Swimming against the tide

Michael Phelps showed why leaders should get comfortable with being uncomfortable

HUMAN FACTOR

SHYAMAL MAJUMDAR

Less than nine months before the 2008 Beijing Olympics, Michael Phelps slipped and fell outside his training facility and fractured his wrist. Even as the world wondered whether he would be able to resume competitive swimming after doctors said the fracture would take months to heal, Phelps and his coach, Bob Bowman, had other ideas. After much coaxing from them, doctors surgically repaired the wrist — and the champion was back in water just 10 days later.

The rest is history as Phelps won eight gold medals. Behind the astonishing success was incredible hard work. Phelps started swimming without the use of his arms at all as the fracture meant he could no longer count on his long and powerful upper body, and had to focus on the weakness of his legs. Finally, Phelps won many of the races at the Beijing Olympics using the strength of his powerful new kick.

This is a perfect lesson in contingency planning — you and your team members must think through what you are going to do if things don't go perfectly.

After he finished fifth in his first Olympic final in Sydney in 2000 as a 15-year-old, Phelps said he used his absence from the medal podium as motivation. So he decided to get into the pool the next day itself. Six months later, he broke his first world record.

This just proves there is no shortcut to success even for the mega-talented. Phelps used to swim intensively six hours a day, seven days a week, 365 days a year, for almost two decades. As other swimmers took one day off in a week, this habit gave him 52 days of extra practice every year. "If you want to be the best, you have to do things that other people aren't willing to do," Phelps said at the Hindustan Times Leadership Summit last week.

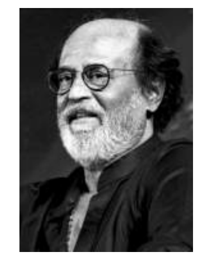
His comments at the Summit were a fantastic lesson in leadership — the stuff champions are made of and their ability to embrace adversity and leverage it to their competitive advantage. Apart from the hard work day after day, here are some other lessons curated from Phelp's comments in various forums.

- Be prepared to succeed: Phelps showed why it was important to get comfortable with being uncomfortable. Thus, preparation for all possible contingencies is an important part of a leader's training. That way, nothing that happened during a swimming event would cause him to freak out or leave his comfort zone. In short, set a goal, figure out what you need to do to achieve it and then pursue it with everything you have.
- Never give up: Phelps experienced many setbacks during the prime of his life, including the wrist fracture before the Beijing Olympics. But he fought back every time. Consider this: At the height of his career, a single photo, taken from a cell phone, showing him smoking marijuana at a college party sent his life into a tailspin. He was ridiculed, lost major contracts, was suspended by USA Swimming and was so depressed that he couldn't even get out of bed. But he did what only champions did: he accepted his mistake, made amends and then went on to recapture the magic. In his public engagements, Phelps has talked about the importance of fiercely protecting one's brand reputation as it could take years and years to build a strong brand. But about 60 seconds of bad judgement can make you lose everything.
- Set clear goals: Phelps did, as he found it helped to put his goals down on paper and to frequently look them over, especially after a tough day. While earlier he used to think about the next race or the next practice, now he tracks long-term goals — five, 10 and even 20 years from now. It's vital for a leader to adjust his thinking to think that far ahead.
- Raise the bar after every success: Writing down your goals and reminding yourself about them is not enough. You will have to set audacious goals as an 8-year-old Phelps did. As Phelps said at the HT Summit, he was not chasing medals, he was chasing times. He knew the times of all his competitors, he knew his competitors better than they knew themselves. He knew the times he needed to get, so that no one could touch him — ever. That means he never compared himself with anyone else and always tried to beat his past performance.

It is obvious from all this that the road to super stardom is not for the weak hearted.

CHINESE WHISPERS

Inspired by Amma Canteens?



Film actor Rajinikanth *(pictured)*, quite like former Tamil Nadu chief minister M G Ramachandran, has played the role of a poor, hardworking man in many movies. The title of one of his movies, *Uzhaippali* (hard worker), has inspired Chennai-based Siddha medicine practitioner Veerababu to start a low-priced food outlet in the city. The Rajinikanth fan chose the south star's 69th birthday on Thursday to open his first Uzhaippali Canteen, which will serve "herbal" lunch to daily wage earners and other poor workers for ₹10. There are plans to open more such canteens, he said.

Azad's political party

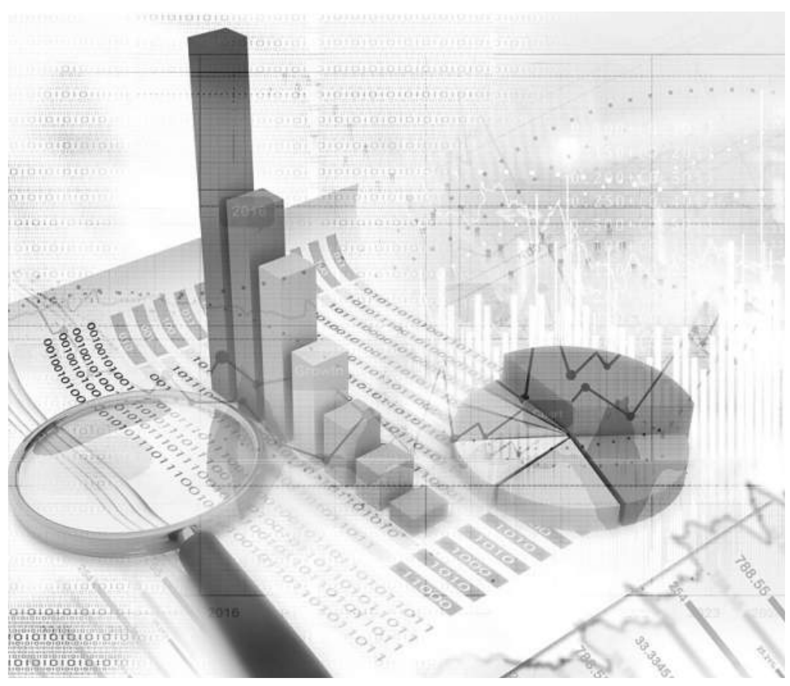
After lying low for a while, Bhim Army founder Chandrashekhar Azad, who has now dropped his alias of Ravan, has announced his foray into active politics to "strengthen" the Bahujan movement. Bahujan Samaj Party (BSP) supremo Mayawati had dubbed him an "agent" of the Bharatiya Janata Party (BJP), although he had always been courteous towards the Dalit czarina. Azad, who commands considerable clout among the Dalit youth in western UP districts, is planning to launch his proposed political outfit with a rally in Lucknow, which would also serve as the party's headquarters. His political ambitions are sure to cause consternation among Dalit leaders in the BSP, the Samajwadi Party, and the Congress, while indirectly helping the BJP by splitting the Dalit vote.

Absent please

The Rajya Sabha secretariat on Thursday released the names of the 16 MPs who were absent at the time of voting on the Citizenship Amendment Bill in the Upper House on Wednesday. These included all three from the Shiv Sena and two of the four of the Nationalist Congress Party. While NCP chief Sharad Pawar and Praful Patel voted against the Bill, Majeed Memon and Vandana Chavan were absent. Others absent included the BJP's Chunibhai Gohel and Anil Baluni, both of whom are unwell, as was the Samajwadi Party's Beni Prasad Verma and independent Amar Singh. The Trinamool Congress' K D Singh was also absent. The more intriguing part was the absence of two of the four Bahujan Samaj Party MPs. They were Rajaram and Ashok Siddharth. Interestingly, the Janata Dal (Secular)'s D Kupendra Reddy, its lone member in the House, went missing at the time of the vote though he had spoken against the Bill, as did his party chief H D Deve Gowda. The Telangana Rashtra Samithi's Dharmapuri Srinivas was absent, while the rest of the MPs of the party voted against the Bill.

Who owns listed companies?

Institutional investors hold 41 per cent of the global market cap, with close to half of it as part of a passive strategy



OCASSIONAL ASIDE

AMIT TANDON

How many listed companies are there across the world? Approximately 41,000 at the end of 2017. What is their market capitalisation? About US$ 84 trillion, the same as global GDP that year. Where are these companies listed? Ten per cent by number, and 36 per cent by market cap are listed in the US. Asia accounts for the largest number 57 per cent, and 37 per cent of market cap. Exclude Japan, China, and other advanced Asian countries, the rest of Asia is home to 23 per cent of the companies, but a paltry 5 per cent of the global market cap. How many investors are there? The dataset refers to 77,456 unique investors. You can find out all this and much-much more from OECD's publication Owners of the worlds listed companies, released this October.

Institutional investors hold 41 per cent of the global market cap, with close to half of it as part of a passive strategy. The second highest ownership is by the state, at 14 per cent. Corporates, strategic investors and families together own about 18 per cent, with the residual being "free float", defined as direct holdings of retail investors and institutional investors "that does not exceed the required thresholds for public disclosures of their holdings". Sixty-five per cent of these investors, in terms of market cap are in the US, 11 per cent in UK. That since US is the deepest market, foreign ownership in its market is low (15 per cent).

Note that the ownership percentage given above is for the 10,000 largest companies and not the universe of 41,000 companies. These represent 90 per cent of the global market cap.

Should who own's companies matter? And what are its implications? Three according to this study. The first is, with institutions being the dominant owners, and the rapid growth in passive index-based investing, the quality of oversight investors exercise over companies is set to change. The top-down approach suggests that irrespective of the risk, funds may have no choice but to own companies. The weak oversight is also a consequence of the low fees the passive funds earn. While this is true in the aggregate there are exception. Larry Fink of BlackRock cited the fact that many of their funds are passive, and consequently may end up holding shares for a very long time, as being the very reason to build a team to focus on governance and engagement.

Though not covered by the study, the growth of institutional investors and in this the category of passive funds, has a few other consequences, two of which are worth highlighting. One the power shift from funds and fund managers to index providers who now get to decide where the money should flow. The second is the growth of "smart beta" as an investment strategy. (Smart beta is nothing but a set of investment strategies that emphasise the use of alternative index construction rules to traditional market capitalisation-based indices.)

The second observation stems from state ownership as the government is the second largest owner. Needless to add, here too there are nuggets. That 56 per cent of the public sector is owned by central and local governments, followed by sovereign wealth funds, pension funds and state-owned enterprises. Dig even deeper, the Peoples Republic of China accounts for "57 per cent of the total public sector investments in global equity markets", which is estimated at $10 trillion. (Surprisingly state ownership in Norway is also high at between 34-46 per cent.) More than 8 per cent of the listed companies have government ownership that exceeds 50 per cent. On this basis of this, the report concludes that given large government ownership "political priorities, directly or indirectly will influence corporate decisions". something that will resonate with those investing in the Indian market.

One of the other findings is that concentrated ownership is not uncommon. In half the world's corporations, the top three shareholders own more than 50 per cent of the equity. While it is usually families or strategic investors, in US and UK it is institutional investors. The 10 largest institutional investors own 43 per cent of the equity and in UK, 29 per cent.

The third conclusion focuses on the implication of the concentrated ownership by institutions. The plus is that it in a sense does away with the agency problem that afflicts widely held companies. The negative is that the larger asset owners might abuse the rights of other smaller asset owners – although no evidence is provided to support this contention.

The OECD team is working on the ownership structure in India and has some preliminary findings, but using data in public domain, we find that institutional ownership, by December 2018, had increased 37.5 per cent (from approximately 22 per cent in early 2009). This was due to the surge in inflows to the domestic mutual funds, the maturing of the insurance sector and the take-off of the national pension scheme. While close to the global number of 41 per cent, this is balanced by the promoters/controlling shareholders holding about 50 per cent in their companies. And while the relationship between asset managers and business owners is evolving to take into account institutional ownership showing clear signs of higher levels of engagement, regulations and market behaviour is still largely based on the presence of a "controlling shareholder". This is what needs to change.

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INSIGHT

The havoc liquor is wreaking

YOGENDRA YADAV

The Y S Jaganmohan Reddy-led government's decision to introduce prohibition in Andhra Pradesh has once again exposed an ostrich-like head-in-the-sand attitude of our opinion shapers. By and large, they maintain a conspiracy of silence on the nation-wide menace of rising liquor consumption. But as soon as someone proposes prohibition, they all wake up and attack it as an unworkable and populist measure, without quite acknowledging the problem or ever bothering to advocate an alternative solution.

After CM Reddy announced his plans for prohibition in a phased manner, editorials in the English media were quick to dismiss this as a populist move, a policy that was designed to fail, if not a moralist intrusion into matters of personal liberty. Anti-liquor activists and movements continue with their simplistic belief that complete prohibition is a fool-proof solution to the problem. Between them, the moralising prohibitionists and libertarian anti-prohibitionists have prevented an informed and constructive debate on an issue that deserves urgent national attention.

The alcohol menace keeps coming up on the media radar and is pushed back every time. In recent years, the governments of Bihar, Kerala and Haryana have introduced different forms of liquor control measures. Bihar opted for complete prohibition with mixed results. Kerala preferred a more sensible policy of graded reduction in liquor consumption. The new government in Haryana has announced a half-hearted policy of closure of liquor shops when demanded by 10 per cent gram sabha members. Maharashtra has witnessed strong anti-liquor movements leading to prohibition in three districts. Anti-liquor movements are strong in Tamil Nadu and Karnataka.

I understood the significance of this issue in my padayatra of about 200 villages in the Rewari district of Haryana in July 2018. Without an exception, women in every single village listed increasing liquor consumption as the number one problem. They were desperate for any solution. Panchayats are no good, they said, as they get a commission in liquor sale (yes, there is a formal payment per bottle). They wanted, and tried, breaking down or burning of liquor vends, but to no avail. One woman took me aside and proposed poisoning of liquor to get rid of this menace once and for all!

Metropolitan intellectuals and policymakers have no idea of the nature of this problem. They continue to think of drinking through the prism of their own elite social practice. They don't realise that a peg or two in an upper-class drawing room is a very different thing from a-quarter-a-day for a family that earns barely ₹300 daily. They think that any plea for liquor control is moralising. True, often Gandhian and religious prohibitionists do make drinking into a moral issue, which it is not. In our country, alcohol is a growing health hazard, economic problem and a social menace. Sadly, the denial by our opinion makers fits perfectly into the vested interest of the liquor lobby and their nexus with politicians to ensure that this menace grows undetected and unresponded to.

This year, the Ministry of Social Justice and Empowerment published a major report, 'Magnitude of Substance Use in India', based on a massive sample survey across India. Add to these findings the WHO's latest data on alcohol use in India from its Global Burden of Disease Study and Global Status Report on Alcohol and Health to understand the nature and extent of this problem.

First, the extent of liquor consumption is higher than we imagine: about 33 per cent of adult males (but less than 2 per cent of adult women) consume liquor. The proportion of male drinkers is above 50 per cent in states like Chhattisgarh, Tripura, Punjab, Arunachal Pradesh, Goa and Uttar Pradesh. About 25 lakh children in age group 10-17 also drink. Second, drinking in India means 'hard drinks' or spirits (which comprises 92 per cent of total alcohol consumption, compared to 44 per cent global average) over wine or beer. This increases health hazards. Third, the amount of alcohol consumed by every drinker is 18.3 litre per year on an average, much higher than the global average. That works out to about 50 millilitres of pure alcohol, or five pegs, every day. The proportion of drinkers who engage in heavy drinking is 55 per cent in India, again higher than the world average. Fourth, nearly one-third of drinkers, a total of 5.7 crore people, are either dependent on or harmed by alcohol use. They need help, but only 3 per cent of them ever get medical or psychological help needed. Finally, there is a direct and measurable impact on health. At least 2.6 lakh deaths every year can be directly attributed to liver disease, or cancer or accidents caused by drinking.

Besides health, drinking has serious socio-economic consequences, especially for the poor. An average rural family spends about 2.5 per cent of its income on intoxicants, which may be one-eighth of its disposable income once the basic necessities are paid for. An addict could be spending anything between one-fifth to one-half of the total family income on his own drinking. In social terms, the brunt of drinking is borne by women. Wife and child beating, social violence, sexual abuse, family discord and break-up, and child neglect are some of the most obvious results of drinking. No wonder, most women hate drinking. By now it is an established fact that for every litre of liquor, the poor suffer more in terms of health and social consequences than the affluent.

Given the seriousness of the problem, it is nothing short of a scandal that liquor control policy does not figure on India's national agenda. It is not hard to imagine what such a policy might be like. Total prohibition is unlikely to figure there because it has proven counter-productive far too often. While it does bring drinking seriously down, it tends to encourage smuggling, liquor mafia and spurious liquor.

What we need is a national plan for gradual reduction and control of alcohol use. This would involve, first of all, reduction in the dependence of state governments on liquor revenues. It would allow the state governments to stop aggressively promoting liquor. Second, the existing rules and laws regulating the sale and retail of liquor, the location of shops, opening timings and surrogate advertising must be enforced. Three, liquor license within a village or urban residential area should not be granted if 10 per cent of local community objects to it. Four, innovative social campaigns, such as Muktipath in Gadchiroli district in Maharashtra, should be supported to wean people, especially the youth, from the culture of drinking. Finally, a certain percentage, say about one-fifth of the government revenue earned from liquor sale, must be spent on alcohol and drug reduction and rehabilitation programmes. Can feminist intellectuals and women's movement take a lead in developing a national consensus on this agenda?

By special arrangement with ThePrint

The author is the national president of Swaraj India. Views are personal.

LETTERS

Listen to NE's concerns

This refers to "Anti-CAB protest rock northeast" (December 11). Amid intensifying protest in most parts of the northeast, both the houses of Parliament went ahead and cleared the Citizenship (Amendment) Bill (CAB) without giving much thought to the concerns of the people of the northeast. Over the years the very demography of this region is threatened because of the continuous influx of illegal immigrants. Our identity, language, culture is at stake. We have become a minority in our own country.

However, CAB in the current form will push the indigenous people of the northeast to the brink. As I write 1,000 km away from my homeland, back in Assam, there is an indefinite curfew, internet has been suspended and the Army is on the standby. The nation should condemn this.

Nilabh Mahanta New Delhi

Pay heed to Trai

This refers to the editorial "Pricing power" (December 9). All the three private telecom operators have shown rare unanimity in asking the Telecom Regulatory Authority of India (Trai) to fix floor prices for mobile data services. This is somewhat unexpected as the market disruptor Reliance Jio, unlike the other two private operators, was not in favour of any floor prices till some time back. However, it seems that Jio might have had a change of heart, as floor prices, if fixed by the regulator, would only strengthen its already strong position.

However, the Trai has all along maintained that floor prices are not desirable. The editorial rightly makes a point that fixing floor price would be anti-consumer. Trai is mandated to protect the health of the telecom sector, of which the consumers are the biggest stakeholders. As such, Trai need not accept the plea of telcos for fixing floor prices.

Warring telcos should settle their price war themselves and not make Trai a party to it. Also, it is a misplaced notion that voice and not data is an essential service and only the former should be under the forbearance regime. In fact, mobile data now has become quite an essential part of communication, at times, replacing voice calls due to the widespread use of free messaging apps. Only market should determine the price.

Sanjeev Kumar Singh Jabalpur

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HAMBONE

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The right reaction

Govt steps in again to protect the IBC

The Union Cabinet has signed off on further amendments to the landmark Insolvency and Bankruptcy Code (IBC). The purpose of these amendments is to ensure that there is greater protection for successful bidders under the resolution process. In particular, they should not be subject to criminal action for offences that might have been committed by the previous management of the company or asset owner. In some recent cases, the winning bidder has explicitly sought such protection. The possibility of criminal proceedings is, after all, a major deterrence to many investors who might be interested in a stressed asset but do not want to take on the asset when there is an unknowable criminal investigation-related risk. In addition, a lack of insulation from criminal proceedings can lead to major delays in the insolvency process. But the IBC's effectiveness depends crucially on the mechanism working at speed. Thus, it is essential that these amendments swiftly be enacted into law.

Certainly, the question of criminal investigation interfering with the bankruptcy process should have been considered before. The National Company Law Tribunal has, in fact, had to ask the Ministry of Finance and the Ministry of Corporate Affairs to sort out which two legal processes — investigation and bankruptcy — should take precedence. The context was the sale of the assets of Bhushan Power and Steel Ltd (BPSL) to JSW Steel, which was derailed by the attachment of some BPSL assets by the Enforcement Directorate (ED), which comes under the Union finance ministry. Naturally, the attachment of assets means that a significant degree of uncertainty and delay has been injected into the process. Among the stakeholders who will be hurt by this are the banks who are dependent upon the insolvency process for recovery. If promoters or the management of a company admitted under the insolvency process needs to be investigated, it should be done separately without affecting the company assets. Clearly, greater legal clarity on the process was needed, and this is what has hopefully been provided by the Cabinet's intervention.

Once again, the government has demonstrated its intent to swiftly respond to emergent problems in the IBC process and plug loopholes. It is, of course, true that such a divergence should have been foreseen in law, and doubly true that the action of the ED should have taken into account that the IBC process was ongoing. There is something deeply wrong at the ED if it proceeds with automatic attachment of properties without sufficient application of mind. Systemic implications should be considered at a higher level than they are currently. But it is nevertheless a good sign that, as with previous changes to the IBC, the government has not let the grass grow under its feet.

It is to be hoped that the amendment will be drafted in a manner that it stands up in court. The government must continue to improve and patch the IBC norms wherever possible, and privilege the certainty and speed that are supposed to be built into the insolvency and bankruptcy process. It is, after all, the current government's landmark financial reform and unprecedented in its way. Constant attention is needed if it is to be institutionalised, and capital markets in India are to be rendered more flexible than they are now.

Rating alarm

India needs policy intervention at multiple levels

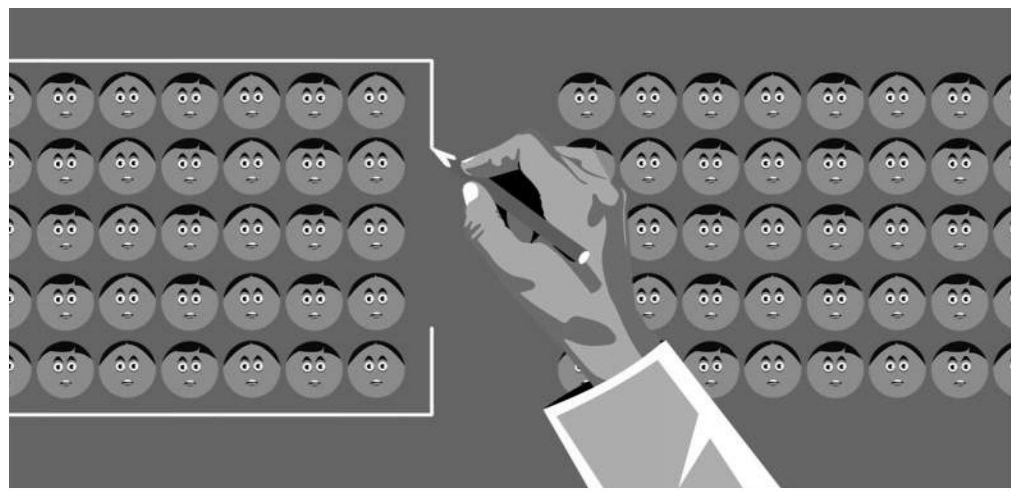
Persisting slow economic growth could affect India's sovereign rating, S&P Global Ratings has warned in its latest note. In a late night statement on Thursday, S&P said it could consider downgrading India's sovereign rating in case the economy failed to recover. Last month, another global rating agency, Moody's, changed its outlook for India's credit rating from stable to negative due to the economic slowdown, financial stress in the rural sector, and liquidity issues in the financial sector.

The Indian economy is in a difficult situation and the possibility of rating downgrades will only exacerbate the complications in economic management. Growth in the Indian economy slipped to a six-year low of 4.5 per cent in the second quarter of the current fiscal year and high-frequency indicators are not pointing to a sharp recovery in the coming quarters. Both transient and structural reasons are responsible for a sharp deceleration in growth. Even though S&P expects economic growth to pick up, it rightly notes that a return to sustained high growth will depend on structural reforms. Among other factors, stress in both the banking and non-banking financial sectors is affecting the flow of credit in the economy, resulting in lower growth. This has also limited the transmission of lower policy rates of the Reserve Bank of India, despite the availability of ample liquidity in the system. Till the system is cleaned up, and this may require large-scale capital infusion in both banking and non-banking financial companies, the financial sector would limit the possibility of economic recovery.

Further, as S&P correctly highlighted, complications in the implementation of goods and services tax (GST) created some disruption in the economy. The importance of addressing all issues in the GST system cannot be overemphasised. The GST Council should comprehensively review and urgently address all the gaps in the system. The underperformance of the GST system has also worsened the fiscal position of both the central and state governments. In fact, India's fiscal condition is another red flag. S&P expects India's general government deficit to rise to 7.4 per cent of gross domestic product (GDP) in the current fiscal year. The combined deficit is expected to come down to 7.1 per cent of GDP in the next fiscal year, assuming an improved macroeconomic backdrop. However, an increase in the fiscal deficit and debt accumulation can put pressure on sovereign ratings. Therefore, a significant fiscal expansion to revive economic growth, as being proposed by some commentators, is not a viable option for India.

The government will have to find ways to revive growth while remaining committed to maintaining the fiscal balance. Besides the pressure on sovereign ratings, higher deficit and borrowings can create distortions in the financial system, impeding growth in the medium term. Thus, the focus should be on easing restrictions on the functioning of markets, including factor markets such as land and labour, to push India's potential growth. The government should also revisit its approach to global trade. Stagnation on the exports front, as has been the case over the last few years, will restrict the possibility of returning to a higher growth path. The sharp deceleration in economic growth clearly suggests that India needs policy intervention at multiple levels. Policymakers would do well to not ignore the views of global rating agencies.

ILLUSTRATION: BINAY SINHA



Decoding CAB

What the Citizenship Amendment Bill is intended to do and who it is intended for is unclear

AAKAR PATEL

It was Henry Kissinger (or perhaps it was Ludwig von Mises) who once observed that all foreign policy was really domestic politics. Meaning that the true impact of actions abroad was meant to be felt inside the country rather than outside. How is one to understand the Citizenship Amendment Bill (CAB) from this point of view?

If the CAB, which will soon be law, is meant to do something and is aimed at mobilising or motivating some group of voters, then which group is it? This is not easy to understand. There has been no organised action from minority Bangladeshis, Afghans and Pakistanis demanding citizenship of India because of historic persecution. Conversely, there was no large set of voters making demands on behalf of Lahore's Christians, Karachi's Parsis, Kabul's Sikhs and Dhaka's Hindus.

This is not to say that a small group of highly motivated Indians cannot affect policy. They can and they have. As prime minister Atal Bihari Vajpayee confessed he was unable to resist the influence of 100 middle class families (relatives of the hostages of IC 814) who forced him into releasing Masood Azhar and Omar Saeed Shaikh, creating the Jaish-e-Muhammad. But that was more personal, more pressing and more public a campaign. This law has been pushed through without any momentum behind it. Certainly, it is not like one of the three historic Bharatiya Janata Party (BJP) anti-Muslim policy thrusts concerning Ayodhya, Kashmir and Muslim personal law. As events in Assam show, a far larger number of Indians are against this law than those, if any, who have asked for it. That is what makes it strange. Why antagonise real voters to please fictional ones?

Also, as others have pointed out, most notably former home minister P Chidambaram, the Bill excludes minorities from other immediate neighbours. There is no refuge under the CAB available to Sri Lanka's Tamils, who can surely claim persecution more credibly than the Parsi shipping magnates of Karachi.

Elsewhere, Bhutan is more theocratic than Pakistan, with a ban on proselytisation and absolute authority, both temporal and spiritual, vested in a hereditary Buddhist monarchy. However, this Bill does not address the problems of those Bhutanese who feel oppressed by this. So, it appears that the cited reason of standing behind such minorities is not entirely what it is claimed to be.

So, then, how are we to understand the CAB and what it is intended to do and who it is intended for? There are two things that one can narrow down to as the ruling party's motivation. The first is ideology. This sounds grand but is actually tawdry. The message is domestic, and to the Indian Muslim. We are telling them we have isolated them and their religion as not only unwanted but unwelcome in India and that is the message of the CAB. If this is the primary motivation, and I do not know if it is, it is not particularly effective because it will only make Muslims more determined and dogged in their resistance to their persecution. Inventing new ways of exclusion will not produce any particular positive benefit for this government and the ruling party.

The second way in which we can understand the CAB is through linking it with the grand exercise of the National Register of Citizens being planned across the country by the home minister. The numbers in Assam were not encouraging and it is being reported that out of the 1.9 million excluded, the majority were not Muslims. This was to the dismay of the Assam BJP, which is now insisting that the thing be scrapped.

The CAB will ensure that only the Muslims on this or any future list will be left to prove their citizenship and the others will be given cover by virtue of their religion. Here also, it is not easy to understand what the end game is. If we round up a million or two million people and claim they are foreigners, what will we do with them? Bangladesh, Pakistan and Afghanistan are not going to take them and there is no mechanism for us to send them. We cannot permanently jail them as is being planned through "detention centres" because the world will not allow it. Even if India's internal structures and a compromised judiciary are too weak to prevent industrial scale brutalisation of India's Muslims, it is safe to assume that the world will not let us get away with it in 2020 on the level that this is being imagined. If we believe we can get away with it, then that is naivety and not becoming of this prime minister.

Finally, even the well-meaning among us who genuinely feel for the minorities of Pakistan and Bangladesh might consider addressing existing discrimination in our society, including against those we are welcoming, rather than saving the rest of South Asia. We feel for Pakistan's Christians but with what credibility can we claim that India's Christians are treated better? If we ask this community what their thoughts are of freedom in India and particularly the India of the present times, the answers will not bring us comfort.

The New York Times reported on this matter a few months ago and interviewed a Hindu from Pakistan, producing the following words: "Bhagchand Bheel is one of the disappointed. When he migrated to India in 2014, he was grateful to leave the violence and pressure of Karachi, Pakistan's commercial hub. He boarded the Thar Express to Zero Point Station, the last stop before the border, where he and his family lugged their bags by foot into India, settling in a camp in the city of Jodhpur. He was among his people, he thought, and could finally be free. But he is of a lower caste, and when he tried to enter a Hindu temple, he was barred entry by the priest because of it, he said. And when a friend tried to drink from the community water well, he was physically assaulted by upper caste Brahmins who accused him of polluting it."

"In Pakistan, the only thing that matters is if you are Hindu or Muslim," said Mr Bheel, whose last name is derived from his tribe. "Because we are Hindus, in Pakistan we were discriminated against. But in India, I face discrimination because I'm a Bheel."

Look West can't replace Act East

JAYANTA ROY

Soon after pulling out of the Regional Comprehensive Economic Partnership, the commerce ministry was suggesting placing renewed emphasis on the Look West Policy. This is clearly not an alternative to not joining the RCEP, and in some sense, not being a part of this century belonging to Asia.

India hardly has a presence in Asia. The South Asian Association for Regional Cooperation (SAARC) is non-functional. We don't yet have a fully functioning India-Asean free trade agreement (FTA), nor India-Japan or India-Korea FTA. These are just signed agreements but not operating as full-fledged FTAs. Even our India-Singapore FTA is in limbo, with differences over temporary relocation of labour issues. We are not a part of the Asia-Pacific Economic Cooperation (APEC) either. Hence, not joining the RCEP was a big blunder, unless our position was a tactical bargaining move.

The European Union and the US are not ideal for us to get into a binding FTA. Tariffs are near zero there, and these countries will be much more demanding than the RCEP not only in terms of lowering our tariffs, but also in non-trade barriers, intellectual property rights (IPRs), competition policy, investment policy, trade in services, and even labour and environmental standards. I don't see how our industry can meet these stiff demands. If they can, then why did we exit the RCEP?

India-EU FTA discussion has been ongoing since 2007, with little or no progress to date. This is on account of:

- India's inflexibility on lowering tariffs for cars.
- India's reluctance to fully liberalise the wines and spirits market.
- India's reluctance to fully liberalise professional services.
- EU's reluctance to provide a comprehensive Mode 4 visa to India.
- EU's reluctance to certify India as a "data secure" location within the FTA itself, in a manner that allows Indian regulators the primacy for enforcement.
- EU's reluctance to provide India with technical barriers to trade (TBT) assurances for key sectors such as textiles, engineering, agro-processed foods, pharmaceuticals and chemicals.
- IPR issues.

To resolve these issues, and to begin planning an India-US FTA, we need a strong Indian negotiating team that is up to date with key developments in trade and investment. Our negotiations with both the US and the EU should take the following points in focus:

- Mode 4 of General Agreement on Trade in Services (GATS) was crucial in the 1990s and 2000s. Starting mid-2010s, increasing automation and artificial intelligence (AI) has made Mode 4 very limited.
- Mode 1 of GATS: Real focus is here. Anticipate future regulatory barriers around data privacy/security/localisation, as well as tariffs in the form of taxes that disincentivise offshoring of knowledge work such as high-end big data analytics, and code writing for AI, and app development and maintenance of remote medical consulting, legal, and financial research.
- On manufacturing the focus should be on processed food, textile/garments/chemicals/pharmaceuticals. Not on tariffs (already low) but on TBTs to ensure compliance at minimum cost for their standards.
- For engineering, the major focus would be to get a liberal Rules of Origin. This helps us use our mature engineering sector integrate with lower cost champions of intermediates in Vietnam/Thailand and do the finished products in India. Think of Pune, Chennai and Ahmedabad clusters being able to integrate into value-chains across Southeast Asia, and deliver value-added final products to these mature markets. This would also become a magnet for foreign direct investment (FDI).
- In manufacturing, there is a case for protecting small cars for giving a good deal on higher priced vehicles (over $20,000)
- Buy time (10-year liberalisation with back-loading towards the end of the period) for e-vehicles, including e-scooters and bikes. Use the time to develop local industry at breakneck speed. Use the tariff protection and economies of scale to get investment and tech into the country.
- For services, we should resist any protection to legal services and accounting (powerful vested interests), and e-retail, and go for liberalisation of media and airlines.
- On IPR, we need to insist on not going beyond the World Trade Organization norms because that would impact our ability to have flexibility on innovation for years to come.

The bargaining issues discussed above are difficult to resolve especially with the current negotiating team in the commerce ministry. They will be matched with very competent United States Trade Representative and EU negotiating teams. We immediately need to create the Trade Policy Council that I proposed in my piece "PM Needs to Oversee Trade Policy and Negotiations, *Business Standard*, November 13). We need an experienced trade negotiator to strike a win-win trade deal with US and EU. On all accounts, it will take time for us to gain enhanced market access in these countries. Hence, we should definitely sign the RCEP in February 2020 and focus on Asia for immediate and lasting gains.

The writer is a former economic advisor to the Union commerce ministry

A testament for women

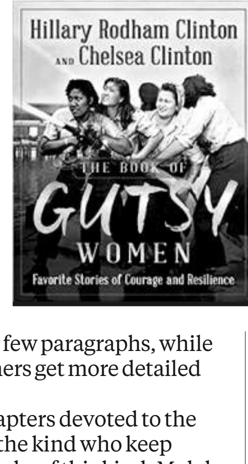
BOOK REVIEW

SEEMA GOSWAMI

It was a quote that made the headlines, as no doubt it was intended to. On a tour to publicise her latest book, Hillary Clinton was asked what was the gutsiest thing she had ever done. The former First Lady, former Senator and former Secretary of State of the United States, the first woman to be nominated as candidate for the American presidency, thought for a moment and then responded. The gutsiest thing she had ever done personally, she confessed, was to make the decision to stay in her marriage. The moment the words were out of her mouth, her daughter and co-author, Chelsea Clinton, clearly overwhelmed with emotion, reached out and held her mother's hand. Of course, that answer put the focus back on the Clinton marriage, the soap opera that so many of us lived through in the 1990s with its serial infidelities that culminated in the Oval office affair with Monica Lewinsky, and led to Bill Clinton's impeachment, rather than the book Hillary was talking up. But as the saying goes, all publicity is good publicity.

And certainly, *The Book of Gutsy Women – Favourite Stories of Courage and Resilience*, could do with some talking up. This is an enormous tome, running to 442 pages, which brings together the potted biographies of a series of remarkable women — some famous, others not so well known — whom the Clinton ladies believe qualify for the title of "gutsy women". It is a very worthy effort but just a teeny bit boring, because of the earnest and sometimes dreary tone of the writing.

You can't fault the Clinton ladies for organisation, though. The "gutsy women" of the title are divided into easy-to-sort categories. There are the Education Pioneers, the Earth Defenders, the Explorers and Inventors, the Advocates and Activists, the Storytellers, the Groundbreakers, the Women's Rights Champions... well, you get the drift. Some of these women just get a quick look in, with their life stories compressed to a few paragraphs, while the stories of others get more detailed treatment.



THE BOOK OF GUTSY WOMEN: Favourite Stories Of Courage And Resilience
Author: Hillary Rodham Clinton & Chelsea Clinton
Publisher: Simon & Schuster
Price: 799

There are chapters devoted to the usual suspects, the kind who keep turning up in books of this kind: Malala Yousufzai; Helen Keller; Greta Thunberg; Marie Curie; Florence Nightingale; Eleanor Roosevelt; Billie Jean King; Jane Goodall; and many others. And though the book provides no new information or even any particular insight into the lives of these particular women, you could argue that it would not have done to leave them out in a book of this kind even if it does make for dull reading.

In fact, the book only truly comes alive when the Clintons write about women that they know personally, whether it is Hillary's schoolteacher, Mrs Elizabeth King, who pushed her to excel, Geraldine Ferraro, the first woman to run for vice-president of the United States, or Betty Ford, another Former First Lady who did so much to break the stigma around addiction and spoke openly about her breast cancer diagnosis at a time when such candour was rare.

That same personal touch brings alive the story of Dr Mona Hanna-Attisha, the daughter of Iraqi immigrants to America, who first discovered that children in Flint, Michigan, were being poisoned by the lead in their water, and brought the water crisis to light. And the chapter on Coretta Scott King, the widow of Martin Luther King, sings because you can feel how moved Hillary and Chelsea are as they recount the highlights of her life.

My own favourite "gutsy woman" crops up near the end of the book. She is called Sophia Duleep Singh and is the daughter of the last Sikh Maharaja of India and a goddaughter of Queen Victoria. Brought up amidst immense wealth and protected by privilege, Sophia gets a rude awakening to the realities of life when she first travels back to India. Once she returns to England, she signs up with the Suffragist movement, refusing to pay taxes to a government that denied women representation. Sophia was among those intrepid women who stormed the House of Commons in 1910, demanding that women be given the right to vote, which was finally granted eight years later.

The only other Indian woman who gets a look in (if you don't count Indian-origin woman, Reshma Sanjani, who started the programme GirlsWho Code) is Ela Bhatt, who founded the Self Employed Women's Association (SEWA) in 1971. Hillary has had a long association with SEWA and Bhatt and recounts her first visit where nearly one thousand women arrived to hear her speak. "Fanning themselves in their sapphire-, emerald-, and ruby-coloured saris, they looked like an undulating rainbow," she recalls. After Hillary addressed them, all the ladies rose to their feet and began singing "We Shall Overcome" in Gujarati.

An overwhelmed Hillary writes, "In that moment, the thread connecting Gandhi's principles of nonviolence to the American civil rights movement came full circle, back to India."

It is moments like this that make plowing through this mighty manuscript worth your while. And which make it the ideal gift for young girls on the cusp of adolescence who need all the role models of "gutsy women" they can get.