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Perils of selective political reporting: the case of Tamil Nadu's finances

The rising prominence of social media warrants a closer look at the shifts in political reporting. An example is Union Minister Piyush Goyal's recent claim on Tamil Nadu's debt burden, which highlights the limits of citing debt without accounting for other factors

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Pamela Philipose, in her insightful book 'Media's Shifting Terrain', documented how a new mediation of ideas by the middle class, especially through social media, had unleashed a "politics of anti-politics" and its major attendant: the "perception among the urban middle class that those in power cannot, or will no longer, address the multiple crises of everyday life". Her meticulous documentation, beginning with the emergence of the 'India Against Corruption' movement and leading up to Narendra Modi coming to power in 2014, helps us understand the hollowing out of political content and its substitution with rhetoric such as angst against corruption.

In the period before the advent of apolitical politics, mediated through a weaponised social media, the world was adding nuances to the understanding and practice of various development models and indexes for the betterment of humanity. For instance, policy makers, realising the dangers of understanding poverty only in terms of money, moved to measuring it through a fuller multi-dimensional poverty index.

The ongoing elections for Kerala, Tamil Nadu and West Bengal show how the narrative has changed from the political realm to a magic nostalgic potion. Litterateur Milan Kundera called this syndrome "the suffering caused by an unappeased yearning to return."

There are numerous recent examples to explain what we are losing because of the grip of nostalgia and the narrow definition of nationalism. In the last century, Rabindranath Tagore blew the cautionary whistle, but we did not heed to it. While the instances from Kerala and West Bengal are equally instructive, I have decided to stick to Tamil Nadu due to the paucity of space.

Coverage of election manifestoes

When social media made its initial appearance, it was lauded as a platform for citizen's journalism. But, instead of standing for a plurality of voices, social media has become a fulcrum for the proliferation of uncritical supremacist rants. Let us look at the coverage of the manifestoes of political parties, by both legacy media and social media.

Fiscal profile

The revenue composition of Tamil Nadu, divided between receipts from its own sources vis-à-vis Union transfers and grants, alongside its Gross State Domestic Product

Table1: Union Transfers to Tamil Nadu in ₹ crore and as Ratio of GSDP

Items	2021-22	2022-23	2023-24	2024-25	2025-26*	2026-27**	CAGR
(A) Own Revenue (1+2)	1,34,983	1,67,284	1,93,182	2,13,828	2,32,806	2,57,283	13.8
(1) Tax Revenue	1,22,866	1,50,223	1,67,278	1,80,225	2,06,540	2,29,579	13.3
(2) Non-Tax Revenue	12,117	17,061	25,904	33,603	26,265	27,704	18.0
(B) Union Transfers (1+2)	72,510	76,465	71,414	69,001	76,892	87,292	3.8
(1) Tax Share	37,459	38,731	46,072	52,492	56,819	62,531	10.8
(2) Grants	35,051	37,734	25,342	16,509	20,073	24,762	-6.7
(C) Revenue Receipts (A+B)	2,07,492	2,43,749	2,64,597	2,82,829	3,09,698	3,44,575	10.7
GSDP at Current Prices	20,72,496	23,72,469	26,88,963	31,18,590	35,29,052	40,67,312	14.4
As ratio of GSDP							
(A) Own Revenue (1+2)	6.51	7.05	7.18	6.86	6.60	6.33	-
(1) Tax Revenue	5.93	6.33	6.22	5.78	5.85	5.64	-
(2) Non-Tax Revenue	0.58	0.72	0.96	1.08	0.74	0.68	-
(B) Union Transfers (1+2)	3.50	3.22	2.66	2.21	2.18	2.15	-
(1) Tax Share	1.81	1.63	1.71	1.68	1.61	1.54	-
(2) Grants	1.69	1.59	0.94	0.53	0.57	0.61	-
(C) Revenue Receipts (A+B)	10.01	10.27	9.84	9.07	8.78	8.47	-

Source: Tamil Nadu Budget Documents. *RE, **BE

What we read or listen to, what we see or hear is only about welfare promises. What we can then infer is that the ruling DMK has promised an ₹8,000 coupon to all "non-Income Tax paying" homemakers to buy any electronic home appliances of their choice. The AIADMK has made a slew of promises to women, such as free refrigerators, LPG cylinders, and ₹2,000 monthly assistance. This is information without context.

The DMK's manifesto has 50 distinct chapters, where the first three chapters lay out the political content, its ideological roots, and the party's historical trajectory. They are: State Rights, Social Justice, and Art and Culture. The last five chapters are: Ease of Administration, Public Distribution, Fiscal Management, Special Focus Area Development Plan and Special Industrial Development Plan. And what is sandwiched between the opening and the concluding chapters is an interlocking public that combines experience and future goals and creates a roadmap. A

decade ago, this manifesto would have produced at least four analytical articles.

The lack of political content is not restricted to the coverage on election manifestoes. Political reporting resembles blood thirsty gladiatorial combats. They hardly inform. Political claims are expected to have an empirical basis, and journalists and the public are expected to verify the stated facts. In the name of neutrality, we cannot conflate half-truths and lies as legitimate arguments. It may satisfy a vacuous notion of neutrality, but it is certainly not fair.

On Tamil Nadu's financial condition

The best example of this reductionist neutral space is what was recently given to the Union Minister, Piyush Goyal. While campaigning, he asserted that Tamil Nadu's debt has mounted to a historic high. He pointed to over ₹80,000 crore in GST compensation sent by the Centre and asked: where has all the State's money gone? Why is its treasury empty? A cursory discussion with

policymakers and economic advisors would have provided answers that would have put the Union Government in the dock. It was left to the Chief Minister to explain what was happening in the State.

Chief Minister M.K. Stalin said: "Every penny goes to the people. Where do the taxes paid by Tamil Nadu's citizens to the Union government actually go? If the State had received the same allocation as BJP-ruled northern States, its debt would be cleared." This is not political sparring. At its kernel lies the skewed fiscal federal arrangement of India.

Economists point out a basic flaw in citing debt in absolute rupees: it is meaningless without comparing it to the size of the State's economy. Tamil Nadu's Gross State Domestic Product (GSDP) - the total value of goods and services it produces - has also nearly doubled, from roughly ₹20 lakh crore to over ₹40 lakh crore. They also point out how Tamil Nadu is well within the Fiscal Responsibility and Budget Management (FRBM) framework that which sets legally binding limits on borrowing. They use historical data to point out how Tamil Nadu is at a receiving end despite being a large contributor, of about 9%, to India's economy. Over the last five decades, Tamil Nadu's share of Union tax devolution has fallen to around 4%.

They also draw attention to the accelerated growth the State witnessed over the last five years. The State's own revenues - the taxes and non-tax earnings it collects - have grown at an impressive 14% annually. Non-tax revenue has grown even faster, at 18%. Mr. Goyal is conspicuously silent about the falling transfers from the Union: total transfers from the Centre have grown at less than 4% annually - far slower than the State's own efforts. Tax devolution, at just under 11%, lags the State's own tax collection growth. In the area of Grants, the data reveals a vindictive attitude. It has contracted by nearly 7% per year over the period. As a share of GSDP, total Union transfers have fallen from 3.5% to just over 2% - a reduction of more than one-third. Grants alone have collapsed from nearly 1.7% of GSDP to barely 0.6%, a decline of almost two-thirds. Hence it is clear that for Tamil Nadu's debt is not the problem - shrinking Union transfers are. (A.S. Panneerselvan is the Director General of Chennai Institute of Journalism.)