking charge. Coalition governments have, in the past, negotiated 'common minimum programmes'. This negotiation helps focus upon policy questions, and better development of a manifesto caters to better CMP negotiations, which in turn cater to better policy planning. A full planning process of the first year is required, identifying areas of work, concept notes for the work programmes, and the expertise.

General Eisenhower once said that the plan is useless, but the planning makes all the difference. Well before the election results, political parties need to get started on the planning process. This will prepare the mind, develop capabilities in key persons, and generate improved performance when the work actually starts.

The writer is a professor at National Institute of Public Finance and Policy, New Delhi

The club that fuelled culture



BOOK REVIEW

LYNDALL GORDON

"O conversation the staff of life," the young T S Eliot wrote to his Harvard friend and fellow poet Conrad Aiken in 1914. "Shall I get any at Oxford?" A newcomer to England, Eliot looked to London as a city that once had been a centre of civilisation. There, conversation among thinkers fizzing with originality had its acme in a club founded in 1764 by the dictionary-maker Samuel Johnson and the portrait painter Joshua Reynolds. They asked seven more friends to meet each Friday at the Turk's Head Tavern in Gerrard Street, to talk, dine and drink till midnight.

In *The Club*, the American literary scholar Leo Damrosch brilliantly brings

together the members' voices. The nine founding members of the Club joined quite early in their careers. Johnson had yet to write his masterpiece, *Lives of the Poets* (prompted in part by a conversation with King George III, who, in Boswell's account, expressed "a desire to have the literary biography of this country ably executed"); Oliver Goldsmith had yet to publish the novel that would make his name, *The Vicar of Wakefield*; and Edmund Burke had yet to find renown as a parliamentary orator.

Neither fame nor public position was required, and yet a surprising number of these friends would rise to lasting greatness. Elections were made by unanimous vote. Those of James Boswell, David Garrick and Adam Smith in the 1770s expanded the group to include the greatest biographer, the greatest actor and the greatest economist of the century.

As this stellar book moves from one Club member to another, it comes together as an ambitious venture homing in on the nature of creative stimulus. Here are multiple, deeply researched biographies in

one. Resonating beyond the well-documented links among these leading lights, *The Club* captures their distinctly individual voices and invites us to feel the pulsations of contact over a period of 20 years. What made this collaborative pulse so strong across many fields?

Although it's impossible to explain genius, and although not all members deserved that label, the question is implicit in Damrosch's portraits of the group's defining figures. *The Club* accurately recreates a milieu keen on character, egged on by the English taste for unashamed eccentricity. The impact of Johnson's sonorous pronouncements — "When a man is tired of London, he is tired of life" — is in no way diminished by his compulsive tics, slovenly clothes and a wig singed from bending too close to a candle to examine a text. Mr Damrosch is equal to his characters, considering their comments from our vantage point, especially our present awareness of women's lives.

Inevitably, certain opinions are alien, even offensive to modern ears. Johnson's invoking the phrase "barbarous nations"

to describe the victims of Britain's imperial wars; his dismissal of the American colonists' protest against taxation without representation; and, despite sympathising with Native Americans whose lands were being wrested from them, his refusal to suggest that these lands should be returned to them.

Regarding women, all these 18th-century British men endorsed a double standard. Women, Johnson said bluntly, must be taught to keep their legs together. The rationale was pragmatic: to secure the line of inheritance that kept property in male hands. We read on because we are drawn by the alluring drama of character. This drama is biographical, not political.

Character includes ambiguity and defects. There is abundant evidence of Boswell's habit of abusing girls, many of them orphans and desperate for sixpence. Yet Mr Damrosch rightly keeps the focus on Boswell the "impresario," who drew on his training as a lawyer to spark new topics of conversation, and, of course, on Boswell the avid recorder. His *Journal* is astonishingly candid about his failings and humiliations, as when Rousseau's partner, Thérèse, who once slept with Boswell while en route from France to England, tells him how clueless he is as a lover. (She advises

him to use his hands.)

The Club, eventually renamed the London Literary Society, has continued to this day but never again lived up to its glory years. Johnson died in 1784. Toward the end, he attended only about three times a year. It's telling that by 1783 membership had swollen to 35. Many of the members were highly gifted, including the playwright Richard Brinsley Sheridan, author of *The School for Scandal*, and the historian Edward Gibbon. No doubt the intimacy of the earlier, smaller group worked better for Johnson.

In the 19th and 20th centuries, the Club's members were largely politicians and other public figures. The poet laureate Tennyson was there, but not Dickens. The election of T S Eliot, in 1942, came rather late in his career as a poet. And then, too, as Mr Damrosch points out, there was no George Eliot, no Virginia Woolf: "It never ceased to be a club for men." He compensates for this exclusion by focusing on the women who formed what he calls a "shadow club." The artist Frances Reynolds (Joshua's able but suppressed sister) affirmed that Johnson "set a higher value upon female friendship than, perhaps, most men."

Looking at this book's list of chapters,

I wondered at first why the portrait of Gibbon comes toward the end. He was elected to the Club in 1774, while writing the first volume of his *History of the Decline and Fall of the Roman Empire*. The book was recognised at once as a classic, combining extraordinary breadth with what Gibbon calls "the art of narrating." As Mr Damrosch puts it, Gibbon broke with "tedious chronicles of fact," maintaining a "storytelling momentum" that is "constantly enlivened by memorable incidents and characterisations." This could be a description of Mr Damrosch's own achievement. The best historians, he goes on, invite readers to accompany them "behind the scenes." Damrosch does precisely that here, and the chapter makes a fitting near-finale to a book that sustains a shared conversation, a terrific feat in keeping with that of the Club itself.

©2019 The New York Times News Service

THE CLUB
Johnson, Boswell, and the Friends Who Shaped an Age
Leo Damrosch
Yale University Press; \$30; 473 pages