



## Facing up to IT

Stringent visa rules around the world pose the stiffest challenge for Indian IT companies

A globalising world enabled the spectacular rise of India's information technology industry over the last couple of decades. The IT sector not only pulled up the GDP but also came to symbolise young India's aspirations. With the world now bending towards protectionism, it faces a challenge to its talent-centric, software export model. In recent weeks, a slew of countries, which are estimated to account for three-fourths of the industry's revenues, have placed stricter rules on their companies getting talent from overseas. Whether the challenge of protectionism fades out or deepens over a longer time horizon will depend on the global economic outlook. The visa rule changes for Indian tech personnel weren't wholly unexpected, especially after Brexit and Donald Trump's victory in the U.S. on the back of, among other things, promises to put the brakes on outsourcing. Only, now governments are acting upon such rhetoric in some countries, including the U.S., the U.K., Singapore and Australia. President Trump signed the 'Buy American, Hire American' executive order last week, seeking to raise the bar for the award of H-1B visas, an important route for Indian companies, so that they are given to the "most-skilled or highest-paid" beneficiaries. Earlier this month, the U.K. scrapped a category of short-term visas that have been used extensively by Indian companies to get their IT professionals on-site. The Australian equivalent of this is the recent junking of what are called the '457' visa rules. Singapore has reportedly kept approvals for work permits on hold for a while now.

It is still too early to gauge the exact impact on IT companies, in part because much depends on their ability to rework their operational models to do less on-site. As it is, it is a challenging time for the industry - with slowing business growth, a strengthening rupee, not to speak of the difficult transition from a traditional model that was based on making money by building custom solutions and undertaking maintenance to one that is cloud-based. Industry lobby Nasscom, which in February quite unprecedentedly put off its annual revenue forecast by a quarter amid uncertainties on the policy front in the U.S., has in recent days sought to counter the impression that it is Indian IT companies that are getting the lion's share of H-1B visas for Indian nationals. Those who believe the challenge will blow over take heart from the fact that there is no legislation hurting outsourcing on the immediate horizon and the belief that the developed world cannot really do without India's IT skills. The government, which has reportedly sought a World Trade Organisation-backed framework to facilitate trade in services in the light of rule-tightening by the developed countries, is naturally concerned. The industry, which employs over 3.5 million people and earns over \$100 billion in export revenues, is now navigating a world with walls.

## No full stops

Bhutan's exit from the 'BBIN' agreement should not hold up the road-sharing pact

Bhutan's announcement that it is unable to proceed with the Motor Vehicles Agreement with Bangladesh, India and Nepal is a road block, and not a dead end, for the regional sub-grouping India had planned for ease of access among the four countries. The sub-grouping, BBIN as it is referred to, was an alternative mooted by the government after Pakistan rejected the MVA at the SAARC summit in Kathmandu in 2014. It seeks to allow trucks and other commercial vehicles to ply on one another's highways to facilitate trade. Of the other SAARC members, Sri Lanka and the Maldives are not connected by land, and Afghanistan could only be connected if Pakistan was on board. Down to just three countries now after Thimphu's decision, India, Nepal and Bangladesh will have to decide whether to wait for Bhutan to reconsider or to press ahead with a truncated 'BIN' arrangement. The first option will not be easy. The main concern expressed by Bhutanese citizen groups and politicians is over increased vehicular and air pollution in a country that prides itself on ecological consciousness. The upper house of parliament has refused to ratify the MVA that was originally signed by all four BBIN countries in 2015, and the official announcement indicates that Thimphu will not push the agreement ahead of elections in 2018.

Despite the setback, New Delhi must persevere with its efforts. To begin with, Bhutan's objections are environmental, not political, and its government may well change its mind as time goes by. Dry runs have been conducted along the routes, and officials estimate the road links could end up circumventing circuitous shipping routes by up to 1,000 km. Second, Bhutan's concerns may be assuaged if India considers the inclusion of waterways and riverine channels as a less environmentally damaging substitute. Perhaps, Bhutan's objections may even spur an overhaul of emission standards for trucks currently plying in India, Nepal and Bangladesh. Above all, the BBIN pact denotes a "candor" attitude on India's part, as it shows a willingness to broaden its connectivity canvas with all countries willing to go ahead at present, leaving the door open for those that may opt to join in the future. A similar initiative for the Asian Highway project under the BCIM (Bangladesh-China-India-Myanmar) corridor got a boost this week as the countries moved to upgrade the dialogue to the governmental level. Although India has refused to attend China's Belt and Road summit on May 14-15, objecting to projects in Pakistan-occupied Kashmir, the BCIM will remain a way of joining the network when India's concerns are met. Connectivity is the new global currency for growth and prosperity as it secures both trade and energy lines for countries en route, and India must make the most of its geographic advantages.

# India's choices as America 'asks'

The government will have to take a call, and quick, on how to engage with the U.S. on Afghanistan



SUHASINI HAIDER

During his inaugural address in January 1961, U.S. President John F. Kennedy famously asked his fellow Americans: "Ask not what your country can do for you; ask what you can do for your country." In 2017, it is a question that U.S. President Donald Trump is posing to the world, as he begins to set his imprint on American foreign policy.

In the past few weeks, the one campaign promise Mr. Trump's actions have held fast to is "America First" and to make every other country "pay its dues". As a result, he has backed away from his earlier tough position on declaring China a "currency manipulator" after his meeting with President Xi Jinping, but the quid pro quo is clear: China must rein in North Korea, particularly its plans for a nuclear test.

### Asked to pay up

Mr. Trump's decision to dispatch Vice President Mike Pence, Defence Secretary James Mattis and Secretary of State Rex Tillerson to meet allies in Europe and Asia was received with a sense of relief after worries that he would renege America's presence globally. But the message of reassurance came with a rider, as Mr. Trump met NATO Secretary-General Jens Stoltenberg this month and then with Italian Prime Minister Paolo Gentiloni, and stressed the need for NATO allies to "pay what they owe", 2% of their GDP, for security. Similar messages were pressed home to Japan, South Korea and



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Australia.

Despite bombing a Syrian airbase, as reprisal for what it said was a chemical attack by Syrian President Bashar al-Assad, America's engagement in the region hasn't increased either. Mr. Trump's meetings with Egyptian, Jordanian and Turkish leaders all contained a common demand: that each of their countries step up its fight to counter the Islamic State (IS) in the region. Security Council representatives visiting the White House this week were reminded that the U.S. pays for 22% of the UN's budget and almost 30% for UN peacekeeping. Mr. Trump termed this "unfair".

It is in this context that last week's visit to the region by U.S. National Security Adviser H.R. McMaster must be studied. To begin with, the timing of the visit seemed linked to the bombing of what the U.S. Army claimed were hideouts of IS-Khorasan (IS-K) terrorists in Afghanistan's Nangarhar province, using what they crudely referred to as the "mother of all bombs" (MOAB), the GBU-43/B Massive Ordnance Air Blast bomb.

Those hoping the bombing meant the U.S. was now showing an interest in its commitment to security in Afghanistan hoped too early, as the bombing has not been followed by any clarification of U.S. strategy. Instead, once the dust

settles in Nangarhar, and the U.S. reverts control of the areas pummeled by the largest non-nuclear weapon in the American arsenal, a closer analysis of what was achieved will be necessary. If anything, bombing IS-K targets at that time took the focus away from the Taliban, which then carried out their single most deadly attack on the Afghan Army in the past decade and a half at the Mazar-e-Sharif military base.

### Cost-benefit analyses

Setting aside the MOAB debate, however, Gen. McMaster's visit to Kabul, Islamabad and New Delhi fits into the pattern of the Trump administration's foreign policy mantra: Ask not what the U.S. can do for Afghanistan, he is understood to have told his interlocutors, ask what you can do for the U.S. in Afghanistan.

Even in his apparently rough dealings with the Pakistani generals, Gen. McMaster pushed for action against groups operating in Afghanistan, avoiding the language of the Obama administration, that included the Lashkar-e-Taiba and the Jaish-e-Mohammad in their public comments on Pakistan. It would be safe to assume that given the pattern of the past few weeks, the question "ask not..." will also be put in far clearer terms by Mr.

Trump to Prime Minister Narendra Modi, when he visits the White House, as he is expected to later this summer.

For India, then, the challenge is twofold: to decide not just what, if anything, it is prepared to do to help the U.S. in security and peacekeeping efforts in Afghanistan, but also what it would like to see in clear terms in return. The former has been debated in hushed tones since September 2015, when Mr. Obama is understood to have asked India for a commitment on defence participation in Afghanistan.

While "boots on the ground" leads to instant recoil in India, and even the Afghan government has repeatedly said it does not require any more foreign presence, there are other ways India is going to be asked to contribute: from providing defence equipment, to training soldiers in Afghanistan (as opposed to in India, where at present capacity, only about 300 Afghan soldiers are being trained), as well as technical teams on the ground to repair and maintain military hardware.

From the American perspective, given the growing attrition of Afghan Army forces and uptick in violence in 2016, the need for more assistance from India is clear. As a western diplomat said recently, "Mr. Modi must know that his meeting with Mr. Trump is a 'Yes or No' moment. If it is Yes, he will have to deliver quickly. If it is No, that too will have deep consequences." Hedging in the manner Delhi was earlier able to do over joint patrols in the Indo-Pacific may no longer be an option.

### Fast-forward on pacts

Apart from Afghanistan, it is also clear that defence ties will drive the India-U.S. relationship for the foreseeable future. The U.S. wants India to move quickly on the other

'foundational agreements', the Communications Interoperability and Security Memorandum of Agreement and Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation as India completes formalities for the Logistics Exchange Memorandum of Agreement this week.

On hardware too, there will be the "ask", as the U.S. looks for Indian defence purchases, and "America First" clashes with "Make in India" about where that hardware will be built. India's concerns on tightening H-1B visas will be met with the American demand that Indian multinational corporations and tech companies operating in the U.S. hire more Americans and give more concessions on trade and intellectual property rights. It is unclear whether India's demands for American heavy-lifting on the Nuclear Suppliers Group membership issue this June or on climate change financing will be taken very seriously given Mr. Trump's other preoccupations.

In the face of this altered pattern of engagement that India must navigate with the new America, then, Mr. Modi has limited options ahead of his meeting with Mr. Trump: to coast along and ride out the impending storm of demands, or to reject the transactionalism inherent in these "asks from America" and steer his own course. In Afghanistan in particular, India must bolster its bilateral delivery on defence assistance, rather than be co-opted in the U.S.'s plans which frequently change according to its own cost-benefit analysis. In so doing, India may also recover some of the equilibrium in its ties with other world powers that have seemed more distant in recent years.

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# Generic medicines in a digital age

We need a legal mechanism to ensure that all generics are of the same standard as the innovator product



DINESH S. THAKUR & PRASHANT REDDY T.

The Prime Minister's recent announcement on making it mandatory for doctors to prescribe only the generic name, and not brand name of a drug, has led to a flutter. If enacted, the move will make it illegal for Indian doctors to write out a prescription for the trademark of the drug, forcing them to mention the chemical name instead. If implemented properly, the hope is that pharmacists will fill the prescription with the cheapest generic drug in the market rather than being forced to dispense a more expensive brand as prescribed. Whether pharmacists will play by the book is anybody's guess.

### Are all generic drugs equal?

A more pressing question at this stage is whether all generic medicines in India are of equal quality. The U.S. and the European Union have ensured that generic drugs are therapeutically equal to the innovator drug by making bioequivalence (BE) testing compulsory. This means that generic formulations

are tested on healthy volunteers to ensure that they have the same physiological characteristics as their innovator counterparts. These BE studies are much cheaper and carry little risk when compared to clinical trials conducted by the company that gets approval for the innovator product. Once bioequivalence is established, a generic drug is legally certified to be of the same quality to replace the innovator product and can therefore be interchanged for the innovator product. Even the World Health Organisation (WHO) and Médecins Sans Frontières (MSF) purchase only bioequivalent drugs for their programmes. Until earlier this month, India mandated BE studies for only those formulations seeking approval within four years of the innovator product getting approval. As a result, most generic drug manufacturers sought marketing approval from the fifth year onwards, effectively evading the requirement of conducting BE studies. On April 3, the Ministry of Health finally amended the Drugs & Cosmetics Rules to make BE testing of all highly soluble drugs compulsory. It is a much welcome move.

What of the quality of generics approved prior to April 3? Did the manufacturers of these generic drugs voluntarily conduct BE studies? We do not know. If there is no proof of bioequivalence, should



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doctors be forced to make this choice? The ethical answer is a simple no. If the government wants to make the prescription of generics compulsory, it needs to put in place a legal mechanism to guarantee that all generics, especially those introduced prior to April 3, are bioequivalent to the innovator product. It would be unconscionable to restrict doctors to prescribe drugs which they know do not work as promised.

At the very least, the government should require companies to self-certify their drugs to indicate whether they are in fact bioequivalent. A simple logo on the drug's packaging to indicate whether a drug has been tested for proof of bioequivalence, along with the trial ID number listed on the Clinical Trials Registry India, should be made mandatory.

Even presuming successful BE

studies, a drug can fail for a variety of reasons. It may lack stability and break down due to heat or humidity. These substandard drugs are a dangerous problem, especially in government-run hospitals.

### Drug quality in India

According to the government's most recent survey of the quality of drugs in India, 10% of all drugs from 'government sources' tested NSQ, or not of standard quality. A NSQ drug will compromise patient health. These numbers are shocking. An earlier report of the Comptroller and Auditor General had revealed that the Armed Forces Medical Stores Depot, which serves armed forces personnel, had reported the percentage of locally procured drugs that were substandard at as high as 32% in one year!

The challenge for the government is to balance its policy objectives of taking the power of the doctor away to prescribe brand name drugs with the reality that generic drugs in India are of questionable quality. The solution does not lie in more laws, but in providing more information to the consumer. Drug regulators in India have a vast trove of information on substandard drugs which they need to release into a searchable database. This is easier said than done because India has 36 drug regulators - one for each State/Union Territory and the

Central regulator. Each of them conducts periodic testing of samples drawn from pharmacies. This testing generates three data sets which need to be publicly available. The first is the laboratory test report, the second is the investigation report by drug inspectors of drugs which have failed testing, and the third is the criminal complaint filed in court against the manufacturer along with the final judgement of the court. If this information is made available over the Internet, the government will truly empower hospital procurement officers, pharmacists and patients with information required to avoid products of manufacturers with a poor quality record.

### For an IT bridge

The government must seriously consider using IT tools to network all 36 drug regulators into one integrated national database. This can then be accessed by every citizen over a smartphone. The essence of the "Digital India" initiative is to empower the citizen. What better way to do this than to provide them with information that will protect them from substandard drugs?

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## LETTERS TO THE EDITOR

Letters emailed to [letters@thehindu.co.in](mailto:letters@thehindu.co.in) must carry the full postal address and the full name or the name with initials.

### Internal security woes

Kashmir is burning, yet the Prime Minister maintains a stoic silence. Is this silence on crucial issues linked to recent electoral gains by the BJP? I am sure that faced with a similar situation, Nehru would have rushed to Kashmir and tried to pacify the agitators. I fail to understand why things are being allowed to drift. Apart from the Prime Minister, the Home Minister has also stayed put in Delhi. It is clear that the Army which has been based in Kashmir for years has only alienated itself from the masses ("Ultras hit J&K Army camp, kill 3", April 28).

S.S. RAJAGOPALAN,  
Chennai

Our defence forces appear to be always in 'defensive mode', facing grave danger from Kashmir-based terrorists, stone pelters, and now Maoists. We need to emulate the daring example of Israel's strike force units and take on all these elements. There needs to be a coordinated strategy to

sweep them out as they only appear to be getting bolder by the day. India is far larger than Israel but is still struggling to save its soldiers. In contrast, Israel has made a mark for itself with its aggressive strikes and pre-emptive actions. It is shocking that the Maoists had advanced weaponry and equipment. India must transform itself into an aggressive nation when it comes to dealing with anti-national forces.

K.V. SAIYAMURTY,  
Mumbai

The Kashmir issue has reached the zenith of violence where, shockingly, even women have joined hands with the protesters. The issue has been allowed to drift for too long. There has to be some kind of a meet with representatives of the youth. The security threat to Kashmir should be dealt with with an iron hand. The Prime Minister has to take a leaf out of Atal Bihari Vajpayee's book.

J.B. ROHIT,  
Kollam, Kerala

### Court on Lokpal

The fact that implementation of the Lokpal Bill has not seen the light of day only shows the disinterest exhibited by our political parties fearing skeletons in their cupboards ("No barrier to naming Lokpal: SC", April 28). After Prime Minister Narendra Modi's triumph in the Lok Sabha election, in part due to his promise of transparent governance, and, later, in his efforts to root out corruption and black money through demonetisation, it was expected that the issue of appointment of the Lokpal chairperson would be resolved. However, the BJP's taking shelter under the pretext of there being no recognised Leader of the Opposition (LoP), and its preference to maintain status quo show that the party is not walking the talk. It is a clear let-down for the middle class that voted for the BJP in the hope that it is a party with a difference. Now that the Supreme Court has given the go-

ahead, even in the absence of an LoP, the government needs to act quickly; else its claim as a crusader against corruption will only weaken.

V. SUBRAMANIAN,  
Chennai

### DGP's tenure

In 1964, the Supreme Court, while quashing Punjab Chief Minister Partap Singh Kairon's decision to suspend a highly placed government doctor, observed that before doing so, they were conscious of the high position held by the Chief Minister of a State but were compelled to interfere because the power was utilised for a collateral purpose, which is alien to power itself. Such cannot be said in the case of reinstating the Kerala DGP. The two-year tenure period is not inviolable as to not admit of any exigencies. Public opinion over the handling of the Kollam fireworks tragedy and the rape of a Dalit woman may, in the bona fide opinion of the Chief Minister, be a good

ground to interfere with the DGP's tenure. Can the Supreme Court interfere merely on the ground that he has a two-year tenure and, therefore, according to the *Prakash Singh* case, that the Chief Minister's decision is bad? It is true that well-placed police officials need protection. On that score, can you deny elbow space for elected representatives to govern the State in the people's interest?

N.G.R. PRASAD,  
Chennai

### Suave actor

Vinod Khanna's splendid performances will always be remembered. Most of the roles he portrayed displayed his acting prowess. Who can forget his acting in "Mera Gaon Mera Desh", "Sachcha Jhoota", "Kuchhe Dhaage", "Imtihan", "Qurbani" and "Chandni"? Even in films starring megastar Amitabh Bachchan, where Vinod was the co-star, he made his presence felt.

RAVI PATIL,  
Coimbatore

Vinod Khanna was a suave actor and handsome hero who blended good acting skills with wonderful 'dialogue delivery'. His transformation from villain to hero was stunning. His performance in the film "Imtihan", as a professor affected by false charges of harassment by a student, can be considered as one of the finest performances by an actor in India to date.

R. SEKAR,  
Visakhapatnam

Bollywood has lost yet another gem. Vinod Khanna's good looks and acting versatility are what made him the heartthrob of millions of movie-goers. Among his memorable hits, one can count "Muqaddar Ka Sikandar", "Amar Akbar Anthony", "Qurbani" and "Dayavan" as among the top. Though he had all the traits of a superstar he never became one, which is regrettable.

N.J. RAVI CHANDER,  
Bengaluru

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