

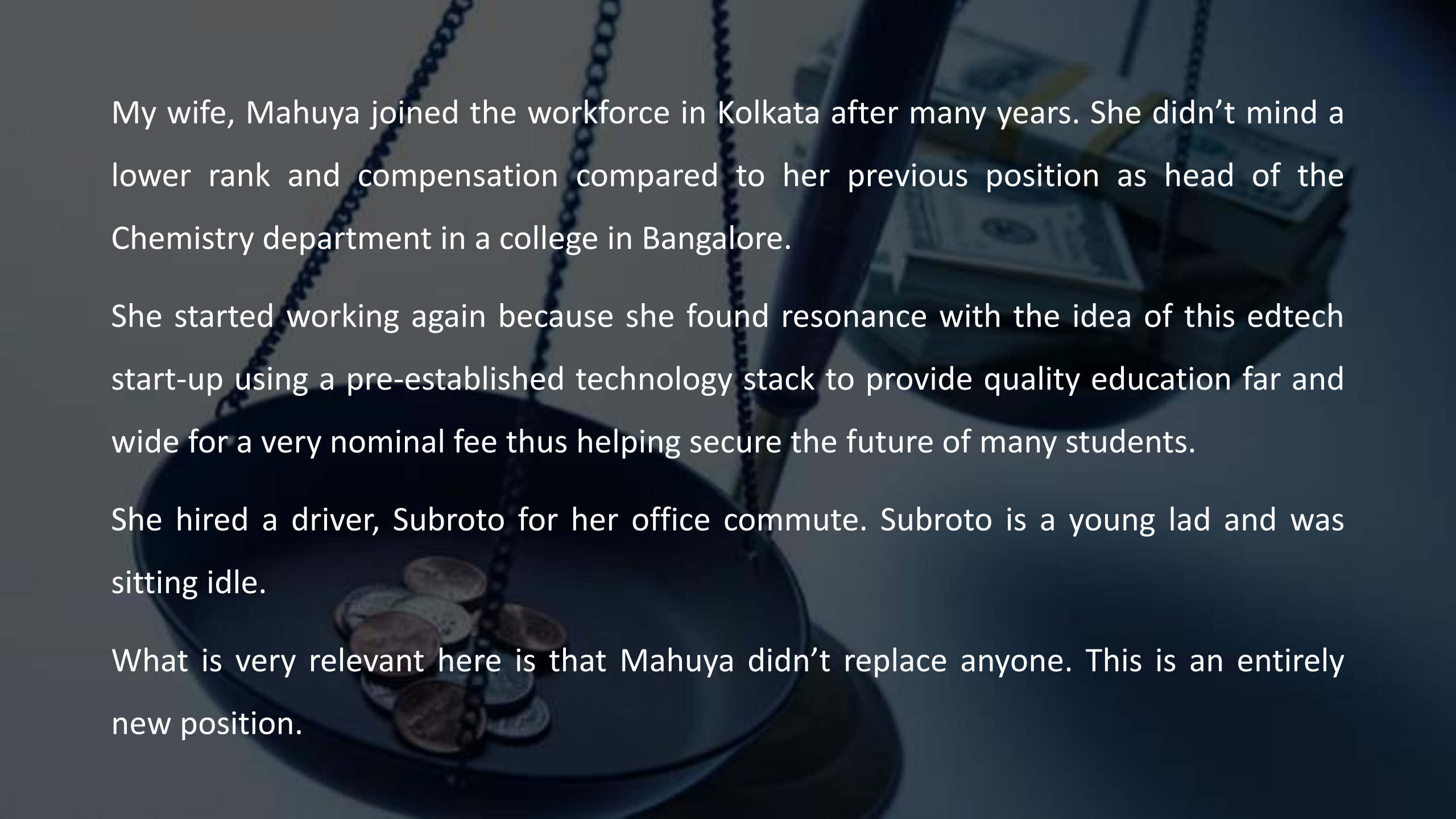


Embrace
Income
Inequality and
Unemployment

- By Arindam Dutta

Caerus3 Advisors

Advisory | Assurance | Think-Tank

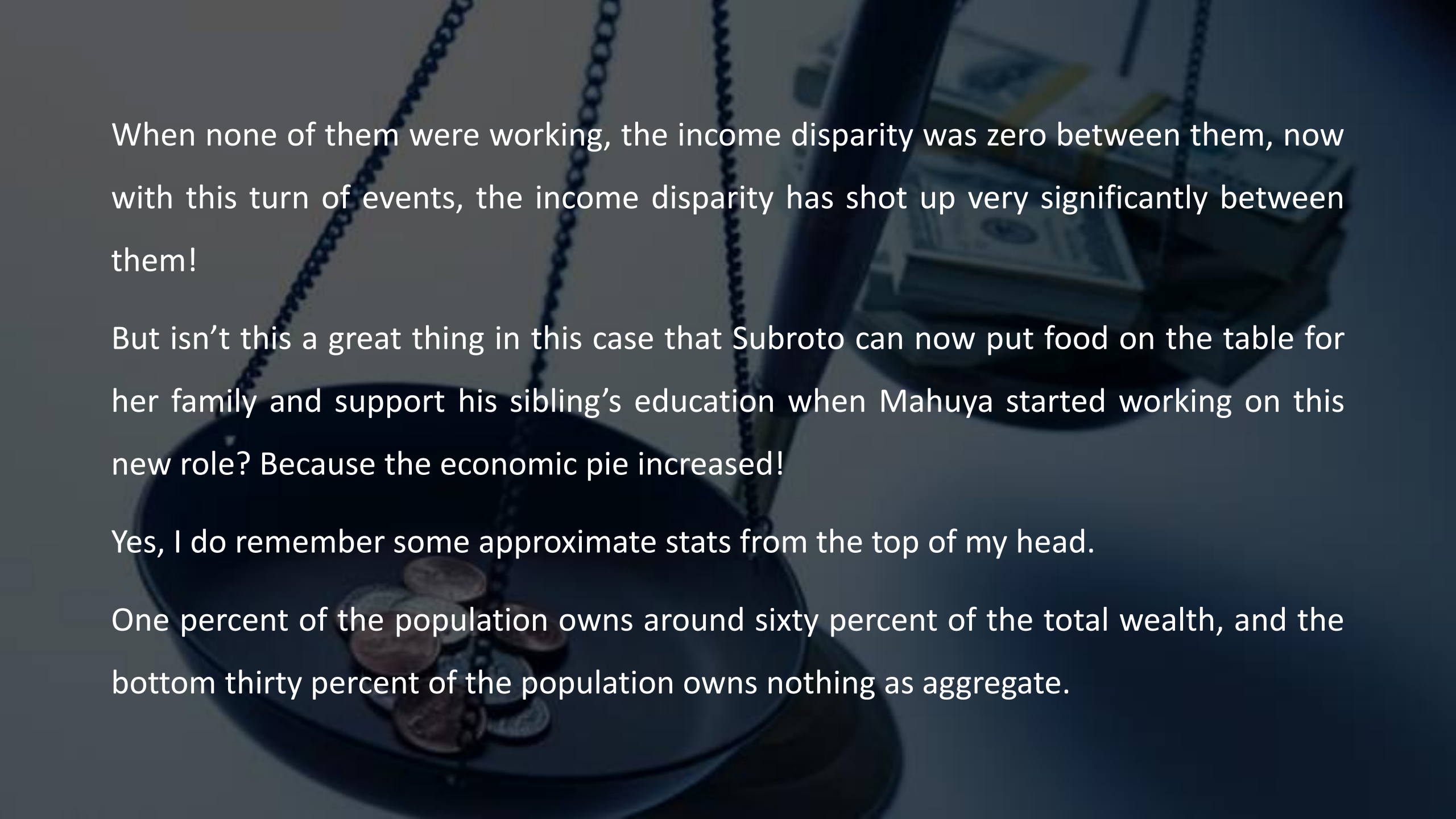


My wife, Mahuya joined the workforce in Kolkata after many years. She didn't mind a lower rank and compensation compared to her previous position as head of the Chemistry department in a college in Bangalore.

She started working again because she found resonance with the idea of this edtech start-up using a pre-established technology stack to provide quality education far and wide for a very nominal fee thus helping secure the future of many students.

She hired a driver, Subroto for her office commute. Subroto is a young lad and was sitting idle.

What is very relevant here is that Mahuya didn't replace anyone. This is an entirely new position.

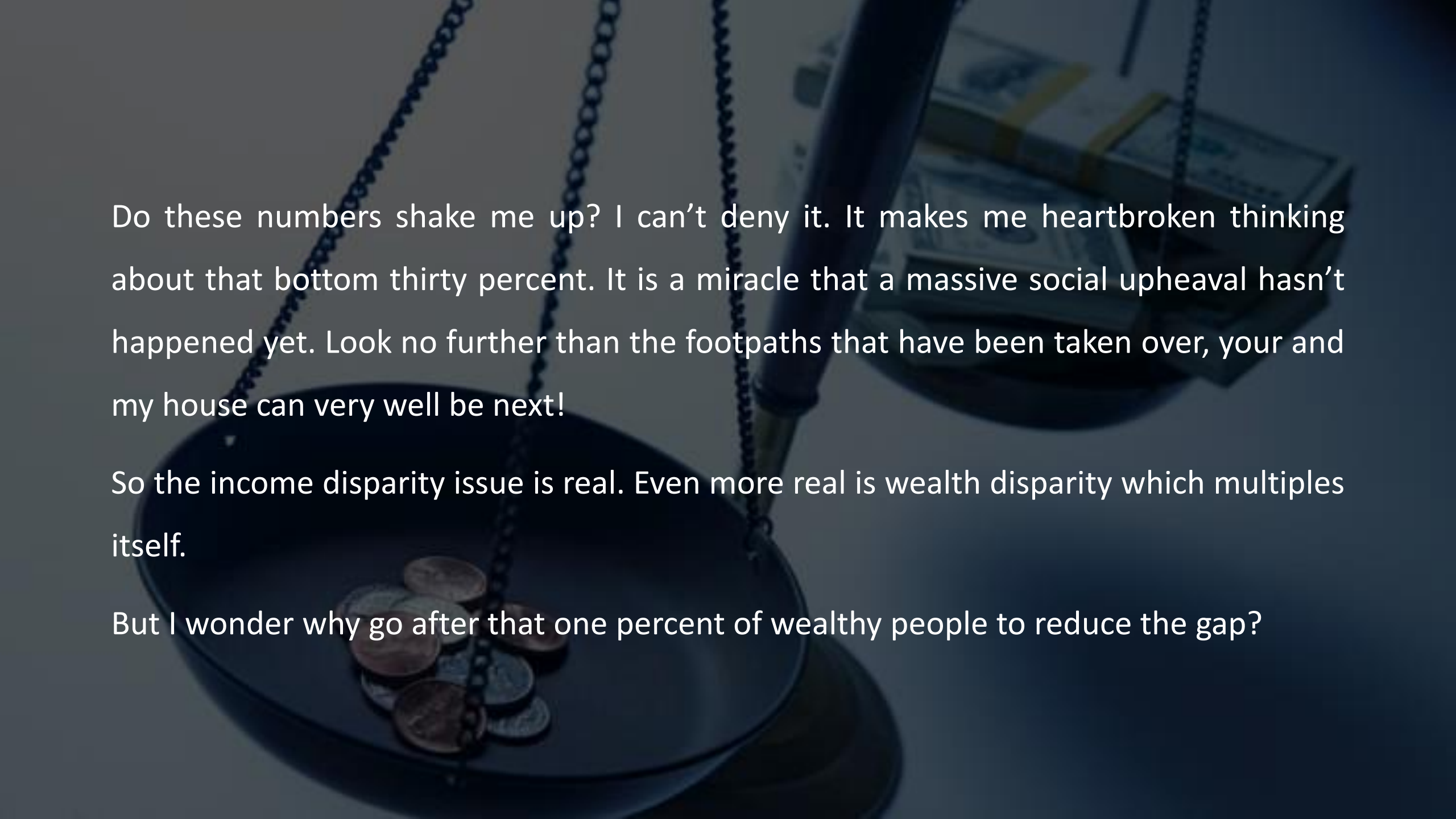


When none of them were working, the income disparity was zero between them, now with this turn of events, the income disparity has shot up very significantly between them!

But isn't this a great thing in this case that Subroto can now put food on the table for her family and support his sibling's education when Mahuya started working on this new role? Because the economic pie increased!

Yes, I do remember some approximate stats from the top of my head.

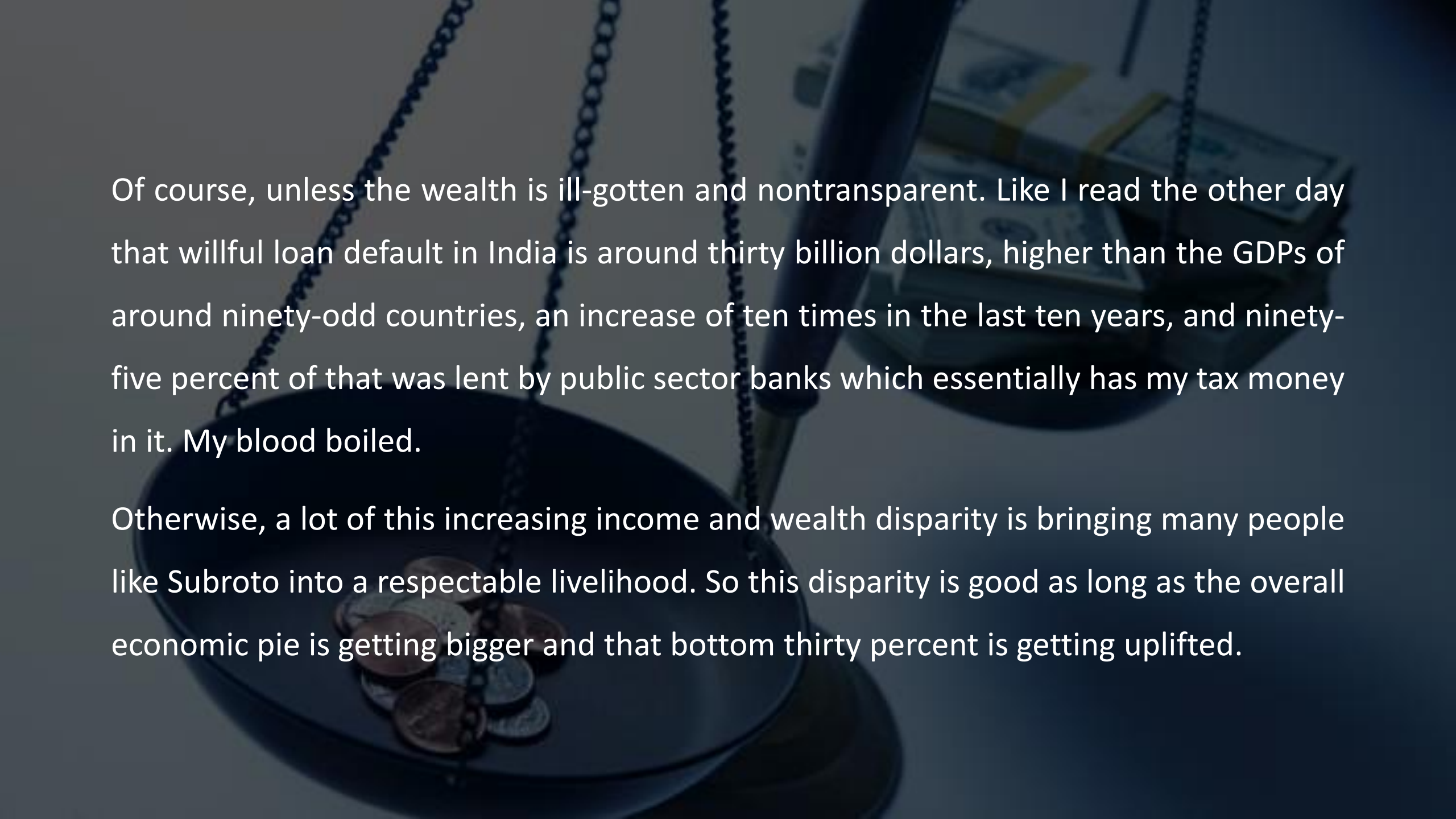
One percent of the population owns around sixty percent of the total wealth, and the bottom thirty percent of the population owns nothing as aggregate.

A pair of scales of justice is shown, with a pen resting on the right pan and a stack of money on the left pan. The scales are slightly tilted, with the right pan being lower. The background is a dark, textured surface.

Do these numbers shake me up? I can't deny it. It makes me heartbroken thinking about that bottom thirty percent. It is a miracle that a massive social upheaval hasn't happened yet. Look no further than the footpaths that have been taken over, your and my house can very well be next!

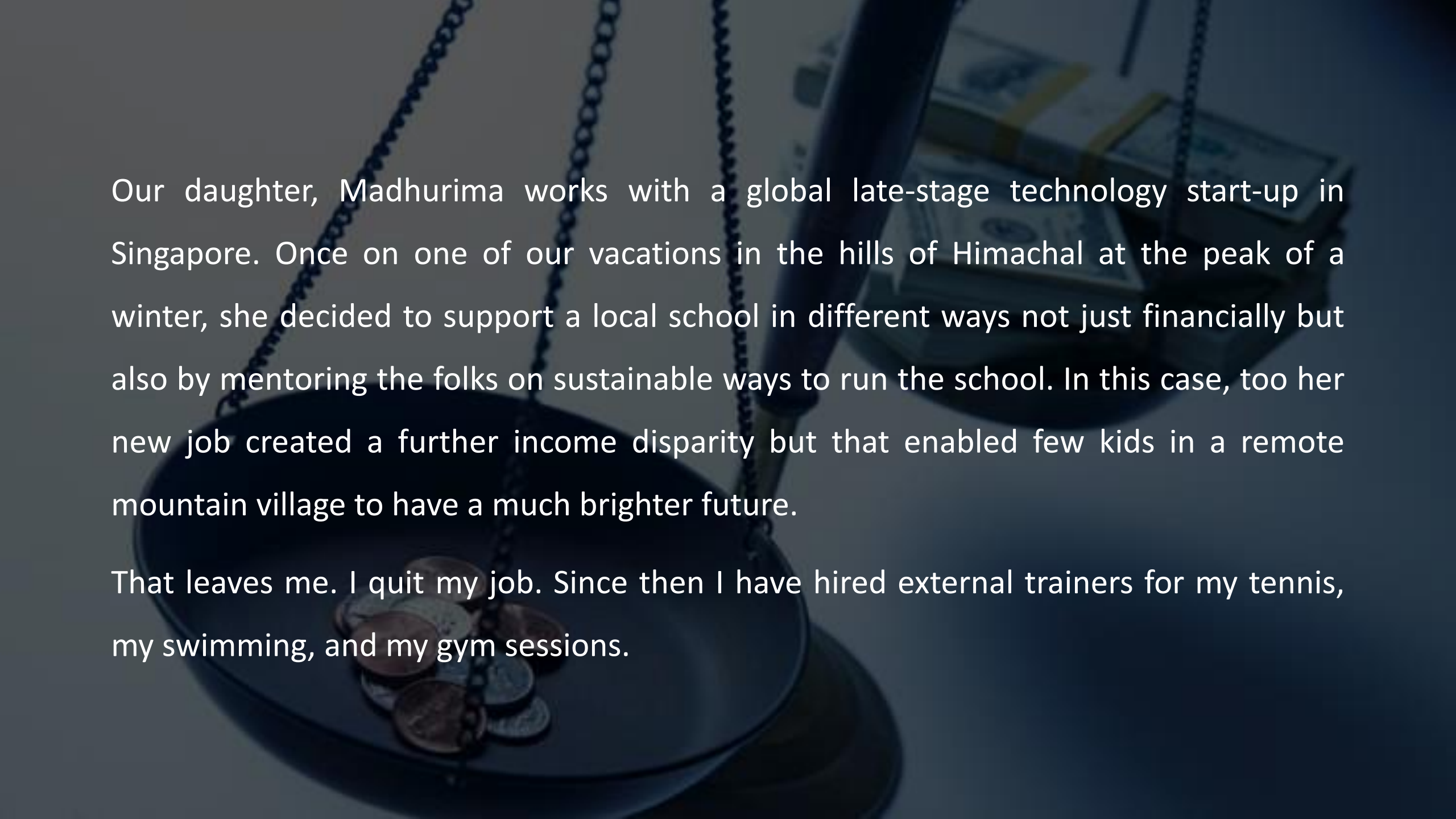
So the income disparity issue is real. Even more real is wealth disparity which multiples itself.

But I wonder why go after that one percent of wealthy people to reduce the gap?

A pair of scales of justice is shown against a dark blue background. The left pan is lower and contains several coins. The right pan is higher and contains a pen and some money. The scales are balanced.

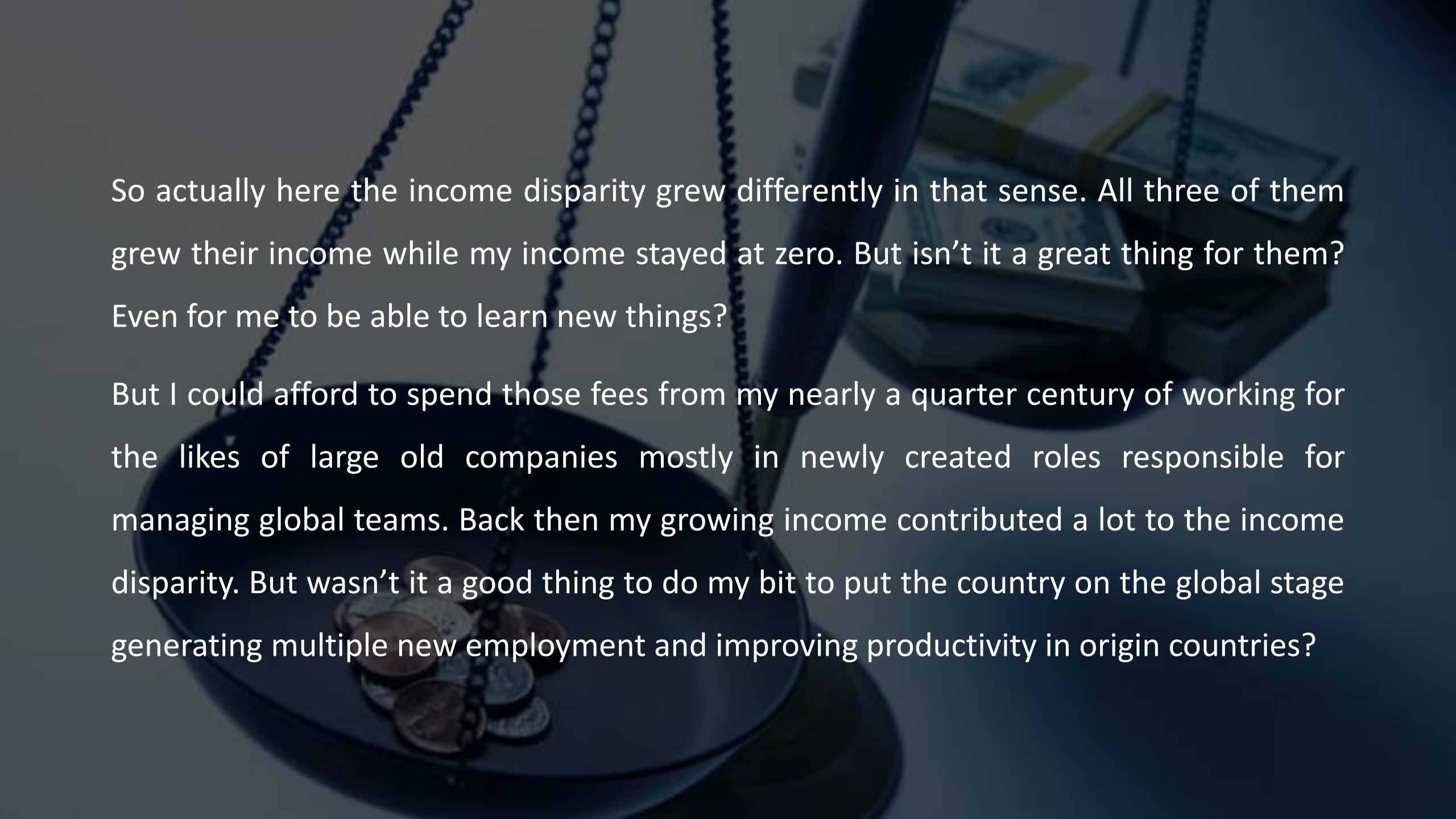
Of course, unless the wealth is ill-gotten and nontransparent. Like I read the other day that willful loan default in India is around thirty billion dollars, higher than the GDPs of around ninety-odd countries, an increase of ten times in the last ten years, and ninety-five percent of that was lent by public sector banks which essentially has my tax money in it. My blood boiled.

Otherwise, a lot of this increasing income and wealth disparity is bringing many people like Subroto into a respectable livelihood. So this disparity is good as long as the overall economic pie is getting bigger and that bottom thirty percent is getting uplifted.

A pair of scales of justice is shown against a dark blue background. The left pan is lower and contains several coins. The right pan is higher and contains several banknotes. The scales are suspended by chains from a central point.

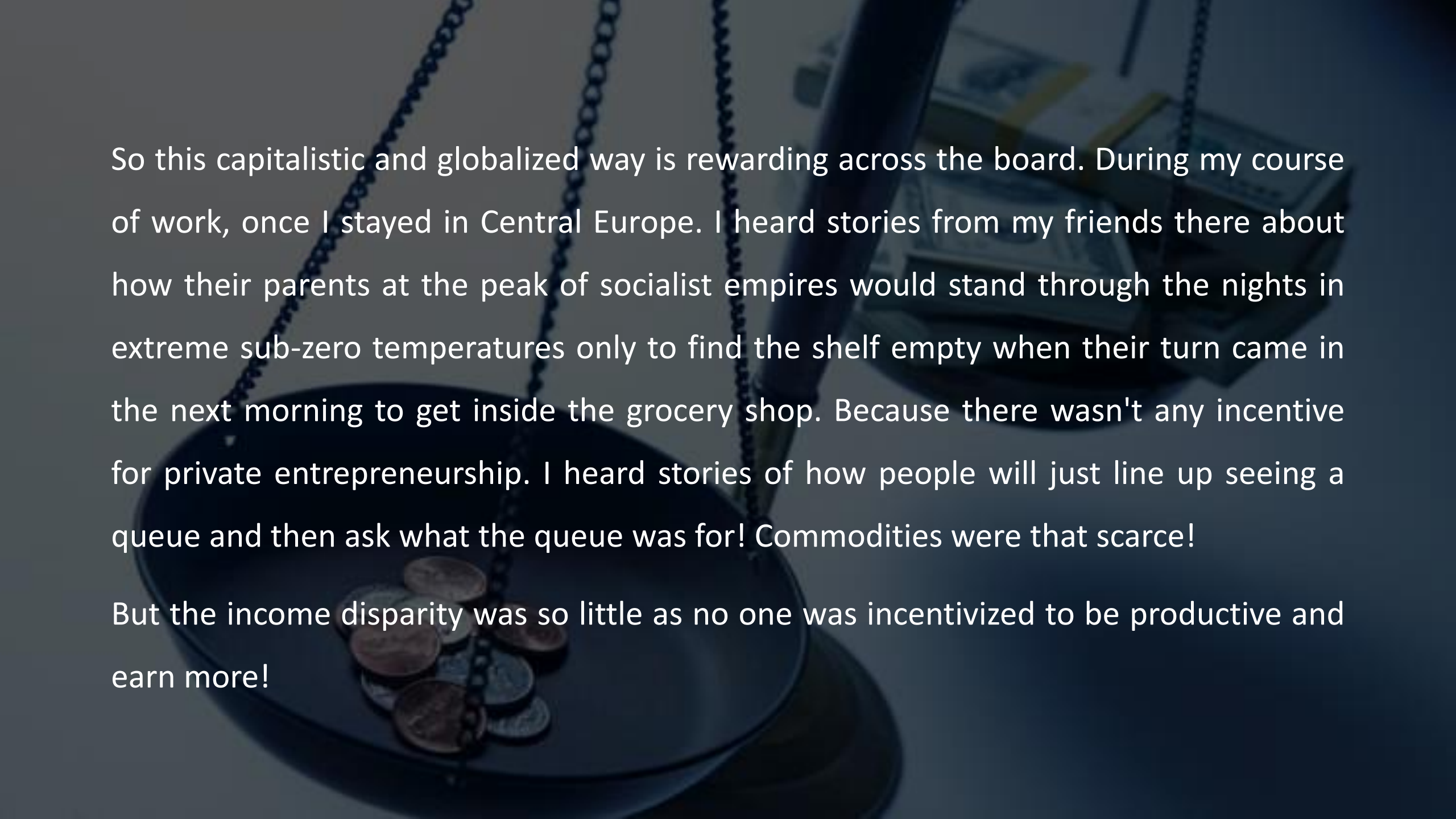
Our daughter, Madhurima works with a global late-stage technology start-up in Singapore. Once on one of our vacations in the hills of Himachal at the peak of a winter, she decided to support a local school in different ways not just financially but also by mentoring the folks on sustainable ways to run the school. In this case, too her new job created a further income disparity but that enabled few kids in a remote mountain village to have a much brighter future.

That leaves me. I quit my job. Since then I have hired external trainers for my tennis, my swimming, and my gym sessions.

A pair of scales of justice is shown against a dark background. The right pan is higher and contains a stack of US dollar bills. The left pan is lower and contains several coins. The scales are slightly tilted, suggesting the right side is heavier.

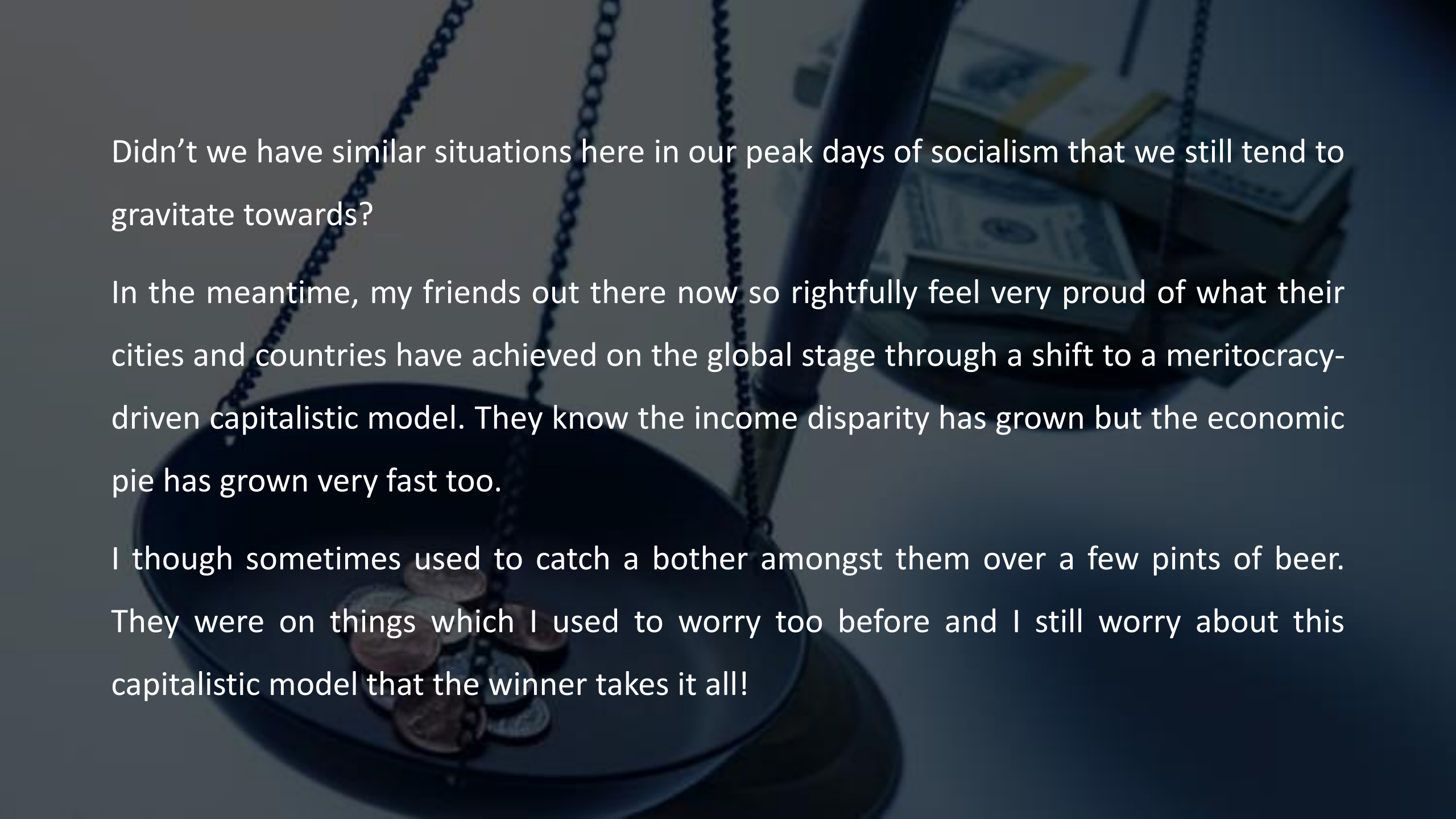
So actually here the income disparity grew differently in that sense. All three of them grew their income while my income stayed at zero. But isn't it a great thing for them? Even for me to be able to learn new things?

But I could afford to spend those fees from my nearly a quarter century of working for the likes of large old companies mostly in newly created roles responsible for managing global teams. Back then my growing income contributed a lot to the income disparity. But wasn't it a good thing to do my bit to put the country on the global stage generating multiple new employment and improving productivity in origin countries?

A pair of scales of justice is shown against a dark blue background. The left pan is lower and contains several coins. The right pan is higher and contains several banknotes. The scales are suspended by chains from a central point.

So this capitalistic and globalized way is rewarding across the board. During my course of work, once I stayed in Central Europe. I heard stories from my friends there about how their parents at the peak of socialist empires would stand through the nights in extreme sub-zero temperatures only to find the shelf empty when their turn came in the next morning to get inside the grocery shop. Because there wasn't any incentive for private entrepreneurship. I heard stories of how people will just line up seeing a queue and then ask what the queue was for! Commodities were that scarce!

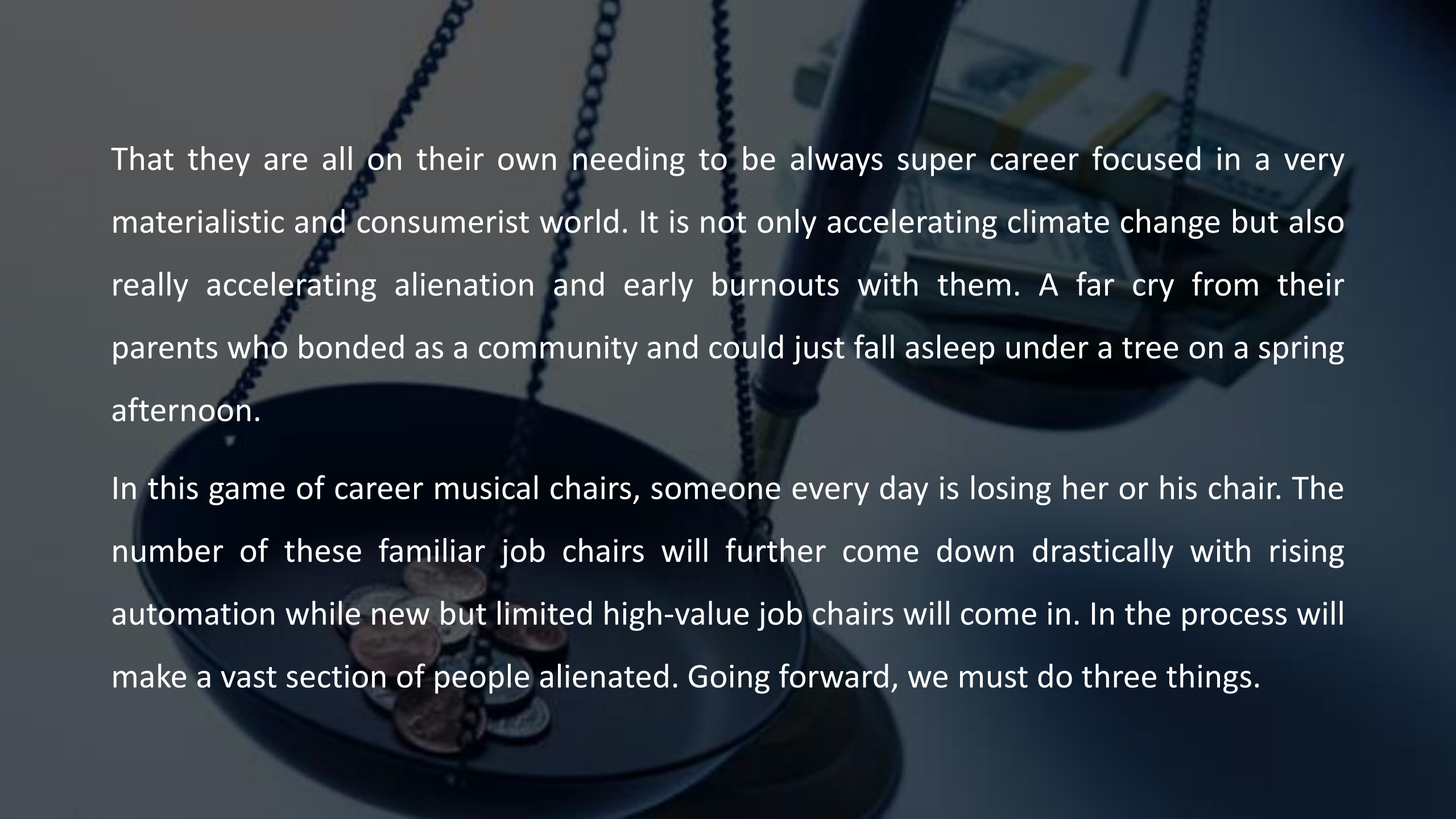
But the income disparity was so little as no one was incentivized to be productive and earn more!

A pair of scales of justice is shown against a dark background. The scales are tilted, with the right pan being higher and containing several stacks of US dollar bills. The left pan is lower and contains a small pile of coins. The lighting is dramatic, highlighting the textures of the metal and the paper of the money.

Didn't we have similar situations here in our peak days of socialism that we still tend to gravitate towards?

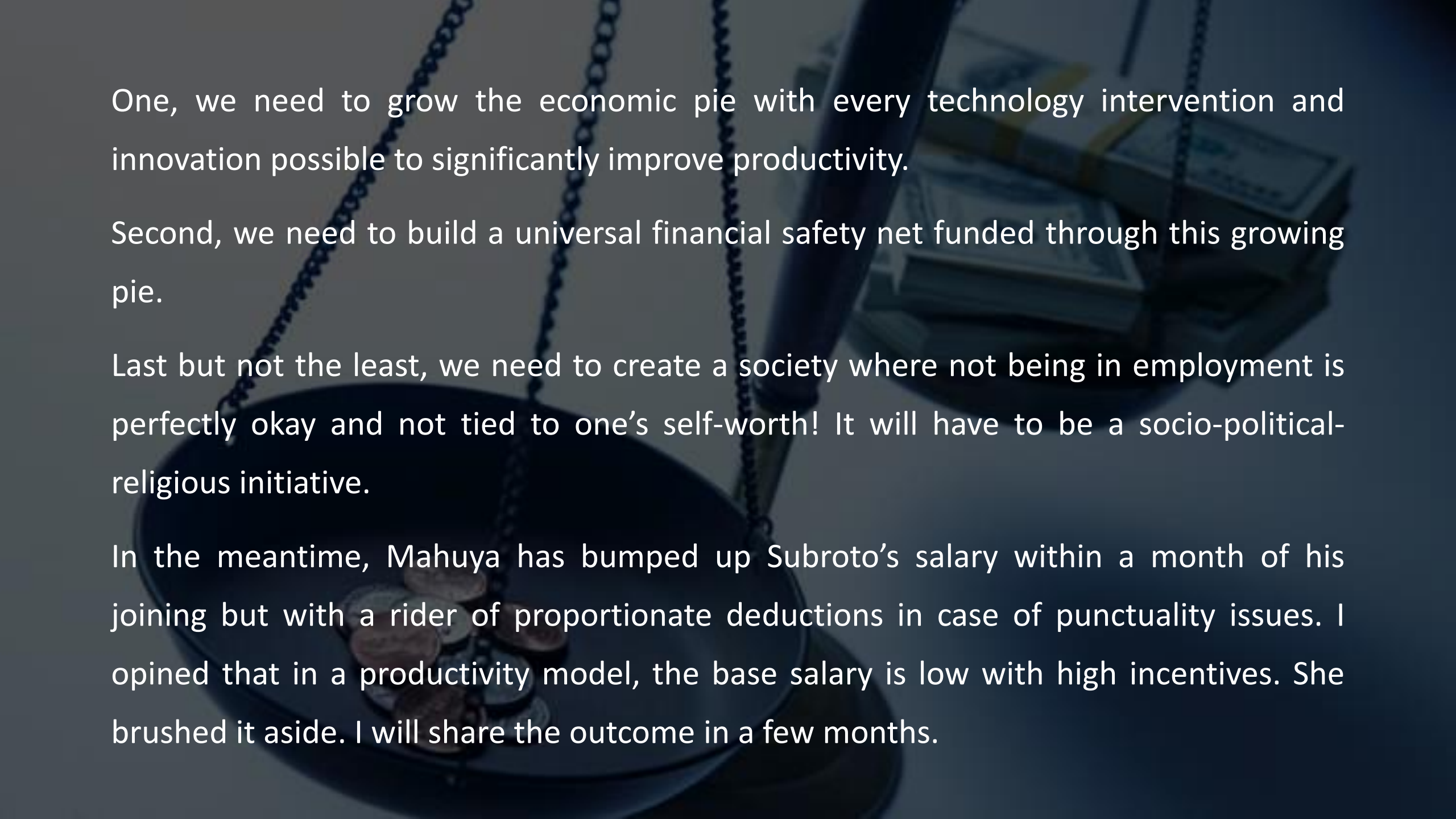
In the meantime, my friends out there now so rightfully feel very proud of what their cities and countries have achieved on the global stage through a shift to a meritocracy-driven capitalistic model. They know the income disparity has grown but the economic pie has grown very fast too.

I though sometimes used to catch a bother amongst them over a few pints of beer. They were on things which I used to worry too before and I still worry about this capitalistic model that the winner takes it all!

A pair of scales of justice is shown against a dark blue background. The left pan is lower and contains several coins. The right pan is higher and contains a pen and some money. The scales are balanced.

That they are all on their own needing to be always super career focused in a very materialistic and consumerist world. It is not only accelerating climate change but also really accelerating alienation and early burnouts with them. A far cry from their parents who bonded as a community and could just fall asleep under a tree on a spring afternoon.

In this game of career musical chairs, someone every day is losing her or his chair. The number of these familiar job chairs will further come down drastically with rising automation while new but limited high-value job chairs will come in. In the process will make a vast section of people alienated. Going forward, we must do three things.

A pair of scales of justice is shown against a dark blue background. The scales are tilted, with the right pan being higher. On the right pan, there are several stacks of US dollar bills. On the left pan, there are several coins. The scales are made of a dark metal, and the chains are visible.

One, we need to grow the economic pie with every technology intervention and innovation possible to significantly improve productivity.

Second, we need to build a universal financial safety net funded through this growing pie.

Last but not the least, we need to create a society where not being in employment is perfectly okay and not tied to one's self-worth! It will have to be a socio-political-religious initiative.

In the meantime, Mahuya has bumped up Subroto's salary within a month of his joining but with a rider of proportionate deductions in case of punctuality issues. I opined that in a productivity model, the base salary is low with high incentives. She brushed it aside. I will share the outcome in a few months.

About the Author



23 years of experience with large global companies in internal and external market facing management and executive roles. Was Director and Global head of Business Services Analytics practice for Hewlett Packard (IT major) in Bangalore and Singapore. Later was Director and Global head of Finance Operations for Credit Suisse (Swiss bank major) in Europe and Pune.

Achievements:-

- Recipient of HP Most Valuable Player award across Technology Services Group in Asia Pacific & Japan (2008).
- Recipient of "Award for Excellence & Leadership in Outsourcing" from World HRD Congress (2013).
- Selected as Asia G6 Visionary by client community votes & panel speaker in SSON week in Singapore (2013 2012)& India I6 in 2013.
- Selected by buyer community as a sourcing superstar in SSON (2013) Interviewed & quoted in multiple publications like Information week, Computer World, Dataquest, Global Services (2013, 2012).
- Invited in the speaking panel in NASSCOM, New Delhi (2013), keynote speaker in Dataquest summit, Gurgaon (2013), speaker and presenter in Deloitte Annual Shared Service conference, France (2012), Joint interview with one of my client by the CFO Magazine on the Analytics success story (2012) Published multiple papers -"Making sense of big data in Finance & Accounting", "Wealth of data and shortage of resources", "From reporting the past to predicting the future: Analytics in Finance & Accounting", "Business Insights to F&A", "Compliance & Risk Analytics", "3As of Business Growth" (2014, 2013, 2012) Multiple publications in Times of India opinion and blog section (2018 onwards).

Legal Disclaimer

This Document has been produced by Caerus3 Advisors & Think Tank and/or its affiliates (hereafter “Caerus3”; line of Business of PraRit Advisory Entertainment Private Limited) in collaboration with our Client and Professionals; where required on a need basis.

The information presented: namely numbers, data analytics, analysis and views expressed herein are based on Research undertaken in Public domain (both Digital and Non-digital) and information provided by our Client(s), potential Client and their affiliates; they are derived from sources believed to be reliable. Caerus3 Advisors provides no guarantee regarding the accuracy of the content and completeness of the information and do not accept liability for any loss arising from its use. To the extent this Document contains statements about future performance, such statements are forward looking and subject to several risks and uncertainties; simulations and forecasts are not a reliable indication of future performance.

Nothing in this Document constitutes Legal, Finance or Tax any form of Advice; this Document is provided for information only This Document does not constitute an offer or an invitation by or on behalf of Caerus3 to any person to make any Financial or Business decision; individual judgement and discretion is advised. The Document is location agnostic and hence does not necessarily represent compliance with any local Laws, Statutory or Regulatory requirements.

The information provided is subject to change at any time without notice and without obligation on Caerus3 or the authors to update.

The information provided herein is for the exclusive use of the recipient and is intended only for the person to whom it is issued by Caerus3 Advisors & Think Tank. It is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under local laws.

This Document is under the Intellectual Property Rights of Caerus3; It may not be reproduced either in whole, or in part, in any form; any further publication, distribution including dissemination of content in any form digitally, electronically or physically is expressly forbidden without our written permission.

For further information or clarifications if any, feel free to reach us at info@caerus3advisors.com

For Further information, please feel free to reach out to

info@caerus3advisors.com

Caerus3 Advisors

www.caerus3advisors.com

Advisory | Assurance | Think-Tank

Follow us on

