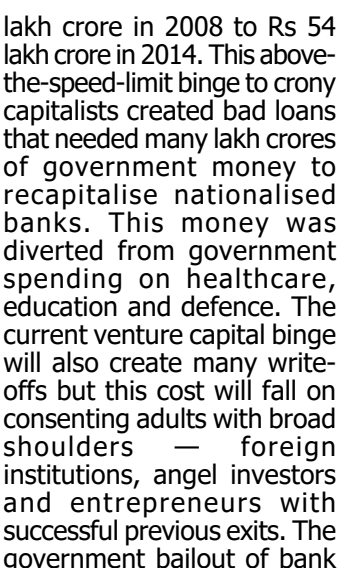


Why society gains when start-ups fail

Ukrainian resistance. But he is also in a difficult situation. The Russian advances are slow given Russia's relative power, but in the last 13 days, Ukraine has lost sizeable territories, from its northern border with Belarus to its southwestern Black Sea coast. Russia has not taken any major Ukrainian city except Kherson in the south, but most cities, including Kharkiv in the north and Mariupol in the southeast, are being encircled. Kyiv, the capital city, is being enveloped from the east and west. Mr. Zelensky has repeatedly asked for military help from NATO. But his request for a no-fly zone was shot down. Even the Polish offer to send its fleet of MiG-29 jet fighters was dismissed by the U.S., which does not want any kind of military involvement in the conflict. So, the practical solution before Mr. Zelensky is to take advantage of Ukraine's initial resistance and seek a solution through talks. Against this backdrop, his comment about Ukraine dropping its NATO bid is a welcome step. But the question is whether Mr. Putin would take this and be ready for de-escalation. If Russia had expected a quick collapse of the Ukrainian government, it has been proved wrong. Nearly a fortnight of conflict has taken a huge toll on Russia's economy. Its ties with Europe have been set back by decades. Continuing this war endlessly does not serve anybody's interest. If Mr. Putin's primary concern is Russia's security interests, he should pause the operation and start serious dialogue with the Ukrainians on Mr. Zelensky's proposals.

This article's title draws from former Wharton professor Jitendra Singh's thesis that society needs entrepreneurs to massively underestimate their odds of failure because only one out of 10 ventures succeeds. But since society doesn't know which venture will succeed, it must encourage many statistically independent and

Startups don't socialise their losses: Corporate bank loans expanded from Rs 18



Startups will solve real problems for Indians: India is poor not because of a shortage of land, labour or capital but a disease that results from how the three combine — what economists call total factor productivity. Ending our poverty needs higher productivity regions, cities, sectors, firms and individuals. A modern state is a welfare state that does less commercially so it can do

Three issues related to startups are worth flagging. First, the global capital supply fuelling startup funding faces challenges from fiscal and monetary policy normalisation: The rate-sensitive two-year US Treasury government bond recently touched a 1.6 per cent yield after being at 0.4 per cent as recently as November — because the risk-free return cannot be return-free-risk-free forever. Investors are returning to weighing financial sustainability and capital efficiency along with addressable markets. Second, this explosive startup funding has created excesses. Blood-testing company TheraNostics founder Elizabeth Holmes raised \$700 million while

crossing over from the acceptable hyping of her product's future to lying about performance. She took the wrong lessons from Steve Jobs's famous "reality distortion field" — Holmes admired him enough to dress like him — and ironically went to jail the same week that Apple's market capitalisation crossed \$3 trillion. Finally, private markets are not only delaying IPOs — Amazon went public within three years of starting with less than half the value of a unicorn — but unicorn IPOs' underperformance suggests that public markets have a different calibration. As the funding environment for startups changes, founders must remember the timeless political advice of "campaign in poetry but govern in prose". Startups only reach their destiny when they stop being startups; convincing customers to cover their costs, assimilating non-founder leadership and institutionalising governance. The wonderful book *Harsh Realities* by Harsh Marwala and Ram Charan chronicles

What ails medical education in India

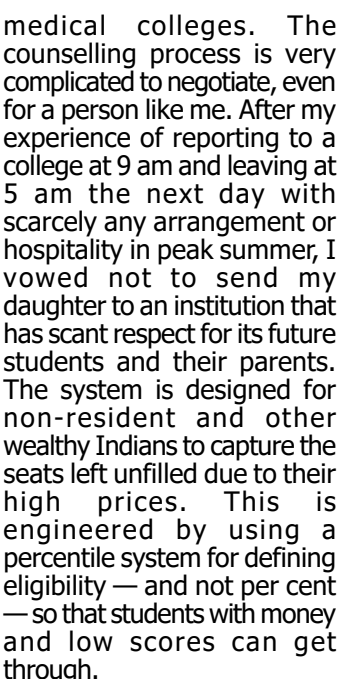
India's medical education system has attracted a lot of adverse attention due to the crisis in Ukraine and the resultant need for evacuating medical students, delay in post-graduate counselling because of reservation-related litigation and Tamil

There is a serious demand-supply mismatch as well as inadequate seats in terms of population norms. In private colleges, these seats are priced between Rs 15-30 lakh per year (not including hostel expenses and study material). This is way more than what most Indians can afford. It is difficult to comment on quality as nobody measures it. However, from personal experience, I can say that it is highly variable and poor in most medical colleges, irrespective of the private-public divide.

The MBBS degree continues to be an attractive option. However, unlike in the past, a substantial section of the middle class no longer feels that this is a good return of investment. Students opting for a medical career, with some exceptions, are of two types: Those who see this as a path to social and economic mobility. The second category is that of children of doctors, especially in the private sector, whose parents want them to continue their legacy. The first group is highly price-sensitive while the second is not.

The government's initiative to open new medical colleges has run into a serious faculty crunch. Except at the lowest level, where new entrants come, all that the new colleges have done is poach faculty from a current medical college. Academic quality continues to be a serious concern. The Medical Council of India (MCI) did try to address many of the earlier loopholes of ghost faculty and corruption. It introduced the requirement of publications for promotions to improve the academic rigour of faculty. But this has resulted in the mushrooming of journals of dubious quality. The point is that the faculty and medical colleges will learn to game the system. Faculty salaries in many state government-run and private colleges are low and private practice is common. This ruins the academic atmosphere.

Another distinct feature of the medical education system in India is its complete disregard for students' welfare. Only the top 0.25 per cent of the applicants get a seat in a decent government medical college. In times of scarcity, social justice takes a backseat. Most parents simply lack the wherewithal to weigh the pros and cons of individual



A situation of high demand coupled with a student-

unfriendly system is designed for the entry of middlemen. As soon as you register with a coaching agency or the NEET results are out, you are bombarded with offers from agencies ensuring seats in Nepal, Mauritius, Ukraine, Russia, China and so on.

What do you do if you and your family have invested money and emotion in making you a doctor and you do not get enough marks to qualify for a government medical college? Many such students used to settle for a Bachelor in Dental Surgery degree. This led to a mushrooming of

medical graduate examination — this has a pass rate of 15 per cent. Caught between parental pressure and an unfriendly system, the students have nowhere to go.

We cannot discount the impact of the corporatisation of the health sector and the increasing need for specialisation in medical education. If the health sector is treated like a service industry with a profit motive, medical education provides human resources — like business managers. Universal need and information asymmetry are among the many reasons often cited to make the case for the exclusion of market forces in health services and medical education. The increasing need for specialisation, with

students having to prove their worth at every level or pay through their noses, is becoming a scourge for the new entrants to the system. This explains the decline in attraction for the MBBS among a section of students.

So, what needs to be done? There are many who propose a rapid scale-up of seats by converting district hospitals into medical colleges using a private-public partnership model. The NITI Aayog seems to be moving in this direction. This is a dangerous idea without the government putting in place two things — a functional regulatory framework, and a good public-private model that serves the needs of the private sector as well as the country. We have so far failed

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Place : Ahmedabad

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