



THEIR VIEW

MINT CURATOR

Political outcomes aren't likely to impact the economy too much

Global economic trends are likely to be driven by AI and tech innovations for climate action, not prevailing uncertainties



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With 2024 around the corner, it is a good time to take stock of the prevailing political uncertainties around the world and their possible economic consequences. It is a vast subject.

In this short column, I will touch on only a few key political fault-lines and share some speculations on their possible economic consequences.

The war in Gaza is today's leading political fault-line. The brutality of the Hamas-led attack of 7 October now pales into insignificance compared to the genocidal Israeli response. With over 21,000 persons already dead, half of them children, and 50,000 injured, the unspeakable human tragedy in Gaza continues relentlessly. With virtually no sanitation and supplies of food, water and fuel reduced to a trickle by the Israeli blockade, starvation and disease could eventually kill more people than the bombing.

But geopolitics is a remarkably cynical space. The US could pull the plug and stop the war in no time, but it won't. Despite civil society protests around the world, no government will intervene to stop the war unless its vital interests are affected. Even Iran is holding back, its goal of upending the Abraham Accords before Saudi Arabia signed on having already been achieved, at least for now. But there is a grave risk that the involvement of Iran's allies, especially the disruption of Red Sea flows of oil and other commodities, could lead to a widening conflict with significant global economic consequences. In particular, the prices of oil and gas could spike and the world could be hit by another hydrocarbon price shock.

The second major fault-line is the war in Ukraine and the Nato-Russia confrontation. Markets have long factored in supply disruptions experienced during the first year of this war. Hostilities have since ground to a stalemate. There is increasing fatigue with aid to Ukraine both in Europe and the US. The Kremlin has indicated its willingness to consider a ceasefire on terms favourable to itself. Ukraine's leader Zelensky could also be persuaded to cut his losses by accepting such a ceasefire. Its longer-term impact on the Nato-Russia confrontation remains unclear. But the economic outcome is less uncertain. If the war ended and sanctions against Russia were lifted, there would be some re-direction of oil and other commodity flows, growth could recover in Russia, and Ukraine would be launched on a path to restoration and recovery. The net impact on global growth and inflation would be beneficial but modest.

The third major fault-line is the US-China rivalry for global hegemony. The wide-ranging Deng-era reforms led to China's unprecedented double-digit growth for over two decades, making it the world's second largest economy. Hubris set in as it increas-



ingly appeared that China would overtake the US economy. The quiet rise of China under Deng Xiaoping gave way to a pugnacious approach to foreign policy, trade and technology under Xi Jinping. But after the covid shock, China's growth has declined dramatically. Its 5.4% projected growth for 2023 is likely to decline to 4.6% in 2024 and further to about 3.5% over the medium term. It is no longer clear that China will overtake the US. Against this background, there is an evident softening of China's aggressive stance in different fora, especially *vis-à-vis* the US. How this will play out will depend also on the US response. Meanwhile, slowing growth in China will continue to have a moderating effect on global growth.

In all three fault-lines discussed above, the US is the common factor. The US elections in 2024 could thus have a major impact on the global geopolitical outlook. If Donald Trump is allowed to run, opinion polls suggest he would win. On Gaza and the Middle East, Trump is even more pro-Israel and anti-Iran than Biden, so we will see more of the same. But on the Ukraine war and the Nato-Russia confrontation, Trump would not only withdraw support to Ukraine, but also get tough on the Nato allies, whom he considers free-riders, while easing tensions with Russia. On China and protectionism in general,

there is a continuity of policies between the Trump and Biden administrations, which is likely to be sustained. With or without Trump, the prevailing political fault-lines are unlikely to have a major impact on the global economic outlook, unless there is a widening and major escalation of the Gaza war. However, none of the parties concerned is seeking to move in that direction. So, a Middle East crisis driven oil shock is a possibility but not a very high probability.

Trump also differs strongly with Biden on climate change. He is likely to withdraw from the annual CoP meetings. However, this may not matter too much. There has been little progress in CoP meetings. Meanwhile, private investment has finally recognized huge opportunities in climate mitigation and it is gathering momentum. The private sector will increasingly drive the war against climate change in pursuit of profits. Much the same

can be said about AI-based innovations, again mostly driven by the private sector. Governments can at best hope to regulate these innovations to minimize the risk of malign impacts and loss of jobs. Thus, global economic trends in 2024 and beyond are likely to be driven by technological innovations on climate change and AI, rather than by the prevailing geopolitical uncertainties.

These are the author's personal views

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The Gaza and Ukraine Wars plus US-China geopolitical rivalry account for three major global fault-lines that could be affected by a Trump victory over Biden in America's presidential election.

Trump's stance on Nato makes the Ukraine front susceptible to a US policy shift and its climate approach may also change but the broad geopolitical scenario seems likely to stay the same.

Dry January too daunting? A damp one is also worthwhile

Even reducing alcohol intake could make a real health difference



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Cannabis isn't an alcohol substitute even if its marketers speak of 'Cannuary'

It's the end of December and my inbox is flooded with pitches for mocktails, apps and lifestyle gurus ready to help you sober up after the holiday excess. So-called 'Dry January,' initially just a public health campaign, is now as fully commercial as Christmas and New Year's Eve (in the US). But according to data from Morning Consult, fewer people in the US participated in Dry January in 2023. Older generations show the least interest. That's a shame, because the health benefits of consuming less alcohol couldn't be clearer.

Maybe one way to get more on board would be to extol moderation rather than abstinence. For some, a dry-as-the-desert January can be daunting—maybe you don't want to forgo the celebratory glass of champagne for a birthday or anniversary, or skip the fancy cocktail at a restaurant you've been waiting months to try. If you'll cave once or twice, why bother at all?

But there are still health benefits to a 'damp' January: pare back rather than abstain. Even a moderate month can offer one of the biggest benefits of Dry January: reflecting on one's relationship with alcohol. That means noticing why you have the impulse to grab a drink—for example, how often is it a response to stress? Does it feel daunting to mingle at a party without a glass of wine? Is one nightly drink turning into two or three?

Whether dry or damp, January can also be a chance to take inventory of how your body feels on less booze. If your sleep improves, your mind is clearer in the morning, or you don't find yourself reaching for pills as often, your body might be telling you to consider more than just a month of moderation.

That's a message worth listening to, especially for women, who are catching up with men when it comes to alcohol use disorder—a trend that is especially worrisome since women are more vulnerable to the worst health effects of drinking.

But even a damp January requires a plan, says George Koob, director of the National Institute on Alcohol Abuse and Alcoholism. "You can't waffle-waffle and get chaotic about it." To avoid waffling and waffling, Koob shares a few principles of self-regulation: monitoring, strength and standards. Set a goal for how often you plan to abstain (standards), have the internal fortitude to stay the course (strength), and keep track of your progress (monitoring).

Monitoring is as simple as noting down how many drinks you've had. If you're someone who thrives on closing all the rings on your Apple Watch or seeing a

badge appear on Strava, an app might provide the right kind of motivation. In theory, these apps can also help with the 'strength' side of staying the course by offering reminders and tips like mocktail recipes or strategies for socializing without liquid courage. Try Dry, a free app from Alcohol Change UK, a charity that helped to popularize Dry January over a decade ago, will also tally up your weekly savings from forgoing booze.

One thing to leave off your plan for a more sober month: THC. Companies making cannabis-infused drinks are eager to step in to fill the glasses left empty during Dry January. One firm, Cann, is going so far as to try to rebrand the month as 'Cannuary,' and in an email pitch said transactions tripled in January and February of 2023 during its campaign to convert alcohol drinkers to marijuana users.

When I asked Koob if these companies were offering a reasonable substitute during Dry January, his answer was immediate and emphatic: No. "In a sense, you're self-medicating if you have to substitute one psychotropic substance for another," he says. And while cannabis companies like to argue that THC is much safer than other social lubricants, that does not mean it's benign; rather, its effects on the body are much different (and less comprehensively studied) than alcohol.

As Nora Volkow, director of the National Institute on Drug Abuse, part of the National Institutes of Health, told *Bloomberg* earlier this year, "both are associated with harms and both can lead to addiction." It would be a mistake to turn Dry January into High January. That's an especially important message for younger generations. Surveys show Gen Z and millennials are increasingly interested in taking a more moderate approach to alcohol, but are also clearly the target audience for these cannabis companies.

Whether your January is bone-dry or moderately damp, it's well worth the effort. If done right, the benefits of taking a break can linger well past the marketing schtick of a sober month. One study in the UK showed that people who took a January break continue to be more balanced in their drinking six months later. That's an outcome that can make a real difference in our health.

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MY VIEW | PEN DRIVE

Aim for clarity: In defence of a work-life imbalance

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The global mind industry's most popular spurious advice is that we must maintain a 'work-life balance.' This view is popular because it has the word 'balance' in it. People tend to believe that anything that seeks balance must be wise, healthy and correct. But from what I have seen, the best way to live is to have a singular preoccupation and bet most of one's life on pursuing it.

There is a perception that people who spend a great deal of their time on their calling or material ambitions eventually pay a price. They triumph at work but lose in 'life.' This moral is so ingrained in us that even as a child, I could deduce its meaning from improbable signs. For instance, when a Malayalam film showed a woman in sleeveless blouse, I instantly knew she was most likely a 'career woman' who also had sleeping pills because she was unhappy. That was far from the truth even then, but we didn't know that.

The fact is that people who dedicate a lot of time to material or artistic pursuits are doing just fine. And those who spend all their time on 'family life,' too, are fine, especially if they do not try to elevate some pastime into a profession. In fact, the most confused people are those who divide their time equally in a Solomonic way between 'work' and 'life,' trying to attain an illusory balance and enjoying neither.

Generally, balance is an ideal that is not meant to be achieved. Rather, it is to be used as a guiding moral that can pull you away from excess. That is why people like the word 'balance.' It makes a lot of sense in many aspects of life, like exercise and food. And that is how the world has been trained to think of the 'work-life balance.' But it is bad advice. We must instead strive for a work-life imbalance. We must focus intensely on what we want or what we are good at, and merely survive in the other important aspects of life. People who have a calling must work long hours without feeling like delinquents as long as they are not foolish enough to ruin their health; and people who do not have ambitions should stop simulating ambition and wasting too much time on the misery of work.

I do not say that we must pursue only what is most important to us. Actually, there is no hierarchy within our work, love and family lives, or any other aspect of life that I may have missed. Working alone won't do; nesting alone won't do. All I say is balance is nonsense. Imbalance alone can take us where we want to go.

There are some public figures who appear to have a 'work-life balance.' But I think they are simply married to people who support or tolerate their imbalance, which is a very special form of luck for those who know what they want to do with their lives.

I know people who are not so lucky. I know writers who lost their marriages because they would walk around their homes for months in the trance of the stories they were writing, unaware of their sulking spouse.

What do wellness savants mean, in the first place, by 'work' and 'life.' By 'work' they mean a

material pursuit, and by 'life' they mean everything else like love, family or marriage. It is the same sort of savants who say stuff like, "Marriage is hard work." Any substantive relationship, to them, is "hard work." People are hard work. So, in a way, what they are goading people to achieve is a balance between 'work' and 'hard work.'

I am not being facetious here. I fully accept that one way or another, most of life is work; it becomes work. Anything that requires more than four hours of your day is work, especially people.

I only say that to be very good at one thing, we need to be mediocre in other things. To strive for balance is an invitation to be mediocre in everything.

A few weeks ago, Indian billionaire N.R. Narayana Murthy said that India's young should work "70 hours" a week to make India a better place. I am assuming he meant a five-day-week. People erupted in

disdain. I did wonder what the fuss was all about because when you are in the throes of a professional passion, ten hours a day is hardly 'work.' But he was referring to the average youth, the clerk who works because he needs a salary. This is the constituency that is the most receptive to calls for a 'work-life balance.' They have no calling, no pursuit, only a need for income. They probably hate their jobs. To them, everything that is not work is 'life.' Why wouldn't they seek a 'balance'? In advanced economies, people like them are choosing a 'balance' that may not be a balance at all.

A few years ago, Ratan Tata lamented the work culture in Britain: "I feel if you have come from Bombay to have a meeting and the meeting goes till 6pm, I would expect that you won't at 5 o'clock say, 'Sorry, I have my train to catch. I have to go home.' Friday from 3.30pm you can't find anybody in their office (in London)."

This is how things look when the 'work-life' imbalance swings the other way, towards 'life.' That is where the West is headed: People with a calling spend all their time at work, and the others won't "go the extra mile," in the words of Tata. They have, he observed, "a work ethics issue."

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Going for a 'work-life balance' is bad advice. We must instead focus intensely on what we want or what we are good at and merely survive in the other important aspects of life.

The constituency that appears the most receptive to calls for a such a 'balance' is of employees who seem to have neither a calling nor pursuit but need a regular income.