

'Lego-like' solar and driver-less cars

A huge transition is underway in electricity, transport and green finance



VANDANA GOMBUR

The electricity sector in the world, and in India, looks very different than it did a decade ago, with solar and wind farms — big ones and tiny ones — pumping power to homes and factories. A fuel transition is also underway in the transportation sector, as is automation. As many as 61 companies are testing autonomous driverless cars in California, while the number of testers in China went up to 35 at the end of last month, according to BloombergNEF (BNEF). To track the transition in electricity, transport and green finance, here are four things to keep track of this year:

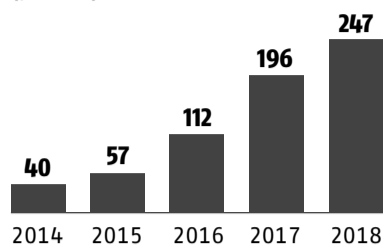
■Solar and wind power: New solar installations globally last year were close to 110 gigawatts, and may set another record by crossing 125 gigawatts this year, according to early estimates from BNEF. Solar panels have become "Lego-like", according to the principal economist at the Beijing-headquartered Asian Infrastructure Investment Bank, Jang Ping Thia. The panels are being installed on the ground, on rooftops and floated on water bodies to quietly generate power across the world.

In the wind sector, almost 54 gigawatts of new wind farms were added globally last year, and the projected addition for the current year is 70 gigawatts, with over 10 per cent of that offshore. India is taking its first steps to install offshore wind, with a tender likely to be issued in the first half of the current year.

■Sustainability-linked loans, also known as ESG-linked loans, provide benefits to the borrower if specific environment, social or governance metrics are satisfied. The loans need not necessarily be earmarked for green projects, as is the case, for instance, with the proceeds of

SUSTAINABLE DEBT FINANCE

Sustainable debt financing (\$ billion)



Source: BloombergNEF

green bonds. According to the latest data from BNEF, sustainability-linked loans jumped 677 per cent to \$36.4 billion in 2018. Singapore's real estate developer CapitaLand was among the companies that secured a sustainability-linked loan last year: A \$300 million (USD 222 million) five-year, multi-currency loan from DBS for general corporate purposes. Also in Singapore, agribusiness group Wilmar International signed a deal with OCBC Bank where the interest rate was pegged

to the company's sustainability performance.

Total sustainability debt finance increased to \$247 billion in 2018, with green bonds making up the largest, \$182 billion chunk, followed by sustainability-linked loans. The balance was made up of sustainability bonds, social bonds and green loans. Expect to hear a lot more about sustainable finance this year, and also about standards like the Green Loan Principles.

■Self-driving vehicles, also known as driverless or autonomous vehicles, are moving closer to reality with car manufacturing companies, software developers, ride-hailing companies like Uber, and telecom network providers jumping in to secure a piece of the action. Google's Waymo is widely seen as the leader in this space, with millions of miles driven in testing, and a live pilot underway in Arizona. U.S. BNEF expects much more activity in this space in 2019 in the U.S. and in China, where as many as 15 cities have allowed public road testing of autonomous cars. In India, the Mahindra Group has already demon-

strated a self-driving tractor. This "will open up entirely new possibilities in farming", according to Anand Mahindra, chairman of the group.

■Electric vehicles and oil displacement: Worldwide, there are over 5 million electric vehicles on the road (including buses and other commercial vehicles), with a good number running on China's roads, as well as on thoroughfares in Europe and the U.S. It is possible that the sales of conventional internal combustion engine or ICE vehicles may have already peaked. Even if that is not quite the case yet, restrictions on the purchase of such vehicles are being imposed or mooted in several cities globally to manage pollution and congestion. This has impacted oil consumption and demand. BNEF will be announcing its 2018 estimates for oil displacement by electric vehicles later this quarter. In India, electric buses are already plying their trade in many cities, and they are set to increase in number this year. In terms of total cost of ownership, electric buses tend to be cheaper, though the upfront costs are higher than a diesel vehicle. Organising charging infrastructure for electric buses is also less of a challenge.

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CHINESE WHISPERS

Journalists wear helmet



PIC: MANANI KAPUR

The battle of wits between Chhattisgarh journalists and the Bharatiya Janata Party (BJP) state unit over the alleged assault of a scribe by party workers last week continues. On Tuesday, local journalists protested in a unique manner. Many attended press briefings by the party wearing helmets meant for two-wheeler riders (pictured). One of them also said their new dress code was part of the *Patrakar Suraksha Abhiyan* or save journalists campaign. "We will lift the visors when we have to ask a question and lower them back after having spoken," he added.

Fall from grace

Yoga guru turned businessman Ramdev's close aide and co-founder of Patanjali Ayurved, Acharya Balkrishna, was awarded a D.Litt degree by Awadhesh Pratap Singh University in Rewa, Madhya Pradesh, recently. Before reaching Rewa Balkrishna had a brief stay at a VIP guest house in the state capital Bhopal. Observers pointed out how this particular visit was different from his earlier visits to the state capital. Earlier, when Ramdev or Balkrishna visited the state, they would be surrounded by political leaders, ministers and bureaucrats all the time. They would be hounded by journalists who would later complain how Balkrishna didn't offer "media sound bites". This time around, a junior government official was the only visitor he had to contend with at the guest house.

Face to face with Rahul

In what is seen by many as the Congress' answer to the Prime Minister's *Mann Ki Baat*, the party on Tuesday afternoon posted a short clip on social media that shows its president Rahul Gandhi, dressed casually in black, talking to a group of students in a Delhi restaurant. After introducing himself, the 48-year-old says, "Welcome to the first episode of 'Apni Baat Rahul Ke Saath'." Congress leaders later said it was an impromptu conversation — the students were told that a leader of the party would talk to them, but they were stunned when it turned out to be Rahul Gandhi. "I thought I will have a chat with some of the young people and get a sense of what they are thinking," said Gandhi. The interaction was a slightly tweaked version of similar interactions Gandhi had before launching the Congress' manifesto ahead of the 2014 national election.

Why national data will remain contested

The expansion and transformation of the Indian economy has altered the scale of measurement and the way data is gathered

SUBHOMY BHATTACHARJEE

A few years ago, then chairman of the National Statistical Commission (NSC) Pronab Sen released the results of the sixth national Economic Census to a minuscule crowd of reporters in central Delhi. Last week, when the vice chairman of Niti Aayog Rajiv Kumar called a press conference to contest an employment report prepared by the National Sample Survey Office (NSSO), it was a media event that was posted on YouTube.

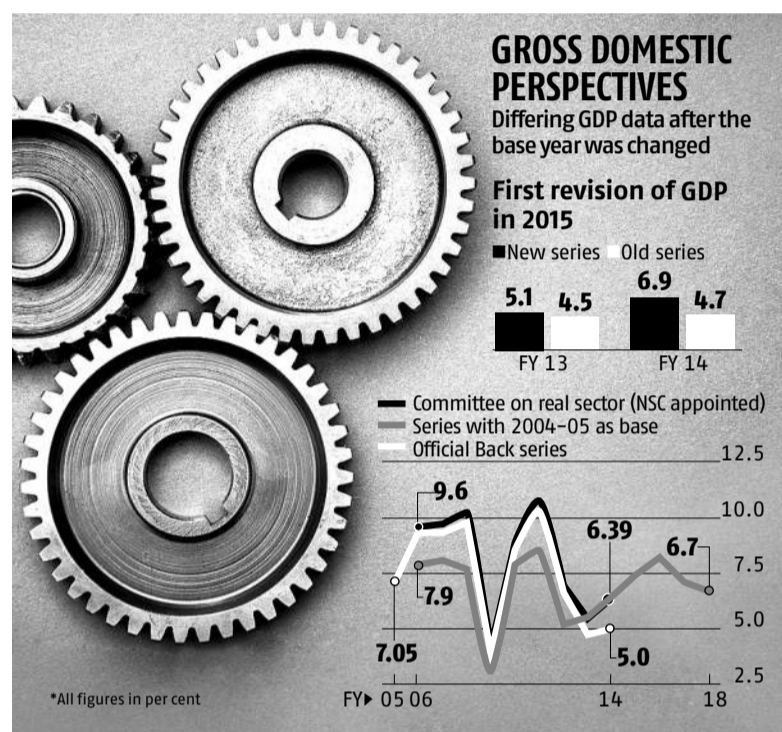
The firestorm over the latter report, reported by *Business Standard* (the government maintains it is just a draft report), continues. National statistics are now contested territory and the battle over them will intensify in the years to come.

The Indian state prints statistical reports on a wide range of topics, mostly economic. Including monthly and annual ones, they number about 30 in a year, plus a few sample surveys. But as more such data has come under scrutiny the focus has turned to how it is collected.

The 4,800-odd officers of the Indian Statistical Service and the subordinate statistical services have a long history of compiling the data. The Indian Statistical Institute was set up in 1932, but the first synchronous census was conducted even earlier, in 1881. That makes India one of the oldest nations to set up a robust statistical machinery. The Central Statistics Office coordi-

nates these activities. It compiles the National Accounts from which the GDP data emerge. The index of industrial production, consumer price indices, human development statistics including gender statistics, the annual survey of industries and the economic census are all its domain. Assisting it is the NSSO, which carries out sampling on an all-India basis to throw up estimates for several of those data. Just as it did through the Periodic Labour Force Survey from April 1, 2017, which showed unemployment at a 45-year high for 2017-18, suggesting that demonetisation and the advanced deadline to introduce the Goods and Services Tax had taken its toll, a fact picked on gleefully by the opposition.

There is an interesting pattern to the recent data-related controversy. Apart from employment data, the government also criticised the first series of revised GDP data on a new base year when it was published in 2015 for favouring the second term of the United Progressive Alliance. Things got complicated in 2018, when an NSC committee, which sets standards for government statistical work, calculated a back series with the new base year to show GDP growth through the UPA decades as being better than earlier reported. The statistics ministry rechecked the data and published a revised back-series months later that put the UPA's performance in less flattering light, which the Congress party called "a joke".



Beyond politics, most of the swings in the data have a lot to do with the huge changes sweeping through the Indian economy. "The challenge of measuring the economy has deepened," says N R Bhanumurthy, National Institute of Public Finance and Policy professor and member of one of the key statistical committees.

From 2000, when it was \$462 billion economy, India became a \$2.13 trillion beast in 2018. Sectors within have also waxed and waned in importance. Imagine trying to measure a cycle running on a country lane and continuing to track it as it metamorphoses into a vehicle travelling on an expressway. This is at the heart of the challenge

India's statisticians face. In recent years, almost every one of the periodic statistics of the economy has had to change both the scale of measurement and the way the data is gathered. The ministry of statistics has commissioned the seventh economic census, the results of which are due towards the end of 2019. As its name implies it is a sort of national business register that lists every sort of economic enterprise in the country from the smallest to the largest. It too could stoke controversy. Why?

Started in 1977, the database has had to be updated frequently. The fifth census was in 2005 and the sixth was published in 2014. Already several changes

have become necessary since then. The number of virtual enterprises for instance, have shot up since then along with the number of people employed in them.

To get round these problems, the ministry of statistics has roped CSC e-Governance Services India Limited, under the ministry of information technology, to do the enumeration. This is the first time the ministry has asked an agency outside its own workforce to do data collection work, except for the population census. This is significant.

About 15,00,000 enumerators are being trained to gather the data for the economic census. According to Dinesh Tyagi, CEO of CSC e-Governance Services, the same force could also be used for the population census, which, if everything runs to plan, could be held every two years instead of 10 years at present.

The ministry also signed up with National Council for Applied Economic Research in January 2019 to obtain new data technologies and build capacity. For instance, the Urban Frame Survey, the bedrock of blocks on maps that statisticians use to select their samples, has been digitised since November 2017. It is now based on satellite imagery, in collaboration with the National Remote Sensing Centre.

All these changes mean more granular measurement instead of broad-brush estimates. Some of this has already happened like the replacement of the manufacturing sector-based Annual Survey of Industries with the MCA-21 data compiled by the ministry of company affairs. The new sets of data tumbling out don't discredit the older ones; they are simply measuring a vastly different sized economy. But governments will need to be prepared to respond.

INSIGHT

Improved equity, wider coverage

How PM-KISAN scores over loan waivers and Rythu Bandhu



RAMESH CHAND & SK SRIVASTAVA

Gross value added (GVA) in agriculture increased by more than 4.5 per cent at 2011-12 prices during the recent three years including advance estimate for the year 2018-19. This is one of the best growth witnessed in Indian agriculture. However, this growth in GVA at constant prices did not bring same kind of cheers to farmers because of low prices of farm produce. Farmers sell their produce at current prices, and not at constant prices, and growth in farmers' income in real terms is affected by current prices as well as farm prices relative to prices paid by farmers. Implicit price deflator for the agriculture sector increased by merely 1 per cent during 2017-18 and declined during 2018-19. In contrast, implicit price deflator for the non-agriculture sector increased by 3.54 per cent and 5.45 per cent in these two years. As a result, the terms of trade for agriculture witnessed a decline during this period of high growth in output, which implies that the growth rate in farmers' income in real terms remained much lower than the growth rate in their output.

Similarly, WPI for food during 2018 did not witness any increase while some crops show significant fall in their wholesale prices in 2018 over 2017, creating a situation of high increase in output but a decline in income of producers of those crops. The decline in relative prices of farm produce has led to significant dissatisfaction among farmers.

The depressed prices of farm produce and resulting low food inflation, have been beneficial for consumers but they are adverse for the producers, particularly for small and marginal farmers who are very vulnerable to price and production fluctuations and depend heavily on agricultural income for livelihood. This created a need to provide some support to small and marginal farmers to supplement their income. A popular response has been loan waiver or cash payment based on ownership of agricultural land like the Rythu Bandhu scheme of Telangana. Both these initiatives have come under serious criticism. A majority of farmers still do not take loan from institutional sources and are thus not entitled to any benefit from loan waiving and those who follow discipline of repaying loan on time feel cheated. The limitation of acreage-based payment is that 14 per cent farmers who are medium and large sized corner more than half of the support and 86 per cent of the

farmers, who are small and marginal, get only 47 per cent share.

The Union government has responded to the situation by announcing the Pradhan Mantri Kisan Samman Nidhi (PM Kisan) in the Budget 2019-20. The scheme will be implemented with effect from December 1, 2018 with the budgetary provision of ₹20,000 crore during the current financial year and ₹75,000 crore for the year 2019-20. Accordingly, PM-KISAN involves direct cash transfer of ₹2,000 in the bank account of each farmer, with up to 2 hectares of land holdings, by March 2019, plus ₹6,000 in three equal instalments in year 2019-20. It is pertinent to ask how much this support will matter for the small and marginal farmers and whether it will benefit tenant farmers.

The average land holding of small and marginal farmers is 0.59 hectare, of which 0.53 hectare is under cultivation. The cost and income based on the advance estimate of GVA for the year 2018-19 can be used to assess the contribution of PM-KISAN to the small-farm economy. The average expenditure on inputs for small farm holdings (0.53 hectare) is about ₹13,000 while the expenditure on hired labour is about ₹10,000. The annual net income out of this land holding is estimated at ₹45,000. The assured income support of ₹6,000 is sufficient to cover 45 per cent of the cost of inputs or 25 per cent of the cost

of production including hired labour at such farms. The income support under PM-KISAN will supplement the farm income of small and marginal holders from the crop sector by about 13 per cent. However, there are bound to be large variations in the share of income support announced in the Budget in the average farm income across states.

The biggest advantage of this scheme over loan waiver and Rythu Bandhu is that it will also benefit tenant farmers to the same extent as the land owning farm households. According to a nationwide NSSO survey tenants constitute 13.7 per cent of total land holdings and 80 per cent of them own some agricultural land. Based on their own land, tenant farmers are eligible to receive cash transfer of ₹6,000. Only 2.6 per cent of the operational land holdings are operated by landless households, who may not be able to prove their claim for the benefit of this scheme. Overall, PM-KISAN will cover 97.4 per cent small holders including tenants.

PM-KISAN seems quite attractive in terms of equity and coverage of farmers. In total it is estimated to cover 84 per cent of all farm households. The experience of direct cash transfer under PM-KISAN will be useful in designing a larger scheme of DBT for farmers combining all subsidies and support for the agriculture sector in the future.

Chand is member, NITI Aayog & Srivastava is agricultural economist with NITI Aayog Views are personal

LETTERS

Why delay?

This refers to "Navy, Air Force modernise; Army still mired in high personnel costs" (February 5). Procurement of modern equipment and adoption of new technologies, which will also result in trimming the unwieldy manpower especially in the Indian Army (with around 1.4 million serving and 1.1 million in reserve), should continue to be a priority for India's defence forces.

The glaringly low budget provided for the Army, with practically nothing left for modernisation of equipment and ammunition, needs to be reviewed. Such an approach may give credence to the criticism that defence procurement is guided by the lobbying power of companies or countries marketing these products rather than ground-level necessities.

As surveillance power of the Air Force and striking power of the Navy improves, the need to deploy the Army to guard every mile of the border may reduce. Still, because of the kind of threats coming from across the border, the Army should get the same attention in maintaining its personnel and equipment efficiently. The budget for procurement of modern equipment or providing training to personnel should not come down by diversion of money to payment of salaries or pension which itself should get equal priority. Let us not forget the

impact the delay in pension revision had on the morale of the serving personnel in the defence services in the not-so-distant past.

M G Warriar Mumbai

Didi for democracy

West Bengal Chief Minister Mamata Banerjee is in the news these days after she escalated her street fight against the Centre and the Central Bureau of Investigation (CBI) by vowing to continue her satyagraha till February 8 to save the country and its Constitution. It is true that Banerjee's anti-Centre protest has caused a tsunami all over the country and many parties from the Opposition have announced their support for her. It will be not wrong to say that Banerjee is fuelling her prime ministerial ambition by pitting herself directly against Prime Minister Narendra Modi. She and other leaders from her party have often attacked the Centre on the floor of Parliament and even outside. I hope that her protest will free the country of all anti-democratic elements.

FR Murad Kolkata

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HAMBONE



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Infrastructure woes

Redistributive schemes take their toll on allocation

The first National Democratic Alliance government, under Atal Bihari Vajpayee, gave infrastructure development priority and treated it as the most important engine of economic growth and job creation in the country. Under Prime Minister Narendra Modi too this focus has stayed, as reflected in allocations in the last four Budgets. In this year's interim Budget, however, the central focus was on reaching out to the disadvantaged sections of society. To a great extent, the government's Budget priorities mirrored the electoral pressures as well as the populist tone across political parties in the run-up to the elections. That is why the focus was on the direct income support for small and marginal farmers, the pension scheme for unorganised sector workers, and the income tax rebate to those earning up to ₹5 lakh annually. On the whole, it appears the government has had to rationalise its resources and cut its budgetary allocations to infrastructure development in order to accommodate the additional expenditure on account of schemes such as PM-KISAN and income tax rebate.

That does not mean that Finance Minister Piyush Goyal did not showcase what all have been achieved by the government in the past five years. In particular, he singled out the success of the UDAN (Ude Desh ka Aam Nagrik) scheme, which has resulted in the number of operational airports crossing 100. As a result, domestic passenger traffic has doubled during the last five years. He also pointed out the success of the Indian Railways in safety. A big aspect of that success story is the fact that all unmanned level crossings on the broad gauge network have been eliminated. These changes have meant fast connectivity to those parts of the country that were difficult to access in the past. For example, Arunachal Pradesh is now on the air map and states such as Meghalaya and Mizoram now figure on India's rail map for the first time. Another first was the movement of the first freight container from Kolkata to Varanasi, using inland waterways. On the roads and railways front, too, there is much to cheer when one looks back. With 27 km of highways being built each day (the pace has increased in recent months), India is the fastest highway developer in the world.

Despite these successes, the interim Budget has been disappointing on this front; it's clear politically guided redistributive schemes have taken their toll on this sector's allocation. As such, even though the railways has received its highest ever capital expenditure (capex) of ₹1.58 trillion, including an all-time high budgetary support of ₹64,587 crore, the road and aviation sectors were not that lucky. For instance, the government has reduced its budgetary support to the National Highways Authority of India (NHAI) by over ₹631 crore. As a result, the NHAI would have to now gear up for higher fundraising through borrowing and monetising road assets. Similarly, budgetary support for Sagarmala, the flagship scheme for reducing logistic costs along the coastal areas, is down to ₹550 crore in FY20 after the government could spend only ₹381 crore in FY19 despite a Budget allocation of ₹600 crore.

Defusing a crisis

SC intervenes in an unnecessary stand-off in Kolkata

The Supreme Court of India deserves accolades for having steered clear of the political minefield while adjudicating the dispute between the West Bengal government and the Central Bureau of Investigation (CBI) over the latter's investigation of the Saradha and Rose Valley scams. In a carefully non-partisan manner, the apex court told the CBI it could not arrest Kolkata Police Commissioner Rajeev Kumar, but also directed him to appear before the CBI at a neutral venue such as Shillong. The CBI also filed a contempt petition against the chief secretary in West Bengal and the director general of police, and the Court asked those officials to furnish their replies later this month. One indication of the Court's even-handedness is that both sides have claimed victory. West Bengal Chief Minister Mamata Banerjee said this had vindicated the government's stand against intimidation and that Mr Kumar had always been willing to meet the CBI in a mutually agreed location; the Bharatiya Janata Party (BJP) has focused on the Court's direction to Mr Kumar to meet the CBI.

The facts of the Saradha or Rose Valley cases are not the main issue here. The question is why issues have come to such a pass that a near-constitutional crisis has been precipitated. Both the BJP and Ms Banerjee's Trinamool Congress are guilty of having politicians accused of close ties to the disgraced chit fund promoters, so there is nothing much to choose between them on this issue. But the ugliness of the scenes in Kolkata this week is a sign of the dangers of political brinkmanship. The Centre — few would buy the argument that the CBI was acting on its own entirely — should not have sent so many officers on a "secret mission" to Mr Kumar's residence. The local police should have treated the CBI with greater respect. And on no account should the Central Reserve Police Force have left its barracks without the permission of the state government. Thus, a series of errors and escalations on all sides led to an unfortunate, high-stakes confrontation, which the Supreme Court was forced to defuse. Both Ms Banerjee and the Centre should adopt a more hands-off approach and let the investigators do their job. The CBI should not be used as a political football.

It is clear that the police chief should make himself available for legitimate questioning by the CBI, that the CBI should operate with greater sensitivity to the expectations of local police forces, and that the Union government should stop politicising an incident with unfortunate connotations for the federal character of India. Ms Banerjee must also revise her illiberal, take-no-prisoners political style. The West Bengal government's refusal to let Uttar Pradesh Chief Minister Yogi Adityanath use his chopper in the state is not just petty. Since it comes in the run-up to an election campaign, it is a blatant and obvious misuse of power. There should be no double standards when it comes to upholding the basic parameters of a federal democracy such as India.

ILLUSTRATION BY BINAY SINHA



India's employment: The true picture

Results from the Periodic Labour Force Survey are not comparable with the previous Employment-Unemployment Surveys

A sound policy framework requires the support of robust institutions that collect and transmit good data regularly. I am a great believer in robust data being essential in diagnosing the right problem to target and to devise smart solutions for it. In the context of the ongoing debate on India's employment scenario, we need to make efforts to improve the availability of quality data so that a narrative driven debate can be resolved through objective evidence. Currently, there are three contesting narratives. The first narrative is of jobless growth, which implies that India is creating insufficient jobs. The second is opposite to first and advocates that there is no issue of employment. The third, which I believe to be true, is between the first two suggesting that though there is sufficient employment, the true challenge is to create well-paying quality jobs. Unfortunately, the leak of data from the first year of the two-year Pilot Periodic Labour Force Survey (PLFS) conducted by the National Sample Survey Office (NSSO), before it could be fully verified, and subsequent media reports jumping to conclusions based on incomplete and half-baked data, have added confusion and misdirection to the prevalent situation rather than helping.

Being a member of the National Statistical Commission (NSC), it is my prerogative to bring the facts into public domain. The report had neither been made available nor circulated to me for approval. The report was made available after I demanded it post the data leak controversy. The report does not have my approval. In fact, the meeting held on December 5 to finalise the report was attended only by Acting Chairman P C Mohanan. Even, Ms J V Meenakshi was not present in the meeting. As a standard practice, with this being the first of its kind exercise, the process of official data release should pass the most stringent scrutiny and careful verification and should definitely be subjected to peer review.

An impression has been created that the findings of the PLFS show a large jump in India's unemployment compared to the previous Employment-

Unemployment Surveys (EUS), which was last concluded in 2011-12. This is erroneous since the previous surveys and the new PLFS cannot be so easily compared. The PLFS is a two-year pilot started in July 2017, which includes a quarterly urban and an annual rural survey. The objective is to have more frequent data on labour market and hence it departed from the previous EUS exercise, which happened once every five years. Amongst other things, the PLFS has updated the sampling techniques used, a different sampling frame using 2011 Census, and adopted new data collection methods.

Let me show you how this conclusion of job loss based on comparison with 2011-12 survey data is faulty. Besides employment data, the survey also presents the basic demographic data such as an estimate of total population in the country. The PLFS estimates India's total population in 2017-18 to be lower than the EUS 2011-12. If we were to accept all such comparisons at face value, we should also be having the headline that "India's population declines in the last 6 years". There is no apparent reason for population estimates to decline in six years if one considers that the methodology and coverage of the two surveys were same and that over the previous EUS surveys (2004-05, 2009-10 and 2011-12), the estimated population showed a growing trend largely in line with the country's official population growth rate. Another strange trend is the rate of urbanisation, which seems to have nearly stalled during 2011-12 to 2017-18. This is at odds with what we know about growth in Indian cities from numerous credible sources — all of which point that India is fast urbanising. India's rapid urbanisation has been confirmed even by NASA's satellite imaginary of nightlights. Shall we also believe that India's urbanisation has stalled despite what empirical and anecdotal evidence shows us?

In the current debate, many argue that employment generation is happening at a slower pace than workforce growth. However, comparison of the PLFS with the 2011-12 survey suggests that even the absolute



AMITABH KANT

Romancing Brexit, then and now

Brexit Romance, a recent novel by Clémentine Beauvais, was set up in July 2017, exactly a year after the Britons voted for Brexit — the most discussed referendum in modern history. Indeed, the islanders have been romancing the idea of divorcing Europe for quite some time, even before the marriage. Britain had joined the European Economic Community (EEC) in 1973, and immediately took a referendum on it in 1975. Nearly two-third of the people opined in favour of continuing with the EEC, so did the main political parties and the press. The EEC changed the name to European Union (EU) in 1993. So, this 1975 referendum was nothing but the first Brexit referendum, although people grossly miss its reference. Certainly, the much-discussed June 2016 referendum is the second one in this context.

Even before Britain joined the 'Common Market' of Europe, British author Daphne du Maurier had written her novel *Rule Britannia* in 1972, where she described that after joining the 'Common Market' Britain had taken a fictional referendum. And this resulted in Britain breaking out from the 'Common Market'.

Thus, it is safe to imagine that Britain had the desire to withdraw herself from the EU since the very beginning, possibly more than any other member state. I always wonder why Britain had so much desire to break the tie with Europe. Several researchers had projected grossly negative economic impacts of the possible break-up — on agriculture, trade, industries, job market, educational institutions — even before June 2016, yet the British romanticism with the idea of Brexit continued. Is that associated with the island's geographical isolation? Does Britain have a different kind of national prejudice? Is it somewhat associated with

their heritage of setting up colonies worldwide? Or were they afraid of so many immigrants from former colonies and also from Eastern Europe?

However, romancing the idea of Brexit is quite different from 'Brexit Romance', as depicted by Clémentine Beauvais in her novel. This is purely a post-referendum syndrome. In the sweet-bitter-sweet novel, a canny entrepreneur set up a secret start-up — the eponymous *Brexit Romance* — to arrange Anglo-French marriages, to match young Europhilic Brits to generous-minded French people. The objective was to obtain dual nationality, French and English, if the couple stay married for five years, and to get back the European citizenship for the Brit in the process. Beauvais draws a realistic and terribly accurate portrait of today's youth — their willingness to trade off political concern with romantic relationships in the backdrop of an unprecedented socio-economic and cultural crisis — and a complex political climate of the UK and Europe, where marriage was seen not as a pact of love, but a contract of interest between two people sharing the same convictions. However, is a European passport so lucrative in the post-referendum Britain? Is the impact of Brexit so severe to the island? Yes, Beauvais believes so. So do many others. For example, Irish citizenship is open to Britons having Irish parents or grandparents, and there is a 22 per cent increase in the number of Britons applying for Irish passport in 2018. And requests for German citizenship from more than 3,380 British Jews have been received by the German Embassy in London since the Brexit referendum in June 2016 until January 2019, whereas only around 20 such requests were made annually in the years before Brexit.

Certainly, Brexit referendum had tremendous social and political impact — Britain has already experienced

number of people employed in the country has been declining at the rate of two million every year since 2011-12. This is completely at odds with any other socio-economic data available. For instance, India's real gross domestic product (GDP) has grown by 50 per cent during this period. Economic growth has come about with expansion in every sector — from infrastructure to housing, transport to healthcare and from professional services to retail. It is inconceivable that such growth could happen concurrently with shrinking number of employed workforce, which would strictly imply that productivity and capital accumulation is driving whole of India's growth. Independent report by Brookings concluded that number of people living in extreme poverty in India has reduced from 268 million in 2011 to less than 50 million. It would be difficult to explain how such rapid reduction can happen if unemployment is also rising rapidly. Finally, the massive jump in unemployment seems to also contradict with another finding in the same PLFS — growing earnings and wages across different employment types. If the labour market conditions were as poor as the unemployment rate suggests, then the economic logic would expect falling or at least stagnant wages. But they aren't. For example, the earnings/wages of rural women, for which unemployment rate is particularly high, have grown consistently in each quarter starting July-September 2017 and reached growth of 13 per cent and 8 per cent respectively by the last quarter.

It is overwhelmingly clear that the results from the PLFS are not comparable with the previous EUS, and the PLFS should be used strictly for measuring the changes from the baseline in 2017-18. We have seen this before also — doing surveys in India has always been tricky with small changes in methodology producing unexpected results. The PLFS also highlights fall in labour force participation rate. Even if true, it does not mention that it could be a result of other factors such as increase in attendance in school and higher education.

The problem lies with the methodology. The sample size was too small when technology could have facilitated responses from higher number of households. In rural areas, the number of households surveyed were a mere 55,000. This has to be seen in the context of 160 million households in the country. The percentage works out to be 0.03 per cent — about three households for every 10,000. Even in household selection, 75 per cent weightage was given to households who have higher number of 10th pass members above 15 years. In the present scenario there is huge probability of continuing education for above 15 years. Most people in 15-18 group would be continuing education. Those still studying would respond in a manner that they are looking for employment. The sample size is so small that sensitivity of the data will be very high. In urban households one household giving wrong answer in each area will show labour force participation rate number in the range of 25 per cent. There is no source of validation with real time data. The surveyors used were from outsource agency — not necessarily the right person for such interaction. Though these surveyors were provided with a tablet for recording data, they were not given SIM and data connectivity. Even locations were not captured. I am amazed that in today's world real time data and technology was not utilised.

[End of part 1. The second and concluding part of this article will appear on Thursday.] The writer is CEO of NITI Aayog. Views expressed are personal.



ATANU BISWAS

Why JLF is forever young



PAGE DOWN

MIHIR S SHARMA

It rained one day during the Jaipur Literature Festival. I expected the worst; I expected rain-soaked lawns, an empty venue, drenched writers and ruined books. But nothing of the sort happened. Thousands braved the rain to stand —

writers that they had perhaps never heard of earlier. Everything ran on time, no venues were evacuated — in spite of the fact that almost all of them are in shamianas — and the books were safe.

The contrast from a similar rainy day almost a decade ago was stark. The books tent had flooded, talks were shifted around — and it was, I agree, intimate and charming, and I was impressed by how the volunteers reacted. Even so, the difference brought home to me how much JLF has changed over the past years, into an event organised with such precision that even unseasonable rain no longer discommodates it.

There is a ritual to going to Jaipur: the opening dinner at the Rambagh Palace, a little awkward as people try to figure out who is there that year and who isn't; the presence of the political power of the

moment in Rajasthan on the first day, delivering a speech or on a panel; the concert at the spectacular Amer Fort, blazing out into the night; and, of course, the inevitable dry day that you can't avoid in late January, either Netaji's birthday or Republic Day. And in the middle of all this, a blur of panels, some with old favourites — Simon Sebag Montefiore always gets a full house, as he did this time for a blood-soaked talk about the Romanovs — and some featuring entirely new breakout stars, such as the Australian YA author Markus Zusak.

For me, however, the highlight of each year's JLF is always one of the less-heralded and unexpected sessions. Frequently these feature writers from a tradition or a country relatively unfamiliar to me; or perhaps a historian who is a leading light in his field but is not a household name. This

year, my favourite session was one that wasn't even on the programme, featuring the librarian of Corpus Christi College, Cambridge. Christopher de Hamel has written a book — which I have now ordered — called *Meetings with Remarkable Manuscripts* in which he tries to distill the experience of walking into a library, being given an early medieval manuscript, and turning the pages (without gloves on, which he says is important). His presentation was fascinating and very funny; and he was visibly delighted with the quality of the questions from the audience, including one about the 15th-century Voynich Manuscript in the Yale University library, which is written in some sort of unknown script and inspired Lev Grossman's *Codex*.

It is hard to be a cynic at JLF. I mean you can try, but it doesn't seem worth it. It feels so young. Yes, there are lots of young people drinking tea and sunning themselves on the lawns and apparently uninterested in the actual sessions. But, equally, there are thousands of young people

who do crowd into sessions that you would think are quite distant from anything that they might be interested in. There they were in a session about the troubled border between Bulgaria, Greece and Turkey, and about the communities divided and united by those lines on a map; or in a session about biography writing, the highlight of which was a startling story from a biographer of Ernest Hemingway about the "ritual" that eccentric writer planned to conduct in that bit of northern Italy in which he had been shot during the Great War. (Google it or better still buy Andrea de Robilant's book.) Perhaps most warming, however, was the quiet and fascinated crowd as Audrey Truschke, Parvati Sharma, Ira Mukhoty and Rana Safvi discussed the Mughals. It wasn't just that it was an all-female panel, and that most people probably didn't notice — the ultimate defeat of tokenism, I'd say — but also that it was a reminder that, even in an age of fake history and hateful Whatsapp forwards, there is a place for and an interest in

the work of real historians.

JLF is, yes, more polished and professional than it was in its earlier years. After a few years in which there was always some headline or another that emerged from it, it has managed successfully to avoid controversy. Even the troubles of its sponsors no longer seem to hang over its head — after all, this year the main sponsor was Zee and while the festival was on stories were appearing about its corporate troubles and its shares tanked. Who sponsors it rarely matters; on stage at the final debate was Kapil Sibal, complaining that his own new television channel was being denied satellite slots by the powers that be. (Harvest TV is now up and running, and quite watchable.)

Yet, even if JLF has now emerged from tempestuous adolescence into comfortable adulthood, it still manages to have a youthful enthusiasm about it. Or perhaps that's just what it inspires in people like me, who spend most of the rest of the year being crabby. Either way, it's an achievement.

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