The American media diary

Why local news rocks and other observations from the mecca of the global media and entertainment industry

MEDIASCOPE

VANITA KOHLI-KHANDEKAR

Early on Monday morning, we got back from a three week holiday to the United States of America. Here are three observations from my first ever trip to the world's largest media and entertainment market and the industry with the biggest global footprint.

One, local news dominates. Sure local newspapers are dying and there is phenomenal stress on national ones too. But switch on the television and irrespective of the city you are in, the options for local news are huge. On news channels in Niagara, the news was all about Niagara, the little town that houses the falls. Move a little further to Buffalo and that town dominates. Go to Chicago, Houston or New York and the leading story could be a local accident, a weird fight between two women in the local mall or even the weather that determines each day for the working American. This is peppered with news on scientific discoveries, research, holiday tips by reporters in a city or a suburb who are part of that community.

Of course, there is political news but it is not the only thing and there are none of those ten-window discussions pretending to be news. Given the stressed, unprofitable and overcrowded news television industry in India, can a few channels try this simple trick of reporting pure news, at a very local level? You could argue that India has 400 news channels, scores of them very local. For example: Andhra Pradesh or Kerala have several Telugu or Malayalam channels. However, local in India is more about local languages, a bit of regional news and most of it political. Maybe exploring the possibilities of news other than political could be a first step — it is rare for Indian news channels to talk about research, science, or even interesting local developments at length.

Two, marketing and advertising of anything in the US is at another level. We flew United Airlines throughout the trip and as luck would have it, it had a tie up with the about-to-be-released *Spider-Man: Far from Home*. From the napkins on the flight to mini-trailers of the film on our in-flight screens to the posters at airports among scores of other things, there is no way anybody could have not remembered that *Spider-Man: Far from Home* is releasing on July 2 and that United has a role to play in the film. Of the half a dozen cities that we visited, every single one had some stuff around Spider-Man. Not just Spider-Man, the local realtor, lawyer, medical centre were all big advertisers, on posters, on TV channels or even on the screen inside taxis. In India, not all brands manage to break through the way even small local businesses in the US do. Maybe it is something to do with the way media is planned or with how strong local media — especially outdoor — is in many of these cities.

Three, Americans, to my surprise, are more polite and friendly than Europeans. Every one of the people we spoke to or asked for help, responded, some beyond the call of duty. But what struck me again and again was the feeling that everyone was talking as if they are working in a film, their deep voices and accent was straight out of a Hollywood film. That is when I realised that Hollywood films may make two-thirds of their money outside of America, but they are largely based in America, with American actors and their voices. And for decades a large part of my exposure to America has been through hundreds of Hollywood films. The accents and styles of real Americans are a part of their films. What I was hearing and seeing was reality. Art had imitated life so much that real life seemed like art to me.

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Labour reforms: NDA has its work cut out

The reforms hold the key to India's low-growth, high-unemployment paradigm but the government may struggle to push them through this time as well

SOMESH JHA

Now that the government has officially acknowledged that unemployment is at an all-time high of 6.1 per cent and the National Statistical Office has shown that Gross Domestic Product has hit a five-year low, minds in the new government have been concentrated on labour reforms as the first step on the road to economic revival.

This will mark Prime Minister Narendra Modi's second attempt at reorienting labour policies to augment workers' rights as well as giving more flexibility to businesses in hiring labour for their factories.

The government has already swung into action with Home Minister Amit Shah chairing a meeting on labour reforms last Tuesday with his Cabinet colleagues, including Labour and Employment Minister Santosh Gangwar, Finance Minister Nirmala Sitharaman and Commerce and Industries Minister Piyush Goyal.

TAKE TWO

Soon after the meet, the labour and employment ministry already moved two set of laws – one on social security and the other related to occupation safety health and working conditions – for seeking comments from other ministries.

Flexibility in the hire-and-fire policy has been a key demand of trade and industry for at least two decades, but no government has been able to deliver meaningful change. Thanks to a law set in place under Indira Gandhi, factories with more than 100 workers need to seek permission from the government to retrench workers or close their units. In 2001, Yashwant Sinha, as finance minister in the Atal Bihari Vajpayee government, had tried to introduce a small relaxation by raising the cut-off to 1,000 workers. Fierce resistance from unions, not least the Bharatiya Janata Party-affiliated Bharatiya Mazdoor Sangh (BMS), ruled that out.

This law is a big hurdle in the way of large establishments wanting to increase their workforce. In its present tenure, the government has decided not to give priority to the changes it had proposed during its previous tenure to ease retrenchment norms and toughen flash strikes by unions.

The government would do good by easing labour law compliance norms overall for the industry. There are 35 labour laws in the country at present.

The compliance complexity is such that most establishments remain small to get round labour law compliance, which demands heavy paperwork and inspections: 98.34 per cent of establishments employed less than 10 workers, according to the Sixth Economic Census 2013-14.

Most establishments need to pass some type of social security benefit to workers — either in the form of insurance, provident fund or gratuity — the moment they hire 10 or more workers. This is seen as a burden by industries.

This enforced miniaturisation impacts productivity and the kind of scale that India needs to compete efficiently in world markets, and partly explains why exporters struggle.

"Garment factories in Bangladesh and mobile phone manufacturing units in China employ thousands of workers but in India, there are small and fragmented factories mainly due to stringent labour laws," said Pradeep Bhargava, president of the Mahratta Chamber of Commerce, Industries and Agriculture. Labour-intensive manufacturing units would prove a silver bullet of sorts to the low growth and high unemployment paradigm that currently assails the Indian economy. So how can the Modi government sort out these issues in its second term? First, a look at its labour reform proposals it had set out in its first term.

LABOURING FOR REFORM

Key points of CII's 100-day memorandum

- Codification of labour laws
- Labour inspection and documentation process should be simplified and standardised
- Fixed-term employment should be implemented at the state-level for allowing flexibility
- Government should desist from fixing a national floor for minimum wages and give the power to the states
- Provide child care subsidies to enhance female labour force participation rate under Maternity Benefit (Amendment) Act, 2017

After assuming power in 2014 with a full majority of its own, the BJP-led NDA government started an ambitious process of reforming labour laws in the form of codes aimed at making the framework less cumbersome with a variety of alterations. It had planned four codes each for industrial relations, wages, social security and welfare, and occupational safety, health and working conditions. To this end, 35 central labour laws were to be converted into four codes that would have had the virtue of streamlining labour relations. But none of the proposed code Bills could be converted into a law principally because neither trade unions nor industry representatives came on board. The unions had raised the most objections to the codes on industrial relations and social security.

And some industry representatives feel that four codes amounted to three too many.

"We need a single code for labour laws instead of four codes. Why should there be a multiplicity of definitions and authorities? It helps no one and is a major hurdle for the industry. A universal enterprise number should also be pushed which can be linked to the Goods and Services Tax (GST) instead of an establishment obtaining multiple set of numbers from authorities," said Manish Sabharwal, chairman of Teamlease Services, a recruitment and online jobs portal.

Sabharwal added that the government should also make the Employees' Provident Fund scheme, currently compulsory for all non-contractual employees, an optional benefit, reducing costs for employees and increasing in-hand salaries for employees by doing away with compulsory savings. Those employees who prefer some sort of long-term saving should be given the option to choose between the EPF and the National Pension Scheme, he added.

These suggestions, too, have been in the air for at least five years, but with the government announcing a fresh initiative, the Confederation of Indian Industries (CII) held a series of internal meetings to discuss the immediate changes required in the labour law framework. Those discussions have been distilled into a 100-day memorandum, which it submitted to the labour and employment ministry recently.

In fact, to lessen the cost burden on employers, the government last week decided to reduce the total rate of contribution towards the Employees' State Insurance scheme from 6.5 per cent to 4 per cent for the first time in over two decades. This is expected to give an annual relief to the tune of ₹8,000 crore-₹9,000 crore to employers who have to make a contribution for employees earning below ₹21,000 a month towards insurance.

Other key demand of the industry is standardising the process for factory inspections. Though the government took steps to ease compliance related to labour laws, industries still need to maintain five registers (from 56 previously) under nine central labour laws and rules and have to maintain 12 forms (instead of 36 earlier) for three central Acts. Despite the NDA government's move to do away with manual inspection at the central level, industry is still grappling with this issue.

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CHINESE WHISPERS

Slogan war

The oath taking ceremony of new Lok Sabha members turned into a spectacle on Tuesday. If Bharatiya Janata Party members raised slogans of *Jai Sri Ram* and *Bharat Mata ki Jai* either at the start or the end of their oaths, some from the Bahujan Samaj Party ended their oaths with *Jai Bhim* and *Jai Samajwad*. The Lok Sabha saw a verbal duel between the BJP and the Trinamool Congress MPs from West Bengal. After several BJP MPs concluded their oaths with *Jai Sri Ram*, Trinamool Congress (TMC) MPs raised the slogan *Jai Bengal*, *Jai Maa Durga*, *Jai Hind* and even Mamata Banerjee *zindabad*. Kalyan Banerjee of the TMC recited the *Durga Path* after concluding his oath while his party colleague Abu Taher Khan began his oath with *Bismillah*, *ar-Rahman*, *ar-Rahim* and ended with *Allahu Akbar*. After BJP members chanted *Jai Sri Ram* when Mamata Banerjee's nephew Abhishek Banerjee's name was called for oath, he said even Modi*ji* was not so popular in the House.

Didi's medicine

West Bengal Chief Minister Mamata Banerjee *(pictured)* was benevolence personified during the protracted meeting that ended the government-doctor stalemate in the state on Tuesday. Even before the meeting started, Banerjee held out an olive branch for the doctors by sending out word that she had agreed to their rather brash demand for live broadcast of the meeting. As the meeting got underway the doctors clapped when "*Didi*" promised stern action if their security was compromised and finally gave in when she asked them to make a "*mishti kore* (sweet)" promise to withdraw the strike. The formal withdrawal of the strike came about three hours after the meeting ended at 5.40pm.

Slipping on water

The ruling All India Anna Dravida Munnetra Kazhagam in Tamil Nadu had its foot-in-the-mouth moment earlier this week when SP Velumani, Minister for Municipal Administration, Rural Development and Implementation of Special Programme, rubbished news reports on the water shortage in the state saying they were "manufactured". That statement came even as the state government announced it would set up a monitoring committee to look into the water supply related issue. Velumani later backtracked and said he had chaired a review meeting with senior government officials to determine the steps needed to address the water crisis in the state.

INSIGHT

How India must fight the battle against piracy

MEGHA PATNAIK

The release of the 2019 status report on IPR infringement by the European Union Intellectual Property Office (EUIPO) brings to light the disturbing fact that there are no methodical estimates of piracy in India. The music and film industries in India have massive domestic as well as global presence, generating revenues of about ₹10.7 billion and ₹175 billion respectively in 2018. Internet network coverage and speed along with mobile ownership has grown exponentially, allowing for both legal and illegal content to be accessed more easily. However, calculations of losses through piracy remain rudimentary.

The EUIPO together with the OECD have used global customs data to estimate the losses due to counterfeiting. For digital piracy, they "follow the money", using information from advertisements on piracy sites to calculate revenue losses. Their consumer survey results show that 10 per cent of respondents had intentionally accessed, downloaded or streamed content from illegal sources in the last year and another 24 per cent respondents were unsure whether the content they were viewing or downloading was through legal means.

A Global Online Piracy (GOP) study conducted across 13 countries in 2018 by the Institute for Information Law (IViR), estimates piracy through understanding moral attitudes of consumers. Respondents answer whether they would engage in jaywalking or flash photography in museums and this is used to estimate substitution, which they aggregate to about 4 per cent average loss. Furthermore, a survey helps elicit qualitative information on the drivers of piracy, with the IViR finding key drivers to be price, followed by quality of sound and vision, non-availability through legal sources and the ease of use.

The latest estimates for piracy in India are approximately ₹1.50 billion in the music industry and ₹190 billion in the movie industry, as quoted in reports by the IMI and FICCI. However these are primarily derived from "industry discussions", where there are incentives to overestimate losses. These numbers outdo estimates from other countries by orders of magnitude. Piracy rates from the EIPO-OECD studies or the global IViR study are in the range of 3-5 per cent, while in India the lowest piracy figures are quoted as 50-60 per cent, and losses in the digital sector are given to be 99 per cent.

Facilitate users' access to content at affordable prices while ensuring that producers are able to earn from their investments in developing high quality content. Only then can we hope to curb piracy

Without understanding either the losses due to piracy or the causes behind them, India is driving blind. In addition to the methodology and factors developed in other countries and settings, we need to take into account several aspects that are unique to India. The first is our massive music and movie industry, with a presence across the world among our large diaspora as well as a global viewership. The current distribution networks do not provide legal access to all the regional language content a user is willing to pay for, resulting in sizeable cross-border losses.

The domestic market picture is more complex. There are severe financial constraints among households in India, and affordability and pricing plans are key. Similar to FMCG companies selling by the sachet, distributors may find that smaller installments are more affordable to Indian consumers due to cash constraints. The provision of cheap and easily accessible legal content through streaming services may lead consumers away from piracy. Payments remain a barrier for online services, which require card payments for subscriptions. Technological advancements in payment systems facilitated by industry stakeholders may help in this regard.

In a population where literacy is a limitation, financial and legal literacy remain barriers too. Consumers may have trouble understanding pricing plans of streaming content, or understanding the laws and regulations surrounding viewing and sharing pirated content, either locally or at a commercial level. Socio-cultural aspects surrounding movie viewing as well as live events, and a long history of public broadcasting in India may affect the willingness of consumers to pay for quality content.

A deeper problem that affects piracy is legal. The legislative response to tackle infringement has largely been to push for harsher penalties, without necessarily distinguishing between the kinds of piracy that can occur (for personal consumption versus on a commercial scale, for example). Although the power to legislate on copyright rests with the Centre, some states have included piracy in statutes dealing with other issues related to public order, which is a state subject. Piracy is punishable under the Goondas Act and similar legislations in a few states, which were introduced to deal with drug trafficking, sex trafficking, physical violence and the like. The penalties provided for under these statutes include preventive detention, which is a disproportionate response to piracy, which is a civil wrong. There is also a lack of uniformity in the judicial response to piracy, with different high courts responding differently to cases involving infringement, and a broader problem of weak enforcement of laws by courts and the police due to resource constraints.

Consumer surveys based in India provide some information on the drivers of piracy but have not been used to impute aggregate losses. In the IMI Digital Music study in 2018 survey, many users stated that downloading for free through piracy stops them paying for streaming: 38 per cent of respondents said they prefer downloading music for free, and 32 per cent say they can download whatever they want for free. A 2016 report on the film exhibition sector by Nirmal Bang found similar trends, with 52.2 per cent of the respondents opting out of watching movies in multiplexes if the price of the ticket increases by 5-10 per cent.

A concerted effort can only occur if the government allocates resources towards estimating and understanding piracy. Building on the methodologies of the OECD and the EUIPO using customs and website data, and the consumer survey in the GOP study by the IViR is the first step. Understanding the context for India would be next, including the role of law enforcement, literacy, payment systems and financial constraints, and socio-cultural factors. Only then can we curb piracy — facilitate users' access to content at affordable prices, while ensuring that the producers are able to earn from their investments in developing high quality content.

The author is faculty at ISI Delhi and a fellow at the Esya Centre. Views are personal

LETTERS

Common man suffers

After the Lok Sabha election, we have heard and read a lot about what the government must do. But no one, least of all the government, seems to worry about things that will make the life of an individual easier. Please don't tell me there are consumer courts and other courts – we all know how they function. Builders, banks, insurance companies, airlines, telecom companies, are all milking the consumer with one-sided laws and facilities.

Take a bank. It is quick to deduct a penalty for not maintaining a minimum balance. But what does the customer get when the ATM does not have cash or does not have cash? What can he do if his credit card bill does not reach him on time? Every time you fill a form for a new facility, the bank wants PAN even if you have already given it when the account was opened. Why this multiple demand for identity proof?

Insurance companies are very eager to sign you up but make a claim, and all sorts of questions are raised to deny or delay payments. Why can't it be mandated that the insurers must do their due diligence before writing a policy and no questions are asked thereafter?

Airlines are quick to charge for excess baggage and even deboard you if they have over-booked or you reach late, but what do we get if flights are delayed or cancelled? And why do the "free and fair" media not take this up? Is it because they get advertisement revenue and hence are part of the organised establishment mafia?

T R Ramaswami Mumbai

Give free hand to lenders

This refers to "The three Rs of public sector banking" (June 17). Though the Insolvency and Bankruptcy Code (IBC) has helped reduce the level of stressed assets of public sector banks, the government has to execute further reforms to ensure the IBC and judicial system speed up resolution and recovery of the non-performing assets (NPAs).

While banks, especially the state-owned ones, are engaged in driving social development too, they should be manifold in lending. Asset creation in some of the segments of the economy alone will not propel growth holistically, but pave the way for the rise of defaults. Lenders must lend to all segments to augment capital formation. They should not restrict lending for fear of defaults. NPAs are bound to happen. How to minimise or control the birth of NPAs is the foremost task of the lenders. The decision to create an asset must be a thorough process. Risk is an integral part of the economic activity and lendders can't escape risk. Managing risk to minimise its effects is crucial.

The consolidation of banks won't be of much help in bringing down the NPAs. The government must give a free hand to lenders in decision making.

VSK Pillai Kochi

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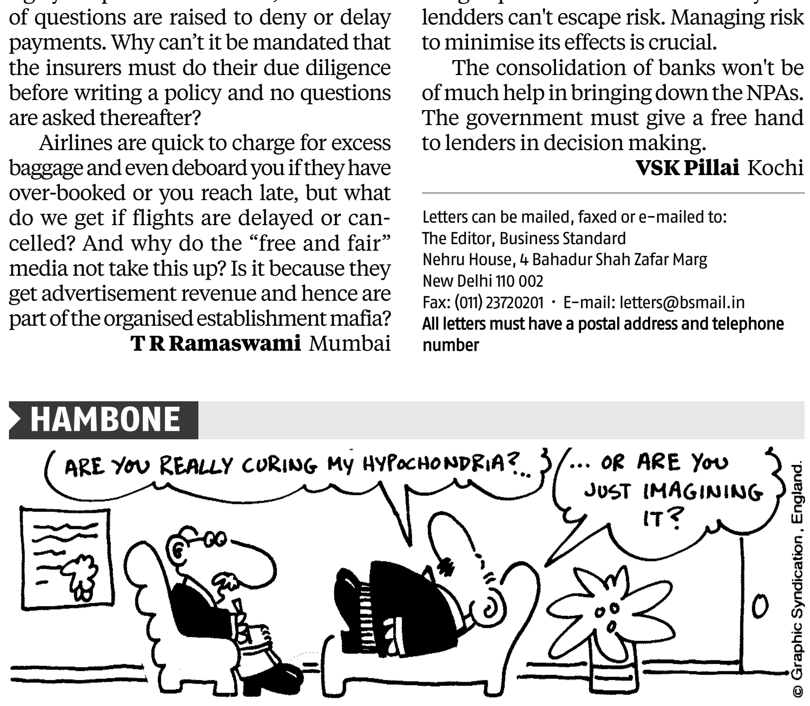
HAMBONE



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Let's get real

Futile to speak of $5trn economy without preparatory work

Speaking at the fifth meeting of the Governing Council of the NITI Aayog, Prime Minister Narendra Modi said that the government's goal was to make India a "$5 trillion economy" by 2024, the end of his second term as prime minister. This goal, he admitted, was "challenging, but achievable" if state governments contributed to the effort. This is not the first time that Mr Modi or senior officials and ministers have spoken of this target in this time frame. However, repetition of the goal does not make it any more likely. India's GDP is currently about $2.71 trillion. What is needed is an 85 per cent increase in output over the next six years, which compares to a 47 per cent increase over the last six. Getting to $5 trillion in six years would require a compound annual growth rate of 11 per cent in nominal dollars. For the next couple of years, even eight per cent growth looks difficult.

It is good to aim high, and to have stretch targets. But this process should not be taken to the point where it becomes counter-productive, or where the set targets will essentially be unachievable. Other such targets have been spoken of in the past — for example, the goal of doubling farmer income by 2022, which the prime minister reiterated in his speech to NITI Aayog. In any case, what is needed is to focus on the immediate goal of taking the economy out of its current slump, and in the medium term to push it to sustained growth of above eight per cent a year. Double-digit growth has been talked of before, but did not happen. Even today, such ambitions should be reserved for later. Acceleration will come in phases.

There is considerable preparatory work required in order to super-charge growth. For one, the financial system continues to suffer, the woes of public sector banks being added to by the new troubles of the non-banking financial sector. The problem of who will pay for the infrastructure build-out is also unresolved. NBFCs cannot do it, as the IL&FS fiasco shows. Public-private partnership models have their own problems, and the government cannot find the resources to increase infrastructure funding forever. Depressed corporate earnings and over-capacity in the private sector are weighing on the economy as well. Flexibility of land and labour markets is long overdue. India also has a dysfunctional power sector, with the utilisation of installed generation capacity at just over 50 per cent, even as large parts of the country go without power. In general, the quality and productivity of the country's physical infrastructure does not stand comparison with the economies of East Asia. Finally, sustained double-digit growth requires growing exports and a healthy, educated and productive workforce. These have not been priorities so far and need a lot of spadework. Once steps have been taken on these and other fronts, it will be time to start talking about double-digit growth.

Pakistan's isolation

PM's focus on its terror network is paying off

The Shanghai Cooperation Organisation (SCO) Summit in the Kyrgyz capital of Bishkek reflected the gains of Prime Minister Narendra Modi's sustained campaign against Pakistani sponsorship of terrorism. For the first time, the declaration from the SCO's Heads of States Council contained an explicit reference condemning terrorism "in all its forms and manifestations" and urged member states to work towards a consensus on adopting a Comprehensive Convention on International Terrorism. Given that Pakistan is a member of this grouping, which is headed by its principal sponsor, China, the declaration marks a significant achievement for Mr Modi. Affirmation of sorts was, in fact, available last month when the United Nations overcame long-standing opposition from China and passed a resolution designating Jaish-e-Mohammad's founder Masood Azhar a global terrorist.

Since the 2016 attacks on army bases in Pakistan and Uri, Mr Modi has pivoted sharply from his strategy of personal overtures to Pakistan's then Prime Minister Nawaz Sharif and replaced it with a more nuanced and integrated approach. First, he signalled a no-tolerance policy with sharp military responses (a surgical strike in 2016 and then bombing runs across the Line of Control in Balakot), with variable results. More usefully, he tapped into the growing international disaffection with Islamic terror in general to build a global consensus against Pakistan's military-intelligence sponsorship of terrorism in Afghanistan and India. He made sure to diligently highlight Pakistan's terror record at international forums. He has also consistently signalled that talks would be conditional on Pakistan displaying a commitment to ending its sponsorship of terror outfits in Jammu & Kashmir, categorically declining to deal with the Pakistani-sponsored separatist group Hurriyat.

Collateral developments during the Bishkek summit underlined the rationale of this strategy. On Sunday, the Paris-based Financial Action Task Force (FATF) declared that Pakistan had failed 25 of the 27 action points for terminating funding for such groups as the Lashkar-e-Taiba and Jaish-e-Mohammad and its front organisations. The country was added to FATF's "grey" list last year, which means it has been downgraded by the International Monetary Fund, the Asian Development Bank (ADB) and global credit rating agencies. The absence of FATF compliance means that those downgrades will continue. The FATF's report substantially adds to Pakistan's economic woes since it precludes it from loans from multilateral institutions — on Monday, the ADB rebuffed the Pakistan government's announcement that it would receive a $3.4 billion loan for budgetary support. Mr Modi has also leveraged the opportunities of India's market by expanding on the long-standing strong relations with West Asian powers, especially Saudi Arabia, another major financial backer of Pakistan's non-state actors. That Aramco, the state-owned oil producer, is eyeing a tie-up for a refinery in India, is another sign of a weakening of Pakistan's ties with traditional regional allies.

Mr Modi appears to have learnt from his early mis-steps in Indo-Pak policy. He refrained from inviting Pakistani Prime Minister Imran Khan to his second swearing-in ceremony, and he sensibly bypassed Pakistani airspace, for which he had insultingly been given "in-principle approval", for his visit to Bishkek. He should also focus on handling the unrest in Jammu & Kashmir, where disaffected youth create ready-made terror recruits for Pakistan's military-intelligence complex. But for the moment, Pakistan is indubitably on the back foot.

India's adult children

Condition has improved but India needs to speed up

Globally, nearly 700 million children enter adulthood before experiencing or ending childhood. Save the Children, a not-for-profit organisation that works for children's rights, has issued its 2019 Report. It has sourced data from the World Bank, UNESCO, other United Nations offices for global population, World Health Organisation, and others. It enables a discussion of children's condition in a cross-country context[1].

The criteria to assess early end-of-childhood comprise eight indicators. They are:Under-five mortality (per 1,000 live births), malnutrition causing stunting (percentage for 0-59 months), exclusion from primary and secondary school (percentage of age five-17), child labour in adult roles (percentage of age five-17), girls married or in union, and adolescent births per 1,000 girls (both for girls aged 15-19), and displacement through conflict or victims of homicide (deaths per 100,000 among age 0-19).

PARTHASARATHI SHOME

We use eight comparable countries to assess India's performance with two questions: (a) What is the prevailing score? and (b) how much improvement in score was achieved? Table 1 begins with some good news in that, out of a maximum score of 1,000, India's 2019 reported score of 769 was higher than for Bangladesh, Nepal and Pakistan, though remaining below China, Brazil, Indonesia and Sri Lanka. Only China and Sri Lanka scored above 900.

The derivation of the score needs elaboration. Since each of the eight indicators is measured differently, it has to be "normalised" or brought down to a common denominator. Thus XN, a normalised indicator value, equals (X – L) / (H – L), where X is a country's actual value for that indicator[2], L (Worst) is the highest observed value for the indicator among all countries, and H (Best) is the lowest observed value for the indicator. The overall score for a country is calculated by summing XN for all eight indicators and dividing the sum by eight, then multiplying by 1,000 to get numbers between 0-1,000.

India's current score reflects an improvement of 137 points—from 632 to 769—during 2000-19. This improvement fell short of improvements made by Bangladesh and Nepal though that did not allow them to reach India's score. China and Sri Lanka, already with high scores, could not of course improve much, though Brazil's improvement was even smaller. Indonesia and Pakistan also made lacklustre improvements. These country scores allow an ordering of countries. For 2019, India was ranked 113 out of 176 countries.

Table 2 deconstructs the overall picture into selected indicator components. Thus, India reduced child mortality during 2015-17 as did every sample country. Yet, over a longer period 2011-18, India made no improvement in reducing severe malnourishment (stunting), while Sri Lanka and Pakistan deteriorated. In particular, Sri Lanka's worsening is surprising. Tellingly, India's indicator for out-of-school children worsened during 2011-18 (see my column in this paper dated November 21, 2011). This is deeply lamentable in light of improvement in every other sample country and in the global average.

Table 3 focuses on what I would term "child-adult" indicators. There was no improvement in India in reducing child labour (my columns dated October 17, 2017 and November 13, 2018). Bangladesh and Indonesia also made nil progress in reducing child labour, while Brazil and Sri Lanka did improve.

An area in which India made striking progress is child marriage during 2011-18, though the picture of other countries is mixed. Bangladesh and Sri Lanka improved. China—already with a high score—and Indonesia remained the same, while Nepal, Pakistan and Brazil worsened. Indeed, Brazil's worsening appears stunning (perhaps an error?). India's 2016 score for child-mother is considerably better than all sample countries other than, expectedly, China and Sri Lanka. This Indian achievement is worth recognising.

Last is the indicator that cries out most in calling attention to the violent cutting short of a child's life. Here again India ranks just after China and Sri Lanka, a commendable score despite poverty, while Brazil is by far the worst.

In sum, India is making progress in improving its children's condition though certain indicators have stagnated. Overall, India has to run much faster to improve its global rank. Another conclusion is that Brazil's reputation for violence appears corroborated. To emphasise again, pure economic indicators are meaningless in a vacuum that excludes socio-economic indicators. This could be nowhere more relevant than in India.

1.Also see Sana Ali's reprint dated May 30, 2019 in this paper
2. Higher indicator values show worse performance

TABLE 1: CHILDHOOD: RANK AND SCORE

Country	Rank, 2019 (of 176 countries)	Score (1–1000)		Change in score (2000–19)
		2000	2019	
China	36	861	941	80
Bangladesh	127	575	728	153
Brazil	99	785	806	21
India	113	632	769	137
Indonesia	107	721	792	71
Nepal	134	543	685	142
Pakistan	149	540	626	86
Sri Lanka	56	867	915	48

Source: Global Childhood Reports, 2017 and 2019, Save the Children

TABLE 2: CHILDREN: SELECTED INDICATORS

Country	Child Mortality		Severely malnourished		Out of school	
	2015	2017	2011–16	2013–18	2011–16	2013–18
China	10.7	9.3	9.4	8.1	11.6	7.6
Bangladesh	37.6	32.4	36.1	36.1	28.0	17.4
Brazil	16.4	14.8	7.1	7.1	7.3	7.2
India	47.7	39.4	38.7	38.4	18.6	20.2
Indonesia	27.2	25.4	36.4	36.4	14.3	14.2
Nepal	35.8	33.7	37.4	35.8	13.4	13.8
Pakistan	81.1	74.9	45.0	47.2	42.9	40.8
Sri Lanka	9.8	8.8	14.7	17.3	10.1	6.4
World	42.5	39.1	23.2	22.2	17.8	17.6

Source: Global Childhood Reports, 2017 & 2019, Save the Children.

TABLE 3: CHILD-ADULT: SELECTED INDICATORS

Country	Begins work life		Marries	Child-Mother	Victim of extreme violence	
	2011–16	2013–18	2011–16	2013–18	2016	2016
China	...	...	3.1	3.1	6.5	0.6
Bangladesh	4.3	4.3	44.2	32.4	84.4	1.5
Brazil	8.1	6.6	3.9	15.1	62.7	17.7
India	11.8	11.8	21.1	15.2	24.5	1.3
Indonesia	6.9	6.9	12.8	12.8	48.0	2.8
Nepal	37.4	37.4	24.2	27.1	62.1	1.5
Pakistan	...	...	13.1	13.5	37.7	6.5
Sri Lanka	2.5	1.0	9.0	6.0	14.8	0.8
World	12.6	12.6	14.4	16.0	50.4	3.3

Of Ms Gandhi and Ms Sitharaman

Almost about half a century ago, the Indian Parliament witnessed for the first time a woman presenting a Union Budget. That was Indira Gandhi, who on February 28, 1970, presented the Budget for 1970-71. As prime minister at that time, she also held the additional charge of the finance ministry.

It is, therefore, likely that Finance Minister Nirmala Sitharaman will be acutely conscious of this past as she prepares to present the first Budget of the Modi government, after it was returned to power with a massive electoral mandate. Ms Sitharaman may also be curious to check out how the only other woman finance minister in India had tackled the economy's challenges half a century ago.

Of course, the circumstances under which Ms Gandhi presented her only Budget in February 1970 and Ms Sitharaman will present her first Budget on July 5 are completely different.

NEW DELHI DIARY

A K BHATTACHARYA

Indira Gandhi presented her Budget a few months after major disruptive policy steps like the bank nationalisation and the enactment of the monopolies and restrictive practices law that imposed curbs on expansion of large industrial houses. As later events would show, Ms Gandhi's Budget in February 1970 would turn out to be the last before the next general elections, which were held ahead of schedule in March 1971.

In contrast, Nirmala Sitharaman has no such legacies — hers is virtually a clean slate as her Budget is expected to kick off the economic policy journey of a new government after the elections. Nor is her Budget immediately preceded by major disruptive policies. Demonetisation or the goods and services tax did cause major disruptions, but they happened two to three years ago.

The circumstances under which the two became finance ministers were also different. Ms Gandhi added the finance ministry to her portfolio after Morarji Desai quit just before bank nationalisation in July 1969. Ms Sitharaman succeeded her senior, Arun Jaitley, who had earlier indicated his unavailability for taking any such responsibility due to his poor health.

And yet, the concerns that Ms Sitharaman will have to address in her first Budget are not very different from what Ms Gandhi had faced while finalising her Budget in 1970. Consider the last paragraph of Ms Gandhi's Budget speech.

She said: "Sir, before I conclude, I should like to say that in presenting my first Budget to this Honourable House, I have become acutely aware of the challenges as well as the constraints of the contemporary-epoch of development of our national economy....If the opportunities for growth which are so much in evidence are to be seized fully, no effort must be spared in raising resources for the purpose....If the requirements of growth are urgent, so is the need for some selective measures of social welfare. The fiscal system has also to serve the ends of greater equality of incomes, consumption and wealth, irrespective of any immediate need for resources. At the same time, the needs of these sectors of our economy which require private initiative and investment must also be kept in mind in the interest of the growth of the economy as a whole. I can only hope that the proposals I have just presented steer clear of the opposite dangers of venturing too little or attempting too much. Thank you."

The need for measures to boost growth, raise resources, provide for social welfare and revive private investment was uppermost in Ms Gandhi's mind as she presented her Budget. The same need must also be exercising Ms Sitharaman's mind as she finalises the Budget for 2019-20. But the state of the economy today is far more complicated than what it was 50 years ago and the finance minister's policy options today are far more limited than what they were for Ms Gandhi. How she will achieve all these difficult goals is a question that will be answered on July 5.

On the question of taxation, for instance, Ms Gandhi underlined the need for widening the tax base. "In enlarging the tax base, our first concern must be to ensure that the taxes which are already levied are not avoided or evaded by devices which just manage to keep on the right side of the law. Accordingly, I have tried to plug some major loopholes in our tax system and to withdraw some of the concessions which have outlived their utility." Widening the tax base and removing tax loopholes are the staple diet for most finance ministers and Ms Sitharaman could be expected to follow the same route.

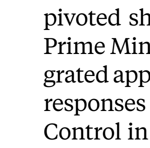
But where she can hardly emulate Ms Gandhi is on the question of tax rates. Ms Gandhi raised the maximum tax rate on income above ₹2 lakh to 93.5 per cent including a 10 per cent surcharge. By 1973-74, the maximum rate had risen further to 97.5 per cent. But things changed after that. More than 20 years ago, India had moved to a moderate tax-rate system for individuals with three slabs of 10 per cent, 20 per cent and 30 per cent. From 2017-18, the 10 per cent slab was lowered to 5 per cent.

Even for corporation tax rates, the government in the last few years has brought down the rate to 25 per cent for all companies with an annual gross turnover of up to ₹250 crore and 30 per cent for companies above that turnover. The expectation now is that all companies should be brought under the 25 per cent tax net. Thus, the challenge for Ms Sitharaman is of a completely different order and certainly more formidable.

For Ms Sitharaman, it will not be an easy exercise. Most finance ministers lighten the mood that pervades during the reading out of the Budget by throwing in some humour and wit. In her entire speech, Ms Gandhi chose to use humour only once. While proposing to rewrite a tax proposal made in 1968 by her predecessor, Morarji Desai, she said: "Those who are united in Heaven should not be put asunder by a mere tax collector. On this view, the income and wealth of husband, wife and minor children should be aggregated for purposes of income and wealth taxation. But in matters like this, enforced unity sometimes leads to sharper division. It is, therefore, proposed to examine the matter in greater detail and to bring forward the necessary legislation subsequently, giving opportunity for discussion in this House and outside."

Could Ms Sitharaman be expected to throw in more humour and wit during her Budget speech?

Nature's own museums



BOOK REVIEW

GEETANJALI KRISHNA

One theme common to almost all of the world's mythologies is that of the Tree of Life, a sacred tree that holds within its boughs the essence of human existence. Across India, too, trees have traditionally symbolised life, creation and immortality and treasured for their life-giving and life-affirming qualities. Today, however, despite the growing sense that urban greenery is critical to the quality of the lived experience in the city, trees are giving way to roads, housing developments and malls. This ever-expanding urban sprawl has sharply eroded not just the tree cover in Indian cities, but also the deep-rooted connection that we once had with trees. This is what makes Harini Nagendra and Seema Mundoli's love letter to trees, *Cities and Canopies*, timely and important. With a mix of anecdotes, botany, recipes and history, the book has the air of a rambling nature walk with many pleasurable detours and not much of an agenda.

Native and exotic, floral and evergreen, sacred and haunted — trees are the most visible signs of nature in cities, as well as repositories of our collective memories and shared histories. Imagine, for instance, what the roughly 600-year-old banyan tree, Thimmamma Marimmanu, in Andhra Pradesh would have witnessed in its lifetime... As Mss Nagendra and Mundoli write: "They are our roots: their trunks our pillars, their bark our texture, and their branches our shade. Trees are nature's own museums." Unlike good museums, however, *Cities and Canopies*, in which chapters on common urban trees such as the banyan and neem alternate with short essays on all things arboreal, seems somewhat disjointed and lacking a tight narrative flow. The reader ends up flitting like a bird going branch to branch and tree to tree, finding tasty nibbles but no dinner. By themselves, however, the nibbles are tasty indeed. The book, peppered with gorgeous monochromatic illustrations by Alisha Dutt Islam and all manner of botanical, cultural and historical factoids, is an enjoyable romp for tree lovers.

One of the most interesting chapters in the book, Talking to Trees, offers insights into the secret ways in which trees talk to one another. It describes an early study of the Sitka Willow by David Rhoades and Gordon Orians in 1983. They discovered that when the leaves of this willow were attacked by caterpillars, the tree made its leaves more unpalatable by filling them with poisonous chemicals. The scientists were surprised to find that neighbouring trees more than three meters away, which had not even been attacked, also reacted in the same way at the same time. This suggested that they had received some sort of warning signal from the tree under attack. At first, other botanists accused Rhoades and Orians of anthropomorphising their findings, but subsequent studies have shown that trees, not just of the same species, but even different ones, are capable of communicating and cooperating with one another in myriad ways. Such research has immense implications for urban planning in India. Can trees planted in a row along a city avenue communicate with each other? Could hoary old trees act as central communication nodes of an invisible network that operates through their root systems and underground fungi? These questions raise significant concerns for the urban predilection of replacing "over-mature" trees with young saplings. In doing so, urban planners could unwittingly destroy intricate tree communication networks that have developed over the years.

However, the exigencies of modern existence often result in pitting tree protection against urban development. To argue in favour of more sustainable city planning that includes space for people as well as trees, the authors go back to history. Whether it was in the era of the British, the Mughals or even Emperor Ashoka, trees used to be treasured for the shade and coolness they provided. Today, they offer the best antidote not only to air pollution but also to the urban heat islands that have been created because of excessive traffic and human activity. As one turns the final page of *Cities and Canopies*, one is left with the sense that even though trees often outlive men, they are fragile and impermanent. Yet their well-being and ours is inextricably linked.

Quite expectedly, *Cities and Canopies* faces the real danger of ending up preaching to the converted. Its luscious cover and meandering contents will instantly warm the hearts of tree and nature lovers. Only someone who has spent childhood climbing trees would truly appreciate some of the references made in it. Would it also appeal as much to younger readers at whom it is seemingly directed, who have been brought up on a diet of online games and instant gratification? Would they find suggestions on how to devise games with gulmohar sepals or tamarind seeds useful, interesting even? Perhaps not as much. That said, *Cities and Canopies* is a fun, simple read, not just because it examines how trees have formed an inalienable part of our collective sub-conscious — but because it also conjures up a wistful nostalgia for a simpler time when people and trees coexisted in harmony.

CITIES AND CANOPIES: Trees in Indian Cities
Harini Nagendra and Seema Mundoli
Penguin 256 pages; ₹499