THE CONTRARIAN

ISSUE 2026

Whispers of the Economy

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WHISPERS OF THE ECONOMY

Beyond the headlines, Into the undercurrents.

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"Between a good and a bad economist this constitutes the whole difference — the one takes account of the visible effect; the other takes account both of the effects which are seen, and also of those which it is necessary to foresee."

— Frédéric Bastiat

FOREWORD

Ms. Rajni Singh
Associate Professor
Teacher-in-Charge
Department of Economics

Greetings to all.

Over the last few years, the Department of Economics annual magazine, **The Contrarian**, has been a medium for the expression of many young intellectual minds. Our magazine is a collection of articles written by the students of various departments of our college.

A big thank you to the faculty of the Department of Economics for their continuous support and guidance to our students. Also, many thanks to the students who have shared their thoughts through their articles.

I applaud the efforts of every member of our editorial team for their hard work in compiling the 2026 Edition of the Department of Economics magazine, The Contararian, themed **"Whispers of the Economy."**

NOTE FROM THE FACULTY ADVISORS

Dr. Ruchi Bhalla & Ms. Divya Devassy

Assistant Professors
Department of Economics

It gives us immense pleasure to present this year's edition of our department magazine, thoughtfully curated around the theme **"Whispers of the Economy."** The title itself is a reminder that economics is not always about loud headlines and dramatic market swings; often, it is about the subtle, everyday processes that shape lives, livelihoods, and opportunities in ways that go unnoticed.

This edition brings together an engaging and intellectually stimulating collection of contributions that reflect both curiosity and critical inquiry. From *"The Midnight Economy: Economic Significance of Night Shift Workers"* to *"The Silent Rise of the Creator Economy,"* our students explore emerging transformations in labour markets and digital spaces. Essays such as *"The Silent Cost of Pollution on the Economy"* and *"The Cocoa Paradox: Rising Global Demand and Declining Cultivation"* highlight the complex interconnections between environment, production, and global trade.

The magazine also courageously engages with pressing structural concerns. "Economic Inequality in India: Is Growth Reaching the Bottom Half?" invites us to reflect on the distributional dimensions of development. "Institutional Gaps and Everyday Economics" and "Administrative Delays as an Unmeasured Economic Burden" draw attention to governance, institutions, and the invisible costs embedded in routine systems. Further, "The Illusion of Flexibility: Income Risk and Job Security in Platform Work" critically examines the changing nature of employment in the gig economy.

What is particularly heartening is the diversity of formats in which these ideas are expressed. Alongside research articles and analytical essays, this edition welcomes cartoons, comic strips, data pieces and photo essays. Such creative engagement demonstrates that economics is not confined to textbooks; it lives in conversations, visuals, humour, and lived experiences.

As faculty advisors, we are proud of the intellectual maturity, originality, and social sensitivity reflected in these submissions. The contributors have shown that young economists are attentive not only to markets and models but also to people, policies, and ethical questions.

We congratulate the editorial team for their dedication and meticulous effort in bringing this edition to fruition. We also extend our appreciation to every student contributor who has lent their voice to this collective endeavour.

May this magazine inspire deeper inquiry, thoughtful debate, and a continued commitment to understanding the many whispers that shape our economy.

MESSAGE FROM THE EDITORS

Tanya Singla

Editor-in-Chief
2025-26

Dear Readers,

Economies are often understood through what is loud and measurable—growth rates, policy announcements, market trends. Yet much of what truly shapes economic life exists beyond these visible markers. It lies in quieter spaces: in everyday decisions, unrecorded labor, shifting aspirations, and ideas that slowly influence how societies organize themselves.

This year's edition of The Contrarian is centered around the theme "Whispers of the Economy." It is an invitation to look beyond what is immediately visible and to engage with the subtle forces that quietly shape economic realities. These whispers are not always dramatic, but they are powerful. They reveal themselves in the margins of policy debates, in communities that rarely make headlines, and in the small changes that gradually transform larger systems.

Through the pages of this magazine, our contributors explore these overlooked dimensions of the economy. From analytical research to visual narratives, each piece attempts to capture a perspective that challenges us to rethink what we consider central to economic discourse.

Together, they remind us that the economy is not only a structure of markets and institutions, but also a reflection of lived experiences and evolving social realities.

The creation of this issue has been made possible through the dedication and thoughtfulness of our team, contributors, and faculty mentors. Their curiosity and commitment have shaped this magazine into a space where ideas can be explored with openness and depth.

As you read this edition of The Contrarian, I hope you take a moment to pause and listen—to the quieter stories, perspectives, and questions that often remain unheard. Sometimes, it is in these whispers that we begin to understand the economy more fully.

MESSAGE FROM THE EDITORS

Sayesha Gupta
Deputy Editor-in-Chief
2025-26

"Listen to the whispers before they become screams"
—Elizabeth Gilbert

Dear Readers,

Whispers carry a strange kind of power. Long before events make it to the news or data finds its way into charts, there are murmurs—quiet shifts in habits, prices, conversations, and expectations that begin to reshape the economic landscape. Whispers of the Economy is our attempt to sit with those undercurrents, to tune in to the low hum beneath the noise, and to recognise that what moves an economy is often not what shouts the loudest, but what lingers softly in the background.

As we worked on this issue, we realised that no single, neat story can capture how an economy truly functions. What appears as a simple statistic is often the outcome of many subtle forces working together: informal exchanges that never get recorded, digital nudges that change how we transact, small policy tweaks that quietly redirect incentives, and human experiences that rarely make it into official narratives. These elements blend and interact much like overlapping echoes, creating new tones and patterns that only become visible when we listen closely to the spaces between the obvious headlines.

Our team has tried to bring these nuances to the page through a range of forms — analytical pieces, narratives, visuals, and reflections that all lean towards what is usually overlooked. Each contribution, in its own way, leans closer to the whispers—to the hesitations, understatements, and overlooked details that make economic life what it is.

In this issue, we embark on a journey to explore these Whispers of the Economy and we hope that as you turn these pages, you will pause over the quieter details, indulge in the questions they raise, and carry forward a more attentive way of looking at the economic world around you.

from the EDITORIAL DESK

CULTIVATORS WITHOUT CONTROL: WOMEN IN INDIAN AGRICULTURE.

MS. DIVYA DEVASSY

Introduction

Agriculture remains one of India's most prominent sectors, employing the largest share of the workforce. According to the 2023–24 Periodic Labour Force Survey (PLFS), agriculture accounts for 46.1% of total employment, engaging nearly 150 million people. Despite ongoing structural transformation, dependence on agriculture has increased in recent years, particularly among women. The share of working women engaged in agriculture rose from 57% in 2017–18 to 64.4% in 2023–24, and women now constitute over 42% of the total agricultural workforce. In rural areas, agriculture serves as the primary source of livelihood for 76.9% of women workers, indicating not merely feminisation of agricultural labour but a potential reverse structural shift driven by distress, male out-migration, and limited non-farm opportunities.

However, women's growing participation in agricultural labour has not translated into proportional asset ownership. The Agriculture Census (2015–16) reports that women constitute nearly 73% of the rural agricultural workforce but account for only about 14% of operational landholders. Overall, women own merely 11% of total landholdings nationwide. Although NFHS-5 (2019–21) shows that 31.7% of women report owning land either independently or jointly, effective control over land and productive assets remains limited. This persistent gap between labour contribution and property ownership highlights deep structural and institutional inequalities embedded within India's agrarian system.

Against this backdrop, the present study addresses three central questions: (i) How has the role of women in Indian agriculture evolved over time? (ii) What structural and institutional barriers continue to constrain women farmers? and (iii) What policy directions are necessary to promote more inclusive agrarian frameworks, particularly with respect to strengthening women's property and asset ownership rights?

Theoretical Framework

This article is anchored in three complementary theoretical perspectives: Feminist Political Economy (FPE), the Capability Approach, and the Gender and Development (GAD) framework. Together, these frameworks provide a structural, normative, and institutional lens to examine the evolving role of women in Indian agriculture.

Feminist Political Economy is a structural perspective that analyzes the links between gender and access to resources, labor markets and property. Elson (1999) argues that even when women engage in the labor market they are not necessarily empowered. Women's agricultural labor in rural India is an important yet frequently ignored category of labor.Smallholder agriculture is a dominant form of farming that is often 'unseen' because it is frequently described as being 'assisting' as opposed to 'farming'

Sen (1999), Nussbaum (2000) suggest the Capability Approach as a new perspective on the labor market with a focus not on the results, but on the capabilities that an individual has. In this context the fact that a woman is or is not employed in agriculture is not what matters. What is important is whether a woman has the capability to influence her family, community and assets. So, having a view on the factors affecting women's empowerment in agriculture, it is possible to conclude that land, credit, and farmers' organizations are important, because they affect women's capabilities and thus their power to negotiate.

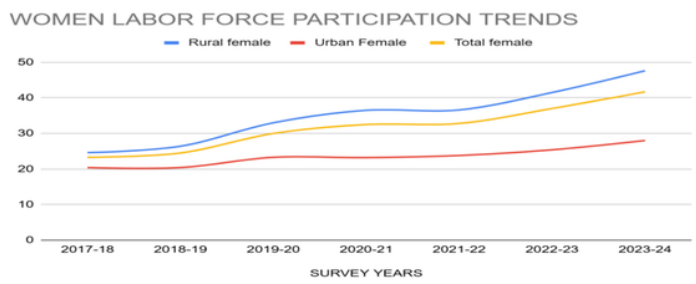
This perspective is reinforced by the Gender and Development framework of (Moser, 1993), which views gender inequality as a relational process. This means that women's empowerment can only occur if there is a change at the structural level.

Thus, the participation of women in development

projects alone will not lead to change. This brief therefore seeks to highlight the contradiction of women being increasingly drawn into the formal sector, while at the same time being denied deeds for land that they have farmed for centuries and are therefore denied ownership of that land.

Feminisation of Agriculture: Trends, Drivers, and Implications

Women play a pivotal role in the agricultural sector, particularly because farming in India largely operates as a household-based enterprise. Historical accounts suggest that women were among the earliest domesticators of crop plants, laying the foundation for the art and science of cultivation (Patra, Samal, & Panda, 2018). As noted by agricultural scientist M. S. Swaminathan, women's early contributions were instrumental in the evolution of organized farming practices. Feminisation of agriculture refers not merely to rising female participation in agricultural labour, but to the growing responsibility of women in farm production systems, often without commensurate gains in ownership, asset control, or decision-making authority. PLFS data indicate significant fluctuations in women's labour force participation over the past decade. The female labour force participation rate declined from 31.2% in 2011–12 to 23.3% in 2017–18, reflecting a period of withdrawal from the labour market. However, in the post-pandemic phase, participation rose sharply, reaching 41.7% in 2023–24, signalling a substantial reversal of the earlier declining trend. The trends in women labor force participation from 2017-18 to 2022-23 is depicted in the following diagram



SOURCE : Author's compilation based on MoSPI, PLFS report (2024)

The recent rise in the Female Labour Force Participation Rate (FLFPR) has been primarily driven by increased participation among rural women rather than their urban counterparts. Economic distress in rural areas, rising inflation, and the growing need to augment household income have pushed more women into work-related activities. However, this expansion in participation does not necessarily reflect an increase in formal or remunerative employment, as a significant portion of the growth is concentrated in unpaid family work and self-employment.

Contrary to the expected trajectory of structural transformation, women are increasingly re-entering agriculture rather than transitioning to non-farm sectors. The proportion of rural women engaged in agriculture increased from 71.1% in 2018–19 to 76.9% in 2023–24, while their participation in industry and services has declined. This pattern suggests a reverse structural shift, largely driven by constrained access to stable and suitable non-farm employment opportunities for women. Women in Indian agriculture are disproportionately concentrated in casual labour and unpaid family work rather than in ownership or operational roles (Kumar et al., 2025). Although nearly 66% of women in the agricultural labour force report being self-employed, this largely reflects their role as helpers in household-based farming rather than independent producers. Only 26.25% of self-employed women function as own-account workers or employers, while the majority remain unpaid contributors to family farms. Gender disparities are even more pronounced in earnings, with women earning significantly less than men across all forms of agricultural employment. The wage gap is highest among self-employed farm managers, where women earn 56% less than their male counterparts, and persists among self-employed helpers (28% less) and casual labourers (36% less). These inequalities stem from structural constraints, including smaller and lower-quality landholdings, limited access to credit and agricultural inputs, labour market imperfections, and restrictive social norms that shape women's economic outcomes (Kumar et al., 2025).

Barriers to Ownership, Agency, and Market Access

Despite their growing presence in agriculture, women continue to face significant barriers that

limit their ownership rights, decision-making power, and access to productive resources. These constraints are deeply rooted in social norms, institutional practices, and economic structures.

1. Barriers to Land and Property Ownership

In India, ownership of the land is a very significant factor in the economic status and the position of strength and power of any individual at the village level. Although women are entitled to inherit land according to the existing laws, it is very rare that women are made the absolute owners of the land that they inherit due to the overall patriarchal nature of the system. Women have no effective control over the land they own as it is usually regarded as the property of their husbands and are made to work on it as unpaid family labour. Moreover, women being excluded from having their names registered in the records of the land owning authority, can not claim any financial assistance from commercial banks for using the land as collateral security for farm loans. Likewise, the women can not get the benefit of the input subsidies provided by the government, crop insurance for farmers provided by the Agriculture Insurance Corporation and also the benefits of the Land Reforms program that is directed towards resettling the farmers who have been forced to leave their land due to developmental projects. As a result of all these factors, the women in India are not recognised as farmers but only work as unremunerated family labour on their own farmlands.

2. Limited Decision-Making Power and Agency

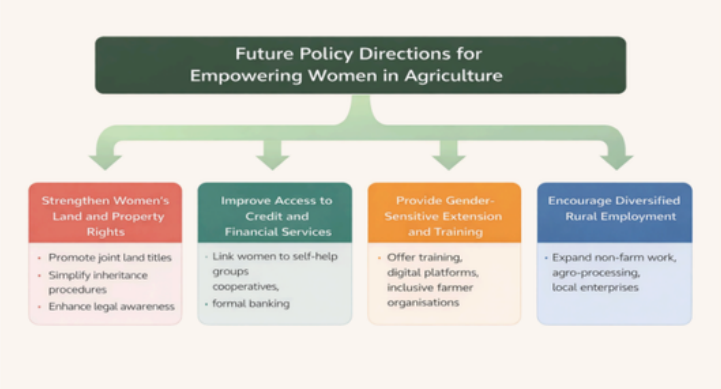
Men have the power to decide on agricultural inputs, crops to grow and where to sell agricultural products. Women are often not given a say on how the income derived from the agricultural produce will be used or on the type of crops grown on the farm even when they are the ones who carry out the agricultural work. The movement of women and consequently their participation in agricultural markets, skills building or in farmer producer organizations is limited by gender bias. Additionally women are limited by time poverty as they are engaged in a lot of domestic work. They also loose time to skills building and markets participation due to the time they spend on unpaid care work. Although they carry out a large amount of work in agriculture, their participation in the economy is still limited.

3. Restricted Access to Credit, Technology and Markets

The availability of institutional credit is highly dependent on the land ownership. The fact that majority of women are not documented as land owners means that they have to resort to the informal credit providers such as money lenders and their husbands. This in turn means that women will not be able to access improved seeds, irrigation and mechanization services and climate smart agriculture products and services. The extension services and the agricultural training are still gender biased towards the male farmers. Digital agriculture and e-markets are also not reaching out to rural women due to low digital literacy levels and also the fact that women do not have control over mobile phones. Women are therefore relegated to low productivity and low income generating activities in the agricultural sector.

Conclusion and Future Policy Directions

Women's involvement in agriculture and issues related to it have undergone many changes in India in the recent years. Women form a large portion of the agricultural labour force, and contribute enormously to the cultivation, animal husbandry and other activities in farms. There has been no increase in women's land holdings, income and decision making powers. Therefore there is a paradox of feminization of agriculture in India, characterized by a growing responsibility without commensurate rights.



SOURCE: Author's illustration

Some achievements in agriculture have been recorded but many more constraints need to be addressed, as women are still discriminated against on the land, in the labor market and in terms of income. Although women are still active on the land, they are not being recognised as farmers because they do not have secure land tenure and adequate access and control over productive resources, amongst other things. Women should therefore be formally recognised as being economically independent in their own right and just treated as labor in the agricultural sector. The following areas will have to be taken into account in policy decisions on agriculture in the future:

1. Women's land and property rights through among other measures improvement of joint titles, streamlining of inheritance procedures, increasing awareness of existing laws and ensuring that the governments' land allocation programmes also reaches women.
2. Access to institutional financial services for women as farmers, including access to savings, loans and banking, which may have links with self-help groups and cooperatives and formal banking institutions to improve women's ability to save and invest.
3. Access to gender responsive agricultural extension and skills development including extension training and web-based learning, as well as of Farmer Producer groups that are gender inclusive and address the constraints to women's participation resulting from time constraints, the distance between homes and fields and cultural constraints.
4. Improving the income generating capacity of the agricultural sector and non-farm livelihoods by strengthening and expanding existing value chains, improving the performances of agro-processing businesses and increasing the number of other non-agricultural income-generating opportunities like micro-enterprises and small-scale enterprises in order to reduce push-back to agriculture as a result of low incomes in non-agricultural sectors.

Women's empowerment cannot be ensured through participation alone. Their ownership, autonomy and capacity to negotiate in the agrarian economy must also be strengthened. An inclusive agricultural sector policy that addresses gender disparities in agriculture has the potential to not only increase agricultural productivity but also improve the living conditions of farm households and ensure sustainable rural development.

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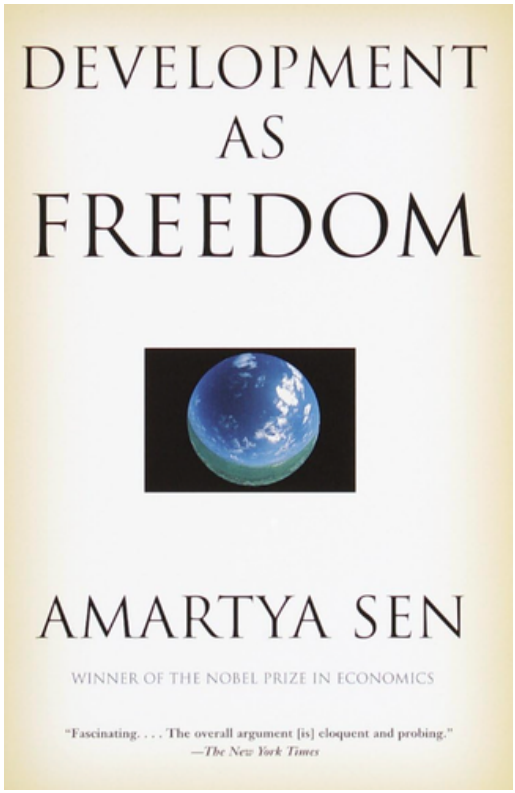
DEVELOPMENT OF FREEDOM: A BOOK REVIEW

DR. RUCHI BHALLA



What is development, and how can it be achieved? Amartya Sen answers this question in his popular book **"DEVELOPMENT AS FREEDOM"**. This book is a popular summary of the economist's work on development. It explores how freedom serves both as a means and an end in development. In other words, this book explains the relationship between development and freedom.

According to Sen,
the expansion of freedom is viewed both as a primary and the principal means of development. Thus, the author's focus was solely on individual freedom as a social commitment. This book revolves around the concept of individual freedom, which will help the economies to develop in a proper sense. The point of approach lies in identifying freedom as the main object of development. Another objective was the reach of the policy analysis in establishing the empirical linkages that make the viewpoint of freedom coherent and cogent as the guiding perspective of the process of development.

This book offers a very different view of freedom. Apart from the freedom we know, this book considers different types of freedom that the individual should have to be an important constituent of society. Types of freedom this book touches are-

- Economic opportunities given to individuals
- Political freedom
- Social facilities
- Transparency guarantees
- Protective security.

These freedoms play a dual role in promoting the effectiveness and evaluation of development. Freedom of different kinds can strengthen one another. These empirical connections reinforce the valuation priorities. There is indeed a strong rationale for recognising the positive role of these freedoms.

For this purpose, the book is divided into 12 chapters, which give insightful information about the positive role of free and sustainable agency- and even of constructive impatience.

In Chapter 1,
one question that has been cited again and again is about the nature of the human predicament and the limitations of the material world. To understand this aspect, one must have an immediate interest in economics and an understanding of the nature of development. It concerns about the relationship between incomes and achievement, commodities and capabilities, economic wealth and the ability to live as an individual would like to live. Wealth is evidently not the good we are seeking, for it is merely useful for living life. With this view, Sen

argued that rather than focusing on the common issues like income, accumulation of wealth and gross national product, one should focus on what he calls capabilities- substantive freedom. Substantive freedoms of people have far-reaching implications for the purpose of understanding the process of development and also the ways of promoting it. For the broader view of development one should encompasses the opportunities that freedom offers and the recognition of "the heterogeneity of distinct components of freedom". This chapter comments on the broader view of development as:

"An adequately broad view of development is sought to focus the evaluative scrutiny on things that really matter, and in particular to avoid the neglect of crucially important subjects."

Chapter 2,
focuses on the objectives of development that relate to the valuation of the actual freedom enjoyed by the people involved in the process of development. For this purpose, Sen has assigned an important role to individual capabilities that crucially depend on institutional arrangements; the institutional roles of different types of freedom must be considered. Institutional roles include transparency, economic facilities, political freedoms, social opportunities and protective security for the individuals. These interconnections crucially influence the development process. These interconnections relate to the end and means of development, which place the perspective of freedom as the centre of the stage. Keeping this in view, the roles of society and the state are given the most extensive roles in strengthening and safeguarding human capabilities. Sen explains this by giving the examples of India and China, based on education and health as the drivers of growth, and also the reduced mortality rates of Britain, which help them to develop

Chapter 3,
considers the concepts of utility and justice. Sen focuses on the concept of freedom to lead lives that have a reason to be valued. This concept of utility and justice takes into the direct note of the importance of freedom in development. He explores different informational bases for evaluating justice-utilitarian-libertarian and Rawlsian concepts, focusing on the capability approach. These concepts take into account the resources needed for substantive freedoms but do not address the importance of having them. But his capability approach has a broad reach that allows for evaluating how attention is paid to important concerns, which gives freedom. Thus, freedom can best be judged through processes that have reason to value and seek. Freedom can best be defined by how people value things.

In the next few chapters,
freedom is best explained by focusing on the specific issues. These various issues are poverty, income inequality, mortality, and the reasons for the missing women. He argues that freedom could be a means to development only if people can free themselves from the chains of malnutrition, illiteracy, poverty, and starvation. In this chapter, the primary focus is on political liberties and civil rights. In a freedom-oriented approach, participatory freedom is central to public policy analysis. To explain the importance of participatory freedom, illustrations from the United States and Europe on healthcare and mortality rates, as well as differences in gender inequality and literacy rates in Sub–Saharan Africa and Indian states, are used.

The chapters,
examine how the market, the state, and social opportunity lead to freedom. The effectiveness of market mechanisms helps individuals interact with one another and undertake mutually advantageous activities, leading to greater freedom of choice. The functioning of markets and their roles can be sensibly evaluated in the light of their contributions to individual freedoms. Assessing and examining the role of the market, its ability to provide public goods, and its relationship with the state helps us understand how markets can function when combined with different institutions (such as media, public distribution systems, etc.). Sen favours human development as one of the measures which will provide fewer distortions to market incentives.

"Political rights, including freedom of expression and discussion, are not only pivotal in inducing social responses to economic needs, but they are also central to the conceptualisation of economic needs themselves." **This is the point of discussion in the next chapter.**

According to Sen, Democracy is a means and an end in itself. Democracy gives people the freedom to choose their own representative and to enlarge their choices. It plays an instrumental role in giving people a voice and in shaping values and norms. The significance of democracy lies in the three distinct virtues: its intrinsic importance, its instrumental contributions, and its constructive role in the creation of values and norms.

Chapter seven,
offers a glimpse of Sen's childhood in India. His childhood memories of growing up in famine-stricken Bengal helped him to write his most interesting work, which is on famines. India has given him a strong sympathy for the plight of those in "grinding poverty," but he does not generally advocate a systematic transfer of income from rich to poor. Instead, Sen focuses on providing the poor with the freedom to live rewarding lives. While this may entail large public expenditures for education, health care or emergency income security. In fact, Sen criticises policymakers who maintain that the generous benefits available to unemployed workers in Europe largely compensate workers for the high unemployment rates that exist there. He insists that a monetary transfer cannot make up for the loss of self-respect and self-determination that comes from joblessness.
With this view, Sen just propagated the importance of freedom in development. According to him, examples taken from famines that have occurred in authoritarian systems lack openness of information and transparency, while this does not happen in democratic regions where there is freedom of choice. He reasons that democracy not only provides its citizens' freedom of political process but provides a degree of economic security and freedom from famine. This is perhaps the most interesting work of Sen.

In the next chapter,
importance has been given to the role of women in social well-being. Distinctions between the interrelations of agency and well-being have been made. These distinctions help to illustrate the reach and power of women's agency, particularly in two specific fields: promoting child survival and reducing fertility rate. The extensive reach of women's agency is one of the most neglected areas of development studies, and most urgently in need of correction. Women's involvement in every field is one most important components of development, and this aspect has been given a crucial importance in "development as freedom"

The next chapter,
looks at population growth and food supply. Sen counters doomsday predictions of imminent food shortage. And he points out that Kerala has been more successful than China in limiting population growth, suggesting that China might have done nearly as well without the use of coercion. This chapter gives the solution to the problem of population growth by expanding the freedom of the people whose interests are most directly affected by over-frequent child-bearing and rearing by educating young women. This calls for more freedom in public discussions, more work opportunities for females that will bring more radical changes in the process of understanding justice and injustice.

For the purpose of explaining freedom as a primary and principal end to development, culture and human rights also form an important part. Freedom in terms of rights rests on: their intrinsic importance, their consequential role in providing political incentives for economic security, and their constructive role in the genesis of values and priorities. "Asian Values" culture critiques have been used at length for the purpose of defining freedom. Looking at historical examples, he argues that "Western traditions are not the only ones that prepare us for a freedom-based approach to social understanding" — and that diversity and pluralism are the norm, not the exception.

This chapter,
deals with social choice and individual behaviour, which explains a new perspective of freedom that leads to development. Arguments related to the scepticism of the idea of reasoned social progress were taken. For this argument Sen, considers Arrow Impossibility Theorem in which democracy is impossible but according to Sen, democracy is not impossible but the use of an adequate informational base for social judgements and decisions is necessary. Another argument relates to the understanding of the word corruption, which is taken into account not merely to examine issues that are important in themselves, but also to illustrate the significance of norms and values in behavioural patterns that may be crucial for the making of public policy.

The final chapter,
addresses the distinction between human capital and a focus on human capabilities, which relates to the distinction between means and ends. Human capital is considered a step forward towards development. Apart from human capital, social development is also considered a means of development, as it helps lead longer and freer lives.

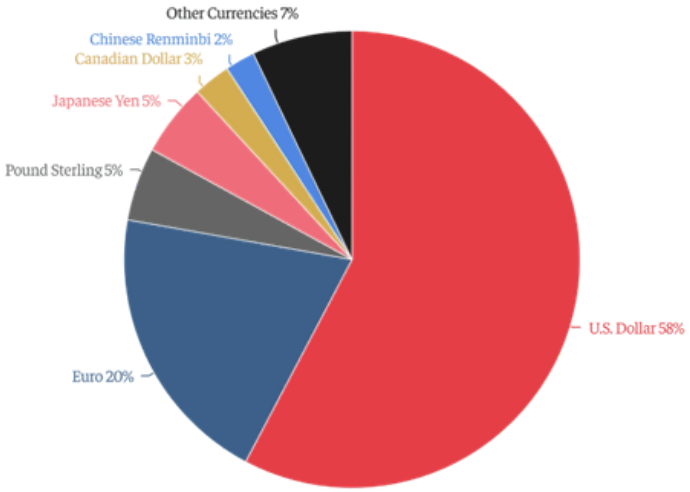
"DEVELOPMENT AS FREEDOM" provides us with all the possible ways by which substantive individual freedom will lead to development. But it does not give us proper solutions to the problems related to the fixation of the wage rate that will give proper satisfaction to the workers, and what the interest rate should be, and many others like this. Though it is a very useful book for those who want to study behavioural economics and how substantive freedom guarantees development.

DOMINANCE OF THE US DOLLAR AS AN INVISIBLE TAX ON THE GLOBAL ECONOMY

SAYESHA GUPTA & TANYA SINGLA

When you searched for India's GDP estimates, have you ever wondered why India's GDP is measured in USD? All global transactions, from defence equipment to cloth net transactional estimates to farm produce, are calculated in USD and the foreign numeric system. But why? Why is this not measured in one's local currency, and even if it is, why is it broadcast after conversion? Is it just to get a uniform form of measure? Even if yes, why USD? Is it just a random currency that has gained global popularity, or does it pose significant challenges for the rest of the world?

Since World War II, the US dollar has played a central role in global finance. It currently accounts for 88% of global foreign exchange transactions, 58% of global foreign exchange reserves, and 54% of global trade. (Lahiri, 2025) This leads to what economists term dollar dominance, the US dollar's overwhelming role as the world's primary reserve currency, trade invoicing medium, and safe-haven asset. This article explores the hidden costs imposed by the dominance of the dollar on global trade and the world's foreign reserves, especially on developing countries, through mandatory reserve holdings and exchange rate volatility.



SOURCE : Lahiri, Bipartisan Policy Centre (2025)

The dominance of the dollar began after World War II, when international oil prices were initially benchmarked to Gulf of Mexico levels, with discounts or premiums. Following the 1944 Bretton Woods conference, while the UK and allies ended gold convertibility for their currencies, the US dollar remained pegged to gold at $35/ounce, while other currencies were pegged to the dollar until President Nixon's 1971 decision to suspend the dollar's gold peg. That same year, Nixon and Secretary of State Kissinger secured agreements with Saudi Arabia's royal family: in exchange for US military protection of Saudi oil fields, the Saudis agreed to price oil exports exclusively in dollars, rejecting other currencies—a deal formalised in 1971–1973 and adopted by OPEC, cementing the dollar's role in global oil trade ever since and making it a petrocurrency.

Exorbitant Privilege for the US

The term exorbitant privilege was coined in the 1960s by Valéry Giscard d'Estaing, then Minister of Finance, who would later become president of France. It refers to the benefits that the United States, as the world's supplier of safe assets, derives from its own currency (the US dollar) being the international reserve currency. (Eichengreen, 2011).

Sanches (2025) mentions three advantages of the United States' dominance in the dollar, each of which is explained in detail below. The country issuing the dominant currency, in this case the US, can run large trade deficits, borrow heavily, and run significant budget deficits, all without having to worry too much about interest rates or rising prices. This is because the global willingness to hold dollars acts as a buffer, absorbing liquidity that might otherwise lead to domestic inflation in a more minor or less dominant economy.

A primary benefit is that the US can consistently import more goods and services than it exports without the typical negative consequences. Because the dollar is the global medium of exchange, the US does not need to convert its currency to pay for imports. This high international demand keeps the dollar's value stable, allowing American consumers to enjoy foreign goods at lower prices for longer than consumers in other nations.

In a standard economy, a persistent trade deficit would lead to currency depreciation, making imports more expensive and fueling inflation. However, because foreign central banks and investors actively seek dollar-denominated assets for their portfolios, the "upward pressure" on import costs is mitigated. The US essentially avoids the "price penalty" that usually hits countries with trade imbalances.

The dollar's status allows the US government and its citizens to borrow money more easily and at lower interest rates. Because the dollar is a "haven" and a primary reserve asset, there is a constant, built-in global market for US Treasury bonds. This enables the US to fund large budget deficits and domestic programs with less concern about sudden spikes in borrowing costs. (Sanches, 2025)

Persistence of Dollar Dominance: Network Effects

Despite the recognised asymmetries created by dollar dominance, the international monetary system continues to revolve around the US dollar largely due to strong network effects. The widespread use of the dollar in trade invoicing, financial markets, and reserve holdings creates powerful incentives for governments, financial institutions, and multinational firms to continue using it. Once a currency becomes deeply embedded in global transactions, switching to alternative currencies becomes costly and uncertain. Existing contracts, payment systems, and financial instruments are overwhelmingly denominated in dollars, which reinforces the currency's central role. Consequently, even countries seeking to reduce their dependence on the dollar often continue to rely on it in practice, illustrating how path dependence sustains the current system.

The Invisible Tax on Developing Countries

The idea of an "invisible tax" captures the indirect costs associated with reserve accumulation, dollar-denominated debt, and exposure to exchange-rate volatility. There may be many benefits associated with this system, but they are distributed unevenly. While the United States gains advantages such as lower borrowing costs and sustained demand for its currency, many developing economies bear the adjustment costs through financial vulnerability and constrained policy space. This asymmetry raises broader questions about the long-term equity and sustainability of the current international monetary order.

1. The Role of IMF and World Bank —

The World Bank and the IMF were established at the Bretton Woods Conference in 1944 to promote international economic cooperation and stability. The two organisations have distinct mandates: the World Bank's primary objective is long-term economic development and poverty reduction, while the IMF focuses on global macroeconomic and financial stability.

The dominance of the US Dollar significantly influences the operations of the IMF and the World Bank, making it the standard currency for international loans, debt repayment mechanisms, and financial assistance to developing countries worldwide. It exposes developing countries to the risks posed by exchange rate volatility and home currency depreciation. (Alekseeva et al., 2024)

The depreciation of the home currency further strengthens the dollar-dominated loan, making repayment even more difficult for the developing nation, potentially leading to balance-of-payments crises and necessitating further financial assistance. To curb this, these nations often build up large US Dollar foreign reserves by imposing stricter monetary policies, which can stifle economic growth and investment, leading to further inflationary pressures. This high external debt leads to a debt

crisis, affecting economic growth and financial stability.

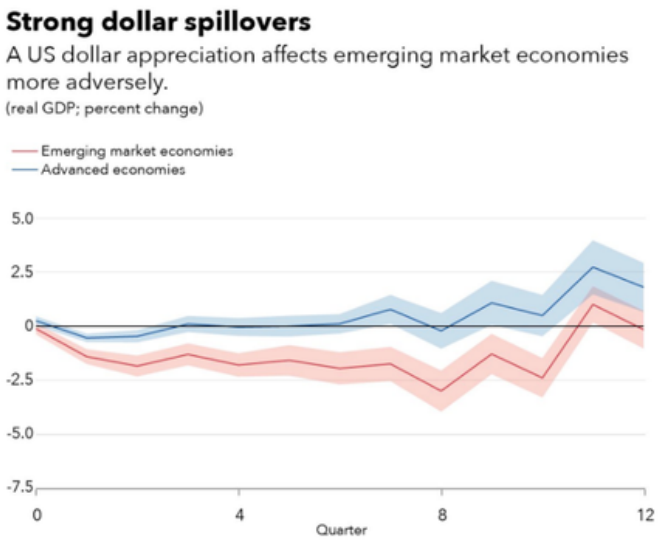
Developing nations frequently face currency mismatches, with debts mainly denominated in foreign currencies such as the US dollar, while assets and income are denominated in local currency. Local currency depreciation intensifies these risks, inflating dollar-denominated debt burdens and heightening the risk of liquidity squeezes or outright defaults.

Both the World Bank and the IMF employ a variety of mechanisms to deliver assistance to developing countries. However, the conditions attached to their support have significant implications for the recipient countries' economic policies and governance. Conditions attached to their support often require significant policy changes, which can limit policy autonomy and hinder long-term development. Structural adjustment programmes can cause economic disruptions and job losses, increasing poverty and social unrest. (Alekseeva et al., 2024)

2. Global Trade and International Markets —
The global economy currently sees a dollar-denominated trade, where, according to the Bank for International Settlements, approximately 88% of FX transactions involve dollars. This dollar dominance can have negative consequences for international trade in the global economy. This can be illustrated by a case in which the home currency depreciates: its exports should become cheaper and hence more competitive. However, the vast trade volumes in the US dollar, providing a common currency to reduce currency conversion complexities, offset those effects. (Siripurapu & Berman, 2023) This implies that the benefits of currency depreciation, especially in developing countries, are not realised in practice because invoices are issued in dollars.

In global trade, the fluctuating exchange rate of the US dollar conditions the cyclical movements of international markets. A strengthening dollar, usually driven by the Federal Reserve's monetary policy tightening, draws capital back to the US for better yields, prompting investors to pull money from emerging markets and signalling an economic slowdown in those markets as their currencies depreciate sharply. (Obstfeld & Zhou, 2022, 361-447) The US Federal Reserve's monetary policy during crises, such as the 2008 financial meltdown and the COVID-19 pandemic, has led to significant dollar liquidity injections that impact global markets.

In emerging market economies, a 10 per cent US dollar appreciation, driven by global financial market forces, reduces economic output by 1.9 per cent after one year, and this drag lingers for 2.5 years. In contrast, the adverse effects in advanced economies are considerably smaller, peaking at 0.6 per cent after one quarter and are gone mainly within a year. (Bems & Moussa, 2023)



SOURCE: International Monetary Fund Datasets and Blogs

3. Holding Reserves —
As discussed above, developing countries bear the brunt of any fluctuations in the dollar exchange rate in the exchange market. To stabilise currencies and facilitate USD-denominated trade, these nations hoard reserves, which often amount to approximately 10-20% of local GDP. This "invisible tax" manifests as opportunity costs: Forgoing higher domestic yields to hold low-return Treasuries transfers wealth to the US via seigniorage, estimated at 0.5-1% of US GDP yearly. (International Monetary Fund, 2025)

Central banks in India, Brazil, and Indonesia hold US dollars to intervene against depreciation, again leading to sterilised liquidity, higher domestic rates, and slower growth. These nations can diversify their

reserves by holding gold and currencies of other strong economies, such as the Euro, the Chinese renminbi, the Russian Ruble, and the Canadian Dollar. However, they are still far from the dollar's share of foreign reserves. Reserves may act as an insurance, but they also drain fiscal resources.

This financial stress further amplifies the dollar's rise, as demand for safe US assets rises, pushing its value higher during periods of global risk aversion. For developing nations, this creates a vicious cycle: as the cost of servicing debt rises, their central banks hike domestic rates and increase borrowing. Stagnant growth, higher default risks, and reduced imports of dollar-dominated goods, such as oil, due to price spikes, are the consequences of this cycle.

Taken together, these mechanisms illustrate how the dominance of the US dollar imposes structural pressures on developing economies. At the same time, it is important to acknowledge that the dollar-centred system also performs certain stabilising functions within the global economy. The depth and liquidity of US financial markets facilitate international trade and investment by providing a widely accepted and relatively stable medium for transactions. Nevertheless, the benefits of this system are distributed unevenly.

Geopolitical Influence

Beyond its economic implications, the international role of the US dollar also provides the United States with significant geopolitical influence. Because a substantial share of global trade, finance, and cross-border payments relies on dollar-based financial infrastructure, the United States can exert pressure on other states through financial sanctions and restrictions on access to international payment systems. This tool has been used effectively to influence global politics and maintain US hegemony (Bertayeva et al., 2016). Sanctions are defined as punitive measures or actions that are imposed on a country to compel it to comply with the international rules and regulations set. (Alekseeva et al., 2024)

Extensive sanctions have reshaped the global financial landscape, notably accelerating a decline in the US dollar's share of worldwide reserves despite its enduring primacy. This shift stems from nations rethinking their heavy dependence on dollar-based systems amid sanctions' fallout, particularly those targeting Russia (during the Russia-Ukraine War), where frozen reserves and blocked dollar transactions crippled trade and economic operations.

Countries like Iran and Venezuela challenged the petrodollar system by pricing oil in non-USD currencies, prompting severe US sanctions and escalatory measures as consequences. Iran's shift to euros, rupees, and yuan for oil sales—via barter deals with India and China since the 2000s—directly defied dollar exclusivity, leading to tightened sanctions post-2018 that froze assets and barred SWIFT access, crippling its global trade. Similarly, Venezuela's 2018 launch of the oil-backed "petro" cryptocurrency aimed to bypass dollar invoicing amid hyperinflation, triggering US reserve seizures, oil purchase bans, and intensified economic warfare.

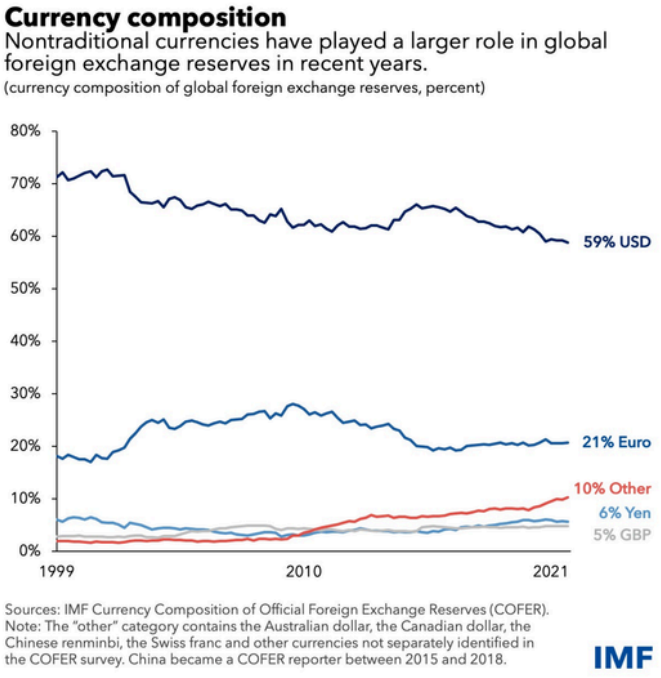
These deviations from petrodollar norms exemplify "weaponised interdependence," in which the US leverages its control over dollar networks to punish challengers. By rejecting USD for energy exports, both nations faced geopolitical retaliation: Iran's nuclear standoff and regional proxy wars escalated alongside financial isolation, while Venezuela's political turmoil drew explicit sanctions linking regime change to petrodollar compliance. This dynamic reveals dollar dominance not just as economic privilege but as a coercive tool, where straying from USD invoicing invites economic strangulation and conflict.

The pattern underscores how petrodollar adherence sustains US hegemony, with non-compliant oil producers bearing the brunt through sanctions that inflate costs, deter partners, and force survival tactics like gold hoarding or bilateral swaps. Iran and Venezuela's experiences highlight the high stakes: defying the dollar triggers a cascade of financial exclusion and geopolitical pressure, reinforcing global reliance on USD networks despite growing resentments.

Emergence of De-Dollarisation Efforts

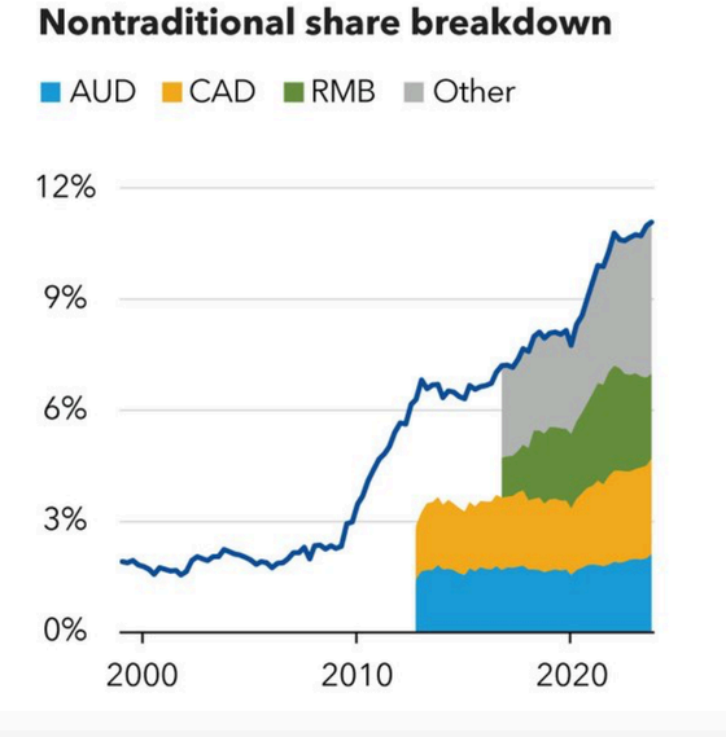
Such vulnerabilities have spurred countries to pursue alternatives, mitigating risks tied to dollar exposure. Moreover, this overreliance on a single currency heightens the global economy's vulnerability to US geopolitical moves and conflicts, fueling calls for a more diversified financial architecture to bolster resilience and stability.

As a result, de-dollarisation has become an increasingly substantive topic of discussion among investors, corporates, and market participants more broadly. De-dollarisation entails a significant reduction in the use of dollars in world trade and financial transactions, decreasing national, institutional, and corporate demand for the greenback. "The concept of de-dollarisation relates to changes in the structural demand for the dollar that would relate to its status as a reserve currency. This encompasses areas that relate to the longer-term use of the dollar, such as transactional dominance in FX volumes or commodities trade, denomination of liabilities, and share in central bank FX reserves," said Luis Oganes, head of Global Macro Research at J.P. Morgan. (J.P. Morgan, 2025).



SOURCE: International Monetary Fund Datasets and Blogs

De-dollarisation is unfolding in central bank FX reserves, where the share of USD has slid to a two-decade low in tandem with its macro footprint. While much of the reallocation of FX reserves has gone to CNY and other currencies, USD and EUR still dominate levels. "The CNY footprint is still very small, even if growing, and its push for bilateral invoicing is likely to keep this trend on the upswing," Chandan noted. (J.P. Morgan, 2025)



SOURCE: International Monetary Fund Datasets and Blogs

Conclusion

Both the United States and the world at large would benefit from a less dominant US dollar," writes Michael Pettis, a professor of finance at Peking University. Yet, the dominance of the US dollar remains one of the most important features of the contemporary international monetary system. As this article has shown, the dollar's central role did not emerge by chance. It developed through a combination of historical developments, institutional arrangements, and structural advantages embedded within global financial markets. From the Bretton Woods system to the establishment of the petrodollar framework, these foundations have reinforced the dollar's position as the primary currency for trade invoicing, reserve holdings, and international financial transactions.

At the same time, the persistence of dollar dominance reflects the structural strength of the system itself. Although discussions about alternative currencies and de-dollarisation have gained momentum in recent years, a rapid shift away from

the dollar remains unlikely. Understanding the unequal dynamics embedded in this system is therefore essential for assessing both the distribution of global economic power and the challenges developing economies face in navigating an increasingly interconnected financial order.

The international monetary and reserve system continues to evolve. The patterns we highlighted earlier—very gradual movement away from dollar dominance, and a rising role for the nontraditional currencies of small, open, well-managed economies, enabled by new digital trading technologies—remain intact.

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THE COCOA PARADOX: RISING DEMAND AND DECLINING CULTIVATION

AASHNA DHINGRA

Introduction

Over the past ten years, there has been a steady increase in the world's consumption of cocoa due to the persistent demand for chocolate in both developed and developing nations. Yet paradoxically, there hasn't been equal growth in cocoa cultivation despite the rise in demand and global cocoa prices. Instead, production growth has stagnated, while farmgate incomes for cocoa farmers remain persistently low.

This article examines this "cocoa paradox" through a production-anchored economic lens, focusing on labour incentives, price transmission failures, and environmental constraints. Using secondary data from peer-reviewed studies and institutional publications, the research highlights how structural inefficiencies within the global cocoa value chain weaken supply responses despite favourable price signals. Particular attention is given to India's growing role as a demand-side stakeholder increasingly exposed to global supply fragility. The analysis suggests that without targeted price stabilisation mechanisms and cultivation-oriented interventions, the cocoa sector faces long-term economic and environmental risks.

Cocoa is vital to the global agricultural economy. It supports the chocolate industry and the livelihoods of millions of smallholder farmers, especially in West Africa. Over the last decade, global cocoa demand has risen steadily, fueled by consumption in advanced economies and rapid growth in emerging markets like India (International Cocoa Organisation [ICCO], 2023; Del Prete & Samoggia, 2020). Contrary to economic expectations, this demand growth and the rise in international cocoa prices have not led to a similar increase in cultivation. Cocoa production growth has stalled, while farmers' incomes remain low, reducing the incentives for keeping and investing in labour (Coulibaly & Erbao, 2019). This situation reveals deeper problems within the cocoa supply chain, such as poor price transmission, lack of labour incentives, and growing environmental pressures. As a price-taking importer with rising cocoa demand, India is at risk from the long-term supply issues created by these imbalances.

The Cocoa Paradox Diagnosis:

The cocoa paradox arises due to a structural imbalance between increasing global demand and a poor supply reaction. Due to the growing income levels and changing consumption trends in the developed and new economies, the world cocoa consumption has grown steadily since 2010 (Del Prete & Samoggia, 2020; ICCO, 2023). Although the growth in demand is well established, the response in terms of supply has been much more restricted. The current literature has recognised several structural challenges that smallholder cocoa farmers have, such as an ageing population of farmers, a lack of labour, increasing input prices, and poor access to formal credit markets (Coulibaly and Erbao, 2019; Konate et al., 2023). Such limitations reduce the potential of the farmers to react to favourable price signals.

Declining Cultivation and Labour Disincentives

Cocoa cultivation has not grown in proportion with the increasing international prices, even during periods when the prices are increasing. The central explanation can be given by weak incentives to labour at the farm level. Smallholder farmers earn low, unpredictable incomes, which reduces the appeal of cocoa compared to other job options. The data of key producing areas indicates that the opportunity cost of labour can be much higher than foregone cocoa payments, especially in cases where price volatility and production risks are taken into consideration when making decisions (Konate et al., 2023).

This issue is further increased by demographic

tendencies. The population of the cocoa farmers in the major cocoa-producing nations is growing older, and the young generation has a limited desire to venture into the industry. This hesitation is indicative of economic and behavioural aspects. The continual instability of income also influences the perception of risk, and it suppresses long-term agricultural investment. Climate change adds to these disincentives, heightening temperature stress, changing rainfall patterns, and causing yield volatility, which makes production less reliable (Laderach et al., 2021). An increase in the cost of inputs and the inability to access capital further limit the ability to reinvest (Coulibaly & Erbao, 2019). These structural forces, in aggregate, undermine the response of supply (though the world is increasing its demand and prices).

The Price-Income Disconnect

The cocoa paradox has a characteristic where there has been a continuous disparity between farmgate incomes and international cocoa prices. Although global prices of cocoa have risen in the last ten years, the transmission of the same price indicators to the producers has been nonlinear and biased. Agricultural price transmission studies show that frequently, price rises are transmitted to the farmers more gradually and incompletely than price falls (Marco and Pascal, 2025; Oginni et al., 2024). This imbalance restrains the reaping of incomes during the favourable market cycles.

The disconnection has systemic characteristics of the cocoa value chain. Smallholders normally have low bargaining power and are highly concentrated downstream. The processing companies, markets and traders take a big chunk of the value addition, undermining the incentive impact of the global prices at the production level. Consequently, the effect of international price increases does not always translate into consistent and predictable revenue gains. The paradox is thus an error in the functioning of the value-chain transmission as opposed to a short-term movement in the market. Producers are not able to invest in labour with high confidence, in better cultivation methods or in increasing acreage because they do not have credible signals about the income they will receive.

Beyond asymmetric price transmission, the cocoa paradox is reinforced by structural imbalances in value distribution along the global supply chain. Producing countries capture a relatively small share of final chocolate retail value, while downstream processing and branding segments retain higher margins (Voora et al., 2019). This uneven value capture limits income gains at the farm level even during periods of elevated international prices. Increasing concentration among multinational buyers further weakens smallholder bargaining power and constrains income transmission (Fountain & Hütz-Adams, 2022).

Productivity stagnation compounds these structural constraints. Many cocoa farms operate below potential yield due to ageing trees, soil degradation, and limited adoption of improved agronomic practices (Schroth et al., 2016). Restricted access to credit and extension services limits farmers' ability to reinvest in climate-resilient inputs or rehabilitate plantations (Dzene et al.). As a result, supply growth remains subdued despite favourable demand conditions.

Climate change intensifies these vulnerabilities. Cocoa cultivation is highly sensitive to temperature and rainfall thresholds, and projections indicate a decline in suitable growing areas in West Africa under high-emission scenarios (Schroth et al., 2016). Increased disease incidence and yield variability further undermine production stability.

Income volatility also shapes labour decisions. Smallholder households experience significant fluctuations linked to price cycles and environmental shocks, reducing long-term investment planning and encouraging risk-averse behaviour (Caradenuto et al., 2025). Repeated exposure to unstable returns discourages intergenerational entry into cocoa farming.

Taken together, concentrated value capture, underinvestment in productivity, and escalating climate risk transform the cocoa paradox from a temporary imbalance into a structurally embedded vulnerability.

India as Demand-Side Stakeholder

Although the vast majority of structural constraints are generated in the regions of production, the

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SMARTPHONE DEPENDENCY IN LOW-LITERACY RURAL INDIA: EXPANDING GENDER GAPS

ANUMA BISHT

In low-literacy regions, the post-COVID surge in smartphone dependence has made digital access essential for services and opportunities. Yet while men benefit from wider, independent use, women often face restricted and mediated access. Drawing on rural Indian case studies, this study examines how this shift subtly widens gender gaps across economic, health, social, and civic domains.

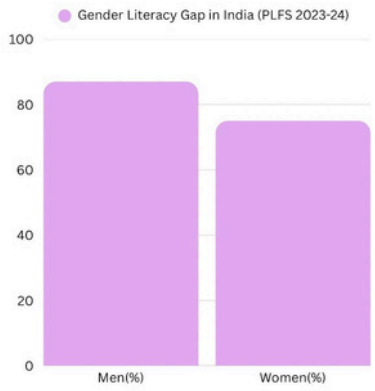
Introduction

Smartphones have fundamentally reshaped communication, information access, and socioeconomic opportunities during the last ten years. Particularly in low- and middle-income countries, where mobile penetration surpasses that of traditional broadband infrastructure, there has been a noticeable increase. The COVID-19 pandemic caused a remarkable rise in smartphone dependence, as governments worldwide moved essential services online, including digital payments and direct transfers, CoWIN vaccine booking and scheduling platforms, contact-tracing applications, and remote schooling through DIKSHA in India. According to data from the Telephone Regulatory Authority of India (TRAI), the overall tel-density in India has reached 80% (TRAI, 2024). This profoundly impacts life in urban slums and rural areas where literacy and digital capabilcity gaps remain significant, particularly among women (IIPS & MoHFW, 2021). Yet this digital leap carries a critical downside: in low-literacy zones, where significant segments of the population struggle with basic reading and writing skills, the rapid adoption of cellphones has the unintended consequence of intensifying entrenched gender disparities and systematically excluding women from emerging opportunities.

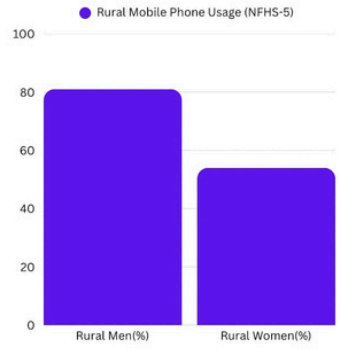
Due to entrenched gender norms, men are more likely to report independent mobile and internet use (IIPS & MoHFW, 2021). NFHS-5 shows that only 33% of women aged 15–49 have ever used the internet, compared with 57% of men, with even lower access among rural women. Despite bearing nearly three times the unpaid domestic work burden (MoSPI, 2019), women's digital access remains mediated and limited. As a result, expanding smartphone use risks widening gender gaps in economic and social participation.

Literacy and gender

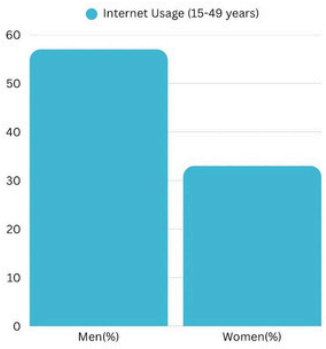
Meaningful digital connectivity depends on literacy —not just the ability to read, but to navigate apps and evaluate online information. In low-literacy settings, reliance on icons or assistance from others continues to limit effective smartphone use. Rural women in India lag sharply: they report substantially lower computer and internet use than men, who access them nearly twice as often in several rural age groups (MoSPI, 2021). NFHS-5 shows that 66% of rural women aged 15–49 have less than ten years of schooling, while overall literacy stands at about 80–81% for those aged 7+, with a persistent 12–13 percentage point gender gap (87% for men vs 75% for women) (MoSPI, 2024). In states such as Rajasthan and Bihar, gender literacy gaps exceed 15 percentage points (IIPS & MoHFW, 2021). Studies by NSSO and MoSPI attribute these disparities to limited digital training, domestic burdens, and norms favouring boys' education. Thus, despite rural smartphone ownership exceeding 90% (NFHS-5), rapid diffusion in low-literacy contexts may heighten women's vulnerability rather than deliver empowerment.



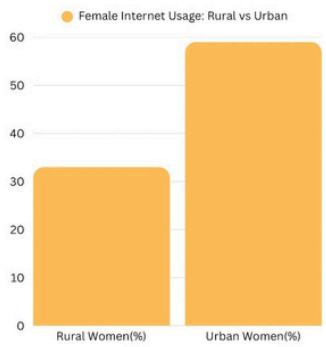
Source: Author's illustration based on data from PFLS (2023-24)



Source: Author's illustration based on data from NFHS-5 (2019-21)



Source: Author's illustration based on data from NFHS-5 (2019-21)



Source: Author's illustration based on data from NFHS-5 (2019-21)

Over 90% of Indian households have access to a mobile phone (IIPS & MoHFW, 2021), yet usage remains sharply gendered. In rural areas, only about 54% of women aged 15–49 use a mobile phone compared with over 80% of men, and just 33% of rural women have ever used the internet, versus 57% of men. Shared devices often act as tools of control, with men managing passwords and data, limiting women's privacy and autonomy. Combined with domestic burdens and persistently lower female labour force participation (MoSPI, 2024), limited digital literacy and access reinforce economic exclusion rather than empowerment.

Smartphone Dependency: How It Expands Gender Inequality

India exhibits one of the widest gender gaps in mobile access globally. Across LMICs, women are 8% less likely than men to own a phone (82% vs 89%), but India's gap in both ownership and mobile internet use exceeds the LMIC average (GSMA, 2023). Usage disparities are even sharper: while women across LMICs are 20% less likely than men to use mobile internet, India's gap is larger, particularly in rural areas. NFHS-5 (2019–21) shows that only 33% of women aged 15–49 have ever used the internet compared with 57% of men; in rural areas, the figures fall to 25% for women versus 49% for men (Ministry of Health and Family Welfare). As economic and governance platforms digitise, these gaps limit women's access to emerging labour markets and public services. The Time Use Survey (2019) further indicates that women spend nearly three times as many hours as men on unpaid domestic work (MoSPI, 2019), constraining sustained digital engagement. Together, lower internet penetration, time poverty, and mediated access risk systematically underrepresenting rural women in digital markets, civic participation, and policy feedback processes.

Ownership and Control of Devices

The NFHS-5 data show that 90–91% of rural households in India have access to a mobile phone (Ministry of Health and Family Welfare). Yet personal use remains unequal: only about 54% of women aged 15–49 report using a mobile phone

nationally, with lower rates in rural areas (IIPS & MoHFW, 2021). State-level patterns reveal even wider gender gaps in several central and eastern states. Qualitative evidence suggests that phones are often shared in rural households, limiting women's autonomous access. Many rely on male family members for tasks such as OTP verification or app installation, constraining independent engagement. Concerns over message monitoring may also discourage women from checking health alerts or job notifications on shared devices. PLFS data consistently show lower female labour force participation than male participation, especially in rural regions, though official datasets do not establish a direct causal link with mediated digital access.

Digital skills gaps persist as well: NFHS-5 indicates lower educational attainment among rural women, and only about one-third of women nationally report ever using the internet, with rural rates significantly lower (IIPS & MoHFW, 2021). Limited hands-on experience and education may reduce digital confidence and deepen usage disparities.

The Time Use Survey (2019) shows that women spend nearly three times as many hours as men on unpaid domestic work, limiting time for sustained digital engagement (MoSPI, 2019). Although the Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) has reported strong female enrollment —training 6.39 crore individuals, exceeding its 6 crore target—skill outcomes remain uneven when domestic responsibilities restrict continued use. Greater male autonomy in digital access may therefore translate into stronger participation in financial and market platforms, while women's mediated access risks reinforcing existing economic disparities.

Case Study: Rural Villages in Madhya Pradesh (Based on GSM Association Qualitative Research, 2021)

In a rigorous ethnographic study of married women in rural villages in Madhya Pradesh, researchers found that after the COVID-19 period, most households reported owning at least one mobile phone, reflecting rising rural penetration. However, a minority of married women reported using a phone independently within the sample. Patriarchal standards severely restricted usage: social acceptability limited women to calls with natal family members, who were considered extensions of domestic tasks. Any deviation, such as using entertainment applications or associating with non-kin, resulted in charges of impropriety, with husbands or in-laws monitoring behaviour to ensure compliance. Proximity emerged as a significant barrier: men kept their primary phones in their pockets or on their workstations, leaving women with shared, secondary, or older devices, when available. Time constraints from childcare and chores also hampered practice, impeding digital skill growth. The outcomes contribute to editing gender disparities in digital space.

Women often relied on male relatives to access digital health messages, limiting timely and private engagement with such services. Economically, restricted digital access may constrain participation in mobile-based economic opportunities, with men's work-related phone use potentially enhancing their labour market connectivity, while women's isolation perpetuates economic vulnerability.

Between 2014 and 2018, female mobile access increased substantially across South Asia, but qualitative evidence suggests that equitable and autonomous usage did not expand proportionately, indicating how dependency can persist despite infrastructure improvements (Scott et al., 2021)

Consequences

Unchecked smartphone dependence risks entrenching a gendered digital hierarchy, as only 33% of women aged 15–49 have ever used the internet compared with 57% of men, with rural women facing even lower access (IIPS & MoHFW, 2021). These disparities persist despite aggregate indicators such as national teledensity above 80% (TRAI, 2024) and over 10 billion monthly UPI transactions (NPCI, 2024), which reflect connectivity and financial digitisation but not autonomy or capability. Digital platforms such as DIKSHA expanded during the pandemic, yet outcomes remain shaped by unequal access and time poverty: the Time Use Survey (2019) shows women spend nearly three times as much time as men on unpaid domestic work (MoSPI, 2019), limiting sustained digital engagement. As global evidence suggests that closing digital gender gaps can support economic growth (World Bank, 2023), addressing

these inequalities requires integrated literacy, targeted digital training, and gender-sensitive design, including initiatives such as Pradhan Mantri Gramin Digital Saksharta Abhiyan.

Conclusion

Smartphone diffusion in rural India has not delivered digital empowerment. In low-literacy settings, ownership often hides inequality: men control passwords, data, and digital knowledge, while women remain supervised users with limited autonomy. Connectivity, in practice, becomes mediated access.

This exclusion has macroeconomic costs, contributing to an estimated ₹2–3 lakh crore GDP gap through underused female human capital. Closing it demands more than device distribution—it requires literacy-linked capability, mandatory female-focused digital training, voice- and vernacular-based design, and shifts in household control norms. Without autonomy and literacy together, digital expansion will keep reinforcing inequality.

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THE MIDNIGHT ECONOMY: ECONOMIC SIGNIFICANCE OF NIGHT SHIFT WORKERS

AYUSHI LADDA

Introduction

Conventionally, urban economic activities were confined to daylight hours in accordance with traditional work schedules; however, the shift towards 24-hour urban lifestyles and service expectations has transformed cities into round-the-clock entities known as the "midnight economy," encompassing not just leisure but also essential services and industries such as healthcare, emergency services, law enforcement, hospitality, and entertainment that operate outside conventional hours. These night-shift workers are the unseen force sustaining the economy long after daylight hours, making possible everything from overnight deliveries and clean offices to essential healthcare and emergency services (Yun, 2021).

From an economic perspective, the persistence of the night-time economy is driven by globalisation, technological integration, and time-zone arbitrage. As firms increasingly operate across international markets, night shifts in countries like India enable seamless coordination with global business hours, particularly in IT services, finance, healthcare support, and logistics. This alignment with global time zones reduces transaction delays, enhances productivity, and lowers operational costs, making nocturnal labour a structural necessity rather than a discretionary choice in modern urban economies. While the economic gains from nighttime activity and leisure are often emphasised, far less attention is given to the sacrifices made by night shift workers. These workers play a vital role, but they also face serious health and social challenges (Qanash et al., 2021).

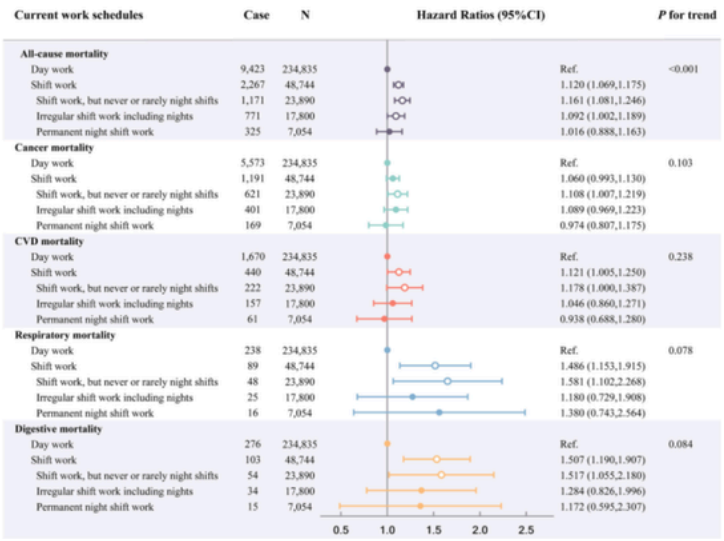
This article examines the role of night shift workers in the midnight economy by assessing their economic contributions and the wide-ranging impacts of night work on their daily lives, underscoring the need for deeper scientific research and well-designed policy responses.

The Indispensable Role and Profound Impacts of Night Shift Workers

The midnight economy is fundamentally supported by nocturnal labour across various sectors. In logistics, these workers facilitate essential overnight deliveries for e-commerce. The hospitality and entertainment industries rely on night workers to cater to late-night patrons. Such personnel are also vital for the continuous operation of essential services, including healthcare and public safety (Możdżyńska et al., 2023). Additionally, manufacturing sectors operate night shifts to increase output and meet persistent demand, thereby significantly impacting economic productivity at both national and global levels.

Night shift work, despite its benefits, poses serious health and psychosocial risks due to circadian rhythm disruption. The human circadian rhythm aligns with a diurnal cycle, encouraging daytime wakefulness and nighttime rest. Night work disrupts this natural rhythm, causing a misalignment between work-sleep patterns and the biological clock (Spector et al., 2023). This internal desynchrony results in chronic fatigue, increased sleepiness, and a greater susceptibility to health issues.

Night-shift workers frequently experience sleep deprivation and associated disorders (Batat et al., 2024). Healthcare professionals on night shifts often report suboptimal sleep quality and irregular patterns. Studies indicate that this demographic generally experiences reduced sleep duration and quality. The long-term health consequences are significant, with evidence linking night shift work to increased overall mortality and specific rises in respiratory and gastrointestinal death rates (Chang et al., 2024).



SOURCE: Chang et al. (2024)

The above table shows the correlation between work schedule and all-cause mortality. The numbers indicate that irregular and night shift workers have a higher risk than day shift workers. While cancer and mortality lacked significant trends, respiratory and digestive mortality displayed increasing trends nearing significance (Chang et al., 2024).

Research indicates that night-shift healthcare professionals have higher body mass indices and cancer risks, intensifying their health issues. Furthermore, the psychosocial consequences of nocturnal employment result in social isolation and mental health disorders, contributing to increased turnover rates. The health and social ramifications pose significant economic challenges. Issues such as absenteeism, healthcare costs, productivity decline, and employee turnover significantly threaten the viability of the nocturnal economy (Spector et al., 2023).

In response to these issues, a consensus is emerging among scholars and policymakers for a specialised "science of the night." This interdisciplinary framework aims to combine biological, sociological, and economic insights to formulate effective strategies. The academic and policy focus has traditionally been on the consumption side of the night-time economy, but there is a growing trend towards evaluating and supporting night shift employees. Current initiatives aim to precisely assess the night workforce and their distinct working environments, as existing evaluations tend to exhibit considerable variability.

These strategies include chronotherapeutic interventions like light regulation and melatonin to synchronise circadian rhythms with work schedules. Circadian-aligned shift scheduling can reduce medical errors, accidents, and chronic health problems. Enhancing worker well-being can be achieved through nutritious night shift meals, supportive environments, and mental health resources (Spector et al., 2023). Legislative actions, such as regulating shift lengths, mandating rest periods, and providing childcare for non-traditional hours, are crucial for protecting this vulnerable workforce (Możdżyńska et al., 2023).

Countries such as China have endorsed the NTE to boost consumption and capital circulation, recognising its significance in raising citizens' living standards and supporting industry. However, the sustainability of this economic model requires a balanced strategy that balances economic success with the welfare of its nighttime labour force.

Conclusion:

The midnight economy has become a vital component of the modern urban landscape, crucial for the operation of critical services and global logistics. The efforts of night shift workers ensure public safety and commerce around the clock. (Spector et al., 2023).

Given the significant health and psychosocial impacts highlighted above, immediate intervention is imperative, as the resulting economic repercussions, such as lower labour productivity, rising healthcare and insurance costs, and higher absenteeism and worker turnover, threaten the sustainability of the midnight economy. In the long run, these pressures increase business costs, reduce service reliability, and weaken the overall sustainability and growth of the midnight economy. Thus, adopting a multidisciplinary approach to the 'science of the night' is crucial for understanding and safeguarding this essential workforce.

To build on this multidisciplinary perspective, attention must extend beyond mere consumption within the NTE to a comprehensive understanding of the human capital that supports it. This requires focused research, the adoption of evidence-based strategies such as chronotherapy and circadian-aligned scheduling, and effective policy frameworks

that guarantee equitable working conditions, sufficient rest, and access to support services (Spector et al., 2023). Ultimately, the sustainability of the midnight economy depends on acknowledging and addressing the specific needs of night shift workers, cultivating environments that enhance economic performance and human welfare. Prioritising their health and social welfare is essential not only from an ethical standpoint but also as a strategic approach to creating resilient, inclusive, and prosperous urban settings that fully embrace nocturnal urbanism.

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DOMESTIC WORK AS THE QUIET BACKBONE OF INDIA'S URBAN GROWTH

BIANCA MATHEWS

Introduction

It's 6:30 am in an apartment complex in Gurgaon, Delhi. The sun has just risen and is slowly hitting the glass windows of apartment 501. Sharmila is moving quietly, with practised efficiency, after travelling 30 minutes by E-rickshaw and bus to get here. While the pressure cooker whistles gleefully on the kitchen stove, the floors are scrubbed and cleaned to a shine before the homeowners are even awake. The plants are watered, and the morning newspaper has been brought inside and placed on the coffee table. By the time the homeowners wake up and sit down for their morning cup of chai - discussing their corporate meetings, the city's booming GDP and their plans for the day, Sharmila has already facilitated the 'back-end' of their lives. She is the reason why they can afford to be productive. However, she remains a shadow in the very economy she supports as she slips out to the next apartment.

Sharmila's story is not just a single, solitary one but is rather one among millions of similar stories in several of India's tier 1 and tier 2 cities. This is the "quiet backbone" of the country's urban narrative. While economists attribute growth to infrastructure projects and IT hubs, there remains an unrecognised subsidy at work: the low-cost, informal labour that runs the home economy. It is easy to look at a spreadsheet of India's GDP and see only factories and IT hubs; it is much harder to see the millions of breakfasts prepared and floors scrubbed that made those spreadsheets possible.

India's urban growth is always measured in terms of the output of its professional and industrial sectors, but this productivity is essentially or rather fundamentally, supported by the 'quiet backbone' of domestic labour. This informal source of labour helps free up the human capital required for urban growth and is often referred to as the formal sector of the economy. It serves as a crucial economic subsidy by absorbing the time-consuming needs of home administration. Domestic labour is not a peripheral service, given the dynamics of the 4.75 million-person domestic workforce (Lilee, 2024) and recent data on the valuation of unpaid activities, which are projected to be worth up to 36% of India's GDP (Sahoo et al., 2024). Instead, it is the major infrastructure that keeps the urban economy profitable, efficient, and productive.

Architecture of Time: How domestic labour allows productivity

To better understand urban growth, one must first grasp the finite nature of time. With just 24 hours a day, every hour that a professional spends working in the office is an hour that has been unlocked by someone else's labour at home. What this basically means is that productivity is not created in a vacuum. Domestic work, which is often dismissed as invisible, is a vital component of a country's economic activity. There's a staggering reality- on average, households require approximately eight hours of labour per day just to function. (Ramesh and Nazrin 2025)

This eight-hour requirement doesn't simply vanish just because a city becomes modern or digital. Instead, it brings with it Time Poverty, as what the sociologists call it. In the urban setting, the demand for intensive, high-output work leaves very little space for physical maintenance of life. If an IT consultant or a bank manager had to personally perform all that work worth eight hours, consisting of cleaning, cooking and caretaking, including their already strenuous office jobs, their professional productivity would likely drop by half. (Ramesh & Nazrin, 2025)

Thus, domestic work in the urban sector functions more or less as a time-transfer mechanism. When a domestic worker enters a home in an urban setting, they are not just responsible for scrubbing the floor clean; they are also allocating their time to their employer, allowing the employer to remain productive in the so-called formal economy. This is particularly evident in the fact that even for employed individuals, the 'dual burden' of household chores remains a constant pressure. Women in India spend an average of 4.6 hours per day on domestic chores, which is more than double the time men spend (Sahoo et al., 2024).

If we look back at the urban backbone, we can see that this time transfer is what prevents the professional class from collapsing under the pressures and stress of their own work requirements. These workers supply the hours that power India's corporate engines by taking on the unpaid domestic work that falls outside of the typical production boundaries (Singh & Pattanaik, 2020). The urban miracle wouldn't have time to unfold without this subtle shift in hours.

Domestic Work as an Economic Foundation: The Hidden Subsidy

While urban growth is often measured by formal market transactions, this growth is heavily underpinned by the informal sector, which rarely appears on balance sheets or spreadsheets. These tasks are not considered economic activities because they occur outside the market and involve no monetary transactions; it is difficult to impute a monetary value to them (Rathore, 2019). This is best understood by the concept of Replacement Cost - the market price the economy will have to pay if every household task is outsourced to a third party or to a commercial business. (Ramesh & Nazrin, 2025). Domestic labour in this sense is acting as a massive financial engine, providing discounts worth millions to the nation!

According to a 2024 analysis by researchers at the Reserve Bank of India (RBI), the value of this often uncompensated work is estimated to be between 26% and 36% of India's GDP (Sahoo et al., 2024). This paints the picture that almost one-third of the nation's economic value is contributed by the domestic sphere, and yet it remains outside the production boundary of national accounts. (Singh & Pattanaik, 2020). When the domestic workers perform this invisible labour, they greatly contribute to lowering the cost of living for the urban workforce.

When one examines market benchmarks for household services, the magnitude of this subsidy becomes evident. As per the Minimum Wage Act standards, the individual tasks have a substantial monthly financial value, with cleaning and washing being worth about Rs. 5,070, caring for children and the elderly is worth Rs. 5226 and cooking and driving - both of which are considered to be specialised jobs- are worth between Rs. 5338 and Rs. 5694. These expenses will severely burden the middle class in a city that demands high output results. However, urban households manage this "double burden" only because the cost of domestic maintenance is kept artificially low. (Kawinkumar B, 2025)

This creates an informal labour trap where the household economy absorbs the shocks of the formal market. This reliance is particularly significant among urban women; data shows that 922 per 1000 females (aged 15+) in urban areas are engaged in domestic duties, with the vast majority citing that no other member is available to carry out these essential tasks (NSSO data). While over 4.75 million people sustain this sector, their work is kept informal to avoid the costs of social security (Lilee, 2024). Essentially, the urban sector is profitable precisely because it does not pay the full market price for the labour that maintains its human capital every single day.

Sl. No.	Nature of Work	For 1 Hr (Rs.)	For Subsequent Hr (Rs.)	Daily Wages (8 Hrs) (Rs.)	Monthly Wages (Rs.)
1	Washing clothes	37.5	22.5	195	5070
2	Washing vessels	37.5	22.5	195	5070
3	Sweeping, cleaning house & premises, wiping floor	37.5	22.5	195	5070
4	Purchase of vegetables, groceries, utensils	37.5	22.5	195	5070
5	Helping for cooking	37.5	22.5	195	5070
6	Engagement on works Sl. No. 1–5	37.5	22.5	195	5070
7	Caring of children (school drop & pick)	38.25	23.25	201	5226
8	Caring elderly / sick / differently abled	38.25	23.25	201	5226
9	Combined work (1–5 & 7–8)	38.25	23.25	201	5226
10	Cooking of food	39.75	24.75	213	5538
11	Other household works	37.5	22.5	195	5070
12	Domestic work while staying in the house	—	—	219	5694
13	Vehicle driver	40.5	25.5	219	5694
14	Gardener	40.5	25.5	219	5694
15	Home nurse (day time – qualified/trained)	40.5	25.5	219	5694
16	Home nurse (staying in the house)	—	—	225	5850
17	Security / Watchman / Garden worker	—	—	213	5538

Table 1: Wages of various domestic services based on the Minimum Wage Act.

This creates an informal labour trap where the household economy absorbs the shocks of the formal market. This reliance is particularly significant among urban women; data shows that 922 per 1000 females (aged 15+) in urban areas are engaged in domestic duties, with the vast majority citing that no other member is available to carry out these essential tasks (NSSO data). While over 4.75 million people sustain this sector, their work is kept informal to avoid the costs of social security (Lilee, 2024). Essentially, the urban sector is profitable precisely because it does not pay the full market price for the labour that maintains its human capital every single day.

A backbone without a Safety Net

The final irony, or rather the paradox, as I would like to call it, is that domestic labour is structurally designed to remain invisible. While the above paragraphs establish that this labour provides the time and capital necessary for the city to function, it operates in a vacuum. Even though the sector is large, workers are often pushed into the unorganised part of it, where the home is rarely seen as a

workplace (Lilee, 2024). By keeping this labour informal, the urban economy has created a flexible pool of workers that absorbs any market shocks without requiring a safety net for survival (Tewathia & Nidhi, 2017). The city keeps this quiet, which means it still receives a 26% to 36% contribution to GDP (Sahoo et al., 2024) without having to pay for the social security or legal rights these workers have rightfully earned.

The story of software hubs is only one aspect of India's rise to prominence in the world economy; another is the unseen work that makes these hubs possible. As we return to the image of Sharmila in her 6:30 AM routine, we must realise her efficiency is what "unlocks" the city's productivity. The data is clear; whether it is the eight hours of daily household labour identified by Ramesh and Nazrin (2025) or the massive financial subsidy measured by Sahoo et al. (2024), urban India is built on a foundation of domestic work.

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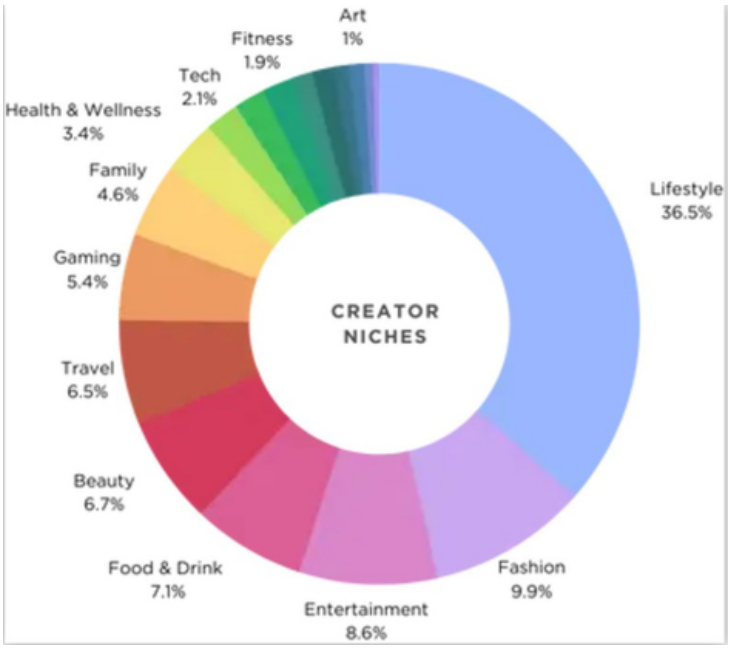
THE SILENT BACKBONE OF THE CREATOR ECONOMY

HEERA A.

Introduction

Like on any other domain, social media has also extended its influence on the economy. By creating entirely new professions, commodifying attention, and driving rapid shifts in consumer preferences, social media has transformed the economy. At the core of these changes lies the role of creators, who use digital technology to make and publish unique creative content, whether in the form of video, film, art, music, design, text, games, or any other media that audiences can access and respond to (Florida, 2022). Popular narratives around creators focus on viral success and huge monetary gains. This is, in fact, far from the truth. In reality, most creators who earn a living do not have widespread fame. This article explores the role of this silent 'not-so-famous' tier of the creator economy.



SOURCE: Creator Niches (Creator Earnings: Benchmark Report 2023)

Defining the Middle Segment of the Creator Economy

The creator middle class refers to those creators who earn regular, moderate incomes. These creators do not have a huge income or a large fanbase. They often earn just enough to make a living. Such creators find income stability in several ways:

Income Diversification

Middle-class creators often do not earn enough from the digital platform alone. Even if they do, relying on that income alone is risky, as it is susceptible to algorithm changes. This creates a need to diversify income. Middle-tier creators often depend on ads and sponsorships to earn a stable income. Many also launch subscription-based content or digital products to diversify income sources. Some creators start businesses and leverage the popularity and trust they've built online to promote their businesses.

Niche Markets

In 2008, the digital media expert Kevin Kelly advanced his famous "1,000 True Fans" thesis, which proposed that all a creator or other online enterprise needs to do to become economically viable in the Internet age is win over 1,000 engaged fans (Florida, 2022). Middle-class creators often focus on deep engagement with a dedicated audience rather than mass-market appeal. They often build strong relationships with the audience and make their personality a brand, ensuring repeat engagement. This also helps them mitigate the risk of algorithm changes, a major challenge middle-tier creators face.

Salary	Percentage
Under $1,000	26.0%
$1,000-$10,000	25.5%
$10,000-$25,000	15.9%
$25,000-$50,000	10.8%
$50,000-$100,000	11.4%
$100,000-$500,000	7.4%
$500,000-$1 million	1.5%
More than $1 million	1.4%

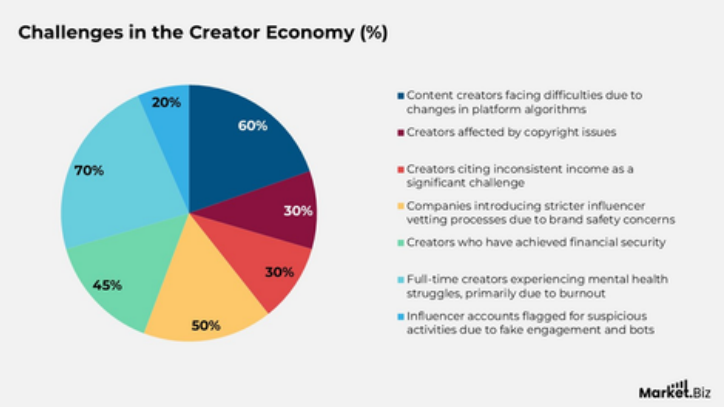
TABLE 1- Creator Earning Power: Share of Influencers at Various Income Levels

Business Mindset

Middle-class creators treat content creation like a business. Such steps are actively taken to optimise their content. Outsourcing editing is a common optimisation tactic. Many creators outsource their editing as it has a huge impact on the quality of content shared on the internet (Slingerland, 2019). Quality equipment is also a crucial input. Content creators often invest heavily in high-quality equipment, such as cameras and microphones. The use of such equipment can instantly boost viewership due to its enhanced quality. Cost-cutting is a huge part of the optimisation process undertaken by middle-class creators. Unlike top-tier creators, middle-class creators often have less to spend. This makes cost-cutting an important part of their career. Apart from these steps, middle-tier creators often follow personal habits like strategic downtime. This is necessary to prevent creative fatigue and produce quality content.

Quality of Employment

In terms of the quality of employment, the creator middle class faces several challenges. Financial risk is one of the most prominent problems. A sudden change in algorithm or a shift in consumer preferences can destabilise the livelihoods of middle-tier creators. With limited savings and weak social security, even minor shifts in the creator economy trends can disrupt earnings for middle-class creators. High burnout rates and mental health challenges are another huge problem. Middle-class content creators are vulnerable to algorithm changes and are dependent on their niche audience. This requires them to keep creating engaging content and adapt quickly to algorithmic changes. This increases the chance of burnout in middle-class creators. Lack of social security also poses a threat to the economic stability of such creators. Content creators work in the informal labour force and lack the formal structures to secure benefits such as paid leave, as they are classified as self-employed in the economy. Larger creators, who earn large incomes, have sufficient funds to cover such risks. This is not the case for middle-tier creators, who do not earn large profits. Many middle-tier creators may also be just starting and require large funds for equipment. This puts them at increased risk of algorithmic changes and loss of engagement.



SOURCE: Challenges in the Creator Economy

Conclusion

An estimated 14.8 million Americans earned income by posting their creations on Instagram, WordPress, YouTube, Tumblr and five other platforms. (Shapiro & Aneja, 2019) Depending on the sectoral definitions used to delineate 'creative industries', their contribution to GDP tends to range between 2% and 6% (Slater & Wruuck, 2012). The content creator economy is no longer an emerging trend but an economic reality. The creator middle class is vital to the growth of this creator economy, but their efforts often go unnoticed. They are the drivers of diversification, the main source of engaging content and the proponents of optimisation, but they are among the most vulnerable groups in the digital economy. Despite being the backbone of the creator economy, they face several challenges, such as weak social security and unstable income.

From a policy standpoint, both the Government and social media platforms must take targeted measures to protect the livelihoods of this crucial creator middle class. Ensuring social security is a key first step. Given its large size and vital role in the creator economy, the middle tier's problems must be a key part of government policy in the gig economy. The Government's inclusion of content creators under the white-collar or professional workforce of the gig economy under the Social Security Code of 2020 is a commendable step in this direction. The law, introduced in 2020, came into force in 2021. Under it, the government aims to provide universal coverage. Social media platforms must play a complementary role and build a strong "Creator Fund".

A fund must be maintained by all social media platforms that serves as a steady source of income.It should ensure access to social security benefits, such as health insurance, a pension, and parental leave.

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THE QUIET SURGE: INDIA'S UNDER-THE-RADAR SERVICES INFLATION

KANAK SHARMA

For decades, service prices have outpaced those of goods, a trend that's grabbed economists' attention worldwide. In the United States, this divergence became particularly pronounced from the late 1980s onward, as services inflation remained persistently higher than goods inflation, widening the gap between the two (Peach and Rich, 2004). India faces similar concerns today, as costs for essentials such as healthcare, education, and transportation continue to rise. Yet, as Mundle (2023) highlights, there's a crucial twist: unlike the US, India's inflation is largely driven by volatile commodities, not just services.

If goods dominate India's inflation dynamics statistically, why do households increasingly feel burdened by rising service costs? The answer lies not in headline inflation numbers alone, but in the changing structure of consumption and the subtle ways in which service price increases are experienced. Inflation among Indian households is generally understood as a visible rise in the prices of commodities, such as vegetables becoming costlier or petrol prices surging. In economic theory, however, inflation is defined as **"the rise in the general price level of goods and services along with a consequent fall in the purchasing power of money"** (Patha, 2017).

The expansion of the service sector in India dates back to the term of P.V. Narasimha Rao, with his Finance Minister, Dr Manmohan Singh. It was then that the LPG (Liberalisation, Privatisation and Globalisation) reforms of the 1990s were introduced, and the growth of the service sector is directly linked to these reforms. Mukherjee (2013) argues that while the service sector began expanding in the 1980s, economic reforms significantly accelerated its growth by opening markets and increasing private participation.

Several studies support this view. Chanda (2002) highlights how liberalisation facilitated the expansion of finance, communication, and business services. Gordon and Gupta (2003) describe India's growth trajectory as service-led, unlike the manufacturing-driven paths of many East Asian economies. Jain and Ninan (2010) further note that reforms strengthened demand for education, healthcare, and urban services, embedding services deeply into household consumption patterns.

Sectoral Inflation

In India, three different measures of inflation are used: the Wholesale Price Index (WPI), the Consumer Price Index (CPI), and the Gross Domestic Product Deflator (Goel, 2022). Price fluctuations at the wholesale level are measured by the Wholesale Price Index (WPI), while changes in prices of goods and services at the retail level are assessed using the Consumer Price Index (CPI) (Gupta and Siddiqui, 2014). The four primary elements of the core CPI basket : (i) clothing and footwear, (ii) housing, (iii) health, and (iv) transport and communication, make up almost a third of the CPI basket and over 60 per cent of the core measurement (Economic Survey, 2026).

SOURCE : Ministry of Statistics & Programme Implementation, India

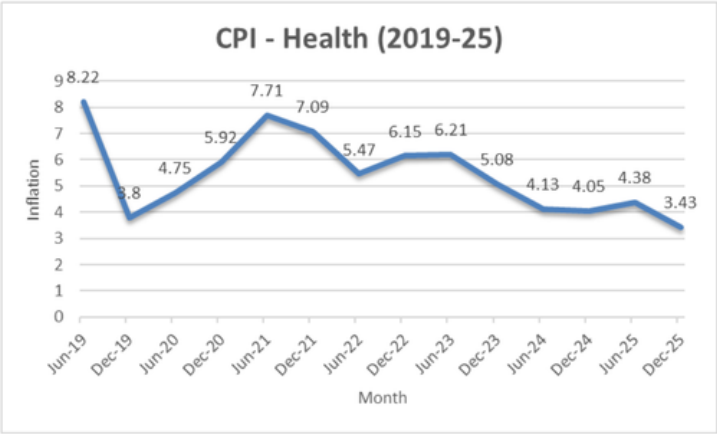
In 2008, CPI and WPI displayed a growing divergence, which could be attributed to three main reasons. The first and second reasons were the sharp increase in the price of metals and crude oil. The 3rd

reason, which is relevant in this research, was the price of services - such as medical care, education, recreation and amusement, transport and communication, and personal care and effects - in CPI-IW (Consumer Price Index for Industrial Workers) showed a significant inflation of over eight per cent (Mohanty, 2010).

Health care—

Healthcare is the most inflation-prone service sector in India. Consultation fees, diagnostic tests, hospital charges, and insurance premiums have risen steadily over time. These increases are frequently justified by improved technology, higher quality care, or rising operational costs, which makes them appear acceptable rather than inflationary.

Since healthcare expenses are irregular and often unavoidable, households tend to absorb them quietly. High out-of-pocket expenditure further amplifies the impact. While CPI captures healthcare inflation statistically, households experience it as episodic financial stress rather than a continuous price rise. However, as mentioned earlier, medical care being an essential service makes it hard for people to ignore the rising costs during inflation. But since it is so sporadic, most health care is covered by insurance. The amount deducted is consistent, which often leads individuals to miss that decrease in their purchasing power, as they get fewer facilities for the same amount.



SOURCE: Ministry of Statistics & Programme Implementation, India

In India, health inflation has gradually eased from higher levels in 2023 to lower, more stable levels thereafter (Economic Survey, 2026). It has eased to 3.60% in November 2025, even as headline CPI rebounded to 0.71% from October's historic low.

Prices in this category may be shaped by service delivery costs, administered fees, and institutional pricing practices, which tend to adjust slowly over time.

Education —

The education sector is essential for growth and is considered an investment by households. It has been given a weightage of 4.46 in 2025 by the Ministry of Statistics and Programme Implementation in its Consumer Price Index Numbers report. This service sector inflation majorly operates through institutionalised, annual fee revisions. School and college fees, coaching classes, digital learning platforms, and ancillary costs such as transport and uniforms increase almost every year. Because these increases are predictable and socially normalised, they rarely trigger public concern.

Jain and Ninan (2010) note that rising private participation in education has significantly increased household expenditure in this sector. For middle-class families, education is a non-discretionary expense, meaning even small increases compound into substantial long-term financial pressure—an archetypal case of invisible inflation. The impact of educational inflation in India has received little research.

Transportation and communication —

Transportation and communication are yet another important service, not only for households but also from the perspective of growth and development. The Ministry of Statistics and Programme Implementation's (MOSPI) report on CPI numbers gives a weightage of 8.59 in 2025 to this sector.

The majority of the population increasingly relies on a mix of buses, metro services, and intermediate transport for day-to-day commutes. An increase in fuel prices attracts immediate attention, while the total cost of mobility, public transport fares, app-based cab charges, maintenance costs, tolls, and ancillary fees that have risen steadily over time, escapes the day-to-day visibility. Fare revisions in public transport systems, typically justified by rising operational and energy costs, are often periodic rather than frequent. Similarly, surge pricing, convenience fees, and platform commissions in app-

based transport services contribute to higher effective prices without appearing as explicit fare hikes.
For households that depend on daily commuting for work or education, transportation expenses are largely non-discretionary. Even small increases in these costs can greatly affect monthly budgets. People often view these expenses as unavoidable adjustments rather than signs of inflation, making them less noticeable. Additionally, households increasingly pay for broadband services, digital television, and data add-ons, embedding communication costs firmly into monthly expenditure.
The Indian Economic Survey of 2025-26 indicates that while transportation and communication inflation tends to be lower on average, it still shows occasional variations. These temporary changes are influenced by particular sub-components, including fares, services linked to fuel prices, and fluctuations in telecom costs. Nevertheless, disinflationary trends in the transport and communication sector have emerged since June 2025.

Conclusion–

This article examines the impact of inflation on services, which is often hidden or overlooked by households. The focus is on key services, particularly health, education, transportation, and communication. This analysis is substantiated by data from the Consumer Price Index provided by the Ministry of Statistics and Program Implementation.

Invisible inflation has tangible consequences. Households respond to rising inflation in services much like they do to rising inflation in goods, by reducing savings, postponing consumption, or increasing reliance on credit. Healthcare and education inflation, in particular, can exacerbate inequality by limiting access to essential services. At the macroeconomic level, invisible inflation helps explain subdued consumer sentiment despite stable headline inflation. When the prices that matter most to households keep rising quietly, trust in official inflation metrics weakens.

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THE ILLUSION OF FLEXIBILITY: INCOME RISK AND JOB SECURITY IN PLATFORM WORK

KASHVI SIKKA

Introduction: The Digital Golden Handcuff

As it can be seen widely, the marketing narrative of the platform economy is that of liberation. "Be your own boss," "set your own hours," and "work from anywhere" are the statements that have fueled the meteoric rise of companies like Uber, Upwork, and Deliveroo. To an everyday observer, this represents the ultimate evolution of labour —a leap away from the rigid, 20th-century 9-to-5 towards a fluid, hyper-efficient marketplace. However, as the shine on the surface wears thin, a more precarious reality emerges. For many, the "flexibility" of the gig economy is not a benefit, but a transfer of risk from the corporation to the individual. Under the guise of autonomy, individuals are navigating a path defined by extreme income volatility, a lack of traditional safety nets, and the opaque authority of algorithmic management.

The Mathematics of Precarity

In a traditional employment contract, the employer always assumes the risk of market fluctuations. If a retail store is empty one afternoon, the cashier is still paid their hourly wage. However, in the platform model, this risk is externalised. The individual only earns when a task is active, yet they must remain available, often without compensation for this waiting period.

This creates a phenomenon known as "income zig-zagging." According to data from the JP Morgan Chase Institute (2020), platform workers experience a month-to-month income volatility of approximately 30%. For anyone relying on this income for rent or debt servicing, a 30% drop in a single month is not a "flexible" adjustment; it is a financial crisis. Furthermore, the Economic Policy Institute (2021) notes that after accounting for mandatory costs (such as self-employment tax, vehicle maintenance, and health insurance), drivers' effective take-home pay often hovers around $9.21 per hour, significantly lower than the gross figures advertised by the platforms.

Algorithmic Management: The Invisible Supervisor

The most profound shift in job security is the replacement of human HR departments with algorithms. In a standard firm (traditional, 20th-century model of employment—often called the W-2 model or corporate employment), firing an employee requires just cause and usually a paper trail. In the gig economy, "deactivation" can happen instantly based on a drop in a star rating or a proprietary "efficiency score." This creates a climate of constant, low-level performance anxiety.

Individuals find themselves in a Black Box (a complex system—usually an AI or an algorithmic model— where the internal workings are invisible or incomprehensible to the people it affects), where the rules of success can change overnight with a software update. When an algorithm determines your job security, there is no union representative to call and no manager to appeal to. The "flexibility" to choose your hours is often negated by surge pricing or bonus windows, which effectively force individuals onto the road at specific times to make a living wage, mirroring the very shifts they sought to escape.

The Gamification of Labour: Engineering the "Sunk Cost"

While the marketing of platform work emphasises "autonomy," the actual experience is governed by a sophisticated system of behavioural engineering. Algorithms do not just assign tasks; they use "nudges"—a concept borrowed from behavioural economics—to manipulate worker behaviour. Features such as "Quest" bonuses (e.g., "complete 10 more rides to unlock $30") or "consecutive trip" streaks transform labour into a high-stakes video game. This creates a psychological sunk cost.

worker who intended to log off at 8:00 PM may see a progress bar on their screen showing they are only two deliveries away from a bonus. The rational desire to rest is overridden by the "gamified" urge to complete the set. Furthermore, forward dispatching —where the next job is assigned before the current one is finished— denies the worker a natural stop point, effectively tethering them to the app through a continuous loop of dopamine-driven prompts.
In this environment, the "flexibility" to choose when to stop is undermined by an interface that makes stopping feel like a financial loss.

The Equipment Gap: Capital as a Burden
One of the most significant, yet overlooked, transfers of risk is the Equipment Gap. In the 20th-century model, the firm provided the tools of production — the office, the computer, etc. However, in the platform economy, the individual is not just providing labour, but also capital.

- Asset Depreciation: individuals must provide their own vehicles or high-end hardware, bearing the full brunt of maintenance and depreciation. A driver's gross earnings rarely account for the fact that every mile driven effectively borrows value from the car's resale price.
- The Debt Trap: For many, entering the platform economy requires taking on debt to purchase these assets. When a vehicle breaks down, the individual doesn't just lose a day's pay; they lose their primary means of production while remaining tethered to the loan used to acquire it. This transforms a "flexible" job into a high-stakes liability.

The Policy Gap: Two Paths to Reform
As the tension between platform "flexibility" and individual security reaches a breaking point, two distinct legal frameworks have emerged as global benchmarks:

Model	Primary Example	**Philosophy**
The Exception Model	California's Prop 22	Model Primary Example Philosophy The Exception Model California's Prop 22 Maintains "Independent Contractor" status but adds a "floor" of benefits (e.g., healthcare stipends). Critics argue it creates a permanent "underclass" of workers with fewer rights than traditional employees.
The Presumption Model	EU Platform Work Directive	Operates on a "Presumption of Employment." If a platform exerts significant control/direction, the worker is legally considered an employee by default unless the platform proves otherwise.

Note: As of 2026, EU member states are in the final stages of transposing the Platform Work Directive into national law. This represents a seismic shift toward "de-risking" the individual by forcing platforms to assume the administrative and social costs of their workforce.

The "Human Touch" Gap: The Anxiety of the Star Rating

Perhaps the most isolating aspect of platform work is the total removal of the "human touch" from management. In a standard 20th-century workplace, a bad day could be explained to a supervisor. Performance was viewed through the lens of long-term relationships and context. However, in the gig economy, the supervisor is a mathematical average.

The "Star Rating" system creates a climate of constant, low-level performance anxiety. A single disgruntled customer or a technical glitch in the app can result in a one-star review that drags down a worker's lifetime average, potentially triggering an automated "deactivation" (firing). There is no open-door policy with an algorithm.

This lack of human mediation leads to:

- Customer Tyranny: Workers often feel forced to accept unreasonable demands or endure customer harassment to protect their ratings.
- The Appeal Vacuum: When a worker is deactivated, the appeal process is often a labyrinth of automated email templates, leaving the individual with no recourse or explanation.

By replacing human HR with predatory metrics, platforms have successfully automated the firing process, stripping the worker of the dignity of a defence and the security of a fair hearing.

Conclusion: Reframing Flexibility

The marketing of the platform economy suggests that security and flexibility are mutually exclusive — that one must be sacrificed for the other. However, as the data on income volatility and capital depreciation show, the "flexibility" currently offered is often just a synonym for vulnerability.

True flexibility is only possible when it is supported by a floor of security. If an individual is one engine failure or one algorithmic "deactivation" away from poverty, they aren't "freelance entrepreneurs"; they are high-risk shock absorbers for multi-billion dollar

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SILENT COST OF POLLUTION TO THE ECONOMY

KAVYANJALI SINGH TOMAR

At the World Economic Forum (WEF) in Davos, Harvard economist and former IMF Chief Gita Gopinath reinforced the unpopular view that pollution poses a greater threat to the Indian economy than tariffs. It is because while trade barriers can be reversed through policy decisions, chronic environmental degradation embeds itself in the production structure of the economy. While the world speaks at length about trade wars and external factors influencing the economy, her comments have shifted global attention to an issue persistently raised by environmental Economists, showcasing that pollution today isn't a "trivial factor" but an economic emergency.

Each year, as thick haze settles over Indian states, pollution doesn't just remain an ecological issue - it turns into an economic burden with quantifiable costs across sectors. Gopinath's intervention has drawn attention to the "hidden tax" that polluted air imposes on the economy. This article aims to analyse the cost of pollution by breaking it into four major economic channels: erosion of workforce productivity, systemic sectoral output losses, fiscal burden and long-term human capital erosion.

Erosion of Workforce Productivity

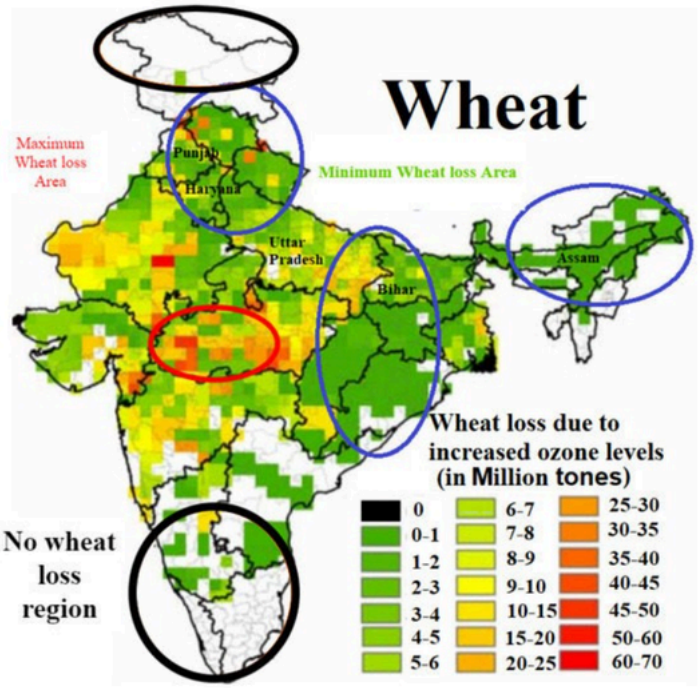
Pollution is a significant threat to productivity, particularly in labour-intensive sectors where workers cannot be protected from hazardous environments, and automation is not feasible. In India alone, 1.5 million people die as a result of long-term exposure to air pollution every year; this represents approximately 18% of total deaths in the country (Stearnbourne, C., 2024, December 17). But the economic impact starts before mortality. The rising smog leads to higher absenteeism and also reduced labour efficiency, shrinking India's productive workforce. Studies highlight a strong negative correlation between pollution (PM2.5) and labour productivity ("Pollution and Labour Productivity: Evidence From Chilean Cities," 2022). In a labour-intensive economy like India, such marginal productivity declines snowball into substantial output losses. The impact on the workforce is deeply uneven. Informal workers, such as street vendors, waste pickers, and construction and landfill labourers, who are chronically exposed to toxic air, experience elevated health risks. Studies show that over 90% of informal workers report sickness during high-pollution episodes (Barthwal, V. et al. (2022)). Without the safety net of insurance or paid leave, these workers face a cycle of rising healthcare costs and dwindling earnings, which directly drags down the national GDP.

Sectoral output losses

Pollution, particularly air pollution, causes multi-sectoral output losses that significantly hamper economic growth. In the primary sector, pollution directly degrades natural resources such as soil, water, and air, thereby reducing agricultural and allied output. Researchers estimate that surface ozone could reduce wheat yields by up to 20% by mid-century under high-emission scenarios, which could hollow out rural incomes (Anagha & Kuttippurath, 2025). In the secondary sector, the impacts of pollution are felt through reduced worker productivity and increased production costs and difficulty. It weakens industrial productivity and erodes competitiveness. In the tertiary sector, which provides services to both consumers and businesses, pollution constrains service-led economic growth and reduces the attractiveness of cities to tourism, business, and skilled labour. The burden is again uneven and heavier in the informal sector, where illness translates into income loss and weakened consumption demand. As demand for goods and services weakens, it cascades across sectors, forcing producers to shrink production, reducing incomes,

and further leading to reduced savings and lower expenditure. This forms a negative loop in which one factor affects the other, leading to a vicious cycle of economic losses.

Certain sectors, such as tourism, also bear the brunt of polluted air. Air pollution costs India's tourism sector $1.7 billion per year (World Bank Group, 2025). This is not merely an abstract statistic, but a representative of the tangible loss incurred by families dependent on the sector.



SOURCE: Adapted from "A Study of the Impacts of Air Pollution on the Agricultural Community and Yield Crops (Indian Context)" by S. Pandya, T. R. Gadekallu, P. K. R. Maddikunta, and R. Sharma, Sustainability, 14(20), 13098 (2022)

Fiscal Burden

According to Greenpeace India. (2020, February 12), pollution costs the Indian government and economy an estimated ₹7 lakh crore to ₹10.7 lakh crore ($50–$150 billion) annually. It imposes a significant fiscal burden by increasing public expenditure on treating respiratory, cardiovascular, and other pollution-related diseases. The government also spends on mitigating the impact of pollution. To put things in perspective, in the 2026-27 fiscal year, the Government of India budgeted ₹1,091 crore (approximately $130 million) specifically for "Control of Pollution". The impact of this allocation is the opportunity cost of capital expenditure that could be used to stimulate the economy's growth.

Apart from raising expenditure, pollution also erodes the government's tax revenue. India loses approximately 1.3 billion workdays annually due to pollution-related illnesses, costing businesses about $6 billion in direct absenteeism and $24 billion in "presenteeism" (Clean Air Fund (CAF), Dalberg Advisors, Blue Sky Analytics, Confederation of Indian Industry (CII), Gupta, G., et al. (2021)). Such losses directly reduce the income of individuals and corporations, which are primary sources of direct taxes. It also reduces Indirect tax collections by reducing consumer spending. According to Channey, J. (2021, October 18), pollution results in a 1.3% reduction in general consumer spending in India because people are reluctant to go out when air quality is poor, thereby increasing government spending while decreasing tax revenue.

Long-Term Human Capital Erosion

Beyond the immediate economic costs, pollution erodes India's most valuable asset — its human capital. Chronic exposure beginning in prenatal and early childhood stages leads to stunted physical development and higher vulnerability to lifelong illness, all of which lower an individual's productive potential in adulthood. Growing evidence links air pollution to impaired cognitive development, affecting memory, attention, and learning outcomes. Frequent illness and pollution-related disruptions to schooling further reduce skill accumulation during formative years.

Taken together, true growth rates in India have been, on average, 50 basis points lower than reported rates since 2005, due to the negative consequences of pollution (Mohan et al., 2020). These effects undermine India's demographic dividend, turning a potential growth advantage into a long-term economic constraint. In a country that requires sustained high growth rates, pollution drags India's annual growth rate by several tenths of a percentage point.

The Way Forward

Pollution is now not a peripheral issue; it is an economic liability. Unlike policy-induced liabilities such as tariffs or trade shocks, which can be changed hrough policy negotiations, environmental

degradation is a problem that affects the labour market, sectoral output, fiscal stability, and human capital. The costs are distributed and are invisible in annual growth figures, but are intertwined with long-term growth trends. If India wants sustained high growth, demographic leverage and global competitiveness, it should not treat pollution as something that can be managed after growth is achieved. Clean air, therefore, is not an environmental luxury but a prerequisite for sustainable economic expansion.

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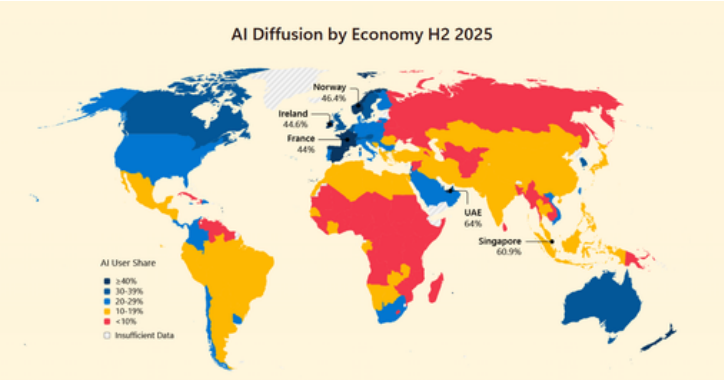
EXPLORING LOCAL ECONOMIES IN LIGHT OF AI DATA CENTRE CONSTRUCTION

SAMRA AHMED

The Artificial Intelligence Industry, commonly known as the AI Industry, has seen a monumental boom in recent years, with public consumption of generative AI platforms surging to an unprecedented peak worldwide. Despite being a relatively new technology, the global diffusion rate has been astounding, reaching numbers as high as 60% and above in countries such as the UAE, Singapore, etc. OpenAI's ChatGPT has reached 700 million users as of 2025, which represents nearly 10% of the world's adult population (Misra et al., 2025). With such high usage rates and an ever-growing consumer demand alongside industrial demand, large-scale expansion has become a priority for AI companies such as OpenAI, Meta, NVIDIA, etc. As a result, it becomes necessary to understand the functioning of these systems, the precise scale of infrastructural development required to supplement the boom in AI usage, alongside potential aftereffects, particularly on local communities most impacted by construction, to encourage organised policy frameworks that engage in harm reduction and allow for improvements in the widespread diffusion of AI systems.



Source: AI Economy Institute, Microsoft. (2026). Global AI Adoption in 2025.

AI Systems & Data Centres

Generative AI Models and Language Learning Models (LLMs) commonplace in the general user base scan mass amounts of data, nearly all open source data available on the internet to statistically infer what the next response should be, and this large-scale data analysis is what makes models such as ChatGPT sound 'human'. During this data scraping process, a massive neural network is formed, requiring immense processing power; subsequently, the requirement of data centres arises. Approximately 3 trillion USD will be contributed towards the construction and maintenance of such data centres by 2029 (Dempsey, 2025); for scale, that equals the entire worth of the French economy in 2024. The industry as a whole has become one of the greatest investment opportunities for corporations, with Microsoft's $13 billion into OpenAI, Amazon's $4 billion and Google's $2 billion investments, and similar investments in NVIDIA, amongst others. (Sam et al., 2026) These circular deals are commonplace in contemporary economies, with significant ramifications for the citizenry.

Impact on the labour market

One of the greatest benefits of establishing data centres promised to states and rural counties is that data centres are going to be a source of mass revenue for the region, and generate greater demand in the labour market, providing increased employment to people in surrounding areas, and making traditionally rural areas larger forces in the tech world. Most tech campaigners consider such advancements as, quite aptly, 'the future'. At a press conference, current US President Trump stated that "nearly 100,000 jobs will be created almost immediately," emphasising early application in medicine and the military, fields where AI adoption is already on the rise. Nevertheless, this future doesn't necessarily involve large-scale job creation for local communities. Consider the case of the city of Abilene, Texas, requiring approximately 1500 workers for the construction of a large-scale data centre.

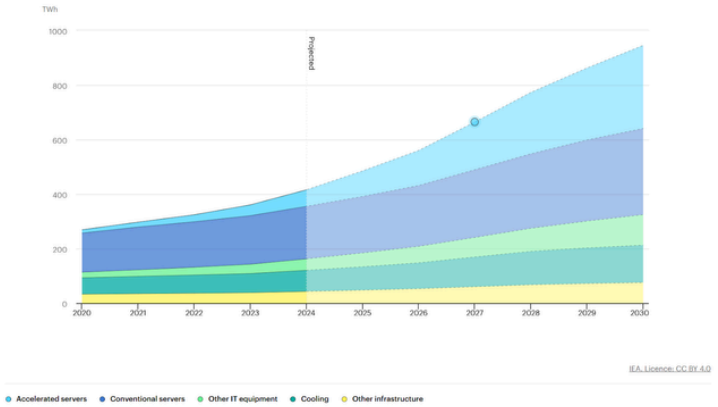
According to the city's economic development agency, post-construction, this number will fall to approximately 100 full-time workers, most being specialists in the field and thus, imported talents, rather than locals. This is a fraction of the number of workers that could potentially gain employment had the one million square foot area been utilised for, say, an office or factory. Data centres are labour-intensive to build, not to operate, and have earned a reputation for creating the lowest number of jobs per square foot in their facilities. The majority of the jobs created include non-technical employment opportunities, such as janitorial and security work. These roles tend to be fulfilled via contractors, resulting in low job security. In the long run, this creates various concerns regarding supply and demand in the labour market and few avenues for long-term economic growth for residents.

At the same time, layoffs are dominating conversations at the World Economic Forum. Survey research has found that AI was the reason for 54,836 layoff plans, out of the 12,06,374 in the USA in 2025, making it the cause for 4.54% of all cuts; with AI adoption in large firms (250+ employees) being 13.4% as of July 2025 (Blumenfeld, 2026). The employment opportunities created are mitigated by the number of jobs lost.

The economy can currently be described by the phrase 'employment mismatch,' which suggests an excess of labour supply in 'old' jobs (obsolete) versus a shortage in 'new' jobs (upcoming). Here, it is necessary to consider the impact towards individuals on the direct receiving end of the ill effects of such endeavours. A Louisiana state representative has reacted to data centre construction by stating, "Not all economic development is good economic development," in an interview with the National Community Reinvestment Coalition.

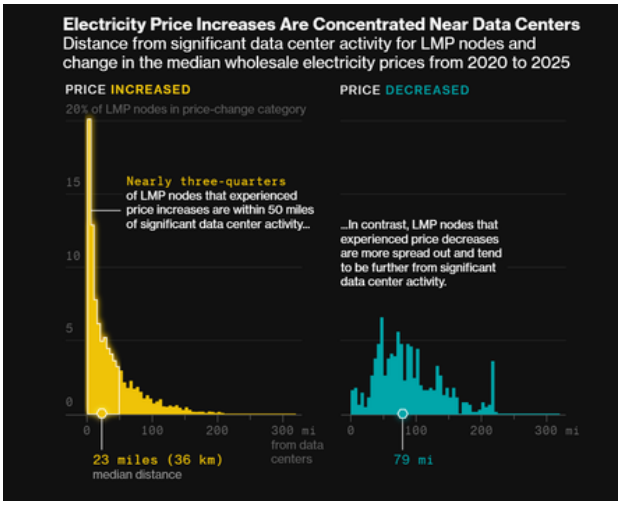
Impact on Utility Costs

Data centres consisting of thousands of servers require massive amounts of energy and water to facilitate both the running and cooling of these data servers. The energy consumption of data centres in the USA amounted to 4.5% of total use in the country in 2025, and this electricity usage could spike up to 12% by 2030 (Saul et al., 2025). In 2024, the electricity consumption of data centres was 1.5% of global electric consumption, a rise of 12% over 5 years (Shehabi et al., 2024). This is an alarming increase in consumption, and the energy use due to AI-powered searches is irregular, creating frequent and repeated disturbances in the power supply for the residents nearby.



Source: IEA (2025), Global data centre electricity consumption, by equipment, Base Case, 2020-2030

The power needs for these massive server houses have led to a sharp spike in electricity bills for locals, leaving both political and utility officials to grapple with the manner in which to divide the costs between the corporate owners and the general consumer. A Bloomberg news analysis in the United States compared energy analytics data in relation to data centre locations, and findings display that in regions such as Virginia with a high data centre concentration, the electricity bills for consumers have risen by as much as 267% per month, compared to figures from 5 years prior (Saul et al., 2025).



Source: Bloomberg News analysis of data provided by Grid Status and DC Byte (2025). How AI Data Centers Are Sending Your Power Bill Soaring.

The majority of the power in the USA operates on state or regional wholesale grids, and these wholesale utility costs shared by data centres are passed down to residents, raising extreme concerns for low-income households in particular, where utilities already form the biggest portion of expenditure, intensifying economic inequality. Furthermore, companies have no obligation to release information regarding their energy use, and as a result, residents often pay these higher bills without the ability to demand a fair cost division and adequate compensation. Alongside the escalating prices, data centres often negotiate for cheap agreements with utility companies through PPAs (Power Purchasing Agreements), and lobby state representatives, widening the gap and exacerbating economic disparity. Consequently, the data centres get to enjoy economic benefits as residents bear the brunt of the costs, often without seeing the promised benefits arise from development.

Possible Regulations and Policy Formulation

The AI boom showcases a stark trade-off between consumer utility and convenience, versus the spike in the cost of living, and the bubble has further expanded with the large amount of incentives provided by officials to industrialists. Ergo, it is essential to form appropriate policy regulations that emphasise communities rather than uplifting already established tech industries. Tax breaks and subsidies provided to data centre owners must be reduced and avoided to the greatest extent, as they reduce local tax revenues and transfer an immense financial burden to residents. Tax revenue thus collected must be utilised towards investing in public infrastructure, including clean energy and renewable sources to reduce the strain on existing electricity grids, and furthermore, regulating utility price hikes. Regulations must be established regarding the transparency of water and energy consumption by corporations, rather than costs being passed down to residents as a result of discounted rates to industries. Local employment and ensuring grounded, long-term employment opportunities with union benefits must be emphasised, rather than contractual work that moves on a short-term basis.

Unless radical shifts in technology are followed by radical shifts in policy, local economies will struggle as industrial monopolies grow larger. Consequently, government intervention becomes essential, supplemented by proper monitoring to ensure an efficient enforcement of regulations.

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ECONOMIC INEQUALITY IN INDIA: IS GROWTH REACHING THE BOTTOM HALF?

SANDHYA PATSARIYA

According to the OECD, income inequality refers to the unequal distribution of income among individuals or groups within a society . It often mirrors wealth inequality, where assets and resources are unevenly allocated. According to Karl Marx, inequality is a natural outcome of capitalism, stemming from the divide between owners of capital (bourgeoisie) and workers (proletariat). Disparity refers to the unequal distribution of resources such as income or wealth among people in a society.Despite steady growth in India's Gross Domestic Product (GDP), which indicates overall economic expansion, the benefits of this growth are not equally shared across society. While rising GDP may improve living standards for certain sections, particularly higher-income groups, large segments of the population continue to face limited access to quality education, healthcare, stable employment, and adequate income. As a result, economic growth often remains concentrated among a small proportion of people, leading to an unequal distribution of resources and opportunities. This uneven pattern of development further widens the gap between the rich and the poor, thereby intensifying existing income and wealth inequalities. Unless growth is accompanied by inclusive policies and equitable distribution mechanisms, it may fail to translate into broad-based improvements in the overall quality of life.

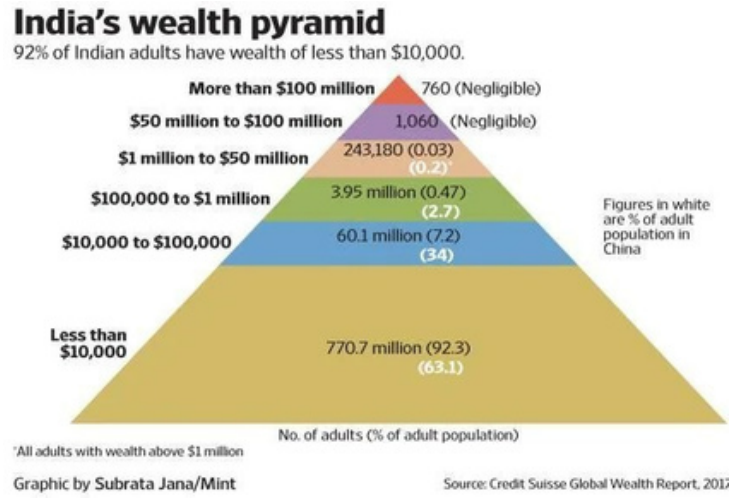
INDIA'S GROWTH - FAST BUT UNEVEN

India's growth outlook remains robust, underpinned by strong macroeconomic fundamentals and broad-based demand momentum. As per the First Advance Estimates, released by National Statistical Office (NSO), Government of India, real GDP and Gross Value Added (GVA) are projected to grow by 7.4% and 7.3% respectively in FY26.

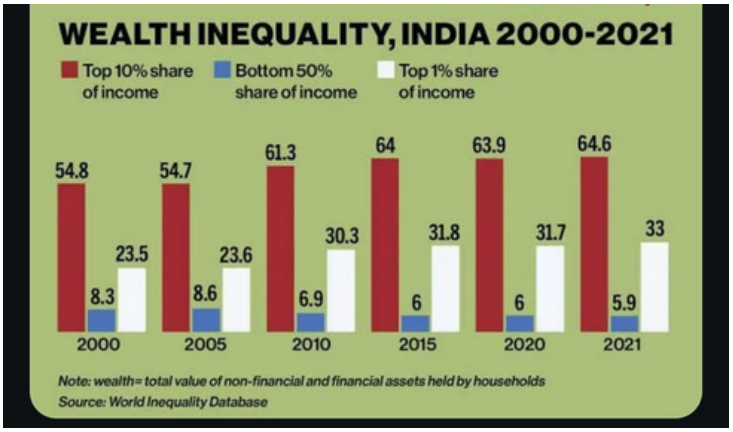
These figures indicate that the Indian economy continues to grow despite structural challenges arising from inequality.Income and wealth inequality in India remain major concerns. Recent data show that 22.6% of the national income is captured by the top 1% of the population, indicating a highly uneven distribution of earnings (World Inequality Database, 2022–23). This concentration of income reflects deep structural imbalances in the economy. At the same time, wealth inequality is also extremely high, with India ranking among the most unequal countries in the world, as the rich continue to accumulate wealth at a much faster rate while a large section of the population struggles to earn even a minimum wage (Oxfam Report). These trends highlight the growing economic divide and raise serious challenges for inclusive and sustainable development.

The top 10% of the Indian population holds 77% of the country's total wealth. 73% of the wealth generated in 2017 went to the richest 1%, while 670 million Indians who comprise the poorest half of the population saw only a 1% increase in their wealth(Oxfam, 2018). The Oxfam report highlights several critical trends in India's income and wealth distribution. It shows that the income share of the top 1% has consistently increased over time, indicating a growing concentration of earnings among the richest section of society. In contrast, the share of income received by the bottom 50% has steadily declined, reflecting the limited participation of a large population in economic growth. Furthermore, the report reveals that the top 5% of Indians own more than 60% of the country's total wealth, underscoring the deep and persistent inequalities in wealth ownership. These findings point toward a widening socio-economic gap and emphasize the urgent need for inclusive policies

aimed at reducing inequality and promoting equitable development (Oxfam, 2023).



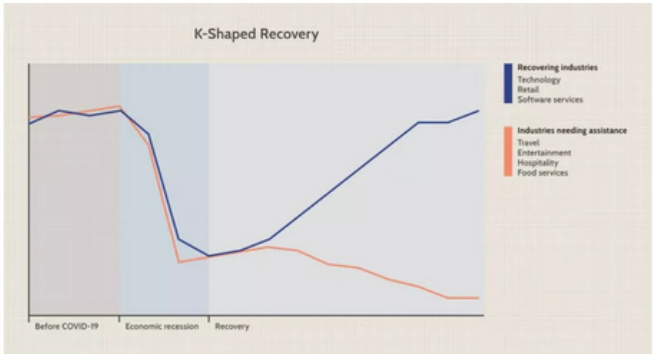
Source: Livemint - Where are you in India's Income Distribution



SOURCE: *Business Today (2021)*

Why Growth Isn't Reaching the Bottom Half?

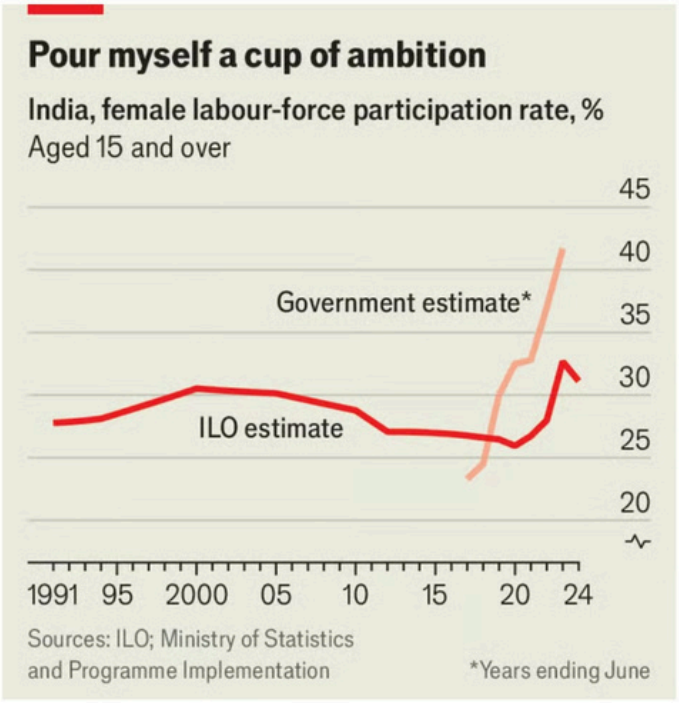
A K-shaped economy describes an uneven, bifurcated recovery following a recession, where certain sectors i.e. tech and high-income earners thrive (the upward arm) while others like the service sectors and small business and low-income households stagnate or decline (the downward arm). It represents widening economic inequality, often dubbed "the rich get richer, the poor get poorer".



Source: Investopedia. (2024). K-shaped recovery: Definition, K-curve chart example, and causes.

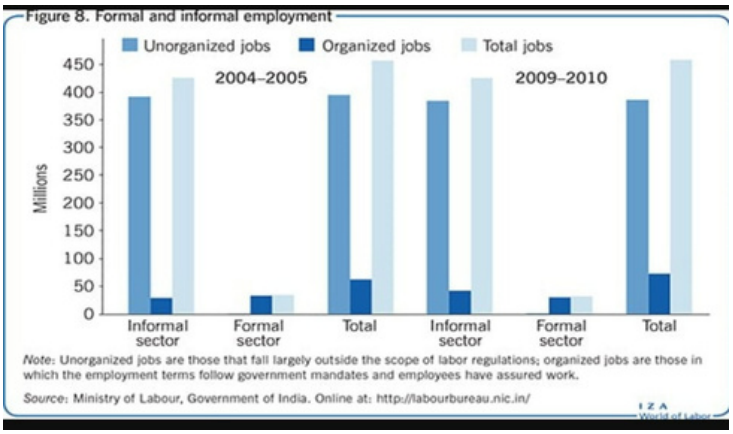
Structural barriers in society, such as law and order, institutional policies, and deep-rooted cultural norms, are frequently gender-biased, creating systemic disadvantages for women and limiting their access to opportunities, resources, and leadership positions.

In 2018, the proportion of women aged 15 and above participating in the labor force was only 23.3%, significantly lower than the global average of 53%.



Source - The Economist. (2018). The mystery of India's female labour-force participation rate.

Apart from this, the divide between the formal and informal sectors also significantly contributes to economic inequality. Workers employed in the formal sector generally enjoy stable incomes, job security, social protection, and access to benefits such as pensions and healthcare, whereas those in the Informal sector often face low wages, irregular employment, lack of job security, and absence of social security. This sharp contrast in working conditions and income levels leads to persistent disparities in living standards, thereby reinforcing existing economic inequalities.



Source - Ministry of Labour, Government of India. (n.d.). Formal and informal employment.

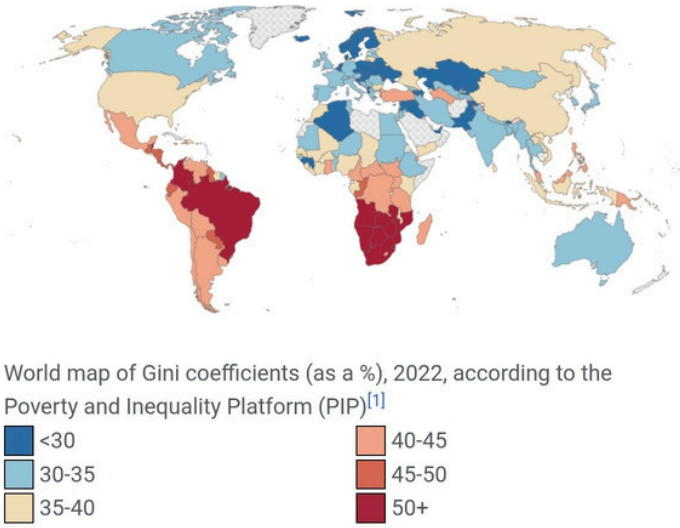
Policy and social challenges such as taxes, welfare, and redistributive policies may be insufficient or ineffective, which leads to the continued concentration of income and wealth among a small section of society and limits the redistribution of resources to disadvantaged groups.Workers with less than a high-school education experience less growth in wages than those with college educations and post graduate degrees.

Together, these factors reinforce structural disadvantages and restrict upward economic mobility, thereby deepening long-term economic inequality.

Growth Without Inclusion

This pattern indicates that economic growth in India has largely benefited the upper-income groups, while a substantial proportion of the population has remained excluded from its gains. Despite sustained GDP growth over the last decade, the limited improvement in wealth among the poorer sections highlights the uneven and non-inclusive nature of development, raising serious concerns about long-term social and economic sustainability.

This suggests that GDP expansion does not affect lower income groups. One may think, the nature of growth—driven largely by services and capital-intensive industries—limits employment generation for low-skilled workers. As a result, growth has reduced poverty in absolute terms but has not substantially narrowed economic inequality.



Gini Coefficient Trend

Gini ratio, is a measure of statistical dispersion intended to represent the income inequality, the wealth inequality, or the consumption inequality within a nation or a social group. Gini coefficient of 0 reflects perfect equality, where all income or wealth values are the same. In contrast, a Gini coefficient of 1 (or 100%) reflects maximal inequality among values.

What Should Be Done for eradicating inequalities

To eradicate inequalities, there is a need to improve the quality of jobs and promote formal employment so that workers can access stable incomes and better working conditions. Along with this, greater focus should be placed on education and skill development, particularly for marginalized groups, in order to enhance their employability and economic participation. Strengthening social safety nets and adopting progressive taxation policies are also essential to ensure a fair distribution of resources. In addition, improving access to credit and productive assets for lower-income households can help reduce economic disparities and support inclusive development.

Most importantly, the focus should be on achieving inclusive growth. Inclusive growth refers to economic growth that creates employment opportunities and helps in reducing poverty. As per the Organisation for Economic Co-operation and Development (OECD), inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all.

However, India's performance in this regard remains limited. In the Inclusive Development Index (IDI) compiled by the World Economic Forum (WEF), India ranked 62nd out of 74 emerging countries and was among the least inclusive countries in the Group of 20 (G20), highlighting the need for stronger inclusive growth strategies.

Conclusion

India's rapid economic growth, reflected in sustained increases in GDP, presents a promising picture of development. However, the persistence of income and wealth inequality reveals that the benefits of this growth have not been equitably distributed across society. Large sections of the population, particularly the bottom half, continue to face limited access to quality education, healthcare, secure employment, and financial resources, which restricts their social and economic mobility. This uneven distribution of opportunities not only deepens existing disparities but also undermines the long-term sustainability of growth. Therefore, addressing inequality through inclusive policies, equitable resource allocation, and strong institutional frameworks must remain a central priority. Only by ensuring that economic progress translates into improved living standards for all can India achieve truly inclusive and sustainable development.

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INSTITUTIONAL GAPS AND EVERYDAY ECONOMICS: HOW WEAK LOCAL GOVERNANCE SHAPES HOUSEHOLD DECISION-MAKING

SIYA NANDY

Introduction

This article examines how weaknesses in local governance institutions influence household-level economic decision-making. While national policies and macroeconomic conditions receive significant attention in economic research, the role of local governance in shaping everyday household behaviour remains underexplored.

Weaknesses in local governance profoundly shape household economic decisions, yet this link remains underexplored compared to national policies and macroeconomic factors. Household choices on saving, consumption, labour participation, education, and migration underpin individual welfare and aggregate growth (Banerjee & Duflo, 2011). Traditional models emphasise income constraints and preferences (e.g., Becker, 1962), but overlook how local institutions mediate access to services, information, and protections.

Local governance bridges state policies and citizens, influencing implementation at the grassroots (World Bank, 2004). When weak, due to capacity shortages, corruption, or low accountability, households face heightened uncertainty and inefficiency (North, 1990; Bardhan & Mookherjee, 2006). This article argues that such institutional gaps distort incentives, amplify risks, and push reliance on informal mechanisms, contributing to poverty traps. Drawing on institutional economics and micro-level empirical evidence, it analyses these dynamics to provide a fuller view of development.

This article analyses how institutional gaps at the local level influence everyday economic behaviour. It argues that weak governance distorts incentives, increases risk, and forces households to rely on informal mechanisms for survival. By examining the interaction between governance quality and household decision-making, this article contributes to a more comprehensive understanding of development outcomes.

Conceptual Framework

Local Governance and Institutional Gaps

Local governance refers to administrative and political structures responsible for managing public resources and services at the municipal, district, or village level. Core functions include infrastructure provision, service delivery, regulatory enforcement, and citizen engagement.

Institutional gaps arise when these functions are inadequately performed due to limited financial resources, weak administrative capacity, corruption, political interference, or low public accountability. Such gaps reduce the effectiveness of public institutions and weaken their legitimacy.

Channels of Influence on Household Behaviour

Institutional weaknesses affect household economics through several interrelated channels:

1. **Information Constraints**

Weak governance limits access to reliable information about public programs, entitlements, and regulations. This reduces households' ability to make informed decisions. Limited outreach hinders awareness of entitlements, as seen in India's MGNREGA, where poor local dissemination reduced uptake (Dreze & Khera, 2009).

2. **Uncertainty and Risk**

Poor service delivery and weak enforcement increase economic uncertainty. Households respond by adopting risk-averse strategies. Unreliable services prompt risk aversion, echoing Norths' (1990) transaction cost framework.

3. **High Transaction Costs**

Inefficient administrative systems increase the time and financial costs of accessing public services and formal markets. Bureaucratic delays raise access barriers, per Mookherjee (2001).

4. **Erosion of Social Trust**

Repeated institutional failures reduce trust in public authorities and weaken collective action.

These channels, supported by Besley and Persson (2012), reshape incentives.

Institutions and Economic Outcomes

Institutional economics emphasises that economic performance depends on formal and informal rules governing social interactions. North (1990) argues that institutions determine transaction costs and investment incentives. Ostrom (1990) highlights the importance of local collective governance in managing shared resources.

Empirical studies link governance quality to education outcomes, credit access, and enterprise growth. Faguet (2004) shows that decentralisation improves service delivery when accompanied by accountability. Besley and Persson (2012) demonstrate that institutional capacity influences long-term development trajectories.

Household-Level Perspectives

Microstudies reveal governance failures curb welfare via poor health, education, and access to protection (Banerjee & Duflo, 2011). Households turn to informal channels amid distrust of the formal system (e.g., India's rural banking evasion due to corruption; Burgess & Pande, 2005). Yet, aggregate-focused literature underplays adaptive behaviours (Bardhan & Mookherjee, 2006).

Consumption and Savings Patterns

Households in weak-governance environments exhibit higher precautionary savings due to unreliable public services. Limited trust in financial institutions leads to greater use of cash savings and informal credit networks. In rural regions with poor administrative capacity, households often avoid formal banking due to delays, corruption, and lack of transparency.

Labour Supply and Migration Decisions

Weak local institutions are associated with increased informal employment and labour mobility. Inadequate schools, health facilities, and infrastructure encourage migration to urban centres. Young individuals in poorly governed regions are more likely to enter low-skilled work early, reducing long-term earning potential.

Investment in Human Capital

Institutional gaps discourage investment in education and health. Households compensate for poor public services by using private providers, increasing financial burdens. In regions with ineffective school management, families rely heavily on private tutoring, which widens inequality between income groups.

Risk Management and Coping Strategies

In the absence of reliable social protection, households rely on informal insurance mechanisms. Common strategies include selling productive assets, borrowing at high interest rates, and reducing essential consumption. These responses provide short-term relief but weaken long-term economic stability.

Discussion

The findings indicate that weak local governance systematically alters household incentives. Uncertainty encourages short-term planning and discourages productive investment. High transaction costs reduce participation in formal markets. Repeated institutional failures erode trust and weaken civic engagement.

These effects reinforce cycles of informality and vulnerability. Households adapt rationally to institutional constraints, but these adaptations often perpetuate poverty and inequality. The interaction between governance quality and household behaviour suggests that development outcomes cannot be fully understood without considering local institutional contexts.

Policy Implications

Effective policy interventions should focus on strengthening local governance structures.

1. **Administrative Capacity Building**

Training programs for local officials and s implification of procedures can improve service delivery.

2. **Tnsparency and Accountability**

Public monitoring systems and participatory budgeting can reduce corruption and improve trust.

3. **Integration of Social Protection and Governanc**e

Linking welfare programs to performance indicators can incentivise institutional reform.

4. **Community Engagement**

Supporting local organisations enhances citizen participation and collective problem-solving.

Policy reforms should address both technical and political dimensions of governance.

Conclusion

This paper demonstrates that local institutional weaknesses significantly influence household economic decision-making. Institutional gaps increase uncertainty, raise transaction costs, and limit access to opportunities. As a result, households adopt short-term, informal, and risk-averse strategies that constrain long-term welfare.

Strengthening local governance is therefore essential for promoting sustainable development and inclusive growth. Future research should focus on identifying context-specific reform strategies and evaluating their impact on household behaviour.

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DATA WITHOUT CONSENT: THE QUIET ECONOMY OF PERSONAL INFORMATION

VANSHIKA GUPTA

Introduction

This editorial examines how personal data functions as a non-monetary economic input in digital platform markets. By analysing two-sided market structures, behavioural incentives, and market concentration, it explores how hidden data exchanges reshape competition and value creation in the digital economy.

The invisible exchange in the Digital Economy

India's digital universe appears like an impressive place on the surface. More people are online, shopping via apps and living their lives through digital platforms for virtually everything. But below this visible expansion, there's a quieter one that often gets overlooked. Each click, scroll or search on the internet produces information that can be converted into economic value. It does not seem like a payment, but it influences how digital markets operate. It feels natural because it occurs so quietly, almost in the background of daily life.

Platforms appear free. No one asks for a credit card before you use social media or search engines. And still, users are paying — just not with cash, but with data. Information about where you are, what you like and what you did becomes raw material that companies can mine to sell targeted advertising or make better predictions about what their consumers might buy. It has a price, but it is concealed behind an interface. This upends the way we think about exchange, as the cost is invisible to those paying it.

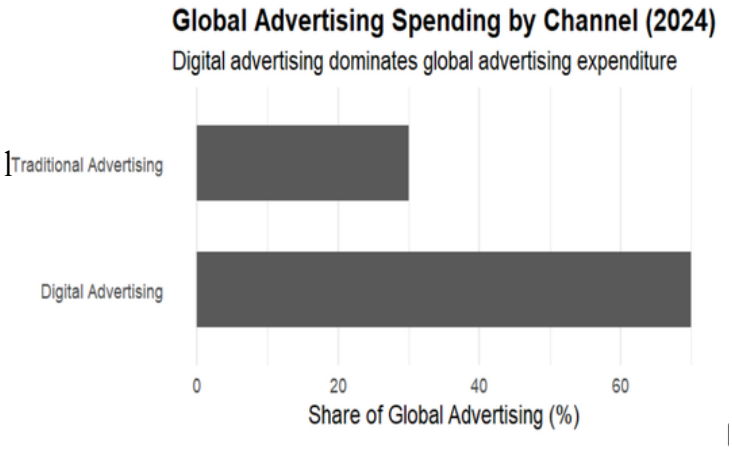
Two-Sided Markets and the Data Economy

These markets may be described in economic terms as two-sided markets (Rochet & Tirole, 2003). On one side are people who use services and create data, usually without even knowing about it. On the other side are businesses that will pay to be able to reach those users, more precisely. Sitting in the middle, platforms translate behavioural data into commercial intelligence. The money doesn't come so much from charging users for a service as it does from selling increasingly clear-eyed predictions about what a user is likely to buy what product or do what activity next.

Behavioural Incentives and Hidden Consent

The issue is that users often can't see the whole picture. Firms know how data is gathered and monetised; most people just click "accept" on privacy notices they never read. The default settings make it simple for everyone to agree, and not many people would take the trouble to reconfigure things merely in order to use an app. There are plenty of behavioural economic reasons why (that people care more about the here and now than a potential future risk), which is pumped up by Apocalypse bias and so on (Acquisti et al., 2016).

The Economic Scale of Digital Advertising



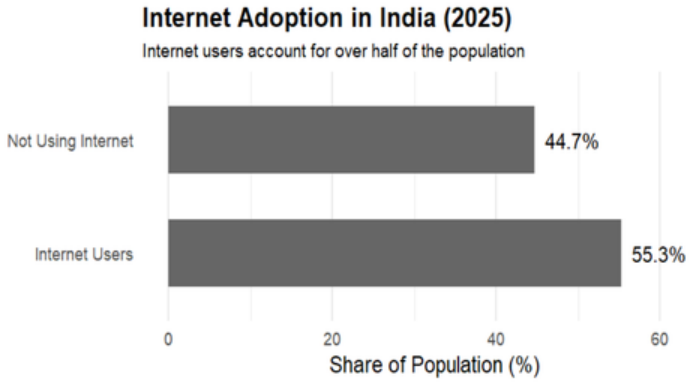
SOURCE : Statista Research Department (2025)

The scale of this system shows why it matters economically. Global digital advertising spending reached nearly USD 694 billion in 2024 (Statista Research Department, 2025), accounting for about 70 per cent of global advertising expenditure. This growth did not come from higher prices for users. Instead, platforms increased their ability to extract

value from data. Zero monetary price, in this case, does not mean zero economic value.

India's Expanding Digital Ecosystem

In India, these dynamics are even more significant because of sheer scale. Internet users crossed 806 million in early 2025 (DataReportal, 2025), meaning that more than half the population now participates in digital ecosystems daily. Affordable data and widespread smartphone use have made digital platforms central to payments, shopping, communication, and entertainment. For many people, opting out is no longer realistic, which makes data exchange a normal part of economic life.



SOURCE: Statista Research Department (2025)

The infographic depicts the rise in the number of internet users in India in 2025. According to the figure, 55.3% of the population in India has already adopted the internet, and 44.7% of the population has not yet joined the online community. This implies that more than half of the population in India has already joined online platforms, and this has led to the creation of a large amount of behavioural data from their online activities. This rise in the number of internet users in India has, therefore, reinforced the importance of data in the digital economy, as more and more people have joined online platforms, and this has created more information for online platforms to utilise in their predictive capabilities.

Data Accumulation and Market Concentration

Data accumulation also impacts competition. The more data, the better the predictive abilities of the platforms, and this leads to more users and advertisers, creating a self-reinforcing cycle. Newcomers face challenges not only due to technological issues but also because they do not have the same level of data (OECD, 2022). This leads to a concentrated market, with a few players having a better informational advantage over time.

Regulation and the Question of Data Ownership

The regulation tries to address some of the above challenges. The Digital Personal Data Protection Act in India emphasises consent and personal information management. However, the economic problem goes beyond the management of consent. Who owns the data has implications for competition, innovation, and market power. If data ownership is highly concentrated, competition may decline even if user engagement is high.

Measuring the Digitial Economy

Another problem is measurement. The GDP indicator measures the growing revenues of platforms and the expansion of the digital economy, but it fails to measure the costs of reduced consumer choice and reliance on a few leading platforms. Economic growth can be accompanied by the concentration of informational power, which is difficult to measure by traditional welfare indicators (Stiglitz et al., 2009).

Data as infrastructure for Innovation

However, data is no longer used in advertising. Financial services, healthcare, logistics, and artificial intelligence use large amounts of data (Varian, 2018). The control of data determines which companies will innovate and set industry standards. In this respect, data is similar to infrastructure. It is an input that affects productivity in several industries.

Conclusion

The value of personal data is evident in market results. However, the bigger issue is how this value is to be shared and regulated. In a situation where prices are opaque, information is asymmetric, and power revolves around data ownership, the requirements for a fair and competitive market become more difficult to achieve. Some people see the system as one that enhances efficiency; others fear that it does so in a way that subtly shifts the advantage to a few major players.

What is special about this economy is that it is very

quiet. The market is embedded in daily practices – rapid clicks, habitual consent, and constant participation. By examining personal data from an economic perspective, with terms such as incentives, market structure, and regulation, the quiet market that underlies digital life becomes visible. The action itself is not quiet; it is the amount of it that we are not fully accounting for.

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ADMINISTRATIVE DELAYS AS AN UNMEASURED ECONOMIC BURDEN

YASHIKA SARASWAT

Introduction

Administrative delays are often dismissed as minor inefficiencies, yet they impose substantial hidden costs on the economy. Economists such as Irving Fisher and Gary Becker recognised time as a scarce economic resource, but public policy rarely measures the value lost in prolonged bureaucratic processes. This paper argues that administrative delays constitute an unmeasured economic burden that silently reduces productivity, investment, and efficiency.

"Administrative delay" refers to excessive time taken to obtain regulatory approvals, deliver services, process legal disputes, comply with regulations, or make public decisions beyond what is necessary for legitimate oversight. Although no explicit tax is imposed, these time losses create implicit economic costs that are not reflected in national income accounts. Similar to Ronald Coase's concept of transaction costs, these delays act as frictions that obstruct efficient exchange and production. While GDP measures output, it does not capture output that is postponed or never realised due to procedural bottlenecks. As a result, administrative delays discourage entrepreneurship, slow capital formation, and prevent productive assets from being fully utilised.

Administrative Delays as Transaction Costs

In 1937, Ronald Coase introduced the concept of transaction costs to explain why firms exist, noting that markets are not frictionless and that negotiating and enforcing contracts require time and resources. Administrative delays raise these costs by widening the gap between decision and implementation. When approvals, such as licenses or clearances, are delayed, uncertainty increases, capital remains idle, incurring continuing interest and opportunity costs, investors demand higher returns, the present value of gains declines, and capital formation slows.

Infrastructure projects clearly show this dynamic, as their economic value depends on timely completion. Governments invest in transport, energy, and water infrastructure to expand productive capacity and generate multiplier effects. Yet when projects exceed planned timelines, direct and indirect costs escalate. In India, the Ministry of Statistics & Programme Implementation (MoSPI) reported average delays of 36 months in many central projects, with cumulative cost overruns of about ₹5 lakh crores. Of nearly 1,900 monitored projects, many face simultaneous time and cost escalation, indicating structural delays. (Press Trust of India, 2024)

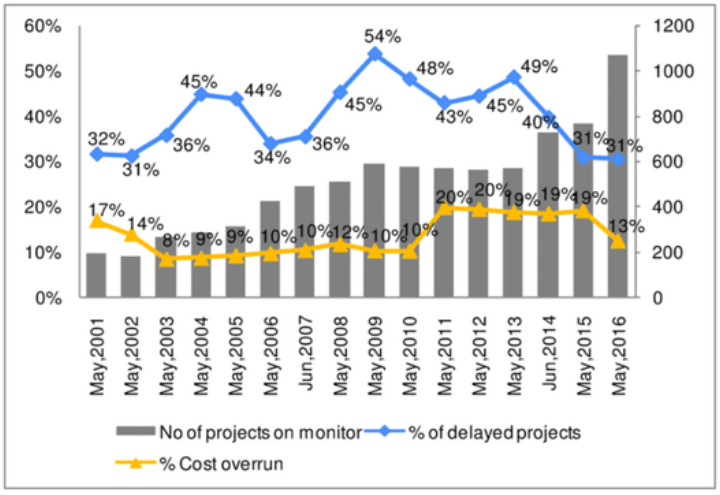
Such delays inflate national budgets and reduce productivity by postponing improvements in logistics, connectivity, and efficiency. The resulting uncertainty affects firms' investment and location decisions, slows job creation, and weakens productivity growth. Rising project costs also constrain public spending on health care, education, and technology. Thus, administrative delays act as implicit taxes that reduce potential national income.

Macroeconomic Consequences: Growth, Investment, and Productivity

According to endogenous growth theory, innovation, capital accumulation, and institutional quality underpin long-term growth. In India, administrative delays weaken these drivers. Slow approvals for major infrastructure projects delay capital formation and reduce productive capacity. Ministry of Statistics and Programme Implementation data show hundreds of central projects are stalled due to land acquisition and environmental clearances, with average delays of nearly three years and cost overruns of about ₹5 lakh crore. These setbacks defer economic returns, lower net present value, and raise financing costs. (FE News Desk, 2024)

Regulatory burdens also constrain competitiveness. MSMEs face complex compliance requirements that divert time and resources away from innovation and expansion. Such delays reduce total factor productivity, as managerial effort shifts from productive activity to procedural tasks. This reflects William Baumol's theory of unproductive entrepreneurship, in which resources shift from innovation to non-productive activities, limiting output potential. (The Times of India, 2025)

From 2001 to 2016, centrally monitored infrastructure projects increased in number, while 31–54% experienced delays, and cost overruns reached nearly 20% in several years, indicating persistent inefficiencies and fiscal strain.

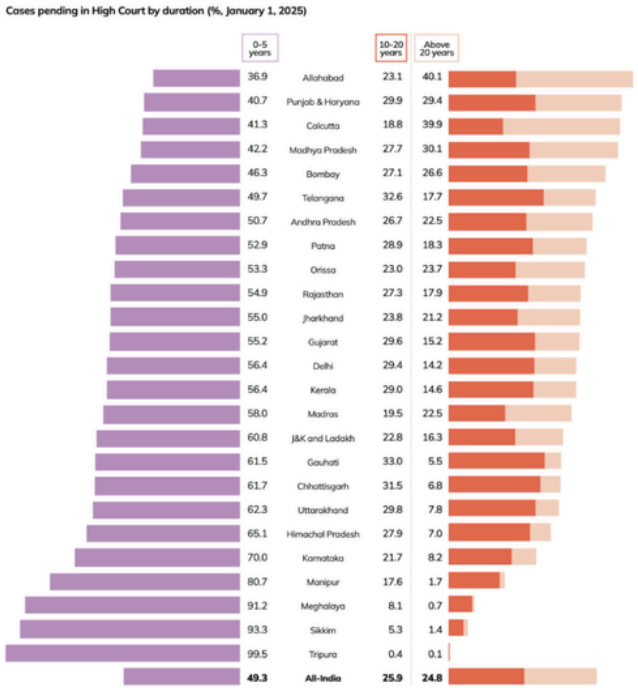


SOURCE : MOSPI

Judicial Delays and Contract Enforcement: The Indian Case

Administrative inefficiency extends to the judicial system, where slow dispute resolution heightens uncertainty, restricts credit availability, and raises enforcement risks. India continues to face a substantial backlog of cases across court levels. The "Crime in India 2023" report by the National Crime Records Bureau (NCRB) records 1.78 million pending cases in West Bengal alone, many of which have been unresolved for 3 to 10 years. As of July 2012, the average national pendency rate exceeded 88% across courts. (The Times of India, 2025)

Prolonged litigation generates high economic costs. It delays recovery of dues, locks land and assets in unresolved disputes, and increases the risk premium demanded by lenders and investors. Over time, this leads to higher borrowing costs and more cautious investment behaviour. As of January 1, 2025, nearly half of pending High Court cases had been unresolved for up to 5 years, while about one-fourth had remained pending for over 20 years, underscoring deep structural delays in the judicial process. (The Wire, 2025)



SOURCE : The Wire

Health Care Administrative Complexity and Economic Waste

Administrative inefficiencies in India's healthcare system impose high economic costs. Delays in insurance processing and hospital discharge prolong patient stays and raise expenses. A nationwide study found that 50% of policyholders experienced delayed discharge due to slow insurance payments resulting from coordination and documentation issues. Around 40% linked slow claim payments to administrative procedures, and 38% reported waiting over eight hours for clearance.

Extended stays increase out-of-pocket spending, disrupt hospital capacity, and raise treatment costs. These delays impose opportunity costs on patients and indirect burdens on providers, contributing to broader economic waste and welfare losses. (ETHealthWorld, 2024)

Trade Logistics and Time as a Non-Tariff Barrier

In international trade, time acts as an implicit tariff. Delays in customs clearance, port handling, and documentation increase costs and reduce trade

volumes, especially for perishable goods. Hummels and Schaur (2013) showed that each additional day in transit is equivalent to an ad valorem tariff. Administrative inefficiencies therefore function as de facto protectionist barriers, limiting gains from trade liberalisation. For India, reducing procedural bottlenecks is essential for global supply chain integration and competitiveness. (Hummels & Schaur, 2013)

Small Firms and Opportunity Costs

Administrative delays disproportionately affect SMEs compared to large corporations with dedicated compliance teams. Time spent obtaining tax registrations, permits, and subsidies directly reduces revenues. (Economic Times 2025). Entrepreneurs lose productive time that could be devoted to innovation and market expansion. These micro-level inefficiencies accumulate into a macro-level drag on productivity and growth. (India Economic Observer 2025)

Why the Burden Remains Under-measured?

The economic costs of administrative delays are largely absent from national accounts. GDP captures output but not lost time or deferred production. Many losses are counterfactual—businesses never started or investments withheld due to regulatory uncertainty—making them difficult to measure. As a result, administrative inefficiency remains an under recognised burden. (Administrative Staff College of India & NITI Aayog, 2025)

Policy Implications: Administrative Reform as Economic Reform

Administrative efficiency is both a governance and economic priority. Delays function as implicit taxes on time, capital, and innovation. Initiatives such as the Digital India programme, single-window clearance systems, and e-governance platforms have reduced approval times and improved project viability in several states. (Digital India, n.d.)

Judicial reforms, improved case management, and simplified tax and licensing procedures further strengthen contract enforcement and free entrepreneurial resources. Reducing transaction costs enhances resource allocation and supports capital accumulation and innovation. Administrative reform should therefore be treated as economic reform. (World Bank, n.d.)

Conclusion

Administrative delays are not minor procedural inconveniences but hidden economic taxes on time, capital, and productivity. By increasing transaction costs, prolonging uncertainty, and diverting resources from productive use, they reduce economic output, even when this is not reflected in official statistics. While policymakers often rely on fiscal and monetary tools to stimulate growth, administrative efficiency remains an underutilised lever. Because time is finite, institutional inefficiency imposes high social and economic costs. Improving administrative efficiency is therefore essential for sustained economic growth.

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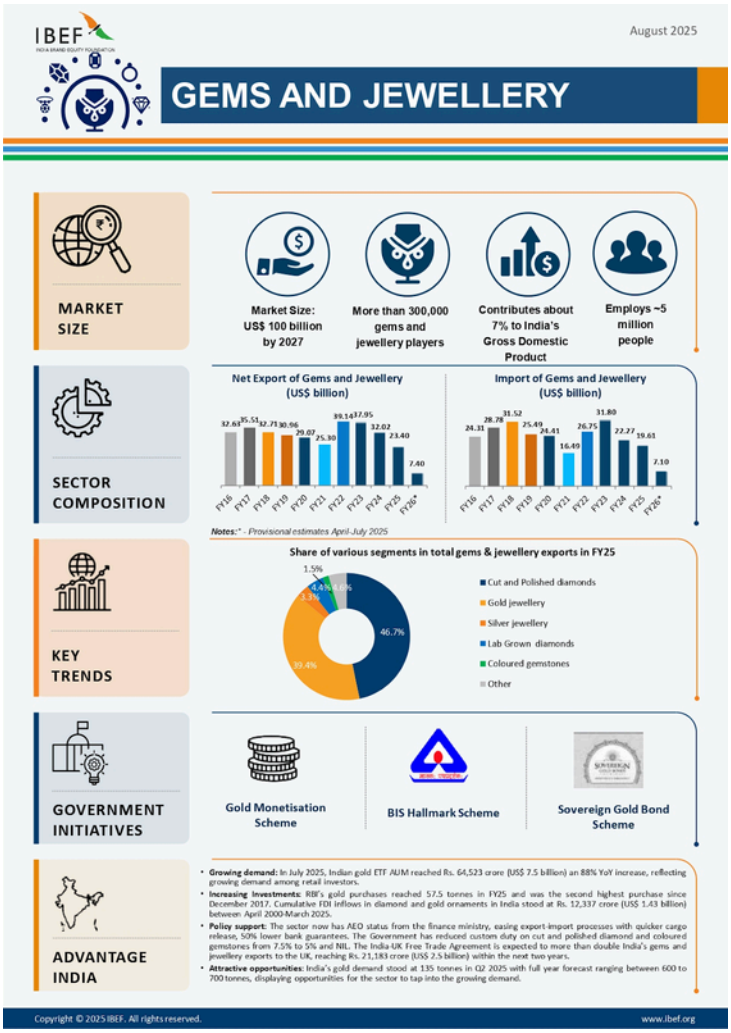
from the
DATA
TEAM

GROWTH OF GEMS AND JEWELLERY INDUSTRY IN INDIA

ANNANYA RANA

India's deep cultural affinity to glittering gems and gold jewellery is legendary, but western urbanites are now moving beyond traditional gold bridal sets to embrace rare diamonds. This boost in the market has been credited to the asset - driven High Net Worth Individuals (HNIs), people with substantial investable assets in our country. Let us analyse the following infographic provided by the India Brand Equity Foundation (IBEF)



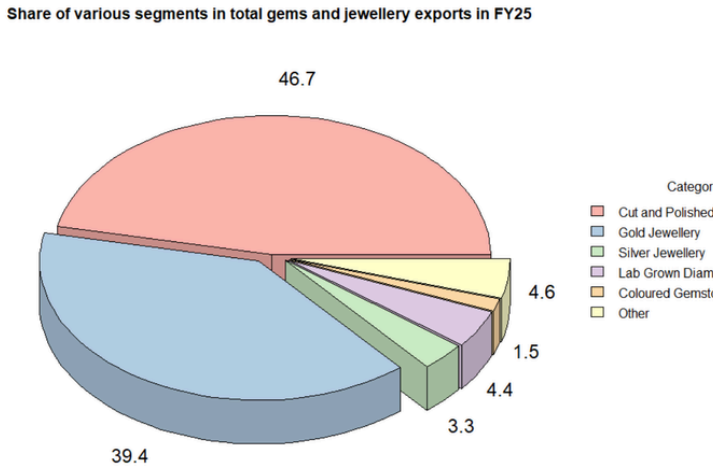
Source: Growth of gems and jewellery industry in India - infographic. (2025). India Brand Equity Foundation

India's Gems and Jewellery sector significantly contributes to the national economy, accounting for about 7% of the GDP. By the end of the year 2025, the market size was estimated to be around US$ 80-90 billion, and is projected to expand to US$ 130 billion (Rs. 11,18,390 crore) by 2030. India is also one of the largest consumers of gold and diamonds globally, surpassing China in early 2025 and now only second to the US. This is mainly due to socio-economic factors specific to India. Gold is viewed as an auspicious, secure asset and a store of value, while jewels (such as diamonds) face huge demands in the wedding season, driving over 50% of annual consumption.

The Sector Composition Graphs depict the valuation (in USD) of Net Exports and Imports of the Gems Market over the past 10 financial years (FY16 - FY26). At an initial glance, an important fall in the otherwise stable levels was observed during the COVID-19 Pandemic of 2020-21, after which it took around two years for imports to reach their previous levels. This is in contrast with net exports, which reached a new peak of US$ 39.14 billion in the very next year.

During FY25, India's net gems and jewellery exports stood at Rs. US$ 23.4 billion (2,00,000 crore), while net imports were US$ 19.7 billion (Rs. 1,68,376 crore). Growth in exports was largely driven by revived demand in the US and successful order fulfilments by Indian exhibitors at the Virtual Buyer-Seller Meets (VBSMs) conducted by the Gem and Jewellery Export Promotion Council (GJEPC). Additional momentum came from tie-ups with embassies, international associations, and free trade agreements with markets such as the UAE and UK.

A closer look at FY25 export composition, depicted by the pie chart below, underscores the dominance of diamonds. Cut and polished diamonds accounted for 46.7% of total gems and jewellery exports, and when combined with lab-grown diamonds (4.4%), diamonds contributed over 50% of export value, surpassing gold jewellery (39.4%) and other segments. This reflects India's strong capabilities in diamond processing and value addition. Rising HNI wealth and their preference for rare diamonds —as both luxury and investment assets—are expected to sustain and further accelerate diamond demand, reinforcing India's position as a global diamond export hub.



Segmentation of Gems and Jewellery Exports in FY25 - An Infographic

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- India Brand Equity Foundation. (2025, November). Growth of Gems and Jewellery Industry in India. Growth of Gems and Jewellery Industry in India - Infographic. https://www.ibef.org/industry/gems-jewellery-india/infographic

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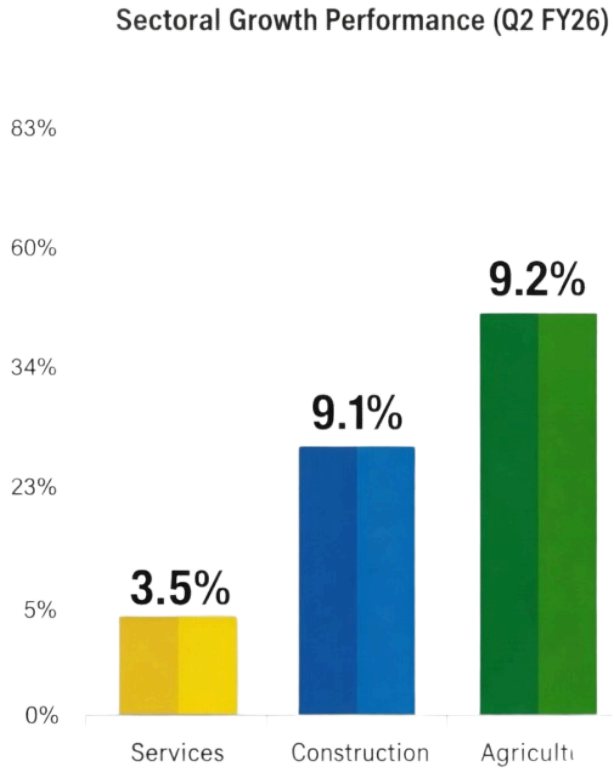
THE ENDURANCE DIVIDEND: DECIPHERING INDIA'S STRUCTURAL RESILIENCE IN Q2 FY26

BHAVYA CHATTOO

India's Q2 FY26 growth, propelled by a soaring **Services sector (9.2%)and a resurgent Manufacturing (9.1%), paints a vivid picture of economic dynamism. Even as Agriculture (3.5%)** provides steady support, the nation's diverse engines are firing, driving robust and balanced expansion. This sectoral strength underpins India's position as a global growth leader.



India's economic trajectory is defined by **endurance over velocity.**

The Three Currents: A Structural Context

To understand why India is prioritising **Endurance** (Structural Stability) over **Velocity** (Volatile Speed).According to the latest data from the National Statistical Office (NSO), we must look at the three sectors driving this resilient landscape.

- **Services (The Global Digital Hub):** Growing at **9.2%**, this sector has moved from "back-office support" to high-value innovation, providing the global integration needed for stability.

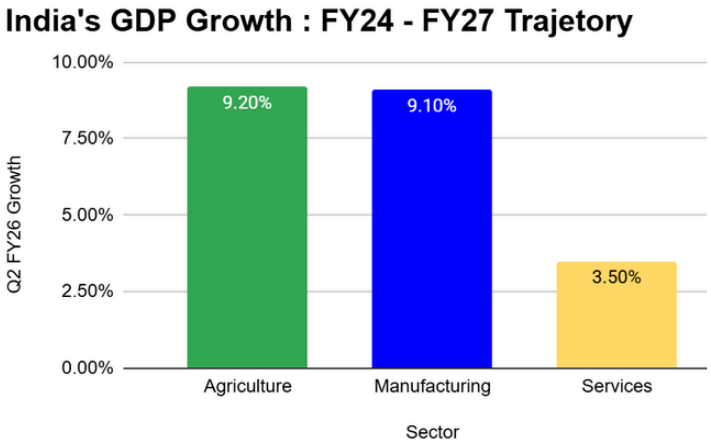
- **Manufacturing (The Resurgent Engine):** With a **9.1%** surge fueled by PLI schemes, this current represents scale and job creation, turning India into a global goods exporter.

- **Agriculture (The Resilient Foundation)**: Clocking **3.5 %** growth, improved agritech and irrigation have turned this sector into a "socio-economic shock absorber" that protects rural demand

Together, these currents signify a transition from a "fragile sprint" to a sustainable marathon. NSO (2025) data confirms a broad-based recovery, with Manufacturing and Services providing the momentum to offset global headwinds.

By raising the economy's "potential growth floor" (RBI, 2025), this framework demonstrates an enhanced capacity to absorb external shocks while maintaining an upward trajectory (Ministry of Finance, 2025). Rather than volatile surges, India's recalibrated economy proves that measured, sustainable progress is the definitive driver of long-term investor confidence

The steady climb across fiscal years reflects a resilient structural framework that can absorb global shocks while maintaining upward momentum. Rather than volatile surges, the data reveal a flexible economy that recalibrates and adapts, proving that measured, sustainable progress is the ultimate indicator of long-term investor confidence.



India's Q2 FY26 Sectoral GDP Growth Trajectory, showcasing a strong **9.20% in Agriculture** (green), and a resurgent **9.10% in Manufacturing** (blue). The Services sector (yellow) integrates the economy at **3.50%**, illustrating the multi-engine nature of India's endurance-focused expansion.

References

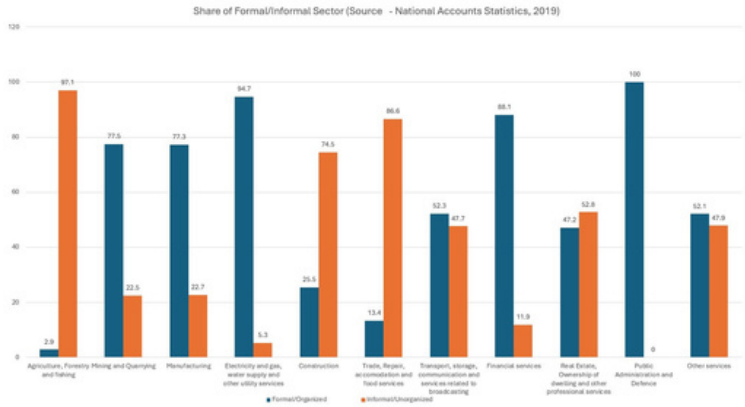
- The Economic Times (Nov 28, 2025): "India's GDP growth accelerates to 8.2% in Q2 FY26; driven by manufacturing and services."
- Business Today (Nov 28, 2025): "Stunning Numbers! India's Q2 FY26 GDP Surges to 8.2%, Smashes Estimates."
- PIB India (Dec 29, 2025): "2025: A Defining Year for India's Growth" (This is a year-end review that recaps the Q2 success).

THE INFORMAL ECONOMY: INDIA'S QUIET MAJORITY

RICHA CHOUDHARY

The infographics collectively point to a simple but often under-acknowledged reality that India's economy rests overwhelmingly on informal labour, and this informality is neither uniform nor incidental. It is structured by sector, gender, and region

Sector-wise data as of November 2022 from Statista show that agriculture remains the most informally organised sector, with an overwhelming concentration of workers outside formal contracts. Construction follows closely, again marked by a very high informal share. These sectors, which are critical for food security and infrastructure development, operate largely beyond formal labour protections such as written contracts, regulated wages, and statutory social security benefits. The data indicate that informal employment is not restricted to historically labour-intensive sectors such as agriculture and construction, but extends significantly into non-agricultural and service-oriented segments of the economy. Although these non-agricultural sectors record comparatively lower levels of informality, their shares remain substantial, demonstrating that informal employment is embedded across the broader structure of India's economy.



Bar chart comparing formal and informal sector shares across industries, highlighting informality's dominance in agriculture, trade, and construction.

The gender-wise breakup embedded in the sectoral infographic from Statista for November 2022 reveals a second, quieter pattern. Women dominate informal employment in sectors such as agriculture and domestic or household work, while men form a larger share in construction and certain miscellaneous activities. This does not reflect choice as much as structural constraints shaped by gender norms, unequal access to education and skill training, and limited mobility in labour markets. Women are often channelled into home-based, low-capital, and care-related work because these roles are socially defined as extensions of unpaid domestic responsibilities. Informality intersects with gender to produce economic invisibility, as women's work appears essential to household and rural economies yet remains weakly remunerated, unregulated, and poorly recorded in official statistics

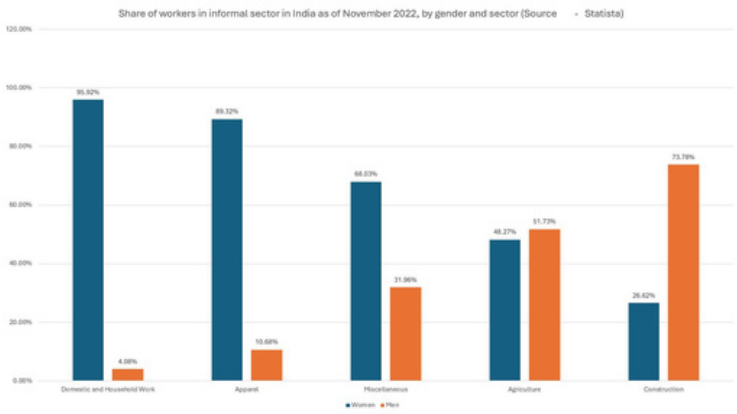
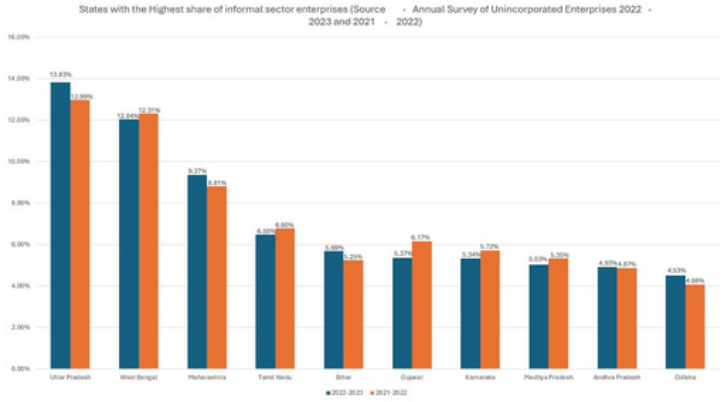


Chart showing gender disparities in India's informal workforce across sectors, with women concentrated in domestic work and men in construction.

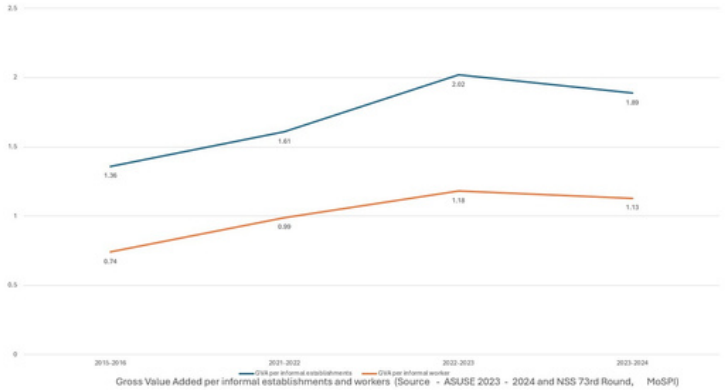
The state-level infographic taken from the Annual Survey of Unincorporated Enterprises 2021-2022 and 2022-2023 adds a spatial dimension to this silence. Across states, informal employment shares cluster within a relatively narrow band, but the variation is still meaningful.

Some states show noticeably higher informal proportions than others, suggesting differences in industrial structure, urbanisation, and regulatory reach. Importantly, no state shown escapes informality altogether, highlighting that this is a national structural feature, and not a regional anomaly.



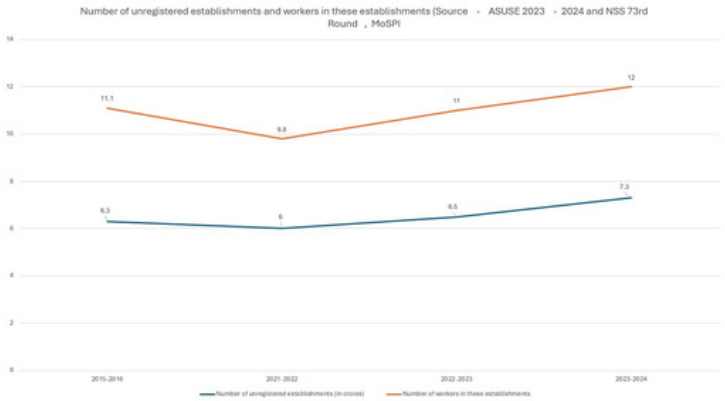
Bar chart showing leading Indian states by share of informal sector enterprises, comparing 2021-22 and 2022-23 estimates from national survey.

Taken together, the following statistics taken from the ASUSE 2023-2024 and NSS 73rd Round, MoSPI challenge the assumption that formalisation is already underway in any decisive sense. The economy that dominates employment is not the one most visible in policy discourse or macroeconomic celebration. Instead, India's growth is carried by workers whose jobs are insecure, unprotected, and statistically fragile.



Gross Value Added per informal establishment and worker rises steadily post-pandemic, reflecting productivity gains and gradual economic recovery.

These infographics whisper dependence. The informal economy is not a residual category waiting to disappear, as it is the backbone that sustains production, absorbs shocks, and keeps participation high. Ignoring it does not make it smaller, as it only makes the economy less honest about itself.



Unregistered establishments and workers rebound post-pandemic, highlighting the resilience, scale, and enduring centrality of India's informal economy.

References -

- Ministry of Statistics and Programme Implementation. (2019). Share of formal and informal sector in India, by industry [Infographic]. National Accounts Statistics, 2019.
- Ministry of Statistics and Programme Implementation. (2023). States with the highest share of informal sector enterprises (2021–22 and 2022–23) [Infographic]. Annual Survey of Unincorporated Enterprises (ASUSE).
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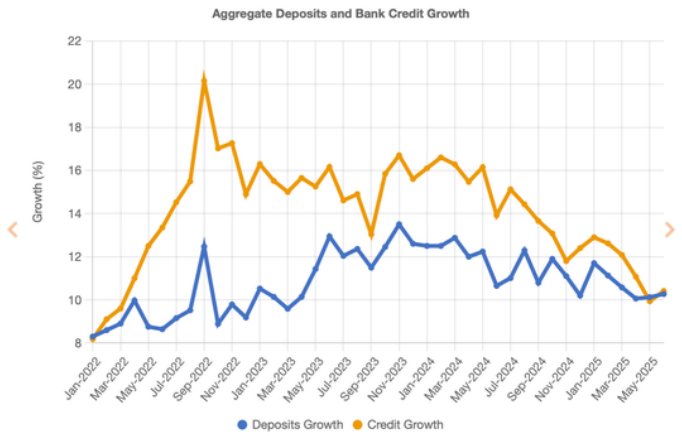
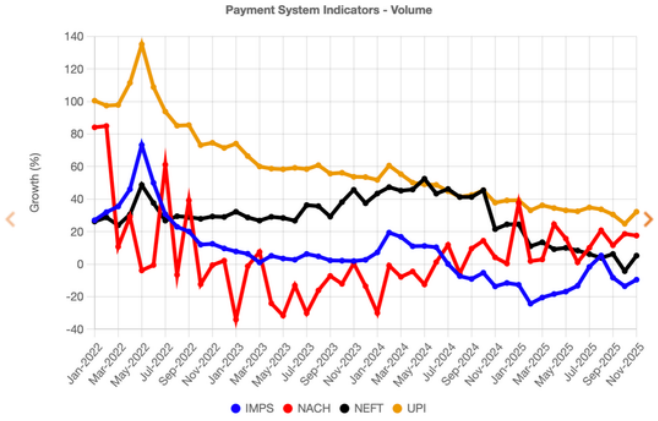
CREDIT WITHOUT SAVINGS, PAYMENTS WITHOUT PAUSES

SNIGDHA SINGH



Source: RBI Database on Indian Economy (DBIE) infographic

RBI data on aggregate deposits and bank credit growth show a persistent mismatch in India's financial system since 2022. Bank credit growth rose sharply from about 8.5% in early 2022 to over 20% by September 2022, while deposit growth increased more slowly, peaking near 12.5%. For much of 2023 and 2024, credit growth remained 3-5 percentage points higher than deposit growth, indicating that lending expansion outpaced savings mobilisation for an extended period. Only by early 2025 do both growth rates converge around 10%, suggesting adjustment rather than structural correction.

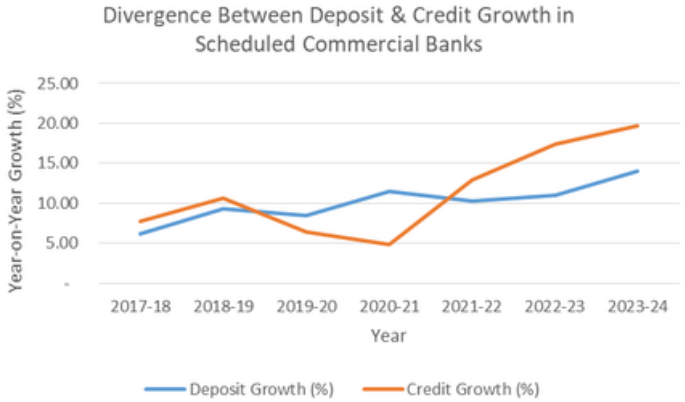


Source: RBI Database on Indian Economy (DBIE) infographic

This divergence gains meaning when read with the Payment System Indicators - Volume data. Digital payment systems, particularly UPI, recorded extremely high growth in 2022, exceeding 100% year on year at their peak. Although growth rates moderated thereafter, they remained strong, largely within the 25-40% range through 2024 and into 2025. NEFT (National Electronic Funds Transfer) and IMPS (Immediate Payment Service) volumes also show sustained positive growth, confirming a broader rise in transaction frequency.

The combined data points to a quiet shift in liquidity dynamics. As deposit growth lagged, economic activity was increasingly supported by faster circulation of existing funds rather than by larger savings pools. Digital payments raised the velocity of money, compensating at least partially for slower deposit accumulation.

This adjustment is efficient but delicate. Transaction speed can sustain activity in stable conditions, yet it offers limited protection during shocks. The data signal not a crisis, but a subtle reliance on movement over accumulation, a financial shift unfolding quietly beneath headline indicators.



Source: RBI, DBIE, Consolidated Balance Sheet of Scheduled Commercial Banks (excluding Regional Rural Banks).

This divergence is visible in the above chart, which shows credit growth pulling away from deposit growth in the post COVID period. The widening gap highlights how lending expansion has relied more on faster circulation of funds than on fresh savings mobilisation.

References:

- Consolidated balance sheet of scheduled commercial banks (Excluding regional rural banks). (n.d.). In DBIE. RBI.
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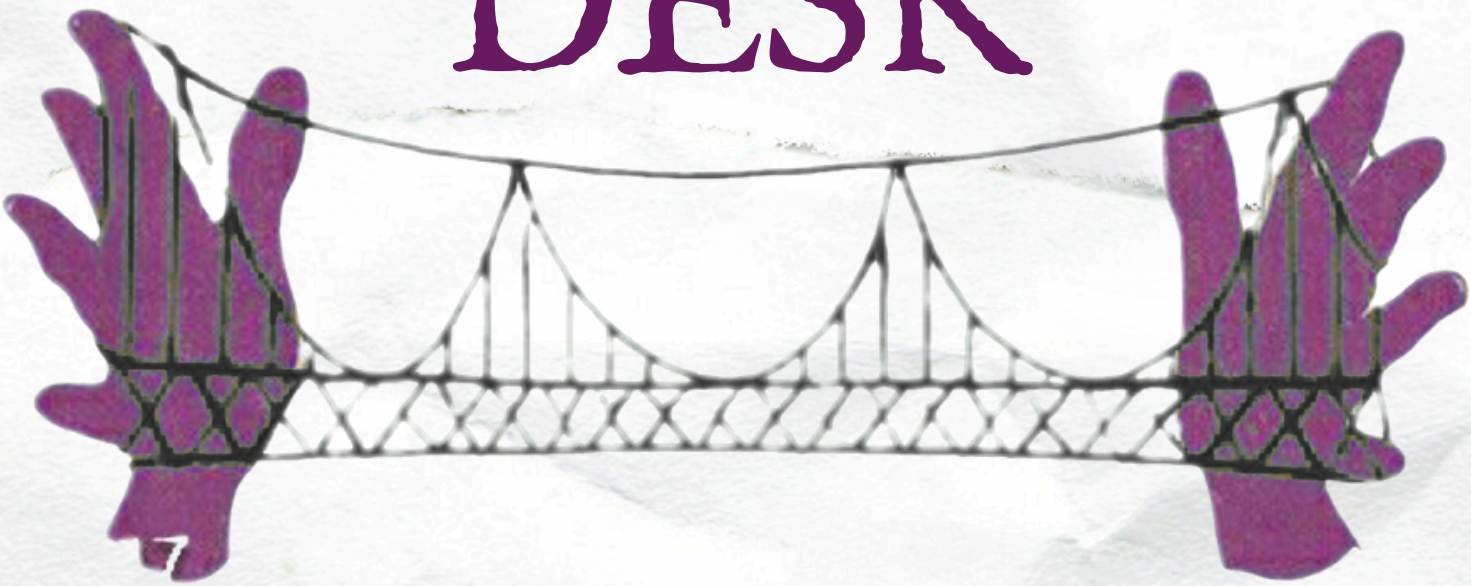
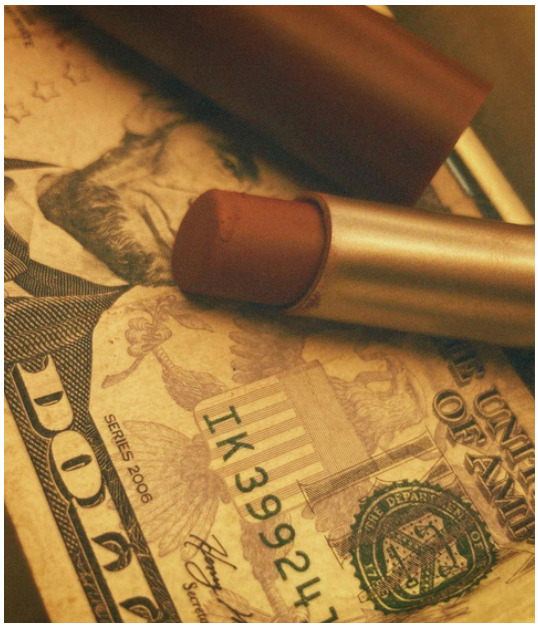
from the CREATIVE DESK



SMALL LUXURIES, QUIET SIGNALS

MARINA SREYA THOMAS



Economic slowdowns rarely announce themselves through headlines alone. They surface quietly in the way people look at themselves, hesitate, substitute and adjust. When large purchases begin to feel uncertain, consumption does not vanish; it contracts, redirecting itself toward smaller, more affordable comforts. This shift is captured in everyday scenes, a moment of self-assessment in the mirror, through routines that continue despite constraint. These are not acts of excess, but of adaptation. They reflect a pattern where households delay high-value spending while holding onto modest indulgences that require little financial commitment yet provide emotional reassurance.

This phenomenon is often described as the Lipstick Effect—the tendency for low-cost discretionary items to see sustained or rising demand during periods of economic uncertainty. Such purchases do not signal prosperity; they signal adjustment. A lipstick, like a cigarette or a trinket, becomes a reduced version of luxury, accessible, temporary and psychologically stabilising. What makes these choices significant is their quietness. They do not appear in employment data or growth figures, yet they register shifts in confidence, security and expectation. The economy, in this sense, whispers through everyday behaviour through what is still bought, what is replaced, and what is postponed.

THE ECONOMY OF EVERYDAY CULTURE

ANANYA SIROHI

Economics is often discussed through growth rates, markets, and policies, but much of economic life exists quietly within cultural spaces. These are the spaces where tradition, creativity, and survival come together without formal recognition. The economy of everyday culture operates in streets, markets, temple entrances, and public squares, sustained by people whose work protects traditions while remaining largely invisible.

Cultural workers in the informal sector do more than earn a living. Instrumental players, for instance, carry forward musical traditions that might otherwise be confined to classrooms or concerts. Their performances in public spaces allow music to remain part of daily life rather than an exclusive experience. Even without formal stages or audiences, their presence keeps cultural practices accessible, alive, and shared across generations.

Book sellers working outside formal shops contribute to a similar preservation of culture and knowledge. By circulating second-hand books, local language texts, and affordable study material, they extend the life of ideas. These spaces often become informal cultural hubs where conversations happen, recommendations are exchanged, and learning moves beyond institutional boundaries. In doing so, they resist the idea that culture and knowledge must always be commodified through formal markets.

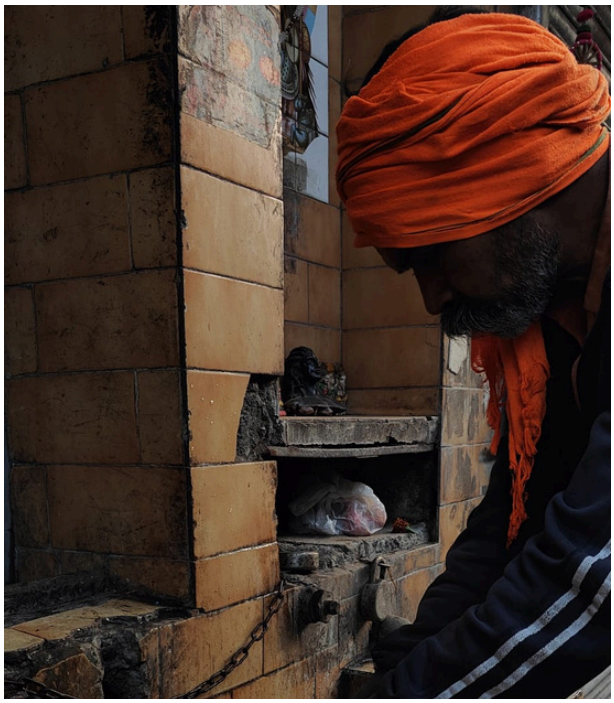
Ornament sellers operate within traditions tied to festivals, rituals, and identity. The bangles, necklaces, and decorative items they sell are not merely accessories but symbols of belonging and celebration. Through seasonal demand and local customs, their work reflects how economic activity adapts to cultural rhythms. Their stalls become temporary cultural spaces, appearing and disappearing with festivals, yet remaining essential to how traditions are practiced.

What unites these livelihoods is their deep connection to place. Cultural spaces are not accidental settings for their work but necessary ones. These workers rely on foot traffic, social interaction, and shared cultural understanding. In return, they shape these spaces, adding sound, colour, and meaning to everyday environments. Without them, cultural practices risk becoming distant, formalised, or forgotten.

STORIES FROM THE EVERYDAY

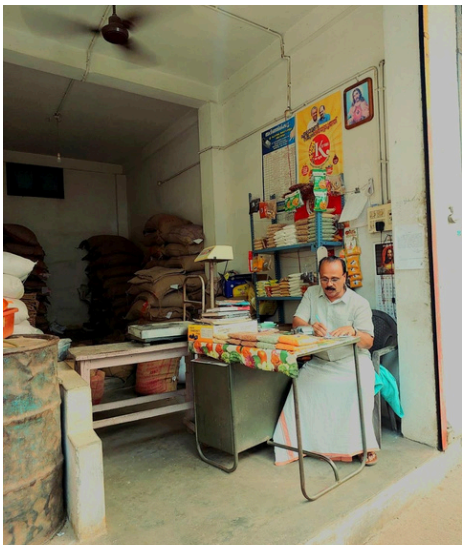
JANHVI TALWAR

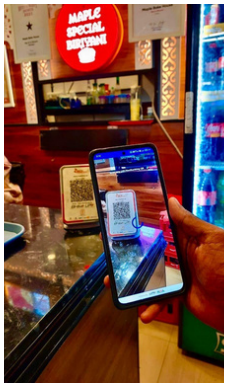
Whispers of the Economy unfolds not in grand marketplaces or glowing skyscrapers, but in ordinary lives stitched together by effort, care, and quiet endurance. It speaks through a boat gliding at dusk, where livelihoods move with the rhythm of water and uncertainty; through piles of colorful cups that reflect both abundance and excess, shaped by many hands yet easily forgotten. It echoes in a man shoveling snow outside a fragile mountain stall, where survival depends on resilience more than profit. It softens in the arms of an elderly woman holding a baby sheep, turning tenderness into livelihood as tourists pause for fleeting moments of connection. And it lingers at a worn public tap, where a man bends to collect water, reminding us that even the most basic resources are part of economic struggle. Together, these images reveal an economy that does not shout—it whispers through labour, adaptation, dignity, and hope. It lives in small exchanges, emotional labour, and everyday persistence, reminding us that behind every system lie human stories, quietly sustaining the world.



Despite their role in sustaining tradition, these workers face economic uncertainty, lack of protection, and limited recognition. Their contributions are rarely documented, even though they preserve intangible heritage through everyday labour. By existing in public and cultural spaces, they act as living carriers of tradition, adapting it to contemporary realities.

This essay seeks to highlight how culture itself becomes a form of economic activity. The economy of everyday culture reminds us that traditions survive not only through institutions, but through people who show up daily, quietly ensuring that culture continues to breathe in shared spaces





WHERE THE ECONOMY LIVES

ANGEL DAVIS

Economic change is rarely sudden or loud. It unfolds gradually through everyday practices, routine decisions, and systems that operate in the background of daily life. Informal work, technological adoption, and public support mechanisms quietly influence economic stability and social experience. By paying attention to these subtle processes, we can better understand how small, often overlooked actions contribute to larger economic transformations.

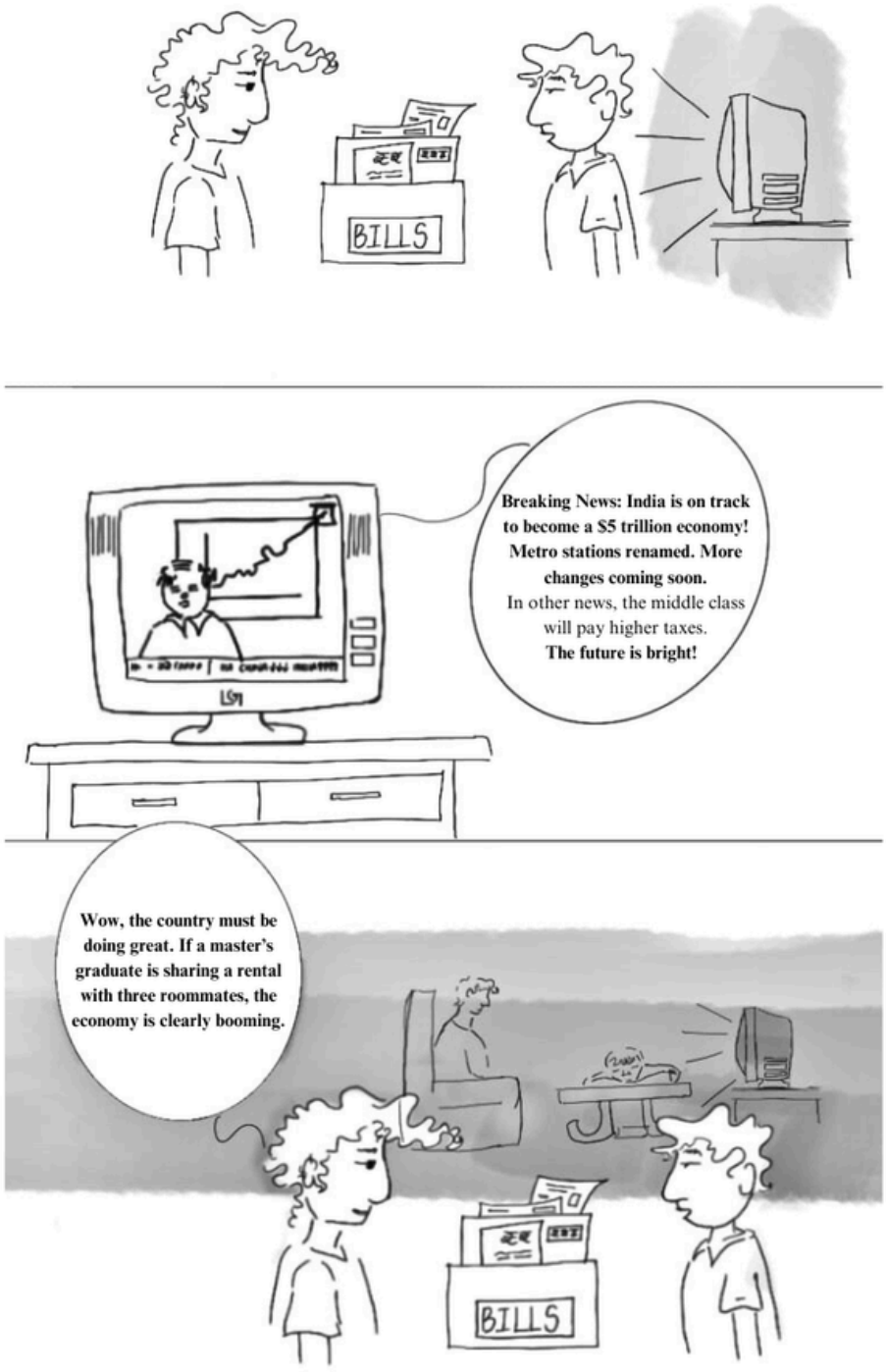
The image of the mobile repair worker reflects a quiet service economy that sustains digital life without public attention. Repair work reduces electronic waste and hidden consumer costs created by constant technological upgrades. Such informal labour supports economic continuity through small, often unnoticed interventions. Secondly, the ration shop shows how policy decisions quietly shape everyday survival. Subsidised food distribution absorbs economic stress for vulnerable groups without visibility. Its routine operation reflects social costs and support systems that rarely enter public discussion.

The Woman Vegetable Seller image captures informal market labour that quietly sustains food access. Women's work here carries physical strain and income uncertainty, reflecting unseen social costs. Despite limited recognition, such markets stabilise local consumption patterns. Tailoring represents small production systems operating outside mass industry. Repair and reuse practices reduce material waste and overconsumption. These slow, local processes support economic balance without drawing attention. And the last image of digital payment reflects a subtle behavioural change in everyday transactions. Digital payments reshape trust, access, and participation without visible disruption. Such routine shifts gradually transform economic structures from within.

Taken together, these observations highlight how economic change is produced through ordinary work, routine transactions, and institutional support systems that operate beyond public visibility. Informal labour, small-scale production, and digital practices contribute steadily to economic stability while carrying social and environmental implications that often remain unexamined. Recognising these subtle processes allows for a more comprehensive understanding of how economies evolve through gradual, everyday actions rather than isolated events.

NOISY BILLS AND LOUSY *BILLS*

CHRISTA TRESSA TOMY

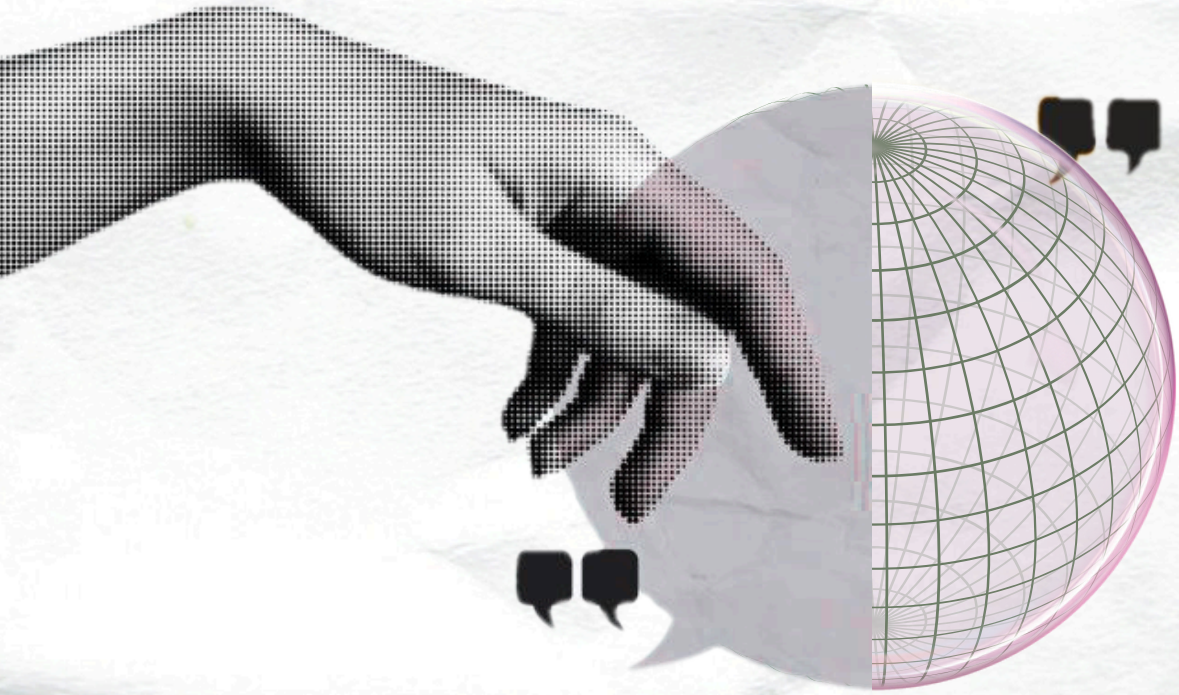


India is often described through ambitious economic projections and impressive numbers. Headlines speak about trillion-dollar milestones and rapid growth, creating the image of a booming economy. These bold figures do a good job of hiding the reality of many people.

While economic targets dominate public discussion, national debates are frequently occupied by symbolic and namesake solutions - renaming cities, states, roads, or metro stations. These topics attract attention and spark conversation, but they rarely address deeper economic concerns such as employment, wages, housing affordability, and opportunities for young graduates.

Statistics and projections can highlight progress, but they often show only part of the story. For the majority of the population, the true state of the country is reflected in their every day life - the commute to work, their rent, the quality of food & water, breathable air, employment opportunities, etc.

Amidst the loud attempts of distraction, the true state of the economy is reduced to a quiet whisper.



CONVERSATIONS WITH CONTRARIAN

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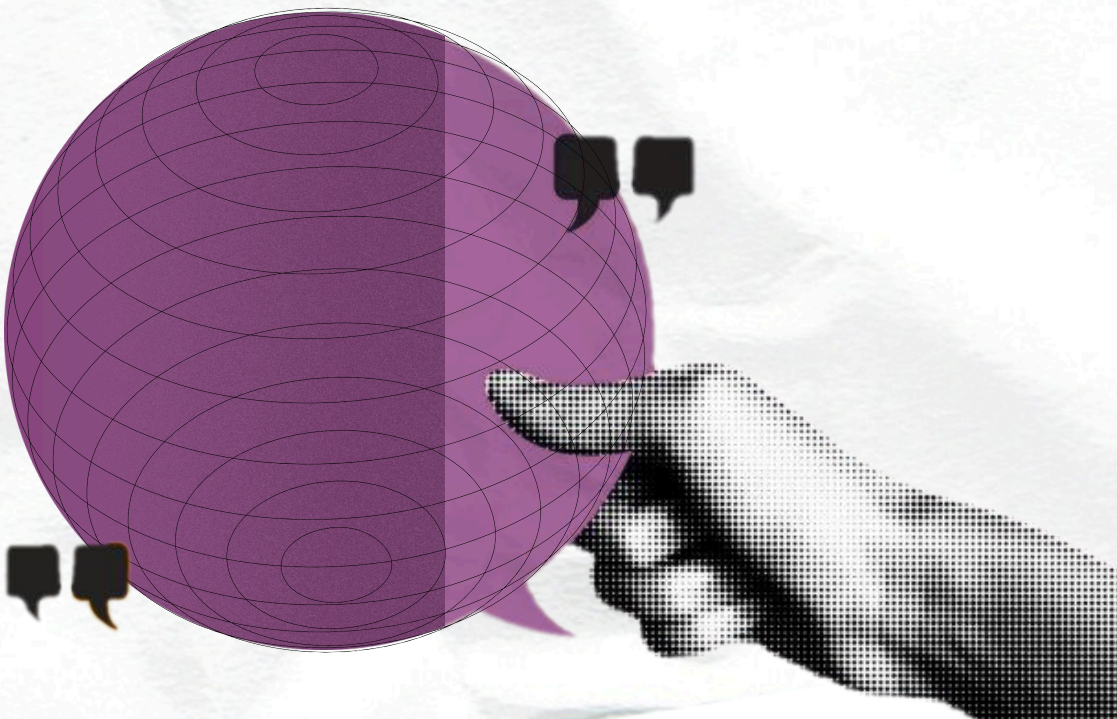

Conversations with Contrarian is a cross-disciplinary interview series aimed at engaging with contemporary issues in economics through the lens of multiple academic disciplines. Rather than relying exclusively on standard economic frameworks and indicators to analyse current conditions, the series brings together faculty members from various departments of the college to generate contrarian responses to how global and national happenings are reconceptualising markets, societies, and states. Each conversation treats economics not as an isolated field, but as part of a larger conversation that includes questions of governance, rights, history, culture, and everyday life.

The series grew organically out of Contrarian's larger vision as a student-led platform that challenges dominant narratives and encourages critical engagement with socio-economic issues. From its early editions, Contrarian has experimented with formats that go beyond traditional articles—panel discussions, interactive sessions, and now a structured interview series—to keep economic debate alive across the academic year, not just on the pages of the magazine. Conversations with Contrarian formalises this impulse: it creates a documented space where faculty and students can revisit ongoing debates, respond to new developments, and build a small but growing archive of dialogues that reflect the evolving concerns of our community.

By engaging professors from distinct departments, Conversations with Contrarian seeks to stimulate discussions about the common threads that link economics with politics, public policy, sociology, public health, and historical experience. The format is deliberately conversational rather than lecture-style: faculty members are invited to respond to a contemporary economic theme, to question dominant narratives, and to trace how ideas travel across disciplines. Themes are selected from recent policy changes or global developments—tax reforms and fiscal choices, trade and tariff disputes, supply chain disruptions, welfare policy, climate and health crises, digitalisation, and the socio-economic costs and contradictions of globalisation. The aim is not only to understand economic policy on its own terms, but also to interrogate assumptions, surface unseen perspectives, and connect academic thought to society's lived experiences.

In this edition, Conversations with Contrarian deepens this commitment by featuring interviews with three distinguished faculty members of the Department of Economics, Jesus and Mary College, whose work sits at the intersection of economics and other vital domains. **Ms. Megha Jacob** reflects on questions of public health infrastructure and governance, drawing on her work on local governments and public health delivery to show how institutions, accountability, and decentralisation shape health outcomes. **Dr. Shyma Jose** speaks about nutrition security, agriculture, and livelihoods, engaging with issues of food systems, inequality, and long-term human development, and highlighting how gaps in nutrition policy quietly influence productivity, learning, and wellbeing over time. **Dr. Subasini Maharana** brings in the lens of state and rural development, exploring how rural infrastructure, crop choices, and public investment intersect with governance and social realities to shape the life chances of communities outside urban centres.

EXPLORING PUBLIC HEALTHCARE, GOVERNANCE, & CRISIS RESPONSE

with Ms. Megha Jacob

Ms. Megha Jacob is an Assistant Professor of Economics at Jesus and Mary College, University of Delhi, with over eight years of teaching and research experience. She is currently pursuing her Ph.D. at the TERI School of Advanced Studies. Her research spans Development and Health Economics, Econometrics, and complex systems modelling. She has worked on multiple Indian government–funded projects and served as a Co-Investigator on India's first national study on the human rights of transgender persons. Ms. Jacob has published widely, co-authored a T20 South Africa policy brief on health equity, and has also been a visiting faculty at the department of business economics in the University of Delhi.

1. Fom an economist's perspective, how do public healthcare systems shape a country's ability to respond effectively to health crises such as pandemics, epidemics, or endemic diseases?

It's interesting that you want to hear an economist's perspective on public health. So, as a health economist, I would like to use one of the earliest papers in the literature by Sema Mushkin, published in 1958 in the journal, Public Health Reports. It defines health economics as a discipline which states that an economist working in the area of health must focus on the "optimum" use of resources for those who are ill and for the promotion of public health in general. Overall, such an economist must focus on the organisation of the market for health services and the net yield of investment in people for health.

Public health systems form the backbone of a country because they protect the health of its population, support economic stability, and strengthen the state's capacity to function, especially during a health crisis or seasonal periods, for example, during the high-pollution months from October to February in Delhi. They enable early disease detection, prevention, and coordinated responses to health shocks that markets alone cannot manage. By ensuring equitable access to care, public health systems of a country reduce inequalities and prevent health crises from escalating into social and economic crises. By ensuring universal access, they protect vulnerable populations and maintain workforce productivity. Strong public health systems also build public trust and resilience, allowing societies to respond effectively to health emergencies.

2. In times of large-scale health emergencies, what is the economic rationale for strong public healthcare systems as opposed to relying primarily on private healthcare provision?

During health shocks or in regions where endemics are frequent, the economic rationale for a strong public healthcare system is powerful. It lies in the idea of market failures. Let me explain how: The private health structure is driven by profit motives, and it has the potential to limit certain essential services like disease surveillance, prevention of diseases, health emergency preparedness, and care for vulnerable or low-income populations. Public healthcare systems are better at addressing these market failures by internalising negative externalities (like disease transmission), ensuring universal access, and coordinating responses at scale. They can also provide price regulation of healthcare equipment and medicines, which private providers may choose not to deliver efficiently during health shocks.
The optimal channel is a PPP model where public and private providers can work together. But for this government's political will is essential in any region. An example is how Kerala managed Nipah outbreaks in 2018-19. Private hospitals had cooperated under public coordination in Kerala. It was a state-led public health response with strategic private-sector cooperation, enabled by strong surveillance, regulation, and local-level governance.

3. How do health crises expose existing structural inequalities within healthcare systems, particularly in low and middle-income countries like India?

Health crises show that healthcare systems are dynamic. They reflect underlying economic and social inequalities. Without strong public health systems and local governance, health crises can disproportionately harm the disadvantaged sections of the population. Health crises act as stress tests that expose and intensify existing inequalities rather than creating new ones. In countries like India, this is seen through unequal access to care for rural and vulnerable groups, heavy reliance on out-of-pocket spending due to weak public provision, and sharp regional gaps in health infrastructure. Digital and information divides exclude many from crisis responses, while informal workers and migrants face higher risks with little social protection. Limited capacity of local governments further weakens targeted and equitable responses, deepening structural inequalities.

EXPLORING NUTRITION SECURITY IN INDIA

with Dr. Shyma Jose

Dr. Shyma Jose is an Assistant Professor of Economics at Jesus and Mary College, University of Delhi, with extensive experience in teaching and applied research. Her work spans nutrition and food security, agriculture, poverty, employment and labour markets, inflation forecasting, and agricultural value chains, with a sustained focus on how policy translates into livelihoods and welfare in the Indian context. She has previously been associated with the Indian Council for Research on International Economic Relations (ICRIER) and has co-authored the NABARD-funded study Achieving Nutritional Security in India: Vision 2030, along with several policy reports and chapters on agriculture, income, and livelihoods.

1. How do rising food prices and income inequality influence nutritional outcomes across different socio-economic groups in India, and what policy tools could address these disparities?

Rising food prices, combined with income inequality, significantly influence nutritional outcomes across socio-economic groups in India. Food inflation acts as an implicit tax on consumers, eroding purchasing power and disproportionately affecting low-income households that spend a large share of their income on food. As prices of nutrient-dense items such as milk, pulses, fruits, and vegetables increase, poorer households often shift toward cheaper, calorie-dense but nutrient-poor foods. This reduces dietary diversity and exacerbates undernutrition, including stunting, wasting, and micronutrient deficiencies among children and women. At the same time, increased reliance on inexpensive, energy-dense processed foods can contribute to obesity, creating a "dual burden" of malnutrition. In contrast, higher-income groups are better able to absorb price shocks and maintain balanced diets, thereby widening nutritional inequalities.

Addressing these disparities requires targeted policy interventions. Monitoring food prices and improving agricultural supply chains can reduce volatility in the cost of essential nutritious foods. Fortification of staples distributed through programs such as the Targeted Public Distribution System, PM POSHAN Scheme, and Integrated Child Development Services helps tackle micronutrient deficiencies, while the National Food Security Act can be strengthened to expand access to subsidized and diverse foods beyond rice and wheat. Additionally, introducing nutritious and climate-resilient grains like millets into public distribution systems and promoting nutrition-sensitive subsidies can improve dietary diversity and support healthier consumption patterns among vulnerable populations. Together, these measures can help mitigate the nutritional impact of rising food prices and reduce socio-economic disparities in India.

2. To what extent have public programs such as the Public Distribution System, Integrated Child Development Services, and Mid-Day Meal Scheme improved nutritional security, and what economic reforms could increase their efficiency and targeting?

Public welfare programs have played a significant role in improving nutritional security in India, though their outcomes remain mixed. The Public Distribution System provides subsidized food grains to nearly 800 million people, helping reduce extreme hunger and stabilize food consumption among low-income households. Similarly, the Integrated Child Development Services and the PM POSHAN Scheme (Mid-Day Meal Scheme) support maternal and child nutrition through supplementary nutrition, school meals, and health services. These initiatives have improved calorie intake, school attendance, and child welfare. However, progress in nutritional outcomes remains slow; evidence from the National Family Health Survey shows rising anaemia levels among children and women between 2015–16 and 2019–21. This highlights that while food access has improved, micronutrient deficiencies and dietary imbalance persist, particularly during the crucial first 1,000 days of a child's life.

Improving efficiency and targeting requires economic and governance reforms. Digitization measures such as Aadhaar-linked Point-of-Sale systems can reduce leakages, corruption, and ghost beneficiaries in food distribution. Nutritional diversification within the PDS—by including fortified foods, pulses, and millets instead of focusing only on rice and wheat—can address micronutrient deficiencies. Complementary investments in nutrition-sensitive sectors are also crucial. Programs like the Jal Jeevan Mission improve sanitation and safe drinking water, which significantly affect child nutrition outcomes. Furthermore, promoting women's education through schemes like Samagra Shiksha can enhance child health and nutrition. A more targeted, evidence-based approach combining food security, health, sanitation, and education is essential to achieve long-term nutritional security.

3. What role do agricultural incentives, supply chains, and food market structures play in shaping dietary diversity and nutrition, particularly in developing economies like India?

Agricultural incentives, supply chains, and food market structures play a crucial role in shaping dietary diversity and nutrition in developing economies like India. Agricultural policies have historically prioritized staple crops such as rice and wheat through mechanisms like the Minimum Support Price and input subsidies. While this ensured food grain availability, it also discouraged the cultivation of nutrient-rich crops such as pulses, oilseeds, and millets, limiting dietary diversity. Repurposing incentives to promote crop diversification, biofortified crops, and climate-resilient crops like millets can improve micronutrient intake and strengthen nutrition-sensitive agriculture. Climate change further complicates this challenge, as erratic monsoons, rising temperatures, and extreme weather events reduce crop productivity and increase food price volatility,thereby affecting the affordability and accessibility of nutritious foods for vulnerable populations

Efficient supply chains and well-functioning food markets are equally important for ensuring access to diverse foods. Weak storage infrastructure, limited cold chains, and poor rural connectivity often result in high post-harvest losses of fruits and vegetables, reducing the availability of nutrient-dense foods. Digital platforms such as the National Agriculture Market (eNAM) and farmer collectivization through Farmer Producer Organizations aim to improve market access, price discovery, and farmer incomes. However, expanding retail markets have also increased the availability of highly processed foods with low nutritional value. Strengthening climate-resilient supply chains, diversifying procurement in the Public Distribution System, and promoting sustainable agricultural innovations can help create a more resilient food system and improve dietary diversity in India.

EXPLORING RURAL AND STATE DEVELOPMENT IN INDIA

with Dr. Subasini Maharana

Dr. Subasini Maharana is an Assistant Professor of Economics at Jesus and Mary College, University of Delhi, with a strong background in development and public policy. Her research and writing have focused on state and rural development, with particular attention to Odisha, where she has examined the economic impact of natural disasters, post-cyclone rehabilitation, and the long-term implications of public investment in rural infrastructure and livelihoods. She has engaged with policy-relevant questions around how states design and implement development programmes in vulnerable regions, bringing together insights from field experience, regional studies, and macroeconomic analysis to highlight the gaps between intent, implementation, and lived realities on the ground

1. Despite overall economic growth in India, why do significant rural development disparities persist between states, and how does Odisha illustrate these structural challenges?

The reasons for significant rural development disparities are high inter-regional and intra-regional differences among different states. Odisha's districts also exhibit the same type of disparities in infrastructure, such as irrigation, transportation, and connectivity, as well as income disparities. The most important reason for income disparities is the difference in the growth rates of the industrial and service sectors (Sahoo & Senapati, 2020). Odisha has witnessed a rise in regional disparities during its period of boom and vice versa, thereby indicating that growth fails to create a "trickle-down effect" (Mahakur & Nayak,2019). Additional policy assistance is required to help backward districts develop their economic and social infrastructure. Targeted policies for the upliftment of socially disadvantaged groups, specifically Tribal upliftment programs such as the Odisha Tribal Empowerment and Livelihood Programme (OTELP), Odisha Particularly Vulnerable Tribal Groups Empowerment and Livelihoods Improvement Programme (OPELIP), and Tribal sub-plans, etc, are implemented.

2. How have infrastructure investments affected rural livelihoods in Odisha compared with more economically advanced states?

Investment in infrastructure, agriculture, irrigation, water management, rainwater harvesting, soil moisture conservation, energy, and post-harvest sectors increases the productivity of the agriculture sector in Odisha, leading to socio-economic transformation by mitigating the adverse effects of natural calamities and climate change. The state government's initiatives thereby ensure sustainable growth and an improved quality of life. The government also focused on the Promotion of Diversified Cropping Systems, encouraging mixed and intercropping systems alongside modern crop varieties to enhance soil fertility and increase farmers' income. This approach can help reduce dependency on monocropping while also addressing the impacts of pests, diseases, and climate change.

3. What policy approaches, such as decentralisation and targeted welfare spending, could help reduce regional inequality and accelerate rural development in states like Odisha?

Some of the policy approaches are: The state strengthens village, block, and district levels, with Palli Sabhas and Gram Sabhas holding statutory power to approve plans and select beneficiaries under poverty alleviation schemes. The decentralised planning process emphasises district-level planning, with input from NGOs and local leaders. Under the targeted welfare spending women's empowerment initiative, Subhadra Yojana, eligible women receive cash assistance of ₹10,000 per year, totalling ₹50,000 over five years. Madhu Babu Pension Yojana for senior citizens and vulnerable groups. Gopabandhu Jan Arogya Yojana (GJAY) is a health insurance program initiated by the Government of Odisha to provide financial coverage for secondary and tertiary health care services. Tribal welfare Scheme Mukhyamantri Janajati Jeebika Mission to raise the income of Tribal households.

GUEST ENTRIES

HAYEK'S CHINESE WHISPER ECONOMY

- ANISTO ISSAC SAJU -

Even the faintest economic "whisper" spreads through price signals, coordinating millions without central control.

The cartoon titled "Hayek's Chinese Whisper Economy" draws inspiration from one of the most radical yet groundbreaking metaphors in the history of economic thought. A notion, pioneered by Friedrich August von Hayek in his landmark 1945 essay "The Use of Knowledge in Society," that a market economy coordinates the actions of millions of uncoordinated individuals not through any centralised intelligence or mechanism, but through the quiet, continuous and unorganised transmission of price signals.

Hayek's core idea was that the information regarding an economy is never concentrated in a single mind or institution. It is scattered across society in fragments, mostly partial, localised and dynamic, brought together by various agents like farmers who know their harvests, traders who know their routes and consumers who know their needs. No central planner can aggregate this knowledge, in an absolute sale or in time to act upon it. The price system, however, does so automatically: a rise in the price of copper whispers to thousands of producers and consumers simultaneously, prompting adjustments no authority could have orchestrated.

The cartoon exaggerates this insight through the familiar nature of the children's game "Chinese Whispers" where a message passed through a chain of participants arrives augmented and distorted at the destination. Here, a faint market signal originating at the chain's base which is tentative, uncertain, barely articulate in nature travels through a sequence of actors, each interpreting and reacting to what they receive. By the time the whisper reaches its end, it has escalated from a murmured word into the thunderclap of "RECESSION!" The crowd's final reaction has overshot the original signal entirely.

This marks Hayek's paradox of triumph and his tragedy. The price mechanism is a marvel of decentralised coordination — no economist, bureaucrat or algorithm is needed to direct the crowd. Yet the same mechanism that transmits information can also transmit noise, herding behaviour and investor panic. The distortion inherent in the game is not a failure of the metaphor but its deepest truth: market signals are powerful precisely because they carry so much conviction and dangerous precisely for the same reason.
The cartoon's humour, the man behind is still asking about "fennel" for grocery shopping while the man at the end of chain screams recession, captures the irreducible human comedy at the heart of market economies. The same system which coordinates billions of rational decisions can, in a whisper, send them all astray.

BEYOND AWARENESS

The Influencer Economy, Gendered Consumption, and the Limits of Sustainable Behaviour in Urban India

- *LAVANYA* -

Introduction

India's rapid urbanisation and digital transformation have fundamentally altered how consumption decisions are made, communicated, and justified. Urban India today accounts for nearly 35% of the national population but over 60% of total consumption expenditure, reflecting the concentration of purchasing power in cities (MoHUA, 2023). Simultaneously, India has emerged as one of the world's largest digital ecosystems, with over 750 million active social media users, most of whom are urban youth (IAMAI & Kantar, 2025). Within this landscape, influencer content creators who shape opinions through lifestyle narratives have become central actors in mediating consumption choices.

Parallel to this digital expansion is a growing policy and academic emphasis on sustainable consumption, particularly under United Nations Sustainable Development Goal 12, which calls for responsible production and consumption. Despite rising awareness of sustainability and circular economy principles, India's urban consumption patterns remain predominantly linear, characterised by high material throughput, short product lifecycles, and increasing waste generation. India generated over 62 million tonnes of municipal solid waste in 2022, with urban areas contributing the majority, yet less than 30% is processed or recycled efficiently (Earth5R, 2025).

The Influencer Economy and Urban Consumption

The influencer economy in India has grown rapidly alongside platform-based capitalism. The 2025 BCG report indicates that **India's creator ecosystem generates ₹1.69 – ₹2.11 lakh crore** ($20–25 billion) in direct revenue, with projections to reach ₹8.45 – ₹10.5 lakh crore ($100–125 billion) by 2030 (BCG, 2025). Creators are increasingly central to the economy, now influencing over 30% of consumer purchase decisions. Influencers operate as informal market intermediaries, blending advertising with authenticity and peer-like relatability. Unlike traditional advertising, influencer marketing relies on trust, perceived similarity, and aspirational identification.

Urban youth, particularly Gen Z and Millennials, are the most responsive demographic to influencer content. Studies indicate that nearly 70% of urban young consumers have purchased a product after seeing it promoted by an influencer, even when they were previously unfamiliar with the brand (Deloitte, 2023). This positions influencers as powerful agents capable of reshaping consumption norms, including sustainability-oriented behaviours.

However, the influencer economy is structurally embedded within growth-driven market logic. Brand partnerships prioritise visibility, frequency, and novelty, often encouraging overconsumption. Even sustainability-themed content frequently centres on "eco-friendly hauls," premium green brands, or aesthetic minimalism, which may reproduce exclusionary and consumption-heavy models rather than genuinely circular practices. This contradiction complicates the assumption that influencer-led sustainability messaging naturally translates into reduced environmental footprints.

From Awareness to Action: The Behavioural Gap

One of the most persistent findings in sustainability research is the **attitude–behaviour gap**. Surveys in urban India consistently show high levels of environmental awareness. Over **80% of urban consumers report concern about climate change and pollution**, and more than **65% express positive attitudes toward sustainable products** (NielsenIQ,

2022). Yet, actual adoption of practices such as recycling, reuse, and reduced consumption remains limited.

Behavioural economics helps explain this gap. High upfront costs of sustainable goods, limited availability, information asymmetries, and trust deficits significantly constrain action. Consumers may support sustainability in principle but resist changes that involve financial trade-offs or lifestyle inconvenience. Influencer messaging often amplifies this gap by focusing on symbolic consumption, buying "green" products rather than behavioural shifts like consuming less, repairing goods, or extending product lifecycles.

Empirical studies show that l**ess than 25% of urban households consistently practice waste segregation,** despite widespread awareness campaigns (Mathur et al., 2024). Similarly, willingness-to-pay (WTP) studies indicate that while consumers claim readiness to pay a premium for sustainable products, the actual premium accepted rarely exceeds 5–10%, limiting market penetration (Sindhu P. M. et al., 2025).

Circular Economy and the Limits of Digital Narratives

The circular economy, emphasising reduce, reuse, recycle, and recover,y has gained traction in policy and corporate sustainability strategies. In India, circularity is increasingly promoted in sectors like fashion, packaging, and consumer goods, with influencers popularising thrift shopping, upcycling, and zero-waste lifestyles on platforms such as Instagram and YouTube.

However, the adoption of circular principles in everyday urban practices remains uneven. Influencer narratives often individualise responsibility, framing sustainability as a personal choice rather than systemic change, which risks depoliticising consumption and obscuring the role of production systems, supply chains, and regulations. Additionally, online circular practices tend to target niche, middle- and upper-class audiences, limiting inclusivity.

While exposure to sustainability content can increase environmental concern, it does not necessarily translate into sustained behaviours such as product repair or reduced purchasing (Gupta & Syed, 2022). Digital circularity thus risks becoming performative, reinforcing lifestyle branding rather than challenging consumption-intensive urban norms.

Gendered Dimensions of Urban Sustainability

Gender plays a critical but underexplored role in urban consumption and sustainability. Urban women are primary decision-makers in household consumption, particularly in areas such as food, clothing, and daily essentials. At the same time, women are disproportionately targeted by influencer marketing, especially in lifestyle, beauty, and fashion segments.

Despite this centrality, women remain underrepresented in sustainability research, especially in empirical studies examining consumption behaviour in developing economies. Existing literature often treats households as gender-neutral units, ignoring intra-household decision-making dynamics. This omission limits understanding of how sustainability practices are negotiated, resisted, or adopted within urban homes.

Studies indicate that women exhibit **higher environmental concern and ethical sensitivity** than men, yet face greater constraints in translating concern into action due to time poverty, budget limitations, and social expectations (Agarwal, 2018). Influencer content targeting women frequently reinforces consumption-heavy ideals of self-care and aesthetics, even when framed as "eco-conscious." This creates a paradox where women are positioned as both sustainability champions and primary consumers driving demand.

Institutional and Policy Gaps

Although India has committed to sustainability at national and international levels, implementation around sustainable consumption remains fragmented. Policies focus mainly on waste management and production, with little attention to consumer behaviour or digital intermediaries. Influencers, despite their economic and cultural influence, operate in a regulatory vacuum, enabling greenwashing. Urban consumers express scepticism toward online sustainability claims due to lack of verification and transparency. Additionally, gender considerations are largely absent in policy, overlooking women's unpaid labour, consumption roles, and digital engagement. Without gender-sensitive frameworks, sustainability efforts risk reinforcing inequalities rather than promoting inclusive transitions.

Policy Implications and the Way Forward

Bridging the gap between awareness and action requires moving beyond individualised narratives toward systemic interventions. Influencers can contribute effectively if integrated within credible institutional frameworks. Policy measures could include mandatory sustainability disclosure standards for influencer marketing, third-party verification of green claims, and incentives that prioritise low-consumption behaviours over product-centric promotion.

Gender-sensitive approaches are equally essential. Policies and research must recognise women not merely as consumers but as agents of change, whose constraints and capacities shape sustainability outcomes. Supporting women-led circular enterprises, amplifying diverse sustainability voices, and incorporating gender-disaggregated data into urban consumption research can strengthen evidence-based policymaking.

Finally, sustainability communication should shift from aspirational consumption to behavioural enablement. Influencers, brands, and institutions need to collaborate in normalising practices such as repair, reuse, and reduced consumption actions that challenge growth-oriented market logic while promoting long-term environmental resilience.

Conclusion

The influencer economy occupies a powerful yet ambivalent position in India's urban sustainability transition. While influencers have the potential to democratise sustainability narratives and popularise circular practices, their impact remains constrained by behavioural gaps, gendered inequalities, and weak institutional frameworks. High awareness has not translated into widespread action, underscoring the limits of digital influence in the absence of supportive policy and structural change.

Addressing urban sustainability in India requires recognising the interconnected roles of influencers, consumers, gender dynamics, and institutions. Only through integrated approaches that combine credible digital communication, gender-sensitive research, and robust policy frameworks can India move from symbolic sustainability to substantive circular consumption.

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BEYOND GB ROAD

An empirical analysis into the underground economy of sex work in the national capital territory

- *SNEHA SRIVASTAVA* -

Overview

In many nations across the world, prostitution, commonly known as sex work make up a sizable component of the underground economy. According to several independent estimates, India is home to around 3 million sex workers, generating roughly 3-4 million dollars annually within the informal economy. In the national region alone, tens of thousands of women are believed to be engaged in sex work, with concentrations in areas like the GB (Garstin Bastion) road. These figures are often guesstimates as precise figures remain unclear due to much of this sector being informal and criminalised, leading to scarce official government data. This article explores the study of prostitution as an underground economy, its socioeconomic perspectives, and its market structure. An underground economy is often defined as both legal activities hidden from the government record keepers, to avoid payment of taxes or compliance with regulations, and illegal activities such as drug dealing, gambling, etc. They are characterised by regular cash-based transactions, a lack of labour protections and minimal documentation of income.

The prostitution economy in India lies perfectly within the scope of the definition. In India, prostitution is not explicitly illegal, but the business surrounding it is. Running a brothel, solicitting and pimping are all punishable offences under the Immoral Traffic (Prevention) Act, 1956. Despite numerous regulatory constraints, sex work in india funtions parallel to the formal economy while remaining largely unrecognised in national accounts. It operates wholly outside state regulation, taxation and labour systems. Its transactions are cash only, incomes are undocumented and informal chains of supply spread throughout states under wrap

Understanding the market structure-

- **Decoding supply:**

The supply of the sector consists of independent workers, brothel-based workers and increasingly online-provided services. According to a study by the India Health Action Trust (IHAT), among Delhi's FSW or female sex workers, 67% of the population is home-based, 27% is street-based, and 7% of the population is brothel-based. About 23% of the population belongs to the Northwest district. The South district has the second biggest share, and the West district is in the third position. The supply chains providing these sex workers are illegal, multi-layered systems, involving pimps who are engaged in transporting and delivering women and girls often via trafficking, fraudulent job opportunities, or debt bondage. These pimps earn between 1.25 to 20 lakh rupees per month, with individual girls being sold for thousands to lakh rupees. The chain also involves **support services**, such as accommodation providers, transport operators, security personnel, and sometimes moneylenders who finance relocation or living expenses. In digitally mediated segments, online platforms or messaging services act as connectors between workers and clients.

	Agriculture Labour		Daily Wages		House Maids		Tailoring		Vegetable business		Petty business		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Brothel 1	26	35	34	45	8	10	2	2.67	2	3	3	4.33	75	100
Brothel 2	24	32.00	36	48.00	10	13.33	1	1.33	1	1.34	3	4.00	75	100
Brothel 3	22	29.33	40	53.33	8	10.67	2	2.67	2	2.67	1	1.33	75	100
Brothel 4	28	37.33	33	44.00	9	12.00	1	1.33	2	2.67	2	2.67	75	100

G.B. Road, Delhi: Source of Income of Family at the Place of Origin

The above image is referenced from A Study of Women Trafficking in the Metropolitan City of Delhi by Kalinga University, which reveals the arious economic strata from which sex workers originate. As observed, many of these women come from poor, low socioeconomic backgrounds.

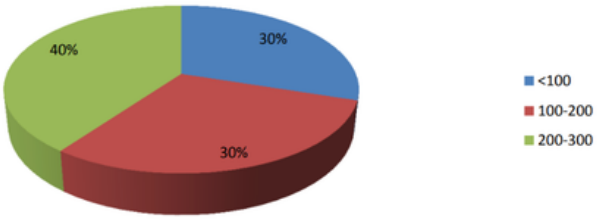
- **Driving Demand:**

The demand is created by every section of society, including rickshaw pullers, street dwellers, low-wage workers, students, office employees, etc. Most customers arrive at night, starting between 9 p.m. and 4 a.m., and in the morning, while demand is lower during the day. Based on estimates, G.B. Road in Delhi sees a daily client load of 8000 to 10,000 customers, with 40 per cent of their clients being drug users, and over 600 injecting drug users according to UNODC.

The socio-economic profile of clients shows that 61% were currently married, 67% reported having a steady sexual partner, and 59% were cohabiting with a sexual partner at the time of the study. The median age of the men is reported as 29 years. Overall, 72% clients were educated up to secondary level or above, and nearly half of all the clients (47.5%) were labourers.

- **Income generation:**

The charges per client vary from Rs. 100-300 per client. The monthly income of a young sex worker lies between Rs. 10,000 - 15,000 per month, while an old professional can earn Rs. 6,000 – Rs. 10,000 per month.



Societal perspectives -

Sex work, despite being one of the oldest professions in the world, is often faced with harsh stigmatisation and marginalisation. An income source for thousands of women is viewed through a moralistic and criminalistic lens rather than a form of economic survival. This stigmatisation has perpetuated limited legal protection, financial isolation and social insecurity. Most of the women engaged in sex work would earn more in other informal sectors but seldom face barriers due to social and legal stigma. These 'red-light' areas are hubs of economic activitybehind closed doors and income generators for women from lower socio-economic backgrounds.

Conclusion-

Behind the closed doors of GB Road and beyond, the underground economy of sex work is not just about transactions—it is about survival, resilience, and silent endurance of women. Its high time to change the perspectives through which we view these women and through which our laws related to sex workers are formed. The ugly truth remains that the demand for sexual services is growing at a rapid rate, and its stigmatisation only leads to compelling sex workers to remain underground, fostering a culture of exploitation. Brothels should be formally recognised as workplaces subject to clear and regulated legal frameworks. Greater collaboration between NGOs and government authorities is essential to ensure lawful oversight of the sector, while safeguarding workers' rights and upholding the dignity, safety, and well-being of women involved.

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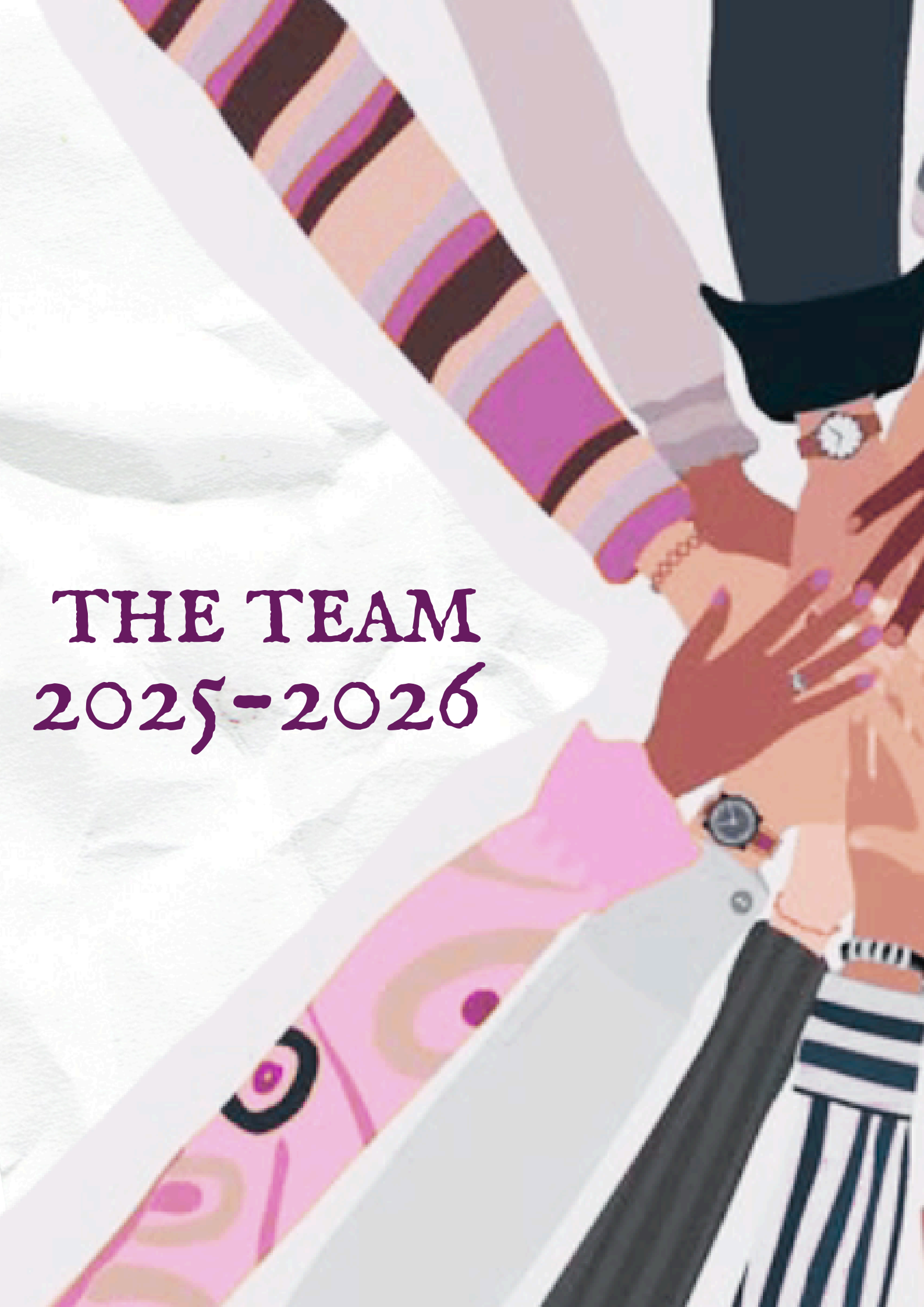

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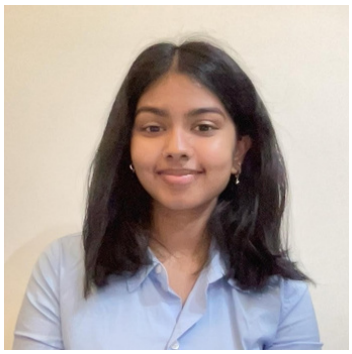

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