

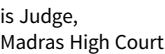


Arunachal Pradesh would do well not to go the Nagaland way where, technically, there is no opposition as all the parties that contested against the BJP-Nationalist Democratic Progressive Party coalition joined the alliance after the elections in 2023. In Sikkim, the SKM, led by Chief Minister Prem Singh Tamang won 31 out of the 32 seats, with a lone seat going to the erstwhile dominant Sikkim Democratic Front. The SKM's victory in a multi-cornered fight was made possible by the regional assertion by the party which mobilised support on the issue of retaining Sikkim's special status enshrined in Article 371F of the Constitution, on Mr. Tamang's promises to deliver Scheduled Tribe status to some Nepali-origin communities, and his emphasis on job creation in the State. Sikkim's ruling party might have fought against the BJP and the latter might have drawn a blank, but the SKM still considers the BJP an ally. Notwithstanding the strong identity based politics in the north-east, voters choose the national party ruling at the Centre or its ally, dependent as these States are on central government funds. The overwhelming mandate in its favour should help Mr. Tamang, who will have to use all of his diplomatic powers to ensure benefits from the Union government.

T20 World Cup is seeking to energise cricket's newest format

Hope too floats as Papua New Guinea turned up despite grappling with a massive landslide and the resultant loss of life back home. For India, the long quest for an ICC trophy gets another episode. The last silverware was the Champions Trophy won in 2013, and since then it has often been a case of so close and yet so far. Rohit Sharma's men get another tilt and there is no mistaking the talent they collectively possess. There may be simmering issues such as the leadership angle following the awkward transition from Rohit to Hardik Pandya as captain of Mumbai Indians. At the national level, Rohit continues to helm while Pandya becomes his deputy and coach Rahul Dravid, always clued into ego hassles right from his playing days, may have to steer the ship away from choppy waters. Placed in Group A, India will open its campaign against Ireland on Wednesday but the big game is the one involving Pakistan at New York, on Sunday. Geopolitics has meant that it is only in ICC events that the neighbours face off against each other. While batters such as Travis Head and Heinrich Klassen can set rollicking templates, bowlers such as Jasprit Bumrah too will have a role to play in a format that tends to mask nuance under a breathless pace.

The majority in *Kesavananda Bharati* took the view that though the adequacy of the amount paid was not justiciable, the courts could still examine whether the principles fixed for determining such compensation were relevant which in effect, reinstated what Justice Shah had said in the bank nationalisation case. After this decision, Parliament was convinced that the right

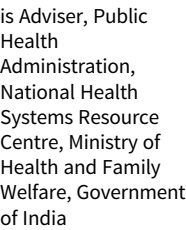


With the decision in 'Kolkata Municipal Corporation', the wheel has come full circle

In the years that have followed the deletion of

The decision in *Kolkata Municipal Corporation* vindicates the prophetic words of Prof. P.K. Tripathi, that in enacting the Forty-Fourth Amendment and deleting Articles 19(1)(f) and 31, Parliament has unwittingly given the property of a citizen the kind of protection it has never enjoyed before either in British or in independent India.

As the Supreme Court deliberates on standardising medical procedure rates across government and private sectors, we must consider the allure of affordability. Yet, imposing one-size-fits-all price caps could severely undermine health-care quality. A Health Care Management Review study shows that hospitals under financial pressure from price caps report a 15% increase in patient dissatisfaction. Moreover, such caps could drastically slow the development of new treatments and technologies, notably in fields such as cancer research and robotic surgery, where significant investment is crucial. Could value-based pricing be our solution, where



Access, innovation, and affordability need to be kept in mind while shaping equitable and sustainable health-care policies

Moreover, innovations such as mobile health apps and wearable devices are crucial in managing chronic conditions outside hospitals, significantly cutting costs and enhancing patient outcomes. As we push these technologies forward, ensuring that they reach all population segments is key. Investing in infrastructure for broader Internet access and improving digital literacy will empower more people to benefit

As India aspires to be a global health-care leader, fostering an environment conducive to innovation while ensuring equitable access to quality health care is crucial. It is time to prioritise the well-being of every individual, as echoed by Dr. Vinod K. Paul, Member, NITI Aayog. "Affordable healthcare is not just a necessity but a priority for our nation, and we are committed to innovating and leveraging technology to bring down healthcare costs for every citizen."

The views expressed are personal

The big wins for the ruling party in Sikkim and Arunachal Pradesh are a clear indication that the Congress's ideology has failed to make a dent. Finally, predictions can never match the real numbers nor sync with them. They pale into insignificance in the face of reality when the election results are declared. We wait for the results today.

N. Visveswaran,
Chennai

The Electronic Voting Machine, or the EVM, has indeed made the Indian election process happen much quicker than usual, although this particular parliamentary election was stretched for reasons quite inexplicable to the ordinary citizen.

There has been a great deal of debate and discussion about the credibility of the polls and allegations have been thick and fast from many Opposition parties

and others. If these allegations and accusations are not addressed straight away, the Indian elections will lose their credibility and legitimacy. The Election Commission of India (ECI), which is a “constitutional body”, must put these doubts to rest, as the ordinary citizen is simply confused. Why cannot the ECI, for this time at least, make the counting process manual in 10%-20% of constituencies from a cross-section of States, after

discussing this with all political parties? The fact that the ECI is asking for proof for the allegations made is right in itself, but it could also take *suo motu* action. The voting citizen in India needs to be assured that Indian democracy is not just large but also working. The ECI should also prove that it is an independent body without any executive interference, as alleged.

Dr. R. Unnikrishnan,
Cherthala, Alappuzha, Kerala

The year 2024 is called a super-election year, globally. India has successfully concluded the seven-phase poll process and those who will be elected to the 18th Lok Sabha will be known today. The role performed by the ECI, and as an independent body, needs special appreciation as its work covers multiple fields. Unfortunately, the efforts taken by the people involved in the process goes

June 4 will reveal whether the NDA will get a super majority. However, no matter what the seat share is, it will not be a bed of roses. Issues such as unemployment, inflation and economic inequality will need to be tackled by the new government.

Nagarajamani M.V.,
Hyderabad

Missing in manifestos: children’s issues

Children form about 30% of India's population, but they are invisibilised during elections. India has the largest child population in the world, yet most political parties turn a blind eye to children's interests. What have some of the major political parties promised to shape our children's and nation's future, especially in terms of nutrition, education, and health?

Education
On education, the BJP’s manifesto promises to strengthen the network of PM SHRI Schools, Ekalavya Schools, and other such schools as per the National Education Policy, 2020, to make them “world class.” Strengthening a few cost-intensive model schools to provide high quality education to a few children cannot be considered as an alternative to making systemic changes to improve the public education system. In fact, recent State-wide reforms to the public education systems in Andhra Pradesh and New Delhi show that India does not need model schools in silos – it needs every government school to be a model school to effectively cater to millions of students.

The BJP manifesto also speaks of working towards a 100% Gross Enrollment Ratio (GER) from the pre-school to secondary level but does not state any concrete steps that it will take to achieve this. According to the Unified District Information System for Education, the GER from Class 1-8 is already around 100%. In secondary and higher secondary classes, the GER hovers around 80% and 57%, respectively, due to lack of systemic support. Achieving 100% GER from pre-primary to secondary school is only possible if free and compulsory education, as provided by the Right to Education Act (RTE), 2009, includes pre-primary, secondary and higher secondary classes.

The Congress manifesto promises to amend the RTE Act to make education from Class 1-8



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compulsory and free, but fails to acknowledge the importance of extending it to pre-primary – a sector with barely any regulation and oversight. The CPI(M) manifesto promises to expand the RTE Act from 3 to 18 years. The BJP does not discuss RTE at all. Further, both the Congress and DMK manifestos promise to provide financial support through scholarships or economic opportunities for children's families to curb the dropout rates.

Nutrition and healthcare
On nutrition, while the BJP promises to focus on eliminating malnutrition among tribal children, the Congress promises to generally address nutritional deficiency among children. Both the parties fail to indicate any concrete measures to be taken in this regard, especially in light of the POSHAN tracker data which shows that at least 43 lakh children (0-6 years) are malnourished. The Integrated Child Development Services (ICDS), a crucial tool to counter malnutrition among children below five years, provides for a nutrition programme, nutrition and health education, and health check-up, among others. It is commendable that the CPI(M) commits to universalisation of the ICDS Scheme to cover all children from the age of 0-6 years in order to provide nutritious meals to children in all Anganwadis. The mid-day meal programme for children has proven to be effective in providing nutritious meals to children (Class 1-8). Building on its success, the Congress assures expansion of the scheme up to Class 12, while the DMK promises expansion of the Chief Minister’s Breakfast Scheme for children to aided schools (Class 1-5).

Malnourished children are vulnerable to preventable illnesses leading to higher mortality rates. The National Family Health Survey conducted in 2022 reported that India is constantly battling with chronic malnutrition in children. India is also falling short of

meeting the Sustainable Development Goal of creating a world free of hunger by 2030. Access to healthcare for children remains one of the biggest challenges today. In this regard, it is commendable that the DMK promises budgetary allocations to ensure complete healthcare during the first 1,000 days of a child's development. It also prioritises mental health by aiming to provide for mental health programmes in schools. The Congress manifesto also promises to ensure full immunisation of children within 5 years. This percentage stands at only 76% as of today. Taking a straightforward stance on health, CPI(M) assures complete coverage of basic services, such as immunisation and regular health check-ups for all children.

Some of the aspects that the manifestos could have addressed are the participation of children in democratic decision-making processes, ways to ensure safety of children in online spaces, and initiatives to prevent exploitation of children. Children are important stakeholders, a view reiterated by India's ratification of the United Nations Convention on the Rights of the Child in 1992. However, not a single manifesto uses a “child-rights based approach”. The larger issue lies in the fact that children are not considered as separate entities by political parties. Instead, they are clubbed with ‘women’ or ‘youth’, which in effect downplays their specific needs and requirements. The two manifestos that stand out in terms of providing for children are those of the DMK and the CPI(M). Both these parties have made efforts to include a separate section on child welfare and children, thereby advocating for the rights of children.

Political parties must aim to make education, child nutrition, and health a priority in their manifestos. At the same time, voters must assess the vision and seriousness of the parties to safeguard the future of children.

A vote for regional aspirations in Sikkim

The SKM's victory shows Sikkim's preference to maintain the status quo

STATE OF PLAY

Sunil Pradhan

In 1975, the people of Sikkim, comprising indigenous Lepcha, Bhutia, and Nepali ethno-cultural groups, became citizens of India. Since then, they have remained hostile to the imposition of what they see as nationalist projects. Sikkim has always been ruled by regional forces; its politics is embedded in the lived experience of the Sikkimese people. The results of the 2024 Assembly elections in the State once again reinforce this.

The elections were seen as a contest between the ruling Sikkim Krantikari Morcha (SKM) and the Sikkim Democratic Front (SDF). The SKM stormed back to power winning 31 of the 32 Assembly seats. The leader of the SDF, the five-time Chief Minister Pawan Kumar Chamling, lost both the seats he contested. The SDF managed to win just one seat.

The SKM's victory can be attributed to many reasons. The first is the shift in narrative. SKM leader Prem Singh Tamang highlighted the SDF's predicament in delivering Scheduled Tribe (ST) representation for Limbu-Tamang communities in the State Assembly, and promised *parivartan* (change). He also mobilised the sentiments of about 11 Nepali communities which have not been granted ST status yet.

Second, Mr. Tamang appealed to younger voters. The SKM's ‘vote for jobs’ narrative struck a chord with the people. It equally allowed the incumbent Chief Minister to change his image. Mr. Tamang had been convicted in a graft case and served a one-year



term in prison between 2017 and 2018. This attracted the provisions of the Representation of People Act, debarring him from being an electoral candidate for six years from the date he was released. The Election Commission in 2019 reduced the disqualification by almost five years. The Opposition has been protesting that Mr. Tamang's swearing-in in May 2019 was illegal. But people's memories are short and Mr. Tamang is now known as a pro-people Chief Minister.

Third, the SKM was also imaginative with its social media campaigns compared to the SDF and BJP. This also appealed to the younger voters.

The mandate that the SKM has received reveals a political space bereft of a credible Opposition and brings four decades of Mr. Chamling's dominance to a closure.

The Bharatiya Janata Party (BJP) contested the election in the backdrop of the Finance Act of 2023, which expanded the definition of Sikkimese beyond Lepcha, Bhutia, and Nepali to include ‘other’ Indian citizens settled in Sikkim. This apparent effort to enfranchise non-Sikkimese in the Sikkimese political space caused concern. There was also fear following the dilution of Article 370 in Jammu and Kashmir that the government would dilute Article 371F of the Constitution, which provides for the unique status of

Sikkim. It is not surprising then that many BJP MLAs switched to the SKM. The BJP's candidates, who were mostly from the upper castes, did not do enough to appeal to the regional aspirations.

The crowd-funded Citizen Action Party-Sikkim also failed to create an impact. Its narrative of reform was too idealistic and did not strike a chord. The Congress did not even deem it fit to visit Sikkim during its Bharat Jodo Yatra. Nor did the party, which was responsible for Sikkim's integration with India, use history to dispel fears about the loss of autonomy and identity.

In the absence of Opposition legislators in the Sikkim Assembly, how will the delimitation exercise take place in 2026? Is the BJP likely to pitch for non-Sikkimese representation in the Sikkim Assembly? If the BJP-SKM alliance was a liability for State politics, does the absolute verdict in favour of the SKM mean that the people want a strong Chief Minister? It is crucial to note that Sikkim and Mizoram are outliers in the north-east, where the BJP otherwise dominates the political landscape.

Among other things, the verdict shows a preference to maintain the regional status quo. In this context, the SKM would do well to revisit the implementation of some Central laws in Sikkim. It could pass a resolution in the Assembly against the implementation of the Finance Act and work towards preserving the Sikkim subject. It could also help in the fight to obtain ST status for certain communities and give representation to the Limbu-Tamangs. This will not only reinforce but restore Sikkimese agency and autonomy.

Sunil Pradhan is a Sikkim-based political consultant

What’s missing in the disaster database?

A deep dive into missing data and the limitations of disaster databases

DATA POINT

Hannah Ritchie & Pablo Rosado

In 2023, the Food and Agriculture Organization of the United Nations noted that disaster events worldwide have increased from 100 events per year in the 1970s to around 400 per year in the last 20 years. However, an analysis of the disaster database shows that the increase in the number of disasters is partly a result of reporting bias. While data collected from various disaster events helps us see patterns in factors such as increased resilience, climate change, and humanitarian response, smaller events with less damage or fatalities are missing from historical records.

Chart 1 shows the number of natural disaster events reported from 1990 to 2023 worldwide. More recently, reporting and communication of small events have improved. In a 2004 report, CRED noted that historical data was based on retrospective analysis, resulting in a list that included mainly events of major importance. This is because neither humanitarian aid nor telecommunications were particularly developed and few organisations were interested in compiling data on natural disasters.

Chart 2 shows the share of reported disasters of different sizes as a share of the total. The further we go in the past, the more we see large events dominating the records. Small and medium events were missed at the time and are impossible to be identified today.

The trend for small events, with fewer than 200 deaths, increased greatly in the 1980s and 1990s. This suggests that small events are missing in earlier periods, and have been reported more consistently only in the past 30 or 40 years. **Chart 3** shows the number of events over time at different thresholds of recorded deaths.

The patterns observed can be

largely attributed to the progressively better reporting of natural disaster events across the world.

Disaster data also reveal large gaps, especially for economic damages. More than 40% of disasters between 1990 and 2020 did not have estimated monetary damages. This was worse for insured damages, which were missing 88% of the time, while 96% had no records of reconstruction costs.

Data coverage also tended to be poorer in low-income countries. For instance, from 2000 to 2019, only 13% of disasters in Africa and 23% in South Asia reported any economic losses. Disaster statistics also reveal inconsistencies for different types of disasters.

First, many regions like Sub-Saharan Africa have poor data coverage and are completely overlooked. Second, over half of the heat events were reported from only countries: Japan, India, Pakistan, the U.S., France, Belgium, the U.K., Spain, and Germany. Yet it is unlikely these are the only countries experiencing extreme heat events. This only means such events are just not being recorded or estimated in other regions.

Also, proper quantification of the health effects of extreme temperatures is difficult. Most heat-related deaths come from an increase in the risk of less obvious conditions such as cardiovascular disease. These seemingly indirect deaths are not noted as being “heat-related” at the time and can only be estimated using statistical methods later. This is true for both heat- and cold-related deaths. Due to reporting biases, they are likely to be underestimates with large inequalities.

Disasters often have near-term and acute impacts on human mortality, health, and infrastructure. However, disasters such as droughts can also lead to some indirect, medium-to-long-term impacts such as malnutrition and food insecurity, which are harder to quantify.

Need for data

Hannah Ritchie and Pablo Rosado (2024) - “Is the number of natural disasters increasing?” Published online at OurWorldInData.org.



Chart 1: The chart shows the number of natural disaster events reported from 1990 to 2023 worldwide

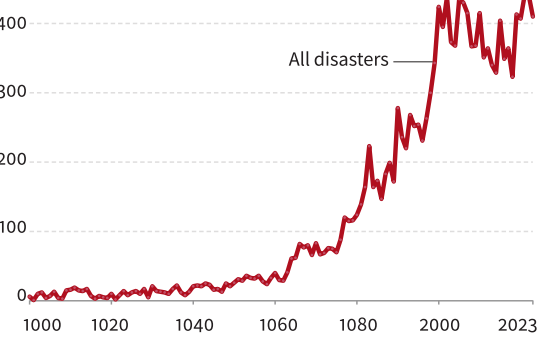


Chart 2: The chart shows the share of reported disasters of different sizes as a share of the total

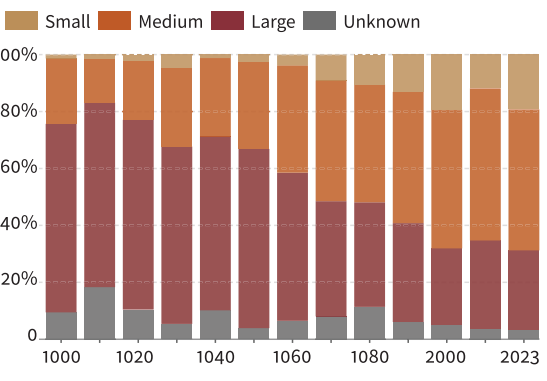
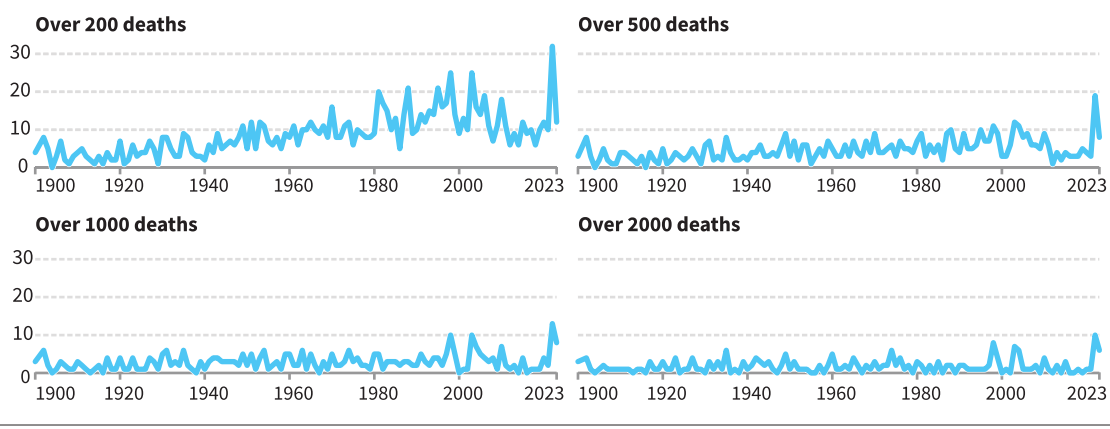


Chart 3: Chart 3 shows the number of events over time at different thresholds of recorded deaths



FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO JUNE 4, 1974

“Present-day doctors lack basic knowledge”

Visakhapatnam, June 2: A confidential document issued by the Union Public Service Commission and circulated by the State Government to all professors in the medical colleges in Andhra Pradesh last week inviting their comments declares: “The knowledge possessed by the present day MBBS in less than that of an old LMP [Licenciate Medical Practitioner] who could deal with medical emergencies with confluence and with a fair amount of success.”

The report was issued by the President of an interview board before whom candidates from all parts of the country appeared for recruitment into the Central Health Services and the Railways. It said a majority of the candidates out of the 2,239 who appeared had no idea about the basic principles of medicine and were unable to answer questions satisfactorily on medical, surgical, obstetrics and gynaecological emergencies. This was so not only in the case of students from newly established colleges but from those of Calcutta, Madras and Bombay. One of the candidates replied that in a case of heat stroke he would wrap up the patient in a thick “razai”. Medical graduates were unable to differentiate between common infectious diseases, dysentery and gastro-enteritis. Nor was there a sound knowledge of the method of dealing with an outbreak of cholera or small pox.

A HUNDRED YEARS AGO JUNE 4, 1924

Indian art at Wembley

London, June 2: The Conference of Indian Art at Wembley today passed a resolution urging the importance of promoting throughout the empire study for the appreciation of aesthetic culture and, in India particularly, painting, sculpture and music as applied to art and architecture in India. The Society is empowered to consider suggestions brought forward in view of further action. Sir George Lloyd suggested the Government of India should establish a prize at Delhi for students qualifying in sculpture and painting and perhaps architecture and arts and crafts. The financial side of the problem should be light and the prize would be an immense incentive to Indian art students who could not be expected to interpret form unless they are given the same opportunity of study available to Europeans.

Text & Context

THE HINDU

NEWS IN NUMBERS

The deaths due to sunstroke reported in the State of Odisha

20 The State has been reeling under intense heatwave conditions over the last three days. The deaths were mostly reported from Bolangir, Sambalpur, Jharsuguda, Keonjhar, Sonepur, Sundergarh and Balasore districts. PTI

The voter turnout in the 2024 Lok Sabha election

642 in million. India has close to 970 million voters among its more than 1.4 billion people. Only 66.3% of eligible voters turned out to vote in the six-week-long polls. Nearly half of these voters — 312 million — were women. AFP

The number of people affected by severe floods in Assam

5.35 in lakh. Three major rivers — Kopili, Barak and Kushiya — continue to flow above the danger level displacing more than 39,000 people in different districts. The worst-hit district was Nagaon. PTI

The share of women in the national cabinet of Mexico

44 in per cent. The country ranks third among Latin American nations with the most women in the national cabinet. Claudia Sheinbaum, who won the presidential election, has turned the tables in a nation that has been exclusively ruled by men. AP

Gaza structures destroyed or damaged since October 7

1.3 in lakh. According to the United Nations Satellite Analysis Agency, 55% of all structures in the Gaza Strip have been destroyed, damaged or possibly damaged since the war began. AFP

COMPILED BY THE HINDU DATA TEAM

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The MK party’s rise in South Africa

Despite being the new kid on the block, the party describes itself as being “rooted in a rich history of striving for justice and equality”. Its declared vision is to transform South Africa into a beacon of equality, prosperity and sustainability



A new wave: Supporters of the uMkhonto weSizwe (MK) Party that is led by former South African President, Jacob Zuma, wait for his arrival in Soweto on May 18. AFP

WORLD INSIGHT

Mashupye Herbert Maserumule

Former South African president Jacob Zuma surprised many by leading a new party to rival the ruling African National Congress (ANC), a party he used to lead, in the pivotal May 29, 2024 general election. The upstart uMkhonto we Sizwe Party (MK Party) caused a major upset for the ruling ANC, especially in Zuma’s heartland, KwaZulu-Natal province, where it unseated the ANC. Political scientist Mashupye H. Maserumule shares his insights on the MK Party.

How did the uMkhonto we Sizwe Party fare?

The MK Party garnered almost 15% of the national vote. This contributed significantly towards reducing the ANC’s majority to 40.18%. For the first time since it came to power in 1994, the ANC got less than 50% of votes in the national polls. The MK Party also displaced the Economic Freedom Fighters (EFF) from its position as the third-largest political party. It’s now trailing with 9.52%.

In KwaZulu-Natal (KZN), the MK Party leads with 45.32% of the provincial vote, making it a major party in Zuma’s home province. With only 17% of the provincial vote, the ANC has been consigned to the third spot. This is despite dispatching its bigwigs to the province, such as former president Thabo Mbeki, to counter the MK Party. The ANC lost KZN to the MK Party in a big way. In Mpumalanga, the ANC survived by a whisker. It got 51.0% of the provincial vote, while the MK Party became the second-largest party with 17.1%. It nearly pushed the ANC below 50% as in KZN. These two provinces (KZN and Mpumalanga) have emerged as the MK Party’s strongest support bases.

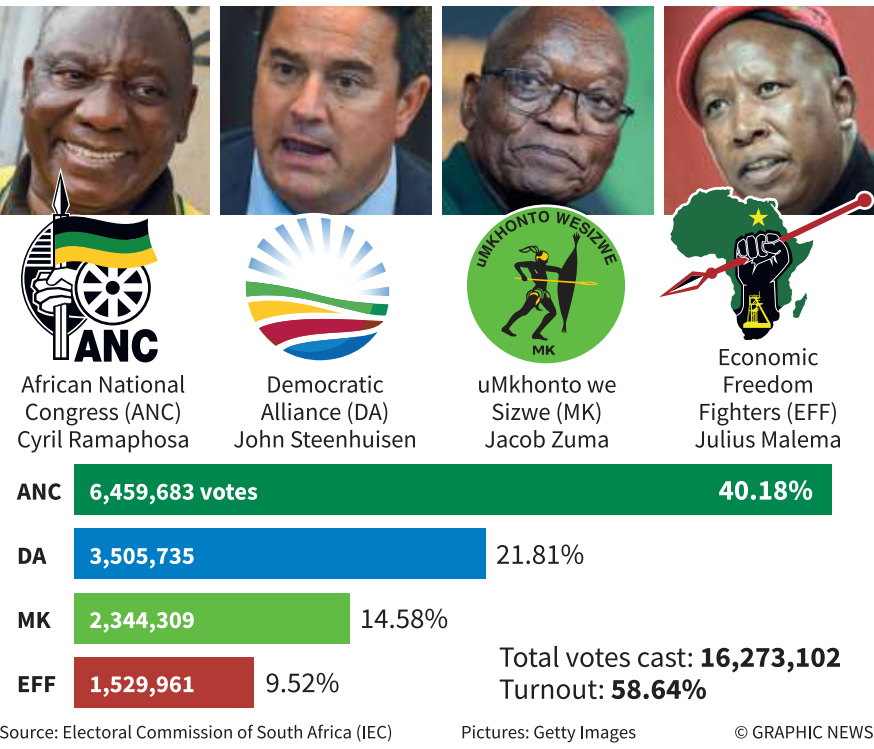
For a party that was only five months old when it participated in the 2024 national and provincial elections, its performance is no small feat. It performed better than the polls had predicted.

What does it stand for?

Despite being the new kid on the block, the party describes itself as being “rooted in a rich history of striving for justice and equality”. Its declared vision is to transform South Africa into a beacon of

Time for a fresh rainbow coalition

The African National Congress has lost its parliamentary majority which it had held since the end of the white minority government in 1994



equality, prosperity and sustainability. There are a number of problems with this. Firstly, it’s what almost all parties promise. And the MK Party doesn’t have a coherent policy on how to realise this vision, let alone a clear ideological position to distinguish itself from other political parties. Secondly, the party has adopted incendiary rhetoric, tinged with populist extremism. For example, it talks about doing away with the supremacy of the country’s constitution and replacing it with “unfettered” parliamentary sovereignty. This is troubling because South Africa has been on a path of establishing a constitutional democracy based on a set of essential rights for its citizens since its first democratic elections in 1994. It’s also undesirable because parliament ruled supreme under apartheid, passing unjust laws that oppressed the majority black population. The party also promises to incorporate traditional leadership in the country’s parliamentary system. This is not necessarily to be frowned upon, but it has

the potential to upend the country’s constitutional democracy. For, in this system of managing public affairs, the rule of law lies with the constitution. University of Johannesburg political scientist Siphamandla Zondi sees the MK Party as just another faction of the ANC that has decided to operate from outside the ANC. Political commentator Eugene Brink says it’s “Zuma’s get-out-of-jail card”. I agree. Zuma’s almost two-decades-old corruption charges related to the 1999 arms deal – to acquire and upgrade the post-apartheid military’s equipment – are still hovering over his head and he continues to be in and out of court. He is hoping to win a two-thirds majority to change the constitution, and give himself the power to override the court process. He pits the rule of law and the supremacy of the constitution against traditional leadership. What lies behind the MK Party’s formation? The MK Party was launched on December

16, 2023 in Soweto. It was at this event that Zuma announced his association with it. He has since emerged as its leader and has been campaigning vigorously for it as its public face. The MK Party’s formation is linked to Zuma’s longstanding grievance against the ANC. That came to a head following his arrest and incarceration on July 7, 2021 for refusing to appear before the State Capture Commission. He had defied the order of the Constitutional Court to do so and was sentenced to 15 months’ imprisonment.

Why are the party’s name and logo controversial? The name uMkhonto weSizwe, MK in short, historically belongs to the ANC’s military wing. It means “the spear of the nation”. In the early 1960s, ANC leader Nelson Mandela and Joe Slovo, the head of South Africa’s Communist Party, were tasked by the ANC to form the MK. More than six decades later Zuma’s MK Party argues that the ANC cannot claim exclusivity to the MK name as its creation. For its part, the ANC has claimed that MK is inextricably linked to the ANC. The ANC tried to stop the MK party from using the name uMkhonto weSizwe and trademark or anything similar to it. It argued that the use of the logo constituted a breach of the country’s Trade Marks Act. But the High Court dismissed the ANC’s application with costs. The ANC was mulling appealing the case at the time of writing.

What are the MK Party’s prospects? Despite its impressive electoral debut, at least insofar as the 2024 national and provincial elections are concerned, the MK Party’s prospects of political longevity look bleak. This is because of its leader himself, Jacob Zuma (82), its biggest existential threat. The party is personalised around him. It may not have any political future without him given that it is relying heavily on the euphoria Zuma engenders by using Zulu ethno-nationalism and populist rhetoric. The young party is already racked by factionalism, power struggles and leadership purges.

Mashupye Herbert Maserumule is Professor of Public Affairs, Tshwane University of Technology. This article has been republished from The Conversation.

THE GIST

▼ The MK Party garnered almost 15% of the national vote. This contributed significantly towards reducing the ANC’s majority to 40.18%. ▼ The MK Party was launched on December 16, 2023 in Soweto. It was at this event that Jacob Zuma announced his association with it. He has since emerged as its leader and has been campaigning vigorously for it as its public face. ▼ Despite its impressive electoral debut, at least insofar as the 2024 national and provincial elections are concerned, the MK Party’s prospects of political longevity look bleak.

Text & Context

■ Text & Context pages will not be available from June 5 to June 7, 2024

The real winner

Smooth conduct of polls in the largest democracy

It has been a rambunctious election over seven phases, amidst searing heat, campaign noise, dust and, of course, controversy. And the day of reckoning is here for the political parties. Amidst the cynicism in the air these days, it is important to remember a basic fact — it is no mean feat for a nation to have conducted without any major disruption (except for a murder in West Bengal), an election in which about 64 crore people (out of a voter population of 96 crore) exercised their franchise.

To put this effort in perspective, the US as the second largest democracy has 24 crore electors, of which less than 16 crore exercised their franchise in the 2020 presidential polls. The much-pilloried Election Commission (EC), according to its pre-election March statement, has “mobilised election machinery of more than 12 million officials” to manage a system that begins from revising electoral rolls and includes running 10.48 lakh polling stations, about 18 lakh electronic voting machines (EVMs) and making security arrangements at every stage. Voters’ enthusiasm was on full display across the country. Analysing poll data over six phases, SBI Research points out that 92 per cent of 486 constituencies registered either an increase in absolute number of voters over 2019 or status quo, while in 250 constituencies the increase was over 50,000. Women have accounted for over half the absolute rise in number of votes cast, which is in the region of 3.5 crore. An outstanding feature has been voter participation in Jammu and Kashmir and Naxal-hit regions of Chhattisgarh (Surguja and Bastar). The turnout in J&K at 58.58 per cent is the highest in 35 years, and the 51.05 per cent turnout in the Valley alone is 30 percentage points more than in the 2019 elections to three constituencies. This marks an assertion of faith in democracy over extremism. Voter participation and orderly polls in India make it an outlier in comparison with other developing nations.

This faith must be protected by setting high standards of transparency and accountability, while at the same time not entertaining conspiracy theorists who undermine faith in the system by imagining foulplay at every nook and corner. The EC stumbled by delaying the release of voting data in absolute numbers for the initial phases, but made amends later. It could have avoided making dilatory arguments in the Supreme Court before doing so. The enforcement of the Model Conduct of Conduct has probably been a trifle lax. But it should satisfy the sceptics that the apex court has introduced a couple of crucial checks and balances in the EVM system to enhance its robustness. Today’s counting should ideally proceed without any controversy. The verdict should be accepted with grace and respect by all parties, as has always been the case so far.

Going forward, the EC could consider reducing the duration of the general elections, especially if they are to be conducted in summer. It is gruelling for its own staff, and stalls routine government functioning for too long.

POCKET RAVIKANTH

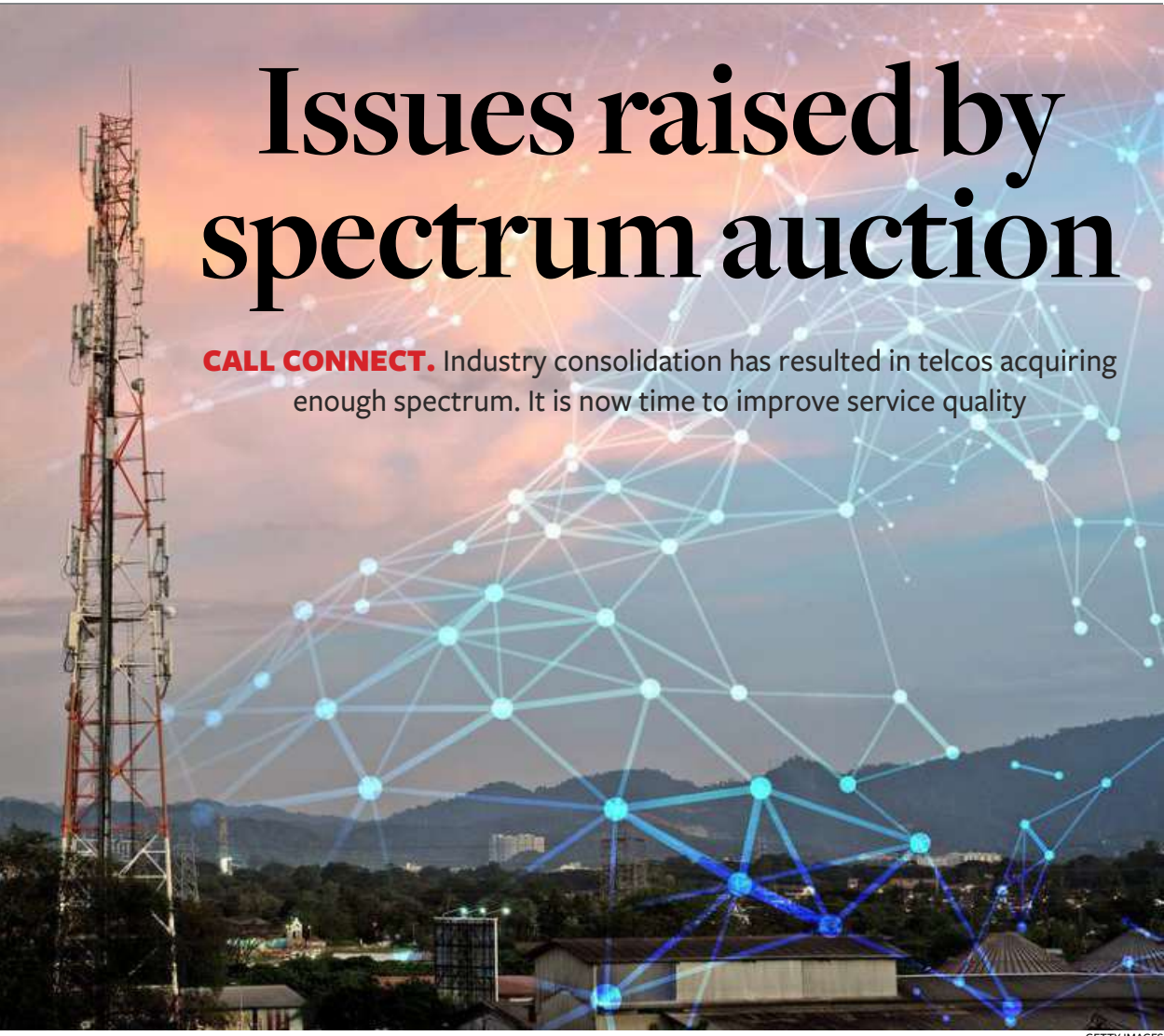


V SRIDHAR

The much-awaited mobile spectrum auction is scheduled to be held on June 6. In this two-part series, we analyse the current spectrum scenario in India. A total of 11 GHz spectrum across 800, 900, 1800, 2100, 2300, 2500, 3300 MHz and 26 GHz will be auctioned at the total reserve price of about ₹96,000 crore. There is a surprise missing of 600 and 700 MHz bands in this auction, given that only 10 MHz of 25 MHz of paired spectrum in the 700 MHz was picked up in the last auction held in 2022. This auction is mainly to cater to telcos whose spectrum licenses are expiring soon in the 800, 900 and 1800 MHz bands across various Licensed Service Areas (LSAs). These spectrum blocks were assigned, partly administratively during 2003-2008 — prior to the first conduct of Simultaneous Multiple Round Ascending auction that was held in 2010.

THE SUB-GHZ BANDS The sub-GHz bands – 800 and 900 MHz – are very important for the telcos to keep as these have excellent propagation characteristics and hence are mainly deployed in semi urban and rural areas. Though 800 MHz is ideal for deploying 4G Long Term Evolution (LTE) networks, both 600 and 700 MHz bands are ideal substitutes supporting 5G New Radio requirements. By not putting on the table, these bands, the telcos are tight roped into acquiring 800 and 900 MHz for renewals, especially those who do not have 700 MHz spectrum from the last auctions. In accordance with this Vodafone Idea and Bharti Airtel have already extended their holding of these bands in certain LSAs. In the other areas, these bands are expected to see some traction especially from Airtel and Vodafone Idea.

THE MID-BAND As in the 800 and 900 MHz bands, the telcos are also facing renewal of 1800 MHz. However, prior to 2014, much of this band was held by the Department of Defence and hence telcos did not have much holding. However, subsequent to Defence migrating to optic fibre networks and the refarming exercise, substantial amount of spectrum in this band was auctioned and picked up during 2014-2022 auctions. Hence we cannot expect much action in the 1800 MHz band. About 335 MHz in the other mid band – 3300 MHz – is put on block. However about 75 per cent of the 7,260 MHz



GETTY IMAGES

auctioned in this band was picked up in 2022 auction. Further, there is no regulatory clarity on the method and pricing of spectrum in this band for Captive Non-Public Networks for construction of private enterprise network. Though this band is ideally suited for enterprise networks, telcos have enough of this band to show any interest in this auction.

THE MILLIMETER WAVE BAND The 26 GHz millimeter wave band that is ideally suited for 5G networks witnessed a good uptake in the last auction with about 45.35 GHz have been acquired out of a total of 62.7 GHz put on block. Out of the remaining amount, only 8.7 GHz are put on block in this auction. Though the reasons for this reduction in availability is not clear, it is very unlikely that the bidding in this band is likely to be active. In the last auction, none of the

The government has to clearly allot more spectrum to BSNL for it to operate efficiently in the rural and remote areas of the country

offerings were sold above the reserve price, except for the 1800 MHz in UP(East), that witnessed about ₹29 crore/block, a 60 per cent increment over the reserve price. All in all, out of 72 GHz of spectrum put on block, only 51 GHz has been sold, leaving about 30 per cent of the spectrum unsold. The total realised value is about ₹150,000 crore, which is about 35 per cent of the expected value at reserve price of ₹430,000 crore. Continuing this trend, even this year we are likely to see a muted auction with some activity in the 800 and 900 MHz.

CURRENT SPECTRUM HOLDING It is interesting to note that existing spectrum holding of Bharti Airtel and Reliance Jio are about 38 and 46 per cent respectively, essentially indicating a duopoly in spectrum holding. Despite indications from the government that spectrum in various bands will be allocated to the state-owned BSNL and MTNL, the spectrum holding especially of BSNL is only about 2 per cent of total amount allotted. The government has to clearly allot more spectrum to BSNL especially in the sub-GHz bands for it to operate efficiently in the rural and remote areas of the country. However, with the government

requiring the state-owned telcos to pay the winning bid price in the auction, it remains to be seen how BSNL will be able to afford the huge spectrum cost associated with the same. It is to be noted that Indian telcos that were starved of radio spectrum until now, have acquired over the last decade enough spectrum, partially due to industry consolidation. The two major telcos — Bharti Airtel and Reliance Jio — have an average of about 1,000 MHz of spectrum in each LSA (also referred to as “spectrum depth”). Though this is half of about 2,000 MHz spectrum depth of the US carriers such as Verizon, AT&T Wireless and T-Mobile, the telcos cannot continue to cry that they are starved of spectrum. It is time that they start improving quality of service. The Telecom Regulatory Authority of India (TRAI) has also pointed out its concern over poor quality of connections despite the telcos having deployed 5G networks. The need of the hour is improved backhaul and fibre connectivity across cell towers to provide better end-to-end connectivity!

The writer is Professor at IIIT-Bangalore and visiting scholar at the University of Southern California; with inputs from KR Mahaadevan, M.Sc. student at IIIT-Bangalore

‘Retailisation’ of corporate bonds, a win-win

It’s a new funding source for issuers and another investment avenue for small investors

Amish Mehta

For retail investors, the door to debt investments is opening wider, with the Securities and Exchange Board of India reducing the face value of corporate bonds by 90 per cent to ₹10,000. This is salutary, because an additional investment avenue is being created in a country where more than a third of household savings is allocated to relatively lower-yielding bank fixed deposits (FDs). Today, about ₹47-lakh crore of corporate bonds are outstanding, originating from 4,200 issuers. But retail investors’ share is less than 3 per cent. That compares with 21 per cent for mutual funds and 26 per cent for insurers. From a returns perspective, the 5-year AAA rated corporate bond was yielding 7.68 per cent this May, compared with 6.7 per cent on a similar-tenure FD, on average. From a small investor’s perspective, that spells opportunity missed. The regulatory thrust on retailisation of debt, therefore, is timely. Apart from the reduction in face value, recent efforts include the creation

of the Retail Direct platform by the Reserve Bank of India (RBI) for government securities and state development loans, and adoption of single schedule of disclosures to fast-track public issuances with reduced time, cost and effort. Then there are systemic tailwinds building, as two points of data — proxies for supply and demand — show. One, Crisil estimates corporates will have to raise ₹100-120-lakh crore via corporate bonds by fiscal 2030. Two, the RBI’s household savings data suggests financial assets tantamount to over 10 per cent of India’s GDP. Given the size and significance of these two markers, measures to ‘retailise’ the corporate bond market could prove transformational and help achieve the objectives of policymakers. **GLOBAL EXPERIENCE** Typically, retail investors are less aware of corporate bonds than bank deposits, life insurance and postal savings. The World Economic Forum (WEF) Insight Report of 2022 revealed that the number of retail investors worldwide has increased significantly, while users of low- and no-fee stock trading apps grew 48 per cent between 2019-20 due



INVESTORS. The bond route GETTY IMAGES

to a favourable macroeconomic environment. But a significant portion of them still do not invest in the capital markets. Retail participation globally is in the 1-6 per cent range. Nearly two-thirds of the investors surveyed cite awareness-related challenges (product and execution) when it comes to investment in bonds. In the US, there was a surge in direct investments in corporate bonds in the early part of the last decade, but that changed after the emergence of cheaper

options such as bond exchange traded funds and bond funds. For Indian investors to take advantage, and for the policy makers to encourage retailisation, a few more steps are essential, such as: **Improving awareness:** Concerted efforts through SEBI’s investor education program and other financial market organisation initiatives on financial literacy are vital. **Guardrails for investors:** SEBI can continue to drive the agenda of transparency around products features and risk-return trades-offs, in line with retail products such as mutual funds. **Liquidity:** A mechanism or institution would be necessary to provide liquidity to underlying bonds. Intermediaries can also be incentivised to promote market making. **Tax incentives:** Tax sops can encourage investors. The 2011 infrastructure bonds is a good example. The ultimate objective should be growth of the corporate bond market and both forms of investment — direct and indirect, through mutual funds/pension funds — should be encouraged.

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Growth spurs With reference to your Editorial, India’s GDP growth for the January-March quarter and the entire 2023-24 fiscal year surpassed forecasts largely due to a low deflator of 1.4 per cent that boosted manufacturing. Public investment has been a significant driver, pushing overall fixed investment up by 9 per cent. Despite this robust GDP growth, RBI and the government’s tasks remain challenging due to GVA growth lagging behind GDP and the significant gap between the deflator and retail inflation, complicating both monetary and fiscal policies.

The most concerning aspect of the GDP data is the weak growth rate of private consumption. This slow growth in consumption may be attributed to deteriorating job quality. Poor job quality can be a drag on GDP, highlighting a critical area of concern despite the overall positive economic indicators. **Amarjeet Kumar** Hazaribagh (Jharkhand) **Trump vs US voters** This refers to ‘Will the conviction bite Trump on election day?’ (June 3). With Trump being convicted on 34 felony cases in the hush money

trial, everyone is most concerned whether he could contest the November 5, 2024 election and if elected, whether he could run the government from prison as Eugene Debs did in 1920. As is evident, the US constitution does not bar Trump from contesting. Experts say that Trump will not be imprisoned. Trump’s conviction puts Biden in a much more strategic and advantageous position. Surely, the second half of 2024 is getting loaded with several hottest news items on US election scenes. **RV Baskaran** Chennai

Tanishq’s journey The Book Extract makes for good reading. The excerpt reaffirms the Tata credentials, yet again. Even when CSR was unheard of, Tatas developed Jamshedpur, their plant location. Let their ilk grow. The book rightly echoes the feelings of many a concerned citizen, ‘how many companies think about those who toil for the big success stories’ that garner eyeballs all over. **Jose Abraham** Vaikom (Kerala) **BJP win and reforms** This is with reference to ‘Exit polls: A likely Modi 3.0 might give economy a

further boost’ (June 3). All the exit polls have predicted a big win for BJP-led NDA. The election results are also important for the continuation of the reforms ushered in by Narendra Modi in the last 10 years. With sufficient foreign exchange balances due to increased exports and reduced fiscal deficit, the country has achieved a ‘positive’ rating by well recognised agencies which is a good sign for the economy. Hopefully, if the poll predictions come true, the reforms will continue for betterment of the country. **Katuru Durga Prasad Rao** Hyderabad

Banks must adopt Ind AS

With banks doing well, it’s right time to transition

Mohan R Lavi

‘Banked the unbanked’. ‘Funded the unfunded’. ‘Samudra Manthan of Banks’. ‘Pillars of Jan-Kalyan’. Finance Minister Nirmala Sitharaman used the above on X (formerly Twitter) when speaking about the banking sector. She stated that due to the government’s policy response to recognition of stress, resolution of stressed accounts, recapitalisation and reforms in banks, the financial health and robustness of public sector banks (PSBs) have improved significantly since 2014.

During FY24, PSBs recorded the highest-ever aggregate net profit of ₹1.41-lakh crore, almost four times the ₹36,270 crore logged in FY14.

PSBs declared a dividend of ₹27,830 crore to shareholders (Centre’s share ₹18,088 crore) in FY24. Net non-performing assets (net NPAs) of PSBs declined to 0.76 per cent in March 2024 from 3.92 per cent in March 2015. They were at a peak of 7.97 per cent in March 2018. However, gross NPA ratio of PSBs declined to 3.47 per cent in March 2024 from 46.04 per cent in 2015. In short, everything in the banking sector has been hunky-dory for the last decade or so.

IND AS
Indian Accounting Standards (Ind AS) mandate fair valuation, mark-to-market accounting and providing for bad debts on the basis of an expected credit loss (ECL) model. Looking at the growth of the banking sector over the last decade, one would have thought that it could have been an ideal time to mandate banks to follow Ind AS.

The robustness of the balance sheets of banks could have enabled them tide over the impact on ECL provisioning and fair value losses.

However, since 2015, the Reserve Bank of India has been taking only tentative measures to transition to Ind AS. In 2015, a



MOVE AHEAD. RBI must instruct banks to implement Ind AS

reporting of the working group on the Implementation of Ind AS in banks was published by RBI. Formats were finalised in 2016. The implementation of Ind AS for banks was deferred twice in 2018 and 2019 but non-banking financial companies were brought onto the Ind AS bandwagon.

All the remaining notifications of the RBI have been targeted only at NBFCs. Disappointingly, the latest Annual report of the RBI does not speak about Ind AS at all. It only makes a reference to the ECL model by stating that the bank is moving towards a forward-looking expected credit loss model.

International Financial Reporting Standards (IFRS) are being amended, modified and updated at frequent intervals. Since 2015, four new IFRS have been issued (IFRS 15/16/17/18) while many have been amended. IFRS 18 makes radical changes to the format of the presentation of financial statements and is applicable from the calendar year 2017. India is expected to come out with its version of Ind AS 118 soon — this could be applicable from April 1, 2027.

Historically, the RBI has been prescribing formats for the presentation of the financial statements of banks.

The RBI should take a call on when it would want banks to transition to Ind AS in all aspects. Ind AS 101 mandates that the impact of transition to Ind AS should be transferred to Reserves and Ind AS 1 provides all entities with the option of parking some specified transactions in a statement called ‘other comprehensive income’ which serves as a sort of a cushion for unrealised gains and losses. The time has probably come for the RBI to instruct banks to implement Ind AS.

The writer is a chartered accountant



**A AMARENDREREDDY
TULSI LINGAREDDY**

India’s agricultural subsidies played a vital role in boosting food production in the country, from about 50 million tonnes in 1950-51 to a record 330 million tonnes in 2022-23. However, the subsidies, intended to incentivise farmers for adopting new technology, chemical inputs, machinery etc., have led to inefficiencies in input use, over-exploitation of groundwater and environmental pollution across the globe. According to the World Bank’s latest report, ‘Recipe for a Livable Planet’ released in May 2024, inefficient use of input subsidies has resulted in reduced global freshwater supplies and increased aquatic nitrogen pollution to an extent of about 17 per cent during the last 30 years.

Similarly, in India, continuous cultivation of rice supported by free electricity and assured procurement at support prices has led to over-exploitation of groundwater in major producing States. The extraction of groundwater surpassed its recharge substantially to the extent of about 165 per cent in Punjab and 134 per cent in Haryana, according to the National Compilation on Dynamic Ground Water Resources of India, 2023, Ministry of Jal Shakti.

In addition, inefficient use of input resources also contributed for increased greenhouse gas (GHG) emissions from agricultural production. As a result, India emerged as the third largest Agrifood System emitter in the world after China and Brazil, as per the World Bank’s report. There is, therefore, an urgent need for policy measures to devise requisite strategies for reorienting agricultural subsidies to promote sustainable production practices for efficient input use, enhancing yields and reduce environment pollution.

Towards this, it is vital to rationalise input subsidies for optimal use of fertilizers and irrigation water. The application of chemical fertilizers has increased manifold from about 2 kilogram per hectare (kg/ha) on average in the early 1960s to about 141 kg/ha in 2022-23, according to The Fertiliser Association of India. Further, fertilizer application is more than 200 kg/ha in major producing States like Andhra



The greening of farm subsidies

FOOD FOR THOUGHT. Rationalising subsidies for optimal use of fertilizer and water is vital for yields, lower emissions

Pradesh with 242 kg/ha, Punjab with 241 kg/ha, Telangana with 229 kg/ha and Haryana with 205 kg/ha.

DECLINING YIELD
In this regard, it is important to note that yield responsiveness of one kg of fertilizer has declined significantly from about 13.5 kg grain in 1970s to about 3.7 kg grain in 2000s. Research suggested that continuous excess application of chemical fertilizers has led to sulphur accumulation, which could limit the usage of other nutrients, thereby reducing fertilizer responsiveness. Hence, there is an urgent need to rationalise fertilizer subsidy with direct benefit transfer to farmers in accordance with crop specific recommended doses and soil fertility

Subsidies in the form of free electricity for irrigation and guaranteed procurement at support prices have resulted in extensive cultivation of rice and sugarcane replacing crops with low water requirement.

status using soil health cards. In addition, judicious use of chemical fertilizers together with organic manures will help in reducing chemical pollution, cost of cultivation and improving incomes of farmers.

Further, subsidies in the form of free electricity for irrigation and guaranteed procurement at support prices have resulted in extensive cultivation of rice and sugarcane replacing crops with low water requirement like nutri-cereals, pulses and oilseeds.

Furthermore, flood irrigation method of rice cultivation is leading to over-exploitation of groundwater and increased GHG emissions. The emissions from rice cultivation accounted for about 17.4 per cent of total GHG emissions from agriculture sector in the country, according to the India Third National Communication submitted to The UN Framework Convention on Climate Change (UNFCCC) in December 2023.

Considering the crucial position of rice in India’s food security and dwindling groundwater resources, there is an urgent need to devise measures to promote innovative rice cultivation practices that can reduce water use without affecting yields. Towards this, Sustainable Rice Project conducted by the International Finance Corporation

(IFC) and Olam in Haryana indicated that use of climate-smart sustainable rice cultivation practices has helped reduce water requirement by 15-20 per cent without reducing yield in 2020. Such innovative technology and cultivation practices need to be customised and promoted for widespread adoption across the country.

Indian agriculture is extremely vulnerable to climate change and weather aberrations with rainfed cultivation accounting for more than 50 per cent of area and 40 per cent of output. A 6 per cent below normal rains in kharif 2023-24 resulted in a fall in output of oilseeds by 11.5 per cent, pulses by 10 per cent and cereals by 6 per cent according to second advance estimates of the Ministry of Agriculture. Under such a situation, it is imperative to reorient agricultural subsidies to promote sustainable production practices for improving input use efficiency, enhancing incomes, reducing pollution and enabling adaptation to climate change towards future food security.

Reddy is Joint Director, School of Crop Health Policy Support Research, ICAR-National Institute of Biotic Stress Management, Raipur, and Lingareddy is Senior Economist, Sustainable Finance and Agriculture, Mumbai. Views are personal

thehindubusinessline. TWENTY YEARS AGO TODAY.

June 4, 2004

Investment drought has ended, says Chidambaram

The ‘investment drought’ in the country has come to an end, feels the Finance Minister, Mr P Chidambaram. “One very happy development after a prolonged period is that the investment drought has ended. We can now see investments picking up,” the Finance Minister said.

Cabinet to review airport FDI cap

The announcement by the Minister of Civil Aviation, Mr Praful Patel, that the foreign direct investment cap has been fixed at 49 per cent for privatisation of Mumbai and Delhi airports is likely to come up for a review by the Cabinet shortly. The earlier decision by the Cabinet of allowing 74 per cent FDI and 26 per cent to be held by the Airports Authority of India had not been reversed.

Capital gains tax for FIIs may be reviewed

The Finance Minister, Mr P Chidambaram, may review capital gains tax laws concerning foreign institutional investors in the forthcoming Union Budget. According to an institutional source, the Finance Minister had discussion with SEBI and brokers on foreign institutional investors investing in Indian equities through participatory notes and their possible misuse.

In financial sector, climate risk disclosure gaining ground

Arjun Goswami
Aditya Rathore
Rashi Jeph

The Reserve Bank of India has sought comments on a proposed framework on disclosure of information by regulated entities (REs) such as banks, NBFCs and HFCs, etc., about their climate related financial risks and opportunities. Although the framework is meant for REs in the financial sector, it must be heeded by all industries since it signals larger changes that will unfold in the business preferences of lenders, investors, asset managers and insurers at large.

This framework has been proposed with the objective of making REs understand the interaction between climate-related and environmental risks and their business activities.

The historical data and traditional backward-looking risk assessment methods are unlikely to adequately capture future impact of climate change. Therefore, the data collected through such disclosures will become relevant in guiding future lending.

Unlike Basel Committee Framework, the RBI has refrained from asking REs

to carry out a supply chain analysis of their borrowers for the time being. This will avoid any shocks to the system given the lack of experience in climate-related disclosure reporting and perhaps the lack of availability of trained professionals. However, as REs gain experience, the next logical step would be to expect REs to carry out supply chain analysis. This will have a direct impact on the creditworthiness of businesses.

RIPPLE EFFECT

The likely trend of RBI guidance can be drawn from the Securities and Exchange Board of India’s (SEBI’s) shift from a voluntary disclosure requirement to a mandatory scheme. The Business Responsibility and Sustainability (BRSR) framework now mandates that the top 250 listed entities (by market capitalisation) make ESG disclosures regarding their value chains on a comply-or-explain basis starting FY25. This will create a ripple effect which will indirectly bring unlisted entities within the fold of ESG reporting.

When viewed together, the steps taken by SEBI and RBI will act as catalysts in changing the larger



INSURERS. Must report climate risks

behavioural trend among businesses by making the largest companies (by market capitalisation) and regulated entities agents of such change.

Considering that insurers also play an important role in the financial sector by facilitating risk transfer as well as investments, they too might be called upon to join the ranks of agents of change. International experience too points in that direction.

The Task Force on Climate related Financial Disclosures provided supplemental guidance for banking as well as insurance companies to make disclosures relating to climate risks. Later, the International Financial

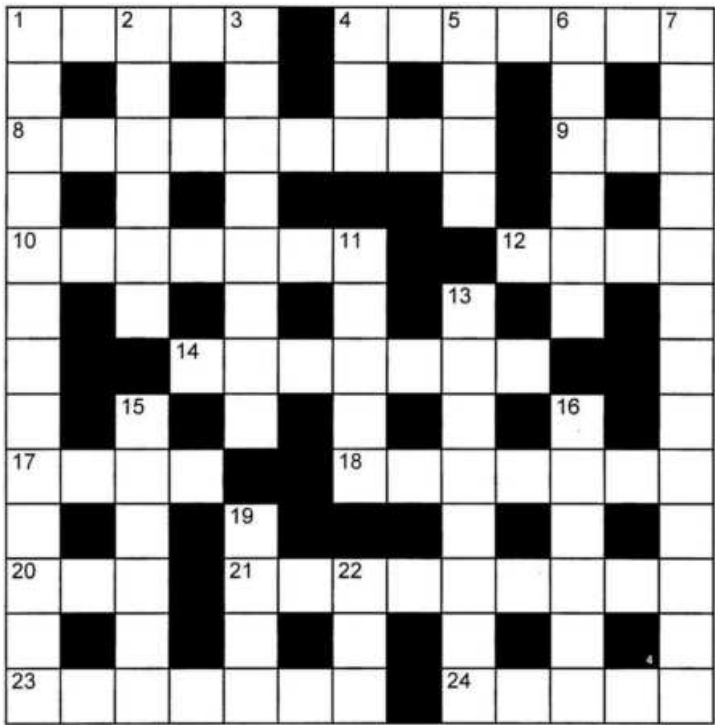
Reporting Standards (IFRS S2) provided more elaborate and specific climate related disclosure requirements for insurance companies.

Prudential Regulatory Authority, UK’s financial services regulatory body, expects insurance companies and financial institutions it plans to disclose steps taken by the firms to manage their climate related financial risks. The European Union’s insurance regulatory regime was also amended to require stronger sustainability risk management by (re)insurers, including climate scenario analysis. In Singapore, the Financial Institutions Climate Related Disclosure Document is divided into different sections for each of the following industries in the financial sector: banks (for lending activities), asset managers (for investment activities), and insurance companies (for underwriting activities).

Therefore, the international trend suggests that efforts have been made to bring insurance companies within the ambit of climate-related disclosures.

Goswami is Director-Public Policy, Rathore is Senior Associate, and Jeph is Associate, Cyril Amarchand Mangaldas

BL TWO-WAY CROSSWORD 2453



EASY

ACROSS

- Untrue (5)
- Greedy eater (7)
- Astonished (9)
- Not to be fast (dye) (3)
- Gun-holder (7)
- Container for winter feed (4)
- Sanguine (7)
- Small freshwater duck (4)
- Snake (7)
- Sailor (3)
- Produced in one’s garden (4-5)
- Produced chicks from eggs (7)
- Biblical weeds (5)

DOWN

- Zigzag line of sewing (7-6)
- Small (6)
- Chemical formula (8)
- Deity (3)
- Cancel, annul (4)
- Intensely passionate (6)
- Those not engaged in contest (3-10)
- Smells of smoke (5)
- Smells a lot like smoke (5)
- All at once (8)
- Root vegetable (6)
- Eat (6)
- Former king of Persia (4)
- Demented (3)

NOT SO EASY

ACROSS

- Fails to drop one, going east? That’s not true! (5)
- The market flooded, and not returning, he eats a lot (7)
- As to nude turn-out, first of dimples was astonishing (9)
- Go for office, at a pace unlike Shakespearean schoolboy’s (3)
- Gun housing for Lt with Horse, perhaps (7)
- Winter feed-maker uses compound of oils (4)
- Thinking it may be all right, dance, careful to leave car (7)
- Duck for meal in the afternoon, and starter for lunch (4)
- Inhabitant of the Garden of Eden got blown in old band (7)
- Thanks to the right viscous material being produced (3)
- Is not imported by house having had extension added (4-5)
- Brought plot into the light of day, or shelled out! (7)
- Weeds? Yes – but not beginning after 20 (5)

DOWN

- With which to sew part of wing on? (7-6)
- Thus by itself, Eric was booked (6)
- A formula that’s not quite equal, not one that’s different (8)
- One worshipped by such as Pluto having been overturned (3)
- Resolve knot for a French party (4)
- Very hot rubbish-tip to get shot of (6)
- Those among the fighting men who don’t! (3-10)
- Smells a lot like smoke (5)
- Dexter dismissed first, all at once (8)
- Some encouragement for donkey, or get overturned in wagon (6)
- In Red revolution, you French endlessly swallow it up (6)
- Former monarch has turned up holding first of honours (4)
- Cross American mother has been upset (3)

SOLUTION: BL TWO-WAY CROSSWORD 2452

ACROSS 2. Ruled 5. Bust 7. Grab 8. Referred 9. Fourteen 11. Find 12. Procrastinate 15. Aver 17. Mingling 19. Armchair 21. Plum 22. Keep 23. Dwell

DOWN 1. Fervour 2. Rub 3. Large 4. Defunct 5. Bar 6. Sheen 10. Recur 11. Final 13. Armband 14. Tonsure 16. Verge 18. Nurse 20. Cup 21. Pal

Climate change challenge

Funds mobilised are inadequate

The increasing frequency of extreme weather events and the intensity of heat waves in much of India is a reminder of rapid shifts in climate and its potential consequences for a country like India. While India is investing to increase the share of renewable energy in its energy mix, the problem of climate change cannot be addressed by individual developing countries. Notably, developed countries have committed themselves to providing financial support to developing ones. In this context, a new report by the Organisation for Economic Co-operation and Development highlights that after years of failing to meet climate-finance commitments, developed countries were able to mobilise \$115.9 billion for developing countries, exceeding the annual \$100 billion goal for the first time in 2022, two years later than the original target year of 2020. Predictably, the delay in fulfilling the pledge generated resentment and doubt among developing nations regarding future climate-funding promises. Surpassing the target is, therefore, being hailed as a small but significant step towards empowering developing countries to adopt adaptation and mitigation measures to counter climate change globally.

At the Copenhagen Climate Change Conference in 2009, the developed countries committed themselves to mobilising \$100 billion per year by 2020. Further, while signing the Paris Agreement in 2015, the countries agreed to collectively mobilise \$100 billion through 2025, before setting a new collective quantified goal (NCQG) to replace the existing goal of \$100 billion per year. The NCQG will hopefully be adopted this year at the Conference of Parties (COP29) in Azerbaijan. Currently, public climate finance (bilateral and multilateral) accounted for nearly 80 per cent of the amount raised in 2022. Private climate finance grew recently but it remains far lower than public sources. About 60 per cent of climate finance is directed towards mitigation, especially in energy and transport sectors. The amount raised for adaptation finance is significantly less.

However, most of the support is in the form of loans, not grants and equity investment. This is against the concept of climate justice. As climate finance continues to be predominantly delivered as loans, a large share of which is non-concessionary, it adds to debt pressures across regions and income groups. Among the developing countries, lower-middle-income countries remain the main beneficiaries, followed by upper-middle-income countries. Besides, unfortunately, \$100 billion a year is not enough compared to the support developing countries need to achieve climate goals in accordance with the Paris Agreement. In the United Nations Framework Convention on Climate Change's recent analysis of financing needs, developing countries require about \$6 trillion by 2030 to meet less than half their existing Nationally Determined Contributions, rendering the \$100 billion target highly insufficient.

Clearly, the target was not needs-based. Rather, it acted as a political commitment that recognised developed countries' responsibility to provide financial support to developing countries. Finance for fossil-fuel projects also continues unabated at more than \$1 trillion annually to companies supporting new development projects, questioning the effectiveness of climate finance. While the NCQG promises to channel greater funds toward urgently needed climate action, countries must first reach a consensus on some of these foundational questions, from the dollar amount of the goal to the share of contribution by each country to tackling non-green projects.

The ANC's choices

Sustained mismanagement cost it its majority

The end of the African National Congress' (ANC's) monopoly on power may be a dismaying development for South Africa's Grand Old Party, which has led the country since the fall of the apartheid regime. But for this \$400 billion economy that was once perceived to share a position in an elite grouping of developing economies — Brics or Brazil, Russia, China, India, and South Africa — 30 years of dominance has proven a liability for the country's 60 million people. Having performed well for the first decade after 1994, when the charismatic Nelson Mandela was elected the country's first black President, economic growth has been anaemic, falling to 0.6 per cent in 2023 from 1.9 per cent in 2022. Per capita income has stagnated, and unemployment at 33 per cent is among the highest in the world. According to the World Bank, 55.5 per cent of the population live in poverty and, ironically, the country is one of the most unequal in the world.

The principal cause of this crisis has been the inability to build state capacity, which was once geared towards benefitting a tiny white minority. Over the past 15 years, key infrastructure services — electricity, transport, railways, ports, and sanitation — have deteriorated. This has severely limited the country's ability to build on the natural advantages of mining and mineral reserves — it is the world's fifth-largest diamond producer — and tourism. Corruption is rife — incumbent President Cyril Ramaphosa's predecessor, Jacob Zuma, was forced to resign following complicity in a corrupt arms deal. The country has also failed to reverse the notorious spatial exclusion policies of the apartheid era, which kept crowded Black townships at great distances from the central business districts and cut off from key economic infrastructure, and isolated former Black homelands from the industrialised belts. Post-apartheid urban planning and zoning policies precluded the creation of affordable housing near city centres. As a result, most urban Black South Africans still live in slum-like townships on the fringes of fragmented cities where job commutes are long and expensive.

Given this story of "stagnation and exclusion", it is no surprise that the ANC has lost its parliamentary majority. With 40.18 per cent of the vote share in an election that saw the lowest turnout in 30 years (58.64 per cent), it will be forced to seek a coalition partner to cross the requisite 50 per cent to form the government. It faces tough choices. The party with the second-largest vote percentage at 21.8 per cent is the Democratic Alliance (DA), the ANC's traditional Opposition, which has long championed economic liberalism and opposed fiscal transfers and affirmative action in employment. But the DA is seen as a party of the privileged White minority — it is headed by a 48-year-old stridently pro-business white man — requiring the ANC, the party that fought apartheid, to make a potentially painful choice. The DA may, however, be a better choice than Jacob Zuma's MK Party, which polled a surprising 14.6 per cent, or the communist and Black nationalist party Economic Freedom Fighters with 9.5 per cent of the votes. The Western Cape Province, which the DA has controlled since 2009, has lower unemployment levels and better infrastructure among South Africa's provinces. But its standing among the Black majority is low, suggesting that the ANC is faced with a difficult choice.

Using GST as consumption proxy

Unlike private consumption data, GST can provide real-time insights into consumption patterns, economic activity, and state-wise variations



ILLUSTRATION: BINAY SINHA

Last financial year, net goods and services tax (GST) collections (gross collections minus refunds) surged 13.4 per cent, outpacing the 9.6 per cent growth in nominal gross domestic product (GDP).

This financial year has also started strong, with the gross April mop-up soaring to record ₹2.1 trillion, the highest monthly haul since the levy was introduced in July 2017. The data spawned by this collection ecosystem has another, unintended benefit. It can throw light on private consumption, including at the state level.

GST is a consumption-based tax, accruing to the state where goods are consumed, as opposed to where they are produced. So, state-level GST data can indicate sub-national private consumption trends.

While private consumption is the biggest driver of demand in the Indian economy, the lack of high-frequency data on it makes monitoring a challenge. Interestingly, despite strong GST collection in FY24, the National Statistical Office's estimates show private consumption growth has trailed GDP growth.

This divergence could be because, in addition to consumption, formalisation and improved compliance are playing an important role in shaping GST collections. The number of registered GST taxpayers reached 15 million as of April 30, 2024, more than twice the 7 million in 2017. Compliance has improved as well. For instance, recently, evasions of more than ₹44,000 crore were detected between May 2023 and January 2024 under a government drive to crack down on non-existent registrations and fake invoices.

The collection-consumption tango

GST collections move quite in sync with private final consumption expenditure. The goods and services covered under the GST ambit represent 67 per cent of the all-India private final consumption expenditure. These characteristics suggest aggregate GST could offer surrogate signals on the broad direction of private consumption, even though it is difficult

to separate the impact of compliance improvement and formalisation.

Importantly, GST data also allows assessment of consumption nuances at the state level, which is useful because private consumption data is only available at the national level. Therefore, timely availability of insights on consumption using GST data, both at the national level and across states, can benefit policymakers and the corporate sector.

What our data crunching shows

We analysed GST data of 17 states, representing almost 90 per cent of the total collections. The analysis pertains only to GST collected on domestic consumption and not on imports, as data on the latter is not available state-wise. The process yielded some interesting observations.

Last financial year, Maharashtra led with an 18.8 per cent share of the all-India GST collections. It has consistently been on top of this heap. Karnataka followed, but with a significantly lower share of 8.7 per cent. Maharashtra's outperformance is consistent with it having the highest GDP among states and the third-largest population — both factors bolster consumption expenditure in the state. Per capita state-level GST collections provide additional insights. While Maharashtra is the numero uno even in per capita terms, there is some reshuffling when population size is considered. Haryana, Telangana, Kerala and Punjab move up the ranks while larger states such as Uttar Pradesh and West Bengal descend. Such information can indicate the demand for the kind of goods (premium vs mass) in a state and act as useful information for the corporate sector.

Teasing out demand nuances

We find a strong positive correlation between per capita GST collections and per capita incomes across states, indicating richer states have higher propensity to consume. This is also in line with a recent Reserve Bank of India (RBI) finding that consumer optimism (measured by the RBI's Consumer



DHARMAKIRTI JOSHI, ADHISH VERMA & BHAVI SHAH

Securing India's energy transition

One of the outgoing government's initiatives that has garnered less attention than it deserves has been its effort to secure critical minerals that are needed for India's energy transition targets. A report in this newspaper last week highlighted India's efforts to sign new agreements or update older ones with a dozen African countries.

Earlier this year, the Indian government signed an agreement with Argentina to acquire five lithium brine blocks for exploration and development in that country. The lithium exploration deal with Argentina is a step towards securing lithium supplies needed for electric vehicle (EV) batteries.

A few months ago, the government made efforts to attract private miners — both domestic as well as global — to take up critical mineral exploration blocks within India. Though the auction for the 20 critical mineral blocks on offer finally needed to be scrapped last month, possibly because of lukewarm interest from bidders, it showed that the government recognised the criticality of securing the critical minerals.

The new government that will take charge shortly will need to continue and accelerate these initiatives. It will also need to make policy tweaks to ensure that we are more successful in our efforts than we have been in the past. In the past half-decade, though the outgoing government recognised the problem of India being too dependent on imports, primarily from China, for critical minerals, the solutions it has tried out have been less successful.

Solar panels and EV batteries need minerals like lithium, cobalt, nickel, cadmium, germanium, niobium, beryllium, vanadium, and many others. Lithium often gets more media attention because Li-ion battery chemistry is dominant in the current generation of EVs, apart from powering all mobile phones and

tablets. The other minerals are required in lower quantities, but each of them is a critical component in the energy transition journey. For almost all of these minerals, we are dependent on imports—specifically, imports from China.

India has been late in grasping that its energy transition goals are vulnerable due to its reliance on supplies from China. It is not the only country that has belatedly come to realise this. Even the US has only just woken up to the fact that it has let China dominate the critical minerals supply chain. China is not the leader when it comes to proven reserves in most of these critical minerals, but it has spent decades building up relationships with mineral-rich countries in Africa and Latin America. Chinese companies have secured mining rights in mineral-rich but economically poor nations — while the US, Europe, and even Australia have been tardy to move on these opportunities. China has also built huge capacities for the processing and refining of these minerals — which means that almost all these critical mineral ores, from lithium to cobalt

to rare earths — go to China for processing after being mined in different geographies.

For India, becoming independent of China for critical mineral supplies will involve a three-pronged effort. The first involves exploration and geological studies to see if India has reserves of one or more of these critical minerals. In the past, the conventional wisdom was that India lacked these minerals. However, the truth is that simply not enough exploration has taken place till now because the requirement of these minerals was low.

According to reports, the outgoing government asked the Geological Survey of India (GSI) and other agencies to accelerate exploration of India's land mass of 3.2 lakh sq km, and also use new data sources as

Confidence Survey) improved as household income increased. The relatively affluent southern and western regions demonstrated higher consumer confidence, compared to the all-India average from September 2017 to March 2023 (Consumer Confidence in India: A Regional Perspective, RBI Bulletin, May 2024).

The relationship between the share of urban population and per capita GST collections among states is also positive, implying urbanisation propels private consumption. That said, better GST compliance in urban areas could also be a contributory factor.

Cess stories

Additional useful insights can be gleaned from the analysis of GST compensation cess data. Given that it is applied on luxury and demerit goods (particularly ones with adverse environmental or health impacts), a state-wise comparison of cess collections can throw light on this aspect of consumption. Kerala had the lowest collections of per capita compensation cess in FY24, while Chhattisgarh had the highest. The high level of per capita compensation cess in Chhattisgarh reflects primarily two features of the state.

The first is high tobacco use. The National Family Health Survey 2019-21 found a higher prevalence of tobacco use in the state (43 per cent men and 17 per cent women above 15 years) against the national average (about 38 per cent men and 9 per cent women above 15 years). The second is high coal consumption. Not only is Chhattisgarh among the top coal-producing states with large thermal power installed capacity, but it is also the largest coal-consuming state in India.

Yielding a yardstick

Without a doubt, GST has been a fundamental tax reform engineering multiple benefits in addition to buoyancy in tax collections. For instance, it has reduced the cascading impact of taxes, facilitated the move towards a common market and improved efficiencies in logistics/transportation. With improving compliance, formalisation and GST coverage, not only will the benefits increase, but the tax will also become a more useful indicator of economic activity.

State-level GST collections by commodity or at least their disaggregation into goods and services can further enhance our understanding of the economy.

The data on integrated GST on imports by states can help suggest how states contribute to India's import bill (though it is also important to bear in mind that after landing in a state, imports may be travelling to other states, maybe after some value addition). Besides, information on compensation cess can suggest how different states fare in terms of their consumption of climate-sensitive items such as coal and other demerit goods, such as tobacco, cigarettes and pan masala.

Hence, over time, GST data can become a more real-time measure of consumption expenditure and other data-led insights into the economy at both national and state levels.

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BOOK REVIEW

FINTAN O'TOOLE

When I was growing up in Catholic Ireland, books on moral and theological matters carried, near their title pages, a mark of approval from a local bishop and the phrase "nihil obstat" — a fancy Latin way of saying "all clear." Stuart E Eizenstat's book on the major episodes of American diplomacy over the last half-century — from the opening of China to the invasion of Gaza — comes with *nihil obstat*s from the secular equivalent of an entire conclave of cardinals.

It has a posthumous foreword by one former secretary of state, Henry Kissinger, and a preface by another, James A Baker III. It carries gushing

blurbs from one former US president (Bill Clinton), three former prime ministers (the United Kingdom's Tony Blair, Ireland's Bertie Ahern and Israel's Ehud Olmert), international luminaries and two further luminaries of US diplomacy, Hillary Clinton and John Bolton. All of them have also been interviewed for their insights.

The book, therefore, harks back to an ideal of US diplomacy as a nonpartisan arena, an essentially technocratic endeavour. Mr Eizenstat is unhappy "when diplomacy is politicised" and he hopes to promote a "vision of bipartisan US leadership." Yet, if there was ever a time when it was possible to imagine an unpoliticised diplomacy, it is surely long gone. Mr Eizenstat acknowledges, for example, that tackling climate change "will be a supreme test" of America's global leadership. Whether that test is met depends utterly on which party is in power.

The folly of trying to avoid partisanship is obvious even in Kissinger's foreword. He provides a brutal

summary of his own longstanding intellectual position: In foreign policy, actions do not express "a notion of justice" but are "based on a conception of interests." This is a false dichotomy. Any sane foreign policy must stem from an understanding that, in a radically interdependent world, global justice is also a vital national interest.

It is especially odd that Mr Eizenstat, who in addition to serving under President Carter is the author of *President Carter: The White House Years*, mostly evades the obvious clash between the worldview set out by Kissinger and that of his former boss, who insisted as president that US foreign policy "is rooted in our moral values," except to say that President Carter's election victory "signalled a shift away from Kissinger's realpolitik."

In a hagiographic opening chapter on Kissinger himself, Mr Eizenstat writes that he "presided over some of the greatest triumphs of America's foreign policy, as well as some of its tragic failures." The triumphs — especially the opening of diplomatic relations with

China and the making of peace between Egypt and Israel — are recounted in vivid and engrossing detail. The tragedies are swept under the thin carpet of an endnote: "For example, Kissinger's support for Latin American dictators with egregious human rights policies; the massive, deadly, destabilising bombing of

Cambodia;

continuing the

Vietnam War,"

and the "support

for the Indonesian

dictator Suharto's

invasion of East

Timor."

Of Mr

Eizenstat's case

studies, the one I

know best is the

negotiation of

the 1998 Good Friday Agreement,

which ended the long period of

sectarian violence in Northern Ireland

known as the Troubles. While his

description of the deal-making is

broadly accurate, his grasp of the

political context is weak.

Discrimination against Catholics in

Northern Ireland, though systematic,

was emphatically not "a form of apartheid in all but name."

Bizarrely, he further claims that Irish American politicians, including Senator Edward Kennedy, "weighed in against US involvement" in the peace process. As one of his own endnotes seems to acknowledge, the precise opposite

happened.

Perhaps, in trying

to span such a

range of

situations, from

Vietnam and the

former

Yugoslavia to

Angola and

Afghanistan, Mr

Eizenstat has

spread himself

too thin.

He even tries to bring the book up-to-

date by adding quick (and insightful)

thoughts on the Gaza crisis. He hails the

success of the Trump administration's

brokerage of a package of deals between

Israel and the United Arab Emirates,

Bahrain, Morocco and Sudan. This

agreement (known as the Abraham

Accords) has, he writes, "transformed

Israel's position in the Middle East and the future of the peace process, integrating Israel in the region for the first time." Immediately after this, in a short section on the Hamas atrocities of October 7, he writes that "Israel's response has impeded its further integration in the region." These terrible events make his overly optimistic conclusions about the efficacy of constricted bargains less persuasive.

Being sharp on the mechanics of negotiations but hazy on the wider political environments is perhaps an occupational hazard of Mr Eizenstat's search for a notion of depoliticised diplomacy. The mechanics matter but, as the horrific events in Israel and Gaza remind us, deal-making is not an art that can be practised successfully in isolation from much larger political and moral imperatives. A more reflective and supple account of US diplomacy would pay much more attention to the complex and sometimes tragically contradictory relationship between those two activities.

The reviewer is a columnist at The Irish Times. © 2024 The New Times News Service



OPINION

The
Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

Shorter polls in autumn season

Election Commission should rework the polling schedule — hold it in fewer phases and, surely, in better weather

The Election Commission of India (ECI) deserves credit for completing the long-drawn-out election process for the 18th Lok Sabha, although its slips, especially its inability or reluctance (or both) to define red lines regarding hate speech and other campaign violations, were perhaps amplified by the high standards expected from the institution — a fall back to the time when former chief election commissioner (CEC) TN Seshan asserted the agency of the Commission as an independent constitutional body beholden to none but the Constitution. ECI would do well to think about what it could have done better; thus far, its response has taken the form of denial and falling back on verbiage. But, as the process concludes, there are more issues ECI needs to ponder.

One, it needs to rethink the schedule for the general elections. Until 2004, the general elections were mostly held in autumn. It makes no sense to hold this physically arduous exercise in peak summer, when temperatures in northern India touch 50 degrees, as they did this time. At least two dozen people involved in the polling process have reportedly died due to heat stroke. Doing so, will, of course, require political parties to agree and, perhaps, a legislative consensus since the longevity of the next House will be reduced by six months or so if the polls are rescheduled. Two, there is a need to cut down the number of phases of polling and reduce the duration of the process. If the first general elections in 1951-52 were spread over four months (68 phases), polling in 1980 was over in just four days. Between 1962 and 1989, the duration of the polls was between four to 10 days. This time it has stretched over 44 days (81 days from the announcement of elections to the counting of votes), five more than in 2019. This is inexplicable for at least two reasons. One, technology has shrunk both time and space and there is no reason ECI cannot rewire the process for early completion of the exercise. Second, elections are no longer susceptible to violence as they were in the past. The CEC said on Monday that ECI had to order just 39 repolls this season; incidents such as booth capture became a thing of the past many years ago. Moreover, the country has sufficient bench strength in paramilitary forces. Geography to examinations and public holidays — reasons given by ECI — do not justify the extended nature of the elections.

When the poll noise is over and after a new government is sworn in, ECI must address these concerns. This is unlikely to be a contentious issue compared to the idea of simultaneous polls, mooted by the Second Modi government and likely to find a renewed push under the Third, should that come to pass.

Churn in South Africa hits ANC's prospects

For the first time since it helped end South Africa's era of apartheid, the African National Congress (ANC) has failed to secure a simple majority in last week's general election, whose outcome is being seen as a reflection of the people's anger over the failure of successive administrations to deal with unemployment, crime, corruption and massive inequality in society. The future of the ANC and President Cyril Ramaphosa now hinges on negotiations with other parties that picked up significant vote shares. To remain in power, the ANC could team up with two former party leaders — former president Jacob Zuma, a scandal-tainted populist who heads the new MK party, or Julius Makena of the Economic Freedom Fighters party. Both, however, have radical Left-wing reform agendas. Or the ANC will have to make the difficult choice of joining hands with the John Steenhuisen-led Democratic Alliance, a party that opposes policies favouring only the Black population.

The ANC's sharp decline was expected in the wake of its failure to address South Africa's numerous problems over the decades, especially inequality. In a way, its trajectory resembles the journey of the Indian National Congress (INC), the party of Mahatma Gandhi that inspired the ANC and Nelson Mandela. The Congress lost its first national election 30 years after India won Independence, in 1977. The ANC's decline is similar to that of the Congress — both parties saw major splits after their top leaders bowed out — Jawaharlal Nehru for the INC and Mandela for the ANC — and their successors failed to meet the aspirations of a new generation of voters or stall a decline in values. For India, a strong and stable South Africa is crucial because of the role the country plays in the Global South and at multilateral platforms such as Brics.

We, the People: The day after the results

The Constituent Assembly saw We, the People, as an assertion of the entity in whose name the Constitution was adopted. Living up to that assertion, despite differences, is an aspiration that is still alive

Today, as the fate of all election hopefuls is revealed, the primary focus will be on who comes to power. But what about We, the People, the day after and onwards?

The old challenge is about how we the people retain our sense of agency by holding those who come to power accountable. In the India of 2024, the more urgent question is how we, the people, will deal with each other.

This election campaign has seen sharp and bitter polarisation among people at large. Within families and among old friends, the intensity of disagreement has reached unprecedented levels. These are not just ideological differences (for example, secularism versus Hindu *rashtra*). The quarrels are of a more basic nature — about what is real, what is working, what is dysfunctional, what is right

and what is wrong at a basic human level.

Take the example of a young friend who sees that both democracy and basic human decency are now under threat. According to her father, who is a middle-class businessman, things have never been better in India because Narendra Modi is a saviour whom he is willing to follow and obey, unconditionally.

It is safe to assume that where there are deep, in this case biological, bonds of affection, the sharp differences in perception will be papered over by the compulsions of routine, everyday life.

But how are we going to behave towards strangers, those with whom we have no emotional history, let alone bonds? Even more importantly, how are we going to behave towards those who appear as a competing or threatening "other"? These questions will remain crucial, regardless of who wins today.

In a time when cynicism is widely regarded as "cool", or clever, it is imperative to revisit the fundamentals. We need to distinguish between We, the People, as an assertion and as an aspiration.

We, the People, is an assertion by India's Constituent Assembly that it is the people themselves who are adopting a framework of values for the future. There were those in the

Constituent Assembly who argued that the Constitution should be attributed to God. Others argued that it should be attributed to Mahatma Gandhi. But these views were rejected in favour of asserting the power of the people themselves.

The cynic may say that We, the People, is a fiction. After all, there is ample evidence that all Indians do not agree to practise "justice, equality, liberty, fraternity" — the values that the Preamble establishes as the basis for the Indian Constitution.

Fortunately, there is also voluminous evidence of people who aspire to live by and protect these values. This is true across differences of class, caste, language and religion. This has also been demonstrated through the cacophony of election campaigning — with citizens, who may or may not belong to any political party, reaffirming these values and asking others to vote for whoever seems more likely to stand by them. But this is a thin silver lining in a dark cloud.

The key question now is how we — who aspire to live by justice, liberty, equality and fraternity — engage with those who periodically seem to reject these values.

One, by not defining these values in such a purist manner that living by them seems impossible. Let not the pursuit of perfection become the enemy of the good. Even if someone's



Rajni Bakshi

{ SIMPLY ECONOMICS }

Pramit Bhattacharya



Reforming civil services is key to improving delivery

The new government in New Delhi will take charge at a time when the geopolitical winds are blowing in India's favour. The Sino-American trade war has made it increasingly attractive for companies to invest in emerging markets outside the Chinese sphere of influence. India's large market is an added attraction.

Will the new government be able to seize the moment? A lot will depend on how far the government succeeds in upgrading the plumbing of the Indian State. If the big challenge in 1991 was to get an overly intrusive State out of the lives of people and businesses, the challenge now is to make it deliver critical lines of support to people and to companies.

Be it negotiating trade deals or monitoring communicable diseases, the Indian State often fails to deliver where it is needed most. The lack of State capacity is "the major binding constraint" to national progress today, the economist Karthik Muralidharan argues in his recent book, *Accelerating India's Development*.

The Indian State's overreliance on a generalist and clannish civil service cadre is a big part of the problem. The Indian civil service took shape during the British Raj, when a small team of elite administrators controlled an extractive "security state". As the Indian State took up a developmental role after Independence, the colonial-era civil service came under strain.

To some extent, the strain was mitigated by the entry of specialists in key ministries. Scientists such as Homi Bhabha, statisticians such as PC Mahalanobis and Pitambar Pant, and economists such as KN Raj and IG Patel began frequenting the corridors of power. India's first Prime Minister, Jawaharlal Nehru, wanted to subjugate civil servants to the "superior rationality of scientists and economists", the political scientist Sunil Khilnani has argued.

The civil service wasn't very welcoming of expert advice. As the Planning Commission chief DR Gadgil observed in a 1968 lecture, "new elements of specialists or managers of business" ranked low in prestige and authority. Gadgil identified the incompetence of the generalist and the "degradation and frustration of the experts and specialists in government service" as key reasons behind governmental failures.

In the Indra Gandhi era, loyalty came to be valued much more than competence. In his memoirs, Patel recounts how Nehru helped him on a personal matter "without making him feel any sense of obligation". For Gandhi,

THE INDIAN STATE'S OVERRELIANCE ON A CLANNISH CIVIL SERVICE CADRE IS A BIG PART OF THE PROBLEM. AS THE INDIAN STATE TOOK UP A DEVELOPMENTAL ROLE AFTER INDEPENDENCE, THE CIVIL SERVICE CAME UNDER STRAIN

"nothing was by merit, and everything had to be a favour granted by her", Patel wrote in *Glimpses of Indian Economic Policy*. When the Indian Civil Service (ICS) and Indian Administrative Service (IAS) lobbies opposed Patel's promotion as secretary to the department of economic affairs in 1967, Gandhi hinted that she could weigh in his favour. In return, she expected unquestioning loyalty. Patel refused to take the bait and had to serve as "special" secretary for two years before that adjective was dropped from his title.

Compared to the first three decades after Independence, levels of integrity and neutrality in the civil service are much lower today, a 2017 essay by civil servants KP Krishnan and TV Somanathan said. Politicians have learnt to use a mix of carrots (post-retirement extensions and postings) and sticks (transfers and arbitrary demotions) to reward loyalty and punish dissent, the duo argued.

Frequent transfers of IAS officers means that "nearly every incumbent is on the learning curve in nearly every post," Krishnan and Somanathan wrote. The system of frequent transfers was designed in the colonial era to keep administrators distant from the population and feel less guilt about their extractive role, Muralidharan argues. In modern India, this system is counter-productive.

Given their lack of domain knowledge, civil servants have turned to external consultants for inputs. However, these consultants have less authority and influence compared to the specialists of the Nehruvian era. Temporary hiring is also a short-term fix. Over the long-run, it may even undermine investments in State capacity. "The widespread reliance on external consultants both reflects and contributes to the long-term atrophy of core state capacity in India," writes Muralidharan.

Any agenda for upgrading State capacity must focus on how civil servants are hired and appraised. Rather than hire civil servants for a lifetime, the Union Public Service Commission (UPSC) could hire them for a fixed term (of say 10-15 years) and appraise them after that term is over. This would ensure that below-average performers are retired from service with a golden handshake. Above-average performers could be provided training in their chosen areas of specialisation and posted accordingly.

Senior positions in the Union and state governments could be fixed-term contracts, with stringent norms put in place to guard against premature transfers. Even if the recruitment process is handled by the UPSC, private sector executives and specialists should be allowed to compete for such posts. A well-designed acclimatisation programme could help such lateral hires find their feet in government.

The Union government has taken baby steps to induct lateral entrants in recent years. But unless such entrants are posted in large numbers across ministries and departments, they will have to struggle hard against the entrenched bureaucracy. If the Indian State is to meet 21st-century needs, it will need an ample supply of fresh thinking and knowledgeable personnel.

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In the India of 2024, the more urgent question is how we, the people, will deal with each other
RAJ K RAJ/HT ARCHIVE

definition and practice of "equality" seems flawed or inadequate, can we still treat their effort as a work in progress? To outright reject such effort as half-hearted or flawed may just help those who oppose the core values of the Preamble.

Two, cultivate a long-term strategy based on patience while deploying urgency and agitation as tactics. This means that you recognise the potential for transformation in the "other" — given time and a conducive environment. You live by the faith that those who are now asserting the counter-values of domination and aggression, may in due course change if they feel less insecure.

Three, deliberately or inadvertently, don't push or provoke people to present their worst self. Too many conversations collapse prematurely because something is said that leads one person to believe the worst of the other. Instead, what is needed is to be able to listen and look for the underlying concern and anxiety that may have driven that person to say something nasty.

But what about those who openly demonstrate malicious intent and

forgo ahead with a deliberately destructive agenda — building a support base by preying on the vulnerability and insecurities of people? How do those who live by We, the People, as an aspiration deal with this?

Perhaps by reaching out to those who are preyed upon, whose fears are being harnessed and weaponised. This is work that is being done deep in the innards of *samaj*. It is attracting diverse kinds of talent and energy. It is unclear whether these efforts are on a scale and of an intensity that can make a substantial difference in the short term.

What is clear is that We, the People, as an aspiration is alive. The outcome of the Lok Sabha election result may be felt as either a jolt or a morale boost for those who give this aspiration form and energy. Both feelings, jolt or boost, are a distraction from the work at hand — tirelessly putting energy into We, the People, as an aspiration.

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{ CLAUDIA SHEINBAUM } MEXICO PRESIDENT-ELECT



I commit to you that I will not let you down. There is history, there is homeland, there is people, and there is commitment

After her victory in the Mexican presidential elections

Hold parties accountable for fair conduct in elections

While the elections are over, recent directions from the Election Commission of India (ECI) to the heads of India's top two national parties, Bharatiya Janata Party (BJP) and Congress, will prove a trendsetter irrespective of how the parties respond. The model code of conduct (MCC) remains only an agreed code of behaviour and not a statute. But ECI took an innovative path by seeking accountability from parties even as the onus lies with the individual violators. It underlined the extra responsibility of the ruling party but ruled out any immunity for the Opposition. Campaign methods of both the BJP and the Congress must fully align with the composite and sensitive fabric of India, it said.

While serving notice to the two parties, ECI said, "the Commission considers the political party as the fundamental stakeholder, in terms of regulation, consultation and facilitation within and about the election process" and "that political parties will have to take primary and increasing responsibility for the conduct of their candidates in general and star campaigners in particular." "Star campaigner" is defined under Section 77 of the Representation of the People Act, 1951 and their special "privileges" are meant to enable more sagacious propagation of party programmes as different from localised noises. Their statements evolve through careful ideation within the party for a heightened discourse. This creates a sound basis for involving the party.

There were many grievances relating to the star campaigners. While the approved list may be quite long, a few superstar campaigners who crisscrossed the country and command sizeable popular appeal generated much concern. ECI told party presidents, "It is expected of you to use the strength of your office and intra-party consultations to advise/counsel/oblige the listed star campaigners of your party to be careful in their campaign utterances and correct their discourses." Chiefs of both parties were directed to issue formal notes to star campaigners and rein them in.

ECI also made public all cases of MCC violation since the code came into force on March 16 "so that misgivings, however small or limited, are addressed and stopped". Out of 425 major complaints in the last month, 175 were from the Congress, 95 from the BJP, and 160 from other parties, with action taken in over 90% of cases. Some interventions are long-term and systemic. ECI scuttled attempts to register persons as beneficiaries against promised post-election schemes in the guise of surveys. Stiff action has been taken against campaigners making offen-

sive remarks against women. Here too, ECI has called on political parties to take responsibility. Similarly, there is a resolve to make sure that children are not misused during campaigns. A staggering 4.56 lakh code violations have been reported from citizens (at the end of the sixth phase) and these mostly stand disposed of. Flying squads deployed by ECI could rush to sites of violation after a prompt from the geo-tagging feature in the eVIGIL application.

The MCC was created by the common consent of political parties; the moral framework helps regulators to ensure a level playing field, a premise for free and fair polls. Commencing from 1968, the MCC has become a comprehensive document endowing efficacy within the brief election frame that a judicial process could miss out on. Two provisions of the code need constant reiteration. The first one, which has witnessed serious violations is: "No party or candidate shall include in any activity which may aggravate existing differences or create mutual hatred or cause tension between different castes and communities, religious or linguistic." The other one, again a frequent casualty is: "Parties and Candidates shall refrain from criticism of all aspects of private life, not connected with the public activities of the leaders or workers of other parties. Criticism of other parties or their workers based on unverified allegations or distortion shall be avoided."

ECI's reflections in its latest order are significant. It described the periodic electoral experience of the voter-citizen as a precious heritage that should not be marred by disturbing portrayals from big political parties. Dwelling deep on interconnections, ECI says: "Political parties are in the task of nurturing leaders for the country for present and future. They cannot afford to be lax in any manner in enforcing discipline and conduct among the cadre in the high-stake electoral space, especially with reference to senior members."

One can recall the good old system of parent-teacher meetings at schools when teachers would invite parents to share concerns about students and seek parental supervision. Parties like parents will bear some brunt for the failings of their leading members and they will need to develop internal mechanisms to deal. In the frenzied sphere of modern-day election contests, when passion and overflow keep challenging the MCC threshold, calling upon the party to rein in campaigners would appear worthwhile.

Akshay Rout is a former director general, Election Commission of India. The views expressed are personal

OUR VIEW



Don't let India's Census languish: It is vital data

A demographic update is key not just to policy formulation, but also Parliament expansion for better democratic representation. India must handle the implied power shift with care

As votes polled in India's general election of 2024 are counted, one irony of this celebrated process is hard to escape. Even as people's representatives are duly elected to the Lok Sabha, literally the 'People's House,' we do not know exactly how many of us constitute the Indian people. This situation has arisen because the Centre has not conducted the decadal Census that was last due in 2021, its first miss since the exercise began in 1881. It was the pandemic's peak year, to be sure, but the easing of covid constraints did not result in a belated headcount either, with the result that we're left with an outdated number from Census 2011, which had put India's population at 1,210 million. In popular speech, a rough estimate of there being about 1,400 million of us has held currency for over two years now. This is too inexact for a country whose destiny is shaped in significant ways by its demography. The added irony of it is that we have been in the global news for becoming the world's most populous country. According to United Nations data, in 2022 India's 1,430 million plus people had whisked past China's total, with the gap projected to widen. For such a historic switch of places in the global order, it's awkward that we don't have a count of our own to confirm it.

The Census, unlike other national surveys, is an extensive exercise. Enumerators must count everyone, door to door. An update every decade is vital as a policy input not just for the aggregate data it provides, but also for the details offered by such a close demographic snapshot of the country. Updated information on India's age distribution alone, for example, would be valuable to strategic planners looking at the long-haul for us to make the most of our youth

bulge over the next few decades and ensure we don't grow old before getting better off. Even everyday governance cannot claim efficiency without the support of data-sets that haven't grown stale. Take the government's free-food programme, extended recently for another five years. It covers 810 million beneficiaries because that's the number who qualify under the National Food Security Act's coverage criterion as applied to the Census of 2011. Updated numbers would likely have meant recipients who largely overlap with the official list in use, but not entirely. Smudgy delivery of welfare handouts is far from ideal.

A new Census is important not just to formulate and fine-tune policy, but also for Parliament expansion in times ahead, for which a whole new building has been constructed next to the old circular one. Currently, the Lok Sabha has 543 members. This is based on 1971 Census data, but fair popular representation will require a rejig of constituencies so that every member speaks for roughly the same number of people. Some observers surmise that a census may be held just before delimitation marked for 2026. This is a sensitive exercise that must be handled with care, as Indian states with better social indicators—or birth rates, most pertinently—would lose some share of voice in the Lok Sabha to those whose populations have grown faster. Politically, it would result in a power shift from southern states to northern ones, leaving better performers with the potential grudge of being penalized perversely for doing well. Two things could aid a consensus on such a parliamentary rebalance: A well-demonstrated commitment to the Constitution by all political parties, bar none, and a Census that's both fresh and trust-worthy.

GUEST VIEW

Delhi's policy for EV adoption by gig platforms is too prescriptive

Going green is a welcome aim but the way Delhi is going about it could do more harm than good



RAMEESH KAILASAM
is the chief executive officer of Indiatech.org.

Platform businesses have become a part of our everyday lives, whether it's hailing a ride or ordering food and groceries. These have made our lives convenient and employed millions of people. Niti Aayog estimates suggest that the size of India's gig workforce will reach 23.5 million by 2029-30 from about 7.7 million in 2020-21. Given the new business models employed and job opportunities created, regulating this sector poses challenges.

As the rise of such businesses has traffic implications, the Motor Vehicles Act lays down guidelines for states to regulate them. Last November, Delhi came up with its Delhi Motor Vehicle Aggregator and Delivery Service Provider Scheme, 2023. It mandates licensing and regulatory requirements for aggregators, delivery service providers and e-commerce entities. The underlying objective seems to be to address vehicular pollution by coercing most commercial vehicles to transition to electric vehicles (EVs). At first glance, it appears that the policy will create a significant electric fleet on the ground. However, a nuanced analysis uncovers flaws that are likely to create hurdles in achieving the desired goal.

The policy acts as a demand-side intervention, which can only be met when supply allows it. For platform businesses to transition to all-electric fleets, there should be proportionate

EVs manufactured and sold. Along with this, charging infrastructure must be sufficiently dense and battery swapping points plentiful. The Union ministry of road transport's Vahan database shows that since 2022, only around 9% of two-wheelers have been EVs, while the proportion for four-wheeler and light motor vehicle EVs ranged from 1.5% to 3%. This implies low EV penetration.

Businesses operating in Delhi, however, are required to fortnightly update their fleet and meet EV targets. For instance, if a platform onboards 6,000 gig workers on two-wheelers in a fortnight, it must ensure that 10% of these are high-speed EVs. Otherwise, onboarding a 6,001st gig worker will expose the platform to stringent penalties. This is a stiff regulatory requirement for a platform that needs to expand without restraints.

There are about 2,500 charging points in Delhi, whereas the Delhi government estimates a need for 18,000 charging points by 2024. Similarly, there are around 230 battery swapping stations, which is insufficient to cater to the anticipated demand for EVs created by Delhi's policy.

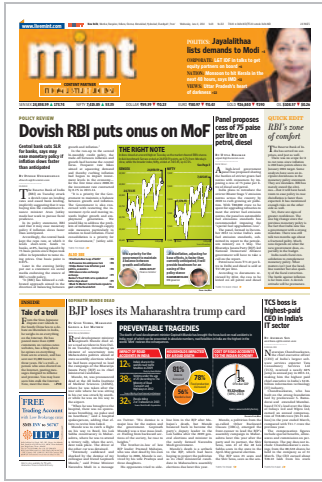
Making the implementation of the policy even more of an uphill task, low-speed electric vehicles (LSEVs) are not counted. LSEVs fall under the category of non-motorized electric bicycles, and, as per the Central Motor Vehicles Rules Act, do not require registration or even driving licences to run. These have become increasingly popular, especially for gig workers engaged in hyper-local deliveries. One cannot expect workers to buy electric scooters just to make deliveries. These cost upwards of ₹80,000, making them an unaffordable proposition. LSEVs, on the other hand, offer an affordable and sustainable solution. Insistence on high-speed EVs makes policy compliance a burden for platform businesses and also reduces the scope of ground-level autonomy, thus making it harder for the market to attain its own efficiency.

Compliance is also a burden for other reasons. Only EVs registered in the National Capital Territory (NCT) of Delhi are counted. But all vehicles at the platform's service, irrespective of what fuel they use, that ply in the NCT of Delhi are required to be uploaded on the government's portal and paid for. Since transit across state borders is frequent in the national capital region, this approach is impractical. If platform businesses somehow manage to apply virtual fences along state borders and prevent booking of rides from say, Gurugram to Delhi, it not only means a loss of business but also inconvenience for citizens. Since that can't be done, the denominator in the EV calculation includes all vehicles being used and is therefore large, while the numerator only has Delhi-registered EVs. This makes the EV target steep.

A prime reason for the rise of gig work is its low entry barrier. This barrier has risen as an unintended consequence of this policy. Most gig workers own the vehicles they use and are now being forced to buy expensive high-speed EVs, although deliveries can be made with LSEVs.

Gig platforms are required to disclose all vehicle details and the driver licences of their gig workers on the Delhi government's portal by 14 June 2024. But such steep targets and short deadlines can do greater harm than good. Often, we hear of well intended policies failing at implementation stage. This seems like yet another example. It is crucial to examine practical challenges while designing any policy. In the past, we saw a coercive approach taken to making commercial vehicles run on CNG. Now it is EVs. Complying with these policies will hurt businesses, but it is our gig workforce that will bear the brunt of it, as it is their livelihood opportunities that are worst affected by Delhi's EV quota. If going green is the intent, it should be achieved by means that do not thrust any particular technology or configuration upon businesses.

10 YEARS AGO



JUST A THOUGHT

An inaccurate census count can affect representation. If we lose representation, we lose our say in the government.

TRACIE KIMBROUGH

MY VIEW | MUSING MACRO

Four action points for the government's first 100 days

AJIT RANADE



is a Pune-based economist.

The first 100 days of any newly formed government hold special significance. The government can use the period to signal its priorities, possibly implementing some items from the manifesto. This helps build momentum and credibility, which is crucial to gain trust, not just of domestic stakeholders, but also investors from abroad. For a government formed with a decisive majority, precious political capital could erode over time. So, its early use can help leverage the advantage of an electoral win. The first 100 days are also for bold decisions. This concept is most famously associated with the first term of US president Franklin D. Roosevelt who took office in January 1933 in the midst of a deep recession. In the first 100 days, his administration kicked off the New Deal, which had measures to provide immediate relief to farmers, unemployed youth and industry, and stimulate economic recovery. There were radical decisions such as outlawing the private ownership of gold, a banking holiday that helped shut down

unviable banks, the Glass-Steagall Act, which separated commercial and investment banking, and the introduction of Social Security. Its employment and relief works programmes were not unlike the employment guarantee scheme of today's India.

Unlike the deep slump back then, the new government in India in 2024 will ride on excellent economic news. Growth for last fiscal year has surprised on the upside and inflation has been moderate. The banking sector is in excellent health, with public sector banks achieving record profits of ₹1.4 trillion. The stock market is riding high. Against sound macroeconomic data, what should the economic priorities be for a 100-day program? Here are four specific suggestions.

Employment and job creation are major challenges. An International Labour Organization and Institute for Human Development report says that 83% of the unemployed are youth below the age of 29. At the same time, there is a severe shortage of workers for skilled and semi-skilled jobs. A big priority, thus, should be to launch a national apprenticeship programme with stronger legal teeth than what exists now. Much skill acquisition is via on-the-job learning. Employers do not want to be burdened with a labour law that mandates that

any worker or apprentice who is employed for more than six months should be made permanent. An apprenticeship certificate should be nationally portable and have the authentication stamp of a central authority. A national apprentice programme in campaign mode can combine all these features and help address youth unemployment, our skill-building deficit and employability gaps. A related measure could be to extend the Agniveer scheme to seven or eight years, closer in duration to the Short Service Commission available to officer cadre applicants. This will improve army intake and address worries of the exit year, which is the fourth year, coming too soon.

The second suggestion is to give the farm sector's minimum support price mechanism a legal guarantee. An earlier column (of 20 February 2024) described its feasibility both from the cost and judicial angles. An MSP guarantee kicks in only if market prices fall below the floor, which is statistically only half the time. And MSP

intervention puts upward pressure on prices, reducing the net cost of administering this guarantee. This step will fetch much political capital and farmer trust. Along with an MSP law, the government must consider sending a signal that it will abstain from frequent bans and un-banning of agricultural exports, measures that hurt farmer interests.

The third suggestion is regarding credit flow to tenant farmers and small entrepreneurs. Nearly 40% of agricultural output is produced by tenant farmers who have informal contract deals with landowners. But when it comes to access to formal credit, they are handicapped by a lack of collateral (i.e. land records), since they are not owners. Some states have found innovative ways to circumvent this lack of collateral and enable bank credit flow to tenant farmers. It is high time this is made into a national policy, with adequate safeguards. A crop loan is needed typically for at least four to six months. Since this cycle does not suit the usual non-performing asset defi-

nition, a special design is needed. Similarly, small and micro entrepreneurs lack access to formal credit. Recent innovations such as account aggregators can arrange loans based on cash flows, not just collateral. But most small entrepreneurs are unaware or financially illiterate. This needs a big push via promotion efforts and targets.

Additionally, working capital for small businesses can be unlocked by strictly implementing the 45-day rule as per the 2006 MSME Act. This Act is followed more in the breach. On-time payments can be enabled by linking Udyam (the registration portal for MSMEs) with the GST Network. No political capital need be spent, but payment discipline will automatically get enforced on delinquent large businesses that squeeze their small vendors.

The fourth suggestion is to impose a small 1% tax on financial wealth (as held in mutual funds, stock and bonds, all linked by a PAN number) in excess of, say, ₹100 crore. This is to address widening wealth inequality. The money collected should be earmarked for rural schools and primary education, with these funds flowing directly to panchayats, village councils or municipalities, bypassing the state-level machinery, in a manner pioneered by Finance Commissions.

It must focus on apprenticeship, MSP backing, credit flows to farmers and MSMEs and on a wealth tax

RISE AND RISE

Stock markets surge to record levels on the back of economic data and exit polls — ahead of election outcome

ON MONDAY, THE Indian stock markets soared to record highs during early trade. The BSE Sensex opened 2,622 points or 3.5 per cent higher at 76,583. The Nifty rose 3.58 per cent to 23,338. The rally was across the board. The BSE small- and mid-cap indices also hit fresh highs. The small cap index ended the day up 2.05 per cent, while the mid cap index closed 3.54 per cent higher. Public sector stocks also registered impressive gains — the BSE PSU Index was up 7.67 per cent, while the Nifty PSU Bank index was up 8.4 per cent. The Indian rupee also strengthened to a two-month high of 83.14 against the dollar. And the Nifty VIX, a fear gauge, which had risen sharply over the past few weeks, indicating investor nervousness, fell on Monday by almost 15 per cent.

There are several triggers for this rally. On Saturday, the exit polls indicated a return to power of the ruling dispensation with a comfortable majority. Investors are likely to have been enthused by the prospects of continuity in governance — political stability often begets policy stability and continuity. A day before that, the National Statistical Office had released data which showed that the Indian economy had grown at 8.2 per cent in the last financial year — this estimate surpassed expectations of most analysts. Moreover, the economic momentum is likely to have continued in the weeks thereafter. As per a study by economists at the RBI, the economy is likely to grow by 7.5 per cent in the first quarter of the ongoing financial year. Also on Friday, data on government finances released by the Controller General of Accounts showed that the Centre had managed to restrict its fiscal deficit to 5.6 per cent of GDP, lower than the revised estimate of 5.8 per cent. The 10-year bond yield is now below 7 per cent. A few days before that, S&P Global had changed its outlook on India to positive, and indicated the possibility of a ratings upgrade in the next two years. Global markets have also been upbeat. On Friday, the Dow Jones Industrial Average rose 1.51 per cent. Data released on Friday showed that inflation in the US had stabilised with personal consumption expenditures rising 2.7 per cent in April, in line with the March reading. On Monday, European stocks started higher, as expectations of the European Central Bank cutting interest rates at a meeting later this week gained traction. Also on Monday, the Caixin/S&P Global manufacturing purchasing managers index showed that factory activity in China grew at a fast pace in May, contradicting an earlier assessment.

How Indian markets behave now will be determined by the results of the national elections and the policy expectations from the next government.

SHIFT IN SOUTH AFRICA

End of ANC majority signals end of an era. It may also mark a deepening of democracy

IT IS CLEAR that the African National Congress (ANC) is no longer an “umbrella party” and the dominant political force in South Africa. For the first time since 1994 — when the country had its first mixed-race election after the abolition of apartheid — the ANC has not won a majority of the vote in a general election. Led by President Cyril Ramaphosa, the party associated across the world with Nelson Mandela and the anti-apartheid struggle has secured just over 40 per cent of the vote. For those who recall the legacy of Mandela and the ANC with respect and admiration, the result might seem incongruous. However, the dispersal of the mandate may reflect in South Africa a deepening of democracy.

Much like the Indian National Congress in the initial years after Independence, the ANC has enjoyed the political capital it earned through its struggle against white minority rule. That halo, however, has been steadily eroding. For one, the ANC’s top leadership has been mired in corruption charges. Jacob Zuma, president from 2009-2018, was accused of giving preferential treatment and access to resources to businessmen close to him. Ramaphosa — part of the team that negotiated an end to apartheid — was nearly impeached over a theft from his private ranch. Two, South Africa — once a regional economic powerhouse — has a poverty rate of 55 per cent (according to the World Bank), deep inequality and an unemployment rate of 33 per cent. Third, and perhaps most important, for young South Africans, apartheid and the struggle for political equality is not a lived experience. The crisis of living conditions and unfulfilled aspirations are more pressing concerns, which the ANC has failed in large part to address.

Given South Africa’s proportional representation system, the ANC will need an alliance with one or more parties to elect the next president. The Democratic Alliance (DA) has almost 22 per cent of the vote, followed by Jacob Zuma’s breakaway uMkhonto we Sizwe party, with 15 per cent, and the Marxist-Leninist Economic Freedom Fighters, with around 9 per cent. The business-friendly DA might well be the best choice, but how negotiations play out remains to be seen. While coalitions are often less stable than one-party governments, they can also be more representative. In India, too, the era of Congress dominance began to erode after roughly three decades. And like in South Africa today, the setting in of disillusion and assertions of identity chipped away at one-party dominance. In the long run, few would argue that the dispersal of power harmed the country. Hopefully, South Africa’s new government will be responsive to its mandate.

TAKE ANOTHER LOOK

Prajwal Revanna’s arrest by an all-woman posse is a powerful image. Karnataka Police deserves to be congratulated for it

WHAT DOES THE world see when it looks at the now-viral image of Prajwal Revanna — scion of a political dynasty, Member of Parliament and rape accused — being led away from Bengaluru airport by a posse of women cops? First, and most obvious, it sees the law taking its course, investigating and acting against a man who has been accused of using his considerable clout to abuse and prey upon multiple women. But there is another message coded into the image — the reversal of a power imbalance in a deeply patriarchal society, where abused women are further silenced by the twin weapons of stigma and shame.

It is no coincidence that this is the very thing Prajwal has been accused of — sexual abuse, and also recording videos of the acts. While the circulation of the videos is what eventually led to a case being filed against him, it had also ended up adding to the trauma of those Prajwal is alleged to have victimised, compounding the abuse they had allegedly already endured.

Which is why the decision to have an all-women team of police officers arrest Prajwal is so potent. It communicates, as one member of the Karnataka Police’s Special Investigation Team said, “[the] message that women have the authority to put him through legal proceedings for having allegedly misused his power to exploit women.” This is, in other words, the image of woman, not as the eternal victim, but as an agent of justice, and hero. For the Karnataka police to have not only understood the power of such an image in a case like the one against Prajwal, but to have also used it with such deliberation and intent, is heartening.



ANUMITA ROYCHOWDHURY

WHEN DELHI’S MUNGESHPUR automatic weather station beeped an unprecedented heat peak of 52.9 degrees on May 29, it provoked an incredulous reaction. Is this an outlier, an anomaly?

The Mungeshpur figures were later ascribed to a technological fault. But the story is not about only one number this summer, but about the consistent long-term rise in the summer heat index (high temperature combined with growing relative humidity) in Delhi, signalling an altered reality. This new normal is evident in the recent analysis of six megacities carried out by the Centre for Science and Environment (CSE) which indicates growing heat stress in urban centres of the country due to rising air temperature, relative humidity and land surface temperature. Nights are not cooling down adequately any more. This intensifies thermal discomfort and increases the disease burden.

Several factors are at play. The continuous expansion of the built-up area is increasing heat-trapping concrete surfaces in urban areas. Illustratively, Delhi’s built-up area has increased from 31.4 per cent in 2003 to 38.2 per cent in 2022, and that of Bengaluru from 37.5 per cent to 71.5 per cent in 2023.

Most urban development projects do not meet the minimum requirement of 9 sq m of green space per individual with an ideal urban green space of 50 sq m per capita, as recommended by the World Health Organisation. It varies between 1.4 sq m in Pune to 6.67 sq m in Jaipur and 10.41 sq m in Delhi. The green cover is disappearing quickly.

The spatial spread of greenery and the quality of the canopy also matter. The CSE study found that unshaded areas have a land surface temperature (LST) greater than 40°C; areas shaded by palm trees have a high LST of 35.9°C, while dense foliage-covered areas have a lower LST of 29.7°C. But this science seldom informs on-ground action.

Equally worrying is the disappearing waterbodies. Between 1999 and 2021, Delhi lost half of its surface water; Pune lost 31.8 per cent of its surface water, and Jaipur, 21.5 per

Heat proofing the city

Urban plans must go beyond emergency responses to the heat wave

Planning needs to go much deeper than the immediate emergency or disaster response to specific heat episodes. This needs sustained action throughout the year to heatproof the city. Ensure land-use changes to expand the green areas and water bodies for a stronger cooling effect. Increase shaded areas. This requires a mandate for a comprehensive heat vulnerability mapping of cities, auditing the thermal performance of built structures and materials, and identifying vulnerable groups and their access to services and resources. It is equally important to build climate data platforms that focus on ambient heat, surface heat absorption, land surface temperatures, relative humidity, and changing land use to inform corrective action.

cent of its surface water. This is when we know that water-sensitive urban design can reduce ambient temperatures by 3–8 degrees in a microclimate.

Not many are aware of the added top-up heat from vehicle tailpipes, industrial processes and air conditioning in buildings. There is little clarity about policy action on these heat generators.

The growing heat risk and urban heat island effect have massive equity impacts. The urban maps of heat hotspots overlay snugly with the maps of areas where poor people live. The poor are more vulnerable, given their underlying diseases and patterns of unprotected exposures.

The elderly and children are hugely vulnerable as well. Globally, as per the estimates of the ‘2023 Lancet Countdown and Health and Climate Change’, heat-related deaths among the elderly are expected to increase by 370 per cent by mid-century.

The Intergovernmental Panel on Climate Change warns that even if global warming is stabilised at 1.5°C, the frequency and intensity of heat extremes and duration of heat waves will keep rising; and urban growth will further amplify this impact.

Climate change may be a constant. However, for resilient cities, responsive policies are needed to strengthen the coping and adaptive capacity of the urban population.

Cities have begun framing heat action plans. Despite including longer-term systemic changes to reduce heat risks, in practice, these remain largely fixated on emergency response during heat waves. These focus on advisory to the people, improving drinking water availability in public places, creating more shades and sprucing up health care services to reduce heat-related disease burden among others.

These plans are yet to mature and acquire a legal and funding backup to have an enforceable legal mandate for heat management to reduce the overall thermal load on urban infrastructure and built structures. There are several regulatory instruments in place related to urban resource manage-

ment, land use, thermal comfort and energy efficiency in built structures, that are not leveraged adequately.

These include environment impact assessment for buildings and townships, urban and regional development plans formulation and implementation (URDPFI) and urban master plans, energy conservation building codes and Eco Samhita — the building code for energy efficient and thermally comfortable buildings and material — provisions of the Cooling Action Plan, transit-oriented development policies and a series of Indian standards on siting and layout of buildings, natural ventilation.

Yet these remain suboptimal in delivering on heat management indicators. The weakest link is the lack of mandate and monitorable performance and compliance framework to make these policies work on the ground to change the microclimate.

Planning needs to go much deeper than the immediate emergency or disaster response to specific heat episodes. This needs sustained action throughout the year to heatproof the city. Ensure land-use changes to expand the green areas and water bodies for a stronger cooling effect. Increase shaded areas.

This requires a mandate for a comprehensive heat vulnerability mapping of cities, auditing the thermal performance of built structures and materials, and identifying vulnerable groups and their access to services and resources. It is equally important to build climate data platforms that focus on ambient heat, surface heat absorption, land surface temperatures, relative humidity, and changing land use to inform corrective action.

Decisively aligning and augmenting performance-linked funding across sectors is also imperative to enable the implementation of the plans. Cooling action is needed urgently to improve the overall adaptive thermal comfort and prevent the lock-in of urban heat traps in a changing climate.

The writer is Executive Director at the Centre for Science and Environment



AJAY VIR JAKHAR

AS INDIA TRAVERSES the road to Amrit Kaal, the agriculture sector’s journey will be difficult, and filled with challenges. It is not too difficult to fathom why. In this century, Indian agriculture has been grappling with how to move on from the old model. Policymakers have failed to ensure dignified livelihoods for farmers. We are confronted by a certain set of circumstances, changing which may be beyond our ability.

One, the climate is changing irreversibly for the worse. We are already witnessing the beginning of erratic climatic events impacting crop production and livelihoods. Two, the World Trade Organisation will not change and we will have to live with its iniquitousness. For many years, the US has deliberately crippled the dispute-settlement mechanism. When it does become operational, Indian politicians are not likely to know how to wriggle out of its rulings domestically. Three, the large number of small land holdings (85 per cent of total arable land) fundamentally limits the scope for primary producers to eke out a life of dignity from their profession.

Four, the global priority to ensure low food prices for consumers is easiest achieved by artificially driving down farm-gate prices. This makes farming environmentally unsustainable and economically unremunerative. Five, depleting aquifers due to the insatiable demand for water for agriculture is reaching a threshold point where it won’t be econom-

NEXT STEPS IN AGRICULTURE

Challenge is not just to improve productivity, but to ensure that gains are shared

Public debt, both at central and state government levels, leaves less financial flexibility to plan for the long term and does not allow for endless further subsidies. Many states are in line to be technically categorised as bankrupt. A sovereign bankruptcy procedure for states is missing.

ically viable to extract water for irrigation in food basket regions. Drinking water is already becoming a sought-after monetised commodity in large swathes of the country.

While these greatly limit our ability to pursue our chosen path, other things can change, provided there is will. It is not going to be easy, but it is also not impossible — that we are not defined by our circumstances, but only shaped by them. Several areas require action.

Investments in agricultural research and extension services have stayed below the level of inflation. In other words, funding has actually dropped, even when every rupee invested in agricultural research yields economic returns upwards of 10 times over other investments.

Agriculture markets are inherently unfair. We haven’t yet figured out how to address its inevitable unintended consequences. But, agriculture is a state subject, where the states do not work in tandem with national objectives, but use meagre resources for populist dole-outs rather than investing in the future. Free or unrealistically low prices at which cereals are distributed through the public distribution system continue to drive down farm-gate prices such that primary production remains an unenviable and unviable profession. Input subsidies like the skewed fertiliser subsidy leads to indiscriminate use of fertilisers, impacting the health of the people and the planet.

Public debt, both at central and state government levels, leaves less financial flexibility to plan for the long term and does not allow for endless further subsidies. Many states are in line to be technically categorised as bankrupt. A sovereign bankruptcy procedure for states is missing.

Lastly and most importantly, inept governance and lack of accountability in the ministries managing the agricultural sector at the Centre and the states is not primarily due to incompetence but to the attitude of those at the top — they believe they have the powers because they have the answers.

The key challenge is not just to improve agricultural productivity, which is simply more output from a given level of inputs, but in ensuring that the productivity gains can be sustained and are broadly shared. That growth is inclusive.

Each day, the government procrastinates and each policy error narrows the next round of available choices. Today, the steps that matter the most will be those that the prime minister is going to take. A mere tinkering of the framework will not suffice and if nothing were to fundamentally change, including the process of framing policies, we may find ourselves chasing chimeras and living our nightmares.

The writer is chairman, Bharat Krishak Samaj



JUNE 4, 1984, FORTY YEARS AGO

36-HOUR CURFEW

IN A SERIES of steps to deal with terrorists in Punjab, the government clamped a 36-hour curfew throughout the state. It banned the dissemination of news on all Army operations and the 22-month-old Akali agitation. Also suspended were vehicular traffic and train services. The action came less than 24 hours after the Centre had called in the Army to assist the civil administration in Punjab.

AKALIS REJECT APPEAL

THE AKALI DAL has rejected Prime Minister Mrs Indira Gandhi’s appeal to call off its non-

cooperation agitation underway in Punjab. Akali Dal chief Harchand Singh Longowal said there was no change in the party programme of blocking the movement of foodgrain from Punjab during the first phase of its agitation. Longowal said the PM’s “distortion of facts about the Akali agitation”, would get a reply.

NO PAPERS IN PUNJAB

THE TRIBUNE GROUPS of newspapers and *The Indian Express* published from Chandigarh will not be brought out tomorrow in view of the curfew imposed on the city. There would be no issues of these papers in the following two days. None of the eleven dailies published

from Jalandhar will come out for two days because of the ban.

A STALLED PROJECT

THE KOEL-KARO HYDROELECTRIC project near Ranchi in Bihar is a typical example of how an ambitious development project can be successfully stalled by self-seeking politicians and a lackadaisical state government machinery. The 710-MW project conceived in the early 1960s in this backward and predominantly Adivasi region has failed to take off mainly because of interference by a handful of warring Adivasi politicians and the slow-moving Bihar government.

THE IDEAS PAGE

The state we need

To meet India’s ambition of becoming viksit by 2047, Mission Karmayogi has made giant leaps in the capacity building of civil services



PRAVEEN PARDESHI

INDIA HAS EMBARKED on the path towards Viksit Bharat by 2047. It’s clear what India aspires to achieve: Becoming a manufacturing hub in the global supply chain, critical exporter of value-added services and mass supplier of human skills to an ageing developed world. But the “how” seems to concern many.

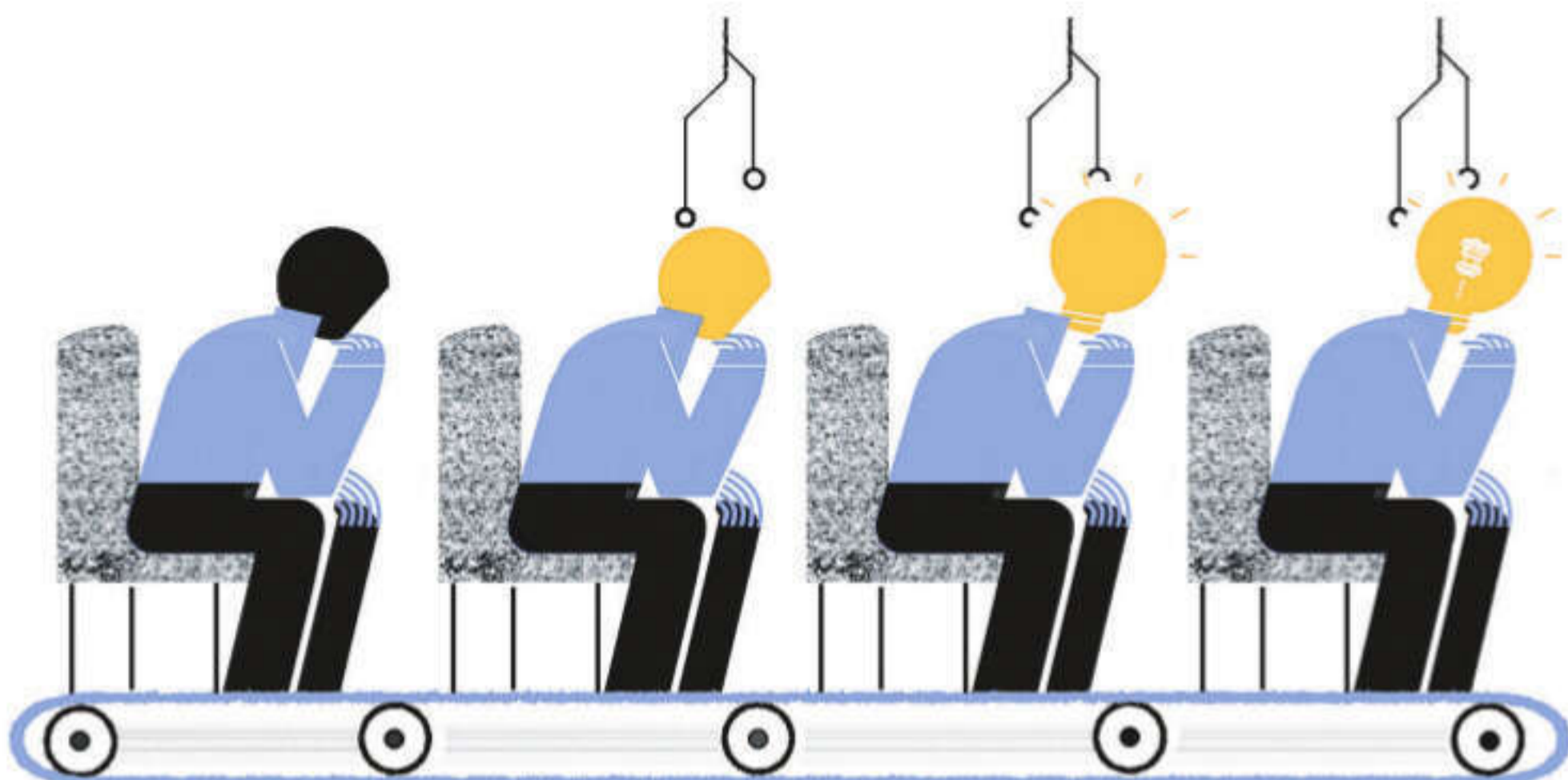
Improved governance and efficient and competent civil services are required for achieving India’s ambitions. Doubts were raised about the capacity of civil servants in helping India achieve its goals. Prime Minister Narendra Modi aimed to change that by launching Mission Karmayogi, that is, the National Programme for Civil Services Capacity Building, in order to transform India’s three million civil servants into citizen-centric, future-ready and result-oriented karmayogis. As part of Mission Karmayogi, the Capacity Building Commission (CBC) was constituted in 2021 to provide policy guidance and tools to enhance the capabilities of all levels of India’s vast civil services. Now the question is: Three years into the programme, are our civil services more capable of doing what is needed to achieve the \$30 trillion economy by 2047?

In the past, delayed completion of mega infrastructure like rail freight corridors and national highways was the norm. Delayed inter-ministerial permissions threw many infrastructure projects into a quagmire.

The PM Gati Shakti platform integrated all legal and geographic layers, including forests, wildlife sanctuaries, roads and railway lines, as well as planning and execution of mega infrastructure projects. It became the means of achieving the “whole of government” approach mooted by the PM where ministries were required to work in a de-siloed manner to achieve national priorities by harmonising sector-specific perspectives. However, for the portal to function as intended, knowledge and skill sets in emerging technologies and GIS across diverse ministries and field-level public officials, from highways, customs, forests, power, mining, regulatory authorities concerning civil aviation, rail safety, etc., are critical.

The CBC worked closely with the Ministry of Commerce and civil services training institutions like Gati Shakti Vishwavidyalaya and National Academy of Customs, Indirect Taxes and Narcotics to curate digital training courses to equip civil servants with skills to apply PM Gati Shakti for project planning and coordination across departments. Over 24,000 officials from railways, forests, customs, highways, telecom have completed PM Gati Shakti learning modules. Similarly, the CBC curated an online learning module on emerging technologies like Artificial Intelligence, Internet of Things, Big Data analysis which was uploaded on the online learning portal, iGOT Karmayogi Bharat. Over 3,88,000 government personnel from across ministries have successfully been certified in learning modules on emerging technologies. The CBC worked closely with the Ministry of Road Transport and Highways, IIT Mumbai, Indian Academy of Highway Engineers, and the Norwegian Geotechnical Institute to curate courses on emerging high-tech road-construction technologies and resolving geohazards like landslides in high-altitude road construction.

The impact of PM Gati Shakti in speeding up infrastructure has been immense. The construction of new rail lines has increased from



C R Sasikumar

4 km per day to 12 km per day by 2024. More than 15 highway projects under Bharatmala-2 were prepared under PM Gati Shakti. Moreover, new rail and highway alignments have been done by avoiding sensitive wildlife habitats thanks to integrated planning.

PM Modi announced from the Red Fort that Mission Karmayogi will promote citizen-centric approaches among civil servants. A key tenet of ease of living has been access to public security. The CBC partnered with the Ministry of Home Affairs to train police personnel from the Union Territories of Andaman and Nicobar Islands, Chandigarh, Delhi, Dadra and Nagar Haveli and Daman and Diu, Jammu and Kashmir, Ladakh, Puducherry on a research-based self-reflection course to promote “sewa bhaav”. Over 50,000 police personnel who interact with citizens at police stations, traffic junctions, and for emergency response underwent a two-day training which modelled common citizen flashpoints and taught them to proactively address problems. For example, one of the flashpoints modelled via field research with the Delhi Police dealt with certain complainants attributing biased behaviour on the part of the personnel towards one party in the dispute. Training protocol advises police personnel to call on a colleague to jointly hear the complaint and allay misgivings and transparently work toward a solution. An independent impact assessment undertaken by Quality Council of India by interviewing citizens visiting police stations before and after the training found, in Puducherry for example, that the percentage of “very satisfied” citizens dealing with police stations increased from 24 per cent to 66 per cent after training. However, the true peace dividend is reflected in the sense of security demonstrated by citizens in Kashmir. Nearly 21 million tourists visited Kashmir in 2023. A police sub inspector in Srinagar, after the police karmayogi training, said that his attitude to policing became very professional. Similarly, the Delhi Police received accolades during the G-20 summit for their soft skills in dealing with visitors.

A similar programme curated by the CBC, Railway Board and Indian Railways Institute of Rail Transport Management (IRITM), Lucknow trained 1,00,000 stations masters, travelling ticket examiners and reservation clerks in proactively solving passenger and freight customer grievances. A total of 1,600 citizens/customers were selected with 100 respondents at each railway division. These respondents were interviewed at defined touch points: Railway platforms, ticket booking counter, inside the train, parcel/goods sheds by a third-party independent group, Research and Development Initiative. They found that

The role of state governments and municipal corporations is equally important in India’s 2047 targets. Services, infrastructure and public goods like drinking water, sanitation, and roads are delivered by municipal governments. The CBC has piloted capacity building approaches in Ahmedabad, Rajkot, Nagpur, Pune, Bhubaneswar and Mysuru municipal corporations. Almost the entire Ahmedabad municipal corporation staff and those of Nagpur have been onboarded on iGOT Karmayogi Bharat learning portal and they are undertaking courses on municipal finance, municipal road engineering, solid waste management, etc.

citizen satisfaction on service provision and solution response increased by 1.5 to 1.9 times after the training in the Mumbai, Asansol, Bengaluru and Lucknow railway divisions. Over 4 lakh Gramin Dak Sevaks and nearly 1 lakh village-level citizen service centres (CSCs) under the Ministry of Electronics and Information Technology (MeitY) were also trained in enhanced citizen service delivery.

The PM said in Parliament, Viksit Bharat will develop only on the back of a tax system which is painless and rewards the honest taxpayer. The CBC partnered with the Central Board of Direct Taxes to curate an online module on systemic solutions to repeated taxpayer grievances. Over 14,000 direct tax personnel have completed the online learning module.

The role of state governments and municipal corporations is equally important in India’s 2047 targets. Services, infrastructure and public goods like drinking water, sanitation, and roads are delivered by municipal governments. The CBC has piloted capacity building approaches in Ahmedabad, Rajkot, Nagpur, Pune, Bhubaneswar and Mysuru municipal corporations. Almost the entire Ahmedabad municipal corporation staff and those of Nagpur have been onboarded on iGOT Karmayogi Bharat learning portal and they are taking courses on municipal finance, road engineering, solid waste management, etc.

Visible impacts of Mission Karmayogi apart, internally, there is also an ongoing invisible churn towards cultivating a culture of life-long learning. Section officers and administration assistants across the country have completed 15 lakh online learning modules on data analytics, Government e Marketplace modules and software tools like advanced excel. The Indian Institute of Public Administration assessed the impact by seeking inputs on recently trained staff from their supervisors and reported increased proficiency in data analytics and e-governance tools.

Mission Karmayogi, flanked by the CBC and Karmayogi Bharat, have made giant leaps in the capacity building of Indian civil services. I believe Mission Karmayogi is slowly alaying the notion postulated by certain political scientists of “state failure” instead of market failure. To further dispel the notion that when the state steps in to address market failure, it sometimes introduces state failures of its own, the 90 departments of the Government of India and its over 2,700 attached agencies must begin to implement their annual capacity building plans facilitated by the CBC on role-specific learning needs.

The writer is member administration, Capacity Building Commission, Government of India

WHAT THE OTHERS SAY

“The most logical move for the ANC would be to join forces with the second-place vote-getter, the Democratic Alliance, which is headed for a vote share of around 21 percent. To be sure, this would require the ruling party to pivot to the ideological middle.”
— THE WASHINGTON POST

Unfinished business of reform

It requires restriction of arbitrary powers of regulators, removing ambiguity and restraint by state and judiciary



SURJIT S BHALLA AND KARAN BHASIN

IF THE EXIT polls are to be believed, Prime Minister Narendra Modi is in for a third consecutive term, with a larger mandate. It comes against the backdrop of near-universal provision of basic necessities like housing, sanitation, water and clean household fuel. Infrastructure has been a mega success story and the expansion of higher education is on track. This is why the mandate appears to be large — with an express demand for continuation and more.

Three key demands would be on the uniform civil code, delimitation and farm laws. Over the next few days, weeks, and months we will all rightly debate the implications of this event. A critical part of the discussion should be the identification of what needs to be done, as well as when, how, and why.

“We The People” of India recognise the need for change. But how do we communicate that despite the series of hits, there have been important misses in policy? How do we communicate that the goals set for Viksit Bharat are inconsistent with the mindset of some administrators? And the present system may not be, or is not, agile enough to administer the world’s third-largest economy? We must think globally and act locally. If the two contradict each other, the PM must opt for the former.

India once had state of the art statistical systems. These were critical instruments for policy making. But they were good for the pre-internet era, perhaps even till the late 1990s. Today, most economies of India’s size have an independent statistical authority — many with legislative backing and more importantly, well-published and advertised statistical calendars. One visit to the website of a statistical agency should inform people of the existing important indicators, field surveys and the statistical calendar for the coming year. Each statistical product such as the NSS surveys should be in these calendars and all data must be released as per the calendar. Violation or delays in the reporting of these important data should be prohibitively costly. We have an institution that adheres to these modern standards of “data justice” — the RBI. So there is no justification for other important institutions to be any different.

Example: India’s monetary policy framework has a twin objective of stable economic growth and moderate inflation. Delaying the release of Periodic Labour Force Surveys has implications for monetary policy. There are of course other issues with the way MOSPI collects information, its reluctance to do an income distribution survey or even initiate some important longitudinal surveys. India’s administrative statistics are comparable to the best in the world, but dashboards are not sufficient to understand the hits and misses of development programmes — and MOSPI has not kept pace with the statistical innovation achieved by many of its counterparts.

A very important determinant of

growth is investments. The government has correctly chosen to do the heavy lifting (infrastructure) for most of the last decade. But we should take note of the decline in FDI investments in India. Some have argued that high interest rates in the US have resulted in lower levels of foreign investment in India. Not true — high interest rates affect the size of the flow of FDI to different countries, not their share in any country. What is worrisome is that India’s share in overall FDI has been declining for some time.

Let us juxtapose the two facts — the fastest growing economy and declining FDI. Was there any policy intervention which led to this contradiction? There was the scrapping of India’s Bilateral Investment Treaties, which provided a level playing field to foreign firms. With a single stroke of the dreaded regulatory pen, foreign companies no longer have protection from judicial proceedings. Given the highly unpredictable nature of India’s judiciary and the high pendency of cases, FDI investors have decided to vote with their feet by exiting India.

This is not surprising given that Indian judges cancelled coal allocations due to corrupt allocations but acquitted the person responsible for making those allocations. Investors do not appreciate such inconsistencies. Protection from arbitrary changes in rules and retrospective judgments will send encouraging signals. As we have just successfully conducted the largest electoral exercise, is this not a perfect time to reflect, review, and choose to bat global?

This brings us to the third and possibly the most important, and most difficult, of reforms — judicial reforms. Think 1991, regarding economic reforms. An honest attempt was made with the judicial appointments bill; a renewed mandate would provide the promise of yet another attempt to build a truly modern judicial system that is speedy, agile and protects individual rights.

India’s strength lies in the fact that most of its entrepreneurial success has occurred in areas that were ignored by the government, such as services or high-skilled manufacturing. This is not a coincidence as too much intervention can often distort incentive structures and lead to perverse outcomes.

It is, therefore, desired that the government work towards building a truly modern regulatory framework, one with a strong system of checks and an institutional structure that incentivises diversity of opinion. Doing so will create more capacity within the Indian state and allow it to focus on key public goods such as healthcare and education.

India is on course, at least in ambition, to be a developed country by 2047. Realising this political and economic dream means important changes — restriction of arbitrary powers of regulators, removing regulatory ambiguity and bringing in a culture of willful restraint by the state and judiciary. If these are achieved, no protection from Indian regulators or institutions would be sought by investors — foreign or domestic. The achievements of the last decade were critical for making realistic, a dream thought impossible a few years ago. There is a lot of unfinished business. A renewed mandate is perhaps the best opportunity to start finishing them.

Bhalla is former executive director at IMF and Bhasin is a New York-based economist. Views are personal



SUMANA ROY

LATE INTO MY childhood — though one can never be sure whether one’s childhood has actually ended — I used to think of Siliguri interchangeably with the name of this house that I hadn’t ever been to. It was called “Khela Ghar”. Whose house it might have been or what kind of games were played there did not occur to us as children. We took that as shorthand for both what our town and our life was — a *khela ghar* (a house for play). My 12-year-old nephew now goes to Khela Ghar thrice a week — not to play but for English tuitions in the evening. In this difference between the Khela Ghar of my childhood and his is an index of what has changed in the emotional energy of a country.

I wanted to believe that my generation had managed to dodge the *lathi* charge of the slogan “Aaram haram hai” that damaged my father’s generation, whose conversations with their children involve asking them about the work done and the work that remains to be done (I’m sure my father is not the only human version of a to-do list). But even they knew leisure, or at least sought it as the highest form of fantasy, stealing the afternoon from their half-Saturday work lives and turning Sunday morning shopping into a gym of joy. They also had access to the surplus delight of that pocket money-like ex-

Before we burn out

Indians are in the middle of a work epidemic. They need to discover leisure

pression — “overtime”, working beyond their allotted work hours for extra money.

Now we are in the middle of a work epidemic — Prime Minister Modi apparently sleeps for only 3.5 hours; even before the end of the election campaign, an agenda for the next 100 days had already been drawn up; Narayana Murthy believes that Indians should give at least 70 hours of their week to the nation; Indians working in the corporate sector chase targets and deadlines in their sleep; students and their parents are living to new units of time, semester for the student, financial quarter for their parents.

Recently, when school holidays were declared to protect students from a heat wave, the response was a mix of worry and anger — worry for the children losing out on learning time, suppressed rage and sarcasm directed against teachers for being indulged with extra salaried holidays. How could someone be paid for “free time”? What these critics don’t realise is that if they were to be given this time — “free time”, as the phrase goes, as if implying that this is either time that wants to live outside the capitalist economy or it is time itself that is seeking freedom — they wouldn’t know what to do with it. When my students ask about summer internships and I suggest they enjoy doing

nothing, most of them say that they feel nervous and empty on a day that does not include ordered time, schedules and submission deadlines.

Rabindranath Tagore recognised this, that without *dhuti* or leisure, we might end up becoming Macaulay’s clerks, hoovers working mindlessly all day. “Ma go, aamaye chhooti dite bol, shokal thheke porechhi je mela/ Aekhon aami tomar gharey boshey korbo shudhu pora-pora khela (Ma, please ask them to give me a break, I’ve studied a lot since morning, now I’ll sit in your room and play read). The poem is called “Proshno”, meaning “question”. The child, weary of being chained to a regime of reading, wants release from that space, but, more importantly, from that chromosome of time — he is seeking rest time over “arrest” time, capitalist time.

By “khela”, I do not mean only a child’s game. *Khela* is related to *leela*, that untranslatable word that holds in it the sense of divine play, joy, beauty and grace. Not the arrogance of “Khela hawbey” of electoral slogans, it is the playfulness of multiple selves, of Krishna who can be a child stealing *makhan* and Arjuna’s charioteer-philosopher. The Bhagavad Gita couldn’t have been created in parliament or in an office meeting. This time to talk and discuss the world, like Krishna and Arjuna did, outside

the battlefield, their workplace, seemed to me, at that young age, not very different from my father and neighbourhood uncles chatting about the football score and destiny.

This kind of *khela* characterised the provincial pulse and impulse: In Ruskin Bond’s story, “The Blue Umbrella”, it is the childish desire for the blue umbrella, not just by the little girl Binya but by adults, including the local businessman Ram Bharosa, who pursues it like an obsessed child; in the TV series *Panchayat*, it is a swivel chair in the village panchayat office of Phulera that a bridegroom comes to fancy, even though he has no use for it. The passion for the blue umbrella and the chair with wheels allows the adults their unconscious desire for *khela* — it humanises these annoying men.

The need for *khela* that exists outside militant religion and militant atheism marked our architecture once — the *balcao* in Goa, the *rawk* in Bengal, for instance, spaces that allowed for rest and community. Now we live on a treadmill, to burn until burnout, from which neither philosophy nor scientific discovery nor joy can ever be produced.

Roy, a poet and writer, is associate professor of creative writing, Ashoka University. Views are personal

LETTERS TO THE EDITOR

LEADERS OF NOTE

THIS REFERS TO the article, ‘Gandhi before Attenborough’ (IE, June 3). It is safe to say that Gandhi was a bigwig worldwide even before 1982. But how does he enjoy the same popularity today? The 75 years of Independence include the past few decades as well when the legends of our “leaders of note” have lost their glory. Notwithstanding the political aspect, we must focus more on those who came before us as India has always been on the forefront of humanitarian contributions.

Janvi Rawat, Ludhiana

THIS REFERS TO the article, ‘Gandhi before Attenborough’ (IE, June 3). It is ironic that while Mahatma Gandhi’s philosophy and work did spread globally with the admiration of celebrities like Nelson Mandela and Martin Luther King Jr and writings of savants like Albert Einstein, it was in his own country that he was being forgotten or even misunderstood by the young, particularly millennials. It is to the credit of Narendra Modi that he has resurrected Mahatma Gandhi by linking his transformational schemes like Swachh Bharat and popularising the

use of khadi with Gandhi. But there is no doubt that his move was also a political attempt to convince people that the BJP is not anti-Gandhi. Whatever the reason, there is no denying that Modi has brought focus back to the Mahatma.
Y G Chouksey, Pune

THE TWO INDIAS

THIS REFERS TO the article, ‘Something opened up’, (IE, June 1). It is true that prices of almost all essential commodities and medicines are rising. Unemployment is also a major concern. These two factors make up the BJP and PM Modi’s biggest weak points. The article is right to note that if the BJP wins with a thumping majority, then our nation will be like Putin’s Russia where opposition and dissent are disallowed. If it wins with a slender majority, then it is a personal defeat for Mr Modi. What is more important is that in case of a slender majority, or less than 272 seats, BJP and particularly PM Modi will open their eyes and hopefully will learn to develop a team rather than running a one-man show. Perhaps they can then focus on making effective policy reforms that keep common people at the centre, too.

Deepak Dave, via email



@ieExplained
#ExpressExplained

If there are questions of current or contemporary relevance that you would like explained, please write to explained@indianexpress.com

From 8 am today: how votes will be counted

RITIKA CHOPRA
NEW DELHI, JUNE 3

OVER THE last month and a half, 642 million voters have spoken in the largest democratic exercise in the history of the world. It is now time for them to be heard.

The counting of votes will begin at 8 am on Tuesday. Fairly clear trends are likely to emerge over the following four hours.

Who will be in charge of the counting of votes?

Counting is carried out under the supervision and direction of the Returning Officer (RO) for each seat, in the presence of the candidates and their election agents. The RO, who is typically the District Magistrate of the district concerned, is nominated by the Election Commission of India (ECI).

Assistant Returning Officers (AROs) are also empowered to oversee the counting, especially where an RO is responsible for more than one constituency. The actual counting of votes in the Electronic Voting Machines (EVMs) at various tables is done by counting officials appointed by the RO, based on the anticipated number of postal ballots and the number of counting tables.

And who are these counting officials?

Each counting table has a counting supervisor who is typically a gazetted officer or equivalent, a counting assistant, counting staff drawn from Group D employees, and a micro observer. The micro observer is responsible for the sanctity of the counting process at his/her table.

These officials are chosen from a database of officers using software developed centrally by the state's Chief Electoral Officer.

Who is allowed inside the counting hall?

A counting hall may have several counting tables. Since the candidate or their election agent cannot be present at every counting location and table, the law permits the candidate to appoint as many counting agents as there are counting tables, including the table where postal ballots are counted.

The following are allowed to enter the counting hall: counting supervisors, counting assistants, micro-observers, ECI-authorised individuals and Observers, public servants on election duty, and candidates, election agents, and counting agents.

Police officers and government ministers are not classified as "public servants" in this context. No one, including the candidate, RO,

or Assistant RO, is permitted to carry a mobile phone inside the counting hall. The only person who can do so is the ECI's Observer.

Where will the votes be counted?

Rule 51 ("Time and place for counting of votes") of The Conduct of Election Rules, 1961, says that the "returning officer shall, at least one week before the date, or the first of the dates, fixed for the poll, appoint the place or places where the counting of votes will be done and the date and time at which the counting will commence..."

The ECI's Handbook for Returning Officers says: "For the sake of uniformity, the date and time of counting of votes is fixed by the Commission." The location of the counting is determined by the RO and should "preferably" be at the RO's headquarters in the constituency. However, the ECI notes that "there will be no legal objection even if the place so fixed is outside the limit of the constituency".

Votes for a specific Assembly constituency are counted at a single location. However, the ECI says that "each Assembly constituency or an Assembly segment of a

parliamentary constituency is to be counted in a separate hall and under no circumstances can the counting of more than one Assembly constituency be taken simultaneously in a hall".

Each counting hall "shall be a separate room walled on all sides preferably with separate exit and entry facilities"; if pre-constructed separate rooms are not available, large rooms should be divided to create halls, with each part constituting a hall separated by temporary partitions.

Each counting hall can have a maximum of 14 counting tables, in addition to the RO's table.

How does the counting begin and progress?

Two types of votes are counted: EVM votes, and votes cast through postal ballots (which are used for senior citizens, physically challenged individuals, service voters, etc). Postal ballots are counted separately from EVM votes.

The process begins with the counting of postal ballots. All postal ballots are counted at the RO's table.

EVM counting starts 30 minutes later. The Strong Room, where the polled EVMs are

stored, is opened in the presence of the Observer, RO/ARO(s), and the candidates or their election agents.

After making the necessary entries in the logbook maintained for this purpose, the seal of the lock is inspected and shown to the candidates or their election agents before being broken. The entire procedure is video-graphed with date and time stamps.

EVM counting is organised on tables arranged in rows and numbered sequentially. Seating arrangements are made for counting agents at each table.

Barricades or wire mesh are set up around each counting table to ensure that the EVMs are not physically accessible to the counting agents. The agents are required to remain seated beyond the wire mesh or barricades.

At each counting table, the votes cast at one polling station are addressed at a time. Only the Control Unit of the EVM used at each polling station is needed to determine the poll results for that station. The Ballot Units are kept in a secure strong room.

Along with the Control Unit, the vote account recorded in Form 17C for that polling station is provided to the counting table. After inspecting the paper seals, the counting official activates the Control Unit and presses

the result button, and the total number of votes for each candidate and NOTA (None of the Above) at the polling station appears on the display panel.

The counting supervisor records the results as displayed for each candidate in "Part II-Result of Counting" of Form 17C. If needed, the result button can be pressed again to allow candidates and their agents to note the results. The control unit is then turned off.

How are the results announced?

After all EVMs for a particular round have been counted, and the ECI Observer has conducted a parallel count of two randomly selected EVMs, a tabulation for the round is done.

The RO announces the result of that round of counting, and signs the relevant record (Part II of Form 17C). Following this, the RO/ARO verbally authorises the EVMs for the next round to be brought from the strong room into the counting hall.

The tallying of VVPAT (Voter Verified Paper Audit Trail) commences after all rounds of EVM counting are completed. This process is done sequentially, not simultaneously, for all polling stations. On average, it takes about an hour to verify the slips from each VVPAT machine.

EXPLAINED GLOBAL

EUROPEAN PARLIAMENT ELECTIONS THIS WEEK: WHAT HAPPENS & HOW?

AROUND 373 MILLION citizens across the 27 member states of the European Union are eligible to vote on June 6-9 in elections to the European Parliament, which is the only directly elected body of the EU.

What is the European Parliament?

The European Parliament (EP) represents the citizens of its member states. Its primary functions include negotiating EU laws with the member state governments, which are represented by the European Council.

The EP also approves the EU budget and votes on international agreements and enlargements of the bloc. It also has the power to approve or reject the appointment of the European Commission president — currently Germany's Ursula von der Leyen — and the commissioners.

Unlike national parliaments, the EP does not have the right to propose laws but can only negotiate those proposed by the executive European Commission. The EP comprises 720 Members (MEPs) elected every five years. The MEPs then elect their president for a term of two and a half years.

Who can vote in the elections?

In 21 member states, people aged 18 and above can vote. In Belgium, Germany, Austria and Malta, the minimum voting age is 16. In Greece, people who turn 17 during the election year can vote, and in Hungary, married individuals can vote regardless of age.

Citizens living in another EU country can choose to vote for candidates either from their country of origin or from their country of residence.

How is voting done?

In some member states, voters can only choose closed lists that do not allow change of order for preferred candidates, while in others they can select individual candidates in a preferential system.



Italy's PM Giorgia Meloni on an election campaign poster. Reuters

Depending on national laws, some electors abroad can vote at their national embassies, via mail or electronically.

Who can run?

All candidates must be EU citizens. Voters may choose from individual candidates or political parties' delegates, depending on the country. Once elected, politicians from each nation will flow into the European groups that form the Parliament, based on political orientations.

Elected individuals cannot hold functions in national governments or other political bodies such as the EU Commission.

What will the likely result be?

Six in 10 EU citizens have expressed their interest in voting in these elections, a survey by the bloc's statistics agency Eurostat showed in April.

A projection by poll aggregator Europe Elects forecast in April that out of the 720 seats, the Group of the centre-right European People's Party (EPP) would win 183, the centre-left Progressive Alliance of Socialists And Democrats (S&D) 140, Renew Europe (RE) and the European Conservatives and Reformists (ECR) 86 each.

REUTERS



HARISH DAMODARAN

IN LATE 2021, farmers, mainly from Punjab and Haryana, forced the government to repeal agricultural reform laws passed in the previous year. Farmers have been demanding legislation providing statutory backing for minimum support prices (MSP) of crops.

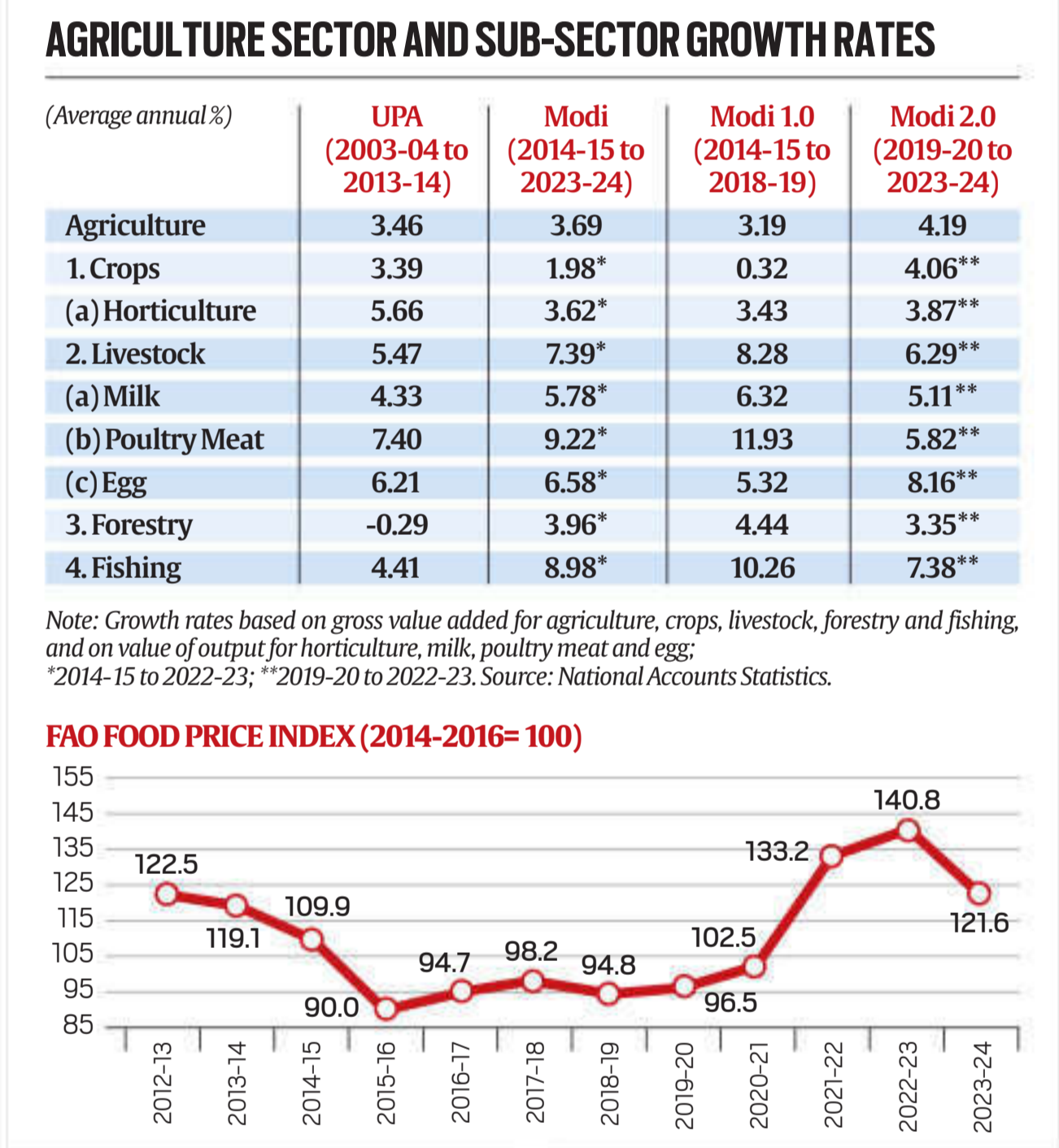
The second term of the Narendra Modi government did not witness a "farm crisis" of the kind that was seen in its first term (2014-19), resulting from decline in crop production and a collapse of prices. Not surprisingly, agrarian distress has not been as big an issue in the 2024 Lok Sabha election as *berozgari* (unemployment) and *mehangai* (inflation).

Ahead of the 2019 election, the BJP had suffered defeats in state Assembly polls in Madhya Pradesh, Chhattisgarh, and Rajasthan (November-December 2018), and a scare in Gujarat (December 2017). These setbacks were ascribed to farmer unrest arising from low crop prices, especially in the aftermath of the November 8, 2016 decision to scrap all existing high-denomination currency notes.

Demonetisation, together with the crash in global agri-commodity prices after 2014, turned the political spotlight on farm distress. The government responded through measures such as MSP hikes (which were quite modest in its first two years) and annual cash transfers of Rs 6,000 to land-holding farmer families under the Pradhan Mantri Kisan Samman Nidhi scheme (made operational from December 2018, four months before the Lok Sabha election of 2019).

Less of a crisis in Modi 2.0

The average annual growth of the agriculture sector from 2019-20 to 2023-24 was 4.2% (Table). This was a full percentage point higher than the average for the five-year Modi 1.0 (2014-15 to 2018-19) period. The difference in growth rate is even more (4% versus 0.3%) if one considers only the crops



sub-sector.

A failure of rainfall was recorded in only one (2023-24) of the five years of Modi 2.0, as against three (2014-15, 2015-16, and 2018-19) years during Modi 1.0. All these four years were El Niño years.

El Niño refers to an abnormal warming of the central and eastern equatorial Pacific Ocean waters off the coasts of Ecuador and Peru, leading to increased evaporation and concentrated cloud-formation activity around that region. It then brings more rain along western Latin America, the Caribbean and the US Gulf Coast, while correspondingly depriving India, Southeast Asia, and Australia of convective currents and precipitation.

According to the National Statistical Office, the farm sector grew by a mere 1.4% in 2023-24, and by minus 0.2%, 0.6%, and 2.1% in 2014-15, 2015-16, and 2018-19.

But it isn't just production. Farm produce realisations too, have been better during the second term of the Modi government than in the first term.

The United Nations' Food and Agriculture Organization's widely-tracked food price index averaged 122.5 points in 2012-13 and 119.1 points in 2013-14. During Modi 1.0, the index — a weighted average of the world prices of a basket of food commodities over a base period value (taken at 100 for 2014-16) — plummeted to 90 in 2015-16.

It recovered during Modi 2.0 to touch 133.2 points and 140.8 points in 2021-22 and 2022-23 respectively (Chart).

High international prices enabled India's agriculture exports to scale all-time-highs of \$50.2 billion in 2021-22 and \$53.2 billion in 2022-23, after having fallen from \$43.3 billion to \$35.6 billion between 2013-14 and

2019-20. Those prices spilled over into domestic farm realisations. The annual rise in the wholesale price index for "food articles" averaged 6% during Modi 2.0, twice that during Modi 1.0.

In short, farmers benefited from both higher production and better price realisations during Modi 2.0 when compared to Modi 1.0. That perhaps explains why agrarian distress hasn't been as prominent a political theme in this election, relative to 2019. Farmers in Punjab, Haryana and Maharashtra have expressed unhappiness over the government's MSP policy, marketing reforms, and onion export bans. But that's different from outright anger and anguish over price collapse and back-to-back droughts.

Modi years vs UPA years

The Table shows that the average annual growth of the farm sector during the two terms of the Modi government was 3.7%, slightly more than the 3.5% during the 10 years of the previous Congress-led United Progressive Alliance (UPA) regime.

However, the agriculture growth under the Modi government has been primarily animal- rather than crop-led. Crop agriculture growth, which includes horticulture, i.e. fruits and vegetables, has actually fallen to less than 2% annually, from 3.4% during the UPA period.

On the other hand, the livestock and fishing & aquaculture sub-sectors have registered much higher average growth in the last 10 years than in the 10 years of the UPA government. This is also consistent with official household consumption expenditure survey data that point to a rising share of animal products — milk, egg, meat and fish — along with horticulture produce in the total food spend basket of Indians.

This raises an obvious policy issue. The growth of the livestock, fisheries, and even horticulture sub-sectors has been largely market- and demand-driven. The benefits of MSP have, by contrast, flowed mostly to non-horticultural crops — especially rice, wheat, sugarcane, cotton, and a few pulses and oilseeds. The demand for making MSP payable by law is also coming basically from farmers of these crops.

Whether the above growth divergence — between "policy" and market-driven sub-sectors — would continue and what it means for agriculture as a whole remains to be seen.

Launch of Agnibaan rocket: a turning point for India's space sector

AMITABH SINHA
NEW DELHI, JUNE 3

AMIDST ALL the political activity around the elections, a private space company, Agnikul Cosmos, carried out the first launch of its indigenously-built rocket last week, opening up a new chapter in India's space sector. The event was significant enough to be noticed by the Indian Space Research Organisation (ISRO) and everyone else in the space sector, in India and abroad. Prime Minister Narendra Modi, Home Minister Amit Shah, and External Affairs Minister S Jaishankar congratulated the company for the achievement.

This was not the first time that an Indian private company had flown a rocket from Indian soil. In November 2022, Skyroot Aerospace, a young space start-up just like

Agnikul, successfully launched its Vikram rocket, named after Vikram Sarabhai, the legendary space leader credited for building ISRO in its early years. That moment too had been hailed by the President, PM, and many others.

The inaugural flight of Agnikul's creatively named Agnibaan rocket builds on the success of Skyroot, and signals the range of options that are opening up in India's space market. Agnibaan was powered by the world's first 3D printed engine, and was launched from Agnikul's own launchpad, built at ISRO's Sriharikota launch facility. Both Agnikul and Skyroot hope to begin launching commercial satellites on their rockets within a year.

Small satellites

The rocket flown on Thursday will eventually have several variants, capable of car-

rying payloads between 30 kg and 300 kg to lower earth orbits. Skyroot's Vikram, also has a few variants, with similar capabilities.

Both are targeting the small satellite market to cater to a rapidly growing demand for a variety of space-based applications in diverse areas such as communications, broadcasting, disaster management, climate change, earth and ocean observation, urban planning, and surveillance. These satellites are usually not meant for space exploration or scientific experiments.

ISRO itself is developing a new rocket, called SSLV or Small Satellite Launch Vehicle, to serve this demand. SSLV, which has flown twice but only once with success, is slightly more powerful and can carry payloads up to 500 kg.

Salient features

The uniqueness of Agnibaan lies in the fact that its semi-cryogenic engine is entirely 3D printed. The engine does not have any components or moving parts at all. There are no joints, no welding, and no fusing. It is a smooth single piece of hardware.

The use of 3-D printing in space hardware is not a novel idea. But no one has used an entire engine that is 3D printed.

This can increase efficiency, bring down costs, and reduce the probability of something going wrong. In an engine that is an assembly of several moving points, each joint or wiring is a potential source of error. Agnibaan's engine, named Agnilet, has been an entirely in-house development.

The fact that Agnibaan was launched

from a privately owned launch pad is a first for India. Thus far, all space launches have been carried out from one of the two ISRO launch pads at Sriharikota. Given the prospect of a sharp rise in the number of space launches, ISRO is in the process of developing a second space port, at Kulasekarapattinam in Thoothukudi district, Tamil Nadu. It is meant to be used mainly for SSLV launches.

Agnikul, the company, has built its own launch pad inside the Sriharikota range with the help of ISRO. It uses a lot of ISRO's facilities, but the separate launchpad gives it the flexibility to schedule its launches whenever it wants. Agnikul is hoping to carry out 35 to 40 launches of its Agnibaan rockets every year.

Rise of private players

Agnikul and Skyroot represent the suc-

cess of India's efforts to open up the space sector for private participation. They are not alone. Dozens of space companies have come up in the last few years, operating in different segments of the space market — satellites, space-based applications, hardware, communications, data centres, and everything else. Many have already started to make their mark.

With private players also coming in, space has become a sunrise sector that the government is promoting heavily. Prime Minister Modi has personally held several meetings with a select group of space entrepreneurs. Space has become an important part of India's diplomatic outreach to other countries, inviting other companies not just to utilise its capabilities for their own needs, but also to invest in an area that promises to grow at a very fast pace in the near and medium term.

EXPLAINED SPACE

Rational expectations

Although stock valuations are very rich, Monday’s rally shows investors are willing to wait it out

WITH THE EXIT polls indicating a more-than-comfortable majority for the ruling National Democratic Alliance (NDA), Monday’s rally in the stock markets was not really a surprise. Even if the final tally for the Bharatiya Janata Party-led alliance comes in at the lower end of the band projected, investors will not quibble. In their scheme of things, an NDA victory promises continuity of the economic agenda. Seen in the global context, India is today a great investment destination — it is politically stable, is growing faster than any other nation, and has an enviably large consumer base. In fact, the recent rally has been predicated on all these factors. Much of the up move, of course, has been driven by local liquidity rather than by foreign portfolio investor (FPI) investments which seem to have moved to other markets. It is possible the outcome of the elections together with expectations that the Indian currency will remain stable could prompt them to channel funds into the India markets. On Monday, for example, they are estimated to have bought \$825 million in the cash market. The NDA’s policies, whether to revive manufacturing via the performance-linked incentive scheme, or improve the ease of doing business by investing in infrastructure, have been well-received by businessmen and investors alike. The government’s initiatives on the manufacture of semiconductors, as also the push towards renewable energy and electric vehicles, are all paying off as seen in the high levels of capacity addition. Investors believe the government’s reform agenda, over the next five years, will straddle many new areas opening up opportunities for businesses. Should the ruling party win with a large majority, it would have the wherewithal to push through the legislative changes necessary to facilitate these initiatives.

India’s macro-economic fundamentals remain sound though there are some pressure points. While the economy has grown at a brisk pace in FY24, the March quarter showed signs of a slowdown. The big worry is consumption — the private final consumption expenditure (PFCE), which accounts for nearly 56% of the economy, grew at just 4% for FY24, the slowest levels seen in the last 12 years. In fact, in Q4FY24, the PFCE grew by 4% year-on-year (y-o-y) on a very weak base of just 1.5% y-o-y in the base quarter. There are other pressure points including the farm sector, which reported a growth of just 0.6% y-o-y in Q4 and 1.7% last year, the slowest in the last seven years. The new government will need to address the distress in the rural economy where real wages have stagnated for two years now. Indeed, the growth in the economy is somewhat lopsided driven more by investments — again largely government capex and purchases of real estate. Again, a reading of corporate results reveals that India end’s profits for the March quarter grew at the slowest in five years. The markets, of course, are focused on a much smaller universe of companies, which have generated strong cash flows and are far less leveraged than earlier. They are expected to continue to report good earnings growth — in a growing economy, sectors such as banks, automobiles, real estate, and healthcare cannot but see good demand. Although stock valuations today are very rich and price in sustained growth over 10-15 years, investors seem to be willing to wait it out. A correction, bringing some agony, cannot be ruled out, but for the moment, it’s sheer ecstasy.

Toyota walked away from the Olympics. It won't be the last

TOYOTA, THE WORLD'S top automaker, has had enough of the Olympics, the world’s top sporting event. Last week, the company announced that it plans to end its record-breaking sponsorship of the games following the conclusion of Paris 2024 in August. According to *Kyodo News*, individuals at the company are unhappy with how Olympic sponsor money is spent. They’d prefer more to go to athletes and sports.

Toyota won’t be the last company to walk away. Decades of corruption and other public missteps have made the Olympics no longer a simple, feel-good story for advertisers. Instead, they’re a growing reputational risk.

Since the first modern Olympic games in 1896, sponsors have been keen to associate with the prestige of elite athletic competition. In 1985, the International Olympic Committee, eager to monetise growing demand in the television age, created The Olympic Partner programme or TOP. Companies that join receive exclusive rights within their industry to globally market their brands with the event. For example, Bridgestone is the only Olympic tire partner; Allianz is the only insurer.

The programme has become essential to advertisers and the Olympics. Between 2017 and 2021, there were between 13 and 15 TOP sponsors who paid a total of \$2.28 billion to the International Olympic Committee, accounting for 30% of the organisation’s budget.

Toyota has been a big part of that growth. In 2017, it began an eight-year TOP partnership worth a reported \$835 million. The landmark sponsorship made sense for the automaker. Between 2018 and 2022, sports fans and casual viewers tuned into three Olympics scheduled for Asia: Pyeongchang 2018, Tokyo 2020 and Beijing 2022. For Toyota, the run of games was a chance to affix its brand to the aspirational, unifying aura of the Olympics, cementing its future-forward image in Asia and the world.

It didn’t work out that way. Beginning in 2016, the feel-good story of the Tokyo games was upended by a series of corruption scandals that produced resignations, indictments, and convictions of leading corporate and government figures. For the Japanese public, saddled with the games’ spiralling costs, it often seemed as if everyone was profiting from the event but them. That perception only intensified when the Japanese government decided to move ahead with the games in the midst of the Covid pandemic.

Thankfully, Tokyo 2020 (held in 2021) is history. But the corruption that suffused the games isn’t. In Japan, 10 people (so far) have been found guilty of paying bribes to people connected with the event. The most recent conviction was in March, nearly three years after the closing ceremonies. The damage to the Olympic brand is ongoing. Late last year, Sapporo abandoned its bid to host the Winter Games due to the ongoing effects of the 2020 corruption scandals on public sentiment.

Now it’s Paris 2024’s turn. It’s stuck in its own fiasco. Last June, French financial investigators raided the headquarters of the Olympic organising committee; the investigation will not be complete before the games start in July. A 2023 Odoxa poll found that 44% of Parisians believe that hosting the games is a “bad thing” — a doubling of negative sentiment since 2021.

The change of heart isn’t entirely related to the corruption investigation, of course. Many Parisians fear Olympic traffic jams more than they fear bribery scandals. But the latter does not help.

Toyota’s very public break-up with the Olympics is a cutting criticism, especially for a company that weathered Tokyo 2020, and it should worry the IOC. According to *Sports Business Journal*, four of the 15 TOP sponsors — Atos, Bridgestone, Intel, and Panasonic — are also mulling whether to renew.

Among other factors, they must weigh just how badly their image could be damaged by associating with an organisation increasingly defined by scandal and financial mismanagement. Based on Toyota’s experience at Tokyo 2020 and the looming problems at Paris 2024, they may decide that having their brand’s name next to the Olympic rings is no longer a gold medal strategy.

TECHPROOF EXPRESS BOTH ARE POWERFUL TOOLS, BUT MANUAL INTERVENTION ISN'T GOING AWAY ANYTIME SOON

Generative vs predictive AI

WHILE GENERATIVE AI is relatively new, predictive AI has been around for some time, gathering steam and potency with much less fanfare than its newer and flashier younger sibling. For today’s installment, I will discuss a comparison between predictive AI, which has proliferated across a series of applications that touch our lives (whether we know it or not), and generative AI, which is the type that is currently grabbing all the limelight. Both are transformative in their capabilities, but in different contexts.

Generative AI models are designed to create new content. Based on the patterns and data they have been trained on, they can produce text like parts of this column, images, music, and more. Prominent examples include GPT-4 by OpenAI, which generates human-like text, and DALL-E, which creates images from textual descriptions. Just as a lark, I queried it to see if it can help with this column and what it thinks of its genre and the older sibling. To do so, I fashioned specific queries and received feedback on these models’ need for constant human intervention and training to reduce error rates. It acted like a souped-up search engine while responding.

That said, generative AI models are susceptible to several types of errors. First, as I discussed in my last column, they “hallucinate”, meaning they can generate plausible but factually incorrect or nonsensical outputs (bit.ly/3KtrZoE). For example, a text generation model might produce grammatically correct but factually inaccurate statements. Also inherent in these models is bias. Since these models learn from large data sets — essentially the entire internet — that contain biases, the biases can be reproduced or even amplified. Further, the outputs may lack coherence or

relevance while generating creative content, particularly in longer texts or complex images.

Predictive AI models, on the other hand, are designed to forecast outcomes based on historical data. These models are extensively used in finance, medicine, and marketing for stock price prediction, patient diagnosis, and customer behaviour analysis. For some years now, we have been subjected to this piece of AI through targeted marketing and advertising on our smartphones, or we have benefited from better medical diagnoses or aids to wealth creation by investing in the stock markets.

Like generative AI, predictive AI models also face their own set of challenges. These models might perform exceptionally well on training data but can fail to mould to new, hitherto unseen data, leading to inaccurate predictions. Moreover, the accuracy of predictive models heavily depends on the quality and completeness of the historical data fed to them. Poor data can lead to poor predictions, which can be dangerous when applied in fields like medicine. Further, predictive AI models can mistake correlation for causation, leading to flawed predictions and decisions. To be fair to this sort of AI, this obfuscation of correlation (when two numbers move together in a defined

pattern) with causation (where one number is in fact causing the other number to move in tandem) is a mistake that human statisticians and data analysts have long made. I would also submit that Indian astrologers (the genuine ones) who use sidereal mathematics to predict how mathematically measurable movements in planetary positions affect our future can be prone to this error if they are not experts.

Generative and predictive AI models require extensive manual training and continuous improvement to minimise mistakes. The nature of this training, however, varies significantly. For generative models, the training process involves using diverse and well-curated data sets to train them. This can help reduce biases

and improve the quality of the generated content, and continuously fine-tuning models with specific data sets can help them generate more accurate and relevant outputs. This often involves human feedback loops where outputs are evaluated and corrected. Techniques like reinforcement learning from human feedback can be employed, where human reviewers provide feedback on generated outputs, and the model learns to produce better results over time.

Effective predictive model training requires ensuring that the historical data

While predictive AI has proliferated across a series of applications, it is generative AI that is currently grabbing all the limelight



SAUGATA BHATTACHARYA

The author is an economist
Views are personal

Decoding India’s FY24 growth

The high GDP growth in FY24 is due to higher indirect taxes and lower subsidy; the figure is likely to return to more ‘normal’ levels in FY25

INDIA’S Q4 FY24 GDP growth printed at (an unexpectedly high) 7.8% year-on-year (y-o-y). Together with an average 8.3% growth during Q1-Q3, this took the full FY24 growth to 8.2% y-o-y (accelerating from 7% in FY23). This was a standout performance, given the International Monetary Fund estimates that world GDP growth in the calendar 2023 (largely overlapping India’s FY24) was only 3.2%.

This robust growth comes against the backdrop of global investors’ rising confidence in India’s development story. Around a week ago, Standard & Poor’s upgraded India’s sovereign credit ratings outlook from the earlier stable to positive, a precursor to an eventual ratings upgrade.

Compared to GDP, gross value added (GVA) growth was a more modest 7.2%. The growth gap between the two entities (0.93 percentage points) was the highest by far in the entirety of the 2012-13 base GDP series (except the Covid-19 lockdown year of FY21). By definition, GDP is GVA combined with indirect taxes (GST, excise, etc.). Broadly, GVA measures the production side of national accounts (and hence is a more meaningful measure of economic activity), and GDP measures the consumption side. This large divergence in the two growth measures arose due to high collections of indirect taxes (GST, excise, etc.), but even more from significantly lower spends on subsidies. Official data shows that total subsidies disbursed from the Centre in FY24 were ₹4.14 trillion, as opposed to ₹5.31 trillion in FY23. Both food and fertiliser subsidies were significantly lower. Sub-

sidies from state governments were also likely to have been moderate. This divergence is unlikely in FY25.

A surprise in the FY24 growth was the manufacturing segment (6.5%, up from an average of 2.9% over FY20-23). Some of this was due to the base effect of a low 1.3% in FY23. In the last quarter, however, manufacturing growth printed at 8.9% y-o-y, lower than the average 12.9% in Q2-Q3 FY24. It was expected to be even lower, given the underlying corporate and industrial metrics used to forecast manufacturing and services growth.

For proxying formal sector growth, quarterly and annual financial results of public-listed manufacturing corporates are collated, which are then adjusted for inflation using mostly wholesale price index (WPI) inflation. GVA is replicated using profit before tax (PBT) plus employee earnings, reflecting value added in corporate operations. A proxy for the informal sector, micro and small enterprises is the index of industrial production (IIP).

In Q4 FY24, both of these metrics had slowed considerably compared to the third quarter. IIP manufacturing growth had dropped to 4.5% from 5.5% in the third quarter and 6.8% in the second quarter. Manufacturing PBT had also slowed in the last quarter. However, offsetting these slowdowns, the inflation gauge (WPI), used to derive the corresponding real (volume) growth from the financial results, dropped to -1.1%

in the last quarter (compared to -0.9% in the third quarter), boosting real growth. More generally, reflecting the average WPI disinflation of 0.64% in FY24, the difference between nominal and real GVA growth in FY24 was a mere 0.7 percentage points against an average 5.1 percentage points for the previous 11 years. This too will revert to more normal in FY25.

There has also persisted a criticism of the demand-side numbers, particularly the magnitude of “discrepancies” in the GDP accounts. Arguments of analysts pointing out divergences of “core” GDP

growth from headline growth are not convincing. Output growth, for instance, has been better allocated among the demand-side segments; the residual (“discrepancies”) in FY24 was 0.7% of the GDP, a magnitude last seen in FY16.

As has been widely noted, private consumption remains moderate, if not weak. In the nine years prior to FY21, the share of private consumption had averaged 56.2% of real GDP, increasing to 57.9% over FY22-FY24 (in nominal terms, these shares were 58.4% and 60.7% respectively, implying that prices of consumables had been higher in the post-Covid years). The share of fixed capital formation (i.e. investment) rose to an average 33.8% of real GDP over FY22-24 (from a low of 30.7% in FY16). Do note that the share of investment in GDP was also an average 33.7% of GDP

is clean, relevant, and comprehensive. This might involve dealing with missing values and outliers and ensuring the data represents a real-world scenario. Additionally, identifying and creating the right features that the model will use to make predictions is crucial. This often requires domain expertise to ensure that the model focuses on the most relevant aspects of the data. Continuously validating the model on new data and adjusting it based on performance helps maintain accuracy and generalisability.

Google DeepMind has pioneered techniques such as using adversarial training in generative models, where two neural networks (a generator and a discriminator) are trained simultaneously, improving the realism and quality of the generated outputs. They have also explored self-supervised learning, where models learn to predict parts of the data they haven’t seen before, enhancing their creativity and accuracy. Separately, Google has been working on automating this training; CEO Sundar Pichai wrote, “Designing neural nets is extremely time-intensive and requires an expertise that limits its use to a smaller community of scientists and engineers. That’s why we’ve created an approach.... showing that neural nets can design neural nets.” (bit.ly/3VpdVCz). According to Amazon, neural nets create an adaptive system that computers use to learn from their mistakes and improve continuously. Thus, artificial neural networks attempt to solve complicated problems, like summarising documents or recognising faces, with greater accuracy (go.aws/455Y8vG).

Both generative and predictive AI are powerful tools. But their rise will require curated data sets, human feedback, data scrubbing to improve data quality, and meticulous data preprocessing and validation. Manual intervention and supervision aren’t going away anytime soon.

during FY12-14.

Private consumption growth has also been revised up to 4% y-o-y (from the earlier 3.2% estimated at end-February). Private consumption has also grown more slowly over FY21-24 (4.6% average), as compared to 6.7% over FY13-20. This growth has been overshadowed by investment growing at 8% in the last four years. This was a reversal of growth (relative to private consumption) during the previous seven years (5.5%). Note that strong investment growth in the last three years is also mirrored by high construction sector growth (average 9.1% over FY21-24).

Both the Reserve Bank of India and the ministry of finance have forecast 7% y-o-y growth in FY25; multilateral institutions are forecasting 6.6-7%. These are early days, with the possibility of adverse shocks over the year including volatile commodity prices with an expected China recovery. Yet, there are grounds for optimism. One, India’s economy remains resilient with likely policy stability. Corporate balance sheets are strong, with reasonable expectations of a start of a capex upcycle. The current account deficit is expected to remain stable, with limited vulnerability to external shocks. Second, global volatility and uncertainty is expected to reduce in 2024. “Soft landings” in most G7 markets are now the default scenarios. Inflation is coming down, even if it is doing so in a bumpy and reluctant manner, which will open the door for G7 central banks to cut policy rates, resulting in investor “risk on” sentiments for emerging markets, with financial capital inflows.

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SETTINGS FOR AN IMMINENT OR SURE REVIVAL NOT CONVINCING ENOUGH

Will investment optimism fade?

Mobilising climate finance: Imperative of carbon pricing

A RESURGENCE IN business spending is believed to be in the offing by most stakeholders, including the government and the central bank. These expectations hinge upon, *inter alia*, strong profit growth and debt-light balance sheets of corporates, striking business optimism, brisk growth of capital goods, public announcements and signing of investment initiatives, confirmatory statements from officials, prominent businessmen, and commentators, etc. Collectively, these have formed a narrative saying this time is different, and real.

It may well be that these beliefs, or the general narrative about investment renewal, is well-founded. Or over-optimistic. Time will tell. Meanwhile, an evaluation of the central underpinnings shines a light on its prospective regeneration. What does this indicate?

The key metric is corporate profits. Incomes of corporations are earned from investments — new ones due to innovation and risk-taking or existing ones in production, i.e. sale of goods and services yielding revenues. The volumes sold are driven by consumer demand, of which there are two components, viz. final purchases by domestic consumers and by rest of the world or exports. Corporate profits are thus the fundamental measure for capital investments, which they mainly fund to enhance productive capacity. A close look is merited therefore.

Excluding taxes and as a share of GDP, corporate profits have successively risen from their 2020 trough across non-financial and manufacturing companies. Their trend decline, which began from 2008-2009, started reversing from 1% of GDP in 2020 to ~3-4% region in 2022. This restoration has been helped by three factors. The first shot came from corporate tax rate reductions in September 2019 — to 22% from

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30% for existing firms, and to 15% for new manufacturing ones. As result, the effective tax rate for firms with pre-tax profits beyond ₹500 crore and income exceeding ₹10 crore (these have ~54% share in total corporate income liability) moderated to a respective 20.2% and 19.1% in FY20-FY21. The preceding four-year average, effective tax rate was 25.5% (FY16-FY19).

Two, profit margins leapt during, and after the pandemic, as inflation combined with exceptional demand, bestowing significant pricing power to firms who could increase profits by passing on input costs. The Centre for Monitoring Indian Economy's website record shows net profit growth of 63% and 71.9% in FY21-FY22 (~27,000 non-financial companies), followed by 0.5% increase in FY23; corresponding post-tax margins were 3.5%, 4.7%, and 4.2%. In FY24, profit growth and margins averaged 44% and 8% respectively in the first three quarters (~3,400 firms). The third factor has been strong export growth from robust foreign demand that included some unusual features related to the pandemic. This boosted manufacturing firms' profitability, which displays a historically close association with exports (e.g. 2010-12, 2017-18).

Future improvement in private investment, thus depends on the progression of these factors. This is unclear and debateable.

For one, we need to observe whether and how the changes in tax structure have altered spending behaviour of firms. The budget analysis (FY24) identifies that 20.5% of the companies shifted to the new concessional tax regime in FY21, following the rate reduction from ~19% in FY20, not a significant change. One must also note the lower effective tax rate may be significant compared to the preceding four-year average (25.5%), but not so against the 22% average effective rate in FY09-FY13. In a sense, the FY20 tax reduction for existing firms may have reversed the FY16-FY19 effective rate, restoring it closer to former levels.

Whether this was more a rollback or relief instead of an investment spur, all else equal, is not clear. Prospective demand, here and outside, forming a critical mass may be of greater importance in that context.

Two, with the moderation in producer price growth inflecting north, margins will depend upon the pricing decisions of firms and how they balance productivity and volume growth. Volumes have lagged profit growth in the post-pandemic cycle, especially

fast-moving consumer goods firms, whose management has routinely flagged concerns about consumer demand, the impact of inflation, expressing hope for regeneration each quarter. At the aggregate level, real private final consumer spending slowed to 3% in FY24, less than half that in FY23 (7.5%). For January-March 2024, corporate results (~2,100 non-financial companies) indicate net profits grew ~2.6%, while margins maintained around the previous three-quarter average (8%). Consumer goods' volumes grew just 0.3% in FY23 (NielsenQ), which also boosts FY24 growth — some analysts have noted that significant price cuts by many firms failed to grow volumes, weakening net sales and profit growth. The anticipated zest in domestic consumer demand is still nebulous. Not the perfect environment for business expansion.

Third, the strong export growth is cooling. World merchandise trade volumes are forecast growing slower in 2024 by the World Trade Organization (2.6%) compared to its October prediction (3.3%), following a 1.2% contraction, and with high uncertainty. Global growth is expected to sustain at 2023 levels this year and next (3.2%), according to the International Monetary Fund which predicts it slowing in the medium-term — again not an ideal setting for private investment to turn around.

Some other points to note are as follows. One, the brisk 12% annual average growth in capital goods' output in FY22-FY24 has lifted the index 14% above its FY20 or pre-pandemic level; this was about the same level as 6-7 years ago. Two, gross fixed assets growth, corrected for inflation, slowed across-the-board for manufacturing, and non-financial companies as a whole, showing no sign of resurgence at least in FY23. For now, we should certainly remain circumspect.

INDIA NEEDS LARGE financing to meet the climate goals set out in its nationally determined contributions document. Various estimates for India have placed climate finance requirements at \$160-288 billion (₹12.6-22.63 trillion) per year till 2030. India would need to raise a large part of it on its own. India received less than \$8 billion in 2023 for climate finance from official external sources (largely multilateral development banks).

The governments (Centre and states) will have a key role to play in providing climate finance. However, there is hardly any fiscal space at the general government level with the debt-GDP ratio soaring from 70.4% in 2018-19 to 82% in 2023-24 (due to the large pandemic related expenditure). The government tax-GDP ratio has not shown any significant improvement, ranging in a narrow range between 16% and 17.5% in last 12 years. So there is a need to explore all other options to raise resources.

One possible source of revenue could be carbon pricing (carbon taxes and emission trading system or ETS), which has been gaining traction in many other countries. It has become all the more necessary due to the European Union's (EU) cross-border tax mechanism (CBAM) that will become effective from January 1, 2026. The EU-CBAM is ostensibly a tool designed to mitigate the risk of carbon leakage (relocation of production facilities in countries with less stringent carbon emission norms) by imposing a carbon price on six products (cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen) entering EU markets based on their embedded emissions. In India, the impact will be felt largely on its exports of iron and steel (28.3% of its total steel exports go to the EU) and aluminium (27.2%) for their carbon emissions as they largely rely on coal-fired power plants for energy requirements. In the absence of a carbon pricing mechanism at home, carbon tariffs will be required to be paid to the EU, estimated at over ₹1 billion (for direct emissions) a year. What is worrying is that a similar mechanism is being considered by other countries such as the US, the UK, Japan, Canada, and Australia.

What is the potential revenue that the government could raise, should it decide to introduce carbon pricing? Let's first focus on select fossil fuels which are already taxed. Average taxes (based on Delhi, Mumbai, Kolkata, and Chennai) constituted 70% of the base price on motor spirit (MS) and 54% on high-speed diesel (HSD) in 2023. These taxes are a significant source of revenue (15.1% of the central government in the form of excise duties in 2022-23 and 7.8% of state governments in the form of VAT).

MS and HSD contribute 16% of carbon emissions in India. Fuel taxes, when converted into effective carbon taxes, are estimated at around ₹18,000/tCO₂ (total carbon dioxide) for MS in 2023 and ₹12,000/tCO₂ for HSD. Effective carbon taxes on MS in India in euro terms work out to €216/tCO₂, close to/higher than taxes levied on MS in Spain (€223/tCO₂), Austria (€213/tCO₂), New Zealand (€207/tCO₂) and Norway (€189/tCO₂). Effective carbon taxes on HSD in India work to €143/tCO₂, higher than in Switzerland (€142/tCO₂), South Korea (€139/tCO₂) and France (€133/tCO₂). These countries have much higher level of per capita income than India.


Of other fossil fuels, coal alone accounts for 70% of India's carbon emissions. However, India taxes coal very little at ₹400 per tonne (by way of GST compensation cess). Other carbon-emitting products are: light diesel, fuel oil, naphtha domestic LPG, kerosene, aviation turbine fuel (ATF) and natural gas (with a share of 16% in carbon emissions). All these products are under the GST regime, other than ATF and natural gas, which attract excise duty and VAT.

A key consideration for introducing carbon pricing would be the effective carbon rates which will help raise revenue and also achieve carbon neutrality. The EU has estimated that €120 per tonne of CO₂ will decarbonise the economy by mid-century. Such estimates are not available for India. But effective carbon taxes in the EU could still be an important guide, though €120/tCO₂ would appear to be on the higher side, especially because India has committed to achieve carbon neutrality by 2070. Assuming carbon taxes equivalent to €90/tCO₂ on coal alone, India could generate around ₹8 trillion (4.2% of GDP). An additional revenue of over ₹1.5 trillion (0.8% of GDP) could be generated from petroleum products, other than MS and HSD that are heavily taxed.

Carbon pricing on LPG and kerosene may hurt vulnerable sections. However, they are better protected by direct benefit transfers. Carbon pricing could also impinge on the competitiveness of Indian industry. However, with the introduction of EU-CBAM and similar taxes by other countries expected, there will be no escaping from carbon pricing in India.

Carbon pricing can be an effective tool not only for raising resources over the medium term for mitigation and adaptation, but also for decarbonising the Indian economy in a relatively more predictable manner.

Boys need the HPV cancer vaccine as much as girls



LISA JARVIS

Bloomberg

WHAT IF I told you that there was a cancer vaccine that could potentially spare your child not one, but six kinds of cancer? You'd jump at the chance, right?

That already vaccine exists — it's the shot for human papillomavirus, an extremely common sexually transmitted infection that can cause multiple types of cancers. Each year, HPV causes over 21,000 cases of cancer in women and 16,000 cases of cancer in men.

The narrative around HPV vaccinations

has typically centred on their ability to prevent cervical cancer in women. But a new study, presented this weekend at a major cancer meeting, reinforces the notion that these shots directly benefit men, too.

We've long known of the benefits of these shots in girls. Enough time has passed since their introduction to show they can practically wipe out cervical cancer. They work so well that Australia believes it can eliminate the disease by 2035. And last year, data from Scotland found no cancer cases — that's right, zero — among women who had been vaccinated when they were 12 or 13 years old.

But HPV doesn't only cause cervical cancer. It's the culprit behind most penile, anal, vaginal and vulvar cancers, as well as a growing number of head and neck tumours. Incidence of oral cancers have now surpassed the number of cervical cancers — and most of those cases are in men. And while overall cancer deaths in the US have been on a steady decline, the mortal-

ity rate for HPV-associated oral cancers has continued to rise by 2% per year. That's a sobering message for parents of boys. In 2022, just 35% of boys between the ages of 9 and 17 had received at least one HPV vaccine dose.

A ton of research has been done to pinpoint the reasons vaccine uptake has stalled at just over 60% among all teens — well below the US government's target of achieving an 80% HPV vaccination rate among teens by 2030. The studies find a few common themes, including ongoing worries over the safety of the shots (despite more than 500 million people around the world having been safely vaccinated against HPV) or claiming their child isn't sexually active so doesn't need it.

But in surveys probing hesitancy, parents also regularly cite a lack of knowledge or lack of a recommendation about the vaccine as a factor in their decision to opt out of it. It seems many pediatricians aren't rec-

ommending the vaccine or offering enough education about its benefits.

More conviction would help. A strong health care provider recommendation "is the single most important predictor right now of whether or not someone was vaccinated," says Heather Brandt, Director, HPV Cancer Prevention Program at St. Jude Children's Research Hospital.

Kids benefit most from vaccination by the age of 13, but the first shot can be given as young as 9. A parent might not be receptive during that initial chat, but opening the dialogue at 9 gives a longer window to draw them in.

Doctors have a lot on their plates, and of course many other factors — including access to a doctor, particularly in rural communities or among those without health insurance — influence vaccine attitudes. But health care providers are in the best position to convince parents that these life-saving shots are worthwhile.

Explainer

● **What is the new timeline to settle cashless claims?**

THE INSURANCE REGULATORY and Development Authority of India (Irdai) has directed health insurance companies to settle cashless health claims in three hours. The insurers will have to provide pre-authorisation for cashless requests to the policyholder via digital mode within an hour. If there is a delay in settling the claim by more than three hours, the additional amount charged by the hospital will have to be paid by the insurer from shareholders' funds.

Insurers have to also ensure that hospitals release mortal remains immediately in the event of a death during treatment. In case the claim is repudiated or disallowed partially, details have to be given to the claimant with reference to the specific terms and conditions of the policy document. The new rules are to be implemented by July 31. Currently, after the treating doctor gives the approval for discharge, a hospital typically takes 6-8 hours to process the bills. It takes another 4-6 hours for the insurer to clear the bill, by which time another half-day's charges are added to the final bill.

● **Why does this process take a long time?**

CURRENTLY, THE COMPLEXITY of insurance products coupled with a lack of expertise among third-party administrators (TPAs) are the biggest roadblocks in settling claims faster. TPAs only process the claim and escalate it to the insurance company for the final decision. Most often there is a

HEALTH INSURANCE



How cashless claims can be settled faster

The insurance regulator has set a three-hour limit to settle cashless claims. *Saikat Neogi* identifies the bottlenecks in the health insurance claim settlement process and what hospitals and insurers need to do to speed it up

56%

OF HEALTH INSURANCE CLAIMS WERE SETTLED THROUGH CASHLESS MODE IN FY23

IN FY23, HEALTH INSURERS PAID ₹70,930 CR TO SETTLE 2.36 CR CLAIMS

75%

CLAIMS SETTLED VIA THIRD PARTY ADMINISTRATORS, WITH ₹30,087 AVERAGE AMOUNT PAID

● **How can insurers and hospitals adhere to the new timelines?**

TO FOLLOW THE new norms, the claim settlement procedure has to be overhauled at both the hospital's and the insurer's end. Hospitals should charge the agreed amount and if there is any deviation from the package it must be intimated to the TPA immediately. Insurers must seek billing-related clarification from the hospital on a daily basis and sort out any issue immediately instead of waiting for clarification on the day of the discharge. Experts say the hospital billing portal should be linked to the TPA or the insurer for seamless approvals. In case of any deviation from the package rates, the hospital must take the patient's consent and inform her about any out-of-pocket expense.

● **Striving for 100% cashless claim settlement**

THE REGULATOR HAS underlined that every insurer will have to achieve 100% cashless claim settlement and instances of claims settled through reimbursement should be the bare minimum and happen only in exceptional circumstances. In FY23, 56% of the total number of health insurance claims were settled through the cashless mode, 42% through reimbursement mode and the rest through a combination of cashless and reimbursement modes, data from Irdai's annual report show.

In fact, in January this year the General Insurance Council, in consultation with all insurers, has introduced a "cashless everywhere" initiative in which a policyholder and his family members covered under an insurance scheme can get admitted to any hospital without making any initial payment and the insurer will settle the bill as per the terms and conditions of the policy on the day of discharge. The real-time verification of the insured will help in settling the claim faster.

● **National Health Claims Exchange in the pipeline**

THE GOVERNMENT'S NEW digital information platform called National Health Claims Exchange, which is likely to be launched in the next two to three months, will help to settle claims faster. The platform will create a standard interface and will include all stakeholders such as hospitals, insurers and TPAs. Hospitals will be able to submit claims electronically through the portal and all health-related information of the insured will be uploaded on the portal. The exchange will share claims information digitally and insurers can process them without any paperwork. The portal will help to reduce the time taken for pre-authorisation and discharge approvals and also bring down insurance premiums by reducing claim processing costs in the future. At present, hospitals use different private portals to process claims which, at times, take even 8 to 10 hours after the hospitals send the final bills for discharge. If all hospitals are mandated to join the portal, this can be a game-changer.

JOB CREATION, SKILL TRAINING SHOULD BE NEW GOVT'S TOP PRIORITIES

Joblessness and inflation were the key concerns of the electorate at the 2024 parliamentary elections. The new government that will be signed in soon cannot take the two issues—especially that of joblessness—lightly. While there can be a debate on whether the inflation picture is indeed as dire as is being painted by some, there is no disputing the fact that the country is facing a jobs crisis. The latest Periodic Labour Force Survey (PLFS), with numbers for the January-March 2024 quarter, shows unemployment—especially youth unemployment—and underemployment are indeed very high in a country where the labour force participation rate is just about 50 percent. So, whichever government comes to power at the Centre must pay attention to the issue.

The PLFS shows that the unemployment rate in the 15-29 age group was at 17 percent in the first quarter of the calendar year. While this was lower than the 17.3 percent recorded a year ago, such a high unemployment rate, especially when labour force participation in this age category is just 40 percent, is a cause for concern. India, which boasts of a large young population, cannot afford to wither away this demographic advantage due to a lack of better jobs. Underemployment is a bigger issue for the country. Even though the unemployment rate across age categories came down to 6.7 percent in the January-March 2024 period, a granular look at the data shows a large section of those who were 'employed' were basically self-employed. This comes to more than 40 percent of those employed, with 6.4 percent working as helpers in household enterprises. As much as 10.8 percent were casual labourers. Only 48.7 percent were salaried employees.

The youth unemployment problem in some states is starker than in others. While Kerala shows a youth unemployment rate of 32 percent, industrialised states like Telangana also show high unemployment among this group at 26 percent. States such as Rajasthan and Odisha, despite decent industrialisation over the years, show youth unemployment of over 20 percent. The issue is clearly not only of inadequate industrialisation, but also of a skill gap among young people. Governments will have to invest massively in education—starting from the primary level—to ensure that future generations are well-equipped for jobs. This is easier said, but it needs to be done.

REAL MADRID VICTORY A SIGN OF THE TIMES

There was a sign of inevitability even before German club Borussia Dortmund hit the post and missed a few presentable opportunities in the first half. After all, they were playing Real Madrid—a club steeped in history and eternally blessed with luck, especially in big finals, even when they look shoddy. In the second half, Real emerged with clearer minds and won 2-0 to lift another Champions League title. To gauge the enormity of their achievement, one has to go through numbers. Six Champions League titles in 10 years and 15 in all in Europe's most prestigious club competition. The current Spanish league champions have not lost a final since 1981—they have played and won nine. They may look tattered and listless at times, yet they find a way to win. No one in Europe has done that. Just by numbers, they could be considered the greatest club in Europe. This victory will only cement their place at the top.

Luka Modric, Nacho Fernández, Toni Kroos and Dani Carvajal are a select few who have lifted the trophy six times. Together with the prodigious Vinicius Jr, great young conjurors like Jude Bellingham, Rodrygo and the sublime Fede Valverde, and goalkeeper Thibaut Courtois' acrobatic saves, they resembled a well-assembled orchestra, with coach Carlo Ancelotti holding the conductor's wand. If Dortmund were wondering what else they could have done, they were not alone. Manchester City, another well-oiled ensemble, and Bayern Munich also tasted defeat this season.

Kylian Mbappe, one of the greatest footballers of this generation along with Vinicius, could not have asked for a better backdrop to announce his arrival in the Spanish capital. His much-talked-about free transfer is almost a done deal, with Real hoping to announce it later this week. If Mbappe's joining will be celebrated, Kroos's exit will be considered a tough pill to swallow. Modric, too, is biding his time. Carvajal and Nacho are on their last leg. It's perhaps natural that the baton would be passed to the next generation to play more masterpieces.

With the Euro 2024 set to begin in less than two weeks' time, players now need to focus on their national duties. Two countries with the richest club structures—England and Spain—would be hoping for the fortunes to rub off on their national teams.

QUICK TAKE

WHEN THE EXECUTIVE FAILS

The national capital has been reeling from a water crisis amid unrelenting heatwaves. But Haryana has been refusing to pass on extra water to Delhi, blaming the shortfall on a leaky infrastructure and the water mafia. Last week, Delhi approached the Supreme Court to get more water from Himachal Pradesh through Haryana. On Monday, a vacation bench called for an emergency meeting of all stakeholders later this week to resolve the issue. Whether on pollution or water, the fact that the judiciary needs to step in for matters that should be handled by the legislature and executive says a lot about the state of governance in the country.

With exceptions, exit polls in India are not known for exactitude. The projections aired on June 1 were riddled with inconsistencies, arising largely from erroneous seat counts, for which no *ex post facto* explanations were offered except to celebrate the "data". But if we treat the numbers as a bellwether of the final outcome, what do they portend—especially when read in tandem with some detailed and excellent reports from the ground?

The BJP is expected to retain its near-hegemonic status in its traditional swaths in the north and west. It made an aggressive push in the east (outside the north-east) to step up its presence in West Bengal and claim Odisha from its friend-turned-frenemy, the Biju Janata Dal (BJD). The Trinamool Congress (TMC) and the BJD are not easy meals to be devoured, but the BJP relentlessly fought both.

It says a lot for the BJP's divination to take nothing for granted when it sensed that the Maha Vikas Aghadi (MVA) in its original form—led by the formidable Sharad Pawar and Uddhav Thackeray, who demonstrated that he is no pushover—had to be brought down to clear the playing field for itself. It splintered the Shiv Sena and NCP (the third prong, the Congress, is inconsequential) and hoped the ensuing legal tangles for claiming the original nomenclatures and symbols—the prerequisite of party politics from a voter's perspective—would confuse the picture and throw the major players in a quandary as rather than take the opposition's narrative to people, they would have to expend time, energy and resources in explaining the basics. That's exactly what seems to have happened in Maharashtra, which brings in 48 seats to the Lok Sabha and has never been hospitable to the BJP; it had to hold the hands of a regional party to stand on its feet. The rebooted MVA failed to disseminate its new names and symbols except for the Sena, whose cadre was strong in places.

Maharashtra classically illustrated the practice of 'Chanakya neeti' and the precept of winner takes all, without in fact being a winner in real terms. Odisha is another example of the game-plan now honed to near-perfection by Amit Shah, the home minister. BJD president and chief minister Naveen Patnaik—one of the most successful legatees—should have realised there are no permanent friends in politics. For long, Odisha was not on the BJP's radar, except when it tried to commu-

Ground realities kept shifting through the electoral process. Discontent with incumbents was manifest in the head, but the heart seemed to be asking for something else

THE TORTUOUS COURSE OF ELECTIONS 2024



RADHIKA RAMASESHAN

Columnist and political commentator

SOURAV ROY

nalise the Adivasi-dominated Kandhamal in 2008 by pitting the tribes against Christian missionaries. The BJP gained nothing from what seemed like a misadventure in hindsight.

To the Odisha BJP leaders' chagrin, central BJP leaders gave an impression that they were content to yield the state to Patnaik in lieu of his support on critical legislative issues in parliament. When it was clear that the BJP could not hope to rule India by yoking itself for posterity to the north and west, Modi and Shah went full steam for the east (the north-east was under their belt with 'friends') and targeted Odisha. The BJP spied an opening when Patnaik anointed a former bureaucrat and confidant V K Pandian as a virtual succes-

sor (though he later denied the move). Pandian is Tamilian. The BJP used his southern provenance to strike a regional chord, which worked with the BJD's rank. It was a decision that might cost the BJD and help the BJP.

How the east beckons, unlike the south that remains patchy for the BJP. In West Bengal, under the energetic and belligerent Suvendu Adhikari, the BJP takes no prisoners; it goes for the kill. The BJP had a headstart with the episode at Sandeshkhali where women were allegedly molested by a local TMC strongman who was reluctantly arrested. The TMC later released a video to debunk the BJP's allegation, but the damage was apparently done.

It is not the Hindutva ideology that

HOW AMBEDKAR CREATED A UNITARY, INDEPENDENT EC

I was 25 years old when I voted for the first Lok Sabha in 1952. This time, with 97 crore eligible voters, the election that just finished was the biggest on the planet. The Election Commission deserves our unstinted praise for conducting it. Except for a few incidences during the seventh round of polling, the process has been by and large peaceful—a real festival of democracy.

The validity of results declared by the EC has never been doubted, even by candidates who lost by just a few votes. I would know, because as a candidate in 1980, I stood from the Anna Nagar constituency in Chennai and lost by 699 votes to DMK chief M Karunanidhi. Over time, I have been a five-time legislator.

All things considered, Indian elections are regarded as a model for the world. We should be proud of our democracy. What worked well for India is an empowered and independent EC. To know why Indians have implicit faith in the EC, one has to delve a little bit into the past. I also want to illustrate with a comparison to the US system.

The US has a presidential form of government and India is a parliamentary democracy. There are strengths and weaknesses in each form. The limited point I am making here is the difference in the electoral governance structures. In the US, the Federal Election Commission oversees federal elections, while each state has its own election administration responsible for state and local elections. In India, the Election Commission is an autonomous body responsible for conducting all elections, from the local to the national levels.

In the US, election rules vary widely among states because states, rather than the federal government, play the primary role in creating election administration policy. This can lead to a lot of confusion. In the 2020 presidential election, the certification deadlines in five states were within a week of polling. In 28 states, the deadlines were between November 10 and November 30. In 14 states and the District of Columbia, they were in December. And three states did not have fixed deadlines.

India would have been in the same boat, but for the wisdom of B R Ambedkar. In this context, it is relevant to recapitulate a few incidents connected with the evolution of the final draft of the Constitution presented before the Constituent Assembly on November 25, 1949.

Though the Constituent Assembly had

begun its deliberations on December 9, 1946, Ambedkar was not directly involved in the process of drafting the Constitution between January 1947 and July 1947.

A few weeks before independence, in July 1947, Jawaharlal Nehru met Mahatma Gandhi to seek approval for using the services of British constitutional expert, Professor William Ivor Jennings, for title 324 of the Constitution, under which elections have taken place ever since.

Draft Article 289 envisaged different election commissions for the Centre and the states, which was radically changed by Ambedkar. Explaining this in the Constituent Assembly, Ambedkar said: "The original proposal under Article 289 was that there should be one commission to deal with the elections to the central legislature, both the Upper and Lower Houses, and that there should be a separate election commission for each province and each state, to be appointed by the governor or ruler of the state. This [new Article 324] proposes to centralise the election machinery in the hands of a single commission to be assisted by regional commissioners, not working under provincial governments... As I said, this is a radical change."

To further strengthen the commission, he said, "The Chief Election Commissioner shall not be liable to be removed except in the same manner as a judge of the Supreme Court. If the object of this House is that all matters relating to elections should be outside the control of the executive government of the day, it is absolutely necessary that the new machinery which we are setting up should be irremovable by the executive by a mere fiat. We should therefore give the Chief Election Commissioner the same status, so far as removability is concerned, as we have given to the judges of the Supreme Court."

Let us for a moment imagine what would have happened to the country if each state functioned with its own election commission as envisaged before Ambedkar's intervention. It is this farsightedness of Ambedkar that makes India a robust democracy. To accept '*vox populi, vox dei*' (the will of the people is the will of god) would be the most gracious thing to do.

The EC is a constitutionally independent body that upholds democracy and is its bedrock. Any attempt to undermine the integrity of the electoral process or an attack on our democratic institutions poses a significant risk to public order and trust in the electoral system.

(Views are personal)

Before Ambedkar took over as chairman of the Constitution drafting committee on Gandhi's advice to Nehru, the idea was to have different election commissions for central and state polls. A comparison with the decentralised process in the US shows this could have led to confusion

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permeated the soil of Odisha and West Bengal as much as disenchantment with the incumbent provincial leaders. Patnaik and Mamata have had long innings. But the withering away of the Left in Bengal and the Congress in Odisha kindled optimism in the BJP as a prospective alternative, although the hope is not based on any proven achievement in these states.

The INDIA bloc was birthed in confusion and was up against every conceivable odds a coalition could be against: the absence of a leader, an enfeebled Congress, shaky partnerships in Delhi and West Bengal, an ambivalent Left that sought to befriend the Congress in Bengal and abuse it in Kerala, and a record of losses in the state elections in the north. Where the Congress was up against the BJP in straight fights, it was a foregone conclusion who the winner was.

However, to INDIA's credit, it overcame some of the impediments and fashioned its own narrative, which did not fall into the BJP's provocative Hindutva and Modi-centred rhetorical trap. Within the ambit of the Congress's 25 guarantees and Rahul Gandhi's economic pitch, INDIA's campaign focused on unemployment, inflation, farmers' travails, electoral bonds and the threat to the Constitution that it alleged could eventually lead to scrapping or watering down statutory reservations.

That the BJP was stung by the stress on the Constitution was obvious when its president J P Nadda distanced his party from the RSS, which periodically insinuates that quotas must go.

In a normal ambience and on an even playing ground without institutional partisanship, such issues would have persuaded an electorate hungry for jobs and saddled with rising prices. It speaks of the times we live in that emotions founded on high-decibel propaganda and illogic should get the better of the voter's ability to think through issues. Large swaths on the national canvas are witnessing what Gujarat and Uttar Pradesh went through in recent elections. Discontent is manifest in the head, but the heart asks for something else.

A renewed mandate for Modi and the BJP could put paid to the ambitions of the regional forces that strove for a space in INDIA and outside. If the plight of the BJD, YSRCP, AAP and even the TMC is a barometer, the survival of the state parties is at stake.

(Views are personal)

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Unjustified postponement

Ref: Sri Lanka's struggle with election phobia (Jun 3). The proposal to have a referendum to push back Sri Lanka's elections is disrespectful of the country's democracy and Constitution. When the reform measures produce positive results, people will undoubtedly vote for the current administration. What justifies delaying the elections then?

K Venkatasubramanian, Coimbatore

Ganga's history

Ref: The role of Varanasi in exalting Ganga's identity (Jun 3). The article gave a beautiful picture of Ganga's history through the ages, including how she came to the earth. It is said Mother Ganga will return to the heavens at the end of the Kaliyuga.

Diljit C Shah, Tiruchirappalli

Confluence place

The author has elaborately described the uniqueness of the Ganga and the spiritual importance of Varanasi. The city is considered the confluence place of saints and seers of different faiths. Saints from Islam and Sikhism contributed a lot for the seminal Indian socio-cultural reforms.

Ramalingeswara Rao, email

Legal consequences

Ref: Trump's conviction has lessons for other democracies (Jun 3). Donald Trump has learnt the hard way about the consequences of wrongdoing. 'The law governs the poor and the rich govern the law' is an old adage that might not apply in the US and other countries, but in India, moneybags and their lawyers are busy proving they can take the law for a ride.

C V Aravind, Bengaluru

Bad omen

Ref: Solve emblem debate democratically (Jun 3). One feels thankful that petty minded politicians like the ones in Telangana and Andhra Pradesh have not adorned the Delhi throne. Else, the national emblem and anthem would have undergone changes several times during the last seven decades. These CMs think they are kings and can do anything concerning the state. It is a bad omen for democracy.

Duggaraju Srinivasa Rao, Vijayawada

Maintain prestige

The University of Madras, established in 1857, is the pride of South India. In fact, this university was established along the model of the University of London. Such a lofty educational institution now functions without a Chief Executive Officer. This is quite shocking. The stakeholders must earnestly endeavour in maintaining the scale of glory and prestige of the university.

Kaliappan Palaniswami, Salem

Result Day Today, Keep Your Shirt On

Institutional investors sit out very volatile events

Stockbrokers have advised clients to keep extra margins to trade today's election results. These additional buffers are over and above limits imposed by exchanges to curb normal volatility. The index of volatility has climbed from multi-year lows ahead of polling to more than double as each stage of the election proceeded. Investors are well-advised to heed the cautionary advice if they have the stomach for trading on results day. The markets have moved up significantly a day before counting of votes. Results day trading could lead to bigger moves, and traders seeking to profit from the fluctuations should ideally hedge their positions.

The election outcome is among a series of events that are contributing to market volatility. These include the latest release of GDP data, upcoming central bank review of interest rates and the run-up to the budget. The



markets have priced in the macroeconomic scenario but are yet to do so for monetary and fiscal policy. Besides, the first budget of the incoming government can be expected to lay out a roadmap for economic management and reforms for investors. But the largest contribution to market volatility

in the near term will be political outcomes and their impact on policy continuity. Over the course of a few months, the election results will become one of the inputs in investor decisions.

Recent history of year-end market levels in election years doesn't throw up strong correlation with political results. This apart, institutional investors try to sit out highly volatile events and re-enter the market when the dust clears. The rise of systematic investment by retail investors also provides some ballast in a volatile market. Regulators, on their part, are building greater counter-cyclicality into their oversight, which helps to curb excess speculation. Retail investors should be guided by Sebi's outreach on the risk of leverage and pockets of froth building up. Yet, election result day trading will remain irresistible to some.

Real Nation-Breaking Issue: Water Crisis

A war of words has erupted over the water crisis in NCR between the ruling AAP government and BJP's Haryana government. Delhi has accused Haryana of taking advantage of its location and not releasing surplus water supplied by Himachal Pradesh to it, while Haryana claims that it has supplied its share and that for every 100 litres of water that comes into Delhi, 52.25 litres are lost due to mismanagement and leakages. AAP says record-high temperatures and heatwaves have increased demand, leading to a shortage. On Monday, the Supreme Court intervened and called for an emergency meeting of the Upper Yamuna River Board on June 5 and asked for a status report by June 6.



This AAP-BJP skirmish over water, in the heat of election season, is the last thing suffering citizens deserve. It's yet another reflection of priorities of the political as well as voting classes, as amply reflected in the long Lok Sabha campaign. Instead of debating and voting on issues that can make the lives of the citizenry better, candidates

spent their energies on matters far removed from the here and now, fundamentals as basic as supply of water. Not a word was spent during the whole of elections on the water challenge India's cities face, even though the Bengaluru water crisis actually timed itself to happen as politicians hit the campaign road.

Delhi's water crisis has been a long-festering issue. Stakeholders need to focus on finding strategies to augment all sources of water; untie knots that are stalling three upstream storages on the Yamuna and its tributaries — Renuka dam in Himachal Pradesh, Kishau dam at the Uttarakhand-Himachal Pradesh border, and Lakhwar-Vyasi dam in Uttarakhand. These aren't 'municipal issues', but nation-building/breaking ones.

JUST IN JEST
Suffering withdrawal symptoms? Let us have yet another round of polls

Beware of the Coming Post-Election Peace

Certainly not now, or even by the time election results become crystal meth clear in a few hours. But by tomorrow evening, max by Thursday noon, cold turkey will have set in for many. Yes, we have lives, livelihoods, some of us even pursue pursuits and pleasures. But this election was so addictive that the withdrawal symptoms are bound to be vicious. Being under the thrall of a months-long, hard-knuckled, carpet-bombing coverage of a political contest where candidates were no longer public servants but Marvel Comics characters, it's understandable that even normal 'non-political animals' got hooked to the election drug. With election over, many are facing a vast emptiness.

It's like every Jan 2, that's even quieter than New Year's Day that is significantly less giddy than New Year's Eve night. Sure, your 'team' may have won (or lost), your 'chap' may have become PM (or not). But after the rah-rah celebrations or the deep sigh babas, there's a disquieting dip in hype. No expert opinions. No sound barks louder than their bites. No put-downs, soul-effacing narcissism, psychotic-level sycophancy or pointless observations. The long tail of post-election coverage will continue. But let's face it, it's a whimper compared to that narcotic we've been taking all these weeks. So, let's have another election fix fast!

With not a word throughout the polls on tackling extreme heat, here are some 'campaign' suggestions

Listen to This Heat Speech



Bharati Chaturvedi & Anshu Sharma

Heatwaves are part of a deadly climate arsenal. They are a complex phenomenon likely to coincide with — even exacerbate — fires, droughts and water scarcity, along with poor-quality water, loss of human and agricultural productivity, and negative health outcomes.

Heat is costing India dear:

► The highest number of deaths among the elderly in 2018 was reported in China (62,000), followed by India (31,000), Germany, the US, Russia and Japan.

► In 2019, India lost 118 bn work hours due to heat. By 2030, loss of working hours due to heat can mount to 5.8%, resulting in lowered productivity and decrease in revenue collection, setting off a chain of resource deficits.

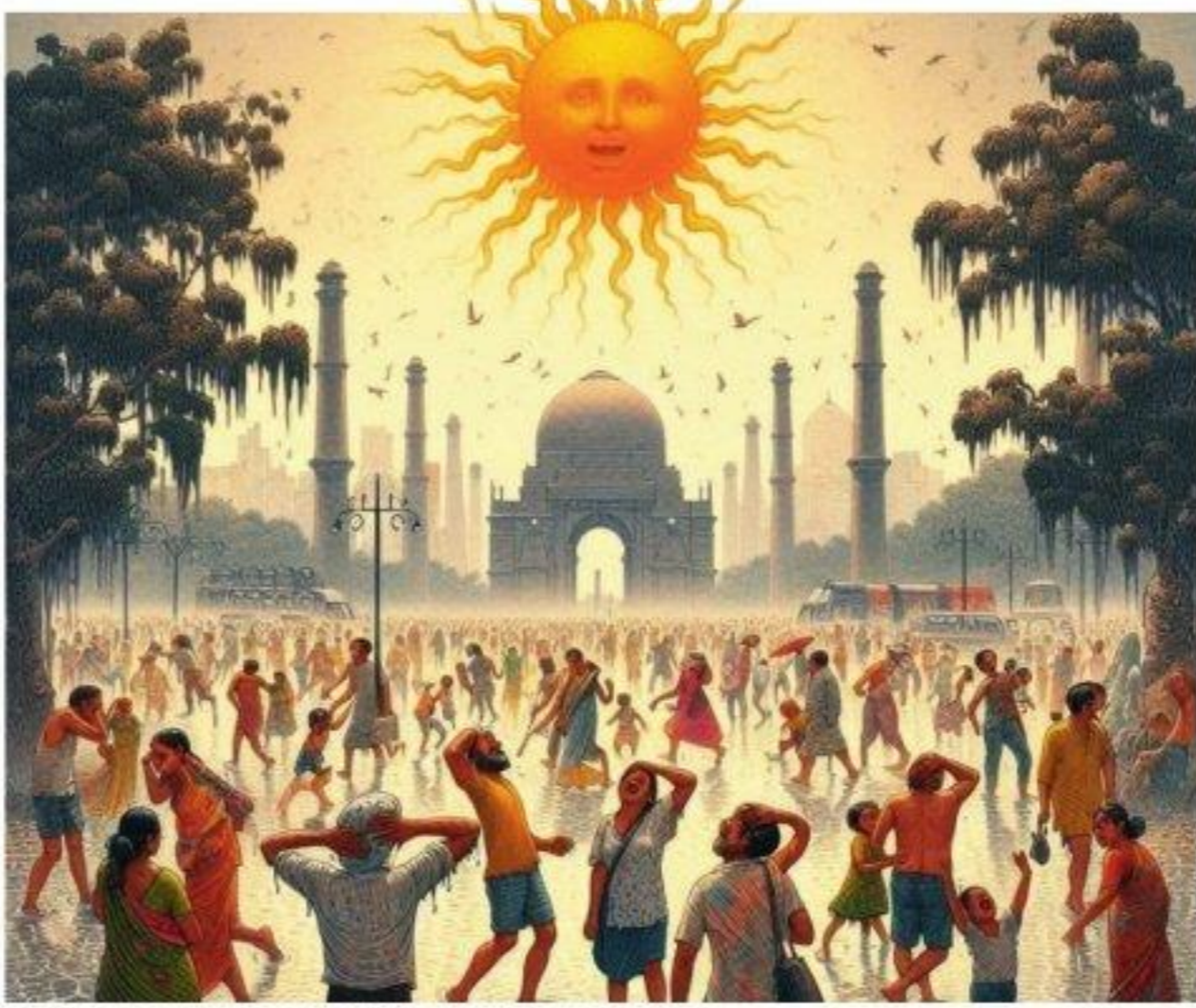
► Indian Institute for Human Settlements (IIHS) estimates that failing to address climate change, notably heat, could cost India up to 2.3% of GDP by 2023, and 6.7% by 2050.

India can't roll the heat back. But we can prevent it from charring our economy and grilling India's liveability. Some steps:

► **Build human resilience** Heat saps the body's ability to function, leading to exhaustion, dizziness, cardiac issues, worsened chronic illnesses, mental health problems and high blood pressure. Unlike a conventional heat stroke,



Let's understand on-ground experiences and ideas, and invest in solutions formulated by operations teams, engineers and scientists



While a country celebrates election results...

ke, prolonged and intense heat causes subtler 'heat stress' symptoms that are widespread and often overlooked. This under-reported public health emergency requires a public campaign and strengthened healthcare systems for effective surveillance and response.

► **Flex the time, up productivity** India should rethink the office workday and develop a unique daylight-saving time system that beats the heat. We can learn from West Asia, where work starts at 7 am and ends at 2 pm. Lakhs of outdoor workers are vulnerable. A societal lifestyle shift is required to protect them. Farmers often adapt using conventional wisdom if possible any more under these inferno-like conditions. What about the rest?

► **Forecasting is forewarning** IMD has highly improved, precise heat forecasts and heat index-based forecasts. Steps are now needed to convert them into reality by making forecasts easier to understand, and ensuring their last-mile delivery in local languages.

► **Redesign infra and housing** Much of the built stock is yet to be constructed. Strict, non-negotiable codes should be imposed to ensure that buildings, public or private, are designed for optimal cooling. Ensuring cool roofs as a building bye-law mandate, and a basket

of incentives for appropriate buildings, and disincentives for climate insensitive ones, are urgently needed.

► **Promote being cool** India's traditional and local green cooling innovations should be prioritised for testing and promotion in new buildings and retrofits. Financial packages should make these solutions affordable for owners and profitable for innovators, becoming a government priority. A large number of Indians are unlikely to experience personal cooling very soon. Cooling shared spaces through a sharing-economy model can be transformative. Existing infra, like 'baraat ghars', bus shelters, community centres and schools, can be utilised.

► **Bring shanti to homes** Shanties are especially vulnerable to heat. Tin-roofed homes can be over 5°C hotter indoors than non-tin-roofed ones, making them unliveable when outside temperatures reach 45.8°C. Given that 80% of the heat is absorbed via the roof, several jugaad solutions are being tried. While painting roofs white is one of the most popular one, it often fails, as the poor end up using roofs for storage.

Chintan, along with SEEDS (Social Empowerment and Economic Development Society), experimented in Delhi shanties, finding that even a multi-

layered roof, comprising bamboo frames with jute, plastic and cardboard infills — all materials available locally — reduced temperatures by up to 12°C. Other solutions, such as putting a tent-like covering several feet above the roof, also bore results. National Urban Livelihoods Mission (NULM) can train people to manufacture and set up such jugaad roofs, boosting both the green economy and climate resilience.

► **Heat is infra dig** Other infrastructure is endangered by the heat, too. Roads can start melting, power stations and grids can fail, railway lines get deformed and industrial operations cease to function efficiently. Many of these effects will come incrementally, then tip suddenly at scale once temperature-breaking points are reached. Things can come to a grinding halt. Setting up committees won't address this. Let's understand on-ground experiences and ideas, and invest in solutions formulated by operations teams, engineers and scientists.

Nature-based solutions to cool local climatic zones, literally at the level of



Unlike a conventional heat stroke, prolonged and intense heat causes subtler 'heat stress' symptoms that are often overlooked

small house clusters or neighbourhoods, have proven to be a manageable and effective community-level cooling strategy. Why not build on nature's wisdom? Heat is localised. As should be mitigation plans. These must include safe refuge areas during extreme heat, immediate identification of heat-related health emergencies and a prepared medical response system, in addition to preparedness and prevention measures. Duty-bearers must be appointed to roll out plans so that someone specific is accountable.

India may not have a full plan against the heat. But it must expand and deepen what it has.

Chaturvedi is founder-director, Chintan, and Sharma is head, STS Global

Bell Curves ■ R Prasad



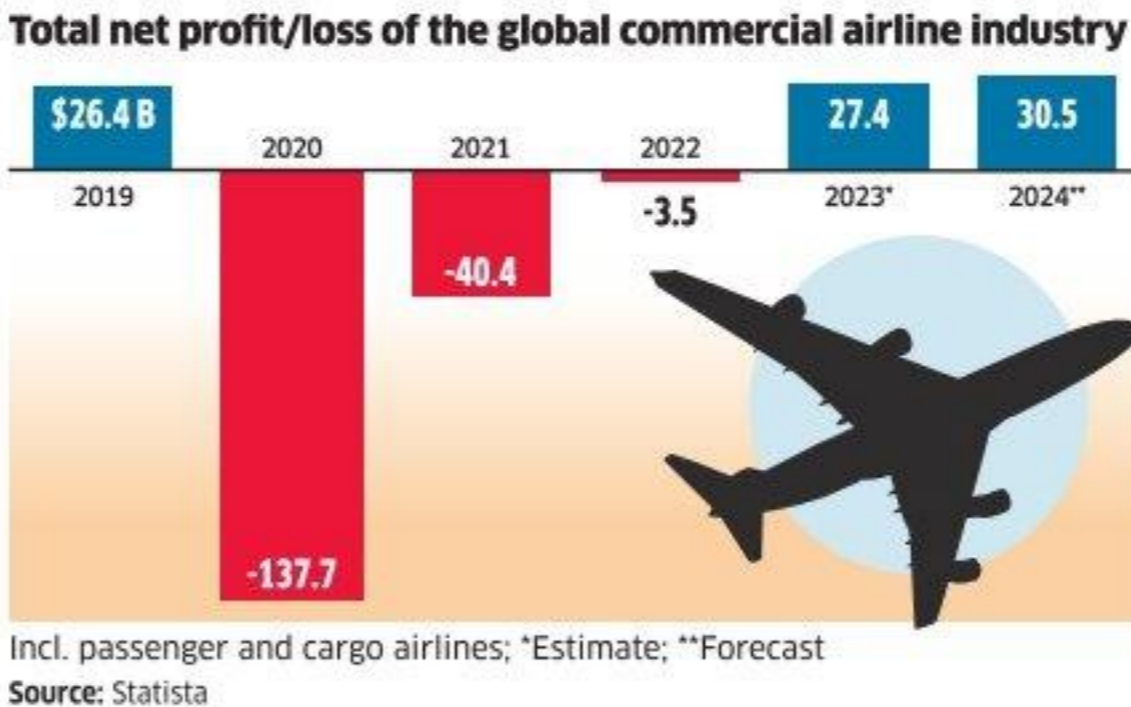
ChatGPT SHAIRI OF THE DAY

There once was a town full of geeks,
Who obsessed over election result peaks.
With their charts and their graphs,
They'd all scratch and they'd cough,
Predicting those sweet winning streaks!

...

In Safe Zone

Having left behind most Covid-related turbulence, the global airline industry emerged from the storm in 2023, returning to profitability after three years of deep losses. According to the latest estimate from the International Air Transport Association (IATA), commercial airlines ended 2023 with a net profit of \$27.4 billion, up from a loss of \$3.5 billion in 2022 and significantly higher than previously expected...



Trans-Europe Express



Jamas Hodivala & Chirag Naik

India's economic growth and expanding role in global trade, exemplified by its recent free trade deal with the European Free Trade Association (EFTA), are significant opportunities for trade with the EU. However, compliance with new EU supply chain laws is essential for Indian businesses aiming to sustain and grow in Europe. India's third-largest trading partner. Key legislative changes are deforestation regulation, corporate sustainability and due diligence directive, and forced labour regulation.

India's domestic regulatory landscape is far from aligned with these new trade standards. So, domestic businesses must look into these new laws. Indian sectors facing the biggest risks are textiles and garments, pharma, and food and agriculture. Unless they comply, relevant products produced by Indian businesses can't be exported to the EU market.

► **Deforestation-free products** The law came into force in June 2023, mandating compliance from large companies by December 30, 2024, and from SMEs by June 30, 2025. It aims to reduce deforestation in supply chains for products made after June 29, 2023, focusing on seven commodities — cattle, coffee, cocoa, oil palm, rubber, soy and wood — and extends to products made from these commodities, such as leather, chocolate, palm oil, rubber tyres and books.

Under this regulation, products must be 'deforestation-free', meaning they should not come from land deforested after December 31, 2020. Companies must provide due diligence statements to confirm compliance. Penalties for non-compliance are severe, including substantial fines based on global turnover, con-

fiscation of products, public procurement bans and possible future prohibition from placing relevant products on the EU market.

► **Corporate Sustainability Due Diligence Directive** CSDDD focuses on identifying and mitigating environmental and human rights risks within large companies' supply chains and the chain of activities of their business partners. It applies to large EU and non-EU companies, such as Indian companies with a net turnover of €450 m or more generated within EU. Smaller companies will be indirectly affected through supply chain demands for due diligence information.

CSDDD requires companies to take 'appropriate measures' to identify, prevent or mitigate environmental and human rights risks. This involves conducting risk assessments and integrating new contractual clauses with all value-chain partners to ensure compliance. To help companies focus resources on this task, the legislation identifies certain environmental and human rights harms that companies should consider in their risk assessments.

For Indian businesses in EU value chains, this means enhancing their ESG policies and risk-assessment tools. Those directly affected by CSDDD will take their duties seriously. Compensation is payable to victims and substantial fines based on global turnover are payable by directly affected companies.

► **Forced Labour Regulation** aims to



Price we should be willing them to pay

eliminate products made with forced labour from the EU market. It applies to all companies, regardless of size, globally. Enforcement is likely to be focused on larger economic operators at an early stage of the EU value chain, such as importers, manufacturers, producers or suppliers.

Indian businesses involved in manufacturing goods for export to the EU must ensure their products are free from forced labour. The impact of similar legislation in the US, which has resulted in the detention of 35 Indian shipments in April alone, highlights the importance of stringent supply chain audits and adherence to international labour standards.

To navigate these regulatory changes, Indian businesses need to take several strategic steps:

► **Enhance ESG compliance** by developing policies aligned with EU standards.
► **Regular audits** and supply chain assessments are essential.
► **Strengthening due diligence processes** is also critical.
► **Tracking the origin and processing of commodities** and training supply chain partners on compliance requirements will help meet the relevant EU standards and minimise exposure to prohibited products.

► **Monitoring regulatory developments** and staying updated on EU legislation will allow businesses to proactively adjust their practices. Engaging with industry associations and regulatory bodies can also provide valuable guidance and resources.

► **Develop contingency plans** for potential disruptions and establish crisis management teams to swiftly address compliance-related issues. By enhancing ESG practices and policies, strengthening due diligence and realigning business strategies and business models, Indian companies can continue to capitalise on growth opportunities in the evolving global trade landscape.

Hodivala is barrister, Matrix Chambers, London, and Naik is associate partner, MZM Legal, Mumbai

The Lying Year

Andrei Gelasimov

Isat down next to the phone and tried to think. Nothing came to mind other than angry friends and offended relatives. They were constantly putting at me, and when we met on the street, they'd turn away or step into some store. They all considered me a bad person. They were irritated that I managed my financial affairs so badly. I could never hold on to money. What irritated them most of all was that I could never hold on to their money. All these thoughts made me hungry again.

I had to make some decision. If we were Americans, it occurred to me, they would bring cash if you called 911. In neat little stacks wrapped

in gold foil. Like a fairy tale. And they'd sing 'Heppi byoz-dei tu yu' in quiet voices. Finally, I took yesterday's card out of my pocket

and stared at it... I was reaching for the phone when it rang so abruptly itself that my heart nearly skipped a beat. 'Yes?' I nearly shouted after picking up. 'This is the receptionist for the general director of Red Star Industries. Is this the Vorobyov apartment?'

'Yes, that's me!' I shouted even louder. 'Not the apartment, I mean... but Mikhail Vorobyov. That's me!'

Translated from Russian by Marian Schwartz



THE SPEAKING TREE

The Three Minds

K V RAGHUPATHI

There are three types of minds: the carrying mind, universal mind and joyful mind. The carrying mind operates within time and space in the world. It has everything in it, including our samskaras. It is always heavy and plays havoc with our bodies, is conflict-ridden and full of anxieties. It is an aspiring mind that constantly strives to become this or that.

The universal mind is beyond duality, time and space. It represents oneness. Advaitic in spirit, it is devoid of all that is associated with the carrying mind. Subtle and filled with compassion, the universal mind symbolises peace and unending joy.

A joyful mind is derived from the universal mind. Where there is a universal mind, there is joyful mind. When we are filled with compassion, we are in a joyous state. It is a blissful state one experiences as one begins to constantly live in the universal mind. The universal mind and joyful mind are inverse and obverse of the same coin. They are not two unidentical entities.

The problem is with our carrying mind. We cannot live without it; we need it for survival and material progress. However, we can strive towards realising the universal mind, which is filled with compassion, to maintain ecological balance and attain inner peace and happiness. A moment-to-moment comprehension of the carrying mind and transcending it to achieve peace and harmony are imperative to gaining the joyous mind.

Chat Room

Sneering as Electioneering

Apropos the Edit, 'Election Quality Has A Quantity of Its Own' (Jun 3), the conduct of politicians in the just-concluded general election was marked by a new low. In public gatherings, truthful information-sharing was replaced by blame game and one-upmanship by every party whether it was about accomplishments or failures. Exaggerated and unsubstantiated charges against one another and swapping decency with abusive epithets became the new communication mode. ECI did not go beyond a warning or prohibiting the defaulter from electioneering for a day or two. A lot of voters refrained from voting in sheer disgust. Will the new Lok Sabha correct the course?

Y G CHOUKSEY

Pune

Instead of focusing on numbers, one would react to the quality of the democratic exercise. There is a high probability that Narendra Modi will head the government for a third term. However, irrespective of which coalition wins, it should banish adulteration, poverty, corruption, pollution and terrorism, and focus on the coexistence of all. Opposition, too, should work for the nation. Such policy-oriented thrust of governance will deliver quality, which is more important than mere quantity.

A LAGARWAL

Byemail


2024 Exit Polls Exited Congress

Apropos the exit poll coverage, 'Exit Polls See Modi Hatrick' (Jun 2), all roads leading to Rome seems to be the common exit polls result by reporting and confirming that the BJP alliance is going to sweep the polls with a huge margin. Congress lost its wherewithal to fight after the mantle of power changed from Indira Gandhi en route Rajiv to Sonia Gandhi. It's unfortunate that BJP won't have a tough Opposition, which is a disadvantage for people exercising their rights. One has to wait and watch how Narendra Modi's third term will do good for the people to justify their votes.

A P THIRUVADI

Chennai

Letters to the editor may be addressed to editet@timesgroup.com



A thought for today
No government can be long secure without a formidable opposition
BENJAMIN DISRAELI

Clock's Ticking

Next govt's main task will be to set India on the path of getting rich before it ages

A new govt will come into office with short-term advantages that are rare. Macroeconomic indicators are sound, and there's no immediate crisis to be tackled. This creates space to carefully address structural challenges that need to be overcome if India is to join a handful of countries that have got past the "middle-income trap".

Economy | India rode the Covid-induced crisis well. Relatively speaking, GOI didn't go overboard on the fiscal side while RBI followed suit in monetary policy. Consequently, India's economic growth rate is the fastest among G20 countries and its current account deficit (Apr-Dec) at 1.2% of GDP is comfortable.

GOI's main challenge now is to find a solution to the rut in the job market. There's been a marked deterioration in the quality of jobs. Even in urban areas, which recovered fast from the pandemic shock, the proportion of people classified as self-employed has risen over the last five years. India's primary economic and social crisis today is that a disproportionate share of the workforce is stuck with low-paying and precarious jobs.

Federalism | There's a breakdown in conventions that underpinned Indian federalism. To illustrate, a few states have approached Supreme Court over differences with GOI on resource-sharing. Against this backdrop, the other potential flashpoint is the possibility of a delimitation of parliamentary seats that will change the balance of power among states. This is an area where GOI needs to tread carefully. Fertility rates haven't been reversed anywhere once long-term decline sets in. Therefore, delimitation also represents loss of political power in a federal system.

Big power competition | China has emerged as the principal strategic rival to US. Unlike the Cold War era, India has an unsettled border dispute with one of the big powers, even while its growing market is sought after by everyone. The next govt will sail into uncharted waters and it will likely require a reset of some long-standing relationships. Another aspect that will require a relook is India's trade policy, which has taken a protectionist turn just when geopolitics has opened new opportunities.

India's on the cusp of a demographic dividend, a phase when there's potential for transformative economic growth because of demographic changes. But the window's small. The next govt's main task will be to set India on the path of getting rich before it ages. The clock's ticking.

Find Andhra's Capital

Political vanity has hurt the poorest of southern states. Its new govt should embrace new habits

What tidings might the southwest monsoon bring to Andhra, arriving the same day it lost claim over Hyderabad – Andhra and Telangana's shared capital for 10 years. As Telangana CM Revanth Reddy oversaw big celebrations on the foundation of Telangana, rump state Andhra had little to celebrate, amid stormy times – and not by way of weather.

Difference of polls | The simultaneous election has been fraught. Assembly results, out today, will reveal if incumbent CM Jagan's YSRCP could defend his govt against a fierce Naidu-led TDP-Pawan Kalyan-BJP opposition trio, as Congress strained to reclaim in part a Congress legacy state via its Andhra chief YS Sharmila, YSR Reddy's daughter and Jagan's sister.

Matter of capital | A capital city has eluded Andhra for long. With each alteration in the state boundary, it lost its capital – Madras to Tamil Nadu when Andhra was carved out in 1953. It lost Kurnool in 1956 after the region was merged with Hyderabad state. In 2014, it lost Hyderabad to Telangana. Post-bifurcation, then CM Chandrababu Naidu said Amaravati was to serve as a lavish greenfield capital city adjacent to Vijayawada. Singapore govt prepared its master plan, 33k acres of land was pooled from farmers in probably India's biggest land-pooling exercise, but little came of it till Naidu's term ended in 2019.

One to three | Jagan govt's move to shelve Amaravati and create three capital cities with "decentralised" development – executive capital at Visakhapatnam, legislative capital at Amaravati and a judicial capital at Kurnool – pushed the state into fresh turmoil, further impacting the state exchequer. Andhra still has no capital and remains the poorest among the southern states on per capita income.

How a new legislature will take forward the finalisation of a capital for Andhra may be the morning that shows the day for the struggling state.

Relations, after elections

Some will put on dancing shoes, some say katti

Shinie Antony
Tis the season of exit polls and sudden elopements. Everyone is a gypsy with a crystal ball, forecasting wins and losses. Up until the results are out, the average Indian lives in his own la la land. As we self-consciously go about our daily business, a voiceover in Amitabh Bachchan's baritone carries on the countdown to D-day. While political parties are busy practising humble smiles and thank-you speeches, mango people are ready to put on their dancing shoes. Everyone's drunk on hope.

The weather went from sizzling to torrential rains as politicians wooed voters for over a month. There were rallies, roadshows, and even dead politicians popping up to say hello. Candidates stormed into homes with fixed grins and folded hands to grab and cuddle babies too surprised to protest. Despite AI interference, raucous TV debates by the usual suspects and the geometric analysis of every mujra in *Heeramandi*, the largest ever election went through without a hitch. Soliloquies by the main characters on stage were neither applauded nor booed – by now, the masses are a deaf lot. Politicians are all milk and honey when they want our vote.

For a foreigner, our tourism brochure has always been full of beggars and unsafe alleys. Whether our leaders go on international trips with a begging bowl or not, our traffic intersections are lined with the homeless. We continue to wink at marital rape within our borders. Women are stalked and acid-attacked to constantly remind them of how risky it is to be out and about. Keeping women unsafe is a full-time job, ask any Indian city. But with a little bit of help from the local police, yawning netas and male mobs on a rampage, the crime rate is evenly maintained across the country.

Flaunt an inked finger only if you believe in fairy tales. At least 30% of the population dodged the ballot, including those who do not believe any political party can really alter their lives. Either we stay at home on voting day because one candidate looks very much like another, or keep on voting like that under-age citizen who was caught after the eighth time. Now, security is being strengthened and pianos tuned for *dost dost na raha*. Friends and foes are set to swap as new alliances will be formed overnight. All relationships are till counting day do us part.

Are ACs Now A Human Right?

Soaring temperatures are here to stay & cooling has become a necessity. But it has to be done smartly. Not via ACs that guzzle electricity & worsen outdoor heat even at a low-penetration level

Chandra Bhushan
Last Wednesday, the automatic weather station sensor at Delhi's Mungeshpur reported a record high temperature of 52.9°C. Fortunately, the figure has turned out to be incorrect. India Meteorological Department (IMD) has since said the reading suffered from "malfunctioning of the sensor".

But that is no cause for cheer: Delhi had already shattered its temperature record when Narela clocked 49.9°C on May 28. And the respite from a Mungeshpur-like high is only temporary. All climate models show that Delhi will likely reach 52.9°C in the next few years due to climate change. Our focus, therefore, should be on saving lives and livelihoods from extreme heat, which is projected to become even more severe and prolonged in the coming years.

This is not being alarmist, just realistic. Those who believe that runaway global warming and its consequences, such as rising temperatures and heatwaves, can be managed with a business-as-usual approach are deluding themselves. The facts are so stark that only a climate denier can ignore them.

Double whammy: Heat & humidity | 2023 was the second warmest year on record in India, and the past decade (2014-2023) was the warmest ever. In fact, 12 of the 15 warmest years occurred during the recent 15 years (2009-2023). Over the last decade, almost all major cities in India have broken their temperature records.

But it's not only the temperature that's the problem. A simultaneous increase in temperature and humidity is what's becoming the biggest killer. IMD has started measuring and releasing the "Feels Like" or "Real Feel" temperature on a pilot basis this year. This metric combines heat and humidity to measure the actual impact of heat on the human body. A Feels Like temperature above 45°C is considered dangerous for outdoor activities and vulnerable populations. Above 55°C, conditions become unlivable without air conditioning.

In May, multiple stations in Delhi crossed the Feels Like temperature of 55°C. The situation is alarming in

other cities as well. On May 3, in Patna, maximum temperature was 40.7°C, but Feels Like temperature was an alarming 57°C. While we have no data on the impact this had on Patna's residents, it was certainly more than just a "discomfort".

What we are experiencing is just a trailer: It will get worse in the coming years. Every forecast and new study predicts that heatwaves in the Indian subcontinent will take a huge toll on lives and the economy. So, what should be done about it?

ACs unleash a vicious cycle | An obvious solution might seem to be to install room air conditioners (RACs)



everywhere. But installing RACs creates a vicious cycle that further exacerbates global warming and hot extremes.

Currently, less than 10% of households in India own an AC, but this number is growing by 10-15% annually. RACs are energy guzzlers. Even a 5-star AC consumes 30 times more electricity than an efficient fan. So, even at low-penetration levels, RACs now account for up to 50% of peak load in major metropolitan areas of India. If we rely on ACs, then by 2050, energy requirement for RACs will see a 20-fold increase at the very least. If this energy is produced from coal, it will lead to higher global warming. RACs also warm the planet by

emitting refrigerants, which are far more potent in warming the planet than CO2.

At a local level, RACs exacerbate the urban heat island effect by expelling heat outside and increasing outdoor temperatures. To combat higher outdoor heat, we are installing more ACs, unleashing a vicious cycle.

Green cooling agenda | However, with Feels Like temperatures soaring above 45°C across most parts of India, cooling is no longer a luxury. It must be viewed as a fundamental right. The question is how to provide cooling to all without further destroying the planet.

● First, we must promote measures that do not require active cooling. We must cool our cities by planting trees and rejuvenating water bodies. We should construct 'cool houses' using better construction materials and incorporating passive cooling techniques like improved ventilation and shading. Techniques like cool roofs, one of the simplest and most cost-effective ways to cool a building by painting roofs white, can help keep indoor air temperatures lower by as much as 2-4°C compared to traditional roofs. These measures can be implemented by changing building bylaws, urban planning guidelines, and construction technologies.

● Second, we should prioritise centralised cooling projects such as district cooling systems (DCS). These projects supply chilled water to buildings through pipelines, similar to how natural gas is supplied for cooking. The chilled water cools the air inside rooms, just like an RAC. DCS are far more energy-efficient and do not require highly polluting refrigerants. They will also lower cooling costs, making it affordable for most people.

● Third, we should use only highly efficient RACs. To achieve this, we must revise energy-labelling standards to increase the sales of super-efficient ACs in the country.

● Finally, every city must develop an integrated heating and cooling action plan to protect citizens and the economy from severe heat impacts and to provide sustainable cooling solutions for all. It's time to prepare our cities for a clear and present danger.

The writer is CEO of the International Forum for Environment, Sustainability and Technology (iFOREST)

Fearless & Frank: YouTubers Who Beat TV In Poll Game

We are not a quiet country, listenership for dissent is expanding. Data is cheap, phones have competent cameras. All this has changed the project of amplifying voices from the ground

Anand.Soodnas@timesgroup.com
A raucous group of mostly young men – and a few women – had gathered outside the DM's office in Farrukhabad on a sweltering May afternoon. They were clamouring for "press passes" to cover the voting process on the 13th of that month. Many returned empty-handed as they were not "recognised" as members of the esteemed fourth estate. But all of them eventually did what they had set out to do. They fed their YouTube channels with what they judged to be their best and boldest election story from that wedge of UP.

In this edition of Lok Sabha polls, like no other before it, a fair bit of opinion on the ground was tempered and forged by local and independent journalists – often carrying just a phone, or a small camera and tripod – with their YouTube offerings and Facebook posts, WhatsApp messages and tweets. And with a fearlessness perhaps undetected until now.

The YouTubers somehow beat the rest and stole the show, doing everything, everywhere. They went where no television, until now the dominant medium of "news dispensation", could go or was reluctant to, gathering info and influence, shoring up hits and sometimes hate.

The numbers by themselves are formidable, occasionally staggering. According to a set of sources, YouTube subscribers in India, at 462m and growing, make the largest such audience in the world. It's a platform ripe for the picking. And to use a phrase we in India love, it's cost-effective. While the real big sharks have been able to cobble together teams that do research for them and produce slick films with enviable technical know-how, a substantial chunk of

the online army constitutes one-man or one-woman units who do everything on their own – write, edit, produce, sell.

Those who understood YouTube's power early on have reaped the rewards. A former TV journalist has over 10m subscribers, another upwards of 20m. At last count, a video critical of the PM by one of them had 34m views. There is an expanding listenership for dissonance and dissent that's yet to be tapped to its full.

We see it in Bengal and Bihar, Assam and Uttar Pradesh, NCR areas and the adjoining regions of Punjab and Haryana. Pretty much everywhere.

So why is there such a flourishing market for "alternative, non-mainstream" thought and content? Cheap data and improved speeds have made things easy. Greater access to affordable mobiles has added to it. Plus, competent cameras. It's comfortable these days to stream in regional languages and even dialects, using local nuances whose affinity hits home, whether it is a corner of Arunachal or the remote margins of Jharkhand.

But more than anything else, it's a sweet space YouTubers have nudged themselves into. In the first week of April this year, as India's political parties prepared for a hectic and long bout of campaigning, the

driver of a taxi going from Saket in Delhi to Gurgaon played a programme on his smartphone that had a YouTuber at a *choupal* asking a noisy gathering about the issues that mattered most to them. The cabbie said he'd stopped watching the two news channels he liked "till some years ago". All they do, he said, is bring you one side of the story. "We aren't stupid, are we?"

It's helped that TikTok, an emerging "cultural giant", was banned in India in 2020. YouTubers proliferated. And though requests to block certain channels have gone up – quite exponentially – in the past few years, there are just too many to keep track of in present times. There is also a sense that restrictions have softened to some extent. Bravado has correspondingly burgeoned.

Sachin Sharma, who has close to 43,000 subscribers on his YouTube channel that sometime ago did a string of ground reports from Kairana in UP in the run-up to a tight contest between BJP and SP, has a simple explanation as to why established news studios have a modern challenger: "People don't see themselves being represented," he said. "Where are the voices you don't want to hear? It doesn't mean they are not there. YouTube has decentralised journalism. It's no longer concentrated in the hands of the mighty."

In Gorakhpur, Pallavi Rai, 27, proudly declared she had a subscriber base of "2.4m" with thousands, frequently lakhs, of monthly views and that her neighbours see her as some kind of a local star. It was a tad difficult when she started off, "considering the conservative society we belong to", but she soon learnt that if one asks the right questions the loudest applause is reserved for them. "It's not anti-national to do that," she laughed. "We've never been a quiet country."

Far away in Shamli, Rahul Rana, 31, was more gung-ho. Armed with 1.3L subscribers, he announced that "the dominance of entrenched electronic media is ending." Asked if he had any final words of advice, he simply said, "Innovate or perish."

Calvin & Hobbes

1. Write a paragraph explaining the significance of Magellan's expedition.



A GAS MASK, A SMOKE GRENADE, AND A HELICOPTER... THAT'S ALL I ASK.



Sacredspace



It is through action without attachment alone that Janaka and other wise men reached perfection. Having in view the maintenance of the world order, too, you should take to action.

Bhagwad Gita 3:20

Political Parties Should Have Mutual Respect

Maulana Wahiduddin Khan
Winning and losing are common phenomena in politics. During the age of kingship, the man wearing the crown used to say, 'I am here to rule the land,' while in a democracy, the winner has to say: 'I am here to serve the land.' In a democracy, victory is a responsibility and not something to be arrogant about. Democracy encompasses two distinct phases: the pre-election period and the post-election period. During the pre-election phase, political parties compete intensely to secure victory. However, once the election concludes, it becomes necessary for both sides to abandon rivalry and adopt a collaborative approach, prioritising coordination over continued conflict. The losing party must accept defeat gracefully, without feeling humiliated, while the winning party should embrace victory humbly, without arrogance.

Just as sportspeople demonstrate the sporting spirit, leaders in democracy should demonstrate the democratic spirit. Without the sporting spirit, sports would seriously lose value. Similarly, if the democratic spirit is absent from a democracy, it becomes difficult to avail of the benefits of the democratic system. All parties must adopt the philosophy of adjustment to and respect for each other rather than resort to political fighting or confrontation. All parties should focus on a single goal: national development. Leaders elected in a democratic system are masters of national affairs for only a limited period. They can do a good job only if they concentrate on the present. If they change their focus and devote all their efforts to ensuring success in the next election, they will lose out in the present and future.

Democracy is a political boon for a nation, but to turn this potential into actuality, we need leaders who can fulfil their responsibilities with complete sincerity and honesty. The ruling party's role is to ensure the country's good governance. Governance includes fulfilling several responsibilities, such as providing a corruption-free administration, developing good infrastructure, maintaining high education standards, boosting the economy, and utilising the country's potential in the best possible manner. The winning team will be judged by its deeds, not its words. We proudly say that India is the largest democracy in the world, but this statement refers only to the quantitative aspect of our democracy. We need to add another dimension to this statement: the qualitative aspect. The time has come to

show the world that Indian democracy is value-based rather than power-based. Everyone talks about Bharatiya parampara, the Indian tradition. What is the Indian tradition? There are two essential aspects of the Indian tradition – peace and spirituality. These make up the real identity of our country, and India can thus emerge as the harbinger of these two values. India, under Gandhiji's leadership, adopted the peaceful method for its freedom struggle. His vision for a free India was to make it an international lighthouse. India is potentially a lighthouse for other nations. It has the potential to become a global spiritual superpower. This potential is grounded in India's rich and diverse spiritual heritage. Peace and spirituality must be integrated to shape the nation's future. The writer was an Islamic spiritual scholar and founder of Centre for Peace and Spirituality International

The Tribune

ESTABLISHED IN 1881

Mixed bag for BJP

Wins big in Arunachal, flops in Sikkim

THE BJP-led Centre's sustained infrastructure push in Arunachal Pradesh has helped the party sweep the Assembly elections and retain power in the border state. The BJP won 46 seats in the 60-member House. The Congress, with just one seat, was relegated to an abysmal fifth position. The projects launched or completed in Arunachal in recent years are part of a long-term plan to counter China's aggressive strategy to develop villages along the Line of Actual Control. In March, PM Modi had dedicated the Sela tunnel to the nation. This border infrastructure project, which connects Guwahati to the strategic Tawang sector round the year, is aimed at facilitating faster movement of troops. It was Tawang's Yangtse region where Indian and Chinese soldiers clashed in December 2022.

However, the saffron party, which has been making rapid strides in the North-East, was routed in the Sikkim Assembly polls. The BJP failed to win any seat, even though it had 12 members in the outgoing House. The party had drawn a blank in the 2019 Assembly elections as well, but it had poached 10 MLAs of the Sikkim Democratic Front and won two bypolls in alliance with the ruling Sikkim Krantikari Morcha (SKM). Its decision to part ways with the SKM and go solo cost it dear. Like in Arunachal, the Congress was unable to open its account in Sikkim. The grand old party has been helplessly seeing its fortunes plummet in northeastern states.

The BJP and its allies are expected to win the majority of the Lok Sabha seats in these states, according to exit polls. The outcome in Manipur, a BJP-ruled state that has been in the throes of ethnic violence for the past year, will be keenly watched. It remains to be seen if the 'double-engine' government's gross mishandling of the crisis will prove to be the all-important factor in the results.

South African polls

Coalition era begins as ANC loses grip

SOUTH Africa is at a pivotal juncture following the historic 2024 election results, which have ended the African National Congress' (ANC) three-decade dominance. The ANC, which liberated the country from apartheid and established its democratic foundations under Nelson Mandela, has failed to secure a majority for the first time since 1994. This shift signals a profound transformation in South African politics, with coalition talks set to shape the nation's future. Widespread voter dissatisfaction, driven by high unemployment, crime, corruption and inadequate public services, contributed to the ANC's decline. President Cyril Ramaphosa, seeking a second term, faces the daunting task of negotiating alliances with Opposition parties to form the government. His ability to address people's concerns will be crucial in determining South Africa's trajectory.

The Democratic Alliance, which garnered around 21 per cent of the votes, is a potential coalition partner, advocating for market-friendly reforms and privatisation. In stark contrast, parties like the Economic Freedom Fighters and Jacob Zuma's uMkhonto weSizwe Party are pushing for radical changes, including land redistribution and nationalisation. The ANC's choice of partners will significantly impact economic policy and investor confidence. This momentous shift offers an opportunity to reinvigorate South Africa's democracy, potentially fostering greater accountability and responsiveness to the needs of its citizens.

The election results have significant global implications, particularly as the nation assumes the presidency of the Group of 20 (G20) later this year. The composition of the ruling coalition could have a bearing on South Africa's international relations, given its stance on issues like the Gaza conflict and its historical ties with Russia. South Africa's relationship with India, a key BRICS partner, could be impacted, depending on the coalition's policies. The world will keenly observe how South Africa navigates these complexities.

ON THIS DAY...50 YEARS AGO

The Tribune.

CHANDIGARH, TUESDAY, JUNE 4, 1974

Echoes of blackmail

NEW DELHI's refusal to be overawed by some foreign donor's threat to cut off aid is a measure of economic and political maturity. Development and other aid without strings has always been welcome, but Mrs Gandhi has made it clear that we will not bow to any aid-cut blackmail. Some countries which were willing to assist India when it was weak, she has said, "have become intolerant of the steps this nation is taking to become strong." Japan is stated to be reviewing its aid policy towards India, posing to policy-makers "the fundamental question" whether nuclear India is a developing nation that qualifies for aid. It has, however, ruled out a sudden switch in aid policy. The US and Canada are also reconsidering their stand. But not all donors have been swayed by prejudices assiduously fed by Pakistani propagandists. Sweden has no intention of stopping aid "at the moment". Far more significant, executive directors of the World Bank have approved a \$150-million long-term loan for India despite protests by representatives of the US and Canada. They expressed doubts about the priorities being extended to India's development effort. But even they did not block the credit — the ninth advanced to this country in the current year to promote production through imports of raw material by about 800 medium and small-scale industrial enterprises. Some of the vital projects which would benefit from the new soft-term loan relate to tractors, fertilisers, electrical equipment and machine tools. Most of them might otherwise have suffered a reverse.

Trump's conviction thickens the plot

The former US President has a fanatical voter base, which has been galvanised by the verdict



MANOJ JOSHI

DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION, NEW DELHI

THE United States appeared even more divided following the conviction of former President and current presidential candidate Donald Trump on 34 counts of falsifying business records. By itself, the case was a minor one, but the Trump team's decision to contest it in the manner it did — by deriding the process, attacking the prosecutors and even the judge — made it toxic.

Trump will now appeal, but this will take months, if not years, to be processed. If he loses and the case is overturned later, it will confirm the views of his supporters that the US judicial system is broken. On the other hand, if he wins despite everything, it will reveal just what a bad state that system is in.

Trump has trashed the judicial process and said "we're living in a fascist state." The trial of "a very innocent man", as Trump described himself, is being described as a sham and he is being characterised as a 'political prisoner'. His party has warned that the US is entering a phase where all its opponents could also find themselves facing indictments when the opportunity arises.

The verdict has introduced a volatile and dramatic element into what was indeed a strange race between two candidates who have not been particularly popular among the voters. In old America, a conviction of a candidate would have put paid to his or her chances. But this is



SPECTRE: If Trump is reelected, there will be enormous consequences for his country and the world. REUTERS

Trump's America and things are panning out differently. The verdict has actually strengthened the Republican Party support for him, manifested by the \$52.8 million or so his campaign received immediately after the verdict.

The Democrats are celebrating the conviction of the man who is their opponent and currently the frontrunner. President Biden has been careful in commenting on the issue, but he has defended the judicial system and declared it is "reckless... dangerous and irresponsible" for anyone to question the verdict because they don't like it.

This was no sham trial, even if the issues were somewhat trivial. The evidence presented established the crimes committed and also gave us a glimpse of the sleazy world Trump lives in. Whatever his supporters may say, he was judged by a jury of his peers who unanimously and fairly quickly convicted him on all 34 counts. And this is only one of the charges he confronts; there are three more serious

India's ties with Trump were fine, but they lacked the systematic effort that has been put into building the bilateral relationship in the past three years.

ones. But in the minds of the Republicans, the cases are an outcome of "weaponising of the judicial system".

Two of the cases relate to his role in subverting the 2020 elections and the third says that he deliberately withheld classified documents after he left the White House. The

New York verdict showed that while a part of the US legal system is still working, the partisanship of the other parts, including the US Supreme Court, has ensured that the other cases will not be tried before the elections. The only 'court' that matters now is the polling booth.

Trump has a fanatical voter base, which has been galvanised by the verdict, but it alone cannot win him the election. He needs the support of people who are less fervent and could be possibly put off by the conviction. Indeed, the trial itself has underlined Trump's weakness — his erratic behaviour, his scandals and vulgarity.

A YouGov poll conducted immediately after the verdict found that while 27 per cent said they were less likely to vote for Trump, 26 per cent said they were more likely to do so, while 39 per cent said the verdict would not affect the way they voted. However, the manner in which the election is shaping up, even small shifts in support could make a difference.

These are grim signs of the

THOUGHT FOR THE DAY

We will work with any US leader whom the American people trust. — Vladimir Putin

Elections through the IAF prism

AIR VICE MARSHAL MANMOHAN BAHADUR (RETD)

INDIAN Air Force (IAF) helicopters are ubiquitous in our elections. My first tryst with this exercise was in the Tripura Assembly polls in January 1983, when I was posted in Guwahati. We ferried an election party to a remote polling booth and brought it to Agartala, where counting was taking place. As luck would have it, our helicopter became unserviceable and we spent an extra day there.

We were staying in the Circuit House, where polling agents were also camping, including an ex-IAF officer who had joined a national party and was its election observer. His party was planning to unseat the communists, who were ruling Tripura. When the officer was asked to predict the poll outcome, he said: 'I think we will form the government.' When All India Radio started broadcasting the results, the first two seats were won by that officer's party, leading to jubilation all round. We left the joyous group to check on our helicopter. On return, the officer was nowhere to be found! As it happened, those first two seats were the only ones that his party won — and with the communist cadre shouting victory slogans outside the Circuit House, the officer caught the next Indian Airlines flight to Calcutta!

February 1983 witnessed the Assembly polls in Assam. The agitation there was at its peak, and the February 18 Nellie massacre was emblematic of all the bloodletting. Local officials had refused to work, so the staff were flown in by IAF transport aircraft from outside the state for polling duty. I remember an arrival distinctly. As I received one aircraft, a clearly disoriented person disembarked and asked: 'Sir, which place is this?'

The elections were pushed through, and on February 26, we got a tasking for three persons to be flown from Guwahati to Shillong and back. I recognised one as Hiteswar Saikia, the leader of the victorious Congress; the other two came from Delhi. The Chetak helicopter has one VIP seat in front and four flat decks at the back; one of the Delhiites went and sat on the VIP seat with authority. On landing at Shillong, a cavalcade of cars whisked the three away to meet the Governor at his residence, where Saikia presented his claim to form the government. On return to the helipad, a 'kissa kursi ka' routine played out over who would occupy the VIP seat. After much 'you please,' 'nahim, aap bathiye,' Saikia sat in front as he was now the CM-designate; the Delhiites' role reversal from authoritativeness to subservience was astonishing.

After take-off, we encountered bad weather and returned to Shillong. It was pouring as it does only in the North-East. The Delhiites moved to the VIP hut, but Saikia stayed in the car. For the next 45 minutes, he sat alone, a forlorn figure — perhaps thinking of what the future would be since he had won with only 16 per cent of the voters backing him amid a major boycott. All credit to him, then, for putting Assam back on track.

LETTERS TO THE EDITOR

Take exit polls with a pinch of salt

Exit polls are just a rough estimate meant to gauge the mood of the voters during an election. These forecasts often stir controversy because many of the agencies conducting them are perceived to be biased. These surveys are influenced by the choice, phrasing and timing of the questions. Exit polls are not reliable. There is also a perception that most media houses in the country favour the ruling dispensation. The exit polls predicting an emphatic victory for the NDA must not be taken seriously, as anti-incumbency is prevalent in the country. Amid rising inflation and unemployment, the common man feels disillusioned with the ruling regime.

GAURAV BADHWAR, ROHTAK

ECI should ban exit polls

Apropos of 'Exit polls', these predictions give fresh talking points to parties and political commentators in the run-up to the counting of votes. But it is important to note that the forecasts are not always accurate. It is worth remembering that the exit polls had predicted an easy majority for the NDA in 2004, but it was the Congress and its allies that ultimately formed the government at the Centre. It is time for the Election Commission of India (ECI) to impose a ban on exit polls, which have no use, as these could be misleading. Nobody benefits from these polls other than TV channels and the pollsters.

SANJAY CHOPRA, MOHALI

The fight over exit polls

With reference to 'Exit polls', all political parties carried out no-holds-barred campaigns, with their leaders occasionally hitting their rivals below the belt. But it is heartening to know that the long-drawn-out polls were conducted mostly in a peaceful manner. The ECI deserves kudos for the smooth conduct of the General Election, which is rightly dubbed the 'festival of democracy'. From poll officials and candidates to the campaigners and voters who braved the heatwave sweeping many parts of the country, all played a key role in the success of the polls. As expected, the INDIA bloc is rejecting the exit polls — which cumulatively predict a comfortable majority for the BJP-led NDA — while the ruling regime is expressing confidence about retaining power.

KRISHAN KANT SOOD, NANGAL

Oppn bloc and its hollow rhetoric

It has become common for the Opposition in India to raise questions about the functioning of various institutions. Unable to match the blitz of the ruling dispensation, the INDI alliance has lost its moorings. The Opposition grouping, which is devoid of principles and driven by the sole goal of grabbing power at any cost, has ended up as a laughing stock. Instead of doing something for the welfare of people, all it offers is hollow rhetoric. A weak Opposition does not bode well for Indian democracy.

SACHIN KAUSHAL, PATIALA

Minimise risk of mishap

Apropos of 'Tragic negligence'; sadly, those behind the wheel often don't follow the norms. The harrowing car crash in Pune that killed two people and the bus mishap in Akhnoor were an outcome of negligence. It is high time that the authorities concerned took stringent action against those violating the traffic regulations. Further, it is imperative to make sure that no person breaking the law is shielded by the very people who are supposed to bring them to justice. Moreover, the condition of roads in Jammu and various other places across the country should be improved to minimise the risk of a mishap.

PARISHA KHATRI, CHANDIGARH

Pune crash boy's kin complicit

With reference to the news report 'Pune car crash: Minor's parents conspired to swap sample, say police'; the Juvenile Justice Board failed to take a serious view of the accident that killed two young engineers as it involved a minor. But it is inexcusable that the grandfather and parents of the 17-year-old boy who fatally knocked down the two IT professionals with his car while driving under the influence conspired to save him. The boy's grandfather coerced the family driver to take the blame for the mishap. The mother provided her blood sample so that it could be swapped with his, and he could be saved. And it was the boy's father who allowed him to drive without a valid licence. They should all be held accountable.

VIJAYA SHARMA, BY MAIL

Congress' failure to unite INDIA will cost it dear



RASHEED KIDWAI
SENIOR JOURNALIST & AUTHOR

THERE are many political lessons to be learnt by both the victor and the vanquished. It is often said, not without reason, that whatever you say or write about India, the opposite can be equally true. Going by the gist of the exit polls (the actual numbers may vary), the Narendra Modi-led NDA and a rainbow INDIA bloc will likely have reasons to respectively, celebrate and repent.

INDIA did its mathematics well, bringing in an element of chemistry too, but it failed to stitch up alliances on the eastern coast. The BJP — having barely 1 per cent of the vote share in Andhra Pradesh in the 2019 Lok Sabha elections — did well to rope in the Telugu Desam Party (TDP) and the Jana Sena Party (JSP). On the other hand, INDIA remained 'friendless', even though Jagan Mohan Reddy had belonged to the Congress *parivar* of yesteryear.

A quick recap of the Congress-Jagan parting is in order. Jagan's father, YS

Rajasekhara Reddy, was a devout Congress leader and a Gandhi family favourite since the time of Rajiv Gandhi. When he died in an air crash, the majority of the Congress MLAs in the then undivided Andhra wanted son Jagan (a Lok Sabha MP then) to take over as the Chief Minister. This would have been a democratic move, but the Congress leadership — known to complicate simple things — crowned K Rosaiah as CM. Rahul Gandhi, who was the All India Congress Committee (AICC) general secretary then, reportedly took a stand against dynasty, pointing out how the son of an incumbent CM taking his place would set a wrong precedent.

In September 2009, the Congress was in power in over a dozen states. Earlier this year, instead of going in for conciliation or overtures, the Congress leadership propped up Jagan's sister Sharmila as the state party chief. As per exit polls, the Congress is getting 2 per cent of the vote share, just enough to down or demolish Jagan and get the TDP-JSP-BJP the bulk of the Lok Sabha seats.

In neighbouring Odisha, a similar story (no seats) is possibly in store for INDIA — with the BJP walking away with the majority of the Lok Sabha seats. The collapse of the Biju Janata



AT LOGGERHEADS: The Mamata-Congress confrontation is surprising in view of the Trinamool Congress leader's emotional bond with Sonia Gandhi. *PTI*

Dal (BJD) in the state may or may not happen, but the INDIA grouping's failure to bring the BJD on its side remains glaring. In fact, when Nitish Kumar was part of INDIA, he went to Bhubaneswar to initiate talks, but there was no follow-up. Even more shocking was INDIA's silence when PM Modi brought up Naveen Patnaik's illness and the need for an investigation while addressing a public meeting. Modi's comment was seen as politically incorrect.

If Chief Minister Mamata Banerjee fails to hold

The INDIA bloc's failure to work out a tripartite alliance in Bengal was baffling. Mamata had asked the Congress to share its quota of seats with the Left parties, but the move was shelved.

on to the Bengal bastion in the Lok Sabha polls, she will have reasons to blame herself. But the INDIA bloc's failure to work out a tripartite alliance in Bengal was baffling. Mamata had asked the Congress to share its quota of seats with the Left parties, but the move was shelved. In December last year, Mamata took the lead in pushing for Congress president Mallikarjun Kharge's name as INDIA's prime ministerial candidate. She was backed by Delhi CM and AAP leader Arvind Kejri-

wal, but the Congress downplayed the matter. Kharge said: "Let's win first, the PM face will be discussed later."

The Mamata-Congress confrontation is even more surprising in view of the Trinamool Congress (TMC) leader's emotional bond with Sonia Gandhi. It is said that when Mamata formed the TMC in 1998, protesting against then AICC chief Sitaram Kesri, Sonia was extremely upset. Old-timers recalled how during the period between the 1997 Christmas and New Year Eve, Sonia had stayed up at night to bring about a rapprochement between a haughty Kesri and a rebellious Mamata. On one occasion, an agitated Mamata was given an audience at 10, Janpath by Sonia, even though the latter had retired for the day.

Subsequently, the ties between Mamata and Sonia showed that both may be politicians but not calculating ones. This was evident in 1999, when Sonia publicly expressed her emotions during Mamata's induction into the NDA regime headed by then PM Atal Bihari Vajpayee.

In what was obviously a spur-of-the-moment gesture, Mamata strode straight towards Sonia, seated in the front row in the forecourt of the Rashtrapati Bhavan, after being sworn in. The two hugged each other tightly as a star-

led Vajpayee, LK Advani, Pramod Mahajan, Sharad Pawar and others looked on. And then Sonia did her own spontaneous bit. "Congratulations," she said, "but will you come back?"

Both realised that the invitation was only a gesture, an impulse of the moment. But a moist-eyed Mamata gently turned away. Perhaps Sonia was not expecting her to respond.

In the NDA, Mamata repaid Sonia's gesture by blocking a proposed legislation that was aimed at barring persons of foreign origin from holding high offices. The proposal was made in one of the first Cabinet meetings convened by Vajpayee after the 1999 General Election.

It is, therefore, surprising that Sonia did not take the lead in wooing Mamata and working out tripartite seat-sharing in Bengal that would have given a boost to the Opposition.

A master tactician, Modi made fewer mistakes. However, his move to bench and control regional satraps in Rajasthan and elsewhere has shown chinks in the BJP's armour. Similarly, the politics of vendetta, arrests and intimidation resulted in some parties joining INDIA, even though they owed their genesis to anti-Congressism or had revolted against the parent organisation.

Troubled times ahead for the new govt on economic front



AUNINDYO CHAKRAVARTY
SENIOR ECONOMIC ANALYST

WHETHER comes to power in New Delhi is going to have to deal with a disgruntled middle class. No, I don't mean that section of the population that doesn't make it to the government's 5 kg of free rice and wheat. I am restricting myself to households that earn at least Rs 1 lakh per month in one of India's big cities. Frankly, below that, you are unlikely to be able to afford much after paying for your children's education, parents' medical bills, rent, electricity and fuel bills, and food.

Estimates suggest that those who fall between the 95th and 96th percentile of income earners make that much money. After that, incomes increase gradually, till you hit the 99.3-99.4th percentile, when your family hits the Rs 2 lakh/month threshold. This gives your family a pretty comfortable life. You can buy clothes from Zara, go to better restaurants, take a home loan and buy a house in a

well-maintained, but not too fancy, condominium, buy split ACs and take your family on an occasional holiday to Southeast Asia.

Roughly 15 million households in India fall in this category — those who have a household income of Rs 1-2 lakh a month. These would mostly be salaried professionals and owners of small businesses. A large chunk of them are likely to hold some technical degree, like BTech, MTech or MBA. Their children would also have followed in their footsteps and enrolled themselves for similar professional degrees.

Such people have been in trouble for several years now. Their earnings have barely kept pace with rising prices. In many cases, corporate employers have shrunk the ranks of middle management and replaced that with automation or third-party outsourcing. Accountants, HR executives and administration staff have found tough competition from big aggregators, who provide these services to large offices through a combination of software and onsite services. That has not only reduced job opportunities, but also affected pay hikes.

Now, the children of these professionals are finding it difficult to get good jobs. The case in point is the placement record of IITs this year. The reply to an RTI application filed by IIT alumnus Dheeraj



SKY-HIGH: Even those who earn big salaries can no longer afford to keep pace with the sudden jump in the prices of premium homes. *ISTOCK*

Singh showed that 38 per cent of IIT graduates hadn't found jobs this year. And some of those who had been placed were being offered just Rs 50,000 a month. Companies that had turned up to offer jobs at IIT-Kharagpur were willing to pay just Rs 30,000 a month, less than what an Uber auto driver would earn in Delhi-NCR.

The IIMs — which churn out some of the highest starting pay packages — have had a tough year too. Offers are down 10-15 per cent and median salaries are much lower for even the top-ranked institutes. Anticipating this, IIMs had reached out to their alumni networks

The middle class is having to deal with a much higher rate of price rise than what the official retail inflation numbers suggest.

to help with placements. Smaller business schools have fared even worse. In many cases, median salaries being offered are between Rs 40,000 and Rs 50,000, and the top packages haven't crossed Rs 1,50,000.

These are the crème de la crème of those graduating from formerly lucrative professional courses. Those who opted for liberal arts training are mostly living at home and continuing to add degrees as they wait for decent job offers. Anecdotal evidence shows that most young people are now reconciled to earning less than their parents did.

On the other side, the middle class is having to deal with

a much higher rate of price rise than what the official retail inflation numbers suggest. This is because there is a wealth effect at the very top — the top 0.5 per cent of the Indian households, which have done extremely well in the past five years. These extremely affluent people have been able to buy much more than they did before the Covid-19 pandemic, and this is showing up in the increased sales of premium cars and high-end homes.

This has had a rub-off effect on the price of goods and services that the upwardly mobile, aspirational middle class wants to buy, at least occasionally. So, all items of discretionary purchase have become more expensive and have gone out of reach of the middle-class consumer.

This story doesn't end here. Even among the top 0.5 per cent of the Indians, of roughly 2 million households, half earn less than Rs 5 lakh a month. Don't get me wrong. That is a lot of money in the context of a country where an overwhelming majority is poor. But, as you climb up the income ladder over a period of two decades, your expenditure patterns change. You begin to upgrade brands — buy the more expensive shower gel and shampoo, switch to artisanal breads and coffee, spend on imported cheeses and organic salad leaves. You fly business class

on holidays and stay in better hotels. In fact, your holiday destinations move from Bangkok to Barcelona.

Even those who earn this kind of big salaries are now finding it tough to keep up with the Joneses. This is partly because only those in corporate C-Suites are getting hefty bonuses and raises, while those right below them are seeing their pay hikes shrink. So, they see their bosses buy Rs 6-crore apartments in the tonier parts of the metros, while they can no longer afford to keep pace with the sudden jump in the prices of premium homes.

This is going to show up in the next couple of years as anger and frustration. Except for the top one million households and roughly three million people, there is bound to be a sense of despondency among the richest Indians.

You might ask why they would matter in a country of 1.4 billion people. That is because they control the public discourse. They chatter at parties and turn up at candle-light marches to protest against unrelated cases of injustice. The media will have to take up their issues to hold on to readers and eyeballs. And suddenly, it will snowball into public discontentment.

The UPA-2 had to deal with such a situation within two years of coming to power. The next government might face the same fate.

QUICK CROSSWORD

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ACROSS

1 Passionate (7)

5 Sell for (5)

8 Reach required standard (3,3,7)

9 Pulsate (5)

10 Gratify wishes of (7)

11 Particularly good feature (6)

12 To climb (6)

15 Permanent (7)

17 Become alert (3,2)

19 Retaliation in kind (2,3,3,2,3)

20 Appointed meeting place (5)

21 Line of hereditary rulers (7)

Yesterday's solution

Across: 1 Break, 8 Limerick, 9 Sneer, 10 Go too far, 11 Judas, 12 Bow, 16 Poodle, 17 Anorak, 18 Guy, 23 Quest, 24 Walkover, 25 Above, 26 McKinley, 27 Usurp.

Down: 2 Run out on, 3 Adelaide, 4 Kimono, 5 Genoa, 6 Jiffy, 7 Skirt, 12 Beg, 13 Way, 14 Columbus, 15 Pass over, 19 Uneven, 20 Swamp, 21 Slake, 22 Count.

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V. EASY

YESTERDAY'S SOLUTION

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CALENDAR

JUNE 4, 2024, TUESDAY

■ Shaka Samvat 1946

■ Jyeshtha Shaka 14

■ Jyeshtha Parvatisht 22

■ Hijari 1445

■ Krishna Paksha Tithi 13, up to 10.02 pm

■ Soghana Yoga up to 6.11 am

■ Atiganda Yoga up to 3.18 am

■ Bharni Nakshatra up to 10.35 pm

■ Moon enters Taurus sign 4.14 am

FORECAST

SUNSET: 19:21 HRS

SUNRISE: 05:21 HRS

TUESDAY

WEDNESDAY

CITY

MAX

MIN

Chandigarh	42	30
New Delhi	43	31
Amritsar	44	28
Bathinda	44	29
Jalandhar	43	29
Ludhiana	43	30
Bhiwani	45	32
Hisar	44	29
Sirsa	45	31
Dharamsala	35	20
Manali	26	12
Shimla	27	18
Srinagar	30	15
Jammu	43	26
Kargil	29	11
Leh	19	06
Dehradun	38	24
Mussoorie	27	18

TEMPERATURE IN °C

FIRST COLUMN

CRIME AND CONSCIENCE

Spiritual resilience through meditation can help reform criminal behaviour



RAJYOGI BRAHMAKUMAR NIKUNJ JI

The whole nation was jolted by a recent hit-and-run tragedy, where in a teenager, reportedly intoxicated behind the wheel of a luxury car, collided with a motorbike, claiming the lives of two promising young IT professionals . As per criminal psychologists, before a crime can be said to have occurred, it has to be committed. So, without action, there can be no crime. Hence, they say that in most of the cases, a person commits a crime in a moment of high tension, irresistible temptation, uncontrollable passion, deep infatuation, extreme provocation or utter frustration or in answer to an undying call of conviction or conscience. So, according to them if he/she could withstand the pressure of these conditions of restlessness for even a couple of minutes or perhaps, even for a few seconds, he/she would have, perhaps, been out of the crime zone and be free at least from any charge of a cognisable offence. Considering it from another perspective, it could be said that, if a man's rational sense, his self-respect, his control over the emotions, his sober judgement, his noble sentiments and his spiritual or ethical sense had not forsaken him, then, perhaps, the blinding storm of negative forces would have subsided and subdued and he would have refrained from the actual committal of crime and would thus have been saved from the traumatic experience that generally follows the crime. Once a gory crime has been committed, the gentle spirit in man has to go through a humiliating and excruciating experience even before he is jailed for a criminal offence or has to pay a heavy amount as punishment, under the relevant act for his civil offence, or has to suffer both. Not only does he feel depressed and carry a heavy burden on his chest but also, he is unable to face his conscience, stand before a mirror and



see his face as before. We have to consider does the law cover all acts that may cause injury to public welfare? Hence one can say that there is no objective, simple definition of crime. Because the meaning of crime is affected by the particular society in which we live. Like, there are crimes that occur within strict legal definitions and those that relate to codes or conventions known as normative definitions. They are usually formal moral codes such as religions, or informal codes such as socially acceptable behaviour. The acts of crime and the punishment by the court go on as usual. However, one important question to which no government or judiciary has seriously and assiduously addressed itself lingers on. The question relates to the state of mind of a person before he commits the crime and after he has done the act. It is common knowledge that the forces that goad a person to committal of crime are none other than the maddening feelings of anger, consuming fires of hatred, jealousy, rivalry, vengeance or enmity, expanded greed, aroused strong passion, inflated or injured ego, surge of emotional attachment or grave fear of the unknown. We cannot reduce crime or have a crimeless society unless and until we have greatly reduced or fully removed these negative traits from the minds of the citizens. It is unfortunate that pre-natal and post-natal aspects of crime have never been adequately dealt with by our society. It is hardly realised that what is required, in fact, are such measures that increase the psychological and spiritual immunity of the citizens to situations of stress and strain or to tempests of greed, ego and passions. This cannot be done except by spiritual education and guidance in Meditation. Because it is meditation which can burn the hidden roots of anger, hatred and other negative and criminal tendencies in a person. The over-all expenditure and the manpower and effort required for this will be "far far less" than is involved to keep the clogged wheels of law oiled and moving.
(The writer is a spiritual teacher and a popular columnist; views are personal)

Uncertainties dwindle investors' confidence



SHIVAJI SARKAR

Global uncertainties over rising interest rates, jittery noises of LS elections surpass the RBI's ₹2.10 lakh crore dividend boons, pushing down the Sensex



From its highest 76,010 in the beginning of the week it plunged to 73,866 as the BSE and Nifty indices close in the last six sessions. The RBI forecast of 7 percent growth too has not boosted the spirits as the equity market has been pining for a higher growth. However, RBI claims that even at 7 percent the country would be one of the fastest growing economies in the financial year 2025. The Asian Development Bank and Fitch also concur. But IMF, S&P and Morgan Stanley put it at 6.8 percent and World Bank, Moody's and Deloitte put it at 6.6 percent. The RBI has set a target of inflation at 4.5 percent though the central bank repeatedly has said that for the last ten years average inflation hovered over 5.5 percent. The central bank also notes a slowdown in the last quarter of 2023-24. Global markets remained under pressure due to rising bond yields and denting hopes of a rate cut. A major concern is the spike in US bond yields pushing the 10-year yield above 4.6 per cent. Some of the top companies that raised dollar bonds include India Bulls HF-\$ 350 million; IRB Infra - \$ 540 million; Adani Green Energy - \$ 409 million and Sriram Finance - \$ 750 million, as per Bloomberg. The bond market can trigger continuation of the FII selling which will depress the prices of large stocks further. Volatility is likely to continue the next week as well due to the political uncertainty and global developments. This has been a phenomenon since the elections began in April and now it is spiking to 24.8 - a more than two-year high on the benchmark for volatility India VIX. Except for occasional rises, the stocks remained stagnant. In different phases the losses to investors have been heavy. In the present melee, foreign funds were major sellers at Rs



A PROLONGED ELECTION HAS SEEN INVESTOR CONFIDENCE BEING HIT. FOREIGN PORTFOLIO INVESTORS PREFERRED TO UNLOAD MORE THAN BUYING. ELECTION IS A DEMOCRATIC NECESSITY. THE RULERS, HOWEVER, NEED TO SEE IT BEYOND POLITICAL COMPULSIONS

3,050 crore. In earlier, trading also the FPIs sold stocks worth Rs 27,500 crore. The domestic funds were net buyers at Rs 53,600 crore. It means largely the PSU funds were the buyers. This has a risk to mutual fund investors. During the weekend the BSE sensex had a minor rise of 0.18 percent or 132.44 points and the NSE Nifty 50 closed 61.75 points or 0.27% higher. These minor movements are not capable of recovering the losses. It is found that some of the major corporates like the Tata Steel's profit slides 65 percent to Rs 555 crore down from Rs 1566 crore. It suffered a loss of Rs 594 crore. Of the 12 startups looking to launch IPOs in 2024, eight have incurred a cumulative loss of Rs 8,000 crore, including Swiggy, and Ola Electric. A prolonged election has seen investor confidence being hit. Foreign portfolio investors preferred to unload more than buying. Election is a democratic necessity. The rulers, however, need to see it beyond political compulsions. Ideally, an election could be held in far fewer phases stretched to not more than a fortnight. Most of the southern states had a one-day poll schedule. Only in states of northern and eastern India had multi-phase polls. Even Tripura, one of the tiniest states with two seats, witnessed polls being held in two phases. Longer an election stretches, the administrative cost multiplies. All political parties should sit together with the Election Commission of India (ECI) to

discuss how the modalities could be simplified to hold elections in the shortest possible time to take care of administrative, economic and trading activities. Apart, it also needs to decide whether announcing dividends by organisations like RBI or other PSUs could be announced during the elections. Such moves tilt the balance. Profit booking at higher levels in the stock market has been a synonym to political or economic uncertainties. This needs to be avoided to the maximum. Polls must not come in the way of policy decisions either at the government level or corporate and other institutional functioning. Election schedules are not a matter of mere political management. Polls are held to improve systems. If these affect any aspect of the governance, this must be corrected for all times and should be part of the standard operating procedures of the ECI. Overall, there are risks to the economy, RBI says in its annual report. It has asked banks to address trading norms, banking book risks, and diversify deposit sources to mitigate risks associated with interest rate fluctuations. This variation has also its impact on the stock markets. Its decision to review priority sector lending guidelines and work towards formulating norms for the National Strategy fir Financial Inclusion up to 2030 could have wider impact on trading and businesses. The RBI functioning is also being discussed. Its dividend payment of Rs 2.10 lakh crore is linked to

17 percent rise in income, 56 percent drop in expenses due to a much lower transfer to contingency provisions during 2023-24. As against Rs 1.3 lakh crore in 2022-23, only Rs 42,819 crore was transferred to the contingency fund in 2023-24. Another matter that has drawn attention is the domestic assets made up 23.3 percent against 76.7 percent in foreign currency assets, including gold deposits and gold held in the country as also loans and advances to financial institutions outside India. The RBI holds, it annual reports says, 822.1 metric tonnes of gold. The value of gold held as asset increased by 16.9 percent to Rs 1,64,604.9 crore on March 31, 2023. It also mentions heavy liabilities other than deposits and notes issued at 92.57 percent. The recent trend in US inflation data could make an interest rate cut this year. This could cause further flight of capital from India even as rupee continues to fall against the dollar and further fall in the equities are not ruled out. The market awaits new policy formulations. Till such time the volatility is likely to continue. It would require innovative approach to the financial and budgetary policies to boost the overall market so that investors from across the globe are tempted to put their funds in Indian scrip and other instruments. The new government has to trudge cautiously and intelligently to rev up the contours of the market and economy.
(The author is a senior journalist; views are personal)

Total knee replacement is a quantum leap towards pain relief

TKR is a transformative solution for those with knee pain. By tackling the root cause of pain, it not only restores mobility but also improves overall health

A 46-year-old woman faced the challenges of bilateral knee degeneration due to a rare congenital condition. Her knees had deteriorated significantly, causing chronic pain and limited mobility. After careful evaluation of her condition and medical history, she was recommended bilateral total knee replacement surgery (TKR) as the most suitable option. Following the surgery, she experienced a remarkable transformation. Today, she enjoys a newfound sense of freedom and vitality. Whether it's walking, hiking, or pursuing her passions, she does so with confidence and ease. Knee pain affects millions of individuals in India, hinder-



VIPUL KUMAR GUPTA

ing basic activities like walking and stair climbing. However, TKR is a breakthrough revolution in this direction, and a study published in the Journal of Arthroplasty reports that over 90% of TKR patients experience significant pain relief and improved mobility post-surgery. TKR, also known as knee arthroplasty, is considered a quantum leap towards pain relief for patients suffering from severe knee pain, often due to arthritis or injuries. This surgical procedure involves replacing the affected parts of the knee joint with artificial components to normalcy. Women often face knee problems because of their body structure and changes

like menopause hormones. This can make everyday tasks harder due to joint weakness and extra knee pressure. That's why doctors suggest knee replacement surgery. It's a way to fix the knee for improved and painless functionality. Unlike conventional treatments, surgery tackles the root cause and enables the person to enjoy a normal and painless life. TKR isn't just for seniors anymore; it's also a lifeline for younger adults, addressing various conditions beyond sports injuries. It's also beneficial for patients with traumatic injuries or fractures leading to irreparable knee damage. TKR addresses these issues, provides long-term relief, and



restores knee function. Eventually, it empowers younger individuals to lead active lives. Factors such as activity level and implant durability are carefully evaluated to ensure optimal outcomes. TKR is a transformative solution for those with knee pain and coexisting health

issues like diabetes or obesity. By tackling the root cause of pain, TKR not only restores mobility but also improves overall health. Reduced pain and enhanced mobility support, increased physical activity, aiding in weight management and blood sugar control. Total Knee Replacement

involves replacing the whole knee joint with artificial parts, which is useful for widespread arthritis or severe damage. On the other side, Partial Knee Replacement (PKR) targets only the damaged part of the knee, keeping healthy tissue and bone intact. Both surgeries aim to reduce pain and improve movement, but they differ in how much of the knee they address. TKR is a comprehensive solution for serious knee issues, while PKR focuses on specific areas of damage. The choice between the two depends on the severity of the injury and the patient's overall health. Physical therapy is crucial before and after TKR. Before surgery, it strengthens muscles and improves flexibility,

preparing patients for the procedure. After surgery, therapy helps reduce swelling, regain mobility, and rebuild muscle strength. Continued therapy ensures optimal knee function, prevents stiffness, and enhances the quality of life. TKR offers hope to people regardless of age, gender, or health challenges. With advancements in medicine, TKR has become a game-changer in treating knee problems as a reliable solution for improving knee function and reducing pain. It's a choice that can truly change their lives for the better!
(The writer is a senior. Joint Replacement Surgeon at Shalby Hospital, Lucknow; views are personal)

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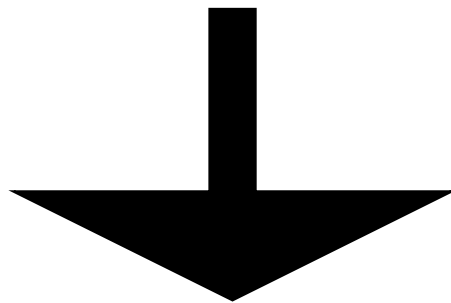
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