NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Report progress made on budget announcements without fail, departments told *(thehindu.com)* April 01, 2024

Kerala: The State government has directed departments to report the progress made on schemes and projects announced in the 2024-25 State Budget without fail in the months ahead.

The Finance Department wants government departments to update the progress made on plan and non-plan schemes, their financial and physical progress, and details of the administrative approvals obtained for them on the Budget Monitoring System (BMS) a monthly basis.

Updating these details without fail is vital to monitoring the progress made on the budget announcements via BMS, according to the Finance Department.

The budget announcements kicked in from Monday, April 1.

According to a March 27 circular, the Finance Department has also pointed out that the departments would be required to show cause on the lack of progress, if that is the case, in the implementation of the schemes at the end of the fiscal.

The government also plans to hold meetings of the nodal officers of the departments once every three months as part of ensuring compliance with the instructions.

In its latest audit report on State finances, the Comptroller and Auditor General (CAG) had asked the State government to put in place an "appropriate budget monitoring and control mechanism." The CAG report had also underscored the need for all departments to introduce performance budgets "to provide an adequate link between the financial outlay and the physical progress achieved." https://www.thehindu.com/news/national/kerala/report-progress-made-on-budget-announcements-without-fail-departments-told/article68015884.ece

SELECTED NEWS ITEMS/ARTICLES FOR READING

2. Direct Benefit Transfers: A revolution under the radar *(moneycontrol.com)* APRIL 01, 2024

The cumulative DBT transfers for all the years since its inception is a whopping Rs 35,30,011 crore. For the poor and the disenfranchised, the DBT ecosystem has been transformational at various levels and is the fulcrum of welfarism in the modern Bharat

In the run up to the 10th anniversary of the Narendra Modi government, there have been numerous comparisons between the performance of the government viz-a-viz previous regimes. The release of the NSSO survey results for 2022-23 and its projected elimination in extreme poverty has further enriched the discussion. While there have

been numerous comparisons especially on macro-economic parameters and the poverty indicators, one thing that stands out is the efficiency of welfare schemes which has been significantly better in recent times. At the core of this increase in efficiency is the development of the Direct Benefit transfer system and its scalability in recent times.

The DBT has been well talked about by many researchers over the years. The IMF's book on inclusive growth consists of a chapter on inclusive growth in India and highlights the DBT system in detail. In very simple terms, it optimizes the JAM trinity—Jan Dhan, Aadhaar and Mobile---to ensure that cash transfers are transferred directly to the bank account of beneficiaries. For the year FY 2023-24, approximately Rs 5,45,599 crore has been transferred to almost 668 crore beneficiaries through 315 schemes and 54 ministries. Cumulative DBT transfers for all the years since its inception is a whopping Rs 35,30,011 crore. One wonders what has made the DBT such an important part of the developmental narrative and why its central perhaps to future progress as well. There are three main reasons.

First, besides the technology, the recent scalability of DBT across many states in India has ensured that corruption through middlemen (on welfare schemes) is significantly reduced. Leakages of the system for direct cash transfers has been reduced significantly since the money reaches the beneficiaries directly into their bank accounts. This has generated significant monetary savings which we define in economics called the 'opportunity cost'---what would have been the cost had the DBT not been there? The answer to this question is staggering. According to the chart shown below, the cumulative savings in the DBT schemes from has been a staggering Rs 3,48,564.66 (approx. Rs 3.5 trillion) crores from the beginning of the DBT around FY2015 to March 2023.

This Rs 3.5 trillion is spread across the main flagship schemes such as PDS, MGNREGS, PM-Kisan and PAHAL schemes among others. Most of the efforts have been to cumulatively eliminate fake ID cards and beneficiaries and ensure that people receive the benefits of these schemes. If these numbers are legitimate, no reason to suspect otherwise given that its official data, then the opportunity cost of not having a DBT is huge. This could exceed the budget of various other big-ticket investments and schemes that have been conceptualized. For example, the Swachh Bharat Abhiyan's allocated budget from 2014-15 to 2021-22 is Rs 83,970 crores and funds released to states is about Rs 74,411.8 crores. In fact, when compared with the cumulative general government net lending/borrowing from 2015-2022 as per IMF WEO data, the amount of savings is almost 2.5 percent of the net general government net lending/borrowing figure! Such is the enormity of the savings that has been accrued as shown by the data for DBT thus far.

Second, besides the savings which has been accrued by reducing corruption, there seems to have been an inherent ability to transfer these direct transfers to beneficiaries into consumption driven benefits. Given the vast UPI ecosystem which has been developed, the transfer rate from the benefits accrued to consumption levels at the lower percentile levels seems intuitively significant. A direct comparison of the lower fractile levels in both the NSSO 2022-2023 and NSSO 2011-2022 data without the micro-data available for the former would be an incomplete assessment.

However, the generally overarching trend from the summarized NSSO2022-2023 analysis is the consumption at the lower end of the fractile distribution has improved significantly at the lower fractile levels in the latest surveys. One of the possible reasons could be the greater efficiency in welfare transfers and as an extension, because of the UPI digital stack's popularity across India, its possible conversion from some of these savings from these transfers to consumption per se due to greater transmission triggered by the UPI digital stack system. The increase in consumption options for people across the spectrum due to technology access has further enhanced this transmission more in recent times. Furthermore, this end-end digital process (from source of income/transfer to point of consumption via bank accounts) has also ensured that there is massive empowerment at the ground level.

This brings us to the third transformation. At the ground level, the expansion of DBT and the integration with UPI, has ensured that women (especially rural women) are empowered significantly. For example, in the erstwhile system, much of the PDS benefits would be siphoned off from rural women by drunkard men for their purposes. Due to the evolution of the DBT, not only are the women empowered by having the benefits in the bank account, it also seems to have ensured that they spend independently and wisely reflecting higher consumption standards at the lower decile levels as well. This liberates them and allows them to make sensible and prudent consumption choices unlike before. Equally importantly, this also empowers the poor (irrespective of gender) at various levels. It provides the poor a greater variety of choices and a wider price point for many products which they have access to unlike before. Besides providing them a bank account and financial access, it also ensures that the poor are far more well informed than before in making wise consumer choices.

In retrospect, the entire DBT ecosystem needs to be far more appreciated than what it is given for. For the real poor and the disenfranchised, its transformational at various levels and is the fulcrum of welfarism in the modern Bharat. The 'opportunity cost' of DBT is high given the level of savings that it has accrued, its possible integration with UPI and its possible impact on consumption levels and its ability to empower women and the poor has been unprecedented to say the least. https://www.moneycontrol.com/news/opinion/direct-benefit-transfers-a-revolution-under-the-radar-12553591.html

3.   GST upsurge: This tax needs to be tweaked *(livemint.com)* 02 Apr 2024

For 2023-24, India's GST revenue crossed ₹20 trillion. If its weak mop-ups are firmly in the past, at long last, we must go for slab and rate reforms.

India's latest goods and services tax (GST) revenue numbers present an encouraging picture. For March, revenue climbed 11.5% from a year earlier to ₹1.78 trillion. This is the second-highest monthly mop-up since the tax regime was implemented in mid-2017, topped only by April 2023's intake of ₹1.87 trillion. For the latest fiscal year ended 31 March, GST revenue stood at ₹20.1 trillion, a 12% increase.

The rise points to strong economic activity. It also raises the hope of under-collections now firmly being a story of the past. States had to be compensated for shortfalls in line

with a promise made at the time of GST adoption, and the wait for this need to end has been very long. While the buoyancy of 2023-24 is a relief, it does not relieve policymakers of the need to rejig the rate structure of this tax to align it better with its original idea.

We need fewer rate slabs, for example, to keep it simple. Which item is slotted where should be easier to guess, as a system featuring a standard rate accompanied by merit and demerit rates would assure us. Rate inversions still torment some industries. A less complex GST will also help secure the benefit of fostering more specialization across the economy. https://www.livemint.com/opinion/quick-edit/gst-upsurge-this-tax-needs-to-be-tweaked-11711984570696.html

4. Record GST collection led by resilient economy; Elections to boost momentum, say experts *(financialexpress.com)* April 2, 2024

According to experts, the GST revenue for the month of March at Rs 1.78 lakh crore reflects not only a robust economic trajectory for India but also the efficiency of tax administration and compliance by taxpayers.

The March GST revenue showcasing second-highest collection at Rs 1.78 lakh crore reflects not only a robust economic trajectory for India but also the efficiency of tax administration and compliance by taxpayers, said experts. Per the data released by the finance ministry, India recorded gross Good and Services Tax (GST) revenue for the month of March 2024 at Rs 1.78 lakh crore, posting an increase of 11.5 per cent on-year. The ministry had stated that the surge was driven by a 17.6 per cent increase in GST collection from domestic transactions.

Harsh Shah, Partner, Economic Laws Practice, said, "March 2024 GST collection of Rs 1.78 lakh crore is the second highest since its rollout in July 2017. With this, the overall GST collection for FY 2023-24 is Rs 20.14 lakh crore, thereby surpassing the revised Budget estimate of Rs 18.10 lakh crore and recording a year-on-year increase of 11.5 per cent."

Further, the central government settled Rs 43,264 crore to CGST and Rs 37,704 crore to SGST from the IGST collected, in the month of March. This translates to a total revenue of Rs 77,796 crore for CGST and Rs 81,450 crore for SGST for March 2024 after regular settlement. For FY 2023-24, the central government settled Rs 4,87,039 crore to CGST and Rs 4,12,028 crore to SGST from the IGST collected," the finance ministry said in a statement.

Aditi Nayar, Chief Economist, Head Research and Outreach, ICRA Ltd, said, "With a continued double-digit growth, the CGST collections have exceeded the FY2024 RE, even as there is a modest shortfall in the GST compensation cess inflows, which are now being used to repay the loans undertaken during the covid period. With the CGST collections surpassing the FY2024 RE, the implicit growth needed to meet the Interim Budget Estimate for FY2025 has come down to single-digits, which appears likely to be exceeded."

Showcasing a resilient economy

Tax experts stated that the record GST collection showcases the resilience of the Indian economy in a sea of uncertainty seen across both developing and developed countries. Saurabh Agarwal, Tax Partner, EY, said, "The March collection of Rs 1.78 lakh crore, representing the second-highest monthly total, signifies a robust economic trajectory for India. This achievement, marked by an impressive 11.5 per cent year-on-year growth, underscores the resilience of our economy in the face of global challenges. Furthermore, the annual gross revenue surpassing Rs 20 lakh crore, with a noteworthy 11.7 per cent increase, strengthens India's position as a prominent player in the global marketplace. This consistent positive performance fosters confidence in our fiscal policies, which demonstrably drive sustainable growth."

Further, higher collection as posted for the month of March is expected to help the government meet its fiscal target. Shravan Shetty, Managing Director, Primus Partners, said, "The growth of 11.5 per cent is in line with the growth estimated in the budget for the coming year. Maintaining this growth in the coming months will help the government meet its fiscal target. Fiscal prudence combined with record reserves will provide stability to the rupee and increase India's attractiveness as a stable, high-growth economy in a sea of uncertainty seen across both developing and developed countries."

Contribution from states & UTs

An important highlight of the data released by the ministry was the growth in collection across states and UTs. Applauding the contribution by the states, Ankur Gupta, Practice Leader Indirect Tax, SW India, said, "The diversification of contributions from states beyond the traditionally dominant ones like Maharashtra, Gujarat, Karnataka, and Tamil Nadu is a positive sign. This indicates the broader spread of economic activities across the country, driven by initiatives like Make in India and the Production-Linked Incentive (PLI) scheme. It's encouraging to see other states making substantial contributions to GST collections, which reflects the success of these initiatives in fostering manufacturing and business activities in various regions."

Increased compliance among taxpayers

The increased GST collection, experts stated, also underscores the collaborative effort between taxpayers and tax authorities in fostering a conducive tax environment for sustainable growth. Gunjan Prabhakaran, Partner & Leader, Indirect Tax, BDO India, said, "The healthy rate of growth of the GST collections on year-on-year basis reflects growth of the economy as well as improved compliance (aided by the various anti-evasion measures taken by the Government). Increase in the GST collections in FY24 is also aided by the payment of tax liability by the assessees against the notices issued by the tax authorities during FY24 for FY18 and FY19.

Furthermore, Ankur Gupta said that as the tax base expands and taxpayers demonstrate greater compliance, there is a potential for a reduction in scrutiny and routine notices. "This would be beneficial for businesses, as it would reduce the administrative burden and provide a conducive environment for ease of doing business," he said. It is essential for tax administration to strike a balance between enforcement and facilitating compliance, ensuring that businesses can thrive while maintaining regulatory integrity.

"The noteworthy contribution of sole proprietors, who constitute a significant portion of tax filers, underscores their role in the economy. Their compliance with tax regulations demonstrates their commitment to contributing to the nation's tax revenue and participating in formal economic channels," added Ankur Gupta

Looking ahead, said Saurabh Agarwal, the prospects for heightened GST collections in the forthcoming quarter remain promising, particularly in light of the upcoming General Elections.

Harsh Shah reiterated, "There is a reasonable possibility of a further increase in the GST collections in the first quarter of FY 2025, given the general elections. One also shouldn't be surprised, if the target for FY 2025 is increased at the time of announcement of the main Budget post the elections."
https://www.financialexpress.com/policy/economy-record-march-gst-revenue-led-by-resilient-economy-compliance-by-taxpayers-general-elections-to-help-maintain-momentum-say-experts-3443905/

5.   Tax burden on a minority: ITR filing has improved, but how long can less than 3% support the rest? *(financialexpress.com)*
April 2, 2024

The direct tax-to-GDP ratio increased from 5.62% in 2013-14 to 6% in 2022-23.

During the assessment year (AY) 2022-23, the number of individuals filing income tax return (ITR) in India increased to 74 million. Numerically, they exceed the populace of at least 180 countries across the globe.

A recent study by the State Bank of India (SBI) indicates that their numbers will likely cross 81.8 million by December 2023. It also reveals that the number of people earning between Rs 5 lakh and Rs 1 lakh trebled during 2014-22, thus signalling a positive shift in gross total income.

It further shows that during the period, the number of people earning between Rs 10 lakh and Rs 25 lakh has also increased 2.91 times, and 36.3% of the those who filed ITR crossed over to the next higher income bracket, resulting in a consequential 21.1% income growth for this demographic.

As of January 10, 2024, the direct tax collection was a whopping Rs14.7 trillion, denoting a 19.41% jump during the 2023-24 fiscal compared to the previous year, underscoring robust financial contributions by individuals and businesses.

The direct tax-to-GDP ratio increased from 5.62% in 2013-14 to 6% in 2022-23. Personal income taxes, as a percentage of the overall economy, too have jumped from 2.1% to 3.1%. A larger share of people's income has been taxed in recent years.

These are incontrovertible factual assertions. Formulated positively and agreeably, they engender a sense of well-being and bolster morale. Yet, they convey a limited perspective, offering only a fractional portrayal of the overall picture.

India, with 1.42 billion people and the fifth-largest global economy at $3.38 trillion GDP, has an astonishingly low number of taxpayers, which, in relative terms, accounts for a mere 5.21% of the country's population and 7.66% of the people in the working-age group.

This is even though the net has been cast wide. All individuals with an annual income of Rs2.5 lakh or having Rs1 crore in the current account or `50 lakh in a savings account must file ITR. Additionally, anyone spending Rs 2 lakh on foreign travel or Rs1 lakh on electricity are also mandated to file ITR.

Besides, individuals earning `60 lakh or more in business sales/turnover/gross receipts and Rs 10 lakh in a profession must file ITR. Moreover, all such persons from whom Rs 25,000 or more has been deducted as tax on source (TDS), those who hold assets abroad or are beneficiaries or signing authority of a bank account overseas, as well as those seeking adjustments against past losses must file ITR as applicable to them.

Of the 74 million ITR filed during AY 2022-23, 51.6 million declared zero tax liability. In other words, only 22.4 million people paid any income tax. This makes up 1.58% of the total population and 2.31% of the working-age population.

Available data also reveals that nearly 20 million people from whom tax was deducted at source still need to file ITR. Taking this group into account, the tax base expands to 42.4 million or 2.97% of the country's population.

Over the 2013-23 decade, individual income taxpayers in India expanded by a compound annual growth rate (CAGR) of 6.04%. Yet, despite the ever-rising numbers of dollar billionaires, only 0.05% of those who file ITR reported an annual income exceeding Rs 1 crore.

For comparison, 59.9% of households in the USA (2022), 76.4% in the UK (2019), 39.5% in Germany (2021), 34.1% in OECD countries (2021), and 44% in France (2022) pay income taxes.

Much of our economic accomplishments come from the sheer size of our population, making absolute figures for those who file ITR, taxpayers, and GDP look impressive and on top of the world. Expressed in relative terms (on a per capita basis or as a percentage of the population), they push us to the bottom.

Despite being the world's fifth-largest economy, India's per capita GDP in December 2022 was merely $2,085.12, the lowest among the G20 nations.

Leaving this issue aside, the pivotal question is how long can a minuscule minority of less than 3% shoulder the responsibility of the overarching development and welfare of the nation? How long can this be sustained?

Financial profligacy is growing by the day: loan waivers, write-offs, non-performing assets, cash dole-outs, Direct Benefit Transfer, massive ad spending and a host of other examples. Freebies offered during election time have become a new norm. Increasing government borrowings also encumber the future tax collection from these very people.

So long as communicating information suffers from overconfidence and confirmation biases, the reality is unlikely to dawn any time soon. The propensity for window dressing of facts for framing effects may cloud thinking, and these critical questions will continue to be swept under the carpet. Susceptibility to present bias may go on prioritising immediate goals over long-term economic benefits.

A situation like this cannot be sustainable. The mindset must change. The net must be cast wide to ensure none, particularly the billionaires, are able to evade taxes under the shroud of tax planning. At the same time, there has to be stricter control on the profligacy of the government to spend on populist drives.

Financial profligacy must stop. Fiscal Responsibility and Budget Management Act, 2003, has had a much-needed restraining effect. It is time to strengthen the legislation further. Deficit financing and borrowings are restricted to meet only the capital expenditure required to take care of development. Revenue expenditure needs to be restricted to revenue receipts. https://www.financialexpress.com/opinion/tax-burden-on-a-minority-itr-filing-has-improved-but-how-long-can-less-than-3-support-the-rest/3443319/

6.   Govt garners Rs 16,507 crore via public sector enterprises disinvestment in FY24 *(economictimes.indiatimes.com)* Apr 01, 2024

The government has garnered Rs 16,507 crore by selling minority stake in state-owned companies in 2023-24 fiscal, lower than what was projected in its revised estimates. During the 2023-24 fiscal, which ended March 31, the government sold stakes in 10 central public sector enterprises (CPSEs) through offer for sale (OFS).

Share sale in Coal India fetched Rs 4,186 crore, while in NHPC and NLC India it garnered Rs 2,488 crore and Rs 2,129 crore, respectively. The government raised Rs 858 crore though initial public offering of IREDA.

The government also sold shares in RVNL, SJVN, IRCON International, HUDCO and earned remittances from SUUTI.

The budget had pegged disinvestment proceeds for 2023-24 fiscal at Rs 51,000 crore. However, the revised estimates (RE) on February 1, 2024, did away with separate head for disinvestment receipts.

Under the heading of capital receipts, the government estimated to collect Rs 30,000 crore. Officials said this include Rs 20,000 crore from disinvestment and RS 10,000 crore from asset monetisation.

The actual collections for FY'24 through OFS and share sale to employees at the end of March 31, 2024, stood at Rs 16,507.29 crore, according to the data on the website of DIPAM (Department of Investment and Public Asset Management).

The government historically has been missing the disinvestment targets set in budgets with the exception of 2018-19 and 2017-18 financial years.

The highest ever mop-up from disinvestment at Rs 1,00,056 crore was recorded in 2017-18, marginally exceeding the budget target of Rs 1 lakh crore.

In 2018-19, the government collected Rs 84,972 crore from CPSE disinvestment, higher than Rs 80,000 crore pegged in the Budget for that year. https://economictimes.indiatimes.com/news/economy/finance/govt-garners-rs-16507-crore-via-public-sector-enterprises-disinvestment-in-fy24/articleshow/108941895.cms?from=mdr

7. What's driving Indian GDP surge: Public spending or private consumption *(livemint.com)* 01 Apr 2024

Massive capex spending, experts say, has caused GDP growth to accelerate. Private investment, they say, is also showing signs of revival.

The general take on India's rapid economic growth is that it's powered by the government's capex push. But a recent report questions this narrative, saying it underestimates the role of consumption. Mint unpacks the investment versus consumption debate.

How fast is the Indian economy expanding?
India is the fastest growing large economy in the world. In FY2022- 23, its gross domestic product or GDP grew by 7%. However, in the just-concluded fiscal year 2023-24, its economy has been expanding at an even faster pace. In the first three quarters it expanded at a pace of 8.2%, 8.1% and 8.4% respectively. The government estimates the full year's growth at 7.6%. In comparison, other major economies are projected to grow at a much slower clip. According to the International Monetary Fund, China is expected to grow at 4.6%, the US at 2.1, France at 1%, Japan at 0.9% and UK at 0.6%.

What is fuelling this growth?
With three of the four engines of economic growth—public consumption, exports and private investment—subdued, it is public investment, specially spending on infrastructure, that has been powering India's growth. The Centre has been spending a lot on capex in a bid to pump-prime the economy and revive private investment. Its budgeted capex has doubled from 1.7% of GDP in FY19 to 3.4% in FY25. States have also been incentivized to spend more on capex. This massive spending, experts say, has caused GDP growth to accelerate. Private investment, they say, is also showing signs of revival.

Does everyone subscribe to this view?
No. In a recent report, HSBC, the global financial services major, argues that India's strong GDP growth is not powered by public investment—that is the massive capex spend. Rather, it is on account of consumption, which the study claims is much stronger than what GDP data suggests. It also questioned that there were signs of revival in private investment.

What is the basis of the argument?
The report says the effect of public spending has been overstated. While the Centre's capex has risen sharply, investment by central public sector enterprises (CPSEs) have

fallen. Taken together, capex by the Centre and CPSEs has declined to 3.9% of GDP in FY24 from 4.9% in FY20. It says GDP data underestimates consumption, arguing consumer goods imports are 30% higher than pre-pandemic levels, private service consumption is strong and personal loans are growing faster than housing loans.

What does this mean for GDP numbers?
Upward revision in consumption will not increase GDP growth. Instead, a redistribution will happen between investment and consumption in future revisions of GDP data. If that happens the gap between investment and consumption will narrow from six percentage points now to two percentage points in line with the long-term average—a better balance. The report also says higher consumption has not triggered core inflation, due to the lower cost of imports from China and soft commodity prices. https://www.livemint.com/economy/whats-driving-indian-gdp-surge-public-spending-or-private-consumption-11711985447920.html

8.   On road to Viksit Bharat, India should target per capita, not aggregate, GDP. Here's why *(indianexpress.com)* Updated: April 2, 2024

Even with a modest 6% annual GDP growth, India will be the world's third largest economy by 2028. All the more reason why the focus must be on boosting per capita GDP to $13,000-14,000 levels for a "developed India" by 2047.

Not many may know that in 1990, China's per capita gross domestic product (GDP) was below India's. Or that its overall GDP — which is the value of all goods and services produced within the country during a year — was hardly 23% higher than India's.

In 1990, China and India were the world's 11th and 12th largest economies, going by their nominal GDPs (at prevailing dollar-converted prices without adjusting for inflation) of $395 billion and $321 billion respectively.

It all changed over the next two decades. China's real GDP (in constant inflation-adjusted US dollars) grew by an average of 10% per year in the 1990s, and 10.4% in the 2000s. By 2010, China had emerged as the world's second biggest economy after the US, with a nominal GDP of $6.1 trillion — 15.4 times the level of 1990.

Relative growth of India and China's economies (1990-2022)

GDP rankings in descending order

1990	2000	2010	2013	2022
US	US	US	US	US
Japan	Japan	CHINA	CHINA	CHINA
Germany	Germany	Japan	Japan	Japan
France	UK	Germany	Germany	Germany
Italy	France	France	France	INDIA
UK	CHINA	UK	UK	—
Canada	Italy	Brazil	Brazil	—
Spain	Canada	Italy	Russia	—
Russia	Mexico	INDIA	Italy	—
Brazil	Brazil	—	INDIA	—
CHINA	Spain	—	—	—
INDIA	Korea	—	—	—
—	INDIA	—	—	—

Source: World Bank DataBank

GDP in current US dollars
— India — China

394.6
321.0
17963.2
3416.6
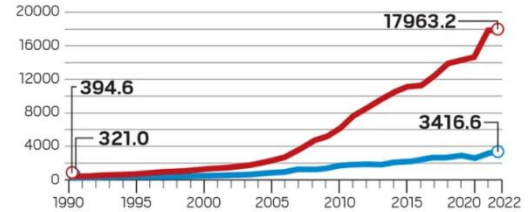
GDP Per Capita in current US dollars
347.6
368.7
12720.2
2410.9
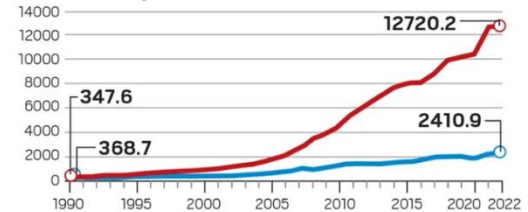
India china Table and charts on India and China's economic growth rates, from 1990 to 2022.

India's real GDP grew at a much slower rate — by 5.8% in the 1990s and 6.3% in the 2000s. At the end of 2010, India's nominal GDP, at $1.7 trillion, was 5.2 times its 1990 level. Yet, its world ranking, in terms of economic size, had improved only marginally from No. 12 to No. 9.

The China decades

The charts show the per capita and overall GDP of India and China. After starting at almost similar levels in 1990, China surged ahead, and the gap widened over time. So in 1990, China's economy was just over 1.2 times India's; it became 3.6 times and 5.3 times India's in 2010 and 2022 respectively.

The 1990s and 2000s were China's decades. The size of its economy in 2010, measured by nominal GDP, was already larger than that of the US in 1990. It was, in other words, about 20 years behind.

Since 2010, China's annual growth has eased to an average of 7%, and to 5.3% in the five years ended 2022. But the sustained double-digit growth of the 1990s and 2000s, and 7.7% in the decade that followed, led to China's per capita GDP crossing the $10,000 mark by 2019.

From a comparative perspective, China's economic size, at $18 trillion in 2022, exceeded that of the US in 2014. The gap has, thus, closed to eight years now. At current growth rates, China could replace the US ($25.4 trillion GDP in 2022) as the world's largest economy by the early to mid-2030s.

Where India stands

India, on the other hand, has seen its real GDP growth in dollar terms fall to an average of 5.9% during 2010-22 and 5.7% for the nine years from 2014 when the Narendra Modi government came to power.

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While India's nominal GDP, at $3.4 trillion in 2022, is just short of what China's was in 2007, there is no escaping the fact that India has been a relative growth underperformer. Even the improvement in its overall GDP ranking from No. 10 to No. 5 between 2013 and 2022 (see table) has come on the back of a not-so-high average annual growth of 5.7%.

To illustrate the point, Japan's and Germany's nominal GDP were $4.3 trillion and $4.1 trillion respectively in 2022. Back-of-the-envelope calculations show that India needs to grow at only 6% per year in current dollars, and the other two economies at 2%, for India to become the world's No. 3 economy by 2028.

Focus must be on per capita

Aggregate GDP — being the world's No. 1 or No. 3 economy — does matter, not least because it adds to a country's geopolitical heft.

China's GDP surpassing that of the US will have more than symbolic value in terms of commanding respect, projecting strength, and exerting influence at a global scale. Monaco, Liechtenstein and Bermuda may be the top three countries by per capita GDP, but that obviously does not make them superpowers.

However, for a country like India with its massive population and present levels of development, per capita GDP is at least as important as aggregate GDP. GDP growth has two basic components: population and per capita output. The first is demographic; the second is economic, reflective of the population's general standard of living.

A GDP growth rate of even 5% annually over 30 years would result in the economy expanding by 332% or 4.32 times at the end of that period. This has to do with what the French economist Thomas Piketty calls "the law of cumulative growth", which holds that seemingly low growth rates, when sustained over a long time-frame (in this case, a generation), can bring about considerable progress.

India has, indeed, witnessed such a transformation with an average annual real GDP growth of 6% during 1990-2022. The scale of the transformation would obviously have been higher with 7-8% growth. China's average of 8.9% over the same 33-year-period is a truly exceptional story.

The Chinese story is extraordinary for not just the almost 46-fold expansion in its economy between 1990 and 2022 (against India's 11-fold), but also because it has been accompanied by an increase in per capita GDP from $348 (less than India's $369) to $12,720 (far more than India's $2,411) during this period. The World Bank's per capita GNI (gross national income) threshold for categorising a country as "high income" is $13,846, and China isn't far from attaining this status.

The Modi government has targeted a "Viksit Bharat" or developed India by 2047. At current per capita GDP levels, India is a "lower-middle income" ($1,136-4,465 range) country, and China is an "upper-middle income" ($4,466-13,845) country. Since a developed country is one where the average standard of living is high — linked to a per capita GDP of $13,846 or more — that's a target well worth aiming for.

9. India must prioritize the needs of its thirsty cities before the rest
(livemint.com) 01 Apr 2024

Water scarcity afflicts many Indian cities other than Bengaluru. Farms and power plants consume too much and our cities too little. Institutional failure must not turn clean water into a privilege.

At the time Egypt's pyramids were being constructed, one of the cradles of global civilization emerged the Indus Valley around the borders of Pakistan and India. Its grid-planned cities produced sewerage networks, delicate artworks and an undeciphered writing system. Then, a 900-year drought [is thought to have] emptied its urban areas and sent its population back to a simpler, poorer village life on the plains of the River Ganga.

Something grimly similar is happening right now. Tech professionals are leaving India's IT hub of Bengaluru amid an intensifying drought that has gripped the city as it sweats through another torrid pre-monsoon season, The Deccan Herald reported this month. More than half of the wells the city depends on for groundwater have dried up after failed rains last year, leaving businesses and citizens dependent on trucked-in water tankers.

In neighbouring Kerala—which catches much of the monsoon rainfall before it reaches inland stretches of Karnataka—a minister has written to Bengaluru's companies, suggesting they relocate because "water is not an issue at all" in his state, The Times of India reported.

That seems in poor taste in southern India, where fights over the distribution of river flows between parched states have gone on for decades. These pressures are only going to grow as populations rise and climate change makes the cycles of drought and monsoon more pronounced.

That's not just a regional problem, but an issue for the country as a whole and the world at large. The southern states of Karnataka, Kerala, Telangana, Andhra Pradesh and Tamil Nadu account for just about 15% of India's population but they generate about a quarter of GDP thanks to the strong performance of their technology and manufacturing sectors. The global economy is counting on that engine of growth to take over in the years ahead, as China slows toward stagnation.

Southern India lacks the huge reserves provided by the Himalayan snowpack in the north, making water shortages a fact of life. Chennai went through a comparable emergency in 2019, while the current drought is also biting in Hyderabad.

Existing policies are not helping fix a problem will require making hard compromises with two of India's most politically sensitive industries: agriculture and power generation.

The households struggling with water restrictions right now only consume about 7% of India's water. The overwhelming majority, 85% or so, goes to farming.

While rainfall cannot simply be transferred from a paddy farm to a tech worker's kitchen tap, the groundwater that's running out in Bengaluru ultimately shares its aquifers with rural water tables. Karnataka and Tamil Nadu are two of the most important growing states for sugarcane, a notoriously thirsty crop. Far from seeking to rein in this trade, the government is encouraging planting with mandated prices and export subsidies that have landed New Delhi in years of disputes at the World Trade Organization.

India now produces enough sugar to meet its population's needs twice over and production will remain higher than demand well into the 2040s, according to a recent report from government thinktank Niti Aayog. Meanwhile, the increased cane production required by the central government's ethanol-blending policy could consume an additional 348 billion cubic metres of water, according to a 2020 study—around twice what is used by every city in the country.

Coal-fired electricity is another water hog. Thermal generators need to suck giga-litres from rivers to cool their turbine circuits. The power sector may account for more than a quarter of Karnataka's urban water consumption by 2030, according to a 2014 study. Much of that electricity goes back into agriculture. As well as sucking up groundwater, India's millions of grid-connected electric pumps put further stress on the power system, accounting for about a fifth of electricity consumption.

It's unlikely that, with general elections just weeks away, these persistent problems will be tackled any time soon. But they can't be ignored. Bengaluru and Hyderabad have prospered by earning a reputation as some of India's best cities for upwardly-mobile professionals, blessed with relatively clean air and a milder climate. Should institutional failures turn urban clean water into a privilege rather than a right, their attractions will diminish, dissipating the development benefits of urban growth and agglomeration.

India is determined to escape the fate of its Indus Valley forebears, and prosper through this coming era of climate change. To do so, it will need to put the needs of its thirsty cities first. https://www.livemint.com/opinion/online-views/india-must-prioritize-the-needs-of-its-thirsty-cities-before-the-rest-11711975595724.html

10. Food security: Its efficient management is a win for India
(livemint.com) 01 Apr 2024

The government's 2020-21 clearing of FCI's subsidy dues and other steps have improved both capital and food management. A lower interest burden borne for the world's largest food security scheme has been a big help.

The government of India has taken a slew of measures to bolster finances required for institutionalized food security management, involving the procurement of wheat, rice and coarse grains from farmers, their safe storage and transportation to deficit regions, and then their distribution among beneficiaries. These measures started with the settlement in fiscal year 2020-21 of all the food-subsidy arrears and claims of Food

Corporation of India (FCI), amounting to ₹4.63 trillion. The latest step in this direction, taken in February 2024, has been an enhancement of the authorized working capital of FCI from ₹10,000 crore to ₹21,000 crore.

Traditionally, these operations have been financed through food credit. There has been a separate arrangement for pre-emptive lending to FCI and food-procuring state governments regulated by the Reserve Bank of India (RBI). The entire volume of food credit is extended by a consortium of banks led by State Bank of India (SBI). In the past, this consortium charged higher interest rates due to uncertainty of repayment, because credit extended could be repaid only once the subsidy was disbursed after liquidation of foodgrain stock held in the central pool.

The extent of food credit extended by the consortium reduced credit available for other sectors of the economy, classified as 'non-food credit.' Since the establishment of FCI in 1965, food credit had been consuming a significant share of the total credit deployed in the Indian economy. According to Economic Survey reports of 2000-01 and 2001-02, it ranged from 15% to 20% until the end of year 2000, and had risen to 37.7% during April to October 2001, due to an extended period of stock holding. From 2001-02 onwards, the share of food credit started declining, due to quicker liquidation of stock. It declined further with FCI's diversification of fund sources, such as government guaranteed bonds, National Small Savings Scheme (NSS) and ways-and-means advances, which was done to reduce interest costs. Thus, the share of food credit has been on a decline over the past two decades.

However, from the year 2010-11 onwards, the central government's subsidy disbursement to FCI had become sticky. Usually, the government would disburse 95% of the subsidy during a given year and the rest after a complete audit of accounts. But the disbursement dropped sharply during the previous decade, and subsidy arrears were cleared only in small parts. As a result, the total subsidy arrears owed to FCI rose to ₹3.76 trillion by the end of 2019-20, and then further to ₹4.37 trillion by the end of 2020-21's third quarter. Subsequently, in an effort to square off-budget borrowings, the government cleared the pending bill of subsidy arrears in one go during the fourth quarter of 2020-21, by disbursing ₹3.85 trillion. Thus, a total subsidy payment in 2020-21 of ₹4.63 trillion from the central budget outlay not only cleaned up the balance sheet of the government, but also helped FCI clear all its debt.

During the previous decade, spanning a period from 2011 to 2020, FCI had managed its finances by borrowing huge amounts of money from various sources that incurred an accumulated interest burden of about ₹29,000 crore (2020-21 estimate). Rising interest pay-outs weighed heavily on food-security operations, especially by raising the share of interest in the 'economic cost' borne of wheat and rice to a peak of about 12% in 2020-21.

High economic costs in turn leads to higher food subsidy pay-outs by the government and also places constraints on modernizing food-security infrastructure for more efficient operations. Thus the enhancement of FCI's approved working capital to ₹21,000 crore shall help further contain the interest component of the economic cost of foodgrains, and thereby also the subsidy incurred thereupon.

Historically, in a developing country like India, financing food security operations has been a highly challenging part of public financial management. However, from 2020-21 onward, India's government has also developed a mechanism for quick and regular disbursements of subsidy claims on almost a weekly basis, and sometimes even twice in a week, and extended support to FCI in raising funds through cheaper sources, such as bonds. These measures of the government not only exhibit efficient public financial management, but also affirm its commitment to protect the interests of farmers as well as vulnerable consumers. Efficiency brought about in the finances required for carrying out institutionalized food security management is likely to have a positive impact on the operational capabilities of the world's largest food dispensing system, one that distributes 5kg of free foodgrains to over 810 million beneficiaries across the country every month, even as payments for the procurement of wheat and paddy at Minimum Support Prices are made to about 12.5 million farmers directly into their bank accounts.
https://www.livemint.com/opinion/online-views/food-security-its-efficient-management-is-a-win-for-india-11711975524427.html#:~:text=High%20economic%20costs%20in%20turn,infrastructure%20for%20more%20efficient%20operations.

11. Over 80 million people worked under MGNREGA in FY24, shows data *(business-standard.com)* Apr 01 2024

It is the lowest number of beneficiaries to have accessed employment under the scheme since the Covid-19 pandemic

The demand for work under the flagship Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has tapered off during the financial year 2023-24 with almost 83.2 million people working in the programme down from 87.5 million in FY23. This is the lowest number of people who have got temporary jobs under the scheme since 2020-21 when the Covid-19 pandemic hit the country and scores of labourers migrated from the cities to the villages. MGNREGA became their only source of income.

However, when compared to the pre-pandemic years, the number of people who have worked in the scheme in FY24 still remains fairly high. This, several economists say, is also an indicator that though the overall economy is doing well and sectors such as construction are booming, when it comes to rural jobs markets, it hasn't gone back to its pre-pandemic levels. Around 3.070 billion person days of employment was provided in FY24, which is 4.42 per cent more than FY23. The number of people who have worked in the scheme does not include West Bengal, where the scheme has been suspended due to a dispute between Centre and the state government.
MGNREGS Balance Sheet

MGNREGS Balance Sheet

Heads	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Avg Days of Work Provided	51.83	47.83	50.07	51.52	48.4	50.88	45.69	46	48.85	40.17
Persondays of work provided*	306.85	293.7	363.19	389.09	NA	NA	NA	NA	NA	NA
Total Individuals worked*	8.32	8.75	10.61	11.91	7.88	7.77	7.59	7.66	7.22	6.2
Total Households Worked*	5.98	6.18	7.25	7.55	5.48	5.27	5.11	5.12	4.81	4.13
Total Expenditure**	105,541	101,120	106,490	111,720	68,266	69,618	63,649	58,063	44,002	36,025

*In crore
**In RS crore as on March 31. Note: All decimals have been rounded off

NOTE: The financial years 2020-21 and 2021-22 were impacted by the COVID-19 pandemic when demand

Source: MGNREGA website
https://www.business-standard.com/economy/news/over-80-million-people-worked-under-mgnrega-in-fy24-shows-data-124040101035_1.html

12. Implementing Artificial Intelligence in Indian Army – A Spinning Exercise *(financialexpress.com)* April 1, 2024

On July 11, Rajnath Singh, launched 75 newly developed AI technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition.

Artificial Intelligence (AI) is shaping and changing all industries across the world. Global spending on AI touched $118 billion in 2022 and is projected to surpass $300 billion in 2026. Although we are still at the 'Narrow AI' stage, where AI can outperform a human in only a narrowly defined and structured task, it still has enormous utility and potential. Similar to other industries, the power of AI has led to militaries around the world increasingly integrating AI into warfighting systems. AI is currently being incorporated into command and control, intelligence, surveillance, logistics, healthcare, information warfare, cyber warfare, training and simulation, autonomous systems, and lethal autonomous weapons.

The Indian Army also needs to work towards harnessing the potential of AI. On July 11, the Indian Defence Minister, Rajnath Singh, launched 75 newly developed AI technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition

organised by the Ministry of Defence in New Delhi. Speaking on the occasion, Mr Rajnath had said, "Timely infusion of technologies like AI and Big Data in the defence sector is of utmost importance so that we are not left behind the technological curve and are able to take maximum advantage of technology for our services. AI is undoubtedly a force multiplier, but its adoption has many challenges that the Indian Army must overcome to fully utilize its potential. This brief will look at some of the key requirements and recommend steps to be taken by the Indian Army to harness the power of AI effectively.

Key Requirements for Effective Application of AI

Artificial Intelligence (AI) is a broad field that involves the creation of intelligent machines that can perform tasks that typically require human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages. There are several different approaches to creating AI systems, but the most common method is through the use of machine learning algorithms. Machine learning is a type of AI that involves training a computer program on a large dataset, allowing the program to learn from the data and make predictions or decisions based on that knowledge.

Some of the critical requirements for the effective application of AI:
Data – Quality data is the most essential requirement, as AI algorithms require large amounts of high-quality data to train on. ChatGPT, the AI chatbot that has taken the world by storm, was fed some 300 billion words systematically scraped from the internet. In military applications, this data would need to be obtained from various sources and would have to be cleansed, transformed, and aggregated to ensure that it is suitable for use. The data must also be specific to the operating environment; e.g., data for a desert region will not be relevant when creating an algorithm for high-altitude areas and do we have the mechanism to check the sensitivity of the Data.

Interoperability – AI systems need to be able to exchange data and work seamlessly with other systems in order to be useful in military contexts. This may require the development of common data standards, Application Programming Interfaces, or other interoperability solutions. In addition, the three services will need to be fully networked with each other to ensure interoperability.

Computing power – AI algorithms require significant computing power to process and analyze large amounts of data. This may involve the use of high-performance computing systems, cloud computing, or other advanced computational resources. An added complication is that a large amount of data will have to be processed at the edge (at or near the user). Therefore, sufficient computing power will have to be made available for making decisions in a contested battlespace environment.

Security – AI systems used in the military need to be secure and protected against cyber threats and attacks. The adversary could use AI to probe for weaknesses in our systems and corrupt the integrity of the data on which our AI systems depend. This will require implementing measures such as encryption, firewalls, and secure data storage using AI solutions.

Ethics and Responsibility – The use of AI in the military raises ethical and legal concerns, particularly regarding the level of autonomy that can be granted to AI systems. There is a need to formulate and adopt strict ethical guidelines while ensuring that the implementation of AI does not get unduly delayed due to these considerations, and we fall behind our adversaries.

Expertise – Developing and applying AI will require a multidisciplinary team with expertise in areas such as AI, computer science, data science, cybersecurity, ethics, and military operations. Some of this expertise may not be available in-house in the military, and civilian talent may have to be imported.

Recommended Implementation Plan for Adopting AI in the Indian Army
For effective implementation of AI, steps to be taken will have to be at the level of the Chief of Defence Staff (CDS) and the Headquarters Integrated Defence Staff (HQ IDS) so that a joint service approach can be adopted. These steps should include the formulation of an AI strategy, creating organizational structures, and bringing in new processes.

Preparing an AI Strategy – It is suggested that the CDS Office must oversee the preparation of an AI strategy that will provide a strategic roadmap for AI development and fielding. The strategy will identify goals and objectives, the broad areas for the use of AI, the scale of application, organizational restructuring, and ethical issues. It will also look into the type of workforce required and the collaboration necessary with defence R&D, private technology companies, and academia.

Organisational Changes – To drive the effective application of AI, a Directorate of Artificial Intelligence (DAI) should also be set up at HQ IDS. This directorate could initially start with three sections, as given below, with further expansion as AI adoption matures in the military. A Policy Section will make policies to develop, mature, and transition AI technologies into operational use. In conjunction with the Service HQs, it will conduct a comprehensive assessment of militarily relevant AI technologies and identify those that can be adopted in a reasonable time frame. The section will also ensure that there is no duplication of programmes in the three services. Then a Data Section is needed as currently, the data held is in service silos and is not all machine-readable. The Data Section will be responsible for ensuring that data collected from various sources, including sensors, unmanned aerial vehicles, satellites, and ground-based systems, is stored in centralized data repositories to make it accessible to AI applications. In addition, the data must be platform and environment-agnostic and not depend on a particular hardware or software. The section will also look towards integrating the current service-specific networks so that data is available to all users, where required. Finally, the Indian Army will need an Acquisition Section that will carry out most AI acquisitions, but the Acquisition Section will approve all high-cost programs to ensure that they are in accordance with policy directions and meet both technical and ethical standards. The section will also draw up a procurement policy for AI programmes. This policy will have to be different from traditional military procurements that are extremely time-consuming and unsuitable for acquiring the rapidly changing AI technology.

Managing the Human-Machine Interface – There are obvious ethical issues on the level of autonomy that can be granted to AI systems and the need to keep humans in the

decision loop. Many AI systems currently in use operate as black boxes, meaning that their decision-making processes are not transparent and cannot be easily explained to human users. DARPA, the US defence research agency, is working on an 'Explainable AI (XAI)' programme that aims to create AI techniques that produce more explainable models. However, an attempt to introduce transparency and interpretability in the decision-making process can also limit the ability of the AI system to make the best decisions. AI would not have beaten Chess and Go champions if it had behaved like human players. Therefore, finding the right balance and establishing trust is a crucial area that needs greater debate and clarity within the military.

Cultivating the Workforce – The adoption of AI will require new skills and a workforce that would need to include talent from the private industry. Personnel policies would have to undergo a change to retain people in the AI field for long periods, in contrast to the rapid turnover that characterizes military tenures in an appointment. Appropriate incentives and security clearances would have to be provided to attract outside expertise. In addition, the services would have to create curated training programmes to ensure that the workforce keeps pace with AI developments in the private sector.

Partnership with the Industry – In recent years, the civilian industry has led the way in AI development and implementation across various sectors. Tech companies are spending billions of dollars on AI, and many of the applications developed can be utilized in the military. These include image recognition, language processing, predictive analysis, autonomous systems, and robotics. The DAI must engage closely with the industry to pick up dual-use technologies that can be adapted for military use. The issue of intellectual property rights (IPR) for AI applications is a contentious matter that will have to be addressed by balancing the interests of both the military and the civilian industry.

Funding for AI – The Indian Army is devoting approximately $50 million (Rs 400 crore) to AI spending each year, already a good initiative under the guidance of our Prime Minister Narendra Modi Ji. If we are not to fall behind the technology cycle, proper utilisation of the proposed fund has to be made in the right way and the primary initiative should be to promote the indigenous industry players.

Conclusion
There is still a lot of debate on whether AI will have an evolutionary or revolutionary impact on future wars. However, irrespective of future developments, AI is already having a dramatic effect on the tools of warfare. It is now at a stage where militaries that do not adopt AI will be rendered technologically inferior. AI should not be considered similar to a plug-and-play technology that can be easily implemented in the military. Some elementary applications could fall into this category, but if the full potential of AI is to be realized, the Indian Army would have to look at its data management practices, network its systems, create suitable organizational structures, and prepare its workforce. The more significant challenge today is not the availability of technology but how to harness it to improve the effectiveness of our military force https://www.financialexpress.com/opinion/implementing-artificial-intelligence-in-indian-army-a-spinning-exercise/3442967/

13.   Indicator of distress? *(millenniumpost.in)* 1 April 2024

The India Employment Report 2024 by the ILO says the COVID-19 pandemic reversed a national employment transition from farm to non-farm sectors as the latter recorded declines

Like other developing countries, India aspires for the transition of its vast farm workforce to non-farm sectors. There has been a slow transition to non-farm sectors over the decades. It remained steady. But now, the COVID-19 pandemic has reversed this trend.

According to the India Employment Report 2024, co-produced by the International Labour Organization (ILO) and the Institute for Human Development (IHD), the Delhi-based non-profit set up by the Indian Society of Labour Economics, "The slow transition to non-farm employment has reversed."

"After 2019, this slow transition reversed due to the pandemic, with a rise in the share of agricultural employment as well as an increase in the absolute size of the agricultural workforce," the report found. It primarily used Government of India data on employment generated through the National Sample Surveys and the Periodic Labour Force Surveys conducted during 2000 and 2022.

During 2020-2022, the agriculture sector recorded an increase of workers by nearly 56 million. This period coincided with the outbreak of the COVID-19 pandemic in March 2020 that led to the nearly two months of stringent lockdown and its tapering down in 2022. In 2020, the country witnessed an exodus of informal workers from urban centres to villages, often cited as a bigger human movement than the 1947 partition of the subcontinent that gave birth to India and Pakistan.

In 2020, the number of workers in agriculture and allied sectors increased by 30.8 million. Next year, the agri-sector workforce added 12.1 million and in 2022, another 12.9 million joined the agri-worker family. "Between 2000 and 2019, youths shifted out of agriculture much more than adults, but the COVID-19 pandemic reversed the long-term trend of youth employment expansion into non-farm sectors."

This is a reversal of a 20-year trend. "During 2000-19, there was a shift in employment from low-productivity agriculture to relatively higher-productivity non-agriculture sectors," says the ILO-IHD report. In fact, employment in the agriculture sector reported negative growth during 2000-2019. Expectedly, this decline in farm employment marked a sharp increase in employment in the construction and service sectors, the sectors farm workers usually shift to. But during 2019-2022, the report indicates that agricultural growth spurred.

"This surge can be attributed to individuals returning to subsistence activities in agriculture due to the lack of work opportunities outside the agriculture sector that was exacerbated by the pandemic-related economic slowdown," says the report.

Overall, employment growth nearly stagnated before 2019. "After 2019 and due to the COVID-19 pandemic, there was a substantial increase in employment, with agricultural employment growth even outpacing the growth in agriculture gross value added." In

2019-2021, the exodus back to villages, and into the farm sector, has significantly changed the labour market make up in the country: "In absolute numbers, the labour force and the workforce increased much more in rural areas (at 47 million workers and 51.3 million workers, respectively) than in urban areas (at 16.5 million and 16.8 million persons, respectively) between 2019 and 2021."

This transition back to agriculture might not be good news per se. It could be a sign of distress: as non-farm sectors are not able to create employment, people are forced back to the non-remunerative agriculture sector. Also, this surge in agricultural workforce is due to a large number of women joining back the sector during 2020-2022. "Nearly two thirds of the incremental employment after 2019 comprised self-employed workers, among whom unpaid (women) family workers predominate," says the report.

The female labour participation rate had declined in comparison to the male participation rate during 2000-2029. But in 2019-2022, this reversed: more females are back to agriculture than males. "This rise, along with other labour market changes, is consistent with more women coming into the workforce in response to crises." In 2022, of the workforce, the proportion of women employed in agriculture was 62.8 per cent, in comparison to 38.1 per cent in case of men.

"The rise in employment in subsistence agriculture, either as own-account workers or unpaid family workers, as well as in casual workers in the construction sector, indicates that a large number of poor migrants returning to their native home and marginal workers may have been compelled to work in these sectors in rural areas for their livelihood," says the report. It has investigated the monthly wages and earning of workers. And its findings don't show any growth. "The growth rate of regular and self-employed earnings remained low or negative right up to 2021 but grew during 2022. The regular wages of both female and male workers experienced a small negative growth rate between 2018 and 2022," says the report adding, "However, female self-employed workers experienced a considerably higher negative growth rate in earnings compared with men. Additionally, women's casual wages exhibited a slightly higher growth rate than what it was for men."
https://www.millenniumpost.in/opinion/indicator-of-distress-558143

14.   AI in elections, the good, the bad and the ugly *(thehindu.com)*
April 02, 2024

The widespread application of Artificial Intelligence is likely to cause a paradigm shift in almost every aspect of an election

In an effort to broaden Prime Minister Narendra Modi's reach to a variety of linguistic groups, the Bharatiya Janata Party (BJP) has used Artificial Intelligence (AI) to translate his speeches into eight different languages ahead of the Lok Sabha elections, which may potentially be considered India's "first AI election". Yes, the widespread application of AI, with its seemingly limitless possibilities, is likely to bring about a paradigm shift in the general election in 2024.

Social media and campaigns
In practically every election over the past three decades, India's electoral strategy has changed due to the process of an integration with and a capitalisation on emerging

technologies. Its spread can be traced to the extensive usage of phonecalls in the 1990s, the Uttar Pradesh Assembly election in 2007 that saw the first "mass mobile phone" elections, the use of holograms in 2014, and, now, the current AI era.

For instance, the significance of social media platforms as essential political campaign instruments will be particularly remembered in relation to the 2014 Indian elections. Many analysts even referred to it as India's first "social media elections" or the "Facebook elections," given the estimated ₹500 crore in digital spending. The BJP, undoubtedly, benefited from being the first to use these technological tools widely to connect with India's sizeable youth population.

A paper in the Asian Journal of Political Science, in 2015, titled "India 2014: Facebook 'Like' as a Predictor of Election Outcomes" showed a high positive correlation between the number of 'likes' a party or its leader secured on their official Facebook fan page and their popular vote share. By the time he took office, Mr. Modi was the sixth-most-followed global leader on X (Twitter) and had amassed over 16 million "likes" on Facebook, second only to former U.S President Barack Obama among politicians worldwide.

The 2019 general election was widely dubbed the "first WhatsApp election" in India. Indeed, in the previous 12 months and earlier, elections in Nigeria, Brazil, and a few Indian States have shown how WhatsApp can be used to spread messages that are designed to mislead voters for political purposes very quickly. In his book, How to Win an Indian Election (2019), former election campaign consultant Shivam Shankar Singh explained that WhatsApp is "an effective political platform because it allows for targeted delivery of information to voters and also because it allows an excellent tool to organize and mobilize party workers".

Many elections, AI's dark dimension

Global elections, AI, the dangers
The global elections of 2024, in contrast, are "AI elections". In January, New Hampshire voters answered a phone call from what sounded like U.S. President Joe Biden. Indeed, it was a robocall made by AI aimed at dissuading Democratic voters not to turn up to polling stations on election day. Two days before parliamentary elections in Slovakia, in September 2023, a recording of a conversation between a journalist and the leader of the pro-North Atlantic Treaty Organization Progressive Slovakia Party was shared on Facebook, purportedly discussing methods of election manipulation. They both immediately called out the audio as fake, and fact checking turned up proof of AI manipulation. But, in a close race, Progressive Slovakia lost out. Was it a "test case" before the global elections in 2024?

It was Argentina's turn in October-November 2023, following which an article in The New York Times perceived that "with its expanding power and falling cost, it [AI] is now likely to be a factor in many democratic elections around the globe". Deepfakes were used in the recent Assembly elections in Madhya Pradesh and Telangana, either through doctored clips of the game show "Kaun Banega Crorepati" or a fake video of a leader allegedly pushing voters to support their opponent. Additionally, fake accounts that amplify particular messages and generate artificial trends can be orchestrated by AI-powered bots to flood social media sites, yielding the false impression that a

particular politician or subject is widely supported. Social media, the old instrument, is, therefore, interwoven with AI technology.

Author and podcaster Anirudh Suri explores the #AIforGood formula

The political landscape is changing
However, AI can play a far wider role in elections than just disseminating disinformation. It can be used in the entire spectrum of campaign strategies, from the preliminary steps of voter identification to the intricate details of content development and delivery. With real-time analytics on campaign performances, AI is raising the bar for political campaigns with its data-driven and effective micro-targeting strategy. The political landscape is changing quickly due to GenAI technology, which presents both the potential and challenges for the 2024 elections.

The United States government has outlawed robocalls using AI-generated voices in its response to the Biden robocall incident. Technology behemoths including Microsoft, Google, OpenAI, and Meta have vowed to combat AI content that aims to deceive voters. But will they be able to complete the task fully proofed?

There is general concern that, similar to Slovakia, election-related generated contents may shape last-minute attempts to deter voters from exercising their right to vote or create an event with a manufactured portrayal of a candidate that is challenging to swiftly debunk. A few months ago, an AI-created image of Donald Trump's arrest went viral. What would happen if a picture like that went viral a day before the election?

AI will be far more efficient five years later, in 2029, but as one might perceive, the world will also be more resilient, accustomed, and prepared for AI's deceptive effects. It is a realm of unknowable unknowns right now. And, a lot of uncertainties remain.
https://www.thehindu.com/opinion/op-ed/ai-in-elections-the-good-the-bad-and-the-ugly/article68017085.ece