



Noble intentions

The UN must ensure that the Taliban uphold human rights and give up terror tactics.

UNSC Resolution 2593

- 1. As India ended its month-long presidency of the UN Security Council this week, the Government claimed a victory of sorts for chairing a session that resulted in the adoption of UNSC Resolution 2593, condemning terrorism and urging the Taliban to ensure human rights in Afghanistan.*
- 2. The Government has said that the resolution — sponsored by the U.S., the U.K. and France — addressed key Indian concerns, calling for the Taliban to ensure safe evacuations of Afghans wishing to leave and not allowing Afghan soil to be used for terrorist activity.*
- 3. The passage of the resolution was timely, practically coinciding with the exit of the last U.S. troops from Kabul, and the Taliban's declaration of complete victory.*
- 4. It also followed on three discussions held under India's chairmanship that have set out the expectations from the new regime in Afghanistan: the importance of upholding rights; to push for an inclusive, negotiated political settlement for government and condemning all acts of terror, including the recent attack on Kabul airport; preventing any future attacks, and combating of the presence of UN-designated entities.*
- 5. However, the resolution did not contain any consequential language that would give the UNSC's stated intentions any real teeth and appears to accept the Taliban regime as the default force in Afghanistan.*

Divide in the P-5 nations

- 1. It is disappointing that the India-chaired resolution does not contain language that would hold the new regime more accountable.*
- 2. The watered-down language was probably on account of severe opposition from Russia and China, who later decided to abstain. This divide in the P-5 nations will only prove to be counterproductive if the UNSC wants to remain "seized" of the situation, as the resolution affirms.*



3. It is hoped that the UN system acknowledges the powerful leverage it has in Afghanistan's future and actualises all mechanisms in its mandate to monitor the progress of government formation.
4. A major tool is the India-chaired 1988 (Taliban) Sanctions Committee, due to meet soon, which needs to ensure that no designated leader of the Taliban and their associates are given recourse to funds, arms or travel permission unless they show a commitment to international principles.
5. As a concerned neighbour of Afghanistan, one that could be drastically affected by an uptick in terrorism there, and a believer in the UN-led multilateral order, India still has a role in Afghan's future. While it has decided to embark on talks with the Taliban in Doha, it must continue to play that role on the world stage.

How to unleash the entrepreneurial power of 1.3 billion Indians

Regulatory simplicity allowed Indian industries built on minds — software services and start-up ecosystem — to flourish. There's a lesson here for the rest of the economy.

The software industry in India:

1. Our software industry is an oasis of high productivity — 0.8 per cent of India's workers generate 8 per cent of GDP. The mandatory global digital literacy programme and digital investment super-cycle sparked by Covid in education, medicine, shopping, office work, payments, restaurants, and entertainment will double our software employment in five years.
2. Consequently, India will have the switching costs in software that China has in manufacturing. But there is another delightful consequence of our software industry's talent, alumni, and global engagement — 50,000 tech startups that have raised over \$90 billion since 2014 from 500+ institutional investors.
3. India's software services industry and tech startups are each estimated to be worth about \$400 billion today. By 2025, we expect India's startup universe value to grow to \$1 trillion.



Divergence in the manufacturing and software industry:

1. The divergent destiny of India's software and manufacturing exports has many reasons but one is the different regulatory thought worlds of the Software Technology Parks India rules of 1991 (STPI) and the Special Economic Zones Act of 2005 (SEZ).
2. STPI's genius was simplicity. It allowed rebadging existing assets, embraced trust over suspicion, and adopted self-reporting that was largely paperless, presence less, and cashless.
3. SEZs largely replicated the regulatory cholesterol and distrust that has made India an infertile habitat for employment-intensive industries.
4. A single factor can't explain divergent STPI vs SEZ outcomes but regulatory cholesterol is surely one of the reasons why it took 72 years for 1.3 billion Indians to cross the total GDP of 66 million Britishers.
5. Covid reminds us that raising our per-capita GDP (138th world ranking) matters more than raising our total GDP (5th world ranking).
6. Raising per-capita needs high productivity manufacturing and domestic services firms that disrupt our low-level equilibrium of labour handicapped without capital and capital handicapped without labour.

Managing the transition:

1. This article's title comes from the remarkable Kenyan, Eliud Kipchoge, who suggests that the first half of a marathon is run on your legs and the second half on your mind.
2. His insight captures the middle-income trap or developing country stagnation that comes from failing to transition from more inputs of land, labour and capital to the fourth factor of production; imagination, technology, and entrepreneurship.
3. India's industries built on minds — our software services and startup ecosystem have exploded India's global soft power by reaching revenue and valuation possibilities that felt unimaginable — have curiously come before physical infrastructure, farm employment reduction, and higher women's labour force participation.
4. Massifying our prosperity needs massive formal, non-farm job creation. Creating the productive firms that will offer these jobs to our young needs replicating the regulatory trust and simplicity that our technology industry enjoys in the rest of our economy.