

Rising device addiction

Productivity of the informal workforce is lowered

RAJKAMAL RAO

A 21-year-old male nurse, hired to care for an 81-year-old man suffering from severe dementia, repeatedly ignored pleas from the patient's wife to help set her husband bed. The nurse was busy on his device, having brought two smart-phones to work that day — each with sufficient charge to last his eight-hour shift. Having watched this happen repeatedly, that evening the woman, herself 75 years old and ailing, complained to the nurse's employer. He was fired.

As India's policymakers and telecom providers push ultra-cheap internet access — even Prime Minister Narendra Modi at the Houston mega rally with US President Donald Trump mentioned the low price for 1 GB of data — there's a dark side to device addiction that is rarely addressed. The cancer has spread from young children to college students; and now, to the entire workforce, including millions in the informal economy.

India produces a much lesser output per workday than it used to even a decade ago, at a time when the country should in fact be doing the opposite.

Addiction to devices is more dangerous than addiction to substances — alcohol, drugs or smoking — because device addicts start out much younger. Parents are complicit in this act, knowing that a smartphone can distract (and calm) a wailing child like no babysitter. After a year with a smartphone, the child wants nothing else.

Children like devices because they can control the environment — it is a world very different from reality. In a video game, if a character is hurt or killed, quitting and restarting brings it back to life. If the level gets too difficult, it is easy to dial it back a notch to fit within the player's abilities. Any learning that occurs is restricted to what the game developer had in mind. The ability to critically think is further re-

moved as children swipe and pinch their screens. These are hardly life skills young people should be learning.

Today's workers are losing the ability to talk, reason, listen or negotiate with other humans — the pillar skills that make a modern society function. When on their devices, they are in a state of bliss. The device never complains. It is never tired. It doesn't misunderstand or get upset. It doesn't show emotion or empathy, so there are no arguments or disputes. In such a comfortable zone, users can get whatever they want by commanding a device that is completely at their beck and call.

When devices are forcibly taken away from this environment — such as in an office meeting — addicts experience first-hand the difficulties of interacting with humans. This becomes uncomfortable, because in all real communication, the principle of give and take is inherent.

Device addicts are not used to such interactions, and so they long to return to the virtual world.

This is a serious problem globally. A few years ago, the *Washington Post* reported that in South

Korea — one of the best-wired countries — students diagnosed with Internet and device addiction are sent to government treatment centres. In China, militaristic government “boot camps” have treated millions of children. Japan, too, has trialed an Internet “fasting camp” for young people.

Device addiction in India's middle and upper-class families has been a problem for years now. But today, the addiction has spread to lower class workers in the informal and gig economy, which by some accounts supports 80 per cent of the domestic GDP.

The toothpaste is already out of the tube. It's going to be awfully hard to put it back.

The writer is Managing Director, Rao Advisors LLC, Texas

Realty revival package, not convincing

The AIF may revive economic activity and reduce NPAs. But it sends the wrong signals to developers guilty of malpractices



MADAN SABNAVIS

The ₹25,000-crore package for the real estate sector has been hailed as a panacea for a major part of its worries. As the package helps a select set of developers complete their projects — which were stalled primarily after being cut off from the financing channels due to slump in the sector and problems in the banking and NBFC segment — it prima facie looks positive. But this may be just a breather, not an actual cure for the challenges faced by the industry.

The scheme talks of the setting up of an Alternative Investment Fund (AIF) by the government, where ₹10,000 crore will be infused along with additional funds coming from the SBI and LIC — and probably sovereign wealth funds — which will sum up to ₹25,000 crore. The amount will be used to lend to around 1,600 projects which have approximately 4.6 lakh stalled housing units which remain incomplete.

Buyers needed

With this money, the builders can complete the projects and hence equilibrium will be reached. The AIF will include affordable and middle income group housing (where the value of a unit could be between ₹1.5-2 crore, depending on the location). The projects qualifying for the AIF would be those whose net worth, defined as the stock of sold and unsold inventory, is higher than the cost of completion of the project.

In the absence of any such measure which provided finance to projects, the situation would have been worse. Hence any help from the government is better than no assistance. The present scheme offers support even to those companies which are NPAs or have been referred to the NCLT, but not under liquidation. One can see two positive outcomes here. First, the companies will be able to complete their projects. For buyers who are in a state of limbo, this is good news, as their dwellings can be completed and handed over to them.

The second plus point is that the banks and NBFCs which have lent money to these projects will now receive their payments and thus will be better off. To this extent, the creation of new NPAs will be low.

But for this to happen, the units need to be sold to recover the dues to repay the banks. Hence, a lot depends on whether the stock is sold or unsold. If it is the latter, then the issue of demand arises, as buyers are needed to complete this ring of success. For this, it may be necessary for builders to lower the prices.

Anecdotaly it has been observed that the price correction is never really significant in places like Mumbai and Delhi, which are the two main centres besides other State capitals that have been identified. Will demand increase?

Purchasing power

Most of the problems that have been afflicting our economy in the last three years are on the demand side, which has affected supply.

The measure by the government is clearly on the supply side, which assuages the problems of the builders, but there should be purchasing power in the hands of the people so that

they are able to buy houses. Lower interest rates can only cushion payments, but the basic purchasing power is imperative.

Even if this does work out, there are estimates that the total amount of projects that are stuck could be valued between ₹4.3-4.5 lakh crore, and hence the amount of ₹25,000 crore may be not be adequate and could be biased towards the set of 1,600 projects that have been high-lighted.

Hence, while this is a good move to the extent of covering some projects, it is definitely not a cure for all developers.

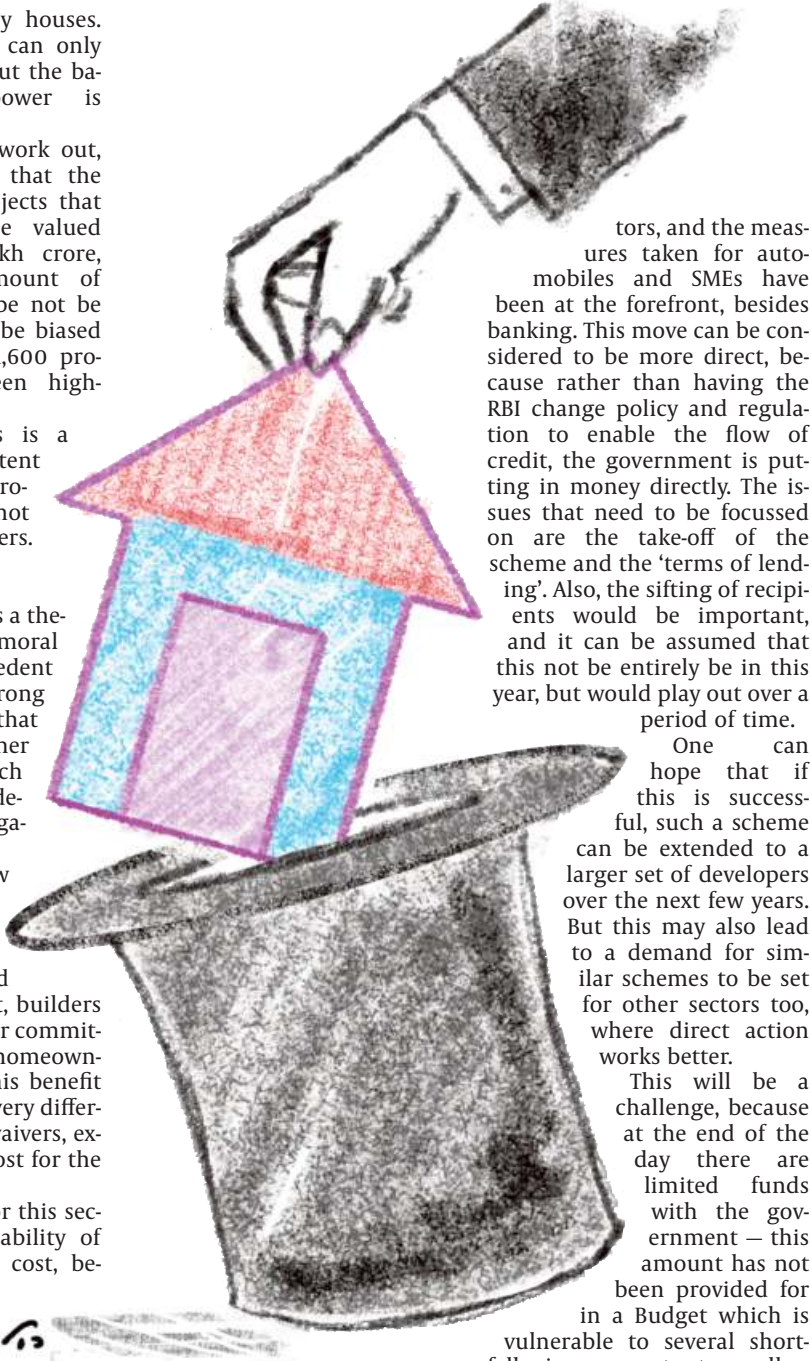
Direct involvement

In economics, there is a theoretical concept of ‘moral hazard’: once a precedent is set, there is strong reason to believe that there can be further such schemes, which make the beneficiaries default in their obligations.

Depending on how the scheme is re-structured in terms of the lending rate and the time provided for repaying the debt, builders may pull back on their commitments to potential homeowners, hoping to get this benefit in future. This is not very different from farm-loan waivers, except that there is a cost for the borrower.

But the problem for this sector was the unavailability of finance, rather than cost, because funding became difficult after the NBFC crisis began.

By opening this door, succour is provided to the sector to an extent, but given that the size of the problem is much larger,



the benefits would be to the targeted section only.

The government has evidently gone about addressing specific issues of various sec-

tors, and the measures taken for automobiles and SMEs have been at the forefront, besides banking. This move can be considered to be more direct, because rather than having the RBI change policy and regulation to enable the flow of credit, the government is putting in money directly. The issues that need to be focussed on are the take-off of the scheme and the ‘terms of lending’. Also, the sifting of recipients would be important, and it can be assumed that this not be entirely be in this year, but would play out over a period of time.

One can hope that if this is successful, such a scheme can be extended to a larger set of developers over the next few years. But this may also lead to a demand for similar schemes to be set for other sectors too, where direct action works better.

This will be a challenge, because at the end of the day there are limited funds with the government — this amount has not been provided for in a Budget which is vulnerable to several short-falls in corporate tax collections, GST, customs collections and disinvestment.

The writer is Chief Economist, CARE Ratings. Views are personal

5 THINGS to WATCH OUT for TODAY

■ **The final** decision on the formation of the government in Maharashtra is likely to be taken as the Congress meets with the Shiv Sena in Mumbai. This comes a day after the Congress Working Committee granted its in-principle approval to the party to form the government in the State along with the Shiv Sena and the NCP.

■ **A civil** society group, which includes former Union Minister Yashwant Sinha, will commence a four-day visit to Jammu and Kashmir. The group will assess the ground situation in the region after the Central government abrogated Article 370.

■ **Kerala-based** CSB Bank's initial public offer opens. The IPO consists of fresh issue up to ₹24 crore and an offer for sale of up to 1,97,78,298 equity shares. HDFC Life, ICICI Prudential and Edelweiss Tokyo Life Insurance Company will discard their share in the bank following the IPO.

■ **The Dalai** Lama will deliver two lectures at the Global Buddhist Congregation in Aurangabad. Lectures and sessions on various topics related to Buddhism will be held during the three-day event. The inaugural ceremony will take place in the presence of Mahanayaka Thero from Sri Lanka.

■ **India will** play its first day-night Test at Eden Gardens in Kolkata against Bangladesh. The 'pink ball' Test will begin from 2 pm, with breaks for tea and dinner. Newly-elected BCCI president Sourav Ganguly was instrumental in organising India's first-ever day-night Test match.

A THOUSAND WORDS



Off the beaten path A couple walks amid the fallen leaves of Chinar trees in a garden in Srinagar on Thursday REUTERS

EASY

ACROSS

- Showing courage (6)
- Don't lose ground (4,2)
- View held (7)
- Not keen (5)
- Leave out (4)
- Deep sleep, stupor (4)
- Spanish gentleman (3)
- High wind (4)
- Change houses (4)
- Not within-doors (3)
- Common sense, intellect (4)
- Prima donna (4)
- Place of contest, sphere of action (5)
- Put an end to (7)
- Roving, quixotic (6)
- Method, fashion (6)

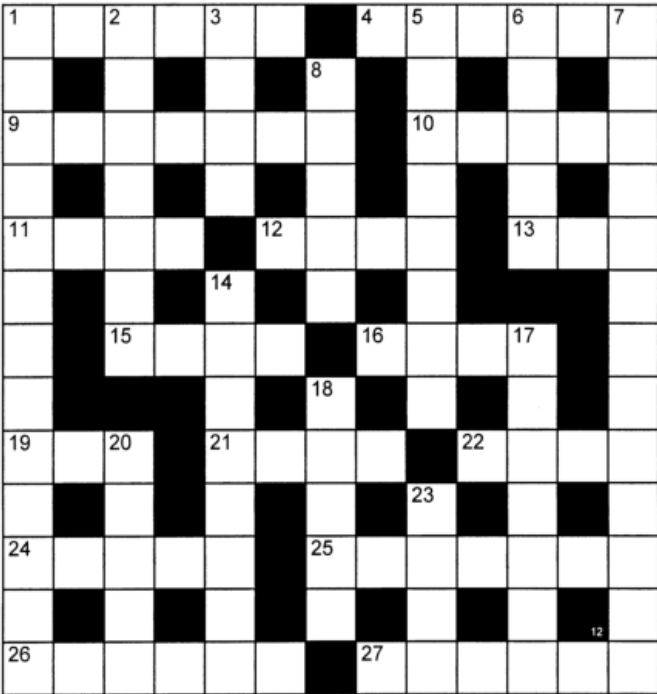
DOWN

- In fit proportion (13)
- Joining, marrying (7)
- Wavy-bladed Malay dagger (4)
- Depict heraldically (8)
- Sterling unit (5)
- Highly glossy shoe material (6,7)
- Feel with pleasure (5)
- Roadside plant (8)
- Form in which book is published (7)
- Of mankind (5)
- Of them (5)
- End section of musical movement (4)

SOLUTION: BL Two-way Crossword 1491

- ACROSS** 01. Profound 07. Louse 08. Canteen 09. Excused 10. Link 12. Younger 14. Deposit 17. Flux 18. Conform 21. Potable 22. Ozone 23. Gradient
- DOWN** 01. Pickle 02. Owning up 03. Over 04. Ninety 05. Fuss 06. Bender 07. Lecture 11. Restore 13. Gullible 14. Doctor 15. Temper 16. Expect 19. Noon 20. Stud

BL TWO-WAY CROSSWORD 1492



NOT SO EASY

ACROSS

- Courageous use of fortune in Paraguay (6)
- Stay abreast of maintenance, switching parts (4,2)
- A view that is sanctimonious in a source of tears (7)
- To be outspoken, it won't cut (5)
- Don't put it in if I'm to change it (4)
- State of stupor when company takes a thousand in (4)
- Put it on with authority in college (3)
- Georgia gets the French wind up (4)
- Shift one's turn at chess (4)
- Dismissed beginners on usual terms (3)
- Common sense will finish off 19 between the poles (4)
- Top soprano is keen to make a comeback (4)
- Where public contest comes near a catastrophe (5)
- Do away with ash boil it instead (7)
- Sort of knight once involved in barter ran terrorists (6)
- The way one has with name the Navy put out (6)

DOWN

- In due ratio too proper a tin can be put out (13)
- Getting together with gun in it perhaps (7)
- Malay dagger to chance putting its end first (4)
- Am noble about last character to depict it in heraldry (8)
- A quid to use a pestle on (5)
- Patient lost one he later changed to something glossy (6,7)
- Take pleasure in one confused with jay after a loss (5)
- Plant a banana in India (8)
- Form of book published it in ode style (7)
- It's just like us when Nazi takes Mother in (5)
- At end of August man inherits what belonged to them (5)
- Last of the music company? Yes, to a Russian (4)