29-X NEWS EDITORIAL

A Needed Reminder on Constitutional Patience and Executive Responsibility

India's equity markets are experiencing a watershed moment. In October 2025, the number of live demat accounts across NSDL and CDSL crossed the unprecedented 21-crore mark — a figure that would have sounded unrealistic even five years ago. This milestone reflects a dramatic surge in retail investor participation, driven largely by an extraordinary run of IPOs, bullish sentiment, and the growing perception that the stock market is the fastest route to wealth creation.The month alone saw over 30 lakh new demat accounts, a 22% jump over September, underscoring the scale of retail enthusiasm. Yet, beneath this celebratory headline lies a more complex story about financial behaviour, market maturity, and the sustainability of this wave.The ongoing IPO frenzy has undoubtedly been a key catalyst. Big-ticket listings like Tata Capital's ₹15,511-crore issue, LG Electronics India's ₹11,600-crore IPO, WeWork India's ₹3,000-crore offer, and Canara HSBC Life Insurance's ₹2,517-crore debut have dominated market news. The sheer size and brand power of these companies have pulled first-time investors into the market, many lured by stories of instant listing gains. The "fear of missing out" has transformed into a national mood.This surge, however, raises an important question: Are we mistaking account openings for genuine financial empowerment?A closer look at broker data suggests otherwise. Despite the explosive growth in registrations, top brokers collectively lost about 57,000 active clients in October. This signals a troubling trend — while new investors are entering the system, an equally large group is exiting or turning dormant. High demat figures alone can therefore create an illusion of participation, masking the fact that active, informed, and consistent investing remains limited.There is also the risk of speculative frenzy. Retail investors, often driven by hype rather than fundamentals, tend to flock to markets during peak optimism. India witnessed this dynamic in 2020–21, when a pandemic-fuelled liquidity wave pushed millions into trading apps. Many later exited after sharp corrections. The current IPO rush, though supported by stronger macroeconomic conditions, still shows shades of the same behavioural cycle.This is not to dismiss the positive story altogether. A 21-crore demat universe represents a growing financialization of savings, a deepening capital market, and the democratization of wealth creation tools. It indicates rising trust in formal financial systems over traditional havens such as gold or real estate. For India's long-term growth aspirations, a robust retail investor base is nothing short of foundational.But true market maturity requires more than numbers. It demands investor education, long-term thinking, and regulatory vigilance during euphoric phases. SEBI's recent push for disclosure reforms, risk profiling, and curbs on dubious influencers is necessary, but not sufficient. What India needs is a cultural shift — from speculation to informed investing, from chasing IPO pops to focusing on fundamentals.The crossing of 21 crore demat accounts is historic. But whether it becomes a stepping stone toward a healthier investing ecosystem or a cautionary tale of exuberance will depend on what we choose to do next.

Paradigm matters

The Bihar verdict is unlikely to exert any direct or lasting influence on Bengal. The election offers revealing templates to both the ruling Trinamool Congress as well as for the BJP

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"The river Ganga flows to Bengal through Bihar — and just as its waters move eastward, our victory in Bihar has now opened the path to victory in Bengal," declared Narendra Modi while celebrating the National Democratic Alliance's sweeping win. But what, if anything, does the outcome in Bihar actually reveal about how the coming battle in Bengal might unfold?

Each state's electoral dynamics are different. The Bihar verdict is unlikely to exert any direct or lasting influence on Bengal. Yet the question can be approached from another angle. The Bihar election offers revealing templates to both the ruling Trinamool Congress as well as for the Bharatiya Janata Party, the main Opposition party in Bengal. For Mamata Banerjee, it provides a template to ensure how a long-reigning provincial supremo with a middling governance record — and presiding over a personalistic, corruption-ridden party machinery — can retain power. Contrastingly, for the BJP in Bengal, the Bihar template is about how not to fight such an incumbent. The lesson is that it is hard to defeat an entrenched populist boosted by short-term welfare transfers by simply fighting on the electoral terrain of competitive populism. The challenge, instead, ought to be mounted on the political terrain of popular sovereignty.

There are two ways of analysing any election. One is to focus on the impact of short-term factors. These include ticket distribution, alliance-making strategy, performance of government schemes and so on. The other is to examine how the slow-moving tectonic plates of politics intersect in a way that produces political earthquakes separated by long periods of relative stasis. It is these political earthquakes that inaugurate a paradigm of politics, which then defines the pattern of political competition for the next few decades (think 1977 and 2011 for Bengal, or 1990 and 2005 for Bihar).

In this respect, this Bihar election was most certainly a paradigm-reinforcing election. There is nothing unprecedented about the scale of the NDA's victory. In fact, the outcome closely mirrors the 2010 verdict. That year, the Janata Dal (United)-BJP alliance won 206 of 243 seats — four more than this time — while the Rashtriya Janata Dal was reduced to 22 seats, three fewer than now. The underlying gap between the NDA's social coalition and that of the RJD remains equally wide. The combined vote-share of the BJP and the JD(U) then, as now, hovered around 40% (with the Lok Janshakti Party aligned with the RJD in 2010). The RJD had secured a little over 18% of the vote then, about five points lower than this time, a gap which can be largely accounted for by the present bipolarity.

Together, the parties largely stand where they stood 15 years ago. Despite the intervening twists and turns, the relative positions of Bihar's political actors remain subject to an underlying political paradigm, which has stayed remarkably stable.

In contrast, the challenge for the BJP in Bengal is to bring about a political earthquake. By this we mean a paradigm-shifting election in the mould of 1977 and 2011. To extend Modi's river metaphor, the BJP cannot rely on the slow, predictable flow of the Ganges but a political deluge — a flood capable of bursting through every institutional barrier that secures the rule of the TMC. That is an enormously difficult challenge.

By definition, the tantra (system/administrative machinery) of a lok-tantra is designed to be paradigm-reinforcing. It stabilises the ruling order by amplifying the organisational power of the incumbent, reproducing its social coalition and legitimising its narrative. This was as true under the old Congress raj in Bihar as it is under Nitish raj. The blatant misuse of para-State functionaries like the army of jeevika didis to mobilise the women's vote in favour of Nitish, or the routing of eve-of-election cash transfers to key floating groups, such as the women and the poor, to reinforce Nitish's welfarist brand has been extensively documented.

To overwhelm such an entrenched tantra, the Opposition must displace the incumbent's specific mythic claim to represent the 'lok'. As Carl Schmitt observed nearly a century ago, there is a fundamental paradox at the heart of 'government by and for the people': the people are not a single, unified, empirical entity but a mythic construct. No State is literally ruled by 'the people'. Instead, democracies create a competitive arena in which parties and coalitions struggle to represent this imagined collective will. Each political formation advances its own claim to embody the sovereign people (lok) through a particular mythic symbol or narrative. Those that succeed in legitimising their claim through the popular vote then gain authority over the tantra.

Dominant parties do not fall simply because the Opposition assembles a wider political coalition or exposes their failures on a number of fronts. They collapse when an alternative formation exposes the widening gap between the regime's claim to embody the lok and the actual functioning of the tantra. This rupture is typically produced through popular struggles that make visible the exclusions of specific groups from the political order. Once these exclusions become widely acknowledged, the ruling narrative loses its moral authority, creating the conditions for a genuine paradigm shift.

Recall how the Left Front's 2006 landslide win masked deep grievances — unemployment, agrarian distress, party-bureaucratic ossification — that only became politically decisive in the next election. What kept the Left Front afloat was the absence of an Opposition which could convert this diffused discontent into a structured confrontation between the subaltern lok and the party-administrative tantra.

Mamata Banerjee became precisely that political catalyst between the 2006 and the 2011 elections. She was able to politically channelise a series of localised popular protests — Singur, Nandigram and Lalgarh — into a sweeping indictment of 'cadre raj'. In doing so, she skilfully reclaimed the mythic figure of the peasant on whose struggles the Communist Party of India (Marxist) had first risen to power. Finally, in the 2011 election, the TMC harnessed the emotional and the political energy generated by the Singur-Nandigram struggles through the slogan, 'Maa, Maati, Manush', using it to articulate a new vision of popular sovereignty, one that ultimately supplanted the Left Front's decades-old claim to represent the Bengali lok.

In contrast, the RJD campaign remained confined to competitive populist promises of jobs and cash transfers. There was no attempt by the party to transform episodic youth protests over Agniveer or paper leaks into a sustained movement against systemic exclusion. Between the elections, the party limited its engagement to symbolic gestures — press statements, sporadic marches, and reactive posturing. No attempt was made to construct such a lok-tantra frontier through sustained party intervention on the issues of prohibition excesses, recurrent flooding, and chronic infrastructure failures.

The BJP might have decisively lost the Bengal election in 2021 but its political challenge has remained precisely on this terrain of popular sovereignty. The sangh parivar machinery has continued to mobilise scattered caste and community grievances into a coherent, state-wide narrative of Hindu exclusion.

As Ayan Guha has shown, in contrast to the sporadic attempts of the TMC to mobilise subaltern communities, the BJP's model of integration of these communities follows a more sustained and ideologically-directed model. For instance, demand for inclusion in citizenship by the Matua-Namasudra community is tied to reviving the collective memory of Partition as part of a resurgent Hindutva consciousness. Similarly, the movement for cultural-territorial autonomy among Rajbanshis is sought to be channelised through the issue of the National Register of Citizens and 'illegal Bangladeshis' while the demands for inclusion of certain intermediate castes in the OBC list are reframed in terms of opposition to the inclusion of Muslim castes in the OBC list as a result of 'TMC appeasement'. Thus, vernacular Hindutva ties all concrete political demands — citizenship, reservation, cultural autonomy — into a broader, mythic claim of Bengali-Hindu sovereignty.

The TMC's "franchise model", as described by Dwaipayan Bhattacharyya, remains vulnerable to a paradigm-shifting election. In this system, local TMC units are run by political entrepreneurs who rely on Mamata Banerjee's personal brand — not the party's organisational credibility — to legitimise their patronage-based activities. This creates a widening gap between local leaders and ordinary people, producing growing disaffection with the party. Once this franchise model approaches a state of crisis, as Bhattacharyya expects to happen at some point, neither Mamata Banerjee's personal appeal nor the administrative tantra would be able to prevent a paradigm-shifting election. Despite its recent setbacks, the BJP remains structurally well-placed to supplant the TMC's Mamata-centric order with its own paradigm of Bengali-Hindu sovereignty.

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Philanthropy transformed

The trajectory of India's NGOs, their rise, fall, and revival, reflects the evolution of Indian democracy. If we allow this pillar of civil society to wither, the cost will be borne by citizens

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Not so long ago, non-governmental organisations were hailed as saviours of civil society. They stepped in where markets and governments faltered, championing human rights and development. As The Wall Street Journal observed, civil society looked like the future when the Cold War ended; but that is not the case anymore. Today, those same NGOs are met with wariness or outright distrust, a "cultivated scepticism" that paints even genuine service as suspect. The paradox is stark: the very qualities that once made NGOs vital to democracy — their independence and zeal to hold power to account — have also made them targets in a changed political climate.

The end of the Cold War ushered in a golden age for NGOs. Groups like Amnesty International and Oxfam became pillars of civil society, raising funds in rich countries to drive change in poorer ones. Many provided disaster relief, legal aid, and pro-democracy support where States failed. Autocrats trembled at the 'Colour Revolutions' -- people-powered uprisings from Myanmar to Ukraine buoyed by NGO-backed activists.

India, too, experienced an NGO boom in this era. By 2009, the country had some 3.3 million registered NGOs, roughly one for every 400 citizens. These groups rushed into every gap in society, running health clinics and schools, empowering women, protecting the environment, and fighting corruption. Even the government often welcomed NGOs to help implement welfare schemes at the grassroots.

Gradually, problems emerged within the NGO sector. Many organisations shifted from volunteer-driven activism to professionalised, bureaucratic operations. Efficiency improved but some NGOs became distant from their grassroots. Founders often centralised authority, and mission zeal gave way to pleasing donors. Accountability and transparency lagged as well on account of weak monitoring and evaluation. In some cases, financial mismanagement and patchy transparency fuelled public perceptions of NGO corruption. As NGOs became reliant on external funding, their priorities at times followed the money trail rather than local needs, with organisations chasing grants by doing whatever donors wanted at the expense of their own mission.

These internal flaws made NGOs vulnerable. Scandals tarnished the sector's image. For example, revelations that aid workers from Oxfam had engaged in sexual exploitation in Haiti dealt a severe blow to that NGO's credibility. Public trust fell. A global survey found that people had begun to view NGOs as only slightly more ethical than businesses, and less competent.

At the same time, external pressures closed in. The Indian State has grown more assertive in areas once dominated by NGOs, hiring its own outreach workers and reducing its reliance on nonprofit partners. Significantly, authorities tightened control over NGOs, especially those with foreign links. The Foreign Contribution (Regulation) Act became a key tool to choke off overseas funding: since 2014, the government has cancelled the registration of thousands of NGOs under FCRA rules. A notable case was Greenpeace India, which was barred from receiving foreign funds in 2015 after being accused of "prejudicially" harming economic interests.

India is not alone in constraining NGOs. Over 130 countries worldwide have enacted laws restricting foreign-funded NGOs as many regimes view independent NGOs as potential threats. Meanwhile, Western governments have pulled back some support as budget cuts and political backlash in the United States of America and Europe have shrunk the pool of aid that NGOs once relied on. A nationalist narrative in India has further fuelled public distrust. Foreign-funded NGOs are often denounced in the pliant media as pursuing foreign agendas and stalling development. Advocacy groups that oppose big mining or dam projects, for instance, are routinely labelled 'anti-national'. By the mid-2020s, the NGO landscape had been reshaped by these forces.

In India, the sector remains enormous but is under strain. Thousands are still working for or volunteering with NGOs. The sector contributes around 2% of India's GDP. But the era of explosive growth is over. The number of active NGOs has likely dropped from the 3.3 million on paper due to regulatory crackdowns and funding shortfalls. Many surviving NGOs now compete for a shrinking pool of funds.

Given the challenging landscape, NGOs will need to adapt to survive. The first imperative is to rebuild trust through greater transparency and community engagement. That means opening up their operations to scrutiny from the ground up. One proposal is 'radical localism', publishing budgets and project results in local languages where communities can see them, creating bottom-up accountability.

Next, NGOs must bolster their independence by diversifying funding. The days of depending heavily on foreign donors are over. Building a broad domestic donor base — tapping into funds from corporate social responsibility, local philanthropists, and ordinary citizens — is crucial. The more an NGO's support comes from within India, the less it can be undermined by foreign funding curbs or a single donor's whims.

NGOs also have to innovate and collaborate to meet today's complex challenges. Organisations must embrace new solutions, be it leveraging technology for better outreach or adopting social enterprise models for sustainability. Collaboration can help as well: NGOs can share resources and expertise through coalitions. For example, smaller groups could band together on compliance and training, easing the burden on individual organisations. But NGOs should not lose sight of their core mission as watchdogs. However much they partner with governments or professionalise services, they must retain the courage to speak truth to power. If NGOs become too timid or, worse, mere contractors that only deliver services without questioning authority, their democratic function would die. Resisting co-option and maintaining an independent voice will be essential for the sector's future credibility.

The trajectory of India's NGOs, their rise, fall, and potential revival, reflects the evolution of Indian democracy itself. If we allow this pillar of civil society to wither, the cost will be borne by citizens who would lose crucial support and advocacy. Conversely, if NGOs emerge from this crisis stronger, more transparent, and more rooted in their communities, all of society stands to gain.