

The Tribune

ESTABLISHED IN 1881

RBI cracks the whip

Kotak bank told to put its house in order

IN a significant development having implications for the entire banking sector, the Reserve Bank of India (RBI) has directed Kotak Mahindra Bank Limited to stop the onboarding of new customers through online and mobile banking with immediate effect and also barred it from issuing credit cards henceforth. The RBI has noted with concern that in the absence of 'a robust IT infrastructure and IT risk management framework, the bank's core banking system and its online and digital banking channels have suffered frequent outages in the past two years... resulting in serious customer inconvenience'. One such major service disruption occurred on April 15. The bank was found deficient in building operational resilience, even as the RBI clarified that there were no curbs on providing services to existing customers, including those using credit cards.

In October 2023, the RBI had imposed a penalty on the bank to the tune of Rs 3.95 crore over non-compliance issues with regard to the code of conduct for outsourcing of financial services, customer service, recovery agents, loans and advances. Finding itself on the back foot again, the bank has stated that it would commission a comprehensive audit of its IT systems under the 'approval and supervision' of the RBI. It is laudable that India's central bank has taken pre-emptive action in the interest of customers. This is a stern reminder to all banks that they cannot afford to be complacent about their digital banking and payment systems.

With the financial ecosystem dominated by digital transactions, banks need to invest heavily in tech infrastructure to ensure that their customers' money remains safe. Fraudsters are always on the lookout for chinks in the banking armour. The resilience of tech platforms is being put to the test on a daily basis. Banks must be proactive in addressing the glitches, failing which public trust in the banking system will be hit hard.

Tech-savvy soldiers

Modernisation vital for enhancing defence skills

IN an era defined by rapid technological advancements and evolving security challenges, the Army's proactive shift towards technology absorption marks a pivotal moment in its modernisation journey. Army Chief Gen Manoj Pande's announcement on Wednesday underscores the imperative need for equipping soldiers with the skills to leverage emerging technologies effectively. The integration of simulation and virtual reality training modules into the Army's curriculum signifies a departure from traditional methodologies towards immersive, tech-driven learning experiences. This move not only enhances the technical acumen of soldiers but also cultivates a culture of innovation and adaptability within the ranks. Additionally, the incorporation of cyber specialists and linguists into the Territorial Army underscores the recognition of the multi-dimensional nature of modern warfare. As cyber threats become increasingly all-pervasive, empowering soldiers with expertise in this domain is crucial to safeguarding national security interests.

Amidst geopolitical tensions, Defence Minister Rajnath Singh, on the eve of Independence Day last year, asserted that world-class equipment and training would be provided to the armed forces. The emphasis on modernisation and innovation resonates with the Army's strategic goal of countering emerging threats.

Significantly, the Army is embracing cutting-edge technologies which not only enhance operational efficiency but also enable it to counter hybrid threats and grey-zone aggression. However, this transition entails several challenges. Investment in training holds the key to a seamless integration of technology into the existing operational framework. Its success depends on the Army's ability to stay true to its core principles of courage, integrity and dedication to national defence even as it embraces modern warfare techniques.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, SATURDAY, APRIL 26, 1924

Horniman's deportation

THIS day five years ago, B.G. Horniman was deported from India by a fiat of the Executive Government. The lawless law under which this arbitrary order was passed has now ceased to exist, but the order itself remains, and this in spite of the fact that every single official who had anything to do with the order has ceased to be officially connected with India. Sir Lloyd George, the original author of the mischievous blunder, is no longer Governor of Bombay. Nor are Lord Chelmsford and Mr Montagu, who loyally supported him in his folly, responsible for the administration of India at Delhi and Whitehall. The fact is proof of that marvellous impersonal and non-party character of the Government of India on which we are so often asked to congratulate ourselves, but which is really the worst thing about it. In a country governed under the party system, there is at least this advantage that a mistake made by the leaders or representatives of one party stands a fairly good chance of being rectified by those of another, when the latter comes into office. No such thing is as a rule possible in India, where a mistake made by one Government, however serious, is as a rule maintained for as long a time by its successors as it can possibly be maintained. This would be a bad enough thing even if the principles generally governing the administration of India were sufficiently high. It is immeasurably worse because those principles are no better than the ordinary principles of the Conservative party with its rooted hostility to liberty and progress.

Anxiety in the saffron camp

With his charisma fraying at the edges, Modi has stepped up his attack on the Oppn



TRYSTS AND TURNS

JULIO RIBEIRO

PRIME Minister Narendra Modi has made us believe that he would retain power with a thumping mandate from the people. I actually perceived anxiety in his voice when he accused the Congress of preparing to take away the gold and silver jewellery collected over the years by his supporters and distribute it among the minorities — those who have large families, meaning the Muslims.

The Congress' response to this statement was that he is 'lying through his teeth', a phrase usually used to denounce a palpable untruth. Nowhere in the Congress manifesto is it mentioned that the rulers whom the BJP ousted 10 years ago are going to go the Robin Hood way — robbing the rich to feed the poor. 'The God That Failed' (Communism) tried that out in Russia and East Europe in a big way. It only succeeded in 'distributing' poverty.

Modi's assertion has hit the bull's eye with a section of voters that has traditionally supported the saffron party. But it has also caused a flutter in the Congress doves. The Opposition does not have to worry that much. Despite what some experts prophesy, the truth is that there is 'no wave' this time. Modi's charisma is fraying at the edges. He is struggling to stay in power. The very fact that he needs to hit his opponents below the belt is a clear indication that even retaining the 303 seats his party won in the 2019 Lok Sabha polls will be difficult.

Modi is using every weapon in his armour (and he is adept at finding new weapons almost every day) to achieve the diffi-



TALL ORDER: The BJP might struggle to match its 2019 tally of 303 Lok Sabha seats. PTI

cult task of winning 400 seats (370 for the BJP and the rest for its allies). He is bound to win, but with a reduced margin. Today's voter is not the 'docile' individual that we knew. He hears many voices, even contrarian ones, and his aspirations have risen exponentially. Modi's oratory used to sway the masses. It sparked a ray of hope in their hearts. Not any longer.

That hope has been beaten black and blue. The reported promise of transferring Rs 15 lakh into each Indian's bank account has wafted with the wind. Instead, 5 kg of rice or wheat, free of cost, to every ration card holder every month is what 60 per cent of the population gets. For the poorest of the poor, this barely enables them to keep body and soul together. For those willing to live at the subsistence level, oil, lentils and cooking gas are also required.

The tribal women of Palghar in Maharashtra made this clear to the BJP's workers who distributed saris and shopping bags with Modi's picture on them. They returned the goodies and asked for employment instead! They want to eat like their intended benefactors — nothing

Most of the BJP MPs from the South will come from Karnataka, where the party has an established presence.

fancy but with sufficient calories.

There is no doubt that Modi is trying to improve the quality of life of India's citizens (of course, those disqualified for citizenship by the CAA and the NRC will be excluded). For this to happen, he says he has to win a third term.

To do so, he is intent on neutralising Opposition leaders like Arvind Kejriwal. Third-rung leaders are summoned to New Delhi by the Enforcement Directorate to answer questions in a bid to stop them from canvassing during the Lok Sabha polls.

These below-the-belt tactics have not gone down well with the

common man. In my city of Mumbai, even the unlettered have got the hang of such moves. The chatterati, which had veered towards Modi in a big way, has also shown signs of disagreeing with his methods. Of late, Modi has been overplaying his hand. The aura that was built around him by his image consultants is slipping.

The inauguration of the Ram Mandir in Ayodhya by him is being commented upon negatively by many. The gesture lacked any trace of humility. The dive into the sea off Dwarka was an unmitigated disaster.

In view of such publicity and mainly because of the persistent assault on the Opposition leaders in the run-up to the elections, Modi seems to be losing some of the goodwill he acquired over the past decade. He had eliminated the middlemen by making direct bank transfers of LPG subsidy and other welfare payments to below-poverty-line citizens and building homes for the poor under the Pradhan Mantri Awas Yojana. The security scenario has improved under his reign, though China continues its bullying tactics because of its economic and military superiority.

I still feel that Modi will squeak through at the final count. He has worked very hard to make inroads in the South. He seems to have succeeded in Andhra Pradesh, where his party's tie-up with Chandrababu Naidu's Telugu Desam Party is showing signs of paying dividends. The friction between YS Jagan Mohan Reddy and his sister YS Sharmila, who has cast in her lot with the Congress, is helping the BJP.

In the Tamil heartland, the BJP has lured my old service mate, K Annamalai, to spearhead the party's entry into perennially hostile territory. That, too, looks to be paying. The BJP has left its pariah status in Tamil Nadu behind and become a party of interest. It may even open its account there, which will be quite an achievement.

In Kerala, it is hoping to tempt a slice of Christian voters to try out the saffron party. How these tentative voters reconcile their interests with Hindutva's proclivities will be a matter of interest to political observers. Most BJP MPs from the South will come from Karnataka, where the party has an established presence, yet it will not get 25 (out of 28) Lok Sabha seats that it won in 2019. If it adds to its overall tally in the South, it will be marginal at best.

In Maharashtra, Bihar and even UP, the Opposition is likely to perform better than it did last time. In Maharashtra, the split in the Shiv Sena and the Nationalist Congress Party will not help the BJP, as it had expected. In Bihar, voters have not taken kindly to CM Nitish Kumar's continuous change of loyalties.

Gujarat will continue to favour the BJP. Where the party will gain will be in West Bengal. Hindutva politics has succeeded in loosening Mamata Banerjee's hold. The Trinamool Congress will probably lose more seats to the BJP than it did in 2019.

Modi will get a third term, but with a more determined Opposition. That, hopefully, should stop him from keeping Opposition leaders in jail during poll time.

THOUGHT FOR THE DAY

In an election, one needs both hope and audacity. — Francois Hollande

Don't worry, 'bee' happy

STANLEY CARVALHO

ON the eve of our departure from Kenya, we were having lunch at the Mara Sopa Lodge, deep in the wilderness of the Maasai Mara. I was relishing soup when I suddenly felt a needle prick on my palm. So sharp was the pain that I let out a loud 'ouch', causing heads to turn. A spoon fell, my wife and kids looked startled, and two waiters rushed towards me. I soon realised I had been stung by a bee.

In the melee, advice came thick and fast. 'See if the stinger is in' yelled one. 'Don't pull it out with your nails, scrape it away,' suggested another. 'Was it a wasp or a bumblebee?' asked a third one. Strangely, there was no stinger lodged in my skin and the bee was nowhere to be seen. Amid the buzz, the waitress wrapped an ice pack around my palm. 'You'll be fine, it happens often here,' she smiled and helped us move to another table away from the window. I stole a glance around and embarrassingly enough, some people were eyeing me amusingly.

It certainly wasn't a fitting finale to our holiday and I couldn't for the life of me fathom why the bee singled me out from so many at the restaurant. Barring this incident, our game drives were an exhilarating experience. From our elevated open-top vehicles, we watched families of lions relaxing and scores of wildebeest grazing. We let a herd of elephants cross our path, enjoyed the sight of rhinos and hippos submerged in a lake, fed giraffes at a park, laughed at warthogs running, admired zebras caressing each other and much more. Of the 'big five', only the leopard remained elusive.

We also took in enchanting views of Mount Kilimanjaro and the Great Rift Valley, slept in tented camps, danced and sang with the Maasai, learnt Swahili words and sampled crocodile and ostrich meat as well as some animal parts that are discomfiting to mention.

The safari taught us a few things — about the giraffe's long tongue and the way it walks, the zebra's stripes, the reproduction and behaviour of elephants and gazelles and the wildebeest migration. Equally, it was about survival skills, living peacefully and in harmony with nature and fellow creatures.

The Maasai inspired us with their simple lifestyle, making do with whatever is available around them and yet living with dignity, unity and contentment. A timely lesson came from a group of Kenyan singers, who entertained us with songs about the environment. But the most important message I took home was the oft-repeated Swahili phrase 'Hakuna Matata', which taught me to be happy and forget all my worries for the rest of the days, including my first bee sting.

LETTERS TO THE EDITOR

Education system in distress

Refer to editorial 'Dire state of schools'; education in Haryana, right from schools to colleges and universities, is in a state of flux. The reasons for this mess are not far to seek. The control of bureaucracy on the education system, its commercialisation and politicisation have doomed it. Most of the schools lack proper infrastructure, and competent and committed teachers. The majority of schoolteachers, appointed on criterion other than merit, lack knowledge of their own subject. In India, the lopsided education system has compelled students to take up rote learning. Education should catalyse the natural growth of cognitive faculty of a student in a rational, conducive and friendly manner.

ANIL BHATIA, HISAR

Misleading advertisements

Refer to the editorial 'On the SC's radar'; manufacturers hoodwink people into buying spurious or substandard products by spending huge sums of money on misleading advertisements, roping in celebrities to endorse products. These firms or their advertisers go unchecked by the regulatory authorities, and even if checked, they are hardly penalised. The Supreme Court has rightly pinpointed that the Indian Medical Association should also set its house in order by not recommending expensive medicines of particular brands.

KR BHARTI, SHIMLA

Inheritance tax

Apropos of the news article, 'Cong firebrands Pitroda's inheritance tax remarks as PM rakes up its 'loot mantra'; the issue of inheritance tax, which addresses the political fallout of inequality, has gained global currency. Even US President Joe Biden had proposed a wealth tax, but it received a negative response. The comments of Sam Pitroda, chairman of the Indian Overseas Congress, have highlighted the spectre of wealth distribution. Redistribution of wealth through measures such as inheritance and wealth tax will be counter-productive. The only way out is a recalibration of policies that inhibit labour-intensive manufacturing and massive investment in upgrading human resource capital.

MONA SINGH, BY MAIL

Minimise reservation

Refer to the news report, 'PM opens new front against Cong, says it wants reservation based on religion'; reservation is shrinking the opportunities of talented Indians, resulting in brain drain. Reservation, whether based on religion, caste or creed, should be minimised as a long-term strategy, instead of propagating it further by making it a poll plank to garner votes. The nation can flourish and become self-reliant only if its talented citizens are encouraged to stay in their respective countries and provided with better opportunities so that they are not lured by Western dreams.

RS NARULA, PATIALA

Trust EVMs

With reference to the news report 'Can't control poll, hacking of EVMs mere suspicion: SC in VVPAT case'; while hearing a plea for 100 per cent matching of EVM votes with VVPAT slips, the apex court has assured that it will consider issuing directions to strengthen the EVM system. The Supreme Court made it clear that going back to the paper ballot was out of the question and that hacking of EVM machines was mere suspicion. Since there has been no incident of hacking of EVMs so far, all stakeholders need to repose faith in the robust working of the sophisticated machines. Hopefully, the SC directions will satisfy all stakeholders and bring an end to the controversy surrounding EVMs. However, whether political parties will refrain from blaming the EVMs in case of defeat remains to be seen.

RAVI SHARMA, DHARIWAL

Legalise party manifestos

The Lok Sabha elections have brought various political parties on the same platform as all of them claim to be the guardians of democracy. What is the commitment of a political party towards a 'manifesto'? The Supreme Court must take charge along with the Election Commission of India, by legalising the manifestos. If discrepancies are found, public accountability of a person/group should be fixed and such leaders, after a state-wide assessment, should be barred from contesting elections for at least one term.

HARSIMRANVIR SINGH, PATIALA

Tesla's troubles and Musk's delayed tryst with India



ABHIJIT BHATTACHARYYA
AUTHOR AND COLUMNIST

ELECTRIC car-maker Tesla's boss Elon Musk put off his visit to India at the eleventh hour due to 'very heavy obligations'. He was expected to be in the country on April 21-22 and scheduled to meet Prime Minister Narendra Modi. However, he wrote on X (formerly Twitter) that he was looking forward to coming to India later this year. The New Delhi trip would have been very interesting, considering that India is in the middle of parliamentary elections.

His regret at not being able to visit India now reeks of despair and desperation. Investment, production and an entry into a market of crores of consumers, helped by 'duty-concession' import and sale of vehicles is undoubtedly attractive for the high-profile tech billionaire.

Musk's delayed 'Mission Delhi' holds promise because foreign direct investment, quality import and indigenous production for industrial development are always welcome for

India. Yet, there are questions regarding on how strong a wicket he is on his home turf to be ready for his India venture?

Undoubtedly, the high-tech Tesla electric vehicle (EV) has done well since its entry into the world market. But today, strong headwinds have already made the Tesla drive extremely tricky. First, hasn't the cheaper Chinese EV (notwithstanding its dubious quality) eclipsed Musk's automobile? Secondly, with the EV demand witnessing a slump in the West, which is Musk's own backyard, can Tesla's downswing this year — after the boom in 2022 and 2023 — be stalled?

That's not all. Virtually overnight, Musk laid off 14,000 staff members, constituting 10 per cent of the global automobile workforce of 140,000, through a laconic message. Even more shocking was the appeal of Musk to seek 'the judge-voided' 2018 pay. He provoked his critics further, justifying the en masse sacking "to prepare the firm for the next phase of growth" and urging shareholders of his company to approve for him the record-breaking \$56-billion pay fixed in 2018 but rejected in January this year by Judge Kathleen McCormick of the Delaware Court of Chancery, terming the Tesla Board-granted compensation to its CEO



SLOW GROWTH: Elon Musk has said that it is time to 'reorganise' Tesla. REUTERS

"an unfathomable sum" that is unfair to shareholders. That certainly resulted in the tech adventurer losing goodwill even among his shareholding peers.

No doubt, Musk is the epitome of US capitalism and laissez-faire, and the maker of landmark tech companies of the 21st century, unlike the defence and aviation corporations, the offshoots of 20th-century World Wars. With the onset of globalisation and privatisation to create wealth and avoid wars of total destruction by entangling all major economies, the world did change radically. But, it also opened another disproportionate front in the form of

successful billionaires like Musk (net worth, \$174 billion), Mark Zuckerberg (\$175 billion), Bernard Arnault (\$221 billion), Jeff Bezos (\$203 billion) and Bill Gates (\$149 billion).

An individual with such 'nuclear-powered' monetary muscle can any day, any time, any place make or break institutions of any Third World nation if he chooses to do so from a remote location and finds his business interests being incompatible with any investment or industry-seeking Global South capital. Thus, in his own country, Musk has openly spoken against regulators and instantly shifted the

site of incorporation of his rocket company SpaceX to Texas and brain-chip start-up Neuralink to Nevada, both from Delaware.

The message is loud and clear: any profit-making Western company whose owner's net worth is over \$150 billion, will regard state-made laws as 'irritants' as the world over, multi-billionaires don't like taking 'no' for an answer for 'development and expansion' of their business and profit. Indian history shows how the dogged English traders hung around successive emperors to ultimately have their way on initiating lucrative trade to build the 'Empire of the East' and later of the world. Even today, one sees several Western samples of 'hostile takeover' of small fish by the big ones.

Regarding Tesla, it has gone in for a hiring freeze after ending the discount on its inventory across EVs, even when the sales flagged. In Musk's words: "It's become complex and inefficient." Interestingly, the self-declared 'free speech absolutist' not too long ago had complained that India's EV car import duty was the "highest in the world". Today, that highest rate of 100 per cent is down to 15 per cent. Musk must be missing India now.

Musk's troubles back home are mounting. Tesla has cut prices both in the

US and Chinese markets. His biggest booster, top bull Adam Jonas of Morgan Stanley, asks: "Is it time to sleep on the floor again (at Tesla)?" And, Musk's SpaceX is working with Northrop Grumman on the multi-billion-dollar 'US spy satellite system'. The writing is on the wall (or rather, the road) for Tesla as new vistas open up in the sky.

Coming back to the Indian market, the Tesla EV's price is far from competitive. It starts from \$39,000 (around Rs 35 lakh) apiece. In India, any car priced more than Rs 20 lakh has a 5 per cent market. Obviously, Tesla is being over-run by Beijing's \$10,000 BYD (Build Your Dreams) EV. Secondly, the environmental impact of EV battery production and disposal appears to be enormously damaging. The Government of India says that the auto industry's contribution to the GDP rose to 7.1 per cent in 2023 from 2.77 per cent in 1992-93. Today, 2 crore people are directly or indirectly employed in this industry. Hope the EV fast-tracking doesn't take away jobs of millions overnight in India. In the early 20th century, Vladimir Lenin said: "Imperialism, the highest stage of capitalism." Pray, the reverse doesn't happen to 21st-century India — Capitalism, the highest stage of imperialism.

Tesla laid off one-tenth of its workforce recently. According to Musk, the move was necessary to prepare the firm for the 'next phase of growth'

Police accountability beset by myriad challenges



MS MALIK
FORMER DGP, HARYANA

POLICING has always been a challenging task, even as its dimensions and nature keep varying with the change in polity and socio-economic circumstances. Presently, law-enforcing agencies find themselves at a crossroads. The police force is in a bind. If it refuses to carry out the orders of the political masters, it can be accused of being disobedient and disloyal to the government; and if it carries out these orders, it often not only violates the due process of law but also inflicts harm on the body politic.

The unfortunate part is that this desire to use the police to neutralise opponents is not confined to any political party. The temptation to use the police is too alluring, and with the availability of willing officers, it has spread like a disease.

Policing is synonymous with challenges as the police are the first responders to all kinds of problems confronting the nation. The current challenges before

the police and related accountability issues are very complex and need to be understood with due sensitivity in the overall scheme of governance.

The police are an instrument of the law, designed to enforce laws; its accountability, therefore, should always be traced to the laws and constitutional ideals. At the same time, it is also true that the police are an unalienable tool of governance in the hands of the powers that be. Ideally, governance should always be beholden to the concept of rule of law, but, at times, faultlines become evident when conflicting interests are to be addressed. In such situations, the police have no option but to act as per the wishes of the ruling dispensation and often constitutionalism takes a back seat; accountability gets blurred by the call of duty. However, it is up to the individual police officer to decide whether to deviate from the constitutional principles to accommodate the political masters. It is here that the strength of character of the officers at the helm of affairs is put to the test; some buckle, whereas others stand tall against all odds.

Police accountability cannot be discussed in isolation — the prevailing administrative sub-culture, probity in private and pub-



STRENGTH: The new criminal laws empower the police to ensure free and fair investigations. ANI

lic life and the quality of the political leadership have a bearing on it. Career-oriented officers have eclipsed true professionals in every department of the government; they prioritise self-promotion without caring for ethics, professional standards and duty towards the nation. Being a careerist is not bad if one remembers one's duty towards the nation and commitment to the rule of law.

Indian politics has increasingly embraced indiscipline and irresponsibility. Misuse of power and authority, corruption and usurping powers of the executive are common traits of the political class, though honourable

exceptions may always be there. It is a real challenge for the present-day police officers to accommodate their political bosses and maintain their commitment to fair play in their duties.

Members of the police force, wielding so much power having a direct bearing on the life and liberty of people, cannot afford to be indisposed in their professional conduct. The time has arrived for the police to examine the recruiting system at all levels. Policing has become so technical that generalists cannot do justice to the work at hand. Moreover, there are no parameters regarding aptitude that can be checked prior to recruitment in the police

force. Unfortunately, psychologists are not being attached with the recruiting authorities.

The profile of crimes and criminals is changing at a faster pace than ever before, but policing methods and practices have not changed proportionately. Accountability is the byproduct of professionalism; the police should upgrade their standard of investigation by overhauling the system. Information technology, artificial intelligence (AI) and cybercrime have already thrown up new challenges to the police; this is the time to evaluate our preparedness to meet them.

The three new criminal laws, especially the Bharatiya Nagarik Suraksha Sanhita, 2023, have empowered the police to ensure free and fair investigations. New provisions relating to the attachment of proceeds of crimes, preliminary enquiry and police remand, etc. have increased the powers of investigating officers to a large extent.

Furthermore, we are living in times where, one by one, the tools of governance have been contaminated by politics and, therefore, need drastic measures. The police can make little difference if the bureaucracy is too willing to carry out the commands (even illegal) of the political masters. In circumstances where the police and

the bureaucracy appear to be standing on the right side of the law, they still need the judiciary to play its role so that justice is taken to its logical conclusion.

At this point in time, AI appears to be a mountain too high to climb. It is obvious that the present force is not equipped to deal with it. A new force with different skill sets and qualifications needs to take charge.

One must not forget that the political hierarchy would not allow the police to slip out of its clutches. The police are a very faithful, obedient and reliable tool of governance, and this is going to remain the same. The real challenge is to find ways and means to bring in reforms from within to upgrade accountability and commitment of the police towards the people and the nation in general, as per the constitutional scheme.

Above all, inadequate staff strength and unscheduled multifarious duties are major problems being faced by our police force. At the same time, the trend of fake police encounters has to be discouraged and shunned. American policing research pioneer David H Bayley has rightly said: "Illegality in the service of public safety makes policing a furtive and anxious activity and undermines the pride, which is the basis of job satisfaction."

The prevailing administrative sub-culture, probity in private and public life and quality of political leadership have a bearing on police accountability.

QUICK CROSSWORD

1	2	3	4	5	6	7
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13		14		15		16
17				18	19	20
21	22					23
24					25	

ACROSS

- Drink made from apples (5)
- Handbill (7)
- Nothing (3)
- Honest intention (4,5)
- Abstaining from pleasure (7)
- Form of football (5)
- Prize of victory (6)
- Have ambition (6)
- Stationary (5)
- Surrounding (7)
- Reach adult status (4,2,3)
- Leguminous vegetable (3)
- Sign of something's existence (7)
- Stringent (5)

DOWN

- Begin correspondence with (7)
- Painter of French romantic school (9)
- Oppose by legal argument (5)
- Madness (6)
- To the extent that (2,3,2)
- Removable cover (3)
- Pleasing in flavour (5)
- Person, subject of experiment (6,3)
- Place of concealment (7)
- Obtain with difficulty (7)
- Inflammable petroleum jelly (6)
- Concentrate attention (5)
- Cry of sheep or goat (5)
- Silent (3)

YESTERDAY'S SOLUTION

Across: 1 Noteworthy, 8 Grebe, 9 Expiate, 10 Omitted, 11 Owned, 12 Regime, 14 On edge, 17 Court, 19 Exploit, 21 Refusal, 22 Demur, 23 Toe the line.

Down: 2 Opening, 3 Erect, 4 Overdo, 5 Typhoon, 6 Yearn, 7 Dead letter, 8 Go on record, 13 Matisse, 15 Doorman, 16 Wealth, 18 Unfit, 20 Pedal.

SU DO KU

		3			7	
	8		9		2	
6			5	3		1
	4		1		5	
		2				6
			7		9	5
	8		5	6		4
		4		7		1
	7				8	

YESTERDAY'S SOLUTION

2	1	8	9	6	4	7	3	5
7	9	4	2	3	5	1	6	8
5	6	3	1	7	8	4	2	9
9	8	7	3	5	6	2	4	1
3	5	2	8	4	1	6	9	7
1	4	6	7	2	9	8	5	3
8	7	5	6	9	2	3	1	4
4	2	1	5	8	3	9	7	6
6	3	9	4	1	7	5	8	2

CALENDAR

APRIL 26, 2024, FRIDAY

- Shaka Samvat 1946
- Vaishakh Shaka 6
- Vaishakh Parvishite 14
- Hijri 1445
- Krishna Paksha Tithi 2, up to 7.47 am
- Variyan Yoga up to 4.19 am
- Anuradha Nakshatra up to 3.40 am
- Moon in Scorpio sign
- Gandmoola start 3.40 am

FORECAST

CITY	FRIDAY		SATURDAY	
	MAX	MIN	MAX	MIN
Chandigarh	37	21		
New Delhi	40	24		
Amritsar	35	19		
Bathinda	37	21		
Jalandhar	35	19		
Ludhiana	37	21		
Bhiani	37	23		
Hisar	38	21		
Sirsa	38	24		
Dharamsala	19	13		
Manali	20	05		
Shimla	20	13		
Srinagar	20	09		
Jammu	32	20		
Kargil	18	05		
Leh	14	02		
Dehradun	38	21		
Mussoorie	25	13		

TEMPERATURE IN °C



Courting action

Courts should deal firmly with violators of existing food safety regulations

The Union has to activate itself,” Justice Hima Kohli, who is heading the Supreme Court Bench hearing the case against Patanjali Ayurved and its leaders Acharya Balkrishna and Baba Ramdev, observed on April 23 in the context of the government not having taken any action against the company for publishing advertisements touting untested, pseudoscientific cures for COVID-19, diabetes, and other conditions. The Bench also took cognisance of a report that the baby formula Nestlé sells in India contains more sugar than its corresponding product in Europe, and expanded the Patanjali Ayurved matter’s remit to include all fast-moving consumer goods (FMCG) companies publishing misleading advertisements. India has been recording a surge in non-communicable diseases (NCDs) thanks to the easy availability of ultra-processed foods, together with sedentary lifestyles. Manufacturers have also been known to include some vitamins, say, in order to escape scrutiny, but their product is still ‘junk’. In the last month, the apex court has sought public apologies from Patanjali Ayurved *et al.* for advertising misleading claims even after the Court directed them to stop; the Bench chided the defendants for publishing a diminutive advertisement. There is some uncertainty now over whether the Court will accept the latest apology, but herein lies the rub.

The expectation that the Court will “activate” itself because the existing apparatus to regulate, report, and sanction misleading advertisements is complaints-led as well as dysfunctional is dangerous. The Court asked the Ministry of AYUSH why it did not act on the allegedly bad advertisements the Advertising Standards Council of India had flagged; the Council itself has no instruments by which it can force compliance. The Food Safety and Standards Authority of India has specified the permissible thresholds of ingredients in various food products yet is infamously reluctant to pull up errant manufacturers; it also remains understaffed, underequipped, and underfunded. The task of regularly calling out unscientific claims has thus fallen to variously informed members of civil society, from ill-qualified ‘influencers’ to licensed medical practitioners, yet they do not enjoy protection from retributive, expensive, and tedious legal action. As such, FMCG marketing should be subject to prompt enforcement and timely action. Its absence is responsible for the proliferation of unassailable claims regarding nourishment as well as the growing disunion between India’s concern about NCDs and the foods available to the people. But the courts should only review legislation, not lead it. Quick, exemplary action against violators in the cases before it, and not overenthusiastic encroachment of legislative and executive power, is what is expected of the judiciary.

Stability in Maldives

India should not allow Muizzu’s win to affect ties between the two countries

There are several important messages from the win by Maldives President Mohammed Muizzu’s party, the PNC, in this week’s parliamentary elections. The PNC’s “super-majority” – over 70 of 93 Members of Parliament or People’s Majlis, including allies and independents – also eases Mr. Muizzu’s path to passing laws and even making constitutional amendments. The opposition in the Majlis, led by the former ruling Maldivian Democratic Party (MDP), that was perceived as “pro-India” won just 12 seats, while parties floated by the former Presidents, Abdullah Yameen and Mohammad Nasheed drew a blank. Mr. Muizzu will be in the spotlight for how he wields the near-absolute power, in a country which has seen authoritarian rule for decades. The results also indicate widespread approval by Maldivians of decisions he has made since he was elected in November 2023 including his international visits to China, Turkey and the UAE, and receiving U.S. senior officials, while keeping a relative distance from India. During his meeting with Prime Minister Narendra Modi in December, he insisted on a total withdrawal of Indian troops maintaining aircraft for humanitarian operations in the archipelago, which he has now enforced. He has also scrapped a hydrography agreement with India, while strengthening ties with China, to “rebalance” and end dependence on any foreign power. Meanwhile, Maldivian leaders and commentators have expressed concern over majoritarian trends in India. Derogatory comments about Mr. Modi by Maldivian Ministers have added to the unease in India. Indian tourist figures have also dropped.

With the Maldivian results in, and the Indian election results in June, New Delhi and Male have an occasion to try and mend their frayed ties. Relations have been traditionally good, and should not oscillate with changes in each government. Unfortunately, this has been the trajectory for the past decade. Mr. Muizzu’s statement that rather than “pro-India” or “pro-China”, he intends to build a “pro-Maldives” policy must be tested against his actions while giving him time to prove that none of those actions is to the detriment of India’s security or regional peace. Given Maldives’ economic troubles and development needs, its challenges with climate change, and its geographical allure for the U.S. and China, it is only a matter of time that the relative comfort of stronger ties with India and its policy of sustainable financing and support, becomes apparent to Male. To be truly successful, a mutual policy of “Neighbourhood first” can only be voluntary and based on mutual trust and interests.

Questioning the polls ‘rain washes out play’ moments

Getting elected unopposed is perfectly legal in the existing provisions of electoral laws and practice. It is also thrilling. You emerge as the unrivalled representative of the people without the people having chosen you because you are the only choice on the ballot. It is like achieving something without making the requisite effort.

Rule 11 of the Conduct of Election Rules 1961 says: “(1) The returning officer shall... cause a copy of the list of contesting candidates to be affixed in some conspicuous place in his office and where the number of contesting candidates is equal to, or less than, the number of seats to be filled, he shall, immediately after such affixation, declare under sub-section (2) or as the case may be, sub-section (3) of section 53 the result of the election in such one of the Forms 21 to 21B as may be appropriate....”

Democratic rights, the process

Yes, in such a scenario, there is a victor but there is no ‘vanquished’ party. There are only those who are ruled out under the Rules and those who decided to ‘voluntarily’ withdraw. We must remember the recent example of the Surat Lok Sabha seat where the two candidates were disqualified and eight others withdrew. The purpose of this article is not to question the circumstances behind the extraordinary sequence of events but to go deeper into the process underlying the exercise of democratic rights.

Similarly, 10 other Assembly seats were procured in Arunachal Pradesh. Section 53 of The Representation of the People Act, 1951 says: “(1) If the number of contesting candidates is more than the number of seats to be filled, a poll shall be taken. (2) If the number of such candidates is equal to the number of seats to be filled, the returning officer shall forthwith declare all such candidates to be duly elected to fill those seats.”

The question raised by some is that this process does not allow electors to exercise the None of the Above (NOTA) option. The NOTA option was not originally provided for in law but incorporated on court directions to ‘enlighten’ political parties and candidates about what some people thought of them.

That NOTA does not impact the election process in any way might sound insulting to those who think that way. The pity is that it does not even seem to affect political parties in any way whatsoever. Thus, what was conceived to be a progressive reform to influence the political culture hangs over the system like an “ineffectual angel, beating in the void his luminous wings in vain”.

However, the real question arises here: what



Ashok Lavasa

is a former Election Commissioner and a former Finance Secretary of India

happens if no one opts to contest the election or if all the electors boycott the election and “have failed to elect a person...to fill the vacancy”?

Is the Election Commission of India bound to call upon the constituency to elect a person again as it happens when say in government procurement there are unresponsive bids or no bids are received?

The financial rules parallel

Interestingly, the General Financial Rules (GFRs), which is a compilation of rules and orders of Government of India to be followed by all while dealing with matters involving public finances (it was amended in a comprehensive manner when I was Union Finance and Expenditure Secretary), speak about “a fair, transparent and reasonable procedure” for public procurement. Rule 166, for instance, provides for a ‘Single Tender Enquiry’ that can be resorted to if the supplier is the original manufacturer, or in case of an emergency, or if there is a technical necessity for standardisation purpose. However, it does say in Rule 173(xx) that lack of competition “shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the process may be considered valid provided the procurement was satisfactorily advertised and sufficient time was given for submission of bids, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market values”.

The procedure followed under the Representation of the People Act (RPA) meets all these requirements although the two are in no way related. The similarity may be in the sense that electors are meant to choose from the available alternatives and if there is only a ‘single bidder’ to represent them they are not required to make a choice.

So, in a sense, the “elector” (defined in the RPA as “a person whose name is entered in the electoral roll of that constituency for the time being in force and who is not subject to any of the disqualifications”) is completely excluded from the process of choosing his representative. A person who does not have even a single vote would sit in Parliament to legislate on behalf of the entire constituency.

This to my mind is the dichotomy that the present electoral process creates. It is designed to be pragmatic even if it appears not entirely fair. Unless there is a conflicting demand on their vote, the voters’ choice is presumed because they have no choice. Does it mean that the election process can be controlled or manipulated by a handful of candidates who have the means to nullify the right of millions of voters? In an extreme situation, all the candidates in 543

parliamentary constituencies (even if they are 10,000 representing different political parties or independents) could game the system and deny a billion electors their statutory right by complying with the process but seriously wounding the spirit of democracy.

What can be done to remedy this remote but not impossible, extreme possibility?

It could be argued that voters could also be denied their right if there are no candidates to contest. The democratic process is fulfilled only when there is interest among the contestants and the voters. Someone has to seek your vote for you to cast it.

The candidate is at the fore

The system is weighed in favour of the contesting candidates because the RPA provides that a complete boycott will be treated as everyone receiving zero vote and covered under Section 65 which deals with ‘Equality of votes’. It reads thus: “If, after the counting of the votes is completed, an equality of votes is found to exist between any candidates, and the addition of one vote will entitle any of those candidates to be declared elected, the returning officer shall forthwith decide between those candidates by lot, and proceed as if the candidate on whom the lot falls had received an additional vote”. The will of the people is replaced by the expediency of the system in identifying who will represent the people who did not participate in the process. It is quite a paradox considering that democracy is defined as a “government of the people, by the people and for the people”.

The RPA provides for issuing another notification if there are no candidates filing their nomination the first time but is silent if the same thing is repeated thereafter. However, it has a solution by completely excluding people if they abstain from elections and are deprived of the NOTA option because NOTA has no significance in the democratic exercise. Candidates can nullify the process but people collectively cannot. Does that mean that we consider amending the first-past-the-post system by introducing a minimum percentage of votes for the winning candidate? Similarly, if no candidate offers herself for elections the second time, should that seat be transferred to the nominated category where the President of India can nominate a person as per prescribed qualifications without consulting the government?

These are issues that call for a wide-ranging debate so that we can avoid the prospect of ‘rain washes out play’ or a ‘collusive walkover’ making the election seem ‘free and fair’ without giving people the opportunity to cast their vote without being subdued by fear or swayed by favours.

The Surat and Arunachal Pradesh results are issues that call for debate where an election is made to seem ‘free and fair’ despite people not having cast a single vote

The war on Gaza and America’s paradoxical role

Over 34,000 people are dead, i.e., nearly 33,000 Palestinians, 1,200 Israelis, 97 journalists and media workers, and hundreds of aid workers. Most of the Israeli casualties were the result of the attack by Hamas on October 7, 2023. And over 100 hostages still remain unaccounted for. However, the Israeli attack that has followed since that day of terror, is one of the worst in humanity. The tragedy is playing out on live broadcast and people cannot plead ignorance. It is important to remember that the conflict did not start on October 7.

There has been growing criticism of Israel for this massacre, but its western allies are equally culpable, most notably the United States.

Hypocrisy of neutrality

Historically, the U.S. has been the primary supporter of Israeli statehood. It was the first country to recognise it. The U.S. has helped Israel’s survival in an extremely hostile neighbourhood. Superficially, it has led efforts for the two-state solution following the 1973 Arab-Israel war in various forms including U.S. President Jimmy Carter’s Camp David talks, Bill Clinton’s Parameters for the two-state solution, George Bush’s Road Map to Peace, and U.S. Secretary of State John Kerry’s Six Principles.

The U.S. may act as a neutral arbiter but has been the force behind Israel’s settler colonialism. It has regularly vetoed to protect Israel from UNSC resolutions claiming the UN, an organisation designed and dominated by the U.S. and its allies, is biased against the Jewish state. The U.S. is Israel’s largest trading partner and its aid contributes to 16% of Israel’s military expenditure. The Arab-Israel ties normalisation drive, often brokered by America, has gradually removed the Palestinian cause from Arab politics. If Israeli settler colonialism is a monster, then the U.S. is Dr. Frankenstein.



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The American hypocrisy of neutrality was most visible in President Donald Trump’s ‘Peace to Prosperity’ plan, a brainchild of Jared Kushner, which proposed to further take away land from the Palestinians, hand Jerusalem to Israel, and failed to provide Palestinians with the right to return or have a military defence after statehood. It was a completely pro-Israel plan and rightly rejected by the Palestinian Authority.

Under the Biden administration

Under the Biden administration, U.S.-Israel relations have been relatively low due to Benjamin Netanyahu’s attack on the judiciary, the coalition with the far right, and the attack on the Al Aqsa mosque. But the work on the Abraham Accords continued and the fundamentals of Israel-U.S. ties remained strong. Therefore, it was no surprise that Joe Biden in his October 10, 2023 address (“Remarks by President Biden on the Terrorist Attacks in Israel”) stated that ‘the United States has Israel’s back’.

Despite domestic fiscal pressure, Mr. Biden has bankrolled Israel’s war on Gaza. The U.S. is also at the forefront of rallying western allies such as the United Kingdom, Canada, and France behind Israel’s right to defend itself while fuelling a live genocide. It blocked a resolution for a humanitarian pause early on in the crisis. The administration even bypassed the Congress to allow weapons sales to Israel. But Israel’s near absolute destruction of Gaza and a possible full-scale invasion of Rafah are testing the American limits as well.

Mr. Biden is facing pressure from within the Democratic party which is pushing for a ceasefire, provision of aid for the Palestinians, and conditioning support to Israel. There is a growing rift between Mr. Netanyahu and Mr. Biden when it comes to the course of action in the coming weeks. The U.S. also abstained from

voting on a UNSC resolution calling for a ceasefire.

The Houthis’ disruption of Bab el-Mandeb and Iran’s retaliation after the Israeli attack on its consulate in Damascus can have a domino effect. The unwillingness of the West to influence Israel may lead the states to sleepwalk into a region-wide violent conflict.

The domestic factors are equally important in understanding Mr. Biden’s policy. With the upcoming election, the Trump campaign will pursue grandstanding with an eye on the American Jewish community and the Evangelical Christians. Mr. Biden, keen to build a broad voter base, may end in brinkmanship with Mr. Trump. There is only one winner in that contest.

On true leadership

The people, like the students in Columbia, have shown more spine than the American leadership. A case has even been filed against the Biden administration in court for its complicity in the genocide. Globally, countries such as South Africa and Bangladesh have shown true Global South leadership, unlike the states that merely seek the title. In a painful irony, it is not the murder of over 25,000 women and children but the death of seven World Central Kitchen workers that shook the American leadership. This grim reality underscores a perennial truth in global politics: all lives are equal, but some are more equal than others.

Despite its unique position to influence peace, the U.S. continues to play a paradoxical role, simultaneously capable of ending violence and perpetuating the status quo, as evidenced by its recent veto against full recognition of Palestine. As the world watches, Israel’s war on Gaza serves as a brutal reminder of the high costs of geopolitical manoeuvres and the real-world impact of normless international diplomacy.

Gaza is a reminder of the high costs of geopolitical manoeuvres and the real-world impact of normless international diplomacy

LETTERS TO THE EDITOR

Sharper attacks

It is a sorry state of affairs when the Prime Minister of a secular country begins to target another party by saying that if that party came to power it would distribute wealth to a particular community. I presume that the Bharatiya Janata Party is losing hope of retaining power on its own and so is playing the religious card to polarise voters. The Indian Overseas Congress president Sam Pitroda too has unnecessarily stirred up a

hornet’s nest regarding inheritance tax prevalent in the United States, which does not fit in here. **Kolikonda Sarathbabu**, Khammam, Telangana

As equality before the law for all Indians is enshrined in the Constitution and the Congress addresses it in its election manifesto, the Prime Minister calling it a “dangerous game” is nothing but divisive and aimed at whipping up passions towards a certain community, which is an

agenda in itself (Page 1, April 25). As inflammatory speeches and hurting religious sentiments have become an integral part of Mr. Modi’s election rallies and are violative of the Model Code of Conduct and the Representation of People Act, that only the Prime Minister is getting away with anything — all under the very gaze of the Election Commission of India — leaves a lot to be desired. **Prabhu Raj R.**, Bengaluru

No former Prime Minister of India including A.B. Vajpayee has stooped to such a low level as the incumbent one in targeting the political Opposition. That there is demand for action against the top leader indicates how grave his speech and its impact is. One hopes that good sense prevails on Mr. Modi which makes him understand that he is the Prime Minister of the country — and for people of all faiths. **A. Jainulabdeen**, Chennai

As a senior citizen and professor, I have been racking my brain to try and decode the statement of the Prime Minister on the Congress’s election manifesto — that its promises of social justice and wealth redistribution would be detrimental to the nation, deprive people of their rights, and harm Scheduled Castes, Scheduled Tribes and OBCs. Having found no rationale, I have concluded that it is a last-ditch effort on the part of the BJP to try and

polarise the electorate, and create social unrest for electoral gains. On the achievements of the Modi government for the last 10 years and promises for next five, there is no mention of unemployment, rising prices, poverty, and corruption. The introduction of bullet trains and making India the third largest economy in the world simply do not translate into benefiting the common man. **Dr. Biju C. Mathew**, Thiruvananthapuram

Can green credits benefit India's forests?



Vaibhav Chaturvedi
is Fellow at the Council on Energy, Environment and Water



Debadityo Sinha
is Senior Resident Fellow, Vidhi Centre for Legal Policy

PARLEY

The Green Credit Programme, announced by the Environment Ministry in October 2023, is a market-based mechanism where individuals and companies can claim incentives called 'green credits' for contributions to environmental and ecological restoration. However, there is criticism that these initiatives may be used to circumvent existing laws, particularly those that deal with forest conservation. Can green credits benefit India's forests? Vaibhav Chaturvedi and Debadityo Sinha discuss this in a conversation moderated by **Jacob Koshy**. Edited excerpts:

Vaibhav, how do you understand the green credit programme as it stands today?

Vaibhav Chaturvedi: The larger point is we have to incentivise green action and sustainable action and create a system where green actions are undertaken by many actors. You could do it in different ways such as having a 'command and control' policy that directs everybody to undertake action at the risk of penalties. But in policymaking, the role of incentives is important. Green credits fit in as an incentive architecture to deliver on, for instance, water conservation and afforestation by involving individuals and corporations.

Debadityo Sinha: This is a market-based incentive mechanism, and it has six or seven sectors, including forest and waste management. But it matters how you execute it on the ground. Are those implementing it aware of ground-level challenges? What is the expertise of the people implementing it? The scheme is not a bad one, but going by the guidelines alone, it could have been better. It is taking a very narrow view of only planting trees to earn credits. It has missed out on several other aspects of the ecosystem.

The guidelines aim to incentivise the restoration of degraded forest land. A forest can degrade for a variety of reasons, natural and man-made. Afforestation may seem like a positive end in itself, but couldn't there be negative consequences too? Such as monocultures or promoting vegetation that is not suitable for the place?

VC: That's a valid concern. But it is not specific to the green credits programme. India has always promoted plantations and it has unfortunately promoted monocultures in several places. It is possible that the green credit programme could have similar fallout and you have to be careful not to incentivise these



A eucalyptus plantation at near Chinnakkanal in Idukki. THE HINDU

monoculture plantations.

As Debadityo said, this is an incentive scheme in a market-based formulation. For example, the government could also incentivise planters by paying, say, ₹100 per tree. You get capital subsidies for solar plants. Being a market-based incentive approach, there has to be a demand and supply side. In carbon markets, the commodity is carbon crates. Here, it is green credits.

But plantations and monocultures were also driven by incentives. Can you regenerate a forest ecosystem in a market mechanism without compromising on biodiversity?

DS: There are two aspects to it: the land where you're going to have plantations and how you're going to do the plantations. The guidelines require States to identify degraded forests within their jurisdiction. Now, a forest is not just trees; there can be open patches within it. We have more than 200 types of forests. The forests of the Central Indian landscape, the whole Deccan Peninsula, and Leh-Ladakh are not dominated by trees. There are bushes and many other things. What happens when plantations come up in these areas? There's a huge incentive now; it's not small like the Compensatory Afforestation schemes. Wherever these schemes have promoted plantations, we have seen disaster. We have seen forest departments promoting plantations by clearing existing vegetation, uprooting local trees, planting big ones using JCBs and tractors. Such approaches can impact local biodiversity, soil health... For regeneration, you don't have to do any major intervention, you have to just protect the area from disturbances. And in 10-15 years, we can have a good natural forest supporting biodiversity and benefiting local communities.

Let's say a 1,000 trees are planted. After two years, an independent body will do a verification. And let's say growing 1,000



This programme ends up bypassing the whole forest clearance process just to help the industries get green credits

DEBADITYO SINHA

trees in a particular patch earns you one green credit per tree. Now, the interesting thing is, this could be connected to voluntary carbon markets. In your experience in market-based mechanisms, we are familiar with carbon offsets as they are measurable quantities. Can you actually devise a logical trading system around such a philosophy of green credit and carbon?

VC: It is important to look at the larger picture. The larger picture is we want to incentivise biodiversity conservation of endemic forests, promote local species, etc. There will always be measurement problems. Like, how do you measure the biodiversity impact of two trees that are, say, 200 meters apart? Of course, it is going to be very confusing, and that science is evolving. But let us take it that we will never be able to resolve that perfect scientific measure and that is where social science comes in. The social science part is, do we have a reasonable measurement? An imperfect but reasonable measurement only means that a larger set of stakeholders, civil society, and the media are okay with that approach. I think the trap that we often fall into is trying to get to the perfect measure. Ideally, the government should have a lot of money and there should be no need for a market mechanism; the government can already give money for these kinds of programmes. We know there is a fiscal constraint in a developing economy. So, these kinds of instruments where you are leveraging money from especially the private sector are good.

Let's say you're growing some forests for sequestering carbon. I can understand that. But let's say in a desert or some other ecosystem trees don't work and you need shrubs, for instance. Now, you can set a goal of reviving the ecosystem of this place. Can you say how many units of ecosystem revival is equal to the units of carbon that are captured? And extend that to groundwater recharge and air pollution? Do you think all these criteria are commensurable?

VC: That's the biggest challenge with this market - fungibility. Let's say in the carbon market, there are many different kinds of projects. There is a solar project, there is a cookstove project, there is a forestation project. Ultimately, whatever they do, they save one unit of carbon

and it can be measured. In green credits, one is a biodiversity credit, one is a water conservation credit. How do you, on the same platform, equate a credit of one unit of water conservation with one unit of ecosystem restoration? So yes, fungibility is not there and that is a challenge. The whole idea behind markets is that there are many suppliers and then many people demand the same commodity. That's how you have something that is close to a perfect market. Here, what you will end up having is five projects, which are about water conservation. And then on the demand side also five people who are interested in water conservation. So, they will be backing this trade. So the market will still function. But they are definitely not fungible commodities.

DS: One important aspect is how green credits will influence mandatory compliances. For example, in the case of forest clearances, the guidelines say the green credits earned from these conditions can be used while applying for forest clearances. And again, the problem is, can you separate forest, water, biodiversity, and livelihood? Can you make them uniform? Every place is different, unique. So, there is a problem. And I think this is going with the assumption that we are not going to compromise on our industrial growth, economic growth, that is something which is primary. All these things are taken care of, and industry should not be threatened that such a law is there. So basically, it is more of ease of doing business.

Just to build on that, the way this is structured, do you think it clashes with any of our other environmental laws?

DS: Definitely. At least in this guideline, I can see clearly the clashes with the Forest Conservation Act. First there's no definition of forest, and no definition of degraded forest. So, we end up wrongly categorising open natural ecosystems also as forest. Second, this programme ends up bypassing the whole forest clearance process just to help the industries get green credits. While applying (for forest clearance) they will say, "I have already green credit, you give me the clearance quickly." Normally, you have stage one, stage two - a step by step process - and this is a longer process but ideal. This is because when things are so complicated, we have to take a very nuanced approach and you have to follow all the principles of environmental law, which anyway is compromised in our country. So we should take the steps to strengthen it.



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NOTEBOOK

The challenges of reporting on climate change

Climate change is a complex collection of phenomena with many moving parts

Vasudevan Mukunth

Many people ask if climate change is a poll issue in India. The first phase of the Lok Sabha polls started and ended on April 19; the second phase is on today. More than a few have expressed doubts that climate change is dictating voters' choices.

Journalists want to improve awareness of climate change. It is clear to us that both the policy and the behavioural changes required for people to adapt to its effects in future must begin right away, and that these changes need the government's support. My labours as a journalist often come down to persuading someone somewhere to change their mind. This is a laborious task with a high failure rate, and I day-dream how easy some parts of climate journalism would be if people at large woke up one day and voted along climate lines.

Climate change is a complex collection of phenomena with many moving parts. Having its fullest measure means taking a broad view of events evolving across space and time. Then again, news journalists are tracking this evolution and its effects on the world around us in relatively small increments: one place, one day. This is like trying to understand everything about a carrot by slicing it into really thin slivers and examining them one at a time. But between the demands of the rituals of journalism (reporting, editing, etc.) and the messy shapes climate change takes on the ground, it is impossible to capture all stories all the time. Climate change alters people's access to water, clean air, land, nutrients, etc., while also interacting with gender, caste, class, and geographic overtones in ways that distort its appearance beyond recognition. We often miss many stories and play catch up. In this chaos, it's easy to lose sight of climate change the actor.

For example, there was an uptick in child trafficking in the Sunderbans delta region last decade, suggesting perhaps

that some sort of organised racket had taken root in the area. But a journalist's investigation revealed the primordial cause to be a combination of climate change and subpar state intervention. In 2020 and 2021, the Cyclones Amphan and Yaas - rendered more ferocious by climate change - deepened the destitution wrought earlier in parts of the delta by Cyclone Alia in 2009. However, the state had focused on large infrastructure projects to improve locals' prospects over setting up reliable sources of income, big or small. So after each cyclone, self-sufficient communities became less so, and had to deal with this forced transition.

Our determination of whether climate change figures highly on voters' minds influences voters, politicians, scientists, and, importantly, our own sense of whether we're doing a good job. But we are also liable to overlook the lived experiences wrought in some measure by climate change and thus underestimate the length of its shadow at the ballot.

A man from the Sunderbans may be more impressed by a candidate offering low-paying but predictable jobs over one who has secured funds to build an embankment along a river. Or a woman in a village may favour a candidate who intends to build toilets inside homes over one promising extra beds at the hospital. This is because she would like to drink more water to cope with the rising heat and not have to venture to use toilets outdoors in the daytime, suffering harassment from local men.

Our understanding of such choices will be incomplete without accounting for climate change. Of course, it's nearly impossible to blame climate change for anomalous weather over a short period and/or a small area, but it's also true that climate change is imposing such anomalies over 'newer' areas and for longer durations - and making its presence felt in hard-to-predict ways. The best thing we can do is to keep the carrot in mind while counting the slivers.

PICTURE OF THE WEEK

The return of the king



D. Gukesh's family and fans welcome him at Chennai airport. The Grandmaster, aged 17, won the prestigious FIDE Candidates Chess Tournament 2024, scoring nine points out of 14 games. He is the youngest-ever player to win the tournament, which is held to select the challenger for the World Chess Championship. VELANKANNI RAJ.B.

FROM THE ARCHIVES



FIFTY YEARS AGO APRIL 26, 1974

Army rebels claim seizure of power in Portugal

Lisbon, April 25: Armed forces protesting against Portugal's 13-year-old colonial wars and lack of democratic freedoms rose up to-day against the right-wing Government of

Premier Marcello Caetano and claimed victory in a short, almost bloodless coup. A cheering crowd estimated at many thousands heard of the last act of the 14-hour uprising - the reported surrender of Mr. Caetano and members of his Government at the downtown Carmo Palace, serving as headquarters of the pro-Government Republican National Guards. "We inform the nation that ex-Premier Caetano and members of his Government have surrendered" rebel broadcasts said.

A HUNDRED YEARS AGO APRIL 26, 1924

A mild disturber

Moscow, April 25: The All-Russian Council of Trade Unions has issued a protest against the British Bankers' memorandum of April 3rd, which declares that Russia cannot recognise the debts of the Tsarist and the Krensky Governments which will degrade Russians to the level of coolies. If England gives us credits we shall repay a moderate percentage, but private property will never be returned to foreign owners.



WORDLY WISE
THE CLIMATE EMERGENCY IS A RACE WE ARE
LOSING, BUT IT IS A RACE WE CAN WIN.
— ANTONIO GUTERRES

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

Health on a hot planet

Heat effects of climate change will aggravate
problem of infectious diseases



K SRINATH REDDY

THERE IS SCIENTIFIC consensus that 2023 was the hottest year ever in the planet's recorded history. It will get progressively worse as this century sweats it out in a sauna of sweltering heat. Indeed, climate modellers forecasting the future say 2023 could be the coolest year in the memory of those born that year. As urbanisation increases, cities will grow at the expense of forests to become cauldrons of heat and humidity.

The consequences of climate change, mostly mediated through global warming, adversely affect human, animal and plant health in several ways: Direct effects of heat exposure on the body; extreme weather events; water scarcity; vector-borne and water-borne infections; non-communicable diseases (strokes; heart attacks; diabetes; respiratory disease; cancers); mental health disorders; food and nutrition insecurity due to reduced yield and nutrient quality of crops. Health systems, too, will face increased demand due to these and the movement of displaced climate refugees. They will also be affected by the adverse impact of extreme weather events on healthcare infrastructure, supply chains and personnel.

Of these myriad threats, heat waves are of immediate concern as summer advances across the Indian Subcontinent. While heat waves are defined both in terms of absolute temperatures recorded and relative rise in comparison to seasonal, "normal" values recorded in earlier years, it is not just the temperature that matters. A heat wave represents a combination of heat and humidity. At any level of heat, its impact on human body is amplified if humidity is high in the ambient air. The India Meteorological Department (IMD) says that such "moist heat" stress has increased by 30 per cent between 1980 and 2020.

Heat acts through dehydration, inability of the skin to cool the body through perspiration, dilatation of blood vessels and thickening of blood with increased risk of clot formation (thrombosis). Often, air pollution collides with excess heat to assault the lungs and blood vessels. Infants and young children are more vulnerable than adults, since their bodies have higher fluid content than grownups. Among adults, vulnerability is

high among the elderly, persons with disabilities and in those with serious comorbidities. Women are more vulnerable than men.

While the progressively severe effects of heat stress (heat exhaustion, heat stroke, circulatory failure and death) are well recognised, the effect of severe or prolonged heat exposure on non-communicable diseases (NCDs) is not often discussed in the public domain. Yet, these can severely damage health, through acute and chronic effects. Even as of now, NCDs contribute to 65 per cent of deaths in India — a majority of them in productive mid-life. The heat effects of climate change will only exacerbate the problem.

Heat increases the risk of brain strokes (paralytic attacks) due to thrombosis in blood vessels of the brain. Similarly, it can precipitate heart attacks and sudden death by triggering clot formation in the coronary arteries. Exercising vigorously in a hot environment can be dangerous. Clots formed in the leg veins can travel to the lungs suddenly causing catastrophic "pulmonary embolism". By reducing the circulating blood volume, heat can damage the kidneys. The incidence of congenital cataracts in babies rises during heat waves. Even surgical wounds don't heal well in excessively hot weather.

A study of 266 studies worldwide, published in 2022, revealed that heat waves were associated with a 11.7 per cent increase in mortality. The highest specific risk was for stroke and coronary heart disease. A high risk was also reported for fatal and non-fatal cardiac arrhythmias. As our population ages and cardiovascular risk factors (like high blood pressure, diabetes and obesity) rise in our population, every 1 degree centigrade rise in ambient temperature will compound the risk of serious cardiovascular events.

Wildfires triggered by excessive heat release particulate matter (PM 2.5) and toxic chemicals (ozone, carbon monoxide, polycyclic aromatic compounds and nitrogen dioxide) can cause extensive inflammation, increasing the risk of cardiovascular disease (heart attacks, strokes, heart rhythm abnormalities, pulmonary embolism, heart failure), respiratory disease, diabetes and pre-diabetes.

Chemicals like benzene and formaldehyde (also present in wildfire emissions) increase the risk of cancer.

Less immediate, but with a long lasting impact on health, is the impact on food systems which threatens nutrition security. A combination of heat stress, water stress and increased carbon dioxide levels. Countries in South Asia and sub-Saharan Africa currently grow staples (like rice and wheat) at the highest levels of heat tolerance. A further increase of 1 degree centigrade will lower their yield by 10 per cent. The crops will also be more deficient in zinc, protein and iron. The Data Sciences Centre of Columbia University has estimated that if global warming continues unabated, India of 2050 will have 49 million more zinc deficient persons and 38.2 million new protein deficient persons, while 106.1 million children and 396 million women would be iron deficient. Protective foods like fruit, vegetables and fish would be depleted. These foods reduce the risk of cardiovascular disease and diabetes. Rising ocean temperatures will flood coastal agriculture while reducing fish yields. Loss of biodiversity will reduce access to nutritious "wild foods". Heat will kill us not only through its effect on our skin but also our stomachs.

Even as we must try energetically to mitigate the drivers of climate change and global warming, we must prepare adaptation plans. These will include heat action plans designed specifically for urban and rural areas, climate smart and climate resilient food and health-care systems, education of public and health-care providers and anticipatory planning to meet the increased healthcare demands that heatwaves will bring in their wake. Heat shelters, water stations, heat reflective roofs and wall paints for housing, well ventilated homes and an increase in green spaces must become part of urban planning. Personal protection too will be needed — light coloured, loose fitting clothes, umbrellas or caps are helpful. The most important personal protection measure is to drink lots of water.

The writer is Distinguished Professor of Public Health, PHFI. Views are personal

STAKES IN KARNATAKA

BJP remains a strong contender. The Congress is banking on its appeal to caste and welfare promises

WITH HALF OF Karnataka's 28 Lok Sabha seats going to polls on Friday — the other 14 will be voting in the third phase on May 7 — the contest in the state has assumed enormous significance not just for the BJP, which will be hoping to hold on to its only sure foothold in the south. For Congress too, whose campaign in the state is being led by its top national leaders, Chief Minister Siddaramaiah and his deputy, D K Shivakumar, the 2024 elections are a test of its ability to turn last year's decisive victory in the Assembly elections in its favour in a Parliamentary contest. As for the JD(S), the heaviest loser in 2023, the stakes are even higher in this year's elections, its challenge framed by party leader and former chief minister, H D Kumaraswamy as a question of the party's "survival".

Going into this year's polls, the BJP remains a strong contender, especially in its longstanding bastion in the economically well-off coastal Karnataka districts and in the urban seats of Bangalore — Central, North and South — where it retains a robust voter base among the middle class. From 1991, when it marked its entry in Karnataka by winning three seats, to 2019, when it routed the Congress-JD(S) alliance by winning 25 seats, the party has been a prominent feature of the state's political landscape. Even as it pitches strongly for its "national development" vision under the leadership of Prime Minister Narendra Modi and the continuing support of the powerful Lingayat community, the BJP is also relying on issues it has played up in the past, "love jihad" for instance, continue to have resonance. This has acquired a sharper edge since the murder of a young woman in Hubballi — the BJP has accused the ruling Congress of "appeasement". The JD (S), this time in alliance with the BJP, too has latched onto these issues, banking on the promise of "development" and the PM's popularity, besides appealing to the dominant Vokkaliga community, over much of which it retains its sway, especially in South Karnataka. This combination, it hopes, will deliver the party to victory in the three seats it is contesting: Mandya, Hassan — the seat from which its only MP in 2019, Prajwal Revanna, was elected — and Kolar.

The Congress, on the other hand, has made a strong welfare pitch, taking off from the Siddaramaiah government's "guarantee" schemes. While it expects to draw some support from the Vokkaligas — deputy CM D K Shivakumar hails from the community, with his brother, D K Suresh, winning Congress's only seat, Bangalore Rural, in 2019 — following Siddaramaiah's resurrection of AHINDA (minorities, backward classes and Dalits) politics, the party is expecting to consolidate its traditional voter base among weaker communities. This hope is not without basis, as the AHINDA vote, including the Left Dalits who had earlier supported the BJP, played a key role in Congress's Assembly poll victory in May last year. With this factor, along with its success in playing up the narrative of a BJP-run Centre withholding funds from the state — including for drought relief — Congress hopes for a reversal of the 2019 tide.

A WARMING ASIA

Climate report for the region shows nature doesn't respect boundaries, makes a case for cooperation

THE NUMBER OF people impacted by "disaster" events in Asia in 2023 was lower than that in 2022. That's the only mitigating finding of the World Meteorological Organisation's State of the Climate Asia report for the last year — the hottest since global temperature records began to be recorded. Asia faced the most disasters in the world as 79 events associated with extreme weather, climate, and water-related hazards in 2023 affected over nine million people in the region, directly killing over 2,000 people. The findings for India are particularly sobering. Heatwaves, floods and landslides took a heavy toll on life in the country. The warnings issued by scientific studies for more than a decade and a half ring true — people living in coastal areas, mountainous regions, even the plains are all vulnerable to climate vagaries. It's heartening that the manifestos of the two major parties, Congress and BJP, devote sections to sustainability and green economy. However, the ravages caused by heat, rain and floods are yet to become campaign issues.

Like most climate literature, the report drives home the need to keep temperature rise to levels that help avert catastrophes. But it's also a warning to be prepared for receding glaciers, rising sea-levels and droughts. Most Asian countries do come together in global forums such as the UNFCCC, but time has come to develop mechanisms of cooperation that will enable people — and cities and towns — to be resilient against climate change. Natural phenomenon rarely respects national boundaries. And, large parts of Asia, especially South Asia, have ecological continuities that make the case for joint work on building defences compelling. The Climate Asia report too should hasten such collaboration. "Precipitation was below normal in the Himalayas and in the Hindu Kush mountain ranges in Pakistan and Afghanistan in 2023, while southwest China suffered from a drought, with below-normal precipitation levels in nearly every month of the year," it points out.

Asia also has energy security-related demands. India and China have made remarkable strides in renewable power, but the two countries have concerns. In 2023, drought constricted China's energy options and a dry spell in the monsoon season forced India to step up the use of coal after reduced hydroelectricity output threatened power outages. Historical conflict has made energy diplomacy a high-hanging fruit for the two countries. The Subcontinent, too, is not close to a collaboration mechanism akin to the ASEAN. As the climate crisis deepens, countries in the region will need to iron out such complications.

BEER WITH THIS

A man in Belgium was suspected of drunk driving — his body creates its own alcohol. There are lessons to be drawn

FROM DIONYSUS TO Jesus, turning water into wine has been a hallmark of divinity. For mere mortals, though, achieving a similar feat is the result of a disease, and can become the source of quite a few problems. Just take the case of the Belgian brewery worker, who earlier this week, made global headlines for being acquitted of a drunk driving charge. As it turns out, he wasn't getting high on the beer he made at work — in fact, he didn't drink at all. It was a rare case of immaculate intoxication. Those suffering from auto-brewery syndrome (ABS) can, in essence, make beer in their bellies without assistance.

In the case from Belgium, the victim was charged with driving intoxicated several times before he was diagnosed. He did not know that he was taking his work home with him, that the rare combination microbes in his digestive system were doing what so many artisanal beer-makers from Brussels to Bengaluru are constantly striving to: Creating a rare, unique ale. Unfortunately, there is neither commercial advantage nor divine benefit to ABS. Quite the opposite. Getting into the driver's seat believing you're sober is more than a little dangerous, and displaying all the symptoms of inebriation will only have loved ones suspect the victim — as was the case in 2019 with a ABS sufferer whose wife recorded him secretly, thinking he had fallen off the wagon.

There are perhaps some lessons to be drawn from the immaculate intoxication. It's always good to suspend judgement: The drunk stumbling across the street might just be suffering from a disease. And there is always a danger that people will see a person only from the prism of what they do: A brewer may always be suspected of having one too many of his creations.

A COLLECTIVE RESPONSIBILITY

Supreme Court verdict on childcare leave opens up possibilities for women



SUDESHNA SENGUPTA AND CHIRASHREE GHOSH

ON MONDAY, A Supreme Court bench headed by Chief Justice of India D Y Chandrachud said, "Participation of women in the workforce is a matter not just of privilege but a constitutional entitlement protected by Article 15 of the Constitution. The state as a model employer cannot be oblivious to the special concerns which arise in the case of women who are part of the workforce." They were hearing a plea by an assistant professor in the Government College, Nalagarh, who was denied childcare leave (CCL) to attend to her child suffering from a genetic condition. Women government employees are eligible for two years of CCL for two children till they reach the age of 18 years. Her employer had argued that it was the state's choice to not adopt the policy. The judgment highlighted that Article 15 of the Constitution not only restricts discrimination based on gender but also enables the states to make special provisions for women.

The judgment comes at a time when concerns about the low participation rate of women in the workforce have been expressed in various circles and state and central governments have acknowledged the need for childcare services to bolster women's participation in paid work. In a country where care is perceived as the responsibility of women, the verdict makes it clear that the state and the employer have responsibilities to enable women to join and retain their employment.

In India, women have little choice but to single-handedly manage the triple burden of housework, care work and paid work. As per the Time Use Survey of India, 2019, Indian men

The Constitution enables the state to make special provisions for women and children. The sectoral labour laws that were repealed recently after the introduction of four Labour Codes mandated childcare services on worksites and paid maternity leaves for a section of workers at construction sites, beedi, cigar and other factories, plantations and migrants. As the Annual Reports of the Ministry of Labour and Employment show, the laws were rarely implemented.

spend 173 minutes compared to 433 minutes spent by women for unpaid domestic and care work. Socially and economically marginalised women are more stretched. Working women often face "marriage penalties" and "motherhood penalties" as they are often temporarily forced to withdraw from the workforce due to marriage and pregnancy. It is no surprise that the female workforce participation in India is barely 37 per cent. As per PLFS 2022, 60 per cent women are self-employed and 53 per cent of the self-employed women work as unpaid family helpers. These are intertwined outcomes of lack of opportunities in the labour market and opting for flexible employment near or at home to balance both.

The Constitution enables the state to make special provisions for women and children. The sectoral labour laws that were repealed recently after the introduction of four Labour Codes mandated childcare services on worksites and paid maternity leaves for a section of workers at construction sites, beedi, cigar and other factories, plantations and migrants. As the Annual Reports of the Ministry of Labour and Employment show, the laws were rarely implemented.

The provision went through a transformation under the Labour Code on Social Protection, 2020, where crèches were made a gender-neutral entitlement. It is a significant step in the right direction. The gender-neutral provision underlined care as a "parental" responsibility. However, the entitlement was

limited to employees of establishments with 50 or more employees. This leaves out a large number of women, who are part of informal production processes.

Crèches under the grants-in-aid welfare programme. National Crèches Scheme, remained underfunded and limited in number and use. Under its Mission Shakti project, the Ministry of Women and Child Development had introduced the "Palna Scheme". It provided options to the state governments to open standalone crèches or turn Anganwadi centres into crèches. The state governments of Haryana, Karnataka, Odisha, and Assam have started taking initiatives. Many states are trying to introduce Anganwadi centre-cum crèches. These endeavours are worth celebrating. However, there is a need to institutionalise the initiative with a committed budget.

Given the patriarchal history of childcare, there is a long way to go. Care needs to be seen as a collective responsibility of the state, employers, and communities. Labour markets need to consider women as primary earners and enable them to take up full employment. There is evidence of high female labour force participation in countries where unpaid care work responsibilities are equally shared. A decrease in women's unpaid care work is related to a 10-percentage point increase in women's labour force participation rate. The IMF has predicted a possible alleviation of 27 per cent in India's GDP through an equal participation of women in the labour force participation.

The writers are with mobile crèches

APRIL 26, 1984, FORTY YEARS AGO

AKALIS' DEEP CRISIS

THE FIVE-MEMBER COMMITTEE appointed by Harchand Singh Longowal has reportedly exonerated Gurcharan Singh, secretary of the Akali Dal, of his alleged involvement in a conspiracy leading to the murder of Surinder Singh Sodhi on April 14. It has asked Longowal to dismiss Gurcharan Singh as secretary of the Dal; the latter has resigned.

DEBATE ON PRIVILEGES

A MEETING OF the presiding officers of Parliament and legislatures authorised Lok Sabha Speaker Balram Jakhar to take neces-

sary steps to protect the parliamentary privileges. Attended by 33 presiding officers, the meeting also felt that the Constitution should be amended to make the position with regard to the privileges of the legislature and the independence and dignity of the judiciary clear.

OIL FROM MEXICO

MEXICO WILL ASSIST India in oil exploration as part of the multifaceted economic co-operation agreed upon during the final round of talks between President Zail Singh, and his Mexican counterpart, Miguel de la Madrid. Mexico is the fourth largest petroleum producing country in the world. The whole gamut

of relations between the two countries will be discussed at the meeting of the joint Indo-Mexican Commission at Mexico City.

INDIAN LIBRARY STONED

MILITANT DEMONSTRATORS BELONGING to the student wing of the Jamaat-e-Islami threw stones at the Indian Information Service Library in Dhaka. The police intervened with batons to disperse the estimated 700 demonstrators who were protesting against the firing by the Indian Border Security Force (BSF) twice during the past one week in which one Bangladeshi soldier was killed and another injured.



Exporting services

India should sustain the momentum

One of the shining spots in the Indian economy over the past few decades has been the momentum in services exports. It has not only helped contain the trade gap but has also been a source of job creation in the economy, including high-skilled jobs. Given India's success in the services sector, it is worth examining where it stands in the global pecking order and the prospects for the future. A research article in the latest monthly bulletin of the Reserve Bank of India (RBI) notes that India's services exports in dollar terms have grown at a compound annual growth rate of over 14 per cent in the past three decades (1993-2022). This is significantly higher than world services export growth of 6.8 per cent. As a result, India's services exports share went up eight times during the same period from 0.5 per cent to 4.3 per cent, making it the seventh-largest services exporter in the world. India was at 24th position in 2001.

India currently ranks second in telecommunication, computer and information services exports, and sixth in cultural and recreational services exports. India has clearly benefited from technological advancement and adoption. It also has a large pool of English-speaking workforce and engineering talent. Further, the domestic digital infrastructure and policy focus have helped India gain a significant global market share in information technology (IT) and IT-enabled services. This is also reflected in the establishment of global capability centres (GCCs) by large multinational corporations in India. Between 2015-16 and 2022-23, the number of GCCs increased by about 60 per cent to about 1,600. The increased adoption of digital technologies across the world has clearly benefited India. The export of digitally delivered services was 37 per cent higher in 2022 than in 2019, which helped India significantly. Aside from the tech sector, India's travel export has been robust, though it is still suffering from the effects of the pandemic, and is partly driven by medical tourism. India has also done well in transport services exports and its rank in earnings improved from 19 in 2005 to 10 in 2022.

India has demonstrated its competitiveness in global services trade, particularly in telecommunication and IT-related areas, but will the robust growth continue in the medium to long term? Research by economists at the RBI shows external demand and price competitiveness significantly affect services exports. For instance, a 1 per cent increase in global gross domestic product results in a 2.5 per cent increase in India's services exports. Also, the 1 per cent increase in the real effective exchange rate can cause a 0.8 per cent decline in real services exports. Given that global economic growth is expected to remain weak in the coming years compared to the recent decades, services exports could face headwinds. Recent analysis shows that developed economies have been pushing for "near-shoring" because of increased geopolitical tensions, which could pose challenges for Indian exporters. Further, the adoption of artificial intelligence is both a threat and an opportunity for India and it's not very clear at this stage as to how it will affect services trade in the medium term. India has a comparative advantage in telecom and information-technology services exports, but it should also look to diversify the export basket and focus on other emerging areas.

A weak food chain

Recent controversy points to poor regulation

The overseas controversy over the presence of carcinogenic pesticide in two popular Indian spice brands presents another reminder of the poor standards of the country's foods and drugs regulation. Earlier this week, Hong Kong and Singapore, two geographies with substantial Indian populations, banned the sale of spice brands MDH and Everest. The ban followed a report from Hong Kong's Centre for Food Safety, highlighting the presence of ethylene oxide in three spice mixes from MDH and one from Everest as part of a routine surveillance exercise. This is not the first time that Indian food brands have been hauled up by regulatory authorities of other countries. Last year, the United States Food and Drug Administration ordered a recall of MDH food products after they tested positive for salmonella. With India being the world's largest exporter of spices, the commerce ministry has sought details of the reports from Singapore and Hong Kong and started inspections at exporter facilities. At the same time, the Spices Board has put in place mandatory ethylene oxide residue-testing systems for spice consignments destined for Singapore and Hong Kong.

This is becoming a familiar routine. Independent entities such as non-government organisations and influencers or regulatory and testing authorities in other countries discover transgressions in Indian food and medicine products that have passed muster with Indian regulators. For instance, the Food Safety and Standards Authority of India (FSSAI) swung into action only after a Swiss investigative organisation by the name Public Eye revealed that foods multinational Nestle added extra sugar to baby foods its sold in Asia, Latin America, and Africa (although, in a rare instance of proactive vigilance, it did haul up the same company for the presence of lead in its popular Maggi instant noodle brand in 2015). Recently, following the revelations of an influencer, the FSSAI cautioned e-commerce sites from listing products such as Bournvita from the health-drinks/energy-drinks category. That diktat followed an investigation by the National Commission for Protection of Child Rights that found that Bournvita, which has targeted children for years, contained sugar levels much above acceptable limits. Last year, Indian-made cough syrups allegedly caused the deaths of at least 140 children in the Gambia, Cameroon, and Uzbekistan. It is small wonder, then, that the Supreme Court, hearing the case of misleading advertisements by the Patanjali group, directed the Union government to take action against other fast-moving consumer goods companies, especially those with products targeting children and babies, indulging in false campaigns.

The failure of domestic regulation is linked to public-health issues and the prospects for the food-processing industry. As India has moved up the income chain, the processed-food business has been steadily expanding. The sector has been growing in double digits since 2018, a development that demands robust standards and regulation. The fact that India is a growing centre for juvenile diabetes, for instance, should encourage the FSSAI to tighten sugar content in processed foods and snacks. Equally, the abundance of India's agri-produce offers enormous potential for export. The presence of carcinogens and other unhealthy ingredients in Indian food exports is unlikely to enhance the prospects of overseas sales, especially at a time when key markets are raising non-tariff barriers. Processed-food exports are growing at a healthy pace and the upside potential is huge. Only regulations that match best-in-class global standards can ensure that outcome.

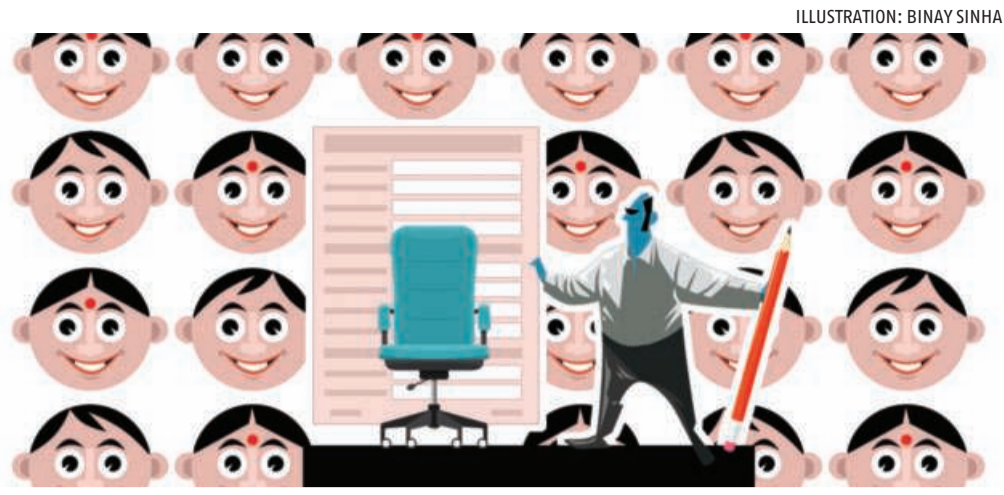


ILLUSTRATION: BINAY SINHA

An agenda for next government

India's growth model needs a serious course correction

The venerable industrialist J R D Tata, to the surprise of many, had said: "I don't want India to be an Economic Super-Power, I want it to be a Happy Country." The World Happiness Report 2024 ranks India 126th out of 143 countries — not a very happy country. Ironically, India most likely will be an economic superpower. Well before the end of this decade India's gross domestic product (GDP), growing at over 7 per cent, is expected to overtake Germany's and Japan's to become the world's third-largest. And if it does reach the gross national income (GNI) per capita of around \$14,000 at 2021 prices — the World Bank's cutoff to become a high-income country — by 2047 it will be a \$21 trillion economy, about the size of the United States (US) today and certainly an economic power.

But income alone does not make people happier. The world's richest country, the US, whose credo is "Life, Liberty, and the Pursuit of Happiness", dropped to 23rd on the happiness rankings. To be happier India needs to not just increase GDP but have better education and health, and better jobs and less inequality, along with social cohesion. The United Nations Development Programme's (UNDP's) human development index (HDI) measures income, health (life expectancy), and education (literacy and schooling), and shows India's rank is a low 132nd amongst 190 countries. Public-health spending despite the pandemic shock remains at a low 1.3 per cent of GDP. Education public spending has increased to about 5 per cent of GDP and more children including girls go to school. But learning is poor and most of the youth remain

unskilled and cannot do basic functions.

India's demographic dividend as a result risks becoming a demographic disaster. The latest International Labour Organization employment report paints a grim picture of employment in the country, especially for the youth. The share of the youth with secondary and high-school education who are unemployed has increased from 35.2 per cent in 2000 to 65.7 per cent in 2022. The World Bank says the employment ratio is declining. Agricultural employment, which should be declining, instead, increased 60 million over the past five years. Those that did find work outside the farm were mainly in daily wage work (informal) in construction and services. And huge gender gaps persist. The Arab Spring uprisings showed us education and unemployment were a volatile combination.

The government's response is that it's not their job to create jobs. The private sector must create jobs, but with complicated labour laws, land made so expensive by outdated zoning regulations — like low-floor area ratios — and other high costs of doing business, the private sector prefers to invest in high-tech and in capital-intensive sectors not in low-skilled manufacturing, where a lot of people with secondary and high-school certificates could expect to find jobs. And many firms contracted out to smaller outfits which hire workers in low-skilled daily work. Tech jobs are growing but are nowhere near enough for the 10 million youth entering the working-age population every year. And the government's industrial policy has focused its pro-



IF TRUTH BE TOLD
AJAY CHHIBBER

Why future of cars does not look electrified

The Economist magazine, which calls itself a newspaper, is a venerable old institution. Successful people are said to read it. The not-so-successful ones, such as your columnist, read it only occasionally.

One such random reading threw up a headline from the *economist.com* website that struck a chord. "The future lies with electric vehicles," said a special report dated April 14, 2023.

Some people in India do not like the kind of coverage *The Economist* does of this country's economy and politics, especially when the two — economy and politics — are spoken of in the same breath. But this soothsaying about automobiles would have warmed many hearts in India.

Making a jump from internal combustion engines (ICE) to electric vehicles is the kind of romantic prospect that would appeal to a country that jumped from a shortage of landline phones to an abundance of smartphones. It could be described by using the "four-letter word... starts with s" that Rahul Dravid famously hesitated to use while describing India's bowling attack last year. A while ago, there was also a buzz that India would ban registration of ICE cars in a few years, probably by the end of this decade.

Electric two-wheelers appear to be on the road to living up to that word. They had their highest registration figure in March — more than 138,000 — compared to the previous monthly high of 103,000 in May 2023. March registrations were nearly double of February. It was also the month when e2Ws accounted for 9 per cent of all two-wheelers. In scooters alone (e-motorcycles are few), electric penetration is said to have reached 28 per cent in March.

Though April has been a dampener, mainly because of an end to government subsidies, e2Ws have a strong use case. Their prices have been falling, they

are easier to charge, there are several models already in the market with more in the pipeline, and electric two-wheelers are great for short runs, such as e-commerce deliveries and other shorter commutes.

Cars go further (anecdotally, intercity road trips have been on the rise in India with the improvement in the highway network). They require a bigger battery, which is costlier and takes longer to charge. Several coveted electric cars still cost a bomb (though some models of Tata and MG cost a lot less now).

Electric works well in the luxury car segment, where the price is less of a factor than in the mass market, where buyers typically have more than one car, and there is an ICE car in the garage for longer travels or whenever its electric sibling — the "statement" piece — needs to get its battery charged.

But, when it comes to electric cars, the electric dream is turning out to be a six-letter word starting with f, ending with y, and having antas in between. Electric cars, despite a goods and services tax (GST) rate of 5 per cent, are a shade above 2 per cent of all cars sold.

By comparison, hybrid cars attract 28 per cent GST, but the cess takes the total tax incidence to 43 per cent, unless it is a small car. ICE cars attract the same GST, but the cess takes the total to up to 50 per cent, varying according to the size of the body and engine.

And still, some projections say cumulative passenger vehicle sales in India between FY23 and FY30 will be 42 million, of which EVs will be about 6 million, leaving a large number of "the other kind". (Reminder: By 2030, registration of ICE cars was tipped to end in India).

The "other kind" includes hybrids, which combine a battery with an ICE, usually petrol, are cheaper than comparable electric cars, and suffer no range anxiety while dramatically boosting the overall fuel



SCENE UNSEEN
SUEVEEN SINHA

The hubris of the Raj



BOOK REVIEW

KANIKA DATTA

On December 7, 1941, the Japanese attack on Pearl Harbour, Hawaii was not just a "day of infamy" for the US, as President Roosevelt emotionally described it, but the start of a period of deep ignominy for European colonialism too. By March 1942, the possibility that the sun could set on the British Empire sooner than expected rapidly dawned on many colonial subjects.

As Mukund Padmanabhan writes in *The Great Flap of 1942*, "Japan advanced with a speed that stunned the world, ripping apart like muslin an empire that was woven purposefully over centuries." In meticulously planned simultaneous

operations, the Japanese invaded the Philippines, Indonesia and Malaysia. Japan had few natural resources and no dense jungles for the military to train in. Yet Japanese soldiers on bicycles and light rations overwhelmed the British, who had ruled the jungles for almost a century, offering a masterclass in jungle warfare. Seemingly impregnable British warships were sunk and by February 15, 1942, "Fortress Singapore" fell.

The capture of Singapore led to the biggest surrender by Britain in its history. Worse, the precipitate evacuation of the sahibs, memsahibs and their families, leaving the native population to its fate and the mercy of ruthless conquerors presaged the Great Flap of 1942 in India.

Mr Padmanabhan's elegantly written book seeks to reconstruct a "narrative of events that have been neglected, of stories that have been lost". The idea for this book grew from stories his mother, aged 17 at the time, told him, of fleeing Madras for Coimbatore, and almost losing a year of the two-year interm-

mediate degree in the bargain. Soon he realised there was not a single family he knew in the city that had not fled in 1942. "That an entire city could have fled because of an invasion that never happened is a story with an irresistible twist of dystopian futility," he writes.

Dystopian, yes; but not futile from India's perspective. Though the history is not new, the value of this work lies in recreating the kaleidoscope of events that exposed, to ordinary people as much as politicians, the fragility and hubris of imperial power.

The widespread panic was buoyed by rumours of "fantastic Japanese prowess and contemptible British cowardice" from terrified Indians fleeing Burma on foot, convincing people that an attack on India was imminent. We now know from Japanese records that Tokyo had no such plans; the invasion of Burma and attacks on the Raj's peripheries were in the nature of securing the rear of their Greater East Asia Co-Prosperity Sphere.

Madras was not the only town that saw an exodus. As the Japanese tore through south east Asia and conquered Port Blair in the Andamans, coastal villages and towns — from Calcutta to Bombay — emptied as panicked citizens

fled. By the end of 1941, for instance, 17 per cent of Calcutta's population fled and in the New Year, 60 per cent of Vizag's residents had decamped.

The terror of a Japanese land advance was compounded by naval operations that saw the sinking of a British aircraft carrier, a destroyer and a merchant fleet as well as the bombing of Vizag and

Cocanada, attacks that triggered serial exoduses. They are little remembered today mainly because they didn't receive much publicity at the time. That was partly because, the author points out, "there was nothing even remotely positive that could be spun out of the incidents."

The Great Flap also spoke volumes for the poor quality of British intelligence. In August, Arthur Hope, the hopeless Governor of Madras Presidency, ordered the dispersal of his government to the interior, as did the Cuttack government and the Cochin secretariat on the back of information that the Japanese fleet

would make landfall near Madras.

The more permanent impact played out in the political sphere. The inevitable failure of the Cripps Mission, sent by the British to seek India's cooperation for Britain's efforts in the war, of March 1942 was one consequence. There was also a hardening of Mahatma Gandhi's outlook towards the British presence in India

culminating in the Quit India movement in August — in retrospect an ill-judged move, prompting the British to jail all prominent Congress leaders and leaving the field open to Jinnah and the impulses

of partition.

Mr Padmanabhan's book stands with Yasmin Khan's *The Rajat War* as a well-researched narrative of an era that is falling out of collective memory as the generations pass. It is instructive to know, among other things, that George Orwell was deployed as part of an elaborate programme to influence

duction-linked incentive subsidies on less labour-intensive sectors. It is, therefore, no surprise that jobs are scarce in India.

While poverty has clearly declined, the picture of inequality is unclear. The preliminary data from the latest household consumption survey 2022-23 shows a decline in consumption inequality compared to the 2011-12 survey. But their comparability must be verified once the full data is released. In any case under-reporting of consumption, more pronounced at the high end, understates inequality. A new study by the World Inequality Lab^[1] with a subtitle "The Billionaire Raj" shows Indian income and wealth inequality among the highest in the world, with the top 1 per cent of the population having 22.6 per cent of income and 40.1 per cent of the wealth. India's inequality is much higher than China's and the US's, and is at levels seen in South Africa and Latin America.

Even if the World Inequality Lab numbers, as alleged, are a bit exaggerated, there is no doubt that inequality in India is shockingly high. The UNDP shows that the HDI — where India's score is already low — drops further by a staggering 31 per cent for India when adjusted for inequality. According to Hurun's Global Rich List, India has more billionaires at 271 than in California (186), Germany (140), and Japan (44), each with a GDP greater than India's.

Some people argue that more billionaires is a sign that India is generating large national companies with the ability to execute at scale to handle global competition — as in Korea and Japan. They also produce a supply chain from which smaller companies prosper. But as we have seen in Latin America such large companies protected from global competition can also become a major impediment once they are able to influence politics and thereby influence regulation. This "regulatory capture" and lack of innovation have left much of Latin America stuck in a middle-income trap. It remains to be seen whether India will go the way of Korea and Japan with globally competitive firms, or like Latin America with protected markets in which consumers pay high margins and the country gets stuck in the proverbial middle-income track.

With lavish weddings and a crass display of wealth by its "nouveau riche", India's rising inequalities are very visible. Some see this as a good sign and a signal that wealth is now venerated, no longer despised. But if it were accompanied by better and more jobs and shared prosperity, we could all celebrate the new rising India. The new "welfarism" where the poor get handouts — free foodgrains, gas cylinders, free electricity and water connection — may help win some elections, but without the ability to generate more jobs there will be no "Viksit" Bharat. India's growth model needs a serious course correction because inequality once entrenched is hard to reduce. We want a "Samruddh" (prosperous) Bharat but also a more "Sajit" (inclusive) Bharat to make India the happy country that JRD desired.

The writer is distinguished visiting scholar, George Washington University, and co-author of Unshackling India, HarperCollins India, 2021, the Financial Times Best New Book in Economics for 2022

[1] *WorldInequalityLab_WP2024_09_Income-and-Wealth-Inequality-in-India-1922-2023_Final.pdf(wid.world)*

India's intelligentsia about British success in the war as an antidote to Bose's radio broadcasts and Japanese propaganda.

Though the Japanese continued their sporadic attacks around the south-eastern coast, the Great Flap, a term deployed by the British with characteristic understatement, was over by May, leaving many bemused. The author reproduces a rhyme from a letter to a local paper that sums it up: "M's for Madras where the scare grew and grew/But 'what it was all about' nobody knew".

For my mother, eight at the time, 1942 was a lark, the year of sleeping under sturdy dining tables, evacuation to Ranchi and home-schooling on *Reading Without Tears*. In her memory, the greater flap was in 1943, the year of the Bengal Famine, the most egregious failure of colonial rule. Mr Padmanabhan describes how a lone bomb dropped by the Japanese in Madras harbour in 1943 did not cause a flutter. But when the Japanese bombed the Kidderpore docks in December 1943, killing almost 500 people, that death toll added to the thousands of famine-stricken bodies that littered the city.

Talk of Inheritance, Expand the 'Family'

Reassert primacy of the smallest unit: individual

The default setting for intergenerational transfer of wealth is through family, legally defined as — and confined to — 'blood line' or by marriage. Securing the future of those closest to us is a powerful motivation to acquire wealth in the first place. But it assumes that our emotional bonds are strongest with those who only share ties of blood. This assumption, however, fails frequently in the real world. The mechanism provided in such cases is the simple expedient of making a will. The individual has a means to assert his or her choice, which may be at variance to the so-called 'natural order', on how his lifetime's effort should contribute to society. This freedom is restricted for inherited wealth where the individual is considered to hold it in trust, and the claim of the family is usually stronger.

The law tends to favour the 'natural order' to derive social prosperity. Tax laws corral inheritance along family lines, while acknowledging the need to create a more equal society. But societies differ. The role of family within societies also varies. Some societies are built around small families, others around large ones. In some, entire villages are structured in a way to offer the same social benefit as offered by a family. A one-size-fits-all solution to intergenerational wealth transfer does not do justice to the diversity of social organisation.

One approach could be to contextualise the role of the family against the social structure. This would, in some instances, render a bigger claim on inheritance to close non-family members whose bonds are real, but not legally recognised. These are persons who have had a big influence on the well-being of the individual or his family. An individual bequeathing wealth ought to have the freedom to nominate, without having to adopt, persons outside of blood relations whose claim on inheritance is equal to that of his legal heirs. This reasserts the primacy of the smallest unit, the individual, to shape society without having to rely principally on the larger, increasingly limiting notion of the family unit.

Not Showing Fear or Favour, Well Done, EC

By dealing with the latest round of complaints of alleged hate speeches made by politicians during recent election campaigns and rallies, EC has reassured all of us that it is a fair referee that's not intimidated by the position or post of the alleged violators of the model code of conduct.

Political parties will have to take primary responsibility for the conduct of their candidates, star campaigners in particular. Campaign speeches by those holding high positions are of more serious consequences, read EC's Thursday statement. This was in response to two complaints. One, against Narendra Modi for making a statement at a rally in Rajasthan that if Congress forms the next central government, it would distribute India's resources to 'infiltrators' and 'those who have more children' — what has been widely interpreted as members of the Muslim community. Two, a more general accusation against Rahul Gandhi for asserting that poverty in India has risen, and for reportedly perpetuating divisions between north and south India in speeches. By referring to the need of parties needing to control their 'star campaigners' and sharing the allegations with party presidents J P Nadda and Mallikarjun Kharge as a first step in its 'action taken' process, EC has done well to be preventive as well as remedial.

Invoking Section 77 of the Representation of the People Act and holding the two party presidents responsible, the commission has sought a response from the accused PM and Congress MP by 11 am on April 29. This shows no waffling on the part of the statutory body whose job is to ensure that the world's biggest elections are conducted freely and fairly, and without underhand strategies of the rhetorical or procedural kind no matter who makes them.

JUST IN JEST

Ticketed entry into the Italian city is a great time for a UP Tourism initiative

Why Pay for Venice? See the Taj for Free

Venice is divided — not just by canals, but since Thursday 8.30 am after the city started charging visitors €5 (about ₹450) for entering it. Paying a toll to enter Venice is being tried out as a plan to control 'over-tourism'. Many Venetians aren't happy. They don't like the notion of curtailing freedom of movement — well, after the likes of us have to pay a solid pile as Schengen visa fees and navigate red tape redder than a communist — without solving the actual problem. But it is probably not very pleasing to be viewed as residents of a sort of Disneyland, or arguably even worse, museum pieces to be encountered after you've bought a ticket at the counter.

Well, whatever be the ways of Venice, this provides us in India with an excellent opportunity to junk the rather pointless entry fees to our heritage, archaeological and historical sites once and for all. The silliness of entry fees for the Taj Mahal in Agra, for instance, is extreme: ₹50 for Indian citizens on weekdays (it's closed on Fridays), ₹540 for citizens of Saarc countries, and ₹1,100 for all other non-Indian citizens. Never mind the currency exchange, the optics of ticketing apartheid is terrible. Instead of getting into who should pay what, just scrap Taj ticketed entries. And advertise: 'Why pay extra for visiting Venice, when you can come to Agra and see the Taj for free?'

Curbing the natural instinct of our entrepreneurs to create generational wealth is not a solution

Don't Inherit Old Hindrances



Dinesh Kanabar

85%. That was the maximum marginal rate at which estate duty was payable when the law was abolished in 1985. This was the same regime when the combined levy of income-tax and wealth tax almost exceeded the income earned by an individual. The mindset was to levy very high rate of tax, and if anything was left after payment of these taxes that you wanted to inherit for future generations, the state would confiscate bulk of it by charging an estate duty.

The approach was socialist, and the expectation was that the higher collection of taxes would lead to redistribution of income and wealth to the poor.

Understandably, with a confiscatory tax regime of this nature, tax evasion was rampant, litigation all-pervasive, and wealth creation was elusive. The cost of tax administration for some of these taxes was found to be in excess of the taxes collected. Instead of disparity between the rich and poor decreasing, it only increased.

Mercifully over a period of time, estate duty, gift tax and wealth tax were abolished — although gift tax, to a limited extent, has been reintroduced under the Income-Tax Act. Today we have a moderate tax regime where taxes on individuals and corporates compare favourably with most regimes globally. Wealth tax was proposed under the Draft Direct Taxes Code, which did not see the light of the day. This has resulted in buoyancy of tax collection both on GST and direct



Don't return to a bad diet

taxfronts. Tax collections have been exceeding government-budgeted revenues, and have been instrumental in fuelling expenditure on infrastructure growth. Our GDP is growing and is poised to continue to grow at the highest level among the large economies. We have some concerns regarding the FDI inflows. The one effort that GoI has been making is to attract higher FDI and promote various schemes like 'Make in India' and continuing to promote 'ease of doing business'. Our robust stock market is an important vehicle for resource mobilisation.

It is in this background that we need to examine the political/economic debate that has emerged on the levy of inheritance tax, and a broader debate on distribution of wealth with a view to benefiting the poor. There has, indeed, been a steep rise in the growth of wealth among the wealthy in India in the last decade. This is in good measure thanks to growth of the entrepreneurial class, which has produced young talent that has developed products and services, and has created an entirely new ecosystem. It is this entrepreneurial mindset that needs to be given an impetus. We need to promote more and more wealth creators.

There are some remaining shackles on angel investments that need to be removed. Bulk of the wealth created in the last decade sits in shares of listed companies and isn't liquid. In the past, when estate duty was levied, there had been instances of promoters having to sell their shares to pay the duty and be-

Understandably, with a confiscatory tax regime, tax evasion was rampant, litigation all-pervasive, and wealth creation was elusive

came vulnerable to takeovers. We can't afford a repeat of that. Levy of estate duty would necessarily be accompanied by introduction of gift tax on gifts to relatives. Stifling the growth of the country by reintroducing a regressive regime of gift tax, wealth tax and inheritance tax is the last thing the country needs. One of the arguments advanced for the levy of inheritance tax is that countries like the US do so. Without getting into intricacies of the US Estate Tax, we need to recognise that developed countries have different imperatives, have a different social framework and, most importantly, are at a different stage of their economic journey compared to India. What may be appropriate for comparatively richer countries may not be appropriate for India. India needs a framework that promotes investments, entrepreneurs, creation of wealth, and has a moderate rate of tax that promotes compliance. Let us not get carried away by the imperatives of developed economies. Instead, let's focus on our own priorities.

Finally, we have the question of addressing inequality in income and wealth. This is a subject that cannot be wished away. We need a social framework that promotes rural education, job creation and ensures addressing the needy. Charities in the US (which, incidentally, also act as tax shields) have shown a way. Indian corporates have also embraced the philosophy of addressing social needs.

The one big barrier to promoters moving their assets to charity is the inability of charitable institutions to hold shares. Most corporates today look at CSR going beyond statutory requirements. Promoters have been pledging their wealth for charity. This is a positive approach that needs to be encouraged.

Trying to curb the natural instinct of India's entrepreneurs to create generational wealth is certainly not the solution.

The writer is CEO, Dhruva Advisors



THE SPEAKING TREE

How You Use Intelligence

NARAYANI GANESH

Human intelligence is a great privilege and wonderful blessing. But, points out HH The Dalai Lama, if you choose to use that intelligence to further your fears, hatred and anger; then the very intelligence that is a unique attribute can turn into an instrument of destruction. We cannot blame intelligence for our wrongdoings. This is so similar to technology that works like magic. Technology itself is neutral; how you use it, for what purpose and for what end, makes it good or bad, positive or negative. We cannot blame technology for nuclear war threats, for designer babies, for plastic that is now threatening our lives, for global warming and so on.

It all boils down to intention. Why do we do what we do, for what end? Can the means justify the end or vice versa? Who decides what is good and what is bad? A simple test is that anything that encroaches on another's rights, anything that adversely impacts health, anything that ruins the environment, cannot be good. Whatever adds value to life, what makes people happy and spreads loving kindness cannot be bad.

With AI growing in numbers and reach, will humans have the capability to feed into bots, parameters that determine what is good and what is bad, when even they are unclear on this? As it all depends on intent, context and more, can good intentions get programmed into AI systems? Or AI systems carry the intentions of those who design them? The jury is still out on that one.

Chat Room

Your Wealth is Their Crush

Appropos 'Play the Real Share Market' by Dhiraj Nayyar (Apr 25), redistribution of wealth is the dream of socialist economy. Inequality in the distribution of income and wealth is the outcome of capitalism, along with globalisation with neoliberal policies. In the backdrop of the election, the idea of 'inheritance tax' has emerged, although not backed by the Congress manifesto. Thomas Piketty, Emmanuel Saez and Gabriel Zucman suggested that since one cannot choose one's parents, progressive inheritance tax can bring equality in wealth distribution, though critics argue that inheritance tax will crush entrepreneurs' incentive to create wealth. When the pendulum reaches extreme right, it again tries to reach extreme left.

SHISHIR SINDEKAR
Nashik

Tax Fruits of Their Farms

This refers to the news report, 'Modi Slams Cong, Rahul on Remarks by Sam Pitroda' (Apr 25). Along with an inheritance tax, the US also taxes agricultural income under the federal individual or corporate income-tax laws.

On the contrary, farm income in India is exempt from tax, which leads to wealthy farmers, including the top 2% who own a quarter of India's farm land, not paying income-tax at all. Contrast this with India's salaried middle class for whom taxes are unavoidable. Let our tax system be based on equity rather than cherry-picking only to deliver punch lines during polls.

CHANDER SHEKHAR DOGRA
Jalandhar

High IQ + IIT Study = MNC Job

Appropos 'Need to Go Way Beyond IITs, JEE' by Suresh Prabhu and Shobhit Mathur (Apr 6), how can one answer questions, whether MCQ or subjective, by rote learning, when not a single question in any of the three subjects has been repeated in the long history of IIT-JEE? Rather, solving these questions requires analytical skills and out-of-the-box thinking. If the successful aspirants do not possess high IQ, how do they absorb the subjects during their education at IITs, and why do the MNCs vie to recruit them with the best pay packages?

NEERAJ GUPTA
Byemail

Letters to the editor may be addressed to editet@timesgroup.com

ChatGPT SHAIRI OF THE DAY

Today's bank holiday, what a spree,
Bankers are all filled with glee.
No work, just play,
They're off, hooray!
Till tomorrow, it's party for banker and bank!

282m Faced Acute Hunger in 2023

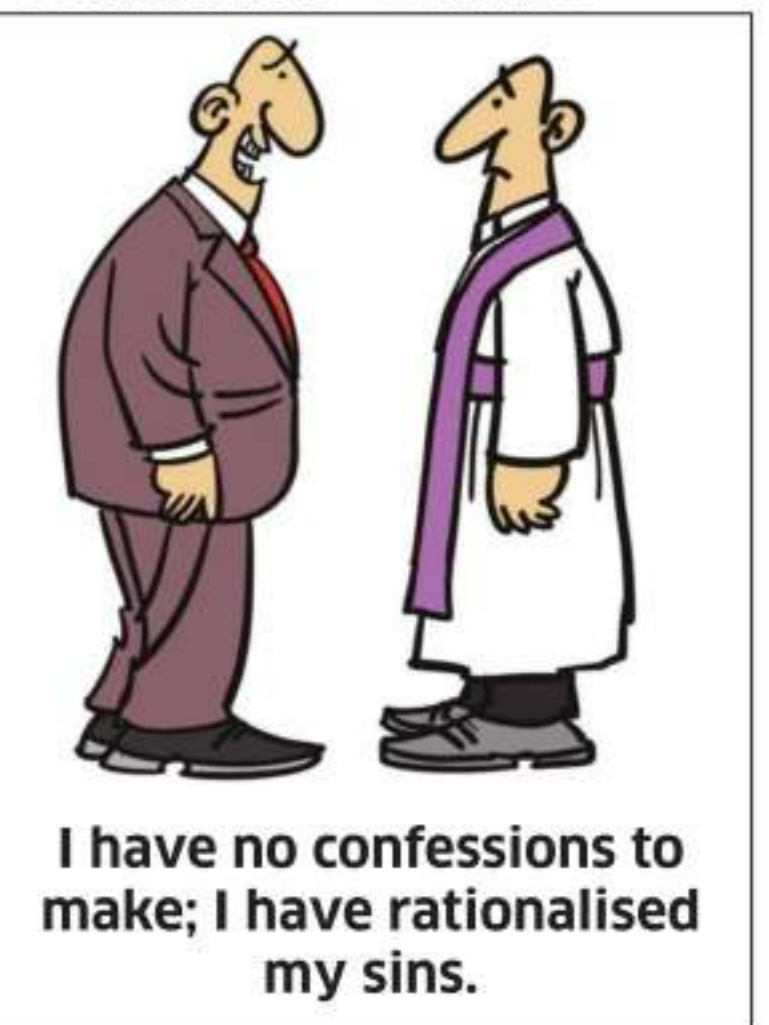
Nearly 282 million people in 59 countries suffered from acute hunger in 2023, with war-torn Gaza as the territory with the largest number of people facing famine, according to a report by UN. It said 24 million more people faced an acute lack of food than in 2022. The number of nations with food crises that are monitored has also been expanded. As many as 705,000 people in five countries are at Phase 5, the highest level, on a scale of hunger determined by international experts — the highest number since the global report began in 2016 and quadruple the number that year.

Countries with largest number of people facing high levels of acute food insecurity*, 2016-23

DR Congo	25.84 million
Nigeria	24.86
Sudan	20.29
Afghanistan	19.90
Ethiopia	19.70
Yemen	18.00
Syria	12.88
Bangladesh	11.91
Pakistan	11.81
Myanmar	10.69
Total*	281.6 m

*Integrated Food Security Phase Classification (IPC): None/minimal - Ph 1; Stressed - Ph 2; Crisis - Ph 3; Emergency - Ph 4; Catastrophe - Ph 5; *Includes 79m in countries with non-IPC sources

Bell Curves ■ R Prasad



I have no confessions to make; I have rationalised my sins.

Pvt-Public Partnership



Arun Maira

Recently, Supreme Court recognised the fundamental right of all citizens to be free from adverse impacts of climate change. This was in the context of a plea by environmentalists to protect the great Indian bustard from encroachment of its natural habitat by companies building wind and solar farms for expanding India's capacity for RE.

Meanwhile, a political controversy has flared up on the question of whether private property belongs only to its present owner and his or her inheritor(s), or should return to the public with owner's demise. At the same time, a nine-bench of the Supreme Court is re-examining its interpretation in 1978 of constitutional rights to private versus public property. Here, too, the question is about the fair redistribution of wealth in society.

These cases before the court point to fundamental questions about rule of law in a democracy. In a 'true' democracy, every human — whether she or he is wealthy or not, or having formal higher education or not — has an equal vote with others, and all voices must be heard while framing laws.

In a 'good' democracy, tribals who own no property, or don't even have primary school education, must get justice when their rights, and the natural environment on which they depend for their livelihoods and lives, are trampled upon by corporations to improve economic efficiencies and increase the country's GDP.

The conflict between capitalism and democracy is a conflict between two fundamental principles of governance: between property and human rights. The capitalist approach to PPPs, for

instance, creates freeways, which common people riding on two-wheelers are forbidden to use and pedestrians cannot safely cross to make travel quicker for the better off.

The rich resist tax increases to fund infrastructure for genuine public use. They build gated communities for themselves, in which they pay for their own private services of security, and 24x7 power and water supply. They lose sight of the needs of those living outside their walls.

Privatisation is driven by the notion of the 'tragedy of the commons', whereby forests and grazing lands, even lakes and waterfords, must be managed by private owners to improve efficiency of their utilisation. Managers serving investors must be given the right to restrict public access to property. Thus, corporations can exploit forests and mineral resources to make more profits for their investors.

They also have freedom to exploit workers, hiring them with uncertain contracts and no social security, to make it easier to do business, while making ease of living of common citizens, who have little bargaining power, much harder.

All countries have a sovereign right, enshrined in the UN charter, to choose how they govern themselves. Justice is

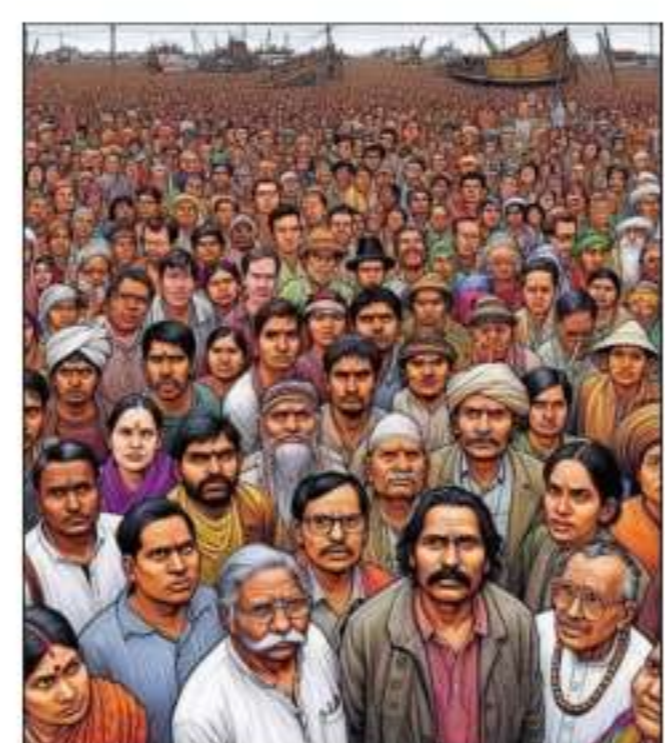
gravely distorted to serve only private interests when international arbitration tribunals are empowered to settle commercial disputes between investors and governments of sovereign nations. On one side, there may be a corporation with only a few rich investors, or a publicly listed corporation with poor internal governance. On the other side is a government, like India's, representing 1.4 bn citizens.

Supreme Court must be guided by the Constitution, and it must interpret it in a contemporary context. Abraham Lincoln had said, 'We all declare for liberty; but in using the same word, we do not mean the same thing.' Concepts of 'freedom', 'liberty' and 'human rights' are not cast in stone. People's will changes with the evolution of concepts of human rights and liberties.

Arbitrations focused on commercial disputes can speed up resolution of those narrow disputes, while being blind to public interests. That's why Supreme Court has intervened in the Delhi Metro case — in a dispute between a private company and a public one — which had been settled by arbitration. It has put the ball back into the domain of public courts.

Good governance cannot be only a government of the people (elected by them), or for the people (providing them welfare). It must be by the people too. Rule of law and speedy justice make countries attractive for financial investors and for common citizens. However, investors and citizens have different needs and, therefore, different interpretations of law.

Good governance and justice for all require those who govern to continuously listen to the people. Moreover, citizens with diverse needs must listen to each other to come to a consensus about the type of society they want to create for themselves. Courts and experts within their narrow specialisations cannot do this for them.



Spot the persons in the people

The writer is former India chairman, Boston Consulting Group (BCG)

Opinion

FRIDAY, APRIL 26, 2024

COMBATTING THE OIL SPIKE

Union finance minister Nirmala Sitharaman

India has been proactive in looking out for its sources of oil imports to mitigate risks associated with price fluctuations

A stitch in time...

RBI action against Kotak Bank was warranted as ignoring regulatory guidelines for two years is unacceptable

THE RESERVE BANK of India's directive to Kotak Mahindra Bank, asking it to not sign up customers digitally and stop issuing credit cards, might seem harsh. But it was a required step. As banking becomes more technology-driven, the risks are rising disproportionately; consequently, the regulator has little choice but to be more vigilant and act if it believes not everything is kosher. If Kotak Bank has failed to fix its IT systems even after having been reminded for two years, tough curbs are called for. The charges are serious: the RBI has said the lender has not built in adequate operational resilience in its IT systems and controls to match the growth in the business. In fact, the regulator believes Kotak Bank's systems are "materially deficient" and has highlighted the areas that the lender needs to work on. These include IT inventory management, patch and change management, user access management, vendor risk management, data security and data leak prevention strategy, business continuity, and disaster recovery rigour and drill.

Breaching or ignoring regulatory guidelines is unacceptable. What is surprising is that the lender doesn't seem to have taken the regulator's corrective action plans for 2022 and 2023 seriously enough. The RBI doesn't mince its words when it says the bank was found to be "significantly non-compliant" with these plans. Moreover, it has also pointed out that the compliance measures which Kotak Bank undertook have been either "inadequate, incorrect or not sustained". The RBI points out that the less-than-robust infrastructure has resulted in frequent and significant outages over the last two years.

There are some who would attribute Wednesday's action to the runs that Kotak Bank's founder Uday Kotak has had with the regulator on his stake in the bank. The regulator was earlier forced to give in to the promoter's demand on his stake in the lender. But that would be an unfair assumption and an injustice to the RBI. The fact is that the regulator has been working overtime to spot potential systemic risks and red-flag them. In any case, Kotak is only the latest addition to the list of financial service entities that have been reprimanded for multiple shortcomings. There are indications that more entities may face penalties for their negligence, especially if they have ignored warnings and red flags. They include HDFC Bank, Bank of Baroda, Paytm, JM Financial, and IIFL. If it appears that the regulator is paranoid and is perhaps overdoing the punishment, that perception is also misplaced. In this age of rapidly rising electronic transactions, the inter-linkages between banks are strong. A problem with one lender can potentially disrupt a large part of the system inconveniencing large numbers of customers. Indeed, the regulator would face enormous criticism if there is a breakdown.

It is a fact that while banks are investing heavily in technology, including artificial intelligence, they seem to be not paying adequate attention to beefing up their basic IT infrastructure, as brought by successive RBI observations. It wouldn't be surprising if more lenders are pulled up for lapses. In their rush to fulfil their ambitious targets and gain market share, banks seem to be forgetting basic hygiene. Kotak Bank sources a very high share of assets and liabilities digitally and a high number of savings accounts are opened via its 811 account. As such, while growth is bound to be impacted, Kotak Bank must take the punishment in its stride and move on.

Housing will get more expensive due to the Fed

IT MAY SEEM counterintuitive to suggest that today's high interest rates will fuel shelter inflation down the road. After all, the Federal Reserve has tightened monetary policy to stamp out price pressures in the economy. When it comes to housing though, building more is the only way to structurally address the primary driver of elevated shelter costs, and that's going to take lower interest rates, not higher-for-longer borrowing costs.

If there was ever a time to demonstrate that more construction is a surefire way to limit increases in home prices and rent, now would be it. Coming out of the pandemic-induced recession, 2021 and the first half of 2022 offered a generational opportunity to build given where interest rates, rent growth and asset valuations were. Some metros saw a surge of new projects and now have very little housing inflation, while others missed their chance and continue to see upward pressure on home prices and rents.

In the apartment market, both government and private sector data show that rents are stable or falling in the southern and western markets where supply growth has been the most robust over the past few years. In the northeast and mid-west, where construction activity was more muted, rent growth has been the strongest.

In the single-family rental market, the fastest rent growth is currently in mid-sized undersupplied metros in the southeast such as Chattanooga and Knoxville in Tennessee, and Savannah, Georgia, according to John Burns Research & Consulting. Larger Sun Belt metros that built a lot more housing including Austin, Phoenix, and Las Vegas have essentially no rental inflation at the moment.

Overall, the stickiness of shelter inflation has surprised many people, including me. But the lack of supply in some regions and high mortgage rates have combined insidiously to keep homes expensive, pressuring rents higher as potential buyers find themselves stuck in the rental market since they can't afford to buy.

This is most obvious in the apartment market, where data last week showed multi-family housing starts fell in March to the weakest level since the pandemic lows. With hotter-than-hoped-for inflation readings delaying policy easing beyond the summer, this scenario is looking even more likely.

And even though the data for housing starts in the single-family market looks somewhat better, at least relative to the low construction levels of the 2010s, high borrowing costs are creating challenges there as well. In response to a question about building for single-family rental operators, Ryan Marshall, CEO of PulteGroup Inc., said on Tuesday that "the interest rate environment currently... makes it harder for the single-family rental operators to underwrite their deals".

Financing costs have also contributed to market share shifts within the homebuilding industry, with implications for the pace of construction in different parts of the country. The central bank is aware of these dynamics. On Bloomberg's Odd Lots podcast last week, Richmond Fed President Tom Barkin said, "the theory of the case is that you raise rates, it brings down demand to levels more in balance with supply... you get inflation under control and then you can lower rates again so that supply can blossom."

But that's more a best-case scenario than a base case. Even though many private sector measures of shelter inflation show lower numbers than the government data, which is running around 5%, it's possible the government measure stays elevated or price pressures in other parts of the economy force the Fed to keep rates high, stifling any blossoming.

With the labour market in good shape and large numbers of millennials still "under-housed", shelter inflation could stay warmer than the Fed would prefer for years, with central bank policy itself part of the problem.

THE COST OF WEALTH

THE ECONOMIC JUSTIFICATION FOR LEVYING IT IN INDIA ISN'T COMPELLING ENOUGH

The spin on inheritance tax

UMESH GALA
DINESH KANABAR

Respectively, partner, and CEO,
Dhruva Advisors LLP



IN THE LAST few years, when the Union budget was around the corner, rumours around the introduction of inheritance tax gained momentum. This year, the subject has landed right in the middle of national elections with all the political spin around it, blurring rational thinking and the motives around it. It, therefore, becomes imperative to look at the subject from the right perspective. Whether inheritance tax is a wise tool to reduce income/wealth inequality and what has been the experience of developed countries is an important question. But it is more important to ask whether it is the right time for a developing country like India, in the thick of a robust economic expansion, to risk such a levy.

A peep into our own history suggests that India had inheritance tax in the form of "estate duty" from 1953. The tax was introduced with an attempt to reduce unequal wealth distribution and increase tax collections. This was the same regime when the combined levy of income tax and wealth tax exceeded the income earned by an individual. The mindset was to levy a very high rate of tax and if anything was left after payment of these taxes, which you want to inherit for future generations, the state would confiscate a bulk of it by levying estate duty. A stiff regressive levy, planning round exemptions, litigation, etc. ensured that the cost of tax administration for such levy was found to be more than the taxes collected. The duty was levied at a maximum marginal rate of 85% when it was abolished in March 1985 during the Rajiv

Gandhi government! In addition to the estate duty, India had a wealth tax regime as well as a gift tax regime for a long time. These have also been abolished with a limited tax on gifts that has been introduced under the Income-tax Act.

Income tax rates have been moderated, and alternative regimes for personal and corporate tax have been introduced with lower tax rates, lower exemptions and deductions, focus on better compliance, data analytics, etc. As a result, the number of taxpayers continues to rise by the day and there is a significant buoyancy in the direct tax and goods and services tax collections exceeding Budget estimates. India remains a bright spot in the global economic environment and our GDP is growing at the highest level among the large economies. We are the third-largest ecosystem for start-ups with many unicorns and more in the making. The last decade has seen significant focus on infrastructure development and massive strides towards rapid expansion of our GDP aimed at

making India a developed nation. As more economic activity is poised to shift to India, the introduction of inheritance tax can act as a significant disincentive to a vibrant entrepreneurial mindset vital for economic activity, job creation, and growth.

Internationally, the Organization for Economic Cooperation and Development (OECD) and G20 ministers have expressed concerns about a distribution mismatch and scarcity of resources in the hands of the poor. Twenty-four out of 36 OECD countries levy tax on the transfer of wealth of the deceased, whereas 10 OECD countries such as Austria, Sweden, New Zealand, and Australia have abolished the levy since 2000. Similarly, developing countries such as Brazil, South Africa, and Republic of Korea also consider inheritance tax a measure to remove the distribution mismatch. The rate of levy also varies across the jurisdictions. The rate of tax applicable in Japan is as high as 55%, compared with the United States of America, the Netherlands,

and United Kingdom at around 40%, whereas Algeria taxes at a rate that can go as low as 5%.

However, internationally, inheritance taxes have failed to achieve the stated objectives and their collections are also below par. Inheritance taxes contribute below 1.5% of the total revenue in OECD countries. The loopholes and the administrative cost involved in implementing inheritance tax outweigh the benefits of economic equality. Developed countries such as the US are at a different stage of their economic journey, backed up by a robust social security framework and with different imperatives compared to India. India needs a framework which boosts investments, entrepreneurship, wealth creation, and a moderate rate of tax promoting compliance. It may be prudent not to get carried away by the imperatives of developed economies and instead focus on our own priorities.

Undoubtedly, economic inequality is a major concern for a developing nation like India. India has a vast population who are below the poverty line and it poses the unavoidable question of addressing inequality in income and wealth. However, this needs to be addressed with varied mechanisms such as wider access to education and skill development, easy access of finance for a wider entrepreneurial class, infrastructure development, removing supply chain bottlenecks, agricultural and land reforms, rural job creation, etc.

In the present circumstance, the economic justification for the introduction of inheritance tax is not compelling enough.

Internationally, inheritance taxes have failed to achieve the stated objectives. Inheritance taxes contribute below 1.5% of the total revenue in OECD countries

Internet economy should embrace NaaS



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In a world of hyper-connectivity, network as a service promises to deliver a better day-to-day user experience

INDIA'S INTERNET ECONOMY is rapidly advancing as more and more people jump on the digital bandwagon. In the last 20 years, and especially in the last decade, we have seen the birth of many internet-based tech startups which can be called "children of the internet" as these unicorns and consumer companies will not exist without the internet.

India is going digital, with government support as well. The consumer userbase is rapidly expanding to access services from e-commerce, mobility, pre-owned cars, food delivery, home, edutech, finance, insurance, gaming, entertainment and so on in addition to availing services from the government. India's internet economy is most likely to meet its target of \$1 trillion by 2030. India has over 850 million active internet users, and the digital economy will contribute about 20% to the GDP by 2026.

As cloud-based services have become the norm, the need for enterprises to invest in building physical infrastructure and on-premise applications is decreasing rapidly. As a testament to the emergence and unprecedented growth of cloud-based services, there has been increasing investment in data centres. The value of India's data centre market is expected to increase from \$4.35 billion in 2021 to \$10.09 billion by 2027 at a compound annual growth rate (CAGR) of 15.07%, according to an Arizton Advisory and Intelligence research report in 2022. The popularity of SaaS (software as a service), a cloud-based software distribution model, is another testament to the growing

demand for cloud services. In 2022, investors deployed almost \$6 billion into Indian SaaS firms, up nearly 3.5x from 2020 according to a BVP Atlas report. According to IDC, the Indian public cloud services market is expected to reach \$17.8 billion by 2027, growing at a CAGR of 22.9% during 2022-27. Today, given the way enterprises are able to use cloud services seamlessly and scale their operations on the go, there is a white space in the network infrastructure meeting this cloud ecosystem expectation. This led to the birth of NaaS (network as a service), where the features of software automation and smart network infrastructure are delivered through a cloud-like experience of being flexible and on-demand.

NaaS is a cloud-like networking model where network resources are provided to the customer on demand. Similar to other "as-a-service" models (like SaaS, platform as a service or PaaS, etc.), NaaS offers networking functionality without the need for the customer to invest in hardware or manage the infrastructure directly. Through simple subscription and options like pay-as-you-go, organisations can scale their network infrastructure more flexibly and efficiently according to their needs. For the uninitiated, network infrastructure is the basic framework of a network consisting of hardware and software resources that enable communication paths between

users. The status quo primarily lies in NaaS solutions being hardware-based. Such physical systems have limitations in terms of flexibility, agility, and cost-effectiveness. With the increased use of hybrid and multi-clouds by businesses for security and control, the software layer over the network infrastructure allows optimal utilisation of resources. It enables instantaneous connections in any combination between two or more public clouds, data centres, internet exchanges, and content delivery networks. This breaks away from the traditional telco approach of manually stitching each connection across weeks and even months at times. It allows organisations to have scalable networks that can take care of sudden spikes in traffic or eliminate underutilisation.

According to a Research and Markets report, the market for NaaS in India is expected to expand at a CAGR of 35.6% from \$1.18 billion in 2024 to \$7.32 billion by 2029. User experiences are dependent on networks delivering their data instantly. If a simple online search takes too long, a transaction takes time to load, or a video buffers for even a few seconds, the end user is left disheartened and with a poor experience of the application. A few seconds of delay, or god forbid downtime, can cause a huge loss of business. Therefore, a software-defined networking platform delivering secure and reliable network infra-

structure is a great use case for the banking, financial services and insurance industry. Similarly, the media and over-the-top industries require high-speed, low-latency networks with the ability to manage demand fluctuations as seen, for instance, during peak seasons like the Indian Premier League. Other industries using cloud-based solutions such as fintech, gaming, and e-commerce find network infrastructure to be an essential piece of the ecosystem to take full advantage of what the cloud offers. Today, NaaS platforms offer enhanced network performance at lightning speeds, delighting consumers with a frictionless and seamless browsing experience while ensuring high security.

As is the case with any innovation, the inertia to change from legacy solutions hinders its adoption. While network security and bandwidth-on-demand are lucrative features of NaaS, enterprises may also be hesitant to migrate. However, in a world of hyper-connectivity, NaaS promises to deliver a better day-to-day user experience. As 5G access increases, so will data consumption. The rising demand and investments in building data centres, and increased focus of enterprises in cloud computing have presented an opportunity for India to be a trailblazer. Innovation in global connectivity has the potential to form the cornerstone of India's digital stride alongside its commendable work in digital public infrastructure. The demand for NaaS is inevitable and it is pertinent that enterprises explore this path on their digital journey.

While security and bandwidth-on-demand are lucrative features of NaaS, enterprises may also be hesitant to migrate

LETTERS TO THE EDITOR

Fall from grace

By sending their notice to the Bharatiya Janata Party (BJP) instead of Narendra Modi for his repeated hate speeches in Rajasthan and Aligarh, the Election Commission (EC) has proved beyond doubt that it is subservient to the Prime Minister. The EC should have not only debarred Modi from conducting election rallies, but also disqualified him from contesting the election. It is also unfortunate that to

hide its hypocrisy, the EC has also sent a notice to the Congress Party instead of Rahul Gandhi directly seeking their reply for some comments made by him, which, according to the panel, violated the election code of conduct. Looking at the partisan attitude of the EC, our thoughts go back to the days of the great T N Seshan, who, as the Chief Election Commissioner kept the erring politicians in check and proved to the nation what the powers of the EC are. One can be sure that Seshan

would be turning in his grave looking at the misuse of powers by this EC. —Tharcus S Fernando, Chennai

Digital defaulters deterred

The writing is on the wall. The RBI has clamped curbs on Kotak Mahindra Bank over serious deficiencies and non-compliance detected across various crucial areas of IT governance, halting its operations forthwith.

Stopping the onboarding of new online customers and the issuing of new credit cards meant that all have suffered. The bank shall, however, continue to provide services to the existing clients, including credit card customers. The RBI's action against Kotak Mahindra Bank follows similar actions against HDFC Bank and Paytm, amongst others. —CK Nikhil Maniam, Navi Mumbai

Write to us at feletters@expressindia.com



OPINION

The
Hindustan Times
ESTABLISHED IN 1924

OUR TAKE

Federal voices in national politics

JD(U), JD(S) and the CPI(M) face a litmus test in their battle to regain relevance in Delhi

The outcomes in the 88 Lok Sabha seats that go to polls today will have a bearing on the political fortunes of three parties — the Communist Party of India (Marxist), Janata Dal (Secular), and Janata Dal (United) — which are struggling to stay relevant in national politics. Their shrinking electoral footprint reflects a churn in the polity that has privileged the unitarian, presidential-style politics introduced by the BJP since 2014, besides the inability to reinvent their politics based on economic and social justice.

The CPI(M) has been in office in Kerala for eight years, but the party's decline on the national scene has started to impact its chances in the state in a national election: The electorate saw the Congress and its allies as a contender for office in Delhi in 2019 and gave the alliance 19 of the 20 seats in Kerala. In this election, the CPI(M) has focussed on the Citizenship Amendment Act to position itself as the only effective anti-BJP voice, and in the process polarise the 26% Muslim population in the state in its favour. This attempt at social engineering, if it succeeds, could help the party to expand its social base. The JD(U) faces a different predicament in Bihar. Its decision to dump the Mahagathbandhan for the BJP (yet again) may cost the party its secular image and regional identity.

The Mahagathbandhan had the trappings of a federal alliance, which allowed the JD(U) to position itself as a party that spoke for Bihar's interests: Chief minister Nitish Kumar even made the demand for special category status for Bihar a political issue. The party holds four of five seats that will vote on Friday and a decent show is necessary for it to guard its ground and find its voice when the state holds assembly elections in 2025. The JD(S), once the regional voice of Karnataka, has reduced itself to a party of the Deve Gowda clan and is appealing for votes in the name of family honour. Its inability to rise above the interests of the Gowda clan and unprincipled power politics have shrunk its political and social base.

The best phase of these parties was the 1990s and 2000s when federal impulses gained the upper hand in the polity following the decline of the Congress. They built substantial electoral coalitions but the governments they formed at the Centre came to be defined by sectarian interests — and corruption — rather than any grand idea of a federal India. Those failures now haunt them and limit their potential to play a national role.

Rwanda Bill ignores history, isn't humane

The United Kingdom (UK) has codified the xenophobic tendencies of a section of its citizens into legislation. Under the Rwanda Bill, refugees deemed to have entered the UK illegally will be deported to Rwanda, against payments from the former to house them for "processing". Even if their asylum requests are found to be genuine, they can't return to the UK and must stay in the African nation or move to another country that will accept them.

The ruling Conservative Party is pandering to the misplaced anxieties of a subset of its voters, in the hope of propping up its dwindling electoral appeal before the elections due this year. It is anybody's guess if the party — or the UK — will gain from the Bill. For one, the Bill won't deter people whose desperation to escape a precarious life in their homeland pushes them to undertake extremely fraught journeys. Two, it is not going to satiate the xenophobes — the number that Rwanda has agreed to house is a fraction of the multitudes crossing the English Channel. In any case, as data from the UK government shows, the population of legal migrants has risen sharply, fuelling anxieties about jobs, culture, and a host of other things among locals.

Most important, however, is that the law is patently inhuman: A similar but non-legislated arrangement was struck down last year by the UK Supreme Court for violating the European Convention on Human Rights, of which the UK is a signatory as a member of the Council of Europe. The arrangement with Rwanda, by no means novel given a set of rich nations having similar pacts with low-income nations (including former colonies), reeks of an exclusionary mindset that goes against the tenets of an open society, promised by a liberal State.

Decoding the battle for Bengaluru seats

Election outcomes in the city have been shaped by the IT industry inspired middle class and landed interests. Politicians who find a common ground are electorally successful

Having never lost a Lok Sabha seat in Bengaluru city in this century, the Bharatiya Janata Party (BJP) must feel quite confident of its performance in the city's three constituencies — Bangalore North, Bangalore Central, and Bangalore South. Even when they were mauled in the assembly elections a year ago, they retained much of their support in the city. Yet, the more seasoned politicians in the party will know that the game is never over until the landed interests have made their play.

There was a time when the politics of these constituencies was genteel with TR Shamanna, who won Bangalore South in 1980, being associated with the concerns of bicycle owners. That was also the point when the politics of the city began to change dramatically. To help the public sector outsource some of its products to small scale industry, the city set up the largest industrial estates in Asia. Though the development of ancillaries did not quite work out, the combination of infrastructure and low-cost informal labour was tapped by global

garment brands to ensure Bengaluru became the fastest growing city in Asia in the 1970s.

As the city spread out horizontally absorbing neighbouring villages, it converted agricultural land into prime real estate. The Congress governments of the time used the Bangalore Development Authority (BDA) to acquire land and then sell sites. Not entirely surprisingly, the BDA became the cash cow of Bengaluru's politics.

Those who lost land, particularly small landowners, watched as land prices boomed to many times the compensation they received. The Congress under Devaraj Urs managed to turn this disgruntlement into an army of support for Garibi Hatao. Politicians who could merge the rhetoric of Garibi Hatao with informal land arrangements with larger farmers built a substantial political base. Congress leader CK Jaffer Sharief won seven times in Bangalore North. He lost the support of most Muslims after the demolition of the Babri Masjid, but he continued to win with the support of Vokkaliga landowners.

As the differences between real estate prices and compensation grew to astronomical levels the BDA-led arrangement came under considerable strain. In his short term as chief minister, before an even shorter term as Prime Minister, Deve Gowda dismantled the BDA arrangement by legislating to allow farmers to become real estate developers. With urban

planning being put on the backburner, the city's infrastructure collapsed, but the former farmers transformed into a powerful political lobby.

It was against this backdrop of a collapsing infrastructure that the information technology boom occurred. As companies mobilised manpower in the city to cater to a global software services market, they needed to present world class infrastructure to their customers in the developed world. They sought an infrastructure that would ensure visitors to the city could move from a world class airport on world class expressways to world class IT campuses. This infrastructure bypassed much of the crisis of everyday life in Bengaluru.

The dualism that came to characterise Bengaluru was soon formalised with task forces being set up to conceptualise Bengaluru on the lines that developed markets would like, while leaving housing and the related infrastructure in the hands of farmers-turned-real estate developers. The combination of a collapsing city with a booming image worked in the five years between elections, but at election time, common ground had to be found between the IT industry inspired middle class and landed interests. Politicians who could find this common ground were electorally successful while others were not.

Finding candidates who could balance these interests has not always



Narendar
Pani



As the BJP tries to maintain its electoral record in 2024, it needs to come to terms with the fact that the battle-lines may have shifted

been easy. The record of the Congress has not been great, especially in parliamentary elections. The party leant heavily on the side of the middle class when it put up Nandan Nilekani in 2014. The landed interests told them what they thought of that decision by ensuring he lost by a margin of around 2.28 lakh votes, six times the margin by which the Congress lost the previous election. The BJP has done better. Rumour has it that Anant Kumar with his middle-class support could gain the endorsement of landed interests through a series of informal arrangements, ensuring he won six times in a row. The party's candidates in Bangalore North were less successful, but the BJP made up by changing them frequently.

As the BJP tries to maintain its electoral record in 2024, it needs to come to terms with the fact that the battle-lines may have shifted. In Bangalore South, its candidate Tejaswi Surya has during his first term come to be associated much more with the middle class rather than the interests of those connected with land. This will be reflected in his electoral performance as the Congress has put up former Member of Legislative Assembly Sowmya Reddy, who belongs to a lineage that has effectively represented landed interests in the city. In Bangalore North, the BJP has put up

Union minister Shobha Karandlaje who was moved from her original constituency due to opposition from the party cadre. She faces an unknown factor in Rajeev Gowda, a former Rajya Sabha Member of Parliament who is making his debut in electoral politics. He would hope that having been a Wharton educated professor at IIM Bangalore, he will appeal to the IT inspired middle class, even as his coming from a landed political family should help appeal to landed interests. In Bangalore Central, the BJP has sought to shift the focus away from both major interest groups. In response to the Congress putting up its only Muslim candidate in the state, the BJP has, perhaps predictably, sought to turn a local skirmish about the volume of music played in a roadside shop into an attack on the playing of the Hanuman Chalisa.

As Bengaluru votes on Friday, April 26, it will contribute in some way to deciding whether the BJP gets a third term at the Centre, but also provide an indicator of the current balance in the city between its landed interests and the interests of its IT-inspired middle class.

Narendar Pani is JRD Tata Chair visiting professor, National Institute of Advanced Studies, Bengaluru. The views expressed are personal

Why foreign policy needs to be part of poll debate

As India's global imprint continues to grow, it has become difficult for political parties to ignore the external dimensions of the nation's rise. It is reflected in the way both major political parties have outlined their foreign policy agenda in their manifestos.

Characteristically, the Bharatiya Janata Party (BJP) manifesto sees foreign policy as a tool to advance India's civilisational legacy abroad. It promises to promote yoga, Ayurveda, and classical language training; restore heritage sites; and build a global Ramayana circuit. It positions India as a responsible stakeholder in global governance bodies, claiming the leadership mantle for the Global South. In contrast to the European populist parties' parochial opposition to internationalism, the BJP's confident nationalism partly gains its legitimacy from India's status-seeking exercise as a rising power in the global arena.

In contrast, the Congress's manifesto sees the Chinese incursion as a major national security setback. To tackle the dovish image on national security, it promises to come up with a National Security Strategy and a National Economic Security Board. After being left behind by the BJP in shaping higher defence reorganisation, the Congress is also keen to underscore democratic accountability for security policy by institutionalising the Chief of Defence Staff appointment and enacting parliamentary committee oversight over the National Security Advisor and the National Security Council. In a partisan snipe, though, its manifesto refers to a supposed consensus on foreign policy since Independence. The BJP government is held responsible for breaking away from this consensus in its Israel policy. This ignores India's careful recalibration of its Israel/Gaza policy and suffers from amnesia on the PV Narasimha Rao government's role in strengthening the India-Israel ties.

More substantively, this notion of foreign policy consensus elides the rich history of debates and contestation. While there is a grain of truth in the consensus narrative, the revisionist literature on the history of India's foreign policy presents more nuanced and politically charged pathways to the making of foreign policy. Argumentative Indians have been debating the country's approach to the world and have been at it for a while.

Beset with the material and psychological scars of colonial subjugation, the 19th century, when a national consciousness was developing, saw native thinkers grappling with India's place in the world. They were concerned with justice and peace, the deleterious effects of imperial subjugation, defence spending priorities, and economic development, appropriate strategy in the Great Game, and the Khilafat question. India's participation in World War II bitterly divided the nationalist leadership.

As India won Independence in the shadow of the bipolar great power contest, the issue of the diplomatic positioning of a nascent postcolonial Asian democracy gained salience. For many, the charismatic personality and keen personal interest of an avowedly internationalist Prime Minister meant a personalised and centralised approach to foreign policy: Jawaharlal Nehru's vision and deft diplomacy served as the guidepost in this period. However, scrutiny of records reveals the involvement of a

wide array of actors in foreign policy debates.

The initial years of the Indian Republic were exemplified by the one-party domination of the Congress system. The Congress's numerical advantage in Parliament would give the executive under Nehru a wide berth to implement his vision. Even though the Opposition was not in a strong position to shape the government policy and the notion of national interest warranted a degree of consensus, this did not prevent Opposition leaders from debating and critiquing foreign policy decisions. Remarkably for a polity conventionally characterised as lacking in ideological cleavages, these foreign policy debates were rooted in ideologically charged ways of looking at the post-World War II world order and India's place therein.

Pro-Soviet Union in its tilt, the Communist Party of India (CPI) was initially suspicious of Nehru's non-alignment; the CPI thought it was a cover for his preference for the Anglo-American bloc. India's continued membership in the Commonwealth, Nehru's visit to the United States (US), and his handling of the Korean War fuelled Communist suspicions, which were allayed in the mid-1950s following the exchange visits between Nehru and Soviet leaders. In a clear demonstration of an ideological tilt, even after the 1962 Sino-Indian border war, the CPI wanted resolution through peaceful means.

In stark contrast, C Rajagopalachari and Minoo Masani's conservative Swatantra Party wanted to build an alliance of Asian democracies with the US backing against the "menace" of Chinese Communist aggression. Swatantra's stance on nuclear weapons and Pakistan earned it the Jana government's criticism, though. The Hindu nationalists, by and large, favoured a stronger approach with calls for higher military spending, defence indigenisation, and the development of the nuclear bomb. The Jana Sangh, Swatantra Party, and various socialist parties also deviated from the official policy towards the recognition of Israel. Anti-Communist in their approach, the socialists also looked at China with apprehension and waged a moral campaign in favour of the Tibet cause.

In the unipolar decades, India's rise as a significant actor on the global stage was marked by a continuation of fractious debate and an illusory consensus. The extent of economic openness, tenets of nuclear doctrine, appropriate strategy towards China, alignment with the US, handling of cross-border terrorism, policy towards Afghanistan, and approach in global governance bodies have been issues where the Indian polity differed markedly.

While matters of foreign policy and national security are deemed too important to be considered partisan, there are good reasons for politics not to stop at the water's edge. A nation's position in anarchic international politics and the ruling elite's perception of national interest considerations are too uncertain and dynamic variables not to be debated in a democratic setup. As a rising India engages the world with confidence in an increasingly challenging environment, informed contestations on foreign policy should be the norm.

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EMMANUEL MACRON | FRENCH PRESIDENT

Our Europe, today, is mortal and it can die. It can die and this depends only on our choices. Over the next decade, the risk of Europe being weakened is immense



Break the duopoly in the UPI payments ecosystem

An interesting talking point about the Unified Payments Interface (UPI) is how it bore down on the toffee business. Not too long ago, neighbourhood grocery stores dished out toffee to customers in place of the change owed. *Chutta nahi hai* (there's no change) was the rationale. This, of course, is anecdotal, but underscored a momentous transformation in India's payment landscape. This shift is technological, financial, and, importantly, behavioural, involving hundreds of millions of people.

UPI has redefined the way people transact and has become the default instrument of first choice for small payments. Peer-to-peer transactions are also being done through UPI, which has made sending and receiving money a breeze. The edifice of this change has been infrastructure — Digital Public Infrastructure (DPI), the superstructure of public utility through which welfare schemes, payments and products are delivered seamlessly in real-time. India Stack is the collective name of a set of commonly used DPIs in India; it consists of three different layers — unique identity (Aadhaar), complimentary payments systems (Unified Payments Interface, Aadhaar Payments Bridge, Aadhaar Enabled Payment Service), and data exchange (DigiLocker and Account Aggregator). Together, they enable online, cashless, and privacy-respecting access to public and private services.

While this is a remarkable success story of Digital India, there is a risk of concentration that is emerging. Two apps — Walmart-owned PhonePe and Google's GPay — currently dominate the market of third-party UPI apps. Together, they account for 82% of UPI transactions by volume (PhonePe with 47% and GPay with a 35% market share) and 88% by the total value of transactions (PhonePe with 49% and GPay with 39%).

In the UPI ecosystem, third-party application providers (TPAPs) ride on the compliances of sponsor banks, threatening to erode UPI's core purpose as a powerful public utility vehicle. There are a total of 25 TPAPs under UPI, of which two alone account for eight out of every 10 transactions, raising the prospects of concentration and systemic risks. For instance, the risk of a single point of failure remains elevated when two players dominate such high activity.

The widespread disruption of UPI-led financial transactions for PhonePe and other TPAPs dependent on Yes Bank when it came under moratorium in March 2020 is a case in point. There are other concerns too. The Reserve

Bank of India (RBI) in a policy paper in January 2019 had flagged the dangers of concentration risk in retail payment system. "To foster innovation and competition, the Reserve Bank would encourage more players to participate in and promote pan-India payment platforms," RBI had said in the paper. "Possibility of single point of failure and also makes the entity too big to fail. Absence of redundancy and fallback arrangements may impact continued availability", RBI said.

In an apparent move to minimise concentration and systemic risk, the National Payments Corporation of India (NPCI) came out with a detailed standard operating procedure (SOP) in March 2021, stating that the existing TPAPs, which command a market share of more than 30%, will be subject to the "volume cap" stipulations after December 2022. The deadline has since been extended again till December 2024, allowing the two largest players to further increase the market share.

It is puzzling to see that the NPCI has shown an overall indifferent attitude towards the implementation of the steering committee decision, which can have spiralling effects on the digital retail payment system of India due to rising systemic risk. In most countries, public utility enterprises that provide certain services to the masses are State-owned and State-operated, but in the United States they are mainly privately owned and are operated under close governmental regulation.

The classic explanation for the need to regulate public utilities is that they are enterprises in which the technology of production, transmission, and distribution almost inevitably leads to complete or partial monopoly. India's DPI has powered its aspiration to transition into a developed economy. To become a developed economy, India needed momentum on multiple fronts. It entered the 21st century with a focus on inclusive and equitable growth. To this effect, the government's and policy efforts needed to be focused on enabling access to basic human needs and supporting infrastructure for all its citizens.

India cannot allow the concentration of the country's most important payments public utility to be controlled by two foreign-owned entities, exploiting slack rules as the regulator, rather bafflingly, continues to ignore the risks, jeopardising payments of hundreds of millions of individuals and merchants.

Bikash Narayan Mishra is a senior advisor, Indian Banks Association. The views expressed are personal



OUR VIEW



Spice dust-up: Don't let it cloud 'Make in India'

Our food safety regulator must extricate us from a dust-up over packaged masala mixes. For India to be the world's next factory, we can't let a reputation for lax quality standards set in

Recognizing a dish by its smell is a talent many of us pride ourselves in, the wafts of its aroma rich with spices India has been famous for globally ever since trade began across the high seas. In olden days, spices enabled seafaring by preserving food. In today's times, the masala blends that conspire to tickle our taste buds still evoke 'India' around the world. The association is strong. It's just that home-made spice mixes take drudgery, the sort middle-class kitchens got liberated from many decades ago. Among other staples within handy reach of the cooktop, one can find shelves full of packaged masala powder, typically. The most popular brands are household names. Two of the best known, MDH and Everest, made news this week for action taken against some of their products by food regulators in Hong Kong and Singapore for unsafe content. Specifically, tests allegedly found the presence of ethylene oxide, a pesticide, at levels above the safety limit. This should make us sit up—not just because these mixes are used heavily in Indian cooking, but also for the risk to India's global image as an assurer of quality. Not long ago, we had a big scandal over cough syrup that claimed the lives of 141 children in Gambia, Uzbekistan and Cameroon, after which our drug regulator banned some infant formulations. Earlier, Nestle's Maggi noodles had to be pulled off shelves over safety concerns. Such instances suggest laxity on the part of companies and regulators alike.

The Food Safety and Standards Authority of India (FSSAI) has taken samples from all spice-makers, including Everest and MDH, to run its own checks. The ethylene oxide reportedly found in the exported spice blends has been classified as a carcinogen by the International

Agency for Research on Cancer. To grasp how it gets into our food chain, we must trace it back to its roots, almost literally. Farmers of spice crops use various chemicals to fend off insects and other pests, while the packaging process often involves fumigants and preservatives. Although what's sold is supposed to be safe, residues can linger and cause harm if used in bio-sensitive quantities. As residual substances act as a pretext in some Western markets for non-tariff barriers, bans placed on Indian exports are sometimes viewed as cynical ploys to keep our stuff out. In 2014, the EU briefly banned import of Alphonso mangoes and four vegetables from India. The same year, Saudi Arabia barred Indian chilli on charges of high pesticide residue. However, before fingers can be pointed, it is our job to ensure the quality of our produce. Unfortunately, that's easier said than done.

Hong Kong's Centre for Food Safety had issued a ban on three MDH mixes and one Everest mix on 5 April. Three days later, the FSSAI actually raised the maximum residue limits of pesticides in spices and culinary herbs by an order that some scientists have protested as scandalous. It was only this Monday, though, that word got around of foreign bans, memes began to swirl on social media and our regulator took note.

That it took an overseas whiff of scandal for safety checks to be ordered by our regulator should serve as food for thought. As India strives to become the world's next big factory as part of a 'China plus one' outreach to global investors, we must not let local manufacturers expose us to reputational risks. Globally, we have long battled a lousy reputation for quality control in many fields. We can't afford laxity anymore. Spice mixes are so quintessentially desi, they serve as flagships of what we make.

Agents will be the next big thing in the AI-led world taking shape

As we devolve agency to AI agents for various tasks, let's hope that a Pandora's Box does not open



JASPREET BINDRA

is a technology expert, author of 'The Tech Whisperer', and a Masters in AI and Ethics from Cambridge University.

Bill Gates wrote a prescient blog recently on how agents will be the next big thing in software (bit.ly/3tSMNk6). In his inimitable style, he explained: "To do any task on a computer, you must tell your device which app to use. You can use Microsoft Word and Google Docs to draft a business proposal, but they can't help you send an email, share a selfie, analyze data, schedule a party, or buy movie tickets. In the next five years, this will change completely. You won't have to use different apps for different tasks. You'll simply tell your device, in everyday language, what you want to do. This type of software—something that responds to natural language and can accomplish many different tasks based on its knowledge of the user—is called an agent." He went on to predict how they will upend the software industry and replace apps to become new platforms we use every day. Big Tech companies and startups have heeded his advice. The first glimpse of an agent-led world came with OpenAI's GPT Store. It has more than three million GPTs; these proto-agents are a peek into how Agent Stores may replace App Stores. Microsoft, OpenAI and Google are scrambling to develop software that can do complex tasks by itself, with minimal guidance from you. Thus, the name agents—they have 'agency.' Aaron Holmes writes in *The Information* (bit.ly/3UOdpJu) about

how Microsoft is building software that can create, send and track an invoice based on order history. Another one can "detect a large product order a business customer hasn't filled, draft an invoice, and ask the business whether it wants to send that invoice to the client who placed the order. From there, the agent could automatically track the customer's response and payment and log it in the company's system." These agents are powered by OpenAI's GPT-4 and are the next iteration of the Copilots that Microsoft has launched. OpenAI is also busy building agents that could work on different applications at the same time, moving data from a spreadsheet to a PowerPoint slide, for example. Companies are working on more complex agents that could run through multiple applications: create an itinerary and book tickets, accommodation, restaurants and taxis, for instance. Planning a holiday is an onerous task; you need to work through a gigantic set of choices and apps, taking hours and days of your time. An empowered agent would know your preferences from your history and data and could do this within minutes. Another startup that Holmes writes about is Adept, co-founded by ex-Googleer Anmol Gulati. Adept's AI was built using videos of people actually working on their PCs

to create an Excel spreadsheet or a PowerPoint deck. Trained on these human activities, Adept is building an 'AI Teammate' which can do these tasks for you. Interestingly, the first deployment of agents would probably be by their creators—software developers themselves. Millions of them are already using Microsoft's GitHub Copilot, which helps them write code better and faster. Agents built into them could listen to a problem that a developer faces, suggest ways to address it, and then write, run and test the code.

Agents would also create the next class of devices for the post-smartphone era, like Rabbit R1 and AI Pin, both of which were unveiled recently. They use GenAI models as their operating system (OS), natural spoken language as their user interface (UI), and, importantly, have rudimentary agents instead of apps. So, for example, you can call an Uber, order food on DoorDash or play Spotify by just telling your Rabbit R1 to do so. A Large Action Model (LAM), which is built on LLMs, functions as Rabbit's OS to make it your personal voice assistant. The LAM OS uses its long-term memory of you to translate your requests into actionable steps and responses; it comprehends what apps and services you use daily. The LAM can learn to see and act in the world like humans do. It is still early days, but the app-led devices of today will likely give way to new agent-led devices.

QUICK READ

AI agents will allow users to do complex tasks that currently require them to visit multiple apps for various functions. This could take us from app-laden to agent-ready digital devices.

Some care is being taken by tech companies to keep humans not just in the loop but also in control of AI actions, but such technology can also let agents operate autonomously.

While all this is super-exciting and novel, there are very thorny ethical concerns. So far, in this evolving dance between humans and AI, humans have held on to agency, the power to do stuff. That is why Microsoft calls its software the Copilot—it is not an autopilot, doing stuff on its own, or the sole pilot, since the human must prevail. With agents, we devolve agency to AI—it potentially becomes an autopilot tool and could perhaps act as the pilot itself. Thus far, we have managed to keep the lid on this particular Pandora's Box shut; with agents, we just might crack it open.

10 YEARS AGO



JUST A THOUGHT

Food safety involves everybody in the food chain.

MIKE JOHANNIS

GUEST VIEW

Why solar and wind energy are still far from winning

BJORN LOMBORG



is president of the Copenhagen Consensus and visiting fellow at Stanford University's Hoover Institution.

Despite us constantly being told that solar and wind are now the cheapest forms of electricity, governments around the world needed to spend \$1.8 trillion on green transitions last year. "Wind and solar are already significantly cheaper than coal and oil" is how US President Joe Biden conveniently justifies spending hundreds of billions of dollars on green subsidies. Indeed, arguing that wind and solar is the cheapest is a meme employed by green lobbyists, activists and politicians globally. Unfortunately, as that \$1.8 trillion price-tag shows, the claim is deceptive.

Wind and solar energy only produce power when the sun is shining or wind is blowing. All the rest of the time, backup systems are needed, which makes their electricity enormously expensive. This is why global electricity remains almost two-thirds reliant on fossil fuels—and why we, on current trends, are an entire century away from eliminating fossil fuels from the generation of electricity.

The intermittency of green energy takes the 'cheapest electricity' claim apart. Modern societies need power 24/7, so unreliable and intermittent solar and wind sources entail large and often hidden costs. This is a smaller problem for wealthy countries that have already built fossil-fuelled power plants and can simply use more of them as backup. It will, however, make electricity more expensive, as intermittent renewables make everything else intermittent too.

In countries that are poor and electricity-starved, there is little fossil-fuel energy infrastructure to begin with. Hypocritical wealthy countries refuse to fund sorely needed fossil fuel energy in the developing world. Instead, they insist that people cope with unreliable green energy supplies that can't power water pumps or agricultural machinery to lift populations out of poverty.

It is often reported that large, emerging industrial powers like China, India, Indonesia and Bangladesh are getting more power from solar and wind. But these countries get much more additional power from coal. Last year, China got more additional power from coal than it did from solar and wind. India got three times as much, whereas Bangladesh got 13 times more coal electricity than it did from green energy sources, and Indo-

nesia an astonishing 90 times more. If solar and wind energy really were cheaper, why would these countries miss out? Because reliability matters.

The typical way to measure the cost of solar simply ignores its unreliability and tells us the price of solar energy when the sun is shining. The same is true of wind energy. This approach does make their cost slightly lower than any other electricity source. The US Energy Information Administration puts solar at 3.6 cents per kWh, just ahead of natural gas at 3.8 cents. But if you reasonably include the cost of reliability, the real cost explodes. One peer-reviewed study shows an increase of 11-42 times, making solar by far the most expensive source of power, followed by wind.

The enormous additional cost comes from the need for storage. Electricity is required even when the sun is not shining and wind is not blowing. Yet our battery capacity is woefully inadequate. Research shows

that every winter, when solar contributes very little, Germany has a 'wind drought' of five days when wind turbines also deliver almost nothing. That suggests batteries will be needed for a minimum of 120 hours—although the actual need will be much longer, since droughts sometimes last much longer and recur before storage can be filled. A new study of the US scenario shows that to achieve 100% solar or wind electricity with sufficient backup, the US would need to be able to store almost three months' worth of annual electricity. It currently has 7 minutes of battery storage.

QUICK READ

Claims that wind and solar energy are now cheaper than fossil fuel-based energy are misleading as these refer to costs only when the sun is out or wind blowing but don't account for intermittency.

Tackling it requires massive battery storage that raises the overall bill manifold even as the world is saddled with the burden of spent blades and used solar panels that can't be recycled.

turbine blades and exhausted solar panels. Already, a small town in Texas, US, is overflowing with thousands of enormous blades that cannot be recycled. In poor countries across Africa, solar panels and their batteries are being dumped, leaking toxic chemicals into the soil and water supplies. Because of life spans lasting just a few decades, and pressure from the climate lobby for a rapid ramp-up of renewables, this will only get much worse. Another recent study shows that this trash cost alone doubles the true cost of solar power.

If solar and wind energy really were cheaper, they would replace fossil fuels without the need for a grand push from politicians and the clean-tech industry. The low-cost claim is incessantly repeated because it is convenient. If we want to address climate change, we must instead invest a lot more in low-carbon energy research and development. Only a significant R&D boost can bring about the technological breakthroughs needed—in reducing trash and improving battery storage and efficiency, but also in other technologies like modular nuclear power—to ensure that clean energy is truly cheaper than energy from fossil fuels. Until then, claims that fossil fuels have been out-competed are just wishful thinking.



THEIR VIEW

MINT CURATOR

India's employment paradox of the 21st century: An explanation

We saw a post-covid reversal of both positive and negative labour-market trends and the causes should be debated carefully



SUDIPTO MUNDLE
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BLOOMBERG

The covid pandemic is the great divide of the early 21st century. We compare conditions before and after 2020. This also applies to employment trends. The International Labour Organization-Institute for Human Development (ILO-IHD) *India Employment Report* released last month highlighted some curious paradoxical trends of the pre-pandemic period that were sharply reversed following the pandemic. Drawing on Periodic Labour Force Survey (PLFS) data and the earlier NSS Employment-Unemployment surveys, the report points out that there were some very slow but positive employment trends during 2000-2019 which were reversed after 2020. Three developments in particular are worth noting.

First, there was a pre-pandemic shift in workforce distribution from agriculture to the non-agricultural sector, a key structural transformation of the development process. Unfortunately, most of the additional employment was primarily in low-skill, poorly paid jobs in construction and services. The workforce transformation also lagged far behind the corresponding transformation of the structure of production. Nevertheless, the shift was a positive development.

The second was a shift from informal to regular employment in the organized sector, the best category of employment in India's complex labour market. Informal jobs remained predominant, but the share of regular employment in total employment rose from 15% in 2000 to 24% in 2019.

The third positive development was a rise in labour productivity across all sectors, albeit with large variations. During 2000-2019, productivity increased the most in manufacturing (annually 6%), followed by services (5%), agriculture (4%) and construction (1%). Of course, rising labour productivity also meant that the labour requirement per unit of output was declining. It is not surprising that construction, where productivity growth was the least, is also the sector whose share in employment rose the fastest during this period.

Paradoxically, alongside these positive trends, there were also some serious negative developments. Thus, the Labour Force Participation Rate (LFPR), the proportion of India's working-age population that is either working or available for work, declined from 62% in 2000 to only 50% in 2019. Similarly, the worker population ratio (WPR), the proportion of employed persons in the population, also declined from 62% to 50% (these aggregate numbers mask large gender differences, where the LFPR or WPR for women are much lower than for men). The unemployment rate, the proportion of population in the labour force who were openly unemployed, rose from 2% in 2000 to 6% in 2019.

Once the pandemic struck, the shock reversed all these trends. The share of agriculture in the

workforce, which had been going down during the previous two decades, went up again in 2021 and remains higher even today (2023 PLFS survey) than in 2019. There has been a similar reversal of the rise in the share of regular wage employment, which remains lower today than in 2019. But along with the reversal of these positive trends, negative trends have also been reversed. The LFPR, which was declining till 2019, has since gone up. So has the WPR, while the unemployment rate has declined. How can these paradoxical trend reversals be explained?

For an answer to that question, consider the arcane details of how employment is measured in the PLFS. The market is segmented by conditions of work and earnings. The best job is regular wage employment in the organized or formal sector, followed by regular informal employment, casual work and self-employment (covering own account workers, employers and unpaid family workers). All those engaged in these economic activities are counted as employed.

During good market conditions, workers are able to move to better jobs and the reverse happens during adverse conditions. But these dynamics are not captured in aggregate employment or unemployment numbers. It has been argued that when conditions were improving, those 'employed' in miserable jobs for little or no pay at the bottom of the pyramid could afford to move out of the labour force, since others in the family were able to earn

better. Also, getting education has been a major factor driving withdrawal from the labour force, especially for the youth. When urban non-agricultural employment opportunities collapsed with the pandemic, workers had to migrate back to rural areas as underemployed workers in agriculture, which acted as a shock absorber.

The declining workforce share of agriculture was reversed, as also the rising share of regular

employment in the formal sector and productivity gains. The number of self-employed workers, especially unpaid family workers, had an upswell, and with that the LFPR and WPR improved while the unemployment rate declined. After all, unpaid work for a family farm is also counted as employment in the PLFS, no matter how odd that may be. These trend reversals have persisted and showed up in the 2023 PLFS too. It is still too early to tell whether it is an aberration in the near-term or a long-term structural reversal.

Finally, a major focus of the ILO-IHD report is the relationship between youth unemployment, education and skills. I have not got into these issues on account of space limitations, but would strongly recommend the report to interested readers. It is important because these are the factors, along with related policies, that will determine whether India reaps a demographic dividend or faces a demographic disaster in the decade ahead.

These are the author's personal views

QUICK READ

India's declining workforce share of agriculture was reversed after covid, says the ILO-IHD report. Our productivity gains and rising share of regular formal-sector employment saw reversals too.

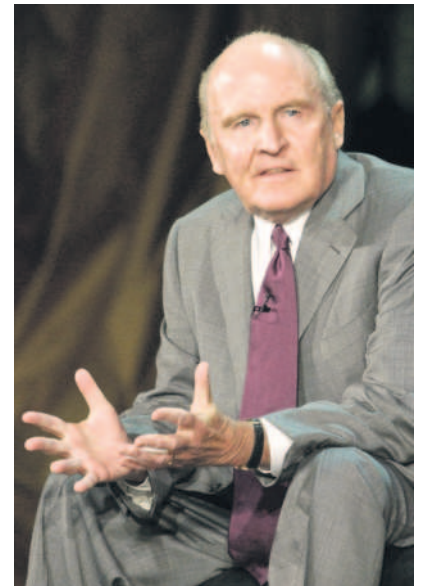
Self-employed workers had an upswell, especially unpaid family workers, and that could explain why labour force participation improved and the country's unemployment rate declined.

GE's CEO factory has stopped production: It's good riddance

Its assembly line of CEOs has joined Jack Welch's discredited legacy



BETH KOWITZ
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GE's Jack Welch was a leader of leadership thought in the 1990s

Last week, reports surfaced that after more than a year on the market, General Electric (GE) finally managed to offload Crotonville, its storied leadership academy nestled along the Hudson River in the suburbs of New York City.

It's not just Crotonville that's a tough sell these days for GE. It's also the executives the training centre helped shape and the leadership philosophy it long espoused. A GE pedigree was once highly coveted by corporate boards looking to fill out their companies' C-suites. But now, GE-bred CEOs are developing a very different sort of reputation—that of flameouts rather than stars. For the ur-example, look no further than The Boeing Company, where three of the last four chief executives all hailed from the once powerful conglomerate. "The running joke around the company is whatever you do, don't hire another CEO from GE!" one current Boeing manager quipped to *Fortune* earlier this month.

It's a damning indictment of the house that Jack Welch built.

Welch ran the place for two decades, a period in which he developed a management system that rotated high-potential executives through different parts of the sprawling enterprise—a few years here with the now-infamous financial services division, a few there with plastics. Ultimately, that meant mastering the "GE way" was deemed more critical to running a successful business than developing deep domain expertise. To the outside world, it gave the impression that a GE-trained executive could parachute in and expertly lead any business, which is how Crotonville graduates ended up in charge of companies like Albertsons, The Home Depot and Intuit that have seemingly little resemblance to GE.

The Boeing fiasco is just the latest proof point that it's time to abandon the premise of interchangeable CEOs, who are produced at a GE-like CEO factory and can be swapped in and out like widgets. The world is too complicated, the job of a CEO today too challenging and the products many companies produce too technical for this model to work anymore—if it ever did.

At Crotonville, GE reinforced the top-down, corporate-knows-best mentality that has gotten a crop of its alumni into trouble. Executives would disappear for a few weeks at a time to the bucolic campus and learn all about Six Sigma quality and cost cutting in a way that, in retrospect, seems alarmingly divorced from the realities of what was happening on the shop floor. Now we can see how that mentality

played out at a place like Boeing: Engineers were sounding the alarm on the company's safety issues as far back as 2001. But apparently its executives just couldn't hear the warnings in Chicago, where that same year Boeing relocated its headquarters far from its Seattle production lines.

Compare that to the lean manufacturing philosophy that Larry Culp has put in place at the dramatically slimmed down GE. In this world-view, answers to problems can be found on the factory floor, which is also where the culture should be shaped—not at some far-removed corporate command post. Executives should be spending their time with operations, not in Crotonville-like Ivory Towers or wood-paneled conference rooms. There's still a benefit that comes with an academic leadership program that lets people refresh their thinking and opens them up to new ideas. But as Culp has proven, it needs to be more in balance with what a company actually does and how it operates.

GE may no longer be considered a CEO factory, but some corners of corporate America seem to still be searching for one elsewhere. Increasingly, headhunters and boards are looking for their next CEO to have Amazon on their resumes. It's the GE of its day, with its vast operations and legendary management and growth. But already we have a few case studies—Dave Clark at Flexport and Matt Furlong at GameStop, to name just two—that yet again demonstrate that the CEO factory model is too simplistic for today's fast-changing world.

The discourse swirling around who should be the next CEO of Boeing suggests that the message might finally have gotten through: The company needs to prioritize manufacturing experience rather than nebulous 'leadership skills.' That's going to require hiring for very specific expertise, not just someone who ticks the boxes of what a CEO should act and look like.

It's a smart way of thinking about all CEO searches, and especially the complex ones. Boeing's next chief executive must be able to rebuild the company's culture and turn-around the business—all while handling an incensed public and Washington. That kind of executive is made to order, not one likely to be found rolling off the line of any CEO factory. ©BLOOMBERG

MY VIEW | PEN DRIVE

Polls spotlight the argumentative Indian TV debate

JYOTIRMOY SAHA



is founder of August Media Holdings and also POP TV.

It's election season again in India, and this time, the world seems to be watching. Or so it would seem on social media. In recent years, Indian politics has gotten attention from unexpected quarters. Tennis legend Martina Navratilova doesn't hide her dislike for Prime Minister Narendra Modi, pop star Rihanna threw her support behind Indian farmers, and so on. But celebrity musings aside, India's growing influence in the world has ensured that international publications seeking 'India interest' eyeballs have been very active in their coverage. Strong opinions have been posted by legacy news publications *Time*, *The New York Times*, *Economist* and *Financial Times*. Almost all these opinions, critical of India's current government, conform to their editorial positions and are mostly from Indian writers who are known for their slant.

My kids (both young adults now) tell me that for real opinions, one has to hear the voices of real voters on social media. But is

that really real? The answer lies in recommendation engines—one of AI's most basic applications. Each time you use online search, watch a video, read an article or make an online purchase, your activity is recorded. As patterns of your usage emerge, algorithms start to identify your likes and dislikes. With increased usage, these patterns become more robust and better able to predict your choices with reasonable accuracy. Applied to news and opinions, it can skew the user's view of the world. This technology feeds our very human nature to seek out, comprehend and remember data in a manner that validates our pre-existing convictions and principles. Our natural bias manifests further as we start to cherry-pick data that aligns with our perspective, disregard opposing data, and rely more often on vague information that reaffirms our biases. Online engines fuel this to perfection.

In short, whenever we look for political news on social media, we invariably fall prey to our own patterns. That's why we live in an era of polarized political positions. Funnily, those opinions are not just limited to politics in one's own country. Be it in the US, Brazil, India or other countries, never has the world been more invested in elections.

Expressions of concern for the state of democracy in these democracies fly thick and fast. Ironically, opinions on what counts as 'democracy' in democratic countries are louder than concern for the plight of people living in actual autocracies—over 70% of humanity. If I had a dollar bill for every time I read something asking a democracy question of India, I'd have a mountain of money piled up to my chin (credit the expression to Annie Lennox and David Allan Stewart).

Thankfully, though, political opinions only rise to a crescendo during election season. What matters to the world is India's standing in bilateral and multilateral settings. To most Western countries, India is seen as an indispensable ally in the global balance of power, thanks to its substantial population, huge consumer base, military might and economic influence. The world views India as a valuable partner that operates

under the rule of law and sees no need to confront it over its domestic policies. Calls to do so are mostly rhetorical and support for such rhetoric can be exaggerated by our digital confirmation biases. In general, the world understands that the level of democratic freedoms in India (or lack thereof) isn't really much better or worse than in other democracies. India is a complex country with multiple levels of national, regional and local governments run by a wide spectrum of political parties with various cultures, ethnicities, languages and belief systems. Every few years, there is a churn that sees these levels of government getting voted out and replaced on the basis of prevailing issues.

Globally, nowhere else is there another example of such a complex web of democratic governments run by such a wide variety of people.

International news coverage be damned, what stands out in this

din of Indian elections is India's very own brand of TV news debates. With ultra-high penetration of cable TV and broadband internet, large numbers in India are cued in on the last argument they watched on TV or online. I quite enjoy this theatre that boasts a cast of characters. It can easily put any *magnum opus* to shame. They include the hallowed, the shamed, insiders, fighters, gentlefolk, knowledgeable ones, ignorant ones, defenders, attackers, and, for good measure, even a pair of highly passionate estranged brothers from opposite teams. Night after night, this lineup loudly argues every idea, every speech and every word written or uttered by general election hopefuls. Done with the usual flair of Indian dramatics, these debates serve to do one thing very well. They make Indians aware of almost every little dynamic that is at play in elections. So popular is this TV format that it has now begun to extend into once-sedate conferences and stage events as well.

There is only one health warning from this for all international commentators: The Indian electorate is more aware than it may seem and it tends to collectively choose just what is right for the people. In that sense, democracy doesn't get any bigger.

QUICK READ

These elections are attended by a surge of media commentary globally. Social media also seems driven by confirmation biases, so it's hard to get a representative ringside view from overseas.

What stand out in the din are India's TV debates. Foreign observers who question Indian democracy should acknowledge that the country's electorate is more aware than it may seem.

CONTRAPUNTO

Win or lose, we go shopping after the election

IMELDA MARCOS

A Matter Of Trust

SC's varied verdicts on state acquisition of pvt properties have been confusing. And people are suspicious of govts

Nine-judge benches in the Supreme Court are infrequent. But when they are formed and reach a decision, it should settle substantive questions of law. According to the National Judicial Data Grid, there are 136 pending cases (main and connected matters) for nine-judge benches. One such bench began its work this week to settle an issue that's been a cause of confusion for over four decades.

Not always in harmony | This case gives a sense of how the intersection of laws and judicial interpretation doesn't always lead to clarity. It sometimes leads to questions over the efficacy of constitution benches.

The origin goes back to 1977 when a seven-judge bench, interpreting Article 39(b), in a 4:3 decision concluded that privately owned resources did not fall within the scope of material resources of a community. In 1983, a five-judge bench relied on the minority opinion to interpret some laws. This was upheld by a nine-judge bench in 1997. However, in 2002, another bench wanted these inconsistent verdicts resolved. Over two decades later, SC has got down to it.

Current case | Maharashtra in 1986 passed a law that allowed a state body to acquire certain properties for restoration if 70% of owners consented. This law stated that it aimed to fulfil the principles advocated by the Constitution's Article 39(b). A body representing property owners challenged it, but there was no result.

In 2019, this law was amended again to make time-bound redevelopment mandatory, failing which the state could take over the property.

Eminent domain | SC's bench will resolve accumulated inconsistencies, but there's a larger public policy issue at stake here. Every economically successful country has used the doctrine of eminent domain. It means the state can acquire private property to serve public interests. That's been the prerequisite for transformational infra development. The key however is that there has to be trust in the claim that forcible acquisition of private property is for a public purpose.

Trust, missing element | Property owners in Maharashtra who are litigating believe the law's real intent is to help real estate firms. Similar distrust among farmers has also stalled adjustments in India's land acquisition legislation.

SC's inconsistency across benches has created avoidable delays. It should end this time. But questions about efficacy will remain because if people lack trust in a law's intent, the answer lies in the governance system.



Maha Poll Question No One's Asking

What will elections deliver for rural Maharashtra? What villages used to have were local leaders with vision and social capital. What they have now are water woes, farm debt, and astonishingly low incomes

Jaideep Hardikar



As the arduous 5-phase Maharashtra elections gain momentum, with a fractured polity and defections the new normal, the state's rural populations are angry and restless over the question: What's in this for us?

This is particularly the case in Vidarbha and Marathwada, which will vote today and in the next two phases. The unabated social unrest symbolised by Maratha and Dhargar protests also very much stems from rural distress. Whether or not the anger among rural communities gets translated into a vote for change, structural rural problems need addressing with urgency.

How cooperatives once came to the state's rescue

In his biography, cooperative stalwart late Tatyasaheb Kore narrates the struggle of his people through the 1960s, in the once severely drought-prone but now affluent Warana-Nagar region of Kolhapur district. There were times when hungry people would raid the passersby to snatch their tiffin. A cooperative sugar mill that he founded not only brought prosperity to Warana River valley but also set off a movement that over the decades radically transformed north-western Maharashtra.

The Bombay State Cooperative Bank institutionalised a central committee under the well-known economist Dhananjayrao Gadgil, to steer the setting up of cooperative sugar factories, which would lift impoverished uplands of Krishna and Godavari basins to overnight affluence.

In the 1970s, successive ravaging droughts, particularly in the rain-shadow zones of central-western Maharashtra, saw the birth of Rozgaar Hami Yojana, a scheme that would fire up UPA's rural employment guarantee law four decades later. In the 1980s, Maharashtra scripted milk and horticulture revolutions.

Several common strands underline these transformative interventions. Target was rural populations, driver was govt through its agencies, and framework was of participatory cooperativism. Catalysts were local leaders with boundless social capital.

But vast swathes got left out of this growth story | In all this, there remained a major shortcoming. Investments flowed and models flourished in limited geographies.

For instance, what worked for sugarcane unfortunately did not work for cotton. This fuelled intra-state disparities and bitterness. Most of these policy and programme interventions created islands of prosperity but vast swathes of an ecologically, socially and culturally varied Maharashtra countryside did not partake of the economic gains.

Remember too, in the first 40 years of the state's inception, while the cooperative political economy was yielding fruits, old relics of the pre-colonial period (like the composite textile mills of Mumbai and Vidarbha)

For long stretches in the forested eastern districts, torn by armed internal conflict, you don't see even a small factory. What you see is men, women and children in their thousands foraging for non-timber produce or spending hot days working at NREGA work sites.

In western Vidarbha's cotton bowl, farmers' suicides continue unabated. Now, worryingly, women are juggling multiple loans from micro finance institutions, banks, or private sources, to meet domestic expenses, health exigencies, or pay farm input bills. Primary producers, with no allied sector or alternative incomes, are like a candle in the storm.



Where sugarcane gets the water, not people | In its central, western, and northern parts are people scampering for water for much of the year, burdened by loans. Take Marathwada. It's been ravaged by an unprecedented water crisis for over two decades – successive years of rain drought and unchecked exploitation have led to alarming levels of groundwater depletion. People buy water every day. Tankers are the industry. In some districts you see water-guzzling sugarcane bizarrely juxtaposed to tankers ferrying drinking water – all this in a state that has the largest number of big dams under construction, for decades without fruition.

Where 'local' has lost its mojo | Even the state's delivery system is inefficient. Because the machinery is jaded, rusty,

and has zero motivation. Some of this is the divisive and vicious political culture's toll. But another key is that village panchayats, panchayat samitis, and zilla parishads have lost their revenue streams since GST. The 'local' and the 'self' in local self-bodies have dissipated, leaving only lifeless 'bodies' dependent on central and state govts for funds. This opens up the possibility of an elite political capture of such institutions.

If you travel across Maharashtra countryside today, the disconnect between Mantralaya politics and grassroots wants is stark. Its state leadership is a pale shadow of yesterday's towering and visionary stalwarts.

Whatever the outcome of Lok Sabha elections or the assembly elections due later this year, rural Maharashtra is in the grip of a poly-crisis, fixing which can't be postponed any further. Who will do it in these uncertain times remains an enigma.

The writer is with People's Archive of Rural India (PARI)

Maharashtra votes today (8 seats, Vidarbha-Marathwada) in the second of its 5-phase polls

POLITICS
Special Series on Elections

were shutting shop, paving the way for a real estate sector to take shape, first in Mumbai, then in Pune, followed by other parts of the state.

Now, though, with all the old ideas either crumbling or showing signs of fatigue, no new ideas are on the horizon, either on policy or political fronts.

Meanwhile, for all its economic progress and industrialisation in certain parts, the paradox of modern-day Maharashtra is glaring. It has prosperous western parts, penurious eastern region. It has affluence and massive impoverishment in the same geographies among the same communities.

Where factories never reached | To its eastern tip are farmers and tribal communities who still rely on forest offerings (mahua or tendu) for sustenance, and on seasonal long-distance migration. You destroy the forests and you'll see this underbelly unravelling. One crop isn't enough to fund a year's sustenance. Incomes are astonishingly embarrassing.

Managing West Asia's Controlled Crisis

The region is apprehensive about Israel's impending offensive in Rafah. But despite the Gaza conflict feeding into regional rivalries, all-out war is unlikely

Aydin Sezer



Israel is preparing to launch an assault on Rafah in southern Gaza, despite objections from the international community and reservations of its closest ally US. Impact of this conflict on regional dynamics remains intense and worrying. We recently had Israel and Iran engaging in tit-for-tat drone and missile strikes. Tehran's proxies in the region too have kept up pressure on Tel Aviv and its allies.

Although Israel and Iran now seem to be downplaying their mutual attacks, the fact that they are directly targeting each other represents a paradigm shift. The attacks indicate the whole region's descent into a fascistic cycle of violence. Everyone is aware that a potential Israel-Iran conflict might start a regional war. In fact, the question of whether the disputes will be limited to the regional level is debatable. We can already conclude that West Asia's tensions have outweighed the Ukraine-Russia conflict.

Split in Muslim world | Islamic countries in the region are deeply concerned about Israel's military actions in Gaza and the signalled IDF operation in Rafah. But while there is growing general resentment towards Netanyahu's Israel, when it comes to Israel-Iran equations Arab countries prefer to remain mute. Jordan is even publicly backing the US-UK-Israel triangle. Therefore, it is possible that in a regional war, Arab countries may attempt to remain neutral. However, there is also a real risk that their

neutrality will lead to unforeseen repercussions.

Critical 4 | A look at a critical group of countries in the region reveals complex equations. This group includes Turkey, Azerbaijan, Syria and Iraq. Turkey neighbours Iran and has a substantial military presence in Syria. It is attempting to enhance its relations with Iraq while maintaining carefully regulated ties with Iran. It openly criticises Israel and is becoming more critical by the day. Turkish President Erdogan has shown sympathy and support for the terrorist organisation Hamas. However, Turkey is also a Nato member. We also know that the Nato Kurecik Radar Station in Turkey activated its early warning system in reaction to the Iranian missile attacks against Israel and provided the data to US and UK. Thus, Turkey is in a foreign policy deadlock.

Damascus duel | When it comes to Syria, since the civil war in that country, Iran has developed significant military presence there via militias. Relations between Damascus and Tehran can be seen through the lens of strategic collaboration. But Israel views Iran's position in Syria as a threat. Which is why Israel has been regularly launching attacks on Iranian infra in Syria.

Iraqi theatre | Despite US military presence in Iraq, Iran continues to have significant influence of its own in the Iraqi setting. It even maintains organic links with Kurdish groups in the country's

northeast. We have occasionally seen Israel and Iran launch strikes on each other's infra in the Iraqi theatre.

Azeri swing | Azerbaijan will be a key country in the event of Israel-Iran conflict. It is Turkey's sister country – 'one nation, two states' rhetoric shapes the two countries' ties. Azerbaijan-Iran ties, however, are exceedingly strained. Iran is home to more than 40 million Turks of Azerbaijani heritage. Plus, Iran supports Armenia in the conflict between Azerbaijan and Armenia. Even more interesting is the nature of Azerbaijan-Israel relations. There is Israeli military presence in Azerbaijan. In fact, we know that Israel has used its assets there to carry out multiple surveillance operations against Iran. And during the recent Nagorno-Karabakh conflict, Israel openly supported Azerbaijan and contributed weapons.

US signal | All eyes in West Asia, particularly Netanyahu's, are on the US election outcome. The Israeli PM has hitched his personal political career to the continuance of his violent policy in Palestine and the general area. He believes that if Trump is elected he will be able to continue such tactics more easily. It is unclear whether US soldiers in Iraq and Syria will be withdrawn if Trump becomes president. But if US forces are evacuated, Israel may adopt a more forceful strategy to enhance its security.

So, again, could Israel-Iran tensions escalate into a major regional confrontation? In this writer's opinion, even if Israel and Iran continue to test each other, these developments are unlikely to escalate to a hot war. This is because a regional confrontation could in turn escalate to a global war. This will compel non-regional forces – US, UK, Russia and China – with influence on Israel and Iran to keep things at the level of a 'controlled crisis'. At least, that's the hope.

The writer is a Turkish political analyst and former diplomat

In Praise Of Rebels

Rebel candidates are a sign of parties with little internal democracy. This revolt against party big bosses is welcome

There's a halfway house in politics between a party and its rival. No, not resorts. It's the House of Rebels. While politicians cannot be accused of party 'loyalty', parties cannot be accused of internal democracy either, especially when selecting election nominees. Which is why, unfailingly, come elections, we see rebel candidates.

A nominee too many | Local brass and incumbents, miffed when they fail the repeat-test, are happy to rock the mothership by contesting as Independents. It's why BJP's anxious about Karnataka's Shimoga where BSY's son Vijayendra will also face party rebel KS Eshwarappa – now suspended – as an Independent. It is why Congress workers are campaigning against their own man in Rajasthan's Banswara-Dungarpur – the seat went to INDIA bloc ally BAP, but Congress's sulking 'candidate' didn't exit the race. In Maharashtra's Amravati, Independent MP Navneet Rana got a BJP ticket, only to be ghosted by local units of Mahayuti. There's, inevitably, a rebel candidate now.

No damage control | Parties are coaxing rebels to withdraw nominations. When such rebel candidates' vote shares are close to victory margins, as it was for rebel Congress nominee in Chhattisgarh's Raipur North assembly seat (2023), it's evident why the party lost. Of course, if the parent party wins, like BJP in Rajasthan (2023 assembly), rebels are inconsequential.

But this is what happens when nominations are top-down – decisions can split workers, create splinters and eventually split votes. Rebels' sole purpose is to damage parent party's prospects. You can criticise them for their self-serving motives. But see them also as protesters against party systems that don't allow internal democracy. If political parties were more consultative, or if they had local committees who had some say, rebellion would lose its prime motive. Rebels, insofar as they revolt against party's big bosses, deserve our praise.



Coin of the realm

There's a magic about metal money that spans many lands and ages

Jug Suraiya



There are two foreign visitors staying with me ever since I can remember. They moved with me from my grandmother's home in Kutch Mandvi, to Calcutta where I grew up, then to Gurgaon where Bunny and I now live.

Their presence over all this time has been so unobtrusive that for years I forgot about them, until I chance upon them in the cupboard where they stay.

Our two houseguests are 42mm in diameter and weigh 28g each. They are silver thalers minted in 1780 during the reign of Empress Maria Theresa who ruled Austria, Hungary and Bohemia from 1740 to 1780.

The coins bear the profile of the ruler, tarnished with age but imperiously identifiable, along with a Latin inscription which in translation reads, "Maria Theresa, by the Grace of God, Empress of the Romans, Queen of Hungary and Bohemia."

Each coin is worth about ₹5,000, but I'd not consider selling them any more than I'd erase the memory of an old friendship, or the recollection of a favourite book whose words, and the images they conjure, have become as intimate as an inner voice.

How did these Austrian coins find their way to my grandmother's house in Mandvi? The question is as teasing as a mystery thriller.

Thalers became alternative currencies as far afield as Oman and Muscat. The Kharva seafaring community of Kutch traditionally ran an import-export sideline to and from the Arab ports, unfettered by customs regulations. Thalers brought in by them found their way into Mandvi's bazaar, and so to my grandmother's house, from where as a child I brought back two on returning from a family visit, and they've accompanied me ever since, on my own migrations.

You don't have to be a numismatist to fall within the spell of these pieces of metal, enduring travellers, passing from hands and lands, climes, and ages, retaining woven narratives of their journeys, the enigmas of arrivals and departures. As one day, inevitably, they'll depart from me, perhaps to bemuse a stranger never met who might wonder to whom they had once belonged, or who had belonged to them.



jugularvein

Calvin & Hobbes



Sacredspace



The World-honoured One is very rare... fully endowed with incalculable merits, he can rescue and preserve all. The great teacher of gods and men, he takes pity on the world, and living beings in the ten directions. All everywhere receive his favours.

Lotus Sutra

Serve People To Earn The Right To Lead Them

Sant Rajinder Singh

Many of us focus on the routines of life: waking up, getting dressed, eating breakfast, driving to work or class, working to earn a living, coming home, and repeating the cycle the following day. Some among us wonder if that is all there is to human existence. Those who raise this question conclude that there is a higher power within us that guides us.

We possess the characteristics, behaviour, and habits of mind and heart of true leaders. True leaders have the courage to confront the meaning of existence. They have the courage to live in a manner that offers meaning to others; they inspire hope in others that they too can become one of God's noble works. Such leaders radiate unmatched strength of character and will. Yet, they are the most humble and compassionate of leaders.

Leadership is a reflection of who we are within. It has two central aspects: understanding our true self and serving others.

True leaders enter within their own hearts and souls, engage in self-analysis, and connect with the spiritual force within themselves. That inner spiritual power is the source of virtues, power, and life. Once we contact the eternal spiritual power, we connect with the source of the qualities of true leaders. This automatically and effortlessly results in inculcating the virtues and characteristics associated with great leaders.

Great leaders in history have said that service before self was the key to a full and rewarding life. It is by serving others that we earn the right to lead them. We may act as leaders, but we

must be servants to lead meaningfully. The role of the leader and servant cannot be separated. A life of service is based on deep spiritual principles that are understood and internalised when we contact the Truth within.

How can we contact the spiritual power that connects us with the source of true leadership and embody leadership that is lasting and inspiring?

It is by tapping into the source of spiritual power within. We call this process prayer with attention, concentration, or meditation. When we withdraw our attention from the outer world and focus it within, we embark on the inner, spiritual journey to experience God's love and Light. As we connect with the Divine love and awaken to our own true nature as soul, which is a part of the Divine, we recog-

nise His presence in all living creatures. With this comes the understanding that we are all connected through His love. Then we open our hearts to everyone and seek to serve people selflessly.

We need dedication and perseverance to achieve anything. For those who turn toward the spiritual path, true leadership will come without fail. We do not need to act or pose. Our leadership and spiritual strength will flow from our words and actions and will reach the hearts of others as naturally and inevitably as a stream flows towards its source. If we tap into the spiritual resources within, we will become leaders whose lives will inspire others to follow and who will be a blessing to those we meet.

Leadership is a product of deep, ongoing self-analysis. It is about choosing a life committed to spiritual growth and service.



THE SPEAKING TREE