

Damn intriguing

Economy needs more than Sardar Sarovar waters

YOGINDER K ALAGH

Sometimes nothing happens. Then it rains news. So, the Sardar Sarovar Dam is almost filled up and may actually spill over. I remember the battles fought. They would not let 1,200 Megawatts of hydro turbines. They would not want a 40,000 cusecs main canal. It was something new.

Babus like to tread the beaten path. I dug in my toes. But it is unproven technology. Well, so was the proposed PSLV rocket being developed by ISRO.

Serving well

A young Frenchman had designed the next biggest canal in Morocco, with a computer controlled delivery system. It halved distribution losses. Today, the biggest canal in the world will carry drinking water to areas which had delayed kharif sowing and fill their tanks, ponds and beels. The free power bonus will help an energy-starved region, supporting jobs for its youngsters and saving energy.

I remember visiting the areas where the proposed canal was to reach, in a village close to the border. An old lady with torn clothes gave me a very tasty meal and saying 'Saheb, Deem Joaay' (we want a dam). The Gandhian Chhuni kaka helped in rehabilitation. In the Adivasi area Anil Patel and Sudarshan lyengar in Arch Vahini did model rehabilitation projects.

Similarly in the Bahl, the depression between mainland North Gujarat and Saurashtra, Ushaben Mehta at Gundi near Lothal made me eat a wheat laadu, saying you must give us more water. Now their families must be getting more water.

But there's the sour part. My friend YSR Reddy's son has put

Chandrababu Naidu and his son under house arrest. With its Kashmir policy, the GOI has started a new 'normal'. If somebody is going to start a political agitation, put them under house arrest.

Of course the TDP, when it gets a chance, will not be a saintly party. Remember what it did to its founder.

It is easy to change democratic traditions. It is difficult to go back to the earlier state. In Karnataka, with stronger local democratic traditions from the days of Devraj Urs, the chief minister expressed mild disapproval on incarcerating an opposition leader.

'Stimulus' needed

Meanwhile we are at it again. The experts around the Prime

Minister and the former prime minister are busy grinding out counter-factuals to the falling GDP rates. Manmohan Singh wants more reform. But business wants a 'stimulus' desperately. My favourite growth economist, Paul Krugman, also does and predicted a hard landing otherwise with rising unemployment.

This means sacrifice. Resources will have to be raised and infrastructure outlays really increased, instead of exhortations to public sector undertakings to spend their own money. As a PSU chief said to me, "Sir, if I do it without diligence, the PAC will send me to jail, but if I get money and a directive from the GOI, I am protected."

When you are in a trough and need to get out, use your powers. Corporate India is waiting.

The writer is a former union minister



A suitable deputy governor for the RBI

A trained economist would be the ideal candidate for the job. But the thinking in official circles seems otherwise



HIMADRI BHATTACHARYA

The deputy governor in charge of monetary policy, among other responsibilities, left the RBI towards the end of July before completing his term.

The search for his replacement began right thereafter. Now there are reports that the government is unlikely to select anyone with a similar background for the vacant position.

Somehow, an impression seems to have gained ground in official circles that putting independent-minded trained economists with some global acclaim in senior positions in the government or in the RBI is not the right thing to do.

The early exit of as many as four such persons from the government and the RBI over the last couple of years, citing personal reasons, cannot be a sheer coincidence. There is certainly more to it than meets the eye.

Pivotal role

Like in any other major central bank, although the governor is the most important public face of the RBI, the deputy governors are really the persons that invigorate, sustain and occasionally refurbish that face. They together run the institution. As things stand now, the government can appoint no more than four deputy governors.

At the time of RBI's inception on April 1, 1935, the British authorities appointed two knighted gentlemen as deputy governors of the RBI, one of whom was an Indian — Sikandar Hayat Khan.

His selection was essentially a political one, as it was widely known then that his views and actions were sharply at variance with the mainstream nationalist movement of those days, although he had some credentials of being a successful entrepreneur with varied business interests, including in a regional bank. He left the RBI after six months to pursue his political ambitions.

The record and performance of the very large number of deputy governors in the subsequent years and decades do not lead to any general observation, as would be the case with any other public institution in a large democracy like India.

But a few indeed left their mark and legacy behind. One obvious name belonging to this exclusive category is the late SS Tarapore for his sharp intellect, hard-work, integrity and forthright views even on contentious issues.

The pattern of selection of deputy governors has changed over the years.

Beginning in the early 1980s, there has been a practice to appoint a top serving official of a public sector bank as deputy governor presumably to enhance the capabilities of the RBI in the area of banking regulation and supervision. However, it still remains an open question if the desired out-

come has been achieved, even barely, in this regard. Many have opined that the policy would have been better served if the search would not have been confined to public sector banks.

Similarly, there appears to be some pragmatic but tenuous realisation that there should be at least one trained economist of some repute who could lead the monetary policy function.

But with the long-held, and somewhat self-serving belief of the persons who matter, what counts most is the length of exper-



Behind the scenes The deputy governor drives much of the RBI's work

ience and the elevation of the positions attained in the government, even this bit of pragmatism is likely to get a short shrift in the days to come.

Domain knowledge

Ever since the early 18th century invention of 'fractional reserve banking' attributed to John Law, the job of central bankers became increasingly specialised with each passing decade.

The modern mainstream central banking evolved during this period, which witnessed lots of trial and error, innovations and, of course, failures and even dead-ends.

The remit of major central banks these days is to deliver macro-financial stability, even

though booms and busts in the financial sector happen with frustrating regularity, because in the words of the American author and biographer James Grant 'in finance and economics, we keep stepping on the same rakes.'

Nonetheless, a central banker can no longer afford to be a smart generalist with a common sense approach to everything.

The required skills are honed through years of intense interface with the real economy and the financial markets, among others, on the back of deep intellectual engagement that can be provided by formal training in economics or finance much beyond the baccalaureate level.

Yes, there have been notable exceptions to this *beau idéal*, but

those do not lead to any contrary conclusion in this regard.

Institutional arrangements

As the second decade of the new millennium is promising to end in a sour note for the Indian economy, questions are being raised not just about India's long-term growth strategy but also about policy autonomy and professional competence of the RBI.

No doubt, the mere mention of the word autonomy for a public institution such as the RBI generates a good deal of discomfort in the minds of many who tend to equate it with defiance and discord. However, it's time the public discourse on the relation between the government and the RBI forsakes its current monochromatic and one-dimensional proclivities.

More than ever in the recent decades, India now needs strong institutional arrangements and rich capabilities for economic and financial policy-making and this cause is not served by engaging in a puerile debate on whether the RBI should submit to the wishes of the government or, for that matter, if the RBI is an extended arm of the government.

Regardless of how expedient it may be to induct persons from the government without credible background into the top echelons of the RBI, such appointments will almost certainly be viewed with a good deal of doubt by the financial markets and will likely be seen as a back-door reversal of the earlier policy not to have any presence of the government in the Monetary Policy Committee.

To put it plainly, increased fiscal dominance in respect of monetary policy-making and regulation of banks and the capital markets by any means will not convey the right kind of signals to the financial markets, investors and even to the common men.

Through The Billion Press. The writer is a former central banker and consultant to the IMF

5 THINGS to WATCH OUT for TODAY

President Ram Nath Kovind will begin his seven-day visit to the Philippines and Japan to expand bilateral cooperation, the Ministry of External Affairs announced.

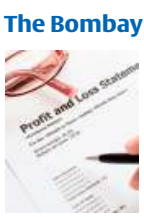
The President's first destination will be the Philippines where he will hold restricted and delegation-level talks with his Filipino counterpart Rodrigo Roa Duterte in Manila and attend business and community events during his stay from October 17-20.

Willem-Alexander, the King of the Netherlands, and his wife, Queen Maxima, will arrive in Kochi on a two-day visit. The Dutch Royals will arrive at 1 pm by a special flight from Mumbai. They will visit Mattancherry palace and Dutch company Ned Spice.



LinkedIn Events will be available to all members globally and across all platforms, starting first with the English-speaking markets. 'LinkedIn Events' enables members to create, share, and discover professional events.

The Bombay Stock Exchange will announce the second-quarter results of DHFL, PVR and South India Bank, among others.



Nubia will launch its gaming phone, Red Magic 3S, in India. This is an upgraded version of the Red Magic 3 that was launched in India earlier this year. The phone is powered by the Qualcomm Snapdragon 855+ processor. The phone is likely to be priced between ₹30,000 and ₹38,000.

What's wrong with K-Pop?

JINOY JOSE P

THE CHEATSHEET

Nothing! Everybody loves K-Pop, don't they?

Ha! K-Pop fan spotted. Sorry, we're not on the same page on this. In fact, a lot of people — parents, sociologists, music industry observers and policymakers in a few countries — now think the K-Pop mania is a cause for concern. Short for Korean Pop, this form of popular music originated in South Korea in the 1990s (older forms of Korean pop music are not taken to be part of the K-Pop we have now). Soon, it spread across the globe like wildfire (remember Psy and Gangnam Style that rocked year 2012?) and is now creating headlines for all the wrong reasons. The latest example is the death of 25-year-old K-pop singer Sulli — whose original name was Choi Jin-ri — just this week.

Ah, Sulli! How we miss her!

If you've been following the news, you'd know Sulli, who was part of the band f(x), was among the few celebrities who openly supported South Korea's abortion laws and

all her life she was known for controversial statements and stunts. These included her calls to girls to wear shirts without inner-wear, getting drunk on social media, and such. And she was quite vocal about her mental health problems, all of which made her the subject of online vitriol. And the police suspect cyber-bullying forced Sulli to end her life.

Oh dear!

Sulli is not the only K-Pop star to succumb to the pressures of the now-(in)famous K-Pop way of life. Recently, *grunge.com* listed 11 K-Pop stars who died before age 30. Almost all of them had tragic deaths, from accidents to suicide. Just two years ago, when 27-year-old Jong-hyun, who was the lead singer with the extremely popular K-Pop boy-band, SHINee, killed himself inside a Seoul hotel, he left a note saying he was broken from inside and was engulfed by depression. "I was so alone," he reportedly noted. Sulli too expressed similar feelings about her depression. It seems none got the help they needed despite being 'surrounded' by fans, agents and the media.

That's terrible.

And therein lies the rub. These unfortunate events and the rising popularity of music and art forms such as K-Pop reveal some unpleasant truths about the society we live in. For starters, K-Pop, despite its humble beginnings in the 1990s as a pastiche of European popular music, with Korean lyrics and African hip-hop's swashbuckling swag, is now a multi-billion dollar industry with bands such as BTS and Blackpink enjoying billions of downloads on online streaming platforms. The K-Pop bands contribute nearly \$4 billion to South Korea's economy now. And they do equally well across the globe. BTS is one of the most popular bands now and its singer-performers are worth millions of dollars.

Yes, I love BTS!

If you have noticed, the first popular song from the BTS, "No More Dream", reflects the very philosophy of the current crop of K-Pop. Most songs, according to some sociologists, speak to a generation that want to take life easy and look at their roles as citizens, students, children and wannabe adults differently. This means, ac-

ording to some pop culture experts, they shy away from confrontations and tend to slip into an escapist dystopia where hard realities of life do not feature in their entirety and rawness. K-Pop, for some, has become the new opium of the masses, whose palliative effect impacts the psyche of its fans as well as proponents.

Isn't it a generalisation?

Not many think so, considering the way K-Pop industry, fans and its stars function. In fact, the umbrella genre K-Pop belongs to — Hallyu — a "pandemic of trashy, shallow entertainment masquerading as culture" as critic Yonden Lhatoo recently put it. The industry forces the singers (most of them start at under-age levels) into shockingly exploitative contracts and painfully exhaustive training before they make it big. Most 'stars' soon crumble under this pressure and the latest spate of deaths are just the tip of the psychological nightmare K-Pop has become, say observers. And that's why the likes of Lhatoo calls it "an infectious disease", not a cultural export.

A weekly column that helps you ask the right questions

BusinessLine TWENTY YEARS AGO TODAY

OCTOBER 17, 1999

PM sets agenda for economic growth

The Prime Minister, Mr. Atal Bihari Vajpayee, has promised to accelerate economic reforms, develop basic infrastructure and remove bottlenecks to attract investment, including foreign direct investment. In his address to the nation, Mr. Vajpayee said his Government would introduce new laws for financial sector reforms so that India can keep pace with the rest of the world. He also announced that the Government would evolve a programme to achieve fiscal rectitude by improved expenditure management, deepening tax reforms and a new mechanism for speedier restructuring and disinvestment of public sector units.

Skoda seeks nod for own arm

Skoda Auto, a part of the Volkswagen group, has applied to the Foreign Investment Promotion Board (FIPB) seeking permission to set up a wholly-owned subsidiary for manufacturing its Octavia range of cars. In its application, the company has proposed to invest \$56 millions in the country through Skoda Auto India Pvt. Ltd, in keeping with the minimum \$50-million equity investment norms laid down by the auto policy for car-manufacturing ventures. The cost of the project would be around Rs. 500 crores, sources clarified.

\$80-m fall in foreign currency assets

India's foreign currency assets (FCA) continued to fall for the third consecutive week with a depletion of \$80 millions to \$30,051 millions during the week ended October 8. As a result, the total foreign exchange reserves were down to \$32,767 millions, according to the RBI's weekly statistical supplement. FCA had fallen by \$612 millions in the week ended October 1 and by \$139 millions in the preceding week.

EASY

ACROSS

01. Wounds (7)
05. Having stones laid (5)
08. Sparkling fleck, spot (7)
09. Correct (5)
10. Split-second timer (4-5)
12. Limb (3)
13. Triad (5)
17. Viper (3)
19. Honorable, respectable (9)
21. Delicious food for body or mind (5)
22. Sudden emergence, occurrence (7)
24. Kingly (5)
25. Wasted away (7)

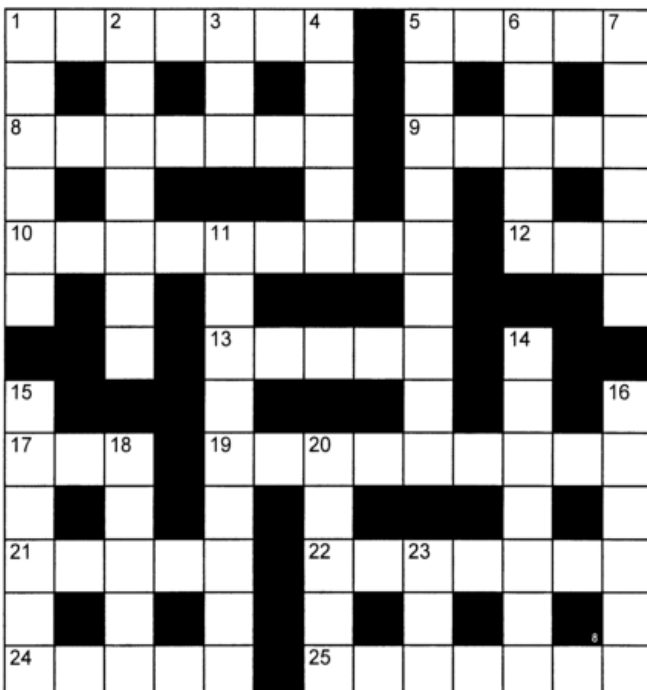
DOWN

01. Speak emphatically, at length (6)
02. Mistrustfully vigilant (7)
03. Floor-cover (3)
04. Bed linen item (5)
05. Old writing-surface (9)
06. Night-watch (5)
07. Childishness of old age (6)
11. Cataract (9)
14. Freedom (7)
15. Rock-breaking implement (6)
16. Piled (6)
18. Species of violet (5)
20. Haughty, arrogant (5)
23. Involuntary habitual response (3)

SOLUTION: BL Two-way Crossword 1467

ACROSS 01. Realm 04. Removed 08. Colon 09. Purists 10. Law 11. Entourage 12. Ends 13. Flop 18. Tollbooth 20. Sac 21. Obscure 22. Sheaf 23. Strides 24. Easel
DOWN 01. Recollections 02. Allowed 03. Manner 04. Repute 05. Marque 06. Vesta 07. Disrespectful 14. Listens 15. Absurd 16. Covers 17. Chaste 19. Loser

BL TWO-WAY CROSSWORD 1468



NOT SO EASY

ACROSS

01. June is right to burst out, but it hurts (7)
05. One may have prepared the way to be laid with flags (5)
08. Glittering decoration creates gap lens can correct (7)
09. What is true and fitting for the Conservatives? (5)
10. Don't go on with surveillance used for split-second timing (4-5)
12. Fifty, for example, in one part of darts match (3)
13. Number of Fates are there to be sorted out (5)
17. Snake eats up every other one (3)
19. Having a good name, but a leper in another guise (9)
21. Heavenly food held by a woman, naturally (5)
22. Sudden emergence of the poor cut to pieces (7)
24. Stag of twelve points with household at the palace? (5)
25. Low isle is indeed become rotten (7)

DOWN

01. How it's sin to sit around keep pressing! (6)
02. Looking green upset Saul and Joe (7)
03. Traveling-wrap may get by at Twickenham (3)
04. How these can be adapted as a rope at sea (5)
05. Writing material with which to match pen is about right (9)
06. Watch kept by girl right away after six (5)
07. Second childhood will do to get a change (6)
11. Linn showing the rain and what it will do (9)
14. Boat that takes sailors on leave has its statue (7)
15. Beat down the price of a knocker, maybe (6)
16. Piled up by principal when physical education was included (6)
18. Heart's-ease gives spy an altered aspect (5)
20. Standing clear of surface, pleased with one's achievement (5)
23. Involuntary twitch essential to elasticity (3)