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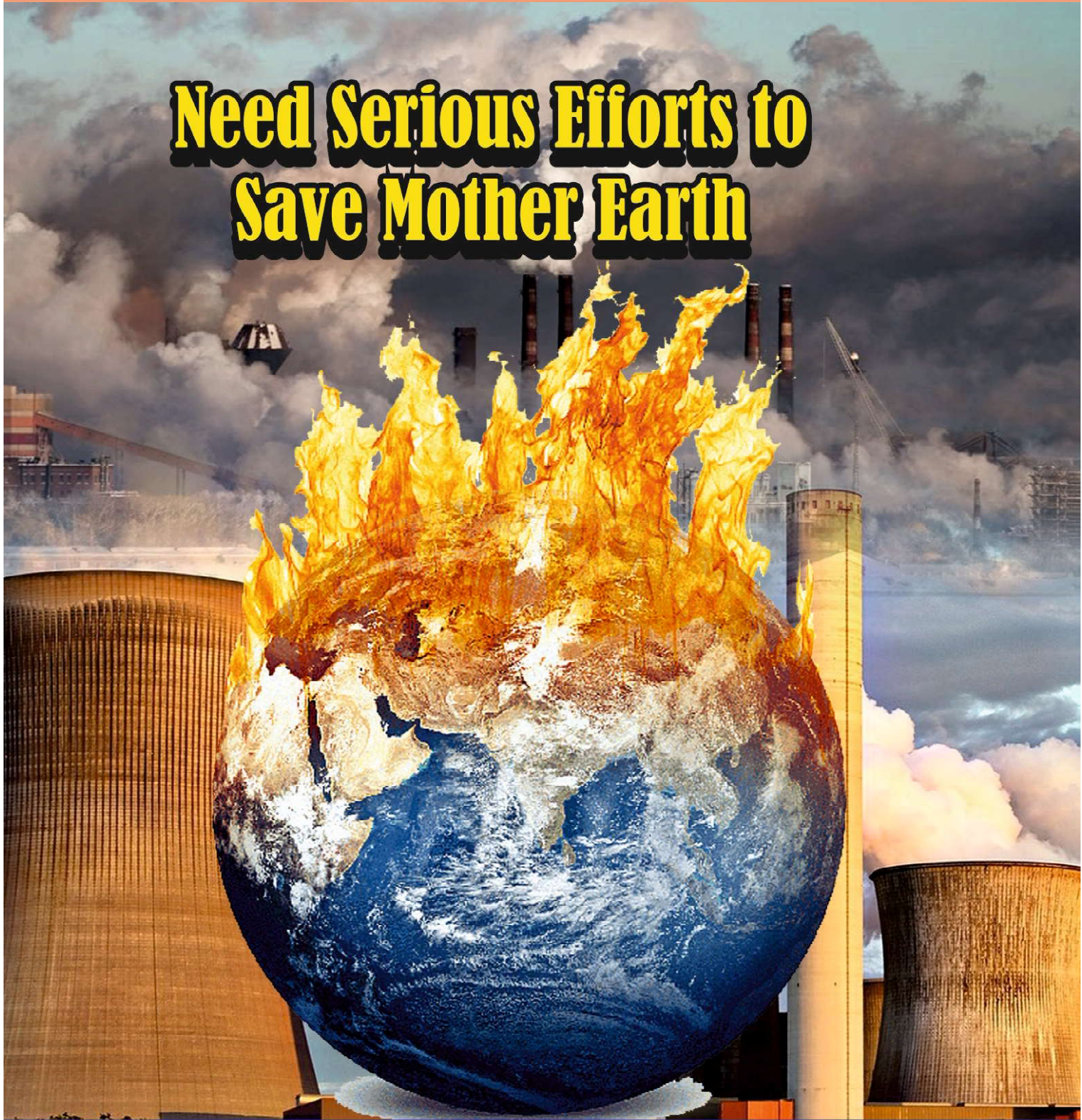
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# Swadeshi

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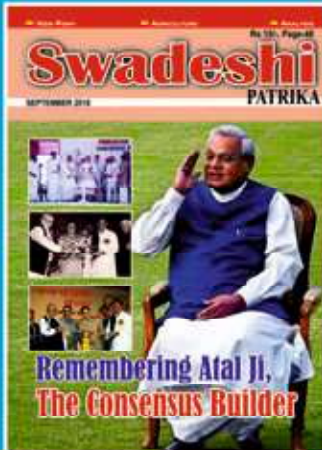
**Need Serious Efforts to  
Save Mother Earth**





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## VOICE OF

SELF RELIANT INDIA

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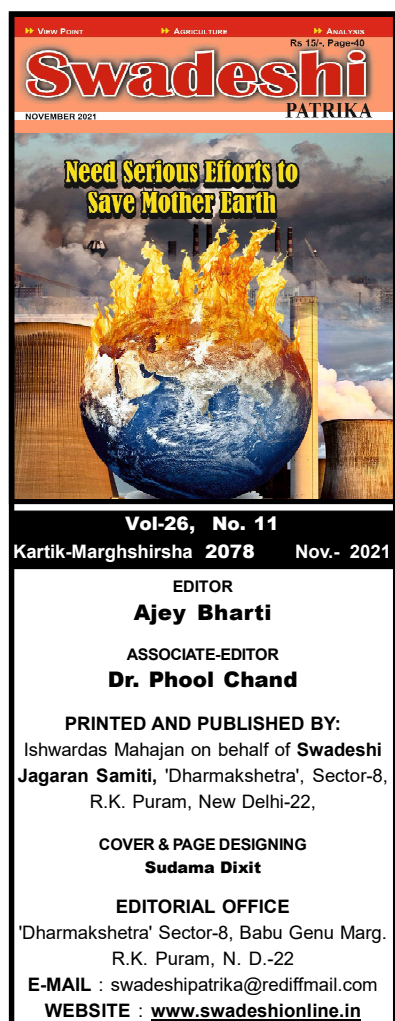
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## स्वदेशी

पत्रिका

# पढ़ें और पढ़ायें

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## **Destruction of jobs and small businesses : The Amazon way**

*A large number of small businesses are trapped in Amazon's monopoly net as Amazon controls their access to the online market and even doing so allows Amazon to exploit and undermine them.*

*In US where the company originates, A recent poll found that nearly 80% of voters believe Amazon should be subject to greater regulation, and 50% support breaking it up. Let's look at the illegal and unethical ways Amazon employs:*

- *House investigation and reporting by the WSJ have found that Amazon has spied on sellers and appropriated data about their sales, costs, and suppliers. It's then used this information to create its own competing versions of their products, often giving its versions superior placement in search results.*
- *Amazon has also been caught using its venture capital fund to invest in startups, only to steal those startups' ideas, create rival products & services.*
- *In several cases, "Amazon's decision to launch a competing product devastated the business in which it invested.*
- *Amazon has made a seller's ability to generate sales on its site largely contingent on purchasing its warehousing and shipping services ("Fulfillment By Amazon" or FBA). Sellers who subscribe to FBA are favored by Amazon: they're allowed to add the Prime badge to their products and they're significantly more likely to be chosen by site's algorithm as the default seller of a product (known as "winning the buy box").*
- *Amazon blocks independent businesses from offering lower prices on other sites*

*In India where small traders have been backbone of economy, Amazon's illegal and unethical practices have spelled doom for millions. Hight time that Government of India cracks the whip on Amazon, the job killer.*

— Naresh Sharma is an active Swadesi Warrior and based in Sweden.

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## **Quote-Unquote**



**Despite the threat posed by the Covid pandemic, our Bharatiya economy is showing the potential and confidence to bounce back. There is even news of quick stabilisation and restoration of trade from many quarters.**

**Dr. Mohan Bhagwat**  
Sarsanghchalak, RSS



**I will tell you again that we should insist on buying every little thing, which is Made in India, which an Indian sweats hard to make. And this will be possible only with the effort of everyone.**

**Narendra Modi**  
Prime Minister, Bharat



**India's concern over the revenue implications of the tariff moratorium on e-transmission, is legitimate as developing countries need more revenues to meet their development needs.**

**Dr. Ashwani Mahajan**  
National Co-convenor, SJM



## Chinese Bubble Bursting

Until recently, majority of economists and policy analysts around the world used to argue that the world needs to learn from China. Understanding, how China has made itself the second largest economy of the world after America, in the last two-three decades, there is a need for developing countries to move forward learning from China. In India too, many economists were seen offering similar advice. Those economists were obsessed by the industrial and infrastructure growth in China. But for some time now, the news of industrial decline and other crises in China has started shaking the world. Now many people have started questioning the development model of China itself. It has become imperative for the world to study the changes taking place in China in the last few years and especially after COVID-19 breakout.

There have been many reports of industrial decline in China in the recent past. There was a time when China's industrial sector was growing at the rate of 30 percent to 40 percent. Industrial units were being established on an unbelievable scale, and their enormous production was being aggressively pumped into the markets, world over. For that, the goods were being cheapened with the financial support of the Chinese government. Adopting all kinds of unethical, unfair and illegal tactics including 'under invoicing', 'dumping' and 'bribery', China had been increasingly occupying markets world over. Ignoring all these actions, policy makers around the world were not only not counteracting this invasion by China, but were giving credit of the same to the industrial efficiency in China. They were even arguing that consumers were getting cheaper goods through cheap imports from China.

On the other hand, the other benchmark of China's development was its infrastructure construction. China's unprecedented progress in infrastructure, including railways, ports, roads, airports, bridges, power stations, industrial research and development centres, had blinded the world. Not only this, in almost all the countries of the world, Chinese companies were engaged in infrastructure building and riding on the financial help from the Chinese government, in the name of cooperation in infrastructure construction, they were interfering severely in the policies of the governments there. Banking on growing foreign exchange reserves, the Chinese government was not only acquiring land in many countries including Africa, but even companies in European, American and Asian countries in large number.

Due to the increasing economic, political and strategic clout of China and without any significant retribution, the countries of the world were caving under pressure from China. China was able to easily implement the 'Belt Road Projects' all over the globe. No one could have imagined that China, which was getting established as a superpower in the world, could ever face an economic crisis. But there are indications that China's seems to be caught in a serious crisis. There have been reports for some time that due to power cuts in China due coal shortages, many factories are either closed or are running under capacity. This problem is there in at least 20 provinces. Due to this crisis, agencies like Goldman Sach and Nomura have significantly reduced China's growth forecast. This crisis is being said to be a bigger crisis than real estate.

It is worth noting that China's second largest real estate company Evergrande is under more than \$300 billion debt. People's faith has taken a deep dip not only in China's property market, but also in the financial system of China, as people have lost their hard-earned savings. Recently, the pictures in television, of many unfinished skyscrapers getting demolished, have shocked the world. These buildings have been demolished by the Communist rulers of China so that the bubble of the real estate market does not burst soon, due to huge real estate inventories.

On the other hand, China's game-plan was that it would now trap the countries of the world into its aggressive infrastructure project. For that, it started the 'Belt Road Plan' with pomp and included more than sixty-five countries in the same. But due to its nefarious intentions, today it has become notorious all over the world, because in the name of infrastructure development, it has started grabbing their projects of strategic importance, after trapping them into unserviceable debt trap. Sri Lanka's Hambantota port became a living example of its ill intentions.

Today the world is fast realising that China is at the root of the health and economic crisis, the world has gone through due to the pandemic. The way China has attempted to exploit the world by profiteering from the Belt Road project first; and later the pandemic, it can never be a trustworthy country. The world is also realizing that under the guise of globalization, increased dependence on China for industrial goods, has destroyed their economies in general and industry in particular, and due to this, poverty and unemployment have also increased. Countries around the world including India, America, Europe are seen taking steps towards self-reliance. Due to the hostility of China, efforts have been started by various countries to reduce imports from China, which is bound to affect Chinese industrial production. Chinese infrastructure companies are in trouble due to the cancellation of many Belt Road agreements. China's financial institutions are also getting into trouble and people's financial savings are fast sinking.

China was first trying to intimidate many countries including India by showing its strategic power in the sea. In view of this, military exercises under the auspices of the 'Quad' group consisting of India, Australia, America and Japan have started challenging China. India came out of the 'RCEP' agreement in November 2019 that has been going on for the last almost a decade and has scuttled the plans of China's expansionist trade. The rulers of crisis ridden China in crisis are trying to deceive the world by giving a bold posturing. However, it has to be understood that this is also a big opportunity for all the countries of the world including India to accelerate industrial progress in their respective countries.

# Need Serious Efforts to Save Mother Earth

Notwithstanding the annual climate meetings prodding nations to take collective action against adverse climate change, the crisis is worsening continuously. The quantum of action actually taken has been woefully short of that required and committed. Even if the commitments announced till now are fully met, a highly unlikely scenario, the average temperature will rise 2.7 degree centigrade. This breaches the Paris agreement's target of 2 degree rise beyond the preindustrial age. According to IPCC it will have catastrophic consequences. While reductions of 30% are needed to meet the 2 degree goal, the present commitments (made in 2015) will reduce annual greenhouse gas emissions by only 7.5% till 2030. There is a two third probability of the planet becoming warmer by 2.7 degrees by the end of the century with present commitments about nationally determined commitments. Since very often economic and foreign policy imperatives override environmental concerns, most countries have missed targets, backtracked on their own commitments, and postponed actual action. What we have witnessed as a consequence is lack of planned action; instead, the world is in perpetual fire fighting mode.

Indeed, since even the present commitments may not be met, the IPCC has recently warned that due to spike in greenhouse gas emissions the world is likely to witness a three degree Celsius plus increase in global temperatures by the turn of the century. It suggests that if global warming is to be reduced to plus 1.5 degree by 2100, then the global CO<sub>2</sub> emissions must reach net zero by 2050. But the past action does not instill much confidence. Climate change became a global issue in 1990. But between 1990-2010 very little action was taken to curb growing emissions. The developed countries never took seriously the first target of returning to the 1990 level of emissions by 2000. The Kyoto Protocol subsequently asked 37

## Emission Levels, 1990-2018

(Million Tonnes to CO<sub>2</sub> Equivalent)

	1990	2018
World	32646	48940
US	5543	5794
China	2874	11706
India	1009	3347



*While India cannot afford to shy away from its commitment to save climate catastrophe, surely the axiom of equitable and just sharing comes paramount.*  
**KK Srivastava**





rich and industrialized countries to collectively reduce their emission levels of 1990 by mere 5% between 2008-2012. Most of the countries failed to meet even this modest commitment. In fact the US emissions in 2012 were marginally higher than in 1990. To be fair, global emissions went up by 40% between 1990-2012 and the major contribution was made by China and India. In 2007 China became world's leading emitter. Its current emissions are more than 4 times the 1990 levels. Likewise, India's emissions have grown over 3.5 times from 1990. But countries like China, India, Brazil, etc., the so called fast growing economies, were not asked to cut down their emissions anyway, since over 90% of the accumulated GHGs in the atmosphere had come from the rich and industrialized nations over the past 150 years. Historically the now emerging economies had contributed little to global warming.

Yet there is no gainsaying the fact that due to the non environment friendly by developmental path being adopted by fast growing economies, since it is less costly even if more polluting, the emission in these countries is growing very fast. So developed countries feel that they are being unfairly targeted. Besides, they also feel that these growing economies are gaining unfair economic advantage at their cost. This has led to the countries being asked (Paris Agreement, 2015) to do what they thought they were best capable of. While earlier there were set (Kyoto Protocol) science based emission reduction targets, which were binding in nature, now there were self set goals which were neither obligatory on a nation nor was there any incentive to

achieve them. Thus, for example, US committed average 27% emission reduction between 2005-2025. But by 2018 only 10% reduction has taken place. Worse, China said its emissions will peak by 2030. But between 2005-2018 the emissions have actually gone up by nearly 71%.

The developing countries are actually handicapped in taking climate related action due to lack of funding and technology. While developed countries have committed to provide both, there is very little action on the ground. Thus while ideally all nations should share the burden 'equitably', this certainly does not mean 'equally'. Climate justice thus demands that individual countries should have the freedom to offer net-zero dates keeping in mind their own unique needs and conditions. The advanced countries should accelerate the transition. If the nationally determined contributions (to global warming) add up to excessive level of global emissions, then these targets should be reviewed. However, India should step down from its position that emission reduction is not for India. Earlier, non polluting technologies were not available; this is no more the case. Thus India should refrain from rejecting the idea of setting a net zero targets. In a climate constrained world, with large dose of externalities, only climate friendly economic growth is morally and practically desired. If it needs structural changes, appropriate policies, and supporting institutions to meet the goal of eco friendly growth, so be it.

Mere palliatives like carbon offsets and carbon sinks cannot balance out emissions to hit a net zero target. Our argument is two-fold: we cannot compromise on

our economic growth targets which will supposedly happen if we commit ourselves to a net zero targets. Second, by heeding to what the developed world says we are letting them shirk their responsibility though they are the ones more responsible for the present state of affairs. Thus, the argument goes, India should push for climate justice and equity. Thus the contribution towards cooling should be made based on historical responsibility; the responsibility should be differentiated. However, this automatically means that India cannot shy away from making a commitment. According to a latest estimate, the decline in rice and wheat yields due to climate change could alone lead to economic losses to the tune of 1.8-3.4% of GDP of India by 2050. Besides, quality of life and health would be severely impacted. Among the G20, India is lagging in the process of transformation of its energy sector due to transmission and distribution losses, lack of access to clean cooking devices, and high level of energy intensity of economic activity.

In short, while rich countries must move to net negative (and not merely net zero), and fast, India must commit itself to net zero. This is essential for carbon removal in excess of the 40 billion tonnes added every year. India must offer an emission reduction pathway subject to the condition that advanced countries adopt net zero dates earlier than 2050 and commit to transfer of technology and finance for mitigation of climate risk. A net zero target for India would facilitate additional investment, boost economic growth, improve quality of life, and ensure better health for the citizens. □□

# Global Minimum Tax Will Help Govts in Raising Revenues for Welfare

Leaders of the world's 20 biggest economies, formally known as G-20, have endorsed a global minimum tax of 15% on multinational companies to avoid incurring revenues losses. US President Joe Biden termed it as more than tax deal and said "it's diplomacy reshaping our global economy and delivering for our people."

The tax rules are expected to come into force in 2023. The tax rules, formally signed by 136 countries, are expected to make it harder for multinational corporations – including giants like Google, Amazon, Facebook, or Microsoft – to avoid taxation by establishing offices in low-tax jurisdictions or tax haven countries.

The G-20, or the group of twenties, is made up of 19 countries, including the US, the UK, Russia, China, Brazil, and the European Union. It accounts for over two-thirds of the global economy and 80% of greenhouse gas emissions globally.

A 17 page Rome declaration was released on Sunday, detailing steps to overcome challenges like supply chain resilience and climate change.

*G-20 nations have met in Rome to discuss global economies' challenges under the new circumstance that emerged due to COVID-19. Climate change, Supply Chain Resilience have been discussed at length during the two-day summit. Sputnik has spoken with Prof Ashwani Mahajan, the co-convenor of the Swadeshi Jagran Manch, an affiliate of Narendra Modi's BJP and premiere influential economic group on the concluded G-20 Summit in Rome.*

**Sputnik: Global leaders endorse Minimum Global Tax on Businesses. How will it impact the Indian economy?**

**Ashwani Mahajan:** In the last two years, there has been a kind of competitive tax regime among countries to attract investments and boost their businesses. There had not been any global consensus on the minimum tax rates on corporates operating in different countries. That had started impacting the revenues of the government world over, including the US. The Trump administration had also reduced the tax rates, and that was their ideological plank to reduce the taxes in the US even then. So in India, the government had also been engaged in a competitive tax regime to save its skins because if we do not reduce taxes while others are reduced, all the investment will go to them. So, having a global consensus or at least consensus amongst the economies those which matter is a good move. I hope other countries will also follow. This step would bring an end to the

competitive tax regime.

There is a second issue involved in this. Multinational companies are having their businesses world-over; they tend to avoid taxes by their book transfers, which has also impacted government revenues. With globalisation gaining ground, this source of revenues has become important for any country. New business models [used mainly by e-commerce companies] have also been developed wherein companies have been increasing their market volume and incurring losses. These companies have been incurring losses by selling products at less than the procurement price. They are saying that since they are not earning profits, they are not supposed to pay any tax, which is happening everywhere.

Therefore this is the right time to redesign the tax regime so that corporates cannot fool the governments and get away without paying any tax. It would help the governments to avoid any competitive war with respect to taxation. Taxation should not be the tool or arm to attract investments. Because when you indulge in tax war, you are doing it at the cost of the welfare of the people. I think the global minimum tax will help governments in raising revenues for welfare and developmental activities.

**Sputnik: Will the global minimum tax put pressure on India's ability to attract investments as most foreign direct investment comes from low tax countries or tax havens?**

**Mahajan:** I don't think so. Because investments



from these tax haven countries or low tax regime countries have not proved beneficial for India, we have lost a lot in tax revenues. Suppose we look at recent cases whereby the Indian government has to amend the law concerning tax claims on capital gains in the past because these tax haven countries were used as a route to avoid taxes in India. These kinds of FDI have been harming us more than anything else. The government of India has been rewriting its double taxation avoidance treaty with most of these low-income tax regime countries or tax havens to avoid these kinds of losses in revenues. India has rewritten its double taxation avoidance agreements with Mauritius and others.

Ultimately, the Indian government needs resources for the development and social welfare as expectations of the people at large world over are increasing. Therefore we have to create structures whereby these corporates are not able to avoid taxes. What you see in the past, companies are becoming richer and poor people are becoming poorer. That has to come to an end.

**Sputnik: US President Joe Biden convened a meeting on Sunday to sort out the issues related to the global supply chain. How much is it important for India?**

**Mahajan:** During COVID, major economies have learned various lessons, and one lesson that India and the globe have learned is that it is not good to depend on one country or a set of countries for a supply chain. Indian industries are suffering because of scarcity of semiconductors. This is happening because India is dependent on China or a group of countries for intermediate goods or raw materials. It is said that the COVID has disrupted the businesses. But, these supplier countries may be playing games since India has been taking steps to become the world's manufacturing hub of the world so these countries may be intentionally trying to stop the supply of intermediaries or raw materials.

Therefore, what we need are more trusted, more resilient, and more transparent global value chains. Therefore, this move to bring consensus among economies is significant for India. Because manufacturing has to shift more equally amongst the countries, economies with a competitive edge will benefit. India has a competitive advantage in terms of labour wages, brains, and various other ways. The world is changing, and new opportunities are coming up as the trust

in China is declining very fast. Therefore, if you see the global mood, China is also losing ground in infrastructure development in third world countries under its Belt and Road Initiatives or even in terms of investment. People are now trying to shift away from China. So, a new scenario of the global supply chain will emerge. India will have to act more positively and more proactively in this direction.

**Sputnik: World leaders acknowledged there would need to be "meaningful and effective actions" to mitigate temperature rises in a written agreement released Sunday but did not commit to achieving net-zero carbon emissions by a set date. What would you say about the deadlock?**

**Mahajan:** There is a change in the mindset of the governments across the world. Over the years, especially under Narendra Modi's regime, the Government of India has changed its approach altogether. India is becoming the initiators of the debate on emission reduction, and we have offered more than what we had been offering earlier at Kyoto or any other summit. Now, India has started saying that we will become an equal partner in reducing greenhouse gas emissions.

So, India wants two things: one, developed countries should also reduce greenhouse gas emissions. The developed world is talking about financing the reduction in the emissions in developing countries, but they are not saying anything to reduce their domestic emissions. They are not ready to change from coal-based systems to more renewable energies. This approach is not good.

Secondly, the developed world should come forward and offer \$500 billion or \$1000 Billion to developing countries to come out of this menace. There should be more transfer of technologies to developing or under-developed countries. Why should they be sitting on the technologies when humanities itself is vanishing? Developed countries should also finance new needs or the growing needs of the developing countries to mitigate greenhouse gas emissions. India has not only been playing a very positive role in the last few climate meetings, but it is also has its working on reducing greenhouse gas emissions. Despite losing the political capital, the Narendra Modi government is not making petrol and diesel cheaper for consumers. That is also helping India reduce the emission by a shift to more electric vehicles. □□

<https://sputniknews.com/20211101/global-minimum-tax-will-help-govts-in-raising-revenues-for-social-welfare-indian-prof-says-1090396404.html>

## Ayurveda: Mumbo jumbo or science?

As the Covid-19 spread in India the sale of natural products across personal care categories grew at nearly twice the rate of regular consumables during July 20-June 21. There was an increased consumer interest, awareness and demand know for ayurvedic brands. The consumers are increasingly preferring herbal, natural and ayurvedic offerings. Likewise demand for ayurvedic stress busters surged amid second wave of covid-19. On one hand there has been an increased awareness of herbs such as Ashwagandha, and on the other continuous impetus to such products by the Ayush Minister has added to the demand. Companies like Dabur, Himalaya, Zandu, etc. gained immensely.

Indians are taking responsibility for their well being relying on home remedies and holistic medicines to boost immunity. Trust in ayurveda is higher than in allopathy in terms of efficacy against Covid. In a survey over half the survey's respondents said that day relied on home remedies since increasingly people believed that traditional immunity boosters were more effective. The demand for Ayurvedic products can help Ayurveda to become \$15 billion industry by 2023. Companies have also increased their R&D spends and are ensuring that innovations are targeted and quick to market. Clinical trials are being conducted and prophylaxis studies are being undertaken on Ayurvedic and herbal products. This has enabled the marketers to generate data to back the efficacy and effectiveness of these Ayurvedic remedies on curing many diseases. No wonder consumer are shifting away from chemical based products. Natural immunity booster products such as chyawanprash, honey, herbal tea, etc. saw 38% year on year growth in 2020-21.

Ayurveda is a fine spun of science and the art of healthy living. It focuses on prevention and treatment of illnesses through life-style practices such as in massage, meditation, yoga, and dietary changes with the use of herbal remedies. The treatment here is holistic, which considers the body and mind together. People trust in ayurvedic products due to their low toxicity levels, heightened concentration levels, and fewer side effects even over prolonged periods. In Ayurveda, the primary qualities that govern the body are called 'doshas'. The human body is supposed to be made up of three primary doshas-vata, pitta, and kapha. When these doshas are perfectly balanced, the body enjoys perfect health.

Even in America, approximately one third adult population uses some form of complementary and alternative therapies. But the Western World, and even



*Ayurveda has a long way to go before it joins the rank of credible medical science.*

**Dr. Jaya Kakkar**

### Select Products performance

(year ended June 21)

Category	% contribution of Naturals	Naturals growth	Category growth
Hair wash	12%	15%	7%
Tooth paste	41%	16%	10%
Skin creams	15%	30%	12%
Baby talcum	58%	32%	21%
Baby Skin cream	58%	46%	44%



India, is trying to ascertain whether the experienced effects are truly due to the herbs at play, or due to individual genetics, or is it merely a placebo effect? Is the mind curing the body out of anticipation of cure? In ancient cultures knowledge of traditional medicine, such as Ayurveda, was passed down for generations either through oral traditions or written texts.

Ayurveda recommends natural herbs as medicines for specific ailments. These medicines have been practiced in India for over 5000 years. Ancient texts that describe these medicines date back to 1500 BCE. In today's world these are being prescribed solo or in combination with western medicines.

Over the years, scientists have been curious to understand the mechanistics behind Ayurveda and how these herbs interact with the body and exhibit a particular effect. Is there some validity for the science behind such knowledge? What if we can unravel the mysteries behind why and how these traditional medicines work? In recent years, scientists have studies herbs like turmeric, ashwagandha, garlic, etc. for their medicinal properties suggested in the ancient texts. For example, Ashwagandha is primarily known for applications in neurological disorders. Scientific studies have suggested that the herb may prevent oxidative damage. Likewise, turmeric has also been extensively studied for its anti-inflammatory properties. The results endorse this belief. Garlic is known to have compounds that exhibit strong antioxidant, anti-bacterial, antifungal, anticancer, and antimicrobial properties. Recent studies by Indian scientists suggest that garlic



essential oil is valuable natural anti-virus source, which contributes to preventing the invasion of coronavirus into the human body.

A full investigation of any medicinal product requires its qualitative compositional analysis and its biological activity both in vitro (meaning out of the organism) and in vivo (meaning inside a living organism). The disappointment with the product could be due to launch, or claims, without sufficient research. What is also possible is that the quality and potency of herbal product may be subpar due to poor quality, contamination, and fillers. Without quality products, we may not experience the desired long term effects.

To this day we try to understand the complexities of chemical compounds found in herbs, how they interact with our bodies, and how we, in turn, are genetically predisposed to react to them. Ayurveda definitely has some science backing it up. However, it is only recently that we have begun to align modern science with ancient traditional medicine. As of now, Ayurveda is largely a science of belief. When we elaborate belief system with clinical trial validation and then follow GMP (good manufacturing practice) for their natural ingredient formula-

tions, and have well documented diagnostic algorithm followed by specified prescription protocols, together all these will elevate Ayurveda to the status of science. The belief should be backed by statistical and scientifically validated conclusions. Alas, at present there is a flood of pseudo information, thanks to internet which has created a completely unregulated market for information, which is nothing but a heap of garbage. In any case Ayurveda should not be treated as an alternative to mainstream, at least not as of now; rather, the new generation of health and wellbeing is about combining ancient and modern wisdom for the best all round effect.

Ayurveda has been at loggerheads with allopathy, but it took an ugly turn during the pandemic when there was a war of words between IMA and Ramdev. In India allopathic practioners refuse to engage with alternative medical systems, including Ayurveda. And proponents of ayurvedic treatments often market their own proprietary drugs even when their manufacturing process could be abandoning key ayurvedic pharmacological principles. Yet, when it comes to fighting covid19, more people trust ayurveda over allopathy now. The lack of a definitive allopathic treatment for the disease has meant that the focus has shifted to boosting immunity, which is turn enhanced the appeal of traditional medicinal systems that emphasize immunity boosters.

To conclude, while we cannot dismiss Ayurveda as devoid of any merit, surely lot of scientific enquiry is needed before it gains legitimacy as a modern day science. □□

# Conflict of Sugarcane and Sugar

Sugar is important to us all and the development in sugar sector is our concern. It is widely known that Indian sugar mills are not doing well and delayed payment of sugarcane growers' money has become the serious problem. True, Indian Government has followed good policies and encouraged the sugar industry. It has indeed ensured remunerative cane prices to sugarcane growers and helped adequate cane supply to the factories. Indian government is also protecting the interest of consumers by stabilizing the sugar prices and even helping sugar mills by way of subsidy so to export sugar. It is also running a programme for Ethanol Blended Petrol so to generate some liquidity to sugar factories and help solve fuel problem to some extent. Still the problems of sugar mills and cane growers continue. The need is to have balanced approach to solve the problems.

## Sugar cane and Sugar

The Sugarcane and sugar industry together impact the livelihood of over 5 crore farmers and their dependents involved in cultivating sugarcane in an area of almost 50 lakh hectares. India is the largest consumer and the second-largest producer of sugar in the world. Average annual production of sugarcane is around 35.5 crore tonnes which is used to produce around 3 crore tonnes of sugar. The domestic consumption is estimated to be around 2.5 crore tonnes annually. The industry has an annual turnover of about ₹ 1 lakh crore and generates revenue of ₹ 12,000 crore for the Government exchequer. The per-capita consumption of sugar in India is still slightly lower than in Europe, etc., at 20 kg as opposed to the latter's average of 50–65 kg. In India, 35% of sugar is used in household consumption and 65% goes for industrial uses, including beverages and food manufacturing.



*The subsidy support in any form is not the long-term solution as it costs the public in general and discriminatory to tax system. The Profitability of sugar mills is as important in as much as the profitability of sugarcane cultivation.*  
**Anil Javalekar**

## Sugar Industry

There are more than 700 installed sugar factories in the countries with crushing capacity of about 340 lakh MT of sugar. In total there are about 530 functioning sugar mills across the country, two thirds of which are privately owned entities. Private sugar mill ownership is widespread in UP. The remaining sugar mills run as cooperatives, whereby the farmers are collective owners of those mills. This kind of sugar-mill ownership is prevalent in Maharashtra. Sugarcane and sugar production in India have moved on a cyclical upward trend. In past few years, sugar production in the country has been more than the domestic consumption. Central Government has been encouraging sugar mills to divert surplus sugar to ethanol & has been providing financial assistance to sugar mills to facilitate export of sugar, thereby improving their liquidity, enabling them to make timely payment of cane price dues of sugarcane farmers.

Sugarcane growers

Farmers are preferring sugarcane crops mainly because it is remunerative. The returns from sugarcane cultivation are generally 60%–70% higher than most other crops. Additionally, sugar mills that buy sugarcane are mandated to pur-



chase crops from farmers within a specified radius known as the Cane Reservation Area at the FRP. Remunerative and assured prices along with improvement in yield and recovery continue to attract farmers to growing sugarcane despite ample supply and lower prices of sugar in the market. Sugarcane farmers also get the full promised price that has been fixed by the Government, which is not the case for most other crops and since there is no middleman between a sugar mill and sugarcane farmer, the sugarcane farmers continue to be keenly interested in growing sugarcane, even though payments due to them by the ex-mills get delayed. It is also important to note that the sugarcane crop is sturdy and can withstand fluctuations in weather. Compared to many other crops, cane farmers have to put in little effort by way of inputs and manhours in growing their crops and therefore, it is often considered the 'lazy crop'.



Indian sugar is costing more. The efforts are being made to divert sugarcane to ethanol. The Ethanol Blended Petrol (EBP) programme is expected liquidity into the sugarcane sector by providing sustained demand for ethanol. This will help in the reduction of accumulated arrears for cane farmers and permits timely payment to them. However, with all these efforts, the sugar mills are in the crisis and facing the problem of high cost and low revenue.

2. Sugarcane grower's problem is that of not getting their dues on time. True, recently, as reported, the arrears came down to Rs 8909 as on 26 August 2021 from more than Rs 22000 in June 2018. The problem of surplus sugar and delayed payment to cane growers continues. Still Farmers are preferring the sugarcane as it is remunerative. Sugarcane is known to be a water-guzzling crop. On average, 1 kg of sugar requires about 1500–2000 kg of water. Most of the country's irrigation facilities are utilised by paddy and sugarcane, depleting water availability for other crops. Pressure on water due to sugarcane cultivation in States like Maharashtra has become a serious concern, calling for more efficient and sustainable water use through alternative cropping pattern. This is especially important in regions

where groundwater use has reached a critical and overexploited stage or where more than 50% surface water is used for irrigating sugarcane alone. The cane growers have other problems like improving recovery rate which is affected by delayed lifting of sugarcane from fields etc.

### Balance needs to be maintained between sugarcane and sugar

There is a need to balance the sugar can prices and the sugar prices. Sugar continues to be major source of revenue to sugar mills and payment of higher and higher prices to sugarcane compared to stagnant sugar price cannot solve this problem. Secondly, the water consumption by sugarcane crop is high and sugarcane cultivation in the areas where water is already depleting may endanger the cultivation of other crops. Therefore, the restricted cultivation in such area may be the demand of time. Thirdly, the problem of liquidity of sugar mills cannot be solved by more loans and such financial support. The basic problem of mills is of unbalanced approach to the costs and revenue. The remunerative price mechanism for all products of sugar mills along with reducing the out go costs for sugarcane must be beneficial to mills since the mills will continue to have to its major share of revenue from sugar sale. Fourthly, the subsidy support in any form is not the long-term solution as it costs the public in general and discriminatory to tax system. The Profitability of sugar mills is important in as much as the profitability of sugarcane cultivation. □□

[https://www.niti.gov.in/sites/default/files/2021-08/10\\_Report\\_of\\_the\\_Task\\_Force\\_on\\_Sugarcane\\_%20and\\_Sugar\\_Industry\\_0.pdf](https://www.niti.gov.in/sites/default/files/2021-08/10_Report_of_the_Task_Force_on_Sugarcane_%20and_Sugar_Industry_0.pdf)

### Where is the problem

The problems are not same with sugar factories & cane growers.

1. Falling sugar prices and rising sugarcane prices has put the industry in serious problems, including that of liquidity. The Central Government has of late started Minimum Selling Price (MSP) for sugar so to cover the minimum cost. However, the sugarcane prices are rising and sugar income is not meeting the cost. The cost of sugarcane purchase is of 60-70 % of total cost and therefore, the sugar mills are unable to pay the full payment to farmers. This led to arrears. The sugar export chances are minimal even with export subsidy as world sugar market is tight and

# Aging Tax, Tariff, and Trade Agreements



*The economies of scale model needed different trade agreements.*

*Such trade agreements is biased in favor of powerful and wealthy nations.*

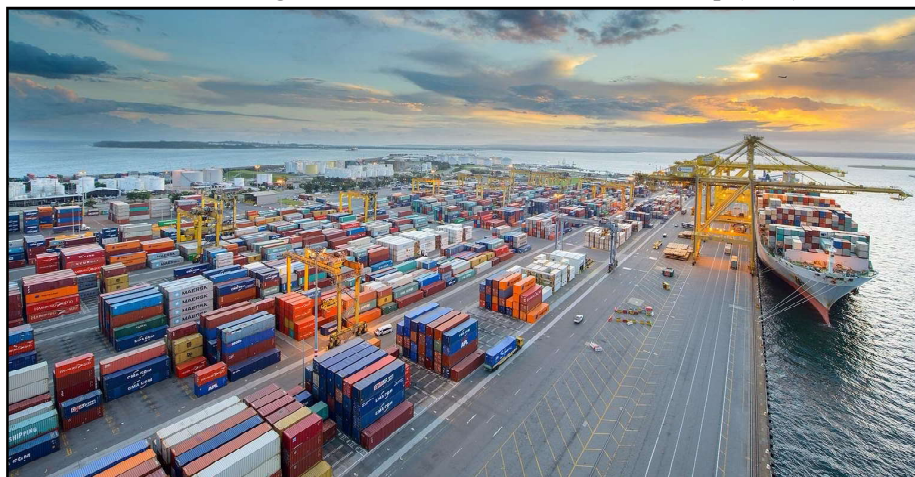
*But, today the business model of the big technology companies has made the authors of such trade agreements powerless.*  
Alok Singh

The trade agreements are primarily to simplify the process of tax and tariff among the trading nations. The simplest trade agreement is a bilateral trade agreement that can be executed, discussed, and negotiated between two nations for doing trade of a particular product or services for a specific period of time. It's the most flexible trade agreement. The trade agreement is a necessity. Without it, no trade can happen between two different nations. The formats of trade agreements are many. It can be bilateral, plurilateral, multilateral, regional, or universal. World Trade organization aspired to be universal trade agreements. Unfortunately, it wished to homogenize the heterogeneous entity. The attempt failed, the reasons are many and different for different members of the WTO community.

The first culprit of encouraging the multilateral trade agreement is the economies of scale business model. This model requires a high volume of production or delivery of services so that the fixed cost is spread over many units. It means that the high volume of delivery of products and services will reduce the overall operating cost and so the end-user can pay a cheaper price for the product or service. This model feeds on vast and expanding markets. Economies of Scale model is an important factor to give birth to multilateral trade agreements. The foundation of the multilateral trade agreement was shaky so such trade agreements were bound to fail and WTO is the living example of its failure. It had hardly a shelf life of twenty years and today no one care for WTO. It has become an ornamental trade agreement

The reason for the failure of the multilateral trade agreements is many. The changing demographics, the changed geopolitics, the change in taste of consumers, the job impact, and the list goes on. The government has the tools to address it. The regular interval ministerial-level conferences of the World Trade Organization are one such platform to formulate rules and policies to address newer issues.

If we look at China it is blindly looking for one after the other trade agreements. There are trade agreements like Trans-Pacific Partnership (TPP) which was



signed by around a dozen countries but could never be practically executed for trade purposes. The shelf-life of TPP is least for practical purposes. It is zero days, no business was implemented through this channel.

The relevance of trade agreements seems shaky. Something new has arrived, which do not cares for trade agreements. This something new is nothing but the arrival of big technology companies.

The big technology companies have forced the governments of the world to look for new trade policies. The trade regulators are simply unable to do anything to monitor the revenue generated out of the businesses of the big technology companies. The technology companies are smarter than the trade regulators. The trade regulations and agreements are of the Stone Age for these big technology companies.

The trade agreements related to e-commerce and its various types of platforms demand the regulators and the governments to rewrite the trade rules and the tax and tariff rules. In fact, rewriting and rebooting tax and tariff rules seems insufficient. The big technology companies are challenging the tax and tariff professions to research the new language, develop the new framework to match their steps. It's a challenge thrown by the technology companies to the governments of the world. A social media company recently dared successfully to dismiss the account of the sitting president of the most powerful country in the world. The existing laws were helpless.

Today the big technology companies who are engaged in online selling are not engaged in

social media business and the big technology companies who are engaged in the social media business are not engaged in selling business. Today the e-commerce companies who are engaged in the taxi business are not engaged in the food business, those in the food business are not engaged in the ticket booking business, and even within the ticket booking business, and so on. Even the e-commerce companies are identified as travel booking or movie theatre booking companies separately. The business model seems simple. One e-commerce, one identity and doing one business.

Can we dare to think about what these big technology can innovate in the future? If we think about the scope of the future business model of these technology companies then it seems difficult to guess.

Can we think of a big technology company that is in the social media business and suddenly offers its users the business of a payment bank or the business of an e-commerce platform?

The biggest social media company might be working on it and suddenly one day they will start something like a - big billion day, unmatched discount, the service of the taxi, air tickets, train tickets, education, banking, and might be motivated by cryptocurrency to come up with their own currency. The situation seems imaginary but on a serious note, it's not impossible.

It is possible for the social media technology company to do all these, as they have captured more raw data than any other technology company. The source of revenue of social media companies is an advertisement. If more

people are using a particular social media, more advertisement, and more revenue it earns. The bigger the social media, the bigger e-commerce sellers it can be, the bigger cryptocurrency service provider it can be, the bigger food delivery service provider it can be, the bigger taxi service provider it can be, the bigger education service provider it can be, and "you name it they have it" service provider it can be. The biggest manipulator of though, food, education, consumption, culture, tradition- it can be. They can control everything.

The situation is dreadful, the big technology companies had announced without announcing that they aspire to be powerful than the democratically elected leaders. The citizens can elect a new leader and replace the earlier one, they get a chance after four or five years to participate in elections to do so. If the policymakers don't wake up and wake up soon then the big technology companies are aiming to be invincible. It's already delayed. The deficit in tax revenue collection of the governments of the world is proxy proof of it.

The democratically elected leaders are effectively powerless in front of these big technology companies. The big technology is beating the polity. The economies of scale model needed different trade agreements. Such trade agreements is biased in favor of powerful and wealthy nations. But, today the business model of the big technology companies has made the authors of such trade agreements powerless. The tax, tariff, and newer trade agreements are an urgent necessity to save democracy. □□

(Alok Singh is a Fellow of the Indian Institute of Management Indore and currently is faculty of general management at NICMAR, Delhi-NCR Campus.)



# How community-managed natural farming can fix broken food system

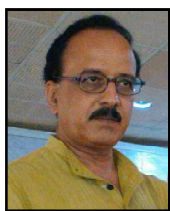
Several years ago, I requested the then Director General of the Indian Council of Agricultural Research (ICAR) to visit some villages in Andhra Pradesh where a unique community managed system, based on no application of chemical pesticides, was emerging as a new social movement.

He listened to me patiently, wanting to know more about how the concept of No-Pesticides Management (NPM) had caught up with farmers' imagination, so much so that the transformation towards a safe and healthy farming system was quietly expanding. I must acknowledge that soon after putting down the phone, he asked the Directorate of Research at Hyderabad to depute a team of scientists to visit a few villages to make a preliminary assessment. A couple of days later, he called up to say that the report he received showed positive and significant behavioural changes necessitating a shift from established farming practices.

Why I am narrating this story is to explain how early one could see the enormous possibilities the NPM system was likely to throw. It has taken several years, but it is heartening to know that what began as a small initiative is now being seen globally as a beacon of hope.

The Community Managed Natural Farming (CMNF) programme, as it is now called, has spread to 3,780 villages with more than 7,00,000 farmers in 13 districts showing the way. In fact, to the best of my understanding CMNF has emerged as probably the world's biggest agro-ecological farming system. So much so that the Global Alliance for the Future of Food has in its latest report True value: Revealing the positive impacts of food system transformation listed it among the six global initiatives that have the potential to fix the broken food systems, and thereby lay a foundation for a change the world is keenly looking forward to.

Using the True Cost Accounting methodology that was developed on the lines of what was suggested in the report of The Economics of Ecosystem Services of Biodiversity (TEEB) that the United Nations Environment Programme



*Natural farming system saves Rs.12.3 lakh crore every year by way of costs that are avoided in managing degraded lands.*  
**Devinder Sharma**



(UNEP) has perfected over the years; natural farming practices in Andhra Pradesh are now being practiced on 8,000,000 hectares. Operating under a decentralised farming system, the programme runs through a government-owned non-profit Rythu Sadhikara Samithi (RySS). With 12,500 village councils, each looking after a cluster of 2000 households, the success of the programme lies on a peer-to-peer approach where a locally-identified team of 3 lead farmers – a master farmer, a natural farming fellow, and an out-reach extension specialist – advise and guide fellow farmers.

As the report acknowledges, the role women groups have played in incorporating natural farming principles in local society and culture is exemplary. If you have to know how women power can transform a society, you have to come and see how seven million women have formed 6,52,440 self-help groups, referred generally as ‘spiritual capital’ of the natural farming movement, have taken over decision-making. In my travels, I have always been left amazed by the sheer strength of women power, with these groups distributing loans, managing input supplies, organising storage and processing, and helping in knowledge dissemination. You have to be at the meetings of the self-help groups to know what steers the natural farming movement, and how they act as the pillar of strength.

Dr GV Ramanjaneyulu, Executive Director of the Centre for Sustainable Agriculture, Hyderabad, a passionate proponent of the NPM approach, and someone who believes in agro-ecological farming systems, had first taken

me around to show the strength of women SHGs. Among the 38 NGOs engaged with the CMNF programme, CSA was the front-runner to have converted an entire village in Warangal district to not only go organic but also to form a cooperative. Since then six more such organic villages have come up.

With no chemical pesticides and reduced fertiliser application, the usual illness cases have dropped by 86 per cent and it has brought about a reduction in the health expenses an average of 50 per cent per household. Considering the increased medical expenses is one of the primary reasons behind increasing farm suicides in the country, the CMNF approach is probably the way forward to pull farmers out of the vicious debt trap. And let’s not forget, with 68 per cent reduction in cost of cultivation and with 88 per cent farmers showing statistically significant increase in crop yields, farm income has increased from 8 to 111 per cent depending upon the kind of cultivation undertaken. But that does not mean, agro-ecological farming systems do not need income support.

These farmers need to be paid for environmental protection, and for their role in preserving ecosystem services. While crops need 55 per cent less water and electricity, resulting in 55 to 99 per cent lower emissions, the natural farming system has saved Rs 12.3-lakh crore every year by way of costs that are avoided in managing degraded lands. But what may be difficult to measure economically are the indirect but ever-lasting benefits that accrue. With 43 per cent farmers reporting an increase in earthworms, and 52 per cent reporting softened soils, and 36 per cent say-

ing the green cover has increased, what I find fascinating is that 95 per cent people acknowledge that the food taste has improved, and with 70 per cent of the chemical-free food being consumed locally, the nutritious intake has also improved, including a remarked improvement in dietary fibres.

With Minister for Agriculture Kurasala Kannababu now promising a policy frame work for organic agriculture and natural farming, I am sure the numerous hiccups that CMNF encounters, including reports of non-payment of salaries to the staff, are immediately taken care of. The programme also requires more budgetary support to meet the target of converting the entire farming population go chemical free in the next few years.

Every successful transformation that the world has witnessed actually hinges around a powerful catalyst. While it was scientist-turned-environmentalist Parshu Ram Mishra in case of the Sukhomajri model in the Shivalik hills in the mid-1980s, a senior bureaucrat Vijay Kumar Thillam, now retired and presently the co-chair of RySS, is the moving spirit behind the remarkable transition witnessed in Andhra Pradesh.

Taking up a challenge that is not only path-breaking, he has effectively brought about a transformation that should be viewed as what ‘smart agriculture’ means. That’s a transformation that Andhra Pradesh should be proud of. And that’s a transformation that provides a sustainable pathway for the future of food. □□

(The author is a noted food policy analyst and an expert on issues related to the agriculture sector. He writes on food, agriculture and hunger)  
<https://www.thehindu.com/business/how-community-managed-natural-farming-can-fix-broken-food-system-712223>

# Global warming had led to power crisis

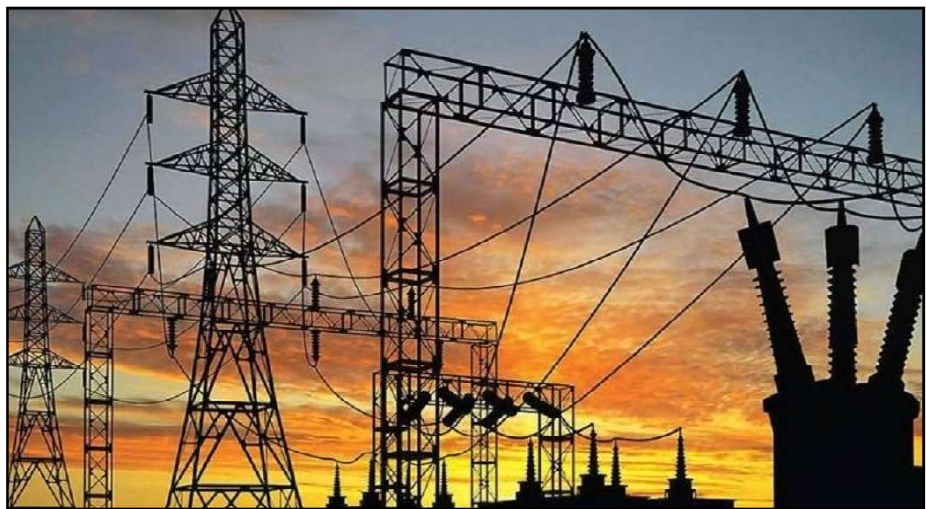
The immediate cause of the present power crisis is shortage of coal. This shortage, in turn, is due to global warming. It is necessary to dispose off certain alleged causes of the present crisis before proceeding further. One alleged cause is that the economy is picking up speed after the Covid pandemic leading to increase in demand for electricity. This is not acceptable because the production of coal in April-September 2020-21 is 11 percent more than the production in April-September 2019. In this same period the GDP is scarcely equal to that in 2019. Thus, there is higher production of coal for the same GDP. The second alleged cause is that the restrictions placed by China on the imports of coal from Australia has created a demand for coal produced by other countries leading to an increase in the international price of coal. This is not acceptable because the demand- and price of Australian coal has also increased in the recent period. The sale of coal by Australia in the world markets has not declined due to the restrictions placed by China. The supply of coal in the international market is unaffected by China's this restriction. The third alleged cause is that less investment has been made in coal mining in the recent past due to greater focus on solar and wind power. This has led to the coal crisis. This is not acceptable because the investment that would have been made in coal and oil would have been made in wind and solar energy leading to an equivalent increase in the availability of energy. Hence, these are not the cause of the present crisis.

The true cause of the present crisis is reduced production of electricity along with increase in demand—both due to global warming. The production of electricity has been affected for three reasons. One, a number of coal mines across the world including those in India, China and Australia have been flooded leading to less production at the global level and an increase in price. Two, a number of energy-producing areas such as Louisiana and Texas in the United States have



*The immediate cause of the present power crisis is shortage of coal. This shortage, in turn, is due to global warming.*

**Dr. Bharat Jhunjhunwala**





faced hurricanes leading to less production of oil. Three, dry climate in China has led to less production of hydropower. The wind speed has also been less leading to less production of wind power. The production of energy has been affected at a global level for these three reasons. The consumption of energy, on the other hand, has increased. Europe has faced a long winter last year leading to higher demand for oil for heating purposes. European countries have depleted their stocks of oil in the last winter. The coming winter is also expected to be long. These countries are wanting to rebuild their stocks leading to higher demand for oil in the global market.

Thus, global warming has led to less production of coal and electricity along with higher consumption of oil leading to an increase in the price of energy and to the present crisis. This crisis is reflected especially in the increase of price of natural gas in Europe. Natural gas is the preferred source of energy for heating because the distribution systems are in place and it is less polluting. The price of natural gas when reckoned equivalent to crude oil is hovering around US Dollar 230 per barrel against the prevailing price of crude oil of US Dollar 86 per barrel. It must be noted that the price of the three sources of energy—oil, coal and natural gas—are interconnected with each other because often the raw materials are switchable. An oil-based electricity plant can be switched on and a coal-based plant can be switched off if the price of oil is less and coal is more. This happens just as shopkeepers increase and reduce the prices of their

***Our special problem is that we are heavily import-dependent for energy.***

***The price of petrol, diesel, natural gas and electricity in the country goes up- and down in tandem.***

goods in tandem with the availability in the market.

The main raw material used for the generation of electricity in India is coal. About 90 percent of our coal is obtained from domestic sources while 10 percent is obtained from imports. Few thermal power plants are entirely dependent on imported coal. The price of electricity produced by these plants has increased along with the increase in the price of imported coal. The electricity boards have refused to buy this expensive electricity and these plants have shut down. In the result, the production of electricity has been affected and a crisis has been created. The small reduction in electricity generation due to closure of import-based plants has led to a large crisis just as a small increase in the temperature of the patient from 104 degrees to 105 degrees causes panic.

Such crises are likely to come with increased frequency in the coming future. Our special problem is that we are heavily import-

dependent for energy. We import 85 percent of oil and 10 percent of coal. The global price of these raw materials keeps moving up- and down. The price of petrol, diesel, natural gas and electricity in the country goes up- and down in tandem. However, the sale price of electricity is fixed by our Electricity Regulatory Commissions on a long term basis. Thus there arises a mismatch between the short term cost of production and the long term price of sale of electricity such as we are seeing at present. The solution requires action at two levels.

First, we will have to reduce our consumption of energy to reduce dependence on imports and insulate our economy from the changes in the global price of oil and coal. This requires an increase in the price of all sources of energy including electricity.

Second, we will have to peg the price of sale of electricity to the price of the raw materials. The price of petrol and diesel are changed on daily basis in keeping with the global price. The price of electricity in the country is about Rs 6 to 10 per unit. It has been fixed on a long term basis. The price cannot be increased frequently as the price of raw materials goes up- and down.

Therefore, we must change the price of electricity on monthly basis if not daily. It must be noted that we are not affected by the change in global price of coal so much because the price of coal in the country is fixed by the public sector Coal India Limited. Thus, at present the domestic price is stable while the international price is rising but we are facing a crisis nevertheless. □□

Formerly Professor of Economics at IIM Bengaluru

# Chip shortage : Revive Hardware, India can rule the World

World is a funny place. The way to global recovery sometimes is disrupted by an invisible virus and as it tries to come out by a small computer chip. It is thawing Indian and global industry. The sudden shortage of semi-conductor due to production stress shifting has put world giants on a tricky slowdown.

A whole array of products – cars, washing machines, wheel chairs or medical and diagnostic instruments depend on semi-conductors. It hits even the disabled-using a semi-conductor controlled wheel chair. The disruption is said to continue for a year.

India is no exception starting from cars and to the medical and personal computer sector. It is hitting an economy trying to struggle back in a post-pandemic situation. It impacts car production already dislocated due to campaign to junk fine working ten-year-old cars or even life saving medical products.

Globally many products are in short supply. The chips that are in short supply perform various functions in modern products, and there are often more than one in a single device. Many electric and electronic hardware firms despite having orders are unable to complete the production cycle.

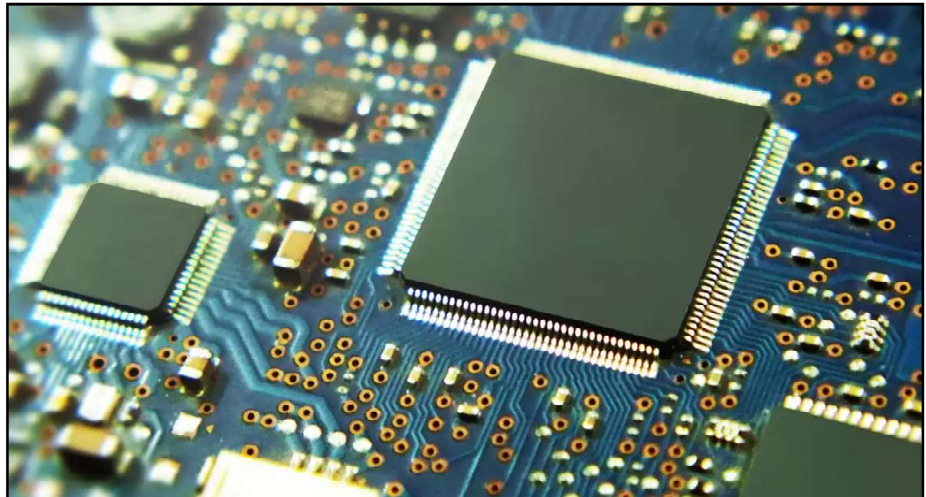
The automobile sector accounts for about 10 per cent of the overall demand, with the rest coming from the electronic appliances and gadget industry, such as mobile phones and laptops, among others. And who is not suffering from Jaguar to Hyundai, Ford, Maruti , gaming industry and entertainment and an array of others. Many of these industries are on a halt. Even the smartphone industry is hit and can lead large groups like Apple to crisis.

It is difficult to fathom the losses. Production is being delayed, inventories and debt burden at factories are growing. It may lead to not only delay alone but the consequent higher interest repayments can cause sharp price rises in a world pestered by severe inflation. Banks are also hit and may head for another NPA regime.

The chip production was hit hard during pandemic as major industries remained closed and the chip makers looking for an alternative got into different



*Sales of used cars may have gone up many times but for the silly bureaucratic and National Green Tribunal initiated moves to scrap the cars. More the cars, more people remain employed.*  
**Shivaji Sarkar**



areas away from the core buyers - cars, aeroplane and other high-end aerospace manufacturers, who shut down operations because of the pandemic. This had ripple effect through the supply chain to semiconductor manufacturers who re-assigned production to the consumer electronics and computing industries, which had an upsurge in demand.

The rest was acerbated by the 5G technology dependent highly on several kinds of chips. Technology changes always may not be advancement. It can cause disruption too. This is what is happening in a world that is depending on only one kind of technology, which is either a control mechanism or useful in secondary system.

The technological monoculture has become a severe problem. The source materials are also not that immense that it can continue supply forever. The alternatives are not easy to find. Never in the past technology has been so dependent on one aspect. The older technology had room for creating easy alternatives, the new software and chip-based technologies get into glitches easily. It is time for the world to rethink for induction of multi-faceted technology options. The world now has less option for *jugaad* that used to come out with citizen initiatives.

Since there is lack of such avenues getting out of the quagmire in an intellectual property controlled regime is becoming difficult. The lack of the chip is hitting the critical life-support systems, including those used in the ICU. The prices of ventilators, imaging machines, glucose, ECG, blood pressure monitors and pacemakers are rising.

***India had a computer hardware sector in 1990s. It had also a semi-expert operated by self-trained parallel market. It was called the Nehru Place or Ghaffar Market technology. These were ignored & allowed to die as imports appeared to be at less cost.***

The chips for the Indian medical technology makers are sourced from Indian vendors. But they import it from China, Taiwan and the US. In the race for software driven IT industry, no one apparently focused on setting up of chip fabrication unit for decades in the country. The experts had always expressed concern over the rise of a secondary industry and taking the prime space in economy.

It is not just the consumer an array of industry and electronics segments are hit. The crisis of the life-saving industry has already led to shortage of patient monitors, ECGs and many other simple devices. But it was not easy to believe this even a short while ago.

India had a computer hardware sector in 1990s. It had also a semi-expert operated by self-trained parallel market. It was called the Nehru Place or Ghaffar Market technology. These were ignored and allowed to die as imports appeared to be at less cost. Apart IPR type rules that has caused immense problems for India-like countries, were not contested with the vigour it needed. The industry is now blaming the government. It earlier did not approach the government and now it is clamouring for having an Indian *atmanirbhar* chip production. It may be good suggestion. But it takes decades to set up such facility.

As of now be it car, medical, security and many other critical ar-

reas chip shortage has added to prices manifold. It has also led to production losses. The SIAM, car makers association, notes that the cumulative sales from April to August 2021, the passenger vehicle segment is still below the level of 2016-17, the two-wheeler segment is lower than the level of 2011-12, and the three-wheeler segment is behind by many years.

Sales of used cars may have gone up many times but for the silly bureaucratic and National Green Tribunal initiated moves to scrap the cars. More the cars, more people remain employed. Similarly, if a hardware industry is propped up, IPR protection is given, the country would do better. Unless the silly annihilating scrapping system is reversed, India's supposed middle class economy is headed for collapse.

India is preparing for a digital boom starting with education. This may not be easy as even the personal computer system is hit by the chip scarcity. Its prices and cost per student is rising. It is also to hit the small and large businesses.

The Narendra Modi government has an open mind. It must initiate a process on war-footing to revive the hardware sector and keep prices of electronic devices under check, contest the annihilating IPR rules and help the country usher in a regime where all breathes freely, act together and leads India to a prime global position. □□



## Geo-economics of two Quads

India's civilization and economic footprints across Asia have, through history, stretched from the Mediterranean to the Pacific, from the Indian Ocean littoral to Central Asia. If the arrival of European powers into the region 300 years ago, and their maritime dominance in the Indo-Pacific, disrupted the East-West links, the Partition of India, the geopolitics of the Cold War, and the China-Pakistan axis disrupted India's links into Eurasia.

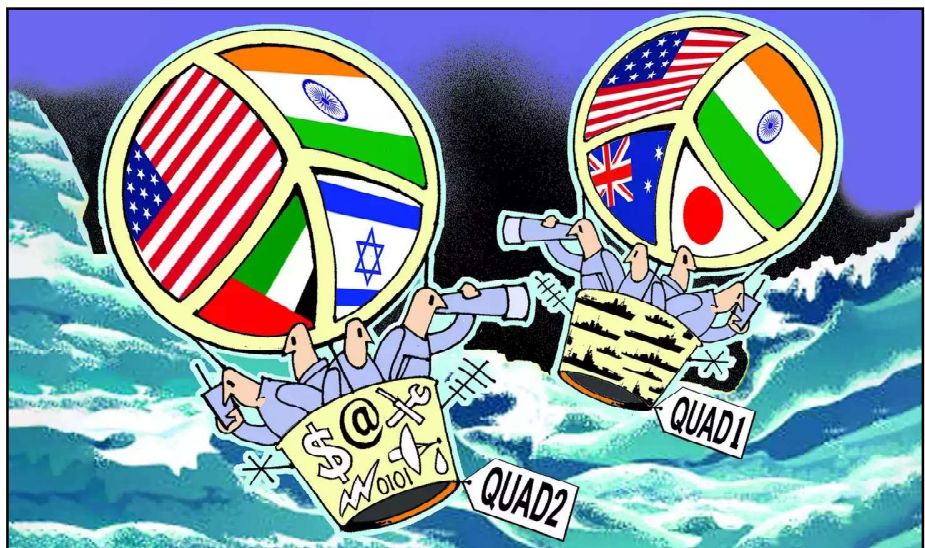
The creation of an 'East Asia' and a 'West Asian' Quad – with India partnering the United States, Japan, Australia, in the East, and the US, Israel and United Arab Emirates, in the West, provides a framework for India's re-engagement with Asia that remains constrained towards the north by the China-Pakistan axis. It is relevant that all the five partners in the two Quads are both economic and defence partners.

While international relations scholars, with their bias towards political and military affairs, tend to focus on the geopolitics of these Quads, their economic and developmental potential is equally important for India. If the immediate focus of the East Asian Quad was on Covid-19 pandemic, climate change and development of critical and emerging technologies, the West Asian Quad has prioritized trade, technology, big data, digital and physical infrastructure, transport and maritime security.

To point to the geo-economics of the Quads is not to deny the geopolitical context. The rise of an assertive and aggressive China, the instability of the post-Afghanistan situation in West Asia, and the emerging dynamics of Eurasian geopolitics are important factors that have shaped the security dimension to the two Quads. But to focus only on India's defence and security relations with these five



*The East and West Asian groupings can multiply India's trade possibilities via land and sea.*  
**Sanjaya Baru**



partner countries would be limiting. Not surprisingly India's external affairs minister S. Jaishankar claimed that the West Asian Quad would enable the four countries to work together "more closely on economic growth & global issues."

It should be clear to any observer of Indian foreign and strategic policy over the past two decades that two considerations have defined it and continue to do so. First, the need to defend against predators who covet territory and seek to destabilize India; second, the need to promote economic development so as to improve the quality of life of the Indian people. As Prime Minister Manmohan Singh would often say, the principal objectives of our foreign policy should be to ensure regional peace and security and "create a global environment conducive to India's economic development." Both the East Quad and the West Quad seek to address these precise objectives.

Both land and water have been central to India's links with the world through history. Over the past three decades, especially after India's economic opening up in 1991 and through the post-Cold War period, India has re-established its maritime links with the Indian Ocean and the Indo-Pacific regions.

Almost all Indian trade is through the waters around the peninsula. This has recreated ancient maritime links, from Vietnam in the East to Egypt in the West, and has raised the profile of maritime security. Over the past two decades successive governments have devoted attention to these links, culminating in Prime Minister Narendra Modi's SAGAR initiative – Se-



***The rise of an assertive and aggressive China, the instability of the post-Afghanistan situation in West Asia, and the emerging dynamics of Eurasian geopolitics are important factors that have shaped the security dimension to the two Quads.***

curity and Growth for all in the (Indian Ocean) Region.

While both Quads reinforce these maritime economic and security interests across the Indian and Pacific Ocean regions, India has been prevented from rejuvenating its land links with Eurasia by the China-Pakistan axis. Pakistan's blockage of India's land links to Central Asia and the limited success India has had rebuilding land links to the East have constrained India's economic and cultural engagement with these regions. Over the past quarter century these land routes have acquired a new importance not just because of China's Belt and Road Initiative but more importantly due to their potential for India's energy security and trade. Access to oil and gas from Central Asia and Iran would benefit India greatly.

Credit is due to Indian planners and policy makers for having woken up, even if a bit late, to India's maritime links, capabilities and possibilities. Countries like Singapore and UAE have acquired salience in this context. It also goes to the credit of the leadership of both Singapore and UAE that they seized the India opportunity and have enabled their economies to be

linked with India. A familiar joke among Indian expatriates in Singapore and Dubai is that the two are 'India's best cities.'

Singapore has become a bit distracted of late, partly on account of its domestic politics and the rise of Chinese influence and partly due to disappointments in India thanks to such aborted projects as Amaravati, the planned capital city of Andhra Pradesh. Dubai, on the other hand, has been more focused on India. Not surprisingly it finds a place within the West Asian Quad.

Two caveats are in order. First, both in East and West, the US may prefer the focus to be more on defence and military capability, while India should ensure that its economic interests are prioritized. It is not enough that the US becomes a bigger defence partner. It should also be a bigger trade and technology partner. Second, India should reassure non-Quad countries in Southeast and West Asia, including Iran that they remain important partners. India has to stay the course with its policy of multi-alignment and multi-engagement in an increasingly multipolar world. □□

*The writer served as media advisor of former PM Manmohan Singh.*

<https://timesofindia.indiatimes.com/blog/tui-edit-page/geo-economics-of-two-quads-the-east-and-west-asian-groupings-can-multiply-india-trade-possibilities-via-land-and-sea/>

## Pink Bollworm Attacks in Punjab Again Raise Questions About Bt Cotton

Farmers across a vast cotton growing area of Punjab and some parts of neighboring Haryana are today extremely bitter about the extensive damage caused by pink bollworm pest, while memories of other serious pest attacks also continue to trouble them. Neel Kamal reported in The Times of India (Chandigarh edition, 28 September, 2021), “The pink bollworm attack on cotton crop in Punjab has made farmers a worried lot, as memories of whitefly attack in September 2015 are still fresh in their minds...the 2015 whitefly attack had caused over 60% damage to cotton crop.” This report noted that pink bollworm attack is the highest this time in Punjab, although attacks were reported earlier in Gujarat and Maharashtra.

This report stated that this time the bollworm attack is more in Bathinda and Mansa districts, but other reports described the extensive damage in other districts as well. The Tribune reported on October 9 (Chandigarh edition, news titled Cotton in 85 Sangrur villages under bollworm attack)—“The cotton crop on 1500 acres in 85 villages of Sangrur district has come under the pink bollworm attack. In Barnala, the attack has caused panic among farmers. In many villages, the repeated sprays of insecticide have failed to prevent the spread of the attack...Department officials are organizing special camps at various villages, recommending sprays and making farmers aware against spurious ones.”

Thus unfortunately solutions are still being sought more and more in pesticides. As another report in The Times of India titled ‘Channi checks damage to cotton by pink bollworm’ stated—Chief Minister Charanjit Channi while visiting affected villages “asked the officers to pump in all the resources in terms of best available insecticides and pesticides to save the precious crops of the farmers.”

In 2017-18 very widespread damage was reported to Bt cotton crop from



*Farmers across a vast cotton growing area of Punjab and some parts of neighboring Haryana are today extremely bitter about the extensive damage caused by pink bollworm pest, while memories of other serious pest attacks also continue to trouble them.*  
**Bharat Dogra**





pink bollworm in Maharashtra. A report in the Economic Times dated 21 January 2018 by G. Seththarman titled 'These Two Issues Could Put the Brakes on the Bt Cotton Story' quoted a senior agriculture official of Maharashtra as stating that 80% of the cotton growing area of the state had been affected in the current season. This report also stated that Bt cotton is the only commercialized GM (genetically modified) crop in India and it is due to the vast spread of this alone that India has the fifth highest area under GM crops in the world and Bt cotton seeds account for 40% of the Rs.14000 crore national seeds market. This report said—"the loss caused by the pink bollworm infestation has raised serious questions about the sustainability of GM cotton, which accounts for over 90% of all cotton grown in the country." This report documented the very rapid growth of Bt Cotton. Monsanto introduced its first generation Bt Cotton called Bollgard I (BG-I) in 2002 and Bollgard II (BG-II) in 2006. Over the last three years, this review said, reports have emerged of the pink bollworm becoming immune to Bollgard II. In addition this review drew attention to illegal sale of herbicide tolerant (HT) variety of Bt Cotton, amounting to 3.5 million packets in 2017-18 alone. Keeping in view the high expenses of Bt cotton cultivation, this review concluded, its viability cannot be taken for granted anymore.

Here it needs to be pointed out that the claims of Bt Cotton relating to high yields have been refuted by several eminent experts from time to time. Dr. Jack A. Heinemann, of the School of Bi-

***However in the six years after the introduction of Bt cotton average cotton yield was reduced to 518.3 kg/ha. ... Given the high hazards, risks and uncertainties associated with GM crops, these can never be sustainable.***

ological Sciences, University of Canterbury, Christchurch, New Zealand, has a long experience of reviewing safety information from companies on their genetically engineered crops. He writes, "the 'Bt' trait does not increase yield, it just is becoming nearly impossible to source the best varieties without the Bt transgenes."

Why is this so? Dr. Heinemann answers, "The yield benefit (in Bt cotton) comes from the use of high yielding hybrids that are only available as GM varieties because genetic engineering companies like Monsanto control a large proportion of the seed supply and only offer them as GM cotton varieties."

This is confirmed by PV Satheesh, Convener of South Against Genetic Engineering, "The final nail in the coffin of non Bt cotton cultivation was hammered in 2006 when the industry - by forming a corporate seed cartel - successfully threw out all non Bt cotton seeds from the market firmly shutting out all options for farmers except the cultivation of Bt cotton."

Jack A. Heinemann asks, "Where is the data that these same high yield varieties lacking the Bt trait and grown using sustainable techniques such as integrated pest management and agroecology perform less than GM varieties," He answers, "There is none at all to my knowledge, while there is evidence that GM varieties undermine sustainable agriculture."

In some parts while yields of cotton increased significantly in the phase of spreading Bt varieties for some years this was mainly due to the impact of good weather and improvements in irrigation, as also the government devoting more resources for this particular crop.

On the experience of the USA Dr. Heinemann writes, "The yields of Bt cotton in the US, for example, have not been consistently or sustainably higher than cotton produced using high yield varieties that were not genetically engineered, and GM varieties have contributed to financial losses for farmers. The high costs of genetically engineered seeds put farmers at financial risk."

Heinemann concludes, "Does India want to export control of its food? Then go with genetic engineering. If India wants to feed itself, then go with proven but so far neglected approaches that work, such as agro ecology."

In the very first year of Bt cotton's commercial cultivation in India (2002-03), the Andhra Pradesh dept. of agriculture concluded a study of 3709 farmers growing this Bt cotton. As many as 71% of these farmers reported low yields with Bt cotton.

In Madhya Pradesh the average yield of cotton between 1996-2002 (before the introduction of Bt

cotton) was 612.7 kg/ha. However in the six years after the introduction of Bt cotton average cotton yield was reduced to 518.3 kg/ha.

These realities specific to cotton should be seen together with other objections to all GM crops. Given the high hazards, risks and uncertainties associated with GM crops, these can never be sustainable.

In a letter written to the Prime Minister of India in 2009, as many as 17 distinguished scientists from the USA, Canada, Europe and New Zealand pointed out that the claims relating to higher yield and protection of environment made for GM crops are absolutely false. Due to various problems of GM crops, their spread has been highly limited. This letter says, "More than 95 percent of all GM crops are engineered to either synthesise an insecticide (Bt toxin) or to tolerate a broad spectrum herbicide (e.g. Roundup, Liberty) or both.

"To date there are only four major commercialised GM crops (soya, maize/corn, cotton, canola/oilseed rape) most of which (soya, corn, canola) are used primarily as animal feed. All were commercialised in the late 90s. Since then, no other commercially viable GM crop application has made it to market, especially due to farmers not accepting other GM crops (such as wheat, potatoes, and rice) for negative economic reasons (lack of buyers, loss of export markets).

"GM crops have not been widely accepted around the world. 95 percent of all GM food crops are grown in only five countries: the US, Canada, Australia, Argentina, and Brazil. If you include fibre crops (cotton), India and Chi-

na would be included. Only one GM crop is approved for cultivation within the European Union, MON810 corn, which has been banned by several member states invoking documented health and especially environmental risks.

"...The basic problem is that GM as employed in agriculture is conceptually flawed, crude, imprecise and poorly controlled technology, that is incapable of generating plants that contain the required multiple, co-ordinately regulated genes that work in an integrated way to respond to environmental challenges.

"...GM has not increased yield potential. Yields from GM crops to date have been no better and in the case of GM soya have been consistently lower. A 2009 report reviewing more than 20 academic studies clearly shows that the cultivation of GM herbicide-tolerant soybeans has not increased yields. Insect-resistant corn, meanwhile, has at best only improved yields marginally. This report found that increase in yields for both crops over the last 13 years was due to traditional breeding or improvements in agricultural practices.

"...GM crops have led to vast increases in pesticide use, not decreases and therefore reduction of agricultural pollution cannot be claimed

"...Climate change brings sudden, extreme, and unpredictable changes in weather, which requires that a cropping system be flexible, resilient and as genetically diverse as possible. GM technology offers just the opposite.

"...Stability of productivity and production is much lower with many of the GM crops commercialised today. Herbicide tolerant

GM soya is far more sensitive to heat or drought stress than conventional soya.

"...GM crops are designed to be used in conjunction with synthetic pesticides and fertilisers, which are manufactured from oil and natural gas.

"GM crops do not reduce greenhouse gas emissions.

"Recent data from the US department of agriculture has shown a vast increase in herbicide use since the introduction of GM crops tolerant to the application of these agrochemicals.

"Therefore, the introduction of GM crops has exacerbated rather than reduced agriculture's carbon footprint and is clearly unsustainable.

"Alternative proven technologies that can reduce the amount of fossil fuel used in farming already exist. This includes methods for reducing fertiliser applications, selecting farm machinery appropriate for each task, managing soil for conservation, limiting irrigation and (using) agro-ecological farming techniques."

While the record of GM and particularly Bt varieties in increasing yields on a sustainable basis is highly suspect, safer alternatives are certainly available. As Prof. P.M. Bhargava, noted molecular biologist pointed out some time back, the Indian Council of Agricultural Research had not only favourably tested Integrated Pest management and bio-pesticides on 85 crops but also compiled as many as 4000 traditional agricultural practices of which several had been validated and revalidated. Hence certainly more sustainable and ecologically protective alternatives exist. □□

The writer is Honorary Convener, Campaign to Save Earth Now. His books include 14 Questions About GM Crops and its Hindi Equivalent.

**SWADESH PATRIKA**  
NOVEMBER 2021

# Taming the flipping Unicorns

In the business fraternity, Unicorns are defined as private companies with a market value of over \$1 billion. The term Unicorn was first coined in 2013 by Aileen Lee, the founder at Cowboy Venture. Since then there has been commendable growth of Unicorns in the business world. Today the world has more than 851 Unicorns with a valuation of more than \$ 2737 Billion. India is no exception to this. Currently, India has 70 Unicorns in its feather, followed by 54 cheetas & 32 gazelles in waiting to become Unicorns in the next few years. This year alone we have added 30 unicorns to this premium club. India is currently the third-largest startup ecosystem in the world with over fifty-five thousand startups & sixty-nine unicorns, only behind the USA (396) and China (277).

This exponential growth in the count of Unicorns has shifted the focus of economic thinkers from Profitability to Valuation, as the cause of running business units. Unicorns have preached us the lesson that rather than working hard for operational profit one can yield better return by virtue of the increase in valuation using a cash-burning strategy. We have seen how the valuation of startup companies has increased multifold in spite of running in loss for many years. Most of the Indian Unicorns like Flipkart, Paytm, and Zomato are running in a loss though their valuation has increased more than a hundred times.

This skyrocketing increase in valuation serves as the profit to investors & thus attracts the attention of venture capitalists. A new school of thought has developed which considers valuation more important than profitability, and to achieve this 'Cash Burning' strategy is being adopted throughout the world. India is no exception to this, whether it is Flipkart, Byjus, or Zomato, millions of dollar is being cash burnt to capture the market.

Currently, India has 70 Unicorns & India is poised to have 150 Unicorns by 2025. Only this year we have added 33 Unicorns. With China's recent crackdown on its tech companies, global investors are looking to India as a large market for more opportunities. However foreign investors are investing in India not because of what India is today but they are investing in India for what India will be in the future. Over the last 5 years, it has been evident that 75 % of our FDI i.e.



*However foreign investors are investing in India not because of what India is today but they are investing in India for what India will be in the future.*

**Vikas Sinha**

Startups	Revenue	Expense	Loss	Valuation
(In Billion \$)				
CRED	52 lakhs	378 cr	360 cr	2.2
Big Basket	3787 cr	4411 cr	610 cr	2.00
Paytm	3281 cr	6226 cr	2942 cr	16.00
PhonePe	372 cr	2203 cr	1771 cr	5.5
Udaan	978 cr	3488 cr	2518 cr	3.8
Swiggy	2693 cr	6841 cr	3908 cr	5.5
Unacademy	65 cr	387 cr	301 cr	3.4





\$ 184 Billion has come through venture Capital & Pvt. Equity funding invests in these unlisted startups leading to the creation of Unicorns.

However, most of these Unicorns after attaining a certain level migrate from India. Out of 70 Unicorns founded in India, 2/3<sup>rd</sup> have based outside India predominantly Silicon Valley in the USA & only 21 are based in India. Some of the big investors in Indian Unicorns are Tiger Global, Sequoia Capital, Softbank, Matrix Partners, Innoven capital to name a few, are all located outside India thus these Unicorns are flipping

### Flipping Unicorns: A cause of concern for India

**Intellectual property:** Most of the Indian Unicorns have developed on the basis of Intellectual property generated from Indian Resource which will be used by foreigners.

**Data Secrecy:** In this digital era where technology is the buzzword these unicorns are using all the algorithms with data collected from their customer base to know the behavioral pattern of the customer. It serves as an insightful for companies to develop strategies to generate revenue and profits. It is the fundamental right of

the consumers to protect their data and companies can't collect or use their data without their consent it. With the flipping of Unicorns, these data may be allowed to be stored outside India which will pose a threat for India. The regulations across the world are safeguarding the interest of the customers and their personal data. China has already introduced tough data protection laws.

**Loss of Income:** With substantial ownership in the hand of foreigners who is making money, obviously not Indian, although the resource being used is Indian. The skyrocketing increase in valuation of these companies serves as an incentive to their foreign investors

**Killing Small Retailers:** These unicorns are using a cash-burning model of market acquisition which is killing small retailers. These Unicorns offer predatory pricing to capture market share and can run in losses for years thus killing small retailers. Amazon, Flipkart, big basket, etc. have been using this strategy

**Investment in strategic Areas:** Investment in some of the strategic areas like education should be dealt with very carefully as it will shape our future. China has banned Pvt. Investment of more than \$100 billion in the education sector. We

should cautiously decide the areas where foreign investment should not be allowed.

**Loss of Value Creation:** Unicorns have become a structure for the transfer of capital from India to abroad since most of the business is being generated from India but ultimately these funds are transferred abroad.

**Naïve Regulatory framework:** With the meteoric rise of startups to the height of Unicorns, who are large enough to impact the current economic environment, the regulatory framework taming these Unicorns needs amendments. We have seen how they have impacted the ecosystem in some of the developed countries to their exploitation.

### Reasons for flipping

**Ease of doing business:** Though India has shown significant improvement over the last 5 years with a jump of 79 ranks and moved to 63<sup>rd</sup> position and it is seen as not conducive enough for the growth when it comes to expansion of Unicorns.

**Valuation:** There is a perception that the valuation of the company increases by flipping to developed countries as they attract the attention of more Venture Capitals.

**Low Taxation:** Some of the countries which have emerged as the center for flipping of most of these Unicorn are tax heavens & offer very low taxation as compared to India. Further, they also avoid capital gain tax.

**Better investment avenues:** Unicorns having headquarters located abroad are able to get more & more investment opportunities than those located in India.

### Rethinking to curb this flipping

**Ease of doing:** Single window concept for startups to be made effective not only on paper but also in practice.

**Economic relaxation:** Giving relaxation to them by affiliating them to be SEZ for the first 5 to 7 years can be explored. Research data reveals that it takes 7 years on average for a startup to achieve the Unicorn status in India as against 5.5 years in China & 6.5 years in the USA. Nurturing them for the initial 5 to 7 years will blossom the growth of new Unicorns.

**Capital Fusion:** Lack of capital in the Indian Eco-system force them to move abroad, so there should be a proper mechanism where sufficient capital should be made available for them. The government of India has set up funds for startups with a corpus of 10,000 crores which in the

present scenario appears too little for their growth.

**Lower taxation regime:** Though the provisions of the Income Tax Act provide for a tax holiday of 3 continuous years in the initial 10 years the same is not being followed in spirit. Over the years Inter-Ministerial Board of DPIIT certified only 329 startups for the tax incentives. There needs an amendment in this structure to ensure such incentives are properly passed on to these startups for their smooth growth.

**Place of Customer base:** Taxation based on place of effective management i.e. the place from where the company is being run/controlled needs to be changed. Rather a company may be taxed based on the place of effective customer base i.e. the place where its substantial customers are residents.

**Strategic Ownership with-**

**in India:** Mandatory Voting rights for Indian shareholding must be in excess of 50 %. The law should be amended to make it compulsory that 51 % of voting rights should be in Indian hands only & the FDI limit to be restricted to 74 % in strategic areas.

We have only heard the success stories of Flipkart, PayTm, Zomato, etc. but not the failure story of companies like Housing.com, PepperTap, Hike, and TinyOwl. India has vast potential to nurture its startups & make them Unicorn, Decacorn & Hectocorns. Its time when we should not only count on the blessing of these unicorns but also be cautious of the threat it has been imposing on our country. So it's time to tame our Unicorns through regulatory amendment else they may harm the economy. □□

Vikas Sinha, Vasant Kunj, New Delhi

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# Tourism as Lifeline of economy

## Snapshot

**Robust demand:** By 2029, Bharat's tourism sector is expected to grow 6.7% to reach Rs. 35 trillion (US\$ 488 billion), and accounting for 9.2% of the total economy. International tourist arrival in Bharat is expected to touch 30.5 million by 2028. However, domestic tourism is expected to drive growth, post pandemic.

**Diverse Attractions:** Bharat offers geographical diversity, attractive beaches, 37 World Heritage sites and 10 bio-geographic zones and 441 sanctuaries. Bharat's 7500 km coastline is dotted with attractive beaches.

**Policy support:** Campaigns such as Swadesh Darshan, a theme-based tourist circuit was launched to harness the tourism industry's potential. The government introduced a scheme to boost the tourism sector by providing one-month free tourist visa to 5 lakh tourists until March 31, 2022.

**Attractive opportunities:** Government is providing free loans to MSMEs to help them deal with the crisis and revive the economy, including the tourism sector. Post the pandemic crisis, the Government plans to tap into regional tourism by opening doors for South Asian country tourists.

## Soul of tourism

Bharat is a kaleidoscope of unity in diversity. The multi-hued tapestry is its strength & beauty. Its uniqueness comes from this pluralism. Celebrations of beliefs and faiths woven around them have spawned a range of delightful, religious, spiritual and cultural practices and events. These have evolved as festivals, that are not just integral to our culture, but form the very basis of it.

Tourism in Bharat has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator be-



*Government is providing free loans to MSMEs to help them deal with the crisis and revive the economy, including the tourism sector.*

**Vinod Johri**



sides being a significant source of foreign exchange for the country.

In FY20, tourism sector in Bharat accounted for 39 million jobs, which was 8.0% of the total employment in the country. By 2029, it is expected to account for about 53 million jobs.

According to World Travel & Tourism Council (WTTC), Bharat ranked 10th among 185 countries in terms of travel & tourism's total contribution to GDP in 2019. During 2019, contribution of travel & tourism to GDP was 6.8% of the total economy, Rs. 13,68,100 crore (US\$ 194.30 billion).

### **Spread across Space**

Bharat is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking, and experiencing a journey. Bharat's rising middle class and increasing disposable income has supported the growth of domestic and outbound tourism.

During 2019, foreign tourist arrivals (FTAs) in Bharat stood at 10.93 million, achieving a growth rate of 3.5% year over year (y-o-y). During 2019, revenues from tourism increased 4.8% year over year to Rs. 1,94,881 crore (US\$ 29.96 billion). In 2019, arrivals through e-Tourist Visa increased by 23.6% year over year to 2.9 million. In 2020, FTAs decreased by 75.5% YoY to 2.68 million and arrivals through e-Tourist Visa (Jan-Nov) decreased by 67.2% YoY to 0.84 million due to corona pandemic. As of March 2021, the e-Tourist Visa facility was extended to citizens of 171 countries. In April 2021, the percentage share of FTAs was highest from USA (26.85%).

In April 2021, the percentage share of FTAs in Bharat was high-

est at Bengaluru Airport (29.96%), followed by Mumbai Airport (17.48%), Ahmedabad Airport (15.72%), Delhi Airport (9.21%).

By 2028, international tourist arrivals are expected to reach 30.5 billion and generate revenue over US\$ 59 billion. However, domestic tourists are expected to drive the growth, post pandemic.

International hotel chains are increasing their presence in the country, and it will account for around 47% share in the tourism and hospitality sector of Bharat by 2020 and 50% by 2022.

### **Emerging Investment flow**

Bharat was globally the third largest in terms of investment in travel and tourism with an inflow of US\$ 45.7 billion in 2018, accounting for 5.9% of the total investment in the country. Hotel and Tourism sector received cumulative FDI inflow of US\$ 15.61 billion between April 2000 and December 2020.

Our government has estimated that we would emerge with a market size of 1.2 million cruise visitors by 2030-31.

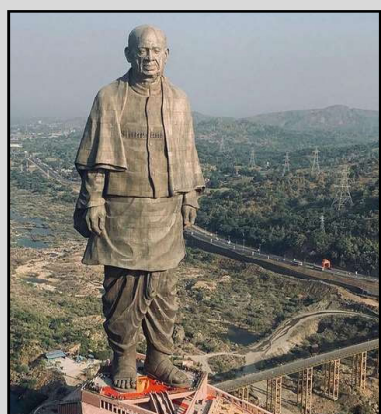
### **How Government catalyses & synergizes tourism**

Some of the major initiatives planned by the Government to boost the tourism and hospitality sector are as follows:

- In May 2021, the Union Minister of State for Tourism & Culture Mr. Prahlad Singh Patel participated in the G20 tourism ministers' meeting to collaborate with member countries in protecting tourism businesses, jobs and taking initiatives to frame policy guidelines to support the sustainable and resilient recovery of travel and tourism.

- Government is planning to boost the tourism by leveraging on the lighthouses in the country. 71 lighthouses have been identified for development as tourist spots.
- The Ministry of Road Transport and Highways has introduced a new scheme called 'All Bharat Tourist Vehicles Authorisation and Permit Rules, 2021', in which a tourist vehicle operator can register online for All Bharat Tourist Authorisation/Permit. This permit will be issued within 30 days of submitting the application.
- In February 2021, the Ministry of Tourism under the Government of Bharat's Regional Office (East) in Kolkata collaborated with Eastern Himalayas Travel & Tour Operator Association (resource partner) and the IIAS School of Management as (knowledge partner) to organise an 'Incredible Bharat Mega Homestay Development & Training' workshop. 725 homestay owners from Darjeeling, Kalimpong and the foothills of Dooars were trained in marketing, sales and behavioural skills
- On January 25, 2021, Union Tourism and Culture Minister Mr. Prahlad Singh Patel announced plan to develop an international-level infrastructure in Kargil (Ladakh) to promote adventure tourism and winter sports.
- The Indian Railway Catering and Tourism Corporation (IRCTC) runs a series of Bharat Darshan tourist trains aimed at taking people to various pilgrimages across the country.
- On November 4, 2020, the





***Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in Oct. 2018 and the total revenue generated till Nov. 2019 stood at Rs. 82.51 crore (US\$ 11.81 million).***

Union Minister of State for Tourism & Culture inaugurated the "Tourist Facilitation Centre" facility constructed under the project "Development of Guruvayur, Kerala" (under the PRASHAD Scheme of the Ministry of Tourism).

- On January 26, 2021, Maharashtra Chief Minister Mr. Uddhav Thackeray inaugurated Balasaheb Thackeray Gorewada International Zoological Park in Nagpur. It is Bharat's largest zoological park spread over 564 hectares and expected to attract 2.5 million tourists a year.
- Ministry of Tourism launched Dekho Apna Desh webinar series to provide information on many destinations and sheer depth and expanse on the culture and heritage of Bharat.
- Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put it on the world tourism map.
- Under Budget 2020-21, the Government has allotted Rs. 1,200 crore (US\$ 171.70 million) for development of tourist

circuits under Swadesh Darshan for eight Northeast states.

- Under Budget 2020-21, the Government has allotted Rs. 207.55 crore (US\$ 29.70 million) for development of tourist circuits under PRASHAD scheme.

### State Governments promote tourism

- In July 2021, the Odisha Tourism Development Corporation (OTDC) invited applications to operate shacks in six major beaches of the state.
- In July 2021, the Tamil Nadu state government decided to implement an integrated mega tourism plan, which included new lighting arrangements for the Thiruvalluvar statue at Kanyakumari, starting renovations at Poompuhar tourist spot and improving roads leading to tourist spots, spiritual places and adventure tourism spots.
- In July 2021, Andhra Pradesh Tourism Authority urged stakeholders in the tourism sector in the state to register with the Andhra Pradesh Tourism under the Tourism Trade Registration and Facilitation Guidelines 2020.
- In June 2021, the Odisha state government announced to provide a financial package for the

COVID-hit tourism sector of the state.

### Accomplishments & Successes

Following are the achievements of the Government during 2019-20:

- During 2019-20, an additional fund Rs. 1,854.67 crore (US\$ 269.22 million) was sanctioned for new projects under the Swadesh Darshan scheme.
- Ministry of Tourism sanctioned 18 projects covering all the North Eastern States for Rs. 1,456 crore (US\$ 211.35 million) to develop and promote of tourism in the region under Swadesh Darshan and PRASHAD schemes.
- Statue of Sardar Vallabhbhai Patel, also known as 'State of Unity', was inaugurated in October 2018 and the total revenue generated till November 2019 stood at Rs. 82.51 crore (US\$ 11.81 million).

### Road Ahead

Staycation is seen as an emerging trend where people stay at luxurious hotels to revive themselves of stress in a peaceful getaway. To cater to such needs, major hotel chains such as Marriott International, IHG Hotels & Resorts and Oberoi hotels are introducing staycation offers.

Reasonable reduction in GST rates in Hospitality industry and opening new airways to our cultural heritage sites will hugely promote tourism and will have multiplier effect. □□

*Vinod Johri: Sah Vichar Vibhag Pramukh, Swadeshi Jagran Manch, Delhi Prant*  
*Courtesy & Source - Bharat Brand Equity Foundation (www.bbef.org), Media Reports, Ministry of Tourism, Press Releases, Department for Promotion of Industry and Internal Trade (DPIIT), Press Information Bureau (PIB), Union Budget 2020-21.*

# Historiography of Local and Regional State Formation in Early Medieval India - II

The bias towards Delhi-Agra grid was corrected to some extent by those historians who focussed on formation of regional sultanates in Malwa and Gujarat. Although based on dynastic approach, we need to mention the works of U.N. Day on Malwa and Edward Clive Bayley and S.C. Misra on Gujarat.” Recently, the works of Burton Stein on Vijayanagara Empire and Richard M. Eaton on the spread of Islam in Bengal” have filled the gap by highlighting the importance of regional states in southern India and Bengal. However, these monographs continued to focus on the post-twelfth-century period.

But the historiography that highlights the continuity of the processes of regional state formation cutting across the conventional divide of the early medieval and medieval periods is yet to find its place. The fact that autonomous spaces with uneven changes from within witnessed processes of state formation beyond the early medieval period has been recognized. Transactions from the pre-state to the state-society have been documented through medieval to modern times.

We must take note of the formation of states in different regions of Orissa, central India, Bihar, Bengal, and Assam from the early medieval to the late medieval periods Orissa witnessed a stepwise continuous process of territorial integration of nuclear areas from the sixth to the sixteenth centuries.<sup>43</sup> None of the rulers during the fifth-sixth centuries was able to extend his power into neighbouring nuclear areas, nor socio economic developments of these areas had yet reached a stage which could sustain political power. Bhaumakaras of Uttara Tosala were the first dynasty which integrated the whole coastal region of Orissa, northern parts of Uttara Tosala, Dakci Ga Tosala and Kongoda in the south into their state with its capital at Jajpur.” They were also acknowledged by several rulers of smaller nuclear areas in the hinterland such as the Sulkis of Kodalaka Mandala and the Bhañjas of Khinjali Mandala.



*Because of a bias in favour of Delhi-Agra grid, the political history of early medieval India has been for a long time dominated by the history of Northern India. It is high time that the neglected regional histories found their right place in the historiography.*

**Prof. Nandini Sinha Kapur**



Somavamsis of Dakṣiṇa Koṭṭala conquered Kṣiṇjali Mandala and coastal Orissa and integrated them for the first time with their state in western Orissa. When King Anantavarman Codaganga (one of the eastern Gangas of Kalinga) in c.1112 conquered central Orissa and extended his rule from modern Midnapur district in present West Bengal up to the northern banks of Godavari in Andhra Pradesh in the subsequent period, Orissa witnessed the emergence of the 'great regional kingdom' under the Gangas and the Sūryavamśis (AD 1112-1568). James Heitzman's studies on south India focussing on the processes of state formation under the Colas and the later Ganga state in Orissa are examples of chronological specificities.

Gonds formed large kingdoms in central India mostly covering parts of present Madhya Pradesh around the fourteenth and fifteenth centuries." Four kingdoms of the Gonds with their capitals at Garha Deogarh, Kherla and Chanda ruled for nearly four hundred years. Nevertheless, there is evidence of a certain degree of development of bureaucratized centralized machinery cutting across the principle of sub-infeudation, in the kingdoms of Garha and Chanda. Process of 'Rajputization' associated with the ruling elite amongst the Gonds is clearly evident from the two aristocratic subdivisions, the Raj Gonds and Khatolas while DhurGonds came from the mass of the ordinary peasants. Raj Gond rulers of Gondwānā also formed kingdoms in medieval Chattisgarh. The largest of Chattisgarh states, Bastar had a Raj family which claims descent from Pandu king, Birabhadra of Indraprastha.

Similarly, Bhumis in Barabhum" and Mundas in Chhotanagpur had formed kingdoms in the medieval times. Surajit Sinha rightly observes that, the actual process of the formation of the states, as far as could be ascertained, has taken varied courses in the different instances discussed above. Some, like the Munda Rājās of Chhotanagpur, the Bhumij state of Barabhum and the Raj Gond kingdoms of Gondwana, appear to have emerged mainly through internal developments out of a tribal base. There are also cases of immigrant Rajput adventurers gaining powers in the tribal tract by manoeuvring the narrow-range, clan-bound tribal chieftaincies, and in a few cases, even by conquest (for example, Bastar, Surguja, Jashpur and so on). Hence the regional states formed by the Nagavamsis in Chhotanagpur in which the Mundas played an important role," by the Mallas in Bankura and Surbhum areas of Bengal with significant Bagdi connections, by the Tai-Ahoms in Assam from the thirteenth to the sixteenth centuries," and by the Dimasas in the Cachar area of Assam from the thirteenth to the early nineteenth centuries are also worth noting in the historiography on state formation in early medieval and medieval India. The present work on Mewar highlights amongst others, the importance of the study of those processes of regional state formation which went beyond the twelfth century in the making of the regional state of Mewar.

The other major problem tackled in the present work concerns the origin of the Rajputs and their states. Rajputs, have variously been considered to have descend-

ed either from Kṣatriya-Vedic origin or from Scythian (Central Asian) stock or from a varied caste origin such as brahmana, kṣatriya, etc. This is a result of separate treatment meted out to the Rajput dynasties of western India. Similarly, Rajput states including that of the Guhila of Mewar have either been viewed as mere dynastic houses with endless military achievements, or post-tribal feudal states or 'that Rajasthan had been divided into a number of small kingdoms'." The other popular perspective on the medieval Rajput state is that of Bhat-bant. However, some early traditional accounts of the history of Mewar and Rajasthan, such as the writings of Gauri Shankar Hirachand Ojha, Kaviraj Shyamaldas and Harbilas Sharda, are of immense value as they abound in local legends, contemporary accounts, topographical details and unpublished inscriptional records.

Although some of the recent monographs on the fifteenth-century Guhilas such as Ram Vallabh Somani's *Mahārāṇa Kumbha* (Jodhpur, 1968), Tara Mangal's *Mahārāṇa Kumbhaaur UnkāKāl* (Jodhpur, 1984), Neelam Kaushik's *Rajasthān ke Cūṇḍāwaton kā Itihāsa* (Jaipur, 1988), etc., are well-researched, their perspective remains dynastic and confined to a particular point in time. Even a recent anthropological study on the tribal population of Mewar in the historical period fall short of expectations, as historical sources from early medieval Mewar have been ignored. Finally, what has been neglected is that the important political developments characteristic of early medieval India and reflected in the exaggerated genealogies of the small kingdoms. □□

## India seeks clarity over digital trade



Developing countries led by India and South Africa are set to clash with developed countries at the World Trade Organization's (WTO's) ministerial next month on permanent prohibition of customs duties on electronic transmission, which was being pushed by the Group of Seven (G7).

"Electronic transmissions, including the transmitted content, should be free of customs duties, in accordance with the WTO Moratorium on Customs Duties on Electronic Transmissions. We support a permanent prohibition of such duties," G7 trade ministers, including Canada, France, Germany, Italy, Japan, UK and US said in a joint statement on Friday.

Adopting G7 Digital Trade Principles that will guide the G7's approach to digital trade, the trade minister said they oppose digital protectionism and authoritarianism. "We are concerned about situations where data localization requirements are being used for protectionist and discriminatory purposes, as well as to undermine open societies and democratic values, including freedom of expression," they said. India and South Africa have stepped up pressure on WTO ahead of the 12th ministerial meeting (MC-12) to begin on 30 November, urging it to review a moratorium on imposition of customs duty on electronic transmissions so that developing countries can generate more revenues.

"Under this multilateral Work Programme and with the intention of understanding the implications of the moratorium on customs duties on electronic transmissions, India along with South Africa has been introducing submissions in various WTO forums, which explain our understanding of the scope and impact of the moratorium. We have been seeking clarity on the scope of the moratorium without which it is difficult for us to advise our political leadership on the issue," India had said earlier this month.

The moratorium has substantial impact both in terms of revenue and policy and the ability to support industrialization, where the brunt is borne by the developing countries, while the benefit goes to a few members, largely a few developed countries, India said. "There have been suggestions to substitute tariffs by non-discriminatory internal taxes. However, these suggestions do not address the associated concerns, as the two are not exact substitutes of each other. The latter option also does not address the issue of erosion of policy space and ability to support domestic industrialization," it said.

It is incumbent upon proponents of moratorium extension to establish a clear and direct link showing that the moratorium on customs duties on electronic transmissions has had a substantive positive impact on the development of e-commerce around the world, India said. "We advocate evidence based data-backed decision on this subject. This will also help us understand how the growth of this sector depends on the extension of the moratorium and how will it be affected if the moratorium is not renewed," it said.

Swadesh Jagaran Manch (SJM) said India's concern over the revenue implications of the moratorium is legitimate as developing countries need more revenues to meet their development needs. "According to one estimate, value of electronic transmission into India is \$30 billion. Even if 10% tariff is assumed, it would mean a loss of \$3 billion revenues annually. Once this moratorium gets extended to 3D printing, it would render bound tariffs on merchandise goods irrelevant, as we would not be able to tax products with 3D printing which will further add to India's revenue loss," sjm added.

<https://www.livemint.com/news/india/india-seeks-clarity-over-digital-trade-11635191212179.html>

## Govt has gone beyond set norms of democracy : BMS

Opposing the move to privatise Air India and corporatisation of the Ordnance Factory Board (OFB), Bharatiya Mazdoor Sangh (BMS), has said the Government has gone beyond all set norms of democracy. "We oppose all the steps of monetisation, privatisation and corporatisation (of OFB). They (Government) have gone beyond the set norms of democracy.

They are imposing anarchy on trade union activities. In this case (Air India), we are also opposing," BMS General Secretary Binoy Kumar Sinha told UNI. "But we are mainly concerned about labour issues.



We have ventilated our idea to the Government that there should be guarantee of wage security, social security and job security of the workers,” he said.

The senior BMS functionary said the organisation would hold a national office bearers’ meeting on November 12-14 at Guwahati and the issue will be discussed.

“If required we will proceed for agitational programme,” he said. Biting the bullet, the Modi Government has gone ahead to privatise Air India and earlier this month announced to hand over the airline to Tata group after a long-running bid process.

The Government has also corporatised the Ordnance Factory Board by launching seven public sector undertakings. A national monetisation plan (NMP) has also been launched to lease out public assets worth Rs 6 lakh crore. These assets include roads, ports, airports, gas pipelines and telecom infrastructure, among others. It’s a fact that we are part and parcel of RSS and this Government is led by RSS people. So, we are also surprised that this Government is not hearing us.

In fact, it is not hearing anybody. Look at kisan andolan (farmers’ agitation) our Bharatiya Kisan Sangh has also not been heard. They are also being neglected. Swadeshi Jagran Manch (SJM) is also aggrieved with the attitude of this Government, the BMS general secretary said.

<https://www.dailyexcelsior.com/govt-has-gone-beyond-set-norms-of-democracy-bms/>

### Bombay HC respite for Zee in row with Invesco

Invesco’s demand that Zee Entertainment Enterprises Ltd convene a special shareholders’ meeting to oust managing director Punit Goenka and recast the board is not legally compliant, the Bombay high court ruled, giving a breather to Zee group founder Subhash Chandra, who is battling a revolt against his family’s control of India’s largest publicly traded broadcaster. However, an ongoing legal battle between the two parties in the National Company Law Tribunal will continue. The company court will hear if Zee should be ordered to convene the shareholders’ meeting on Wednesday.

“It cannot be correct to say that the board is to rubber-stamp every requisition,” Justice G.S. Patel said in his 44-page order on Tuesday. “I also do not suggest that shareholders’ rights are curtailed or abrogated or that they cannot seek what they now do. But the manner in which they go about doing it must be legally compliant.”

“I specifically asked Mr Dwarkadas (counsel for Invesco) if this (Invesco’s demand for an extraordinary general meeting, or EGM) meant that a group of qualified shareholders could propose that the company take up the business of online gambling,” said the order. “His response was that this is too extreme or outlandish. Indeed it is, and that is precisely the point. If the resolutions proposed are not such as can even be countenanced in law, then how does the question of putting them to the vote at an EGM even arise?”

“Sometimes, it happens that a company must be saved from its own shareholders, however well-intentioned. If a shareholder resolution is bound to cause a corporate enterprise to run aground on the always treacherous shoals of statutory compliance, there is no conceivable or logical reason to allow such a resolution even to be considered. Shareholder primacy or dominion does not extend to permitting shareholder-driven illegality,” said the order. Zee termed verdict as a victory for all stakeholders.

“The decision...is a huge win for all stakeholders of the company,” said a spokesperson for Zee.

<https://www.livemint.com/companies/start-ups/bombay-hc-respite-for-zee-in-row-with-invesco-11635271203530.html>

### Critical shortage of chips hits life-saving medtech devices

The severe shortage of semiconductor chips is now going to hit where it hurts — critical life-saving devices and the medtech industry. The growing uncertainty and supply disruptions of chips globally has already led to an increase in prices of certain devices, with some facing stockouts across the country. But more importantly, the shortages now threaten availability of hundreds of chip-powered critical care and ICU devices including ventilators, defibrillators, imaging machines, glucose, ECG, blood pressure monitors and implantable pacemakers.

By year-end, the impact on stocks could get worse, and overall prices are expected to go up as high as 20%, medtech players told TOI. So far, the spotlight has been on the impact of chips’ shortage on high-profile, consumer driven sectors like automobiles and electronics. Already, the lead time in manufacturing of chips has jumped from the earlier four-to-eight weeks to 30-40 weeks now and, in certain components, even 100 weeks. This has disrupted delivery schedules of manufacturers, leading to huge delays.

At present, we are able to manage the demand and hold the prices of the devices. The uncertainty is,

however, growing and an acute shortage may hit us by yearend when existing stocks of microprocessor chips may get depleted,” said Sunil Khurana, CEO & MD of BPL Medical Technologies, which sells anaesthesia machines, patient monitors and ICU ventilators.

For instance, the market has already run out of devices like patient monitors, defibrillators and ECGs that use touchscreens. The chips are sourced from domestic vendors who import these from China, Japan, Taiwan and the US.

“The industry has sensitised the Centre several times since 2012 about the need to build our semiconductor fabrication plants to become truly ‘Atma Nirbhar’ in electronics and medtech. In the mid-’90s, we had a robust and vibrant computer hardware sector. Thereafter, it was neglected. We were caught sleeping while China had a clear executable strategy. It’s time to look at this with priority. If we don’t have time to invent, we could blindly copy the China hardware model. It’s late but still possible to be fairly ‘Atma Nirbhar’ in 10 years if there is a separate ministry for self-reliance and a non-political experts’ panel,” said Vishwaprasad Alva, MD of Skanray Technologies, manufacturer of critical care and ICU equipment.

<https://timesofindia.indiatimes.com/business/india-business/critical-shortage-of-chips-hits-life-saving-medtech-devices/articleshow/87195243.cms>

## Flights cancelled, schools closed as China fights new Covid outbreak

Authorities in China cancelled hundreds of flights, closed schools and ramped up mass testing on Thursday to try and stamp out a new Covid-19 outbreak linked to a group of tourists.

Beijing has maintained a relentless zero-Covid approach with strict border closures and targeted lockdowns, even as other countries tentatively try to ease restrictions. Domestic outbreaks have largely been eliminated, but as China logged a fifth straight day of new cases — mostly in northern and northwestern areas — authorities beefed up coronavirus controls.

The latest outbreak was linked to an elderly couple who were in a group of several tourists. They started in Shanghai before flying to Xi’an, Gansu province and Inner Mongolia.

Dozens of cases have since been linked to their travel, with close contacts in at least five provinces and regions, including the capital Beijing. In response, local governments have rolled out mass testing and

closed scenic spots and tourist sites, schools and entertainment venues in affected areas, and also imposed targeted lockdowns of housing compounds.

<https://timesofindia.indiatimes.com/world/china/flights-cancelled-schools-closed-as-china-fights-new-covid-outbreak/articleshow/87181377.cms>

## Labour union urges European authorities to widen Amazon antitrust probe after Reuters story

A global trade union for the services sector on Friday urged European authorities to widen their antitrust investigation of Amazon.com Inc (AMZN.O) to assess if the company engaged in creating knock-off goods and rigging search results on its platform.

The demand by the UNI Global Union was triggered by a Reuters report last week based on internal Amazon documents that showed the e-commerce company ran a systematic campaign of copying products and manipulating search results to boost its own private brands such as AmazonBasics in India, a key growth market. [read more](#)

In a letter dated Oct. 22 to European Commission President Ursula von der Leyen, and also copied to EU antitrust chief Margrethe Vestager, the union body’s European arm said authorities there must investigate if Amazon engaged in “similarly damaging behaviour within the European Union.”

“As further revelations of the scale of Amazon’s operations to undermine that level playing field surface, further action is needed to ensure it is held accountable at every turn,” the letter, seen by Reuters, said. It cited the Reuters story.

The union body has been a vocal critic of Big Tech’s business practices around the world. UNI Europa says it represents about 7 million workers and counts several companies’ labour unions among its members, including those representing warehouse employees of Amazon in Spain, Germany, France and Italy. Amazon did not respond to requests for comment.

A spokesperson for the European Commission said in a statement it had received the union body’s letter to which it would reply in due course.

“The Commission has already announced ... that it takes issue with Amazon systematically relying on non-public business data of independent sellers who sell on its marketplace, to the benefit of Amazon’s own retail business, which directly competes with those third party sellers. The Commission investigation is ongoing,” it added.

European authorities have been investigating

Amazon's position as both a marketplace for merchants and a rival seller. Last year, the Commission accused the U.S. company of using its size, power and data to gain an unfair advantage over smaller merchants that sell on its online platform. At the time, Amazon said the company represented less than 1% of the global retail market and there were larger retailers in every country it operates in.

The Amazon documents reviewed by Reuters showed how the company's private-brands team in India secretly exploited internal data from its India unit to copy products sold by other companies, then offered them on its platform. The company also promoted sales of its private brands by rigging search results on its India platform, the documents showed.

In response to the report, Amazon said it believes "these claims are factually incorrect and unsubstantiated." The company did not elaborate. The company said the way it displays search results doesn't favour private-brand products.

After the Reuters story was published last week, five members of the U.S. House Judiciary committee wrote to Amazon CEO Andy Jassy, accusing the company's top executives of either misleading Congress or possibly lying to it about Amazon's business practices.

U.S. Democratic Senator Elizabeth Warren, a prominent critic of Amazon, called for breaking up the company after the report, while in India, a group representing millions of brick-and-mortar retailers has asked the government to take action against Amazon.

<https://www.reuters.com/technology/labour-union-urges-european-authorities-widen-amazon-antitrust-probe-after-2021-10-22/>

### EU food recall linked to GM rice exports from India

When candy giant Mars Wrigley carried out a mass recall of several batches of its Crispy M&Ms across Europe this August, it was due to the use of one ingredient: rice flour with genetically modified (GM) contamination that allegedly originated in India, according to notifications on the European Commission's rapid alert system. However, the Commerce Ministry pointed out that GM rice is not grown commercially in India, let alone exported, and promised a thorough enquiry by its agricultural exports authority. The Ministry alleged that the case was a "futile conspiracy to malign the image of India as a reliable food security provider".

Worried farmers groups and environmental activists, however, noted that multiple GM rice

varieties have been approved for confined field trials, and warned that any cross-contamination could dampen the country's agricultural export ambitions.

India's annual rice exports amount to 18 million tonnes worth Rs. 65,000 crore, and reach more than 75 countries, according to the Ministry.

According to the European Commission's Rapid Alert System for Food and Feed, 500 tonnes of broken rice imported from India and converted into rice flour by a French company named Westhove was flagged during a regular check. On June 21, France issued a notification for unauthorised genetically modified rice flour, identifying India as the point of origin, and alerting Austria, Belgium, the Czech Republic, Germany, Italy, Netherlands, Poland, Spain, the United Kingdom and the United States as the possible destination of products made with the flour.

In a statement on August 4, Mars Wrigley announced that it was recalling four packaging sizes of its Crispy M&Ms product with two affected best-before dates. According to German NGO site Informationsdienst Gentechnik, the European Commission announced that 144 tonnes of the contaminated rice flour had been processed by Mars, while more flour went into 11 types of baked goods manufactured in Italy and further distributed to other countries, all of which were recalled.

Commerce Ministry spokesperson D.J. Narain said that the whole issue appeared to be "infructuous". He pointed out that "the GM ingredient may have been added in Europe to cut costs, not in India where commercial GM cultivation is banned. The quantity involved is too big to have come from leaked output from controlled trial cultivation." However, he also added that "APEDA is collecting all the details and will enquire every aspect of it thoroughly with the technical and scientific institutions like GEAC and strictest form of action will be taken accordingly."

Farmers groups say the issue of cross contamination from field trials has been raised previously. "The issue with GM field trials is that once they take place, they can contaminate crops long after the actual trials either directly or through seed leakages," said a letter from the Coalition for GM-Free India, sent on Tuesday to authorities at the Environment, Agriculture and Commerce Ministries. It pointed to a 2006 case, where a Bayer food trial contaminated rice and seeds in the U.S., leading to a plunge in exports from that country. □□

<https://www.thehindu.com/news/national/en-food-recall-linked-to-gm-rice-exports-from-india/article37078352.ee>



## Swadeshi Activities

### Swadeshi Organic Mela, Jodhpur (Raj.)

(23–24 October 2021)

#### Pictorial Glimpses



### A Program on Deepawali, Keshavpuram (Delhi)

(22 October 2021)



### Zila Sammelan, Barmer (Raj.)



### Zila Sammelan, Jaisalmer (Raj.)







# Swadeshi Shodh Sansthan

## Donation Collection Campaign (Arth Sanchay Abhiyan)

The main objective is to establish Swadeshi Shodh Sansthan which will endeavour, strive and research to transform economy as employment centric, zero BPL and achieve target of \$10 trillion environment friendly economy by 2030 and such other economic aspects.

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(Proposed plan of  
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