

## Stress interviews

The idea is to see how candidates deal with the uncomfortable and the unexpected



### HUMAN FACTOR

SHYAMAL MAJUMDAR

The National Aviator's Guild has taken strong offence to certain alleged comments made by SpiceJet executives while interviewing pilots of the grounded Jet Airways. The statement from the pilot's union came after an interviewer from

SpiceJet reportedly told some Jet pilots that they were doing a charity by hiring them. Since SpiceJet has denied the charge, it should get the benefit of the doubt, but toxic job interviews are not uncommon.

Such interviewing done cowboy-style, shooting questions from the hip are usually conducted by companies that have a poor work culture or by some arrogant corporate giants that think anybody would like to give their arms and legs to work for them. What these interviewers do not realise is that candidates who go through such interviews are given front-row seats to the ugliest side of the company they are dealing with, damaging its ability to attract talent.

But a difficult interview need not be a toxic one. For example, a candidate was unnerved when one interviewer on the panel just sat there and

acted bored (even yawned a couple of times) when she was answering. But what she was experiencing was a variation of what is known as a "stress interview" where the aim is to trip up the applicants and see how they respond to the uncomfortable and the unexpected. There is obviously no right or wrong answers here — the interviewer is more interested in the candidate's demeanour when she answers. The purpose is to see whether she is able to answer with confidence and coherence under "stress" situations.

Stress interviews can take the form of tricky questions, some of which sound simple but turn out to be difficult to answer in a concise way. There are several such examples from Google. Career website Glassdoor provides a glimpse of the types of brain-stumping puzzles Google has asked in the past. A candidate for the post of account strategist was asked: "If you wanted to bring your dog to work but one of your team members was allergic to dogs, what would you do?" Another for the post of quantitative analyst was asked the following: "A coin was flipped 1,000 times and there

were 560 heads. Do you think the coin is biased?" And an intern was asked: "Estimate the number of tennis balls that can fit into a plane."

These are classic stress interview questions, the idea being getting candidates to think creatively, to stare at a problem and come up with a potential solution. The first question that once stumped a highly successful professional was: "Talk about the failures in your career". Here he was ready to showcase his success stories, how he cornered the last business deal worth crores, and all that his prospective employer wanted to talk about was his failures? He mumbled something, but the next question was even more stressful: "Tell us when you get bored". The candidate struggled hard for an "interesting" answer, but that's where he faltered. HR heads say a smart and honest answer to such questions usually separates the men from the boys.

If the professional thought the questions were deliberately designed to insult him or not to give him the job, he would have been wrong. Such questions are a recognition of the fact that fairy tales don't exist in corpo-

rate life and failures are inevitable. The idea is to find out the insights people gain from those failures. Sometimes, the interviewer tries to throw you off balance with unexpected behaviours. For example, an interviewer might ask the same technical question several times, pretending not to understand the answer, as the candidate gets more exasperated at the questioner's stupidity.

However, some HR practitioners say the theory that people who can handle stress in an interview can handle stress on the job is wrong. The confrontational nature of a stress interview tends to make people guarded and defensive, and prevents interviewers from seeing the real person and his competencies. While the jury is out on that, here is an example of a stress interview that went off quite well. After a set of "hostile" questions that she handled with poise, a candidate was asked to talk about a time when she had to work with a difficult person. She smiled and her answer was immediate: "Sir, allow me first to talk about a time when I had to face really difficult interviewers". She was hired.

## CHINESE WHISPERS

### Palm in glove?



The Madhya Pradesh unit of the Bharatiya Janata Party (BJP) has approached the Election Commission with an intriguing complaint against the Congress. In its complaint, the BJP has stated the biometric units placed at the reservation counter of Indore railway station are unwittingly helping its rival party. How? People are asked to use their palms to obtain their tokens from these biometric machines. The party said the way the palms must be placed before the machine resembles the election symbol of the Congress. Indore is a BJP stronghold but in this election Sumitra Mahajan (eight-time MP) has been denied the ticket. The party has fielded Shankar Lalwani instead; the Congress' candidate from the seat is Pankaj Sanghvi.

### Panneerselvam's pilgrimage

All India Anna Dravida Munnetra Kazhagam (AIADMK) Coordinator and Deputy Chief Minister of Tamil Nadu O Panneerselvam's presence in Varanasi when Prime Minister Narendra Modi submitted his nomination to contest in the Lok Sabha election from the seat unleashed speculation that he might soon join the Bharatiya Janata Party. Pictures in which Panneerselvam, clad in saffron, appeared with his family were bandied about as proof. While Panneerselvam dismissed the rumours, stating that he wanted the AIADMK flag to drape his body after his death, rebel leaders from the TV Dhinakaran-led Amma Makkal Munnetra Katchi said Panneerselvam made the pilgrimage to Varanasi to seek a governor's position and that "the truth" would come out after once the election results were announced.

### Jack Ma vs Hansika

Alibaba founder Jack Ma might have prescribed a "996" work schedule for young people but at least one young achiever in India has a different view on continuous working. Hansika Shukla, who emerged top rank-holder in the CBSE Class 12 board results, announced on Thursday, told journalists that she did not believe in keeping a count of the hours she worked on her preparation. She added her preparation pattern was such that she would study for an hour and then rest for another before resuming the cycle. "On some days, I'd even study for seven-eight hours but not at a stretch. All that mattered to me was how much I studied and the quality of learning," she said. Now no one can say that her methods aren't result-oriented!

# Hubris comes before an expensive fall

The National Stock Exchange's success bred conceit, culminating in a \$158 million penalty

ANDY MUKHERJEE

The way the cost of financial misconduct has been rising globally, a \$158 million fine may seem like loose change.

However, the Securities & Exchange Board of India has delivered much more than a slap of the wrist with its disgorge order against the National Stock Exchange of India Ltd over an algorithmic trading scandal.

Including five years of interest at 12 percent, the ₹6.25 billion penalty works out to ₹11 billion or about \$158 million. That's a fraction of the \$110 billion bill Bank of America Corp and JPMorgan Chase & Co have run up between them in fines and settlements since 2008, according to a tally maintained by Bloomberg Intelligence.

Yet that figure is only 5 per cent of the revenue that the banks have garnered in the past 11 years. By contrast, what Sebi is asking the NSE to pay is more than a quarter of its combined overall operating revenue for four years, after the regulator ruled that a high-frequency trading firm benefited from unfair market access. It's also more than whatever money the exchange made from HFT until changing its system in 2014.

This is overkill, especially since the regulator couldn't establish the graver charges of fraud or unfair trade practice. It all boiled down to whether the technology used by the NSE to roll out its high-frequency business provided an equal and fair trading environment to everyone who had opted to place their computers close to the exchange's, hop-

## A FINE BUSINESS

The National Stock Exchange must disgorge 36 per cent more than the revenue it garnered from controversial co-location services for high-frequency traders over four years

CO LOCATION

REVENUE

₹8bn

FINE, INCLUDING INTEREST

₹11bn

Source: Order by the Securities & Exchange Board of India, April 30, 2019



ing to pare microseconds when executing trades.

When I wrote about the scandal two years ago, the contents of a forensic study by Deloitte Touche Tohmatsu had just leaked. It pointed out that until 2014, when the NSE shifted to broadcasting price information simultaneously to all traders, it was giving those first to log in an advantage without randomizing the benefit. Additionally, there was a lightly used backup server, which OPG

Securities Pvt was consistently connecting to before anyone else between December 2012 and April 2014.

Further analysis failed to unearth a scam of any size, however. In a separate order, Sebi slapped a fine of roughly \$2 million plus interest on OPG, assessing that to be the unlawful profit from unreasonable use of the backup server. As for NSE's failure to ensure an equal and fair trading environment, Sebi has also asked two of the

exchange's previous CEOs — Ravi Narain and Chitra Ramkrishna — to give up a part of the pay they earned in the top job between 2010 and 2014. They won't be able to work for a market intermediary, a stock exchange or a listed company for five years.

Current CEO Vikram Limaye should be reasonably happy, though. The fact that the NSE wasn't found guilty of intentionally running a rigged high-frequency market lifts the cloud hanging

over its credibility. The order paves the way for the exchange's long-delayed IPO after a six-month moratorium during which it won't be allowed to access the securities markets.

Besides, the penalty — harsh as it is — won't have any cash-flow implications. Even as it was taking its time investigating, the regulator had asked the NSE to set aside its co-location revenue. By March 2018, the escrow account had already swelled to about ₹12 billion. After paying the fine, Limaye will have more cash at his disposal. But since the exchange hasn't made any provisions for the fine, it will have to take a charge, perhaps as early as the June quarter.

Internal processes have already become more robust, but the bigger impact of Sebi's order may be on NSE's culture. The company achieved dominance in a short time, leaving its much older rival, the Bombay Stock Exchange, in the dust. The hubris that engendered needs to be tempered with some humility.

Investors like Goldman Sachs Group Inc and Singapore's Temasek Holdings Pte would have been able to exit a lot sooner had the previous management of NSE not been so contemptuous of the idea of listing its shares on the BSE. Or if they had addressed a whistle-blower's complaint against its algorithmic trading system rather than slapping a defamation suit against Moneylife India, the website that reported the allegations of unfair access, in 2015.

That one mistake may have cost the exchange four years, and \$158 million.

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## INFRA DIG

# Thomason and Roorkee



BIBEK DEBROY

Recently, I went to IIT Roorkee to deliver a couple of talks. The antecedents of IIT Roorkee can be found in Roorkee College. I discovered a monograph printed in 1851, titled, "Account of Roorkee College, Established for the Instruction of Civil Engineers, with a Scheme for its Enlargement". "The necessity has long been felt of some systematic training for Civil Engineers in this country. The Western Jumna Canals were commenced in 1817... The Eastern Jumna Canal was commenced in 1822... In the Dehra Dhoon, in Rohilkund, and on the Nujjufgurh Jheel, near Delhi, works for draining and irrigation have long been maintained by the Government... Within the last 20 or 30 years, several fine roads have been constructed by the Government at public expense... Immediate measures were necessary to meet the emergency, and to provide a constant supply of well-trained, experienced Civil Engineers, who should be able to face all the difficulties which are involved in the management of large undertakings of this nature. Out of this emergency Roorkee College had its rise." Thus, the College was formally established on 25th November 1847. From the Imperial Gazetteer, we learn that informally, "a class started in 1845 to train native youths in engineering". That was the seed. The then Lieutenant Governor of North-

Western Provinces was James Thomason and therefore, after his death, Roorkee College became Thomason College of Civil Engineering. Later, this became IIT Roorkee and the main administrative building of IIT Roorkee is called Thomason Building.

Not surprisingly, I found students who I met didn't know this history. Therefore, they also didn't know the expansion proposed, as mentioned in that 1851 monograph, visualised, "The improvement and superintendence of the Village Schools in a circle of 40 or 50 miles round Roorkee... The plan is to have a few model Village Schools and an establishment of Visitors, whose duty it will be to go round villages in the tract assigned to them, examining the state of the Indigenous Schools, and advising and assisting the School Masters by instruction, books, and rewards." In 1935, Lieutenant Colonel E. W. C. Sandes published a book titled, "The Military Engineer in India". In this, he described Roorkee College as the oldest engineering college in India. "This is the Thomason Civil Engineering College at Roorkee, actually the oldest, and certainly the most celebrated of its kind, in India. The Thomason College owes its birth to the waters of the mighty Ganges. Without that sacred river there would have been no Ganges Canal; and without the canal, no college." Perhaps one can quibble about that. The College of Engineering in Chennai formally became a college in 1859, but the original School of Survey, which predated it, was established in 1794.

But there can be no quibbling about James Thomason being unique. I know of no other individual who has had an educational institution and a locomotive named after him/her. Colonel Proby T. Cautley, engineer who supervised construction of the Ganges Canal, wrote a report on the Ganges Canal works. In that, while describing the Solani

aqueduct, he says, "The introduction of railroads and wagons relieved us from wheelbarrows and baskets, but for a long time kept us with men both for excavation and for propelling the wagons. As time advanced, horses in some measure took the place of men; and on the 22nd December, 1851, we started a locomotive, which I believe to have been the first engine of the sort that was ever used in India." This is indeed true. That imported steam locomotive is the first known instance of a locomotive having been used in India. (There is a working model in Roorkee railway station.) At that time, Jenny Lind was famous as an opera singer. She was at the height of her fame. Therefore, this locomotive was initially known as Jenny Lind and carted construction material between Roorkee and Piran Kallar. Jenny Lind was famous in London, Thomason was famous in North-Western Provinces. Hence, the locomotive was renamed Thomason. Unfortunately, the boiler exploded in 1852 and Thomason (the locomotive) no longer survives.

Richard Baird Smith was an engineer, in charge of the Ganges Canal works and therefore, in Roorkee. In 1857, he was asked to move to Delhi as Chief Engineer. There is a book by Colonel Vibart describing Richard Baird Smith as "The Leader of the Delhi Heroes in 1857". In that, in Roorkee, before moving to Delhi, "The two companies of Sappers proved an embarrassment rather than a source of strength. They were all natives; there was reason to know that the prevailing spirit of disaffection had in some measure tainted them, and this caused much uneasiness regarding them. Baird Smith put them under command of two officers well known to them, spoke himself to the best men among them, and gave over to their charge the care of all the Thomason College buildings.

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

## LETTERS

### A major breakthrough



The United Nations' declaration of Jaish-e-Mohammed Chief Masood Azhar (pictured) as a global terrorist is highly significant. One, it marks a major shift in the thinking of the world community — there is realisation of the menace of Pakistan-based terrorism and the need to curb it. Two, the world including China conceded that India was a long-term victim of Pakistan-sponsored terrorism. Three, even China, Pakistan's most trusted friend, was compelled to fall in line. All this has been possible also because of the present government's incessant efforts at every global forum to highlight the need to recognise terrorism as an international threat.

India should await the fallout of this success cautiously and plan accordingly. Now that China has bowed to world pressure in this case, it may try to balance this by giving more benefits and support to Pakistan vis-à-vis India. Its higher vocal support for Pakistan on the Kashmir issue could be one. It is unlikely that it will tilt towards India in this changed scenario — it now sees India as a powerful rival instead of a weak neighbour. Further, Pakistan could intensify its efforts to recruit, train and finance India-based terrorists to make it appear a local problem.

YG Chouksey Pune

### Step up debt resolution

This refers to "Corporate lending seems to be back in vogue for the banks" (April

2). The perusal of the statistical table in the article shows very little increase in bank lending in 2019 to agriculture and allied activities and industry as compared to 2018. The government has been talking so much about increased lending to micro, small and medium enterprises (MSMEs), but the proportion of increase in case of MSMEs is abysmal. The increase in bank lending in 2019 as compared to 2018 is mainly driven by lending to non-banking financial corporations and personal loans. In the personal loan segment, it is credit cards outstandings and housing that are the main drivers. The real sectors need to drive the economy and not just the consumption segments.

The banks are still wary of lending to the industry and services sectors. Many of the public sector banks (PSBs) were put under the prompt corrective action framework (PCA) and are slowly coming out of it. They still have a large stock of non-performing assets. Unless lending to the agricultural sector, industry and services is augmented substantially, a real impact on economic growth will not be felt. The debt resolution processes in banks have to be stepped up and substantive reforms have to be carried out in the PSBs to make them efficient financial intermediaries of the 21st century. Without doing this, it will be a little more or a little less of the same and we will be plodding along 6-7 per cent growth and high unemployment.

Arun Pasricha New Delhi

### Needed: A bench in south

This refers to "Supreme Court door ast" (May 1). Just as the high courts have



regional benches in large states, the Supreme Court (SC) (pictured) too should have a bench to meet the needs of southern India and Northeast India. The SC, located in New Delhi, is at a considerable distance from the south and north-eastern parts of India. Due to this, poor and aged clients find it difficult to travel to Delhi. Affordability, increasing cost of transportation lodging expenses, and high legal expenses is another factor. Parliamentarians have raised this issue on the need to have a southern bench of the SC to expedite long pending appeals. As the population of the country is growing, so are litigation and its costs. Establishing a bench in the south is a practical and viable solution.

H N Ramakrishna Bengaluru

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## HAMBONE



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## Terror firma

Past sanctions did not cramp the freedom of terror groups

The United Nations' (UN) sanctions under the Security Council Resolution 1267, designating Masood Azhar and his three colleagues global terrorists, are undoubtedly a cause for celebration, as much for the action itself as the diplomatic signalling following China's acquiescence after almost a decade of stalling. Azhar and his organisation, Jaish-e-Mohammad (JeM), have been responsible for an escalating level of terrorist attacks on Indian territory — from the attack on the Indian Parliament in 2001 to the ambush at Pulwama in February 2019. Given Pakistan's status as an acknowledged Chinese client, the Security Council resolution is no small gain for India, and the Narendra Modi-led government deserves some credit for pursuing the issue energetically. That said, it is an open question whether Mr Modi and his party's high-pitched triumphalism on the campaign trail is warranted.

The prime minister's claim that the Congress did nothing to curb cross-border terrorism, for example, is manifestly incorrect. UN sanctions against Hafeez Saeed followed less than a month after India provided incontrovertible evidence that he and his organisation, Lashkar-e-Taiba, were behind the multiple attacks in Mumbai in November 2008 (the UN recently turned down an appeal from Saeed to be taken off this list). Besides, it is no secret that sanctions do not appear to cramp the style and freedom of these terror groups and their leaders. Indeed, after India's airstrikes at Balakot across the Line of Control, for instance, the Pakistani authorities openly demonstrated to the international community the flourishing camp run by the JeM, though the group was officially designated a terror outfit some years ago.

There are several reasons for the Indian political and security establishment to remain on high alert in spite of this latest UN move. Sanctions formally entail an asset freeze, a travel ban, and arms embargo. Azhar would be well aware of this sanctions playbook so he is unlikely to hold assets or bank accounts in his own name. There are plenty of *benami* routes, including those facilitated by the Pakistani military-intelligence complex, which have nurtured these terror organisations for use in Kashmir. In any case, past experience shows by the time the sanctions take effect, all the money in the bank accounts of these organisations would be transferred to a new one. Travel bans anyway don't mean much as these people don't undertake much international travel.

Second, these groups are fluid in nature so they easily find ways around embargoes by changing their names as the JeM has frequently done in the past. Third, Saeed and the LeT's own post-sanctions activities suggest no diminution of fortunes. Saeed suffered, at best, periodic bouts of house arrest, and the LeT's functions have been co-opted by supposed charitable front organisations, one of whom even launched a radical political party.

The real gain would be when this listing is taken to the next stage where the Financial Action Task Force is persuaded to push Pakistan from the current grey list to the black list. Also, this could be used to influence the International Monetary Fund to deny Pakistan the bailout loan it is seeking. There have been some signs that the Pakistan government is making moves towards burnishing its anti-terror credentials. But with the snows melting fast and the start of a new fighting season around the corner, the efficacy of the latest UN sanctions will face its first reality test.

## Protecting limited liability

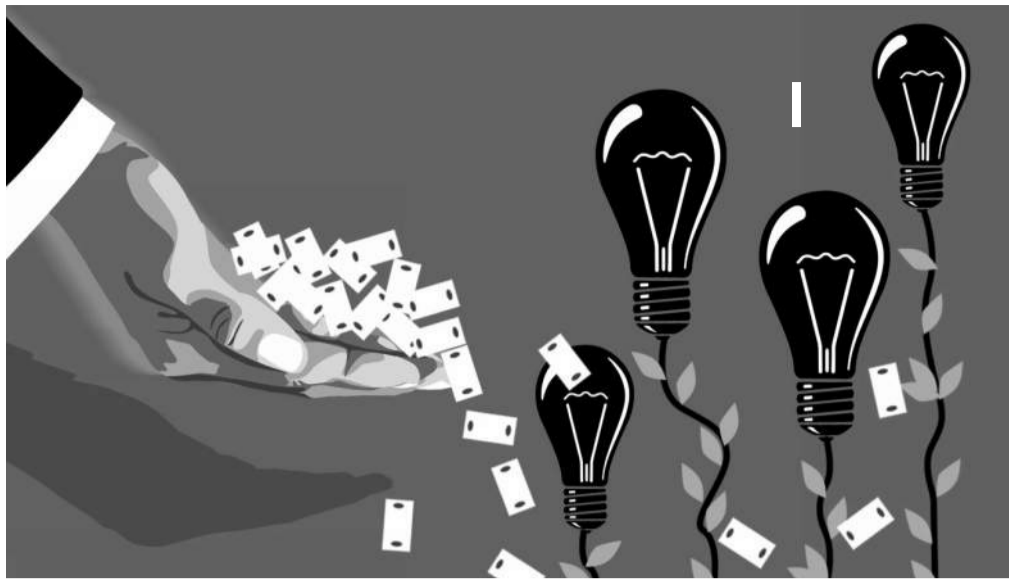
Apex court's ruling on NSEL should be welcomed

In an important judgment, the Supreme Court has struck down the enforced merger of the National Spot Exchange Ltd (NSEL) with 63 Moons Technologies (the erstwhile Financial Technologies India, or FTIL). This has important implications for corporate governance and also articulates the apex court's understanding of "public interest" in detail. The merger had been enforced by the Central government in February 2016, after a scam led to defaults, and closure of the NSEL in 2013. The NSEL is a subsidiary of 63 Moons, and the merger would have meant that the liabilities of the NSEL would impinge upon 63 Moons. The Centre had invoked Section 396 of the Companies Act, which allows for compulsory mergers in the "public interest". But 63 Moons, founded and promoted by Jignesh Shah, appealed against the order. The merger was upheld by the Bombay High Court in December 2017, after which there was an appeal in the apex court. The decision has now been overturned on the grounds that the merger doesn't satisfy the criteria of the public interest. The court also said the merger was done without application of mind and violated Article 14 of the Constitution, which guaranteed "equality before law".

NSEL was incorporated in 2005 as an electronic trading platform for commodity trading, with compulsory delivery of goods traded. While trading started in 2008, there was a scandal when it was discovered that the NSEL had allowed trading of contracts that were not backed by real goods. It was also alleged that fake contracts with manipulated prices were used as a mechanism for generating loans. Trading was halted in July 2013, when the NSEL defaulted on payments worth ₹5,600 crore to about 13,000 traders. So far, claims for ₹620 crore by 4,697 entities have been cleared by a court-appointed panel that is investigating these defaults. Mr Shah was arrested and ordered to divest all holdings in financial exchanges, including in the NSEL and the MCX, which was also promoted by Mr Shah and FTIL. The scam also triggered a reorganisation of the regulatory system with the Forward Markets Commission (FMC) being merged into the Securities and Exchange Board of India (Sebi), which took over the FMC's functions as a regulator of the commodity markets.

The Supreme Court judgment indicates, however, that 63 Moons cannot be forced to take over the NSEL's liabilities. The judgment establishes a clear boundary with respect to the foundational concept of limited liability. Indeed, this merger could have set a dangerous precedent if it had been upheld as it would have made nonsense of the concept of limited liability, and make doing business in India extremely risky. It could have been cited by creditors in other cases to demand the merger of defaulting subsidiaries, with profitable parent companies. Given that 63 Moons is a listed company with over 60,000 minority shareholders, it would have been unfair to force them to bear the burden of NSEL defaults. This case and the judgment will also lend clarity to efforts to revive the spot trading of commodities. The NSEL was the only exchange that enabled this important market segment. Entrepreneurs looking to set up new exchanges for this purpose, or existing exchanges looking to enter this space, will have a clearer blueprint.

ILLUSTRATION BY BINAY SINHA



## Giving wings to startups

A recipe for creating 100,000 plus angel investors in India

Civil servants and politicians in India fervently murmur the word "startups", just as they once used to murmur "Ram, Ram", a signal of personal good-intentions as well as a symbol of fervent hope that some wished-for event would come true. They hope that somehow, that deity that they pray to, Lord Startup, will make young people its followers and take their attention away from looking for jobs and blaming them for not creating enough jobs.

Maybe it is time we paused a little from this fervent praying and examined what the startup game is all about. To start with, is it just a fancy new word for any newly founded small business? Is the term "startup" used to describe only new businesses in the computer-related industries and not, for example, a new restaurant or a new *kirana* shop or a new real estate agent? When a business family puts in the money for their son or daughter to set up a new business, does that amount to a startup? Does starting a machine shop, which does machining on a contract basis, amount to a startup? In other words, does the word startup mean only some specific types of new businesses and not all new businesses? To even start to answer such questions, we have

to ask some more fundamental ones: Are entrepreneurs (the ones who launch startups) born or made? Are the successful ones mostly in their 20s? Does a higher education degree help or hinder a startup entrepreneur? Vivek Wadhwa, an NRI entrepreneur who has spent some years studying and reflecting about some issues has this to say about entrepreneurs in America: The majority, 52 per cent, of Silicon Valley entrepreneurs were the first in their immediate families to start a business. He further points to cases of Mark Zuckerberg, Steve Jobs, Bill Gates, Jeff Bezos, Larry Page, Sergey Brin, and Jan Koum and says that "they didn't come from entrepreneurial families. Their parents were dentists, academics, lawyers, factory workers, or priests". And contrary to the impression that people in their 20s are the ones who do successful startups, he points out that Marc Benioff was 35 when he founded Salesforce.com, Reid Hoffman was 36 when he founded LinkedIn. Steve Jobs's most significant innovations at Apple — the iMac, iTunes, iPod, iPhone, and iPad — came after he was 45.

The biggest obstacle that a startup entrepreneur faces in India is the drought in early stage capital providers or angel investors as they are called in the trade — the ones who can provide the first ₹50 lakh



AJIT BALAKRISHNAN

ments were dentists, academics, lawyers, factory workers, or priests". And contrary to the impression that people in their 20s are the ones who do successful startups, he points out that Marc Benioff was 35 when he founded Salesforce.com, Reid Hoffman was 36 when he founded LinkedIn. Steve Jobs's most significant innovations at Apple — the iMac, iTunes, iPod, iPhone, and iPad — came after he was 45.

## A common economic programme for India

Development transformation involves progress on many fronts, but there can be no transformation without high, stable, and inclusive economic growth. The economic programme of any party or coalition that is serious about transforming India must be underpinned by four economic objectives. In this sense, here I offer a common economic programme.

### Structural shift in GDP composition.

As I have argued in previous columns, India is headed towards a middle income trap. So far, growth has been spurred by catering to the demands of the top hundred million, which is why Bombay's indicators of economic performance are about sales of cars, two-wheelers, air conditioners, and upmarket housing. The goods that are consumed by all 1.2 billion Indians — nutritious food, affordable clothing, affordable housing and education — do not figure. If the share of these goods in the composition of GDP growth does not increase, we will be in a middle income trap. These areas of economic activity, that touch the lives of every Indian, should be the leading indicators of economic progress on which the government should focus.

It is neither possible nor sustainable to increase such consumption for a billion people through subsidies and income support. At least half the population should earn incomes that enable them to buy these goods at affordable prices, so that a maximum 500 million can be subsidised to improve their welfare. This is the key that will open the door to jobs, inclusion, and sustained, stable growth

### Structural shift in growth location.

Apart from the NCR region and a few other pockets, quality economic growth has occurred in the south and west of India. The major benefit to north and east India has been remittance incomes from migration to the south and west. While some migration has taken advantage of economic opportunities (IT, auto-

mobile manufacturing, diamond cutting etc.) the vast bulk of such migrants are in low paid, insecure, jobs. They are the construction workers, domestic servants, and security guards of the rich.

It is vital that activities that provide quality jobs in north and east India be fostered. Given technology and legacy disadvantages, this requires economic policy to deliver such jobs using existing, or slowly improving, capabilities. This further underlines the importance of giving priority to the five sectors I mentioned above.

### Credible macroeconomic policy

The credibility of macroeconomic policy in India has no doubt improved over the past 30 years but its hallmarks continue to be short-termism and defensiveness. A medium-term macroeconomic framework is, I think, the most important enabling factor that we lack, possibly because the discipline it imposes will reduce discretion and undermine the culture of ad-hoc short-termism that those in senior positions are used to, and are comfortable with.

Successful governments promised to deliver fiscal discipline. They have shown capacity to do so but, equally, a casual attitude when there are slippages and a disconcerting willingness to play silly accounting games. Tax policy needs to be based on forecasts for which policy-makers are accountable, rather than on estimates and targets and tinkering with tax rates, to macroeconomic detriment. Disinvestment cannot continue in an ad-hoc fashion just to meet fiscal gaps. Budgetary and financial sector policies cannot be such that the authorities manipulate the public sector for short-term gain. With monetary policy, there is an opportunity to improve the quality of the monetary policy framework by making the underlying theory and analytics explicit, specifying the stance on inflation and the trade-offs involved.

### Better government, less discretion, more rules

The productivity of public spending in India is low even as fiscal space is constrained. Arguments

for more public spending carry limited weight because of the demonstrated inefficiency and low effectiveness of public spending. Attempts to use technology to bypass this have met with limited success, since the root cause has not been addressed.

The machinery of government is antiquated. In the feudal and colonial tradition, policy interventions continue to leave huge scope for bureaucratic discretion, which signals that considerations other than public interest drive such interventions. With a few exceptions, the civil service is not able to deliver timely policy and rapidly correct policy failures. Media and event management can be used to cover this up and escape accountability, but this does not solve the productivity problem.

It is essential that government commits to implementing a rule-based system of economic administration. Governance credibility is low, but fear of individual retribution by a weak state that is, nevertheless, capable of inflicting individual malevolence mutes public criticism. There are also socio-economic movements that force government to adopt rule-based economic governance. Hence, the impulse can only come from political statesmanship — the courage to give up short-term gains for the long-term reward of being judged by history as a government that transformed the Indian economy by transforming economic governance.

In my view, reform of government economic administration must take priority. As things stand, it is a prerequisite for the success of any other reform. A weak state cannot deliver anything other than grandiloquent statements of intention. This must change. Without a capable State, there can be no transformation.

A government that adopts an economic programme to transform India would take these objectives as priorities for the future, and not just compensate for failures of the past.

A second aspect about startups that is ignored by our policymakers is that a startup by definition has to work in an emerging technology area, not a technology area which has been around for so long that it has become commoditised. Yet, if you see the list of skills being promoted by the central government and the many state governments, it is clear that none of those skills can be the foundation for a startup today. Any startup concept today has to have a heavy dose of Data Science and Machine Learning.

To answer a question we posed in the beginning, yes, doing a startup is different from starting a restaurant, a *kirana* shop or a real-estate business. The term startup means an entrepreneur who has a business idea which involves use of advanced technology, which in our current age means some combination of computer/ internet/data science/ machine learning/ bio technologies, and who is setting out to create entirely new ways of solving problems which the common man in India faces in his daily life.

Such startup entrepreneurs most likely will be in their 30s or early 40s, may possibly have parents who are doctors, lawyers, academics and not themselves businessmen.

And the capital to start such enterprises has to come as no-strings-attached risk capital from angel investors; that in turn will happen only if we make it tax-efficient for angel investors with domain expertise to make such investments. Just imagine an India with a hundred thousand angel Investors on the hunt for startup entrepreneurs!

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## Society's acid tests



### BOOK REVIEW

VEENU SANDHU

What is it like when acid is poured on the human body? First, the clothes melt off. Then comes the smell of burning flesh. So hotly does the acid burn that the mind becomes delirious. For 17-year-old Reshma Qureshi the initial sensation was like drowning in ice, rapidly followed by a feeling of burning in hellfire, of being shredded alive as the acid ate through the layers of her skin and seeped towards her bones.

Screaming and slithering on the ground, she clawed at her niqab as it melt-

ed off her face, while her attackers — her brother-in-law, his cousin and nephew — fled the scene. "Even if I practised hard, I could never again scream the way I did that day," she writes in this horribly disturbing account of her life.

Ms Qureshi was on her way to take an exam when she was attacked in August 2014 — 10 months after the Supreme Court of India ordered complete ban of over-the-counter sale of acid to check such attacks on women. The court had also said that anyone buying acid needed to furnish government-approved identity proof and state the reason for the purchase. And, it made it mandatory for the seller to record the name, telephone number and address of the buyer. That Ms Qureshi was attacked — as were several other women before and after her — despite the top court's order is proof of how callous and casual the system is in matters of women's safety.

*Being Reshma* is an extraordinary story of a young woman who was subjected to an evil and inhuman act and who went on to become the first acid attack survivor to walk the runway at the New York Fashion Week. But a fairy tale it is not. This is a horror story and Ms Qureshi tells it as it is. It shocks you; it makes you stop reading to step out for air or reach for a glass of water; it sucks you into the trauma, the pain and the hopelessness an acid attack victim suffers day in and day out — and in the end, it makes you want to make a difference, in whatever little way possible.

Ms Qureshi begins her story with her childhood in a slum in Mumbai where her family — mother, father and older brothers and sisters — live in a one-room tenement. Life isn't easy but the family is close knit. One gets a sense early in the book that the father is particularly indulgent of his youngest daughter. This is a

family that has its problems but stands by its members.

She is still young when Ms Qureshi moves to Mau Aima, a village in Allahabad, Uttar Pradesh, with her mother and sisters after her mother has been treated for a cancerous tumour. It is here that she starts becoming aware of a woman's secondary position in Indian society. Ms Qureshi is attacked by her sister's abusive husband and his relatives who want to teach her family a lesson for standing up to them. And they do so in full public view, on a busy morning, with zero fear of the law.

The book takes the reader through the cruelty and the appalling insensitivity an acid attack victim suffers every step of the way, especially if she is from a poor family. The damage can be controlled if water is thrown on a person within three seconds of exposure to acid. Ms Qureshi doesn't get any treat-

ment for two hours. The hospital demands a copy of the first information report (FIR) of the crime, even though the law says the victim ought to be treated first; the police dilly-dally on the FIR and wonder what she might have done to

bring this on herself; a doctor holds her family responsible for her condition. The filthy hospitals, the rude nurses, the deep-seated biases — Ms Qureshi makes you see them afresh in all their unacceptable ugliness.

She takes you through her state of mind over weeks and months after the attack: the horror she experiences the first time she sees herself in the mirror; the silence that conceals boiling emotions when people tell her it will be all right; her depression and attempts of suicide; her outbursts against her family that refuses to give up on her; the financial burden of her treatment... If, despite all of this, her

words don't shake you, the pictures of her before and after the attack will.

I would perhaps not be holding this book in my hand today had help not come Ms Qureshi's way in the form of an organisation called Make Love Not Scars, which works with and for acid attack victims. Or, had advertising agency Ogilvy and Mather not decided to do a pro bono campaign around acid attack survivors with her as its face. Through initiatives such as these, Ms Qureshi's story has travelled to the world. But there are hundreds of similar such stories of horror that make no news.

*Being Reshma* is a story of all such women. It is a fervent appeal for help — and for change.

**BEING RESHMA**  
The Extraordinary Story of an Acid Attack Survivor Who Took the World by Storm  
Reshma Qureshi (with Tania Singh)

Macmillan  
Pages 230; price ₹599