NEW DELHI | THURSDAY, 4 APRIL 2024

### Integrated framework

India needs a medium-term economic strategy

he government has made it clear that its plan is to create a "Viksit Bharat" — a developed India. Various dates have been suggested for the realisation of this ambition, though the one most often cited is 2047, the hundredth anniversary of India's independence. It is only right that such ambitions be set. However, the implications in terms of growth requirements for such a target are quite onerous. A growth rate of at least 8 per cent will be required, year after year, for decades to reach even the current cut-off for highincome countries of \$14,000 nominal gross domestic product per capita. This level has been achieved by about 60 or so countries. But such growth is possible. The People's Republic of China, after years of fast growth, will likely achieve the \$14,000 level in the next few years — even though its economic momentum has shown distinct signs of slippage in recent times. Many countries in eastern Europe and East Asia have also maintained high growth on these time scales.

However, for a country with the complexity of India, it is clear that high and sustained growth does not come automatically. This is particularly the case in the current scenario. Unlike the "golden period" of the 1990s and 2000s, the global economic environment today is a source of stiff headwinds for ambitious developing economies. There are multiple reasons for this. First, the trading system has become far more closed, as countries engage in industrial policies that include domestic subsidies and tariff walls. Second, the brewing cold war between the US and China has split value chains and complicated investment strategies. Third, technological changes have made it harder for development strategies based around arbitraging labour costs to work effectively. To these trends must be added other macro-trends, including the effects of climate change and the implications of the green transition. The need to address carbon emission reduces the ability of countries, including India, to rely on domestic reserves of coal as a source of cheap energy. It raises the costs of industrialisation, as higher-cost techniques become necessary for intermediate goods. And new resources and commodities — such as nickel — become additional drains for foreign exchange and chokepoints in global supply chains, not to mention possible geopolitical flashpoints.

It would be far too optimistic to assume this complex global and economic environment can be easily negotiated by multiple Union ministries creating reactive policies, each in its own silo. Such an approach might keep India's head above water in terms of economic growth but it is extremely unlikely to provide the kind of sustained growth required for Viksit Bharat. Thus, there is no alternative to creating a more coherent medium-term strategy that integrates the requirements of various sectors relevant to growth and development, as well as taking into account the myriad forces and trends listed above. Such medium-term strategies need not have the prescriptive or statutory force of Five-Year Plans in days gone by. But they can serve as important guides to policy making in various ministries that are otherwise short of capacity for long- and medium-term planning. The correct location for this work would of course be the NITI Aayog. The government's internal think tank could have its intellectual capacity deepened, and could be assigned this work of bringing out a medium-term road map for growth, which can be adjusted periodically to account for internal and external developments.

### Nato @ 75

#### The transatlantic alliance seeks a global role

s the North Atlantic Treaty Organization (Nato), the world's largest peacetime military alliance, turns 75 today (April 4), it faces challenges within and beyond its transatlantic borders. The alliance, formed as a security bulwark by 12 countries — the US, Canada, and 10 western European countries — against Soviet expansionism (embodied in the Warsaw Pact), has found growing post-Cold War relevance against the neo-imperialist aims of post-Soviet Russia under Vladimir Putin. Today, Nato has 32 members, and it is no coincidence that the major enlargements occurred in 2004, four vears after Mr Putin began his first term. In that year, former Soviet countries Estonia, Latvia, and Lithuania; former Warsaw Pact countries Bulgaria and Romania; and Slovakia and Slovenia became its members. Three former Warsaw Pact countries — Hungary, Poland, and the Czech Republic — had signed on in 1999. Mr Putin's invasion of Ukraine has strengthened these impulses.

Finland, which shares a 1,340-km border with Russia, and Sweden, jettisoning a century of neutrality, applied to join in May 2022, gaining membership in May 2023 and in March 2024, respectively. This steady eastward enlargement has been the centre of Mr Putin's conception of Western perfidy (citing a non-existent commitment from the US not to expand Nato) and justification for invading Ukraine, a country he claims has historically been an integral part of Russia and which had sought both Nato and European Union membership. Unsurprisingly, it is the Russia factor that is driving current controversies within Nato, as Jens Stoltenberg, secretary general since 2014, steps down. Last month, the President of Romania, which shares a border with Russia, threw his hat in the ring for the post, pitting himself against the outgoing Dutch Prime Minister, who is considered a shoo-in. Now, the Baltic countries, all Russia-bordering countries, too have forwarded their candidates.

But even as Russia's European ambitions continue to engage Nato, the less noticed aspect of the alliance has been its steady global reach, specifically in the Indo-Pacific, where it seeks to confront the rise of China. The alliance, thus, recognises a number of partners across the globe, among them Australia, New Zealand, Japan, South Korea, Iraq, Pakistan, and Colombia (although it does consult non-partners such as India and China on regional security dynamics). More countries in Asia, Latin America, and Africa are in its sights. In the immediate context, Nato's willingness to continue to underwrite Ukraine's defence against a resurgent Russia-China axis and the West Asian crisis will shape its future, particularly with US appetite for helping Kyiv waning and continued support for Israel causing ructions within the alliance. The very real prospect of Donald Trump's return to the White House in November adds to its predicament. Mr Trump has been vocal about declining to come to the aid of a European state if it is attacked — the founding principle of the alliance — unless Nato partners step up their own funding. His relationships with Mr Putin and Israel's Benjamin Netanyahu raise doubts about the US' role in Nato. Accordingly, Nato is planning a five-year \$100 billion military aid package to shield Ukraine from the "winds of change" in the event of a Trump presidency. How successfully it manages this exercise will be a major test of strength in the emerging global security architecture.

# A requiem for the WTO

Despite its benefits to global prosperity, the WTO may be on its last legs, unless something changes dramatically

III IJSTRATION: BINAY SINHA



he creation of the World Trade Organization (WTO) on January 1, 1995, marked the biggest international trade reform since the end of World War-II. as it extended the General Agreement on Tariffs and Trade (GATT) remit on goods to also cover trade in services and intellectual property. The birth of the WTO also created new procedures for the settlement of disputes. Three issues have arisen. First, the continuing designation of China as a "developing economy". Second, China's use of

state-owned enterprises with special subsidies giving it an unfair advantage has slowed its progress to be a "market" economy. Third, the charge that the WTO appellate body has over-reached and some countries misuse its dispute-settlement system to gain unfair advantage.

Despite lack of consensus on the Doha Round, global trade volumes more than doubled and global tariffs fell until the global financial crisis (GFC) in 2008. Since then, regional trade agreements like the Regional Comprehensive Economic Partnership (RCEP) and the

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) have gone forward. But there are obvious signs that the US and China are now engaged in creating parallel and competing trade spheres while continuing to trade with one another. With manufacturing hollowing out in the richer countries and premature de-industrialisation in many developing countries, including India, the political landscape for freer trade has changed.

Richard Baldwin speaks of the next phase of globalisation driven by trade in services as Globalisation 4.0. But a revival of trade since 2020, especially in services and cross-border financial flows, suggests

that globalisation may continue but more slowly -"slowbalisation" — than in the period before the GFC, and that more "regionalisation" may occur for geoeconomic reasons. Artificial intelligence (AI) may spring an unpleasant surprise for growth in services trade, but its impact so far remains unclear. The current global trading system is now in flux, with rising protectionism, and with Covid and Ukraine war shocks to supply chains and renewed efforts to onshore and friend-shore production, espe-

cially in key strategic sectors like semiconductor chips. Nevertheless, trade in commodities continues to grow despite sanctions, as the failure to embargo Russian oil shows.

The WTO introduced more formal mechanisms for dispute settlement, including an appellate body of experts to adjudicate disputes, but that system is now in disarray. It also allowed a self-designated status of "developing" country which provided various exemptions from WTO agreements for specified periods. Despite a lack of agreement on the Doha Round, the WTO system

worked reasonably well. But problems have arisen lately. The continuing self-attestation of some countries like China — now the world's largest trader and second-largest economy — as a "developing economy" with huge trade surpluses seems unfair. The use of state-owned enterprises with special subsidies is also an issue, especially with China, as that gives it an unfair advantage. The US has held up appointment of new appellate body members, gutting its functioning. A group of 26 countries, including China and the EU, have set up an alternative mechanism called the Multi-Party Interim Appeal Arbitration Agreement (MPIA), but their decisions

are not binding on non-parties to the agreement. It has also unilaterally increased tariffs in recent years and others have retaliated, which has damaged the WTO system considerably.

Frustration with lack of progress on multilateral agreements, which require consensus, has created the demand for allowing more such plurilateral agreements at the WTO and calls for a change from consensus to other voting arrangements. But India and many developing countries oppose these approaches. Many issues related to tariffs on e-commerce, investment protection, and environmental and labour standards also remain unresolved so far. The agreements reached at the 12th Ministerial Conference on a limited number of issues, such as fisheries subsidies, pandemic response, food insecurity and e-commerce, were important because they were multilateral and gave hope to address the more difficult issues. But the hopes were dashed by lack of progress at the unlucky 13th Ministerial Conference. Trade in services grew rapidly and is expected to grow further, as a 25-year moratorium on tariffs on e-commerce was extended at the 13th Ministerial Conference for another two years until 2026. There is hope that this will continue and, in any case, tariffs on e-commerce may be more difficult to monitor and control.

India was seen as a spoiler in global trade agreements in the past, while it saw itself, rightfully, as a protector of its interests and those of the developing world against an unfair system where the decks were stacked in favour of the richer countries. Despite slowing global trade, India's rise is predicated on its ability to continue to increase its share of world exports, which rose from 0.5 per cent in 1990 to 2.5 per cent in 2022, and is expected to be about 4 per cent in 2030 — at about \$2 trillion. Of this, about half will be in fast-rising services exports. Despite a growing protectionist lobby in India, the country's interests clearly lie in a more open world trading system, not one that spirals further into protectionism.

But the WTO may no longer be the answer to that more open trade world. India will have to rely on more free-trade agreements — with the UK, EU and eventually the US. Joining the RCEP is another option, but that exposes its markets to a flood of imports from China. With even greater protectionism on the horizon amid the EU's Carbon Border Adjustment Mechanism and even higher US tariffs, and with China continuing to rely on a heavily subsidy-driven export model, the chances of a global consensus on trading rules are slim. Aggressive industrial policy is the flavour of the day and may spiral out of control if not checked soon.

Despite its huge benefits to global prosperity, the WTO has become the whipping boy for major trading powers and appears to be on its last legs, unless something changes dramatically.

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AJAY CHHIBBER

### The 'stable' run for the rupee to continue

The rupee dipped by 0.9 per cent against the dollar between March 2023 and March 2024. The US currency had fallen by 1.5 per cent against the euro. The rupee's performance was better than that of the renminbi, won, rand, ringgit, rupiah, and baht. By March 2024, forex reserves had risen by \$64.2 billion over end-March 2023 (foreign currency assets increased by \$55.6 billion). This is a very impressive performance on the external front and it will probably also witness a low current account deficit (CAD) for FY24. The global economy, though stable, has still traversed uncertain times as the prospects varied from "hard landing" to "soft landing", which triggered considerable

speculation on central bank action. As the new financial year begins there is less uncertainty. First, the conflicts in Ukraine and Palestine may not matter. Second, the world economy will be stable. Third, crude oil prices will not spike. Fourth, central banks, especially the Fed and European Central Bank, will be lowering rates, though the timing is open to discussion. This also means that the trend of the dollar strength-

ening witnessed in October-December 2022 will not be repeated. So, what does this mean for the future of the rupee?

The rupee will be driven by two sets of factors during the course of the year. The primary driving force would be the fundamentals of the balance of payments, which covers all inflows and outflows involving foreign currencies. The second would be the exoge nous force defined by the strength of the dollar.

On the issue of fundamentals, the rupee appears to be on strong grounds. Export growth in FY24 was quite impressive at 12 per cent (for 11 months) at a time when the world economy was emitting mixed signals. With growth expected to stabilise in 2024 and recovery in commodity prices, exports can

expect to witness positive tailwinds. The same holds for the export of services, which has gone contrary to expectations and registered a growth rate of around 5 per cent in FY24. Assuming stable crude oil prices in the range of \$80-90 a barrel, the trade deficit and CAD should be in control. A CAD of 1 per cent or lower can be expected for FY25.

The higher level of optimism, however, stems more from the capital account. Here the inclusion of Indian government bonds in the JP Morgan bond index from June onwards, to be followed up with Bloomberg inclusion from January 2025, would add buoyancy to the flows of foreign portfolio investment (FPI). FPI

has been largely equity-centric in the past few years ever since Western central banks went in for quantitative tightening to roll back the post-financial crisis emergency measures. This has meant a lower amount of allocable funds for investment in emerging markets (EMs). This, along with rising interest rates in the West, meant that EM debt became less attractive and

funds gravitated to equity markets. However, now with the inclusion

of India in global bond indices, there would automatically be substantial passive investment taking place in the debt market, which augurs well for our balance of payments. The inclusion of Indian bonds in a phased manner to cover 10 per cent of the weighting in the index could trigger an inflow of \$20-30 billion. Depending on how these flows come in, the onus would be on the central bank to ensure that liquidity and volatility are both managed. This is so as there can be some volatility in the rupee.

The other positive for the market would be higher dependence on external commercial borrowing (ECB). Currently it has been seen that the domestic financial system has been running deficits primarily due to growth in credit outpacing that in deposits. This may continue, albeit at a slower pace, in FY25.

With central banks lowering rates and the rupee being stable, companies would tend to access ECB more intently, thus leading to larger inflows. ECB performance in FY24 was impressive with approvals of around \$39 billion in the first 10 months of FY24 against \$22 billion during the same period of FY23.

Foreign direct investment (FDI) has tended to slow in the past couple of years. In the first 10 months of FY23 and FY24, it averaged around \$60 billion against \$71 billion in FY21 and FY22. There could be a status quo on this, which would ensure stability.

Hence, on the whole, it can be expected that like FY24 there would be forex-accretive for the economy with the amount being in the range of \$40-50 billion. This also means from the point of view of fundamentals there will be reason to expect the rupee to get stronger.

The exogenous force would have its role to play. When the dollar strengthened precipitously towards the end of 2022 to reach parity with the euro, it was the phase when the Fed was increasing rates and signalling more increases. This cycle has ended and the Fed has held the rate at 5.25-5.5 per cent; and there is discussion on lowering it, based on inflation perspectives. The dollar has weakened ever since the Fed pushed the pause button. As the Fed lowers the rate, which can be two-three times, and up to 75 basis points, the dollar can be expected to weaken further. This will also add weight to other currencies and help the rupee to get stronger.

A stable rupee in the average band of ₹82.50-83.50 is possible with movements of  $\pm$ 0.5 per cent intermittently, depending on how these factors play out. Hence, the Reserve Bank of India will have to continue to monitor the movements and be nimble to spot volatility in both directions and intervene selectively to reduce excess noise.

The writer is chief economist, Bank of Baroda, and the author of Corporate Quirks: The Darker Side of the Sun. The views here are personal

### The enduring myth of the 'West'



TALMIZ AHMAD

ot a day passes without some reference to the "West", Western "values" and Western "interests", usually seen as under threat. This sense of a collective, monolithic identity has been a part of modern-day politics and culture for over two centuries. And yet, the terms themselves are amorphous and remarkably flexible, with transient applications to suit contemporary interests, usually with negligible historical support.

The idea of the "West" as a cohesive geographical, political and civilisational construct emerged in the early nineteenth century when certain nations of western Europe achieved military success and political and economic control over large parts of Asia and

Africa, vanquishing earlier Islamic, Indian and Chinese political entities. European leaders and intellectuals saw in these victories the triumph of an inherently superior people — superior in race. intellect and civilisation, reflecting the apogee of human achievement.

Hubris led their scholars and scientists to view these successes on a unique linear progression of European people from the singular achievements of Greece and Rome, moving on to the virtues of the Christian Church, and then being imbued with the values of the Enlightenment — constituting a uniquely European evolution that has given its modern-day descendants a civilisation characterised by "democracy and capitalism, freedom and tolerance, progress and science" that distinguishes

In this 4,000-year story of multifaceted and substantial connections between the Asian world and the peoples of Europe, Josephine Quinn of Oxford University challenges the notion of a unique and insular "Western" identity and achievement. Contrary to the idea of the West's insular

them from Asian and African peoples.

development, Dr Quinn notes that "migration, mobility and mixing are hard-wired into human history", and that Greece and Rome "adapted most of their ideas and technologies from elsewhere". These included: Irrigation from Assyria; stone sculpture from Egypt; the alphabet from the Levant; law codes and literature from Mesopotamia, and ideas of governance from Persia.

Early human life evolved through extensive exchanges of building materials, minerals and technologies pertaining to agriculture, manufacture and shipping across the vast territories of West Asia and North Africa, as also of ideas relating to law, social order and war and diplomacy. West Asia was way ahead of Europe during most of the four millennia discussed in this book. A millennium before Greece, Ur in Mesopotamia had developed entrepreneurship, rule of law, popular government, science and literature.

West Asia itself benefited from imports of goods, technologies and ideas from further east — Persia, India and China — due to highly advanced landbased and maritime connections. These

included silk, paper and explosives from China; mathematics and astronomy from India, and experience of administration and war from Persia. Almost all the texts viewed today as national treasures -Gilgamesh, The Iliad, the Odyssey, The Thousand and One Nights, the Arabic Kalilawa Dimna, and the more recent Decameron, The Canterbury Tales and several of Shakespeare's plays—are products of extensive

**WORLD MADE** 

MADAN SABNAVIS

exchanges across diverse cultures over several centuries. Dr Quinn pays particular attention

to the "Translation Movement" during the Abbasid caliphate when Muslim scholars translated early

Greek, Indian,

Persian and Chinese works of philosophy, science and literature and also produced a huge body of original studies. Since these intellectual exchanges were two-way, there was no sense among givers or receivers of knowledge of hubris on one side or of inferiority on the other. These taken together constitute a rich legacy of human learning that made possible later

advances in humanities, science and technology in Europe. Again, despite the later consolidation of the Christian Church in Europe and

European encounters with Islam in Spain and Southeast Europe, there were no widespread expressions of a hard religious divide. The more intense and violent divisions were, in fact, within Europe, mainly directed at Christian sects

**HOW THE WORLD** MADE THE WEST: A 4000 YEAR HISTORY

**Author:** Josephine Publisher: Bloomsbury **Pages: 564** 

**Price:** ₹699

Quinn notes, 'preserving the cultural purity of Christendom became increasingly important in Europe even as it became increasingly irrelevant elsewhere".

and Jews. As Dr

This began to change under two

diverse influences. One, the plague epidemic, the "Black Death", killed over 100 million people in Europe between 1346 and 1353, and continued to make itself felt through the next century. It restricted long-distance travel and trade, discouraged transnational intellectual engagements, and promoted religious faith and a return to local cultural traditions. The eclectic

interest in knowledge beyond Europe reduced considerably, though it did not die away for another three centuries

The other influence came from

trans-oceanic exploration. Instead of

Quinn explains that "the maritime

kingdoms of Europe and their settler

colonies forged a new world together

superior Western civilisation emerged

when exploration led to colonialism and

imperial control over what were viewed

that did not include the people they displaced". The idea of a unique and

fostering a broader cultural outlook, Dr

as inferior subject races. Dr Quinn has offered an important and timely corrective to "Western' hubris. It reminds us that the modern West is itself the product of exchanges with its neighbours in the East over four millennia and that all contemporary achievements have emerged from lively exchanges between our common ancestors.

But Western capitals, anxious to continue their political, economic and military hegemony in the face of emerging challenges from new players, are unlikely to pay much heed to this sobering intervention. They are already sharpening the weaponry for the "New Cold War".

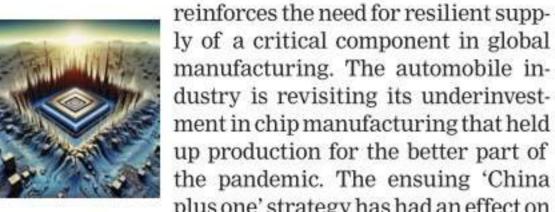
The reviewer is a former diplomat

# Chip Off the Old Taiwanese Block

India needs to ramp up manufacturing plans

The earthquake off Taiwan's east coast on Wednesday is unfortunate. It is also an unfortunate reminder of the risk of concentrating an overwhelming proportion of the world's most advanced chip-making capacity in one territory. Taiwan's semiconductor fabrication units are located at some distance from the epicentre of the earthquake and evacuated staff in response to disaster protocols. Initial reports suggest there is unlikely to be an immediate impact on supply chains feeding all manner of things from cars and cellphones to laptops and satellites. However, chip-making is particularly susceptible to vibration, and Taiwan lies in a zone of heightened seismic activity that also poses a risk to its principal source of power: nuclear energy.

Chipmakers have accelerated plans to diversify beyond Taiwan after the Covid outbreak snarled up supply lines. There is also simmering tension with China that



ly of a critical component in global manufacturing. The automobile industry is revisiting its underinvestment in chip manufacturing that held up production for the better part of the pandemic. The ensuing 'China plus one' strategy has had an effect on

government policy, with the US announcing incentives for chip production at home. India, too, places semiconductors at the core of its manufacturing ambitions.

New Delhi has had a mixed experience as it scaled up its plans to make more advanced semiconductors, aided by a generous scheme of incentives. After initial missteps that saw Foxconn pull out of a venture with Vedanta, the Tatas are partnering Taiwan's PSMC for a fab unit in Gujarat. Taiwan offers India its principal access to chipmaking technology. And for Taiwanese chipmakers operating in China's shadow, India's plans to ramp up manufacturing can be an interesting proposition. The other element in India's chip-making strategy — of drawing interest from US producers as China dials up the rhetoric over technology transfer — may not be as immediate as Taiwanese partnership.

# Don't Make Bail A Coin Toss

Supreme Court's recent decision to grant bail to AAP MP Sanjay Singh has once again highlighted India's lingering bail problem. Singh was jailed for six months after the Delhi High Court refused him bail last year, stating prima facie that Singh was part of the policy planning team of the now-scrapped Delhi liquor policy, which has allegedly resulted in revenue loss for the state government. Not much headway was made since his October 2023 arrest regarding his guilt or innocence.

The apex court has consistently highlighted that bail should be the rule, jail an exception. Using arrest as a punitive measure leads to one of the most severe consequences in criminal law — loss of personal liberty. Bail is a lifeline for undertrial



prisoners, providing temporary reprieve from incarceration. It also helps decongest India's prisons and reduce strain on the judicial system. The court has always underlined the need to go by the doctrine of three tests on bail: an accused should be granted bail if they do not present a flight risk, are unlikely to tamper with

evidence, or influence witnesses. Despite these directives, jail has become a default practice in India because of indiscriminate arrests, lack of repercussions on police for inadequate groundwork, absence of free legal aid (especially for those at the bottom of the pyramid), and a paucity of judges to tackle cases. To fix this broken and arbitrary system, GoI must, as the top court had asked in 2022, move on a separate bail Act to streamline the process of granting bail to ensure that bail in India is not just for those making headlines like Singh, but for all citizens. Above all, there must be a change of mindset that upholds the principles of personal freedom and accepts that one is innocent until proven guilty.



You know the Delhi-California time difference, but local lunar time?

# Excuse Me, Is It Past Noon on the Moon?

One of the flaws that nitpickers pick in Nehru's 'Tryst with destiny's peech is his line, 'At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom.' These literalists point out, quite correctly if you take everything literally, that at 12 a.m. August 15, 1947, much of the world would not have been sleeping since it's divvied up into different time zones. So, while Indians were en masse celebrating midnight mass, in the country that finally left India to itself, the summer time would have been 6.30 p.m. So, all of us are aware of various time zones. But what about the time difference between Moon and Earth, never mind Moon and, say, Central European Time (CET)?

Some lunatic in the White House has sent a memo to Nasa asking it to find local Coordinated Lunar Time (CLT). The space agency boffins have been given time till end-2026. Apart from the 3,84,400 km distance between E and M, other factors (like gravity) determine lunar time. With no locals to ask the time - or direction - this would provide an accurate benchmark for lunar spacecrafts and satellites, instead of calculating via Earth's Coordinated Universal Time (UTC). We suggest India's fine calculators to get cracking and find CLT before the Yanks. That way, the world will track lunartime via IST. And we can rightly say, 'Apna time aa gaya.'

It's hardware – not software – that is again emerging as the dominant species in the AI age

# REVENGE OF HARDWARE



**The Edit Page** 

Jaspreet Bindra

n 2011, Andreessen Horowitz's (a16z) Marc Andreessen wrote a seminal piece, 'Why Software Is Eating the World'. He convincingly argued that software-led companies like Apple, Amazon and Netflix were 'eating' brick-and-mortar companies, such as Blockbuster, Borders and Walmart, to become global category leaders. Andreessen's predictions did bear out, with software behemoths like Alphabet, Microsoft and Meta becoming the world's largest companies.

As the age of IT and software gives way to AI, there are declarations of how AI is eating software. It seems that new emerging titans like OpenAI and their LLMs-which are built on colossal amounts of data and powered by new kinds of software algorithms called transformers - are taking over. However, it's actually hardware that is again emerging as the dominant species in the AI age.

Nvidia, US-based MNC and maker China and the West. of GPUs (graphics processing units), the hardware that powers most generative AI software, was at a \$300 bn valuation in the pre-ChatGPT era in Nov 2022. It is \$2.3 tn today, a nearly eight-fold jump.



ChatGPT

SHAIRI

OF THE DAY

In Wayanad, where

politicians brawl,

They argue and shout

in the hall.

One says, 'I'll make you

grand roads!'

The other, I shall write

beautiful odes!'

But the real winner?

The busy nariyal stall.

As apps give way to Al agents, and Al becomes the new UI, innovative startups like Humane have introduced Ai Pin, an early version of devices that could create the iPhone of the future



The force reawakens

► TSMC (Taiwan Semiconductor Ma-the hardwarewalas. nufacturing Co) builds most of the GPUs that Nvidia designs. This \$1.5tn the big three cloud providers company is the most advanced and valuable factory — and a source of Most new LLMs and AI softserious geopolitical tension between ware reside in their massive

► ASML, a Dutch company, produces bone of almost every large corpothe most complex machine ever crea-ration, country and social network. ted — Twinscan Exe:5000, weighing as much as a couple of Airbus A320s, prints nanometre-long silicon wafers, which make AI models possible. At \$370 bn, ASML is Europe's most valuable company. Its market value is almost twice that of SAP, Europe's most valuable software company.

The valuation of 27 AI hardware-front consumer end. makers, including chipmakers like Figure AI, a California-based rob-Arista and AMD (Advanced Micro Devices), and server-makers like shot up from

**Extent of Wildfires** 

typically ranging from 6% to 8% each year...

2012 438 million hectare

2013 388

2014 406

2015 444

2016 416

2017 412

2018 330

2019 407

2020 409

2021 384

2022 364

Annual area under wildfires, worldwide

A wildfire, which can also be caused by human activity, is an

uncontrolled burn of vegetation, including forests and croplands.

between 2012 and 2023, according to 'Our World in Data' figures.

Africa tends to be the region with the largest share of affected area -

Note: Same land area can burn multiple times over successive years. So, a rate of 5%

burn per year doesn't mean that 50% of a country is burned over a decade. Some

areas will burn multiple times over that period, while others will never be exposed

Wildfires covered an average of 400 million hectares each year

of the three softin this time, \$1 tn others.

On Cloud Nine There are Microsoft, Google and Amazon. clouds, which run the IT back-

Cloud is built of millions of servers and data centres across the world. As the demand for AI soars exponentially, so does that of this hardware made by Dell, HP, Asus and others. Hardware in the AI age is mov-

ing from behind the scenes to the

otics company, has launched its first humanoid robot called Figure 01, which is powered by OpenAI's GPT-4. It can stack up dishes in a dishwasher, give its human master an apple to eat and, in the future, would work in areas like warehouses and retail to mitigate labour shortage. Figure AI is valued at \$2.6 bn, com-

parable to LLM software startups, and Microsoft — with a huge \$675 mn Series B round went up by \$2.5 bn from Microsoft, OpenAI, Nvidia and

By region, Area, Share of total 2023 mha land area

Europe

N America

less than that of Tesla has been working on its hu- The writer is founder-MD, The Tech Whisperer

7.2%

manoid, Optimus. It is as much an AI company as OpenAI or Google, with its world-class AI powering key functions of its cars and driving much of its \$500 bn valuation.

Significant innovation is happening in another aspect of AI hardware - creating the post-smartphone device. As apps give way to AI agents, and AI becomes the new UI (user interface), innovative startups like Humane and Rabbit have introduced Ai Pin and Rabbit R1, respectively—early versions of devices that could create the iPhone of the future. Humane is shy of unicorn status, and Rabbit

is on its way there. 2024 will see more of these startups, as AI starts getting a body around it, wrapping astonishing software with user-friendly hardware. It is not surprising, therefore, that Nvidia's recent developer event, GTC 2024 last month in San Jose, was welcomed with the same fan fervour as Apple's events.

The focus was on newer, faster GPU hardware and GR00T, a project designed to en-

hance the learning capabilities of robots by observing human examples. None other than OpenAI

founder Sam the three software smelt the cofgiants - Alphabet, fee. He has tea-Amazon and med up with

Microsoft - went up Jony Ive, legenby \$2.5 bn between dary designer Nov 2023 and now, behindmany of \$1 tn less than that of Apple's iconic the hardwarewalas products, to bui-

**Bell Curves** 

ld an 'exciting' AI hardware device. SoftBank's Masayoshi Son is rumoured to be funding the venture.

Altman does not think that is enough, though. He intends to reshape the entire AI chip and semiconductor hardware industry through a new company, for which he is asking for an eye-watering \$7 tn fundraise, which is bigger than the GDP of all but two countries - solidifying my assertion that it is AI hardware, rather than the software, which is gobbling up the AI world.

R Prasad

#### self confined or on death row, faced with social ostracism and shame, the last resort is to reawaken or cultivate anew, faith, and find the strength to accept and move on. A famous example is of Malcolm X, who was imprisoned for the many crimes he committed, but went through transformative experiences once he turned to faith, becoming a minister for Nation of Islam initially, before moving on to other beliefs. On the other hand, someone like Sri Aurobindo, during his solita-

THE SPEAKING TREE

The term 'Jailhouse Jesus' refers

to people who 'find' god after they

are locked up in prison. When all

doors are closed and you find your-

Jailhouse

Jesus

**NARAYANI GANESH** 

ry confinement, found inspiration in the Gita and Upanishads, and he trained himself to meditate long hours to centre his mind. Anyone can lose physical and mental health if jailed for a long time, which is why Kiran Bedi, IPS, as Inspector General of Prisons, introduced Vipassana and Yog to inmates, giving them a chance to heal and come to terms with themselves and with life. There is scope for repentance, forgiveness and for renewed hope.

With faith and spiritual practice, convicts get the chance to move from being viewed as sinners to believers, giving them a constructive coping strategy and a chance to lead reformed lives, becoming socially acceptable. Faith helps one to gain control over one's mind and life in positive directions, for not everyone has the strength and will power to achieve all of this without the help of faith.

### **Chat Room**

### Change Recipe to **Boost Curryency**

Apropos the Edit, '₹ise and Shine, How To Gain Currency' (Apr 3), internationalisation of the rupee means fully convertible currency, on current and capital accounts. As an autonomous institution, RBI can do it. However, what is the share of India's imports and exports in the world market, and how many countries will prefer to trade in rupee compared to the dollar, euro or yuan? The simple answer: GoI should push new policies for imports, exports and free trade, and stimulate industry to produce and export more quality goods at lower prices. Exchange rate stability and capacity to absorb external shocks are the challenges overcoming which will increase international acceptance of the rupee.

SHISHIR SINDEKAR Nashik

# Same Law for Aam, Neta



Satya Muley

With Delhi CM Arvind Kejriwal being remanded to ED custody, and earlier this week to judicial custody, till April 15, while AAP MP Sanjay Singh was granted bail by the Supreme Court on Tuesday after almost 6 months in jail, there is much political drama that has unfolded. Various factions are hurling allegations against each other, including that of misuse of enforcement agencies to intimidate opposition leaders. So, the common man may well end up asking; is the law different for politicians?

With a record number of undertrials languishing in judicial custody, we witness an outcry when a politician is remanded to police or judicial custody. The law happens to be the same for all. An accused, in most cases, is remanded: When prosecution is able to demonstrate substantial evidence about his or her involvement in a criminal offence If custodial interrogation is required. If there is a possibility of the accused tampering with evidence.

On many occasions, the political outcry is not only an attempt to influence public opinion but also one that seeks to influence and intimidate the judiciary. Recently, 600 lawyers wrote to CJI about the 'selective' criticism and praise of the judiciary.

Kejriwal pitches himself as a staunch supporter of the law and crusader against corruption. So, it's only logical that he cooperates with the law enforcement agencies. He will come out clean if there is nothing against him. Avoiding nine ED summons went against his interests.

In the past, CJIDY Chandrachud had opined how there have been many

occasions when trial court judges are influenced by public repercussions when granting bail to an accused. However, history shows that many politicians have faced the heat of the criminal justice system when found on the wrong side of law. The judiciary has

demonstrated that all are equal before

the law, irrespective of power or pelf. Article 14 of the Constitution states that every individual, Indian citizen or not, shall be treated equally in front of the law, and shall receive its equal protection within the country. Nobody can be detained under custody, except when due procedure laid down by the law is followed. Legal processes for arrest and custody, as governed by CrPC, also apply uniformly, without special exemptions for politicians.

Custodial interrogation, a critical tool for law enforcement agencies, is employed when it is believed that the accused may hold information that can lead to the crime and/or other accu sed being brought to light. The decision to remand an accused to police or judicial custody is judicially scrutinised, with this procedure also being identical for all individuals. However, politi cal narratives that emerge following



Keep calm and carry on

arrests of politicians often suggest a misunderstanding or misrepresentation of these legal standards.

Section 41 of CrPC states when the police may arrest an individual without warrant. It includes situations where he or she is accused of committing a cognisable offence and plays a crucial role in initial stages of custodial interrogation

Section 57 states that a person arrested must be taken before a magistrate or officer in charge within 24 hours, excluding the time necessary for the journey. This provision is designed to prevent illegal detention and ensure judicial oversight over the arrest process. Section 167 states that when an inv-

estigation can't be completed in 24 hrs. the enforcement agency/police or investigating officer not below the rank of sub-inspector can present the accused before a magistrate, requesting further detention (either police or judicial custody). This is subject to a maximum limit of 15 days in total under police custody, with the possibi lity of extending judicial custody up to 60 or 90 days, depending on the offence's severity.

Politicians, in the past, have been arrested and held in custody across the political spectrum. The Supreme Court's 1998 ruling in 'DK Basu vs State of West Bengal' case established guidelines to safeguard against torture and abuse in custody. Enforcement agencies are bound to afford humane treatment to those in custody, and to ensure transparency and accountable lity in the arrest process. The law and judiciary are equal to

all. However, one hopes the citizenry increases their awareness about both criminal and civil law. This way, people will be able to see through the political chicanery outcry, and focus on the case at hand — and accountability of their leaders.

The writer is a Supreme Court advocate

# BLISS OF EVERYDAY LIFE

War is complex,

a political-military-

industrial complex!

### Taking Power Naps at Work

Taking power naps at your

workplace has a two-fold pleasure—one, it's a feeling of pleasurable relief that is felt by a high-performance en tity; two, it's the pleasurable idea of being in the pit stop for a bit before getting back on the F1 grid again. A power nap is not an indulgence but a 'necessary luxury'. It revives mental alertness

like no double-espresso can. That post-lunch slump? A welltimed nap—15-20 min—can recharge your cognitive batteries, leaving you sharper and more attentive. Cortisol, the stress hormo-

ne, can wreak havoc on your body. A brief nap helps lower cortisol levels, leaving you feeling calmer and more resilient to workplace pressures. Optingfora mini-



nuous work, especially of the mechanical kind, has never produced a good, never mind brilliant, idea. A mid-work nap allows your

subconscious mind to connect dots, leading to fresh insights and creative solutions. Apart from lifting your mood. So, find a quiet office corner, or just 'head-down' your workstation and let the slow joys of a power nap envelop you. Your work -and your well-being-will thank you. And, hopefully, your floor manager, too.



Sound Box Killed

This refers to 'Payments Cos Hear

The Radio Star?



use smartphones or don't have access to the internet. The idea has a high potential as it can be used to market physical and digital products, in which case it might become a mainstream medium of advertisement, just like its cousin, the radio.

**ABHIJOY PRABAL** Jamshedpur

### Contiguous Gol, Continuous Plan

Apropos the Edit, 'Getting Viksit Needs A Proper 360° Plan' (Apr 3), it is, indeed, prudent thinking on the part of GoI to not wait till the verdict of the general elections and continue working to grow the economy by drawing up short-, mid- and long-term plans to transition India to a developed country by 2047. When performance meets expectations, it leads to excellence. In fact, such seamless growth plans create trust and confidence in the system, which translate into desired results for the party in power.

SRINIVASAN UMASHANKAR

Nagpur

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# THURSDAY, APRIL 4, 2024



### PREPARING FOR HEATWAVES

Union health minister Mansukh Mandaviya

Continuous efforts towards generating awareness for people for better management of heatwaves is necessary as effective address leads to effective management

### Trouble in the air

A concerted effort to rectify the deeper issues is essential to prevent a recurrence of problems plaguing pilots

**HE PILOT CRISIS** at Vistara, which has led to scores of flight cancellations and spiralling delays this week, is likely to erode public perception of an airline that is synonymous with premium economy in India. The airline's management did precious little to nip the problem in the bud when flights were disrupted a month earlier due to mass sick leave (the aviation sector's version of strikes) taken by pilots. At the root of the crisis lies a new wage agreement that has upset pilots by decreasing the flying hours allotted to them from 70 to 40 per month, resulting in a substantial pay cut. The new contracts were necessitated by Vistara's pending merger with Air India, a wholly-owned Tata Group subsidiary. It is true that along with changes in internal structures and potential loss of jobs, corporate mergers pose challenges for existing employees over compensation. Vistara does not have a significant buffer of pilots on standby, primarily because it has not been hiring in large numbers ahead of its Air India merger. Therefore, getting the protesting pilots on board by addressing their concerns is of utmost urgency to regain a sense of loyalty among employees as well as patrons.

Vistara's problems are, however, not unique. Shortage of staff has hit the Indian aviation sector time and again—both incumbents as well as new entrants. For instance, in February, Akasa Air, which debuted in 2022, cancelled flights. And last year, one-tenth of Akasa's pilots resigned to join rival airlines, resulting in hundreds of flights getting cancelled. In 2019, market leader IndiGo was saddled with a pilot crunch after a majority of its personnel had exceeded the annual cap on flying hours. To contain the staff shortage, the airline inducted expat pilots. In the same year, many Air India pilots resigned citing low pay.

Such examples, experts suggest, are unlikely to end anytime soon as Indian airlines have placed orders for the addition of 1,115 new planes to the existing fleet over a decade until 2033. This will push up the requirement of pilots to an estimated 17,000-18,000. Currently, Indian carriers have a pilot strength of approximately 9,000. However, the Directorate General of Civil Aviation (DGCA) issues an average of only around 750 commercial pilot licences annually. The Indian aviation market, which is the third largest and the fastest-growing in the world, has a stiff challenge of ensuring enough pilots. Earlier this year, the DGCA did well to recognise the fatigue faced by overworked pilots as it revised rules to stipulate an increase in weekly rest periods for flight crew from 36 to 48 hours. But it hasn't helped that the regulator deferred the date for implementing the amended rules after objections from airlines.

One cannot ignore serious anomalies in India's training infrastructure as reflected by the presence of licensed but inadequately skilled pilots whose number runs into thousands. Aspiring pilots also end up taking longer than the 18-24 months expected to complete training and get a licence because of a dearth of trainer aircraft and simulators. In some cases, schools fulfil the mandate of 200 hours of flight time without enough solo flying experience for students. A low number of DGCAapproved flying training organisations and simulators are also viewed as a reason for students choosing to go overseas, many of whom do not return. A concerted effort to rectify these deeper issues is therefore essential to prevent a recurrence of problems plaguing pilots.

# The surge in part-time workers is getting a bad rap

**ECONOMISTS EXPECT THE** US government to say Friday that the economy added 215,000 jobs in March. That would be in line with the solid pace of hiring during the past 12 months, and far above the recessionary forecasts made by experts a year ago. But more jobs do not necessarily mean more good jobs, and some pundits have

expressed concern that part-time work (less than 35 hours per week) and not fulltime accounts for most of the recent gains in employment. The implication is that part-time jobs are of lower quality, so the labour market is not as strong as the topline numbers suggest. Such views miss key features of part-time work — ones that reinforce the strength of the labour market and policies that would improve the quality of part-time work even more.

First, the rapid return of full-time workers to the labour force was a defining characteristic of the recovery from the deep pandemic-induced recession of 2020. In fact, there were more people working full-time by early 2022 than before the pandemic. It was not until late 2023 that part-time work achieved that milestone. The recovery in full-time work before part-time work is unlike any recession going back to the 1970s, which underscores how remarkable the current "job-full" recovery has been.

Even so, it is important for workers and employers to have a recovery in parttime work, too. While part-time jobs have a reputation for being bad jobs — and it's true these jobs typically pay less and rarely offer benefits such as health insurance

- they provide necessary flexibility for many workers.

**SAHM** 

Even though the vast majority of workers taking part-time jobs are doing so "voluntarily" as measured by standard government classifications, that does not necessarily reflect such constraints as a lack of available childcare that preclude seeking full-time employment. Also, part-time work is not uniform across the labour force. More than 20% of women aged 16 and over worked part-time in 2023, twice the rate of men. And of those women, 91% worked part-time for non-economic reasons. The most common reason for prime-age adults to choose to work part-time is "family or personal obligations",

> One way to improve the economic outcomes for workers who can't or don't want to work full-time is to create flexibility in what are typically full-time jobs. Job sharing is

> which would include caring for an elderly family member.

one such work arrangement in which two or more employees share one full-time position. A study by Bain & Company in Australia showed that flexibility in work schedules kept women with caregiving responsibilities on track to leadership positions. There is also evidence that flexibility boosts an employee's productivity, which could help offset any extra administrative costs for employers.

A big drawback of part-time jobs is that they typically do not come with benefits like health insurance. In fact, the health outcomes of part-time workers are dismal. Only 6% of full-time workers in the Current Population Survey describe their health as "fair or poor", compared with 9% of voluntary part-time and 11%

of involuntary part-time workers. Sociologists Rachel Donnelly and Adam Schoenbachler at Vanderbilt University found that states with ample social programmes such as higher minimum wages, less income inequality and more generous unemployment insurance were associated with a lower rate of poor health among voluntary part-time workers. Policies at both the state and federal levels that provide a strong safety net and

access to health care would improve the well-being of the part-time workers. Wage growth has slowed as the labour shortages were mostly resolved but remains well above the pre-pandemic pace. The Federal Reserve views the current pace of wage growth as a potential threat to taming inflation. However, if the higher productivity growth persists, the higher wage growth would be sustainable without sparking inflation. The paychecks of part-time workers, whether vol-

untary or involuntary, benefit from a strong economy. The recovery in part-time work the past year is another sign of the labour market coming back into balance after a traumatic four years. There is nothing inherently bad or good about part-time work, and there are many dimensions for improving it. HAWKISH OUTLOOK

MPC IS LIKELY TO REMAIN CAUTIOUS BY KEEPING REPO RATE AT 6.5%, INFLATION WILL REMAIN A CONCERN

# Staying the course

HE MONETARY POLICY Committee (MPC) of India is widely expected to keep the reporate unchanged at 6.5% and maintain its "withdrawal of accommodation" stance at its April 3-5 meeting. The tone of the statement is expected to be cautious amid a still strong gross domestic product (GDP) growth — the MPC is expected to revise its FY24 GDP growth forecast up towards 8% (versus the government's forecast of 7.6%) and inflation risks (even as FY25 consumer price index [CPI] forecast is revised marginally lower to 4.5% amid recent cuts in retail fuel and cooking gas prices). We elaborate on the factors which, in our view, are likely to drive the monetary policy decision this week and for the rest of the year. Likely GDP growth of 7%-plus for

the fourth year in succession (Standard Chartered's [SC's] forecast for FY25, the year starting April 2024) reduces the need to pursue easy monetary policy in the near term. It can be acknowledged that household consumption, which accounts for 56-58% of GDP, has stayed weak; it grew by just 3% in FY24, even as aggregate GDP grew at 7.6%. More importantly, the pace of household consumption growth in FY24 is less than half of the pre-pandemic average of 7.2% during FY15-FY19. However, a reversal can be expected

in FY25, assuming a normal monsoon. SC's data analysis indicates that inadequate monsoon rains likely weigh on household consumption demand, especially in rural areas, driven by reduced spending on food and beverages (F&B). Rural India derives c.37% of earnings from the sale of agricultural produce and in FY15-FY16, the adverse monsoon lowered household spend on F&B to an average of 1.4%, from 5.3% in FY13-FY19. This shaved 90 basis points (bps) from overall GDP in FY15-FY16 (although higher spending on other products supported household consumption). Once the impact reversed

**ANUBHUTI SAHAY** Head, South Asia Economics Research (India). Standard Chartered Bank with the resumption of It can be assumed that

a normal monsoon, headline CPI will not household demand and F&B spend picked up fall below 5% on a in subsequent years. It is sustained basis, as believable that after an weather-related inadequate monsoon in FY24 and with an disruptions have increased possibility of become frequent and a normal monsoon in we see a turnaround FY25, consumption in core CPI towards demand is likely to see a revival, similar to the 5% by end of FY25, on pattern seen after FY15improved household FY16. Thus, immediate demand and deep rate cuts are not needed to support growth.

Additionally, the Reserve Bank of India (RBI) has rolled out a slew of macro-prudential measures to reduce the flow of credit to unproductive sectors and to ensure medium-term financial sector stability. Any indica-

% chg, y-o-y Real GDP

tions of rate cuts in the near term could reduce the efficacy of these policies as expectations cheaper money can run counter to the objective of constraining credit growth to unproductive sectors of the economy.

More importantly, inflation is likely to remain a concern for the MPC, which is mandated to keep CPI at 4% on a

sustainable basis within a +/-2% band. While headline CPI inflation eased to c.5% in January-February from an average 5.6% in November-December 2023, the pace of easing has been slower than expected. Elevated food

likely to pull headline CPI inflation below 5% from June-July 2024, elevated food prices remain a risk, especially amid forecasts of higher-thannormal temperatures across the country. Thus, any indication of rate cuts soon seems unlikely, especially amid the crude oil price rally to Therefore, the MPC is expected to strike a cautious tone to anchor expectations on (i) the timing and (ii) the quantum of rate cuts when the easing

prices have kept headline inflation at

c.5%, despite the recent cuts in cook-

ing gas and retail fuel prices and lower

core inflation (less than 4% for three

consecutive months). The March CPI inflation is expected to be at 5.05%,

with core inflation likely edging up to

3.47% (from 3.34%) on higher gold

prices. While a favourable base effect is

cycle begins. While a statement around vigilance over still high inflation is likely to anchor expectations of no rate cuts before the third quarter of 2024, reiteration of the 4% medium-term inflation target, in our view, is likely to anchor expectations around the quantum of rate cuts. FY25 CPI inflation is expected to be at 4.5%. Since a few MPC members have flagged a preference for real rates of c.1%

(the repo rate less forecast headline CPI four quarters ahead), many in the market expect a deep rate-cutting cycle. However, the MPC is likely to deliver a shallow rate-cutting cycle of 50 bps (the reporate is currently at 6.5%) as it is expected to remain cognisant of the medium-term equilibrium inflation level. It can be assumed that headline CPI will not fall below 5% on a sustained basis, as weatherrelated disruptions have become frequent and we see a turnaround in core CPI towards 5% by end of FY25, on improved household demand.

Overall, in a highly uncertain world, the MPC — similar to past meetings is expected to remain cautious and reiterate data dependency for its future actions.

# Thoughts on RBI's 90th birthday

Q1FY23 Q2FY23 Q3FY23 Q4FY23 Q1FY24 Q2FY24 Q3FY24



JAMAL MECKLAI

- 80.50

-81.00

-81.50

-82.00

-82.50

-83.00

-83.50

-84.00

12

Source: MoSP

CEO, Mecklai Financial www.mecklai.com

Over the past few decades, India's SMEs have come a long way in terms of understanding FX markets and risk management. Thus, some constraints can be eliminated so that more companies learn to use more tools

**HAPPY BIRTHDAY, RBI!** For a 90-year old, you're an inspiration — thank you. And, since it is your birthday week, there are a couple of gifts I would like from you for Indian companies, particularly small and medium enterprises (SMEs).

As you are more than aware, the volatility of the rupee has fallen to an all-time low. As a result of this, many companies, both small and large, have been wondering whether it makes any sense to hedge — exporters, since the premiums are so low (and hope of a weaker rupee springs eternal), and importers, seeing the rupee go nowhere over the past year or so.

To my mind, and I would suspect you share this belief, this is unhealthy companies should never stay completely unhedged. And yet this is what is happening in a very large number of companies because of your current approach of "managing volatility". Tangentially, this also flies in the face of one of the Prime Minister's injunctions to you to make the rupee global - no global currency has the kind of volatility profile that the rupee has suffered over the past 12-15 months.

Thus, the first gift I look for is to permit some real volatility in the market so that companies do not forget about the reality that the defining factor of markets is that there is always risk.

The second gift I request is on behalf of SMEs, and it relates to the regulation that permits only companies with a net worth of more than ₹200 crore to use cost reduction strategies. Over the past few decades, India's SMEs have come a long way in terms of understanding FX markets and risk management. Given this, I feel it would be timely that you eliminate this constraint so that many more companies are able to learn to use more tools, like, say, zero cost range forwards, for risk management.

I understand that this is in place, as are many other regulations, to protect companies from their own lack of knowledge multiplied by the eagerness with which banks enjoy selling lower liquidity products as it enables them to charge sometimes outrageous margins (bit.ly/3U1vaJr). However, with the dramatic increase in volumes in the USDINR options market, range

**RUPEE VS DOLLAR SINCE JANUARY 2003** 

forwards are by now widely used (by larger players), and pricing is nowhere near as non-transparent as for other derivatives, like interest rate swaps. Again, many SMEs understand hedging reasonably well on their own or through consultants. And, most importantly, as the very name suggests, cost reduction is something that everybody needs to pursue, particularly when it also enables reducing risk.

The accompanying graphic and an example explain the issue. Say, today's spot rate is 83.40, the 6-month forward rate is 83.95, and the company has a worst case budgeted rate for imports of 84.25. The company could buy forward at 83.95 and save 30 paise from its budgeted cost, except that it would lose opportunity if the rupee remained broadly in its last one-year range, ending up, say, somewhere between 82.75

and 83.60 when the payment was due. Looking at this picture, many companies decide, albeit nervously, not to hedge. On the other hand, if they were permitted to, most of these would choose to protect themselves fully even if it meant having to live with a smaller potential gain — most companies are intrinsically risk averse.

Enter the range forward. Here the company buys a call option at 84.25, ensuring its worst case budgeted cost is protected. To defray the cost of the option it sells a put at 83.70; the strike price of the sold put is calculated to where the premium earned is exactly equal to the cost of the call (at 84.25), which is why it is called a zero-cost range forward. Thus, the company would be fully protected against rupee weakness and would be able to benefit to some degree (up to 83.70) in the case of rupee strength.

Sophisticated companies generally use range forwards in combination with forwards and also keep some part of their exposures unhedged to enable the best balance between risk and return. To be able to meaningfully use such instruments, companies need to have strong monitoring processes and, of course, understanding of and access to derivative instruments.

This is why we are requesting the RBI to celebrate its birthday by providing SMEs in India with a gift that can keep on giving.

### **LETTERS TO THE EDITOR**

### Solving water crisis

The recent water crisis in Bangalore has drawn attention to the urgent need for water conservation efforts across India. Bangalore's struggle, exacerbated by its dense population, is symptomatic of a larger drought belt stretching from Kasaragod in Kerala to Raigad in Maharashtra. This drought, affecting millions, stems from various factors, including deficient southwest monsoon rains in 2023.

India, with only 4% of the world's freshwater resources despite housing 18% of the global population, faces a significant challenge in ensuring water availability. Most notably, the bulk of this limited freshwater is consumed in agriculture, offering a key avenue for conservation efforts. By incentivising farmers to adopt sustainable practices through a carbon sequestration component in the minimum support price formula, India can promote ecofriendly farming practices, generate

additional income for farmers, and alleviate the drinking water crisis faced by millions of its citizens. —Amarjeet Kumar, Hazaribagh

### Continuing as CM

Apropos of 'A question of propriety', under normal circumstances it would have been incumbent on the CM of Delhi to resign. However, since this appears to be a well thought out plan to destabilise the duly elected government, maybe Arvind Kejriwal

has been justified to continue as CM though lodged in a jail. There is reason to believe that the Bharatiya Janata Party views an expanding Aam Aadmi Party as a potential threat. Kejriwal has taken a calculated risk by continuing as CM in jail. Had he meekly resigned, would there have been such a hue and cry about India's democracy in the West?

—Anthony Henriques, Maharashtra

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{ OUR TAKE }

# Why DC, Beijing want stability

The US is seeking a tactical pause; Beijing wishes to use the moment to extract strategic advantages vis-à-vis Washington

ollowing their meeting in California in November, US President Joe Biden and Chinese President Xi Jinping spoke for close to two hours over a call on Tuesday. Any engagement between the two countries, which have been locked in an increasing confrontation in recent years, often sparks speculation about the possibility of a reset between them. But that's not the wisest frame to view what is clearly the most consequential bilateral dynamic in the world. And the official version is that both leaders have agreed to keep in touch in order to manage their competition responsibly and prevent unintended conflict.

The incentives for both sides to talk are clear. The US is embroiled in two wars, Ukraine and Gaza, and neither is going well from its perspective. It is an election year at home and the Biden administration neither wants a third front to open nor a destabilised global economy. The Xi regime is struggling with its own economic woes; it believes that a signal of accommodation with the US will dampen the spirit of its adversaries who happen to be America's allies in Asia; and it needs continued US engagement for some more years to bridge the gap in the global system. Neither side trusts the other's intent, and both closely track each other's capabilities. Finally, neither side has any illusions that engagement will lead to the resolution of structural competition.

But the terms on which the engagement is happening are important. Washington DC sees the engagement with China as important in addressing both macro global issues such as climate but also specific issues that have inflamed American politics and society such as fentanyl flows from China. It also sees talks as useful to push forth its concerns such as the influential role China has played in saving and strengthening Russia's military industry complex, or China's aggression vis-à-vis the Philippines. But it intends to continue its competitive actions to build integrated deterrence across the Indo-Pacific. Beijing wants to use the moment to push the US to withdraw its tech controls, change its signal to American industry and nudge it towards China, reduce its commitment to allies and partners in Indo-Pacific, and carve out the world in a "win-win" manner, none of which is likely to happen. Delhi should watch the US-China dynamic, but it can continue to bet on the two countries remaining locked in an adversarial dynamic without it descending to an outright conflict. This works just fine for India.

# Miracle claims can't drive medical care

he Supreme Court (SC)'s censure of Patanjali, Baba Ramdev, Acharya Balkrishna and the Union government over the company's snake oil advertisements highlights the collateral fallout of the behaviour of all parties concerned.

One, it has dented the Centre's credibility in matters related to health care, science, and technology — areas where it likes to take pride in not just its achievements, but the systems and processes it has put in place (and in matters related to science, these sometimes matter as much as the outcome, if not more). To illustrate, a committee set up by the Ayush ministry that reviewed Patanjali's application to classify its Coronil tablets as a Covid-19 cure, as opposed to being an "immunity booster", said the tablet could only supplement Covid management. Despite this, it was marketed as a cure, and Patanjali merely received a warning, though the Drugs and Magic Remedies (Objectionable Advertisements) Act prescribes stricter deterrents. The Centre's decision last year to drop a rule governing ads of Ayush formulations from the Drugs and Cosmetics Rules, 2018 underscores the willingness to create alternative regulations for alternative medicine.

Two, Ramdev's criticism of modern medicine and its practitioners, Patanjali's tall claims about the almost miraculous powers of its formulations, Balkrishna's opinion on the antiquity of the current regulatory regime, and the Centre's seeming reluctance to act against the offenders have hurt Ayurveda itself. The underlying message of the SC proceedings is clear. Establishing the efficacy of a system of alternative medicine requires scientific research, not vague claims, not tall promises, and definitely not anecdotal reports of miracle cures. It is now up to all stakeholders to understand this message, change their approach, and further the cause of Ayurveda.

# India must heed these four American truths

Biden is good for Indian strategic interests but Democrats don't like the BJP. Trump doesn't care about BJP's politics but will be more demanding and unpredictable, including on China

hen it comes to

American politics

and its impact on

India, here are four seemingly contradictory features that are simultaneously true. One, the Joe Biden administration has done a competent, responsible and methodical job in the Indo-Pacific to constrain China. Yes, both Ukraine and Gaza have come in the way of what would otherwise have been a sharper focus on China. But Biden was smart in carrying forward the one important rupture from the Trump years of viewing China as an

adversary and waking up to the limits

of engagement.

Under Biden, Quad assumed momentum; Japan began its military modernisation; the United States (US), Japan and South Korea struck a trilateral security pact; the US, Japan and the Philippines are about to have a trilateral summit; American presence in the Philippines increased; AUKUS was announced; the US woke up to the importance of South Pacific islands; White House hosted all ASEAN leaders in DC; a sensitive election in Taiwan was managed; American ties with Vietnam deepened; and the US instituted the strongest set of

tech restrictions on China. Yes, it kept talking to Beijing to prevent conflict, but while the engagement is tactical, the competition appears instinctive, strategic, systemic and fundamental.

India fits into this wider frame in four ways. Biden's team recognised Delhi was a valuable stakeholder in global conversations, supported its G20 presidency, and made India a key pillar in various mechanisms -IMEC, I2U2, Quad, IPEF, Mineral Security Partnership, and Artemis Accords. It recognised that no global issue, from energy and food security to the climate crisis and pandemic management to sustainable

development goals to supply

chain diversification, could have a global solution without India on board. It recognised that building Indian capabilities, a desirable goal Prashant to help share the burden on security in the region and beyond and deter China, required creating trusted tech ecosystems (think Micron), co-production and co-development in defence (think GE) and American majors investing in manufacturing (think Apple). And Biden's team saw that India, because of its sheer size, neighbourhood, history, and self-identification as a civilisational State, will always have a

still better than Beijing. Two, the Democrats aren't comfortable with the Bharatiya Janata Party (BJP). This is for three reasons. One, the Democratic Party has turned more diverse in recent years. This has

unique set of interests — which may

align with the US, but won't be identi-

cal and sometimes may even diverge

And that was fine, for a friendly but

relatively autonomous Delhi with

credibility in the Global South was

been good for Indian Americans; it isn't a coincidence that all five desis in the US Congress are Democrats. But it also means that Democrats became the natural home of those who share the same convictions about the need for identity-based representation of minorities and inclusion and dislike majoritarianism and ethnic nationalism. The BJP is now widely seen on the other side of these values. Two, the influence of American Muslims and this includes Indian-American Muslims — has increased in the Democratic fold, as Biden's troubles over Gaza in a swing state such as Michi-

> gan show. Three, the politics of Democrats against Trump rests on how he is a threat to democracy; this leads the party to be receptive to those who speak the language of human rights, a constituency that frames the BJP in the same category as other conservative extremists.

The recent spat over the American comments on the Citizenship (Amendment) Act or elections is a product of this strand. But Biden's team has found a way around it. Which is to raise these issues privately; occasionally comment in public if asked, but ambiguously, as a signal of solidarity to those lobbies within the US worried about India and the non-BJP spectrum in India; ensure that top decision makers separate the noise from the substance. The American commentary may be gratuitous and counterproductive but to see it as some deep state conspiracy to destabilise Indian politics is a complete misreading.

Three, Donald Trump's areas of interest are narrow - and they obviously don't include the state of reli-



President Joe Biden's team recognised Delhi was a valuable stakeholder in global conversations and supported its G20 presidency HTARCHIVE

gious minorities or the robustness of an electoral system, fidelity to liberal constitutionalism, the nature of a democracy or the absence of checks on executive authority in any other country. Neither does Trump believe in investing American capital in shaping other societies. All of this means that India will be spared even the limited political attention Democratic leadership pays to internal democracy except, perhaps on Christian rights, where Trump will be susceptible to evangelicals or when Trump wants to extract something from India on another front.

Four, this doesn't mean Trump who retains an edge in the polls — will be good for Indian strategic interests. To be sure, India was less affected than other countries during his erratic first term and not being a treaty ally helps since Delhi isn't dependent on the whims of the occupant of the White House. Trump's break with China helped India and Trump's administration offered support both during the crisis with Pakistan after Pulwama and with China after Galwan.

But term two will see an even more transactional, more unpredictable, and more isolationist Trump. The optics of a weaker and divided America in political chaos that lets down allies (aka Europe and Ukraine) itself

empowers adversaries. It isn't surprising that each of the US's rivals, and some of its friends who don't like the Democrats, want Trump to win.

Take one example. Beijing is already re-cultivating American business and is allegedly pushing out a misinformation campaign to influence the elections to help Trump; don't rule out a Chinese offer on trade and investment to Trump in return for strategic accommodation of its interests. Trump's recent U-turn on ownership of TikTok, against his own earlier order, due to the influence of a donor-lobbyist, is a pointer. In any case, an America that sees its global obligations as an irritant suits Beijing just fine, for who else is best positioned to fill the ensuing vacuum in much of the world. Trump may or may not reverse course on China after all his signature foreign policy move was taking on Beijing. But his sheer unpredictability on the China question, penchant for fighting with allies both in Asia and Europe, hawkishness on trade and economy, and the promised war on American institutions, indicate that Trump 2.0 will leave the world even more turbulent and will demand far more from Indian diplomacy, a prospect that should worry Delhi.

The views expressed are personal

# Political consensus key to simultaneous polls

Amar

**The recent report of the Ram Nath** Kovind panel on simultaneous elections is praiseworthy on several counts. First, the committee was able to deliberate on this complex issue in great detail and with extensive consultations within a relatively short period of time. Second, there has been overwhelming support from political parties with 32 parties supporting it and 15 against it. Third, by separating Parliament and state assembly elections (which are conducted by the Election Commission of India, or ECI) from local body elections (which are conducted by state election commissions) from a literal definition of only one nationwide election at the same time for Parliament, the state assemblies as well as the local bodies across all states, the committee has deftly simplified the issue and kept it from becoming far more unwieldy. Fourth, the committee has crafted its recommendations in such a way that implementation would require a much lower number of amendments to the Constitution than what was widely discussed. Fifth, by recommending fresh elections in the event of a hung house or no-confidence motion instead of suggesting the formation of

alternative governments with the same set of legislators, the committee has displayed pragmatism and sagacity. The committee's report is largely in line with the suggestions given in this regard earlier by the ECI, the Constitution Review Committee as well the Law Commissions.

Patnaik The various advantages of "one nation, one election" such as focused governance, continuity in policy decisions, removal of policy paralysis, reduced cost of elections, one electoral roll, reduced deployment of security forces, end of horse trading, and improved State finances are well

accepted. Some amendments to the Constitution recommended by the committee require the approval of the states in addition to that of Parliament. While there could be further debate if amendments to Article 172 pertaining to election to state assemblies would not require ratification by the states, there is no gainsaying that this step would require tremendous persuasion and perseverance by the Government of India to build consensus with the states, almost on similar lines and with similar rigour and intensity as was displayed during the adoption of GST. States or political parties that are opposed to simultaneous elections have not given any strong ideological argument against such a move except that it might lead to over-centralisation and drowning out state-specific issues during such

THE VARIOUS ADVANTAGES OF "ONE NATION, ONE ELECTION" SUCH AS FOCUSED GOVERNANCE, CONTINUITY IN POLICY DECISIONS, AND REDUCED COST OF ELECTIONS ARE ALL WELL ACCEPTED.

simultaneous elections, thus weakening the federal polity of the country. However, the recommendation of the committee to have elections in two phases, one for Parliament and state assemblies and the other for the panchayat institutions, partly takes care of this problem. Also, past simultaneous elections in some states along with parliamentary elections have shown that voters' intelligence and sagacity cannot be under-emphasised. However, there could be an argument that if the state elections can also be shifted to be held along with the local bodies' elections, many of the concerns of the political parties who have objected to this move on grounds of state-specific issues getting subsumed under national issues, could actually be allayed. But, in this case, the ECI would have to coordinate

with the state election commissions. Since the committee has recommended fresh elections for the unexpired period in case of a hung Parliament or a no-confidence motion, a question that arises is what happens if different state governments collapse midway at different points of time while there is no such situation at the parliamentary level.

Would elections be held again in every such state or would Union rule be imposed till the next Parliament election becomes due? There is also the question as to whether bypolls arising out of death or resignation of a legislator shall be staggered to be held along with simultaneous elections to Parliament/assembly or would be held immediately if the duration of vacancy arising out of the gap between the death or resignation

and the next simultaneous election is going to be long. The need for continuing with Article 356 in the Constitution, given that this provision, after 1967, was largely responsible for creating the unwelcome situation of multiple elections in a year, requires further examination. Lastly, election to cooperative bodies, which was also covered under the terms of reference of the committee, poses a separate challenge if it is also to be synchronised with the local body polls as both these elections are conducted by separate and independent con-

stitutional/statutory authorities. So far, in the debate on simultaneous elections, amending the Constitution and relevant legislation has been the focal point. Deliberations on whether the process of elections itself can be improved by compressing the election period by changing the mechanism of holding elections and innovating with regards to the enforcement of the model code of conduct all done through the use of technology and modern methods - so that polls are less disruptive for governance, have received scant attention. To illustrate, some campaigning can be shifted to online only rather than in-person, thereby requiring less deployment of supervisory personnel.

The way forward lies in building consensus for investing in infrastructure and technology, which could take care of a number of nagging issues that would remain even if the Kovind Committee recommendations are implemented.

Amar Patnaik is a BJD member, Rajya Sabha. The views expressed are personal

AJIT DOVAL } NATIONAL SECURITY ADVISOR 1 Any act of terror, including crossborder terrorism, is not justified. Perpetrators of terrorism should be effectively and expeditiously dealt with

# Ensuring fair play in the digital economy

Siddharth

he Report of the Committee on Digital Competition Law (RCDCL) is a tour de force. Innovations by Big Tech are not merely about efficiency or progress but are intertwined with power and control. The crux of the issue lies not in the existence of these tech behemoths but in their overwhelming dominance and practices to maintain and extend market power. Allegations of anti-competitive practices, from prioritising their products in search results to exclusive selling arrangements, have raised concerns about stifled competition, hindered innovation, and compromised consumer choice.

A handful of titanic figures cast long shadows over the bustling digital marketplace that India presents. Google and Amazon - compa-

nies whose names are as ubiquitous as the services they offer — stand at the forefront of the debate about market monopolies and the future of e-commerce in the country.

The challenge for India is to respond with a policy framework that is not just reactive but proactive and ensures fair play in the digital arena while fostering an environment where smaller entities can thrive

alongside the giants. With a burgeoning digital economy, India must balance growth and innovation, and safeguard consumer and small business interests against Big Tech's influence. The RCDCL is well-researched, fair (in that it has allowed for input from affected parties), and has a nuanced consideration of existing laws. This is not the first time that India's regulatory bodies have reacted in a mature way to potential changes in power structures brought on by technology or technological innovations. Recall the Telecom Regulatory Authority of India putting an end to the thinly veiled attempt to stifle net neutrality in the 2016 Facebook Free Basics episode.

The intricacies of digital market dynamics necessitate a nuanced understanding and approach, which the RCDCL demonstrates. Traditional anti-monopoly measures may not always apply neatly in the digital context, where the lines between different markets are blurred, and services often come at zero monetary cost to the consumer. The RCDCL's response thus began with a comprehensive mapping of the digital ecosystem to identify points of monopolistic control and potential harm to consumers and competitors. The Competition Act of 2002 was dynamically interpreted by RCDCL. The Act would require

amendments to address the challenges posed by the digital economy, such as data monopolies, network effects, and platform neutrality.

The introduction of additional legislation tailored to the digital age is imperative, and the RCDCL steers policymakers towards such areas. Such legislation would cover data protection, privacy, e-commerce regulations, and digital taxation, ensuring the prevention of anticompetitive practices. Specific measures could include regulations to ensure platform neutrality, preventing Big Tech from prioritising their products and services unfairly, and rules around data portability to ensure a level playing field for new entrants.

Beyond regulatory measures, the government can curb monopolies through the promotion of competition and innovation.

This could involve supporting startups and small businesses through grants, and subsidies, thereby reducing the entry barriers to digital markets dominated by large players. The RCDCL has a thorough understanding of such dynamics.

The digital economy is inherently global, with the actions of Big Tech companies transcending national

boundaries. The European Union has already shown the way in many areas by enforcing anti-competitive legislation and imposing fines on firms that abuse their market power. Hence, India's approach to regulating these giants could benefit from international collaboration. The RCDCL includes a comprehensive view of international best practices. Engaging with global regulatory bodies could lend weight to India's efforts to manage the influence of Big Tech. Such engagement can also help standardise regulations, preventing Big Tech from exploiting regulatory arbitrage. Engaging in a continuous dialogue with all stakeholders, including the tech giants themselves, is crucial and the committee has done just that.

India's journey toward regulating Big Tech is not about stifling innovation or deterring investment but about ensuring that the digital market remains a fertile ground for all players, big and small. The committee's response is as dynamic and multifaceted as the digital economy itself, balancing the need for regulation with the promotion of innovation and competition. This is not a battle against the giants but a push towards a more equitable digital future.

Siddharth Pai is a technology consultant and venture capitalist. The views expressed are personal

### WORDLY WISE

HE WAS A BOLD MAN THAT FIRST ATE AN OYSTER.

— JONATHAN SWIFT

# The Indian EXPRESS

∽ FOUNDED BY ∽ RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

### NO FREE PASS

SC's message in censure of Patanjali is welcome: There cannot be any compromise on regulatory protocols

HE SUPREME COURT'S strong admonition to Baba Ramdev and Patanjali Ayurved — the company the yoga guru has founded and is the face of — was much needed. Patanjali's products have, for long, made deceptive claims and the company has faced few consequences for its irresponsible campaigns against the allopathic system. Such campaigning has, on several occasions, even defied the highest court of the land. On November 21, 2023, for instance, the SC asked Patanjali to stop misleading advertisements against the modern system of medicine. The very next day, Ramdev and the company's managing director Balkrishna held a press conference in which they claimed that Patanjali had permanent cures against glaucoma, blood pressure, arthritis, asthma and diabetes. The company also continued to issue ads claiming its products are "more effective than chemical-based synthetic medicines of allopathy". Ramdev and Balkrishna have apologised and said the publicity was part of the "routine" course" by the company's media department. On Tuesday, the SC rightly came down on this disclaimer. The bench hearing the Indian Medical Association's (IMA) two-year-old case against Patanjali described the firm's response as "lip service".

The growing incidence of lifestyle diseases has made interventions that emphasise dietary management, "toxin removal", "herbal therapies" and yoga popular. In the last two decades, successive governments have also taken steps to promote such healing systems. The Narendra Modi government has championed yoga, equipped Jan Aushadi stores with ayurvedic medicines, and merged the regulation of unani, ayurvedic, homoeopathy, yoga and siddha systems into a single ministry, AYUSH. Undoubtedly, these systems have a role in healthcare. But in a country where quackery and anti-science attitudes are rampant, there cannot be any compromise on regulatory protocols and evidence-based policy. During the pandemic, Ramdev sought to exploit mass anxiety by making wildly inaccurate claims about Patanjali. On most occasions, he got away with mildly worded government censure. In August 2022, the IMA went to the apex court in response to a Patanjali advertisement that said, "Save yourself and the country from the misconceptions spread by the pharma and medical industry." During hearings in this case, the SC has on more than one occasion come down heavily on Patanjali. In February, it also came down hard on the AYUSH ministry. "How can Patanjali claim to completely cure blood pressure, diabetes, arthritis, asthma and obesity?... The entire country is being taken for a ride. You shut your eyes," the bench said.

An AYUSH ministry press release of December 17, 2021, speaks of close to 1,500 misleading advertisements from makers of such therapies between August 2018 and July 2021. However, there is very little about the action taken against such violators in the public domain. The SC's latest reprimand is a message to the government that its initiatives on Ayurveda must go beyond promoting the healing system. It must ensure that regulatory protocols are implemented stringently.

# An Af-Pak warning

Terror attacks in Turbat, Dasu, Gwadar are of Pakistan's own making. It needs a radical reorientation of policy

SHARAT SABHARWAL

NO STRANGER TO terrorism, both as a perpetrator and victim, Pakistan has been jolted by three high-profile terror attacks recently within seven days. The Majeed Brigade of the Balochistan Liberation Army has taken responsibility for two attacks in Balochistan. One, that targeted the Turbat naval air base, which reportedly deploys Chinese drones and two, the Port Authority Complex of the Gwadar port, operated and expanded by the Chinese. The third attack in Khyber Pakhtunkhwa killed five Chinese engineers involved in the construction of the Dasu Hydropower Project on the Indus river under the China-Pakistan Economic Corridor (CPEC). Nine Chinese nationals working on the same project were killed in a similar attack in 2021.

Chinese personnel and interests have borne the brunt of periodic terror attacks in Pakistan in spite of the constitution of a special force to protect them. With a number of Chinese personnel in Pakistan in connection with the CPEC projects, this is a serious issue for the Chinese and is a matter of discussion between the two sides. While displaying equanimity publicly, the Chinese are reported to have leaned heavily on the Pakistanis behind the scenes to counter this threat effectively.

With the CPEC, China is more deeply invested in Pakistan than ever before. The Xinjiang-Gwadar linkage is too valuable for them to walk away from. An exit route for the Chinese to the Arabian Sea and the wider Indian Ocean, it bypasses the maritime choke points in the east. Therefore, while calling for a thorough investigation into the killing of their personnel, the Chinese have said that any attempt to undermine China-Pakistan cooperation would not succeed and China will continue to support Pakistan's economic and social development.

the progress of the CPEC projects, including the expansion of the Gwadar port. The other factors are the low absorption capacity of the Pakistani economy, administrative bottlenecks and controversies among Pakistani stakeholders on various projects. Pakistan reflexively blames India for the terror on its soil to hide the reality of its own

flawed policies over the years that are responsible for its terror quandary. These include the alienation of its ethnic minorities, particularly in Balochistan and the tribal belt; encouragement to religious extremism and sectarianism; use of terror as an instrument of state policy; and an injudicious approach towards its neighbours. Pakistan has had a festering border management problem with Iran, with both sides accusing each other of harbouring terrorists. Its heavy investment in the Afghan Taliban to gain strategic depth in Afghanistan has not paid the desired dividends.

However, the fraught security situation

is one of the major factors that have slowed

The Taliban regime in Kabul rejects the Durand Line and has failed to curb the violent activities of the Tehreek-e-Taliban Pakistan (TTP) from Afghan soil despite persistent Pakistani demands. There has been a sharp uptick in TTP attacks in Pakistan since the Taliban takeover in Kabul. Islamic State

 Khorasan Province (ISIS-K) has claimed some deadly attacks both in Pakistan and Afghanistan. Pakistan has had flare-ups with Iran and Afghanistan in recent months.

Pakistan has followed exploitative policies in Balochistan since its inception. China has become complicit in these policies over the years through its projects that have brought little benefit or employment opportunities to the local people. The Saindak Copper-Gold Project run by the Chinese and construction activities in relation to the Gwadar port are some examples. This has caused resentment against them amongst the local populace. China's activities in the strategically located Balochistan, particularly the potential projection of its naval power from Gwadar and other Pakistani ports, sitting close to the Strait of Hormuz, have been a matter of concern for countries of the region and beyond. Not surprisingly, the then Interior Minister of Pakistan Rehman Malik had said in 2012 that 14 organisations were operating in Balochistan, and both "friends' and "foes" of Pakistan were equally involved in financing and encouraging them.

Responding to the recent attacks, the Pakistani establishment has vowed to crush the resurgence of terrorism. This hackneyed response essentially signals the doubling down on the use of force — a failed strategy in the past. What is needed is a radical shift in Pakistan's internal and external orientation, which is nowhere on the horizon Flashes of wisdom and pragmatism in the discourse of the Pakistani establishment have remained just that. The new Foreign Minister, Ishaq Dar, who is close to Nawaz Sharif, has said that the policy of suspension of trade with India since August 2019 will now be reviewed. Only time will tell if it results in anything positive. However, should Pakistan take a constructive approach, we must respond positively. In the meantime, we should take all the necessary steps to protect ourselves from the rising wave of terror in our neighbourhood. That it will not remain confined to the Af-Pak region is evident from the reported involvement of ISIS-K in the terror attacks in Kerman (Iran) in January this year and Moscow recently.

The writer is a former high commissioner to Pakistan and author of India's Pakistan Conundrum: Managing a Complex Relationship

### A MOUNTING TOLL

Killing of aid workers, attack on embassy underline the high

of the brutal October 7 attacks by Hamas, Israel had the sympathy of a broad swathe of the international community. The besieged Benjamin Netanyahu government — the ruling alliance was in tatters, and there were widespread protests against laws seen as curtailing an independent judiciary — also got a lease of life as Israelis were united in outrage and grief. Now, nearly six months into Israel's retaliation, the government is increasingly seen as using that grief as a pretext to act with impunity. Just over the last week, three incidents show why the Netanyahu government is facing more protests at home while being chided by its friends abroad.

bassy compound in Damascus, killing two Revolutionary Guard generals. The attack drew tect aid workers. Canada and the UK too have expressed condemnation.

While the Netanyahu government has called the attack on aid workers a "grave mistake", the prime minister also said, "these things happen in war". Thus far, he has maintained his maximalist position — in the face of 33,000 Palestinian deaths, over a million refugees, an "imminent famine" and calls from Israel's closest allies for a cessation of hostilities. Over the weekend, thousands of Israelis took to the streets demanding his removal from office for the failure to bring back hostages. Israel must be mindful of the sentiment articulated by Indian External Affairs Minister S Jaishankar, and echoed by many of its well-wishers: "Countries may be justified in their own minds in responding (to an attack), but... every response must take into account something called international humanitarian law." With the theatre of conflict expanding and political support at home declining, it is becoming increasingly clear that the Netanyahu government's actions are

# ONTRARY TO THE aphorism, not all is fair in war. In the immediate aftermath

costs of Netanyahu government's maximalist position

On Monday, an Israel Defence Force drone killed seven aid workers even though their convoy was reportedly coordinating movements with it and the vehicles bore a logo that made it clear they were aid workers. On the same day, Israel bombed the Iranian ema response from Ayatollah Ali Khamenei, who promised revenge. Israel's action has significantly increased the chances of the conflict becoming more widespread. One of Gaza's largest hospitals, Al Shifa, is all but rubble. These attacks on diplomatic missions, aid workers and civilians have prompted reactions from the US and Europe. US President Joe Biden said he was "outraged and heartbroken" and accused Israel of not doing enough to pro-

also harming Israel's national interest.

### VIVE LE FRANKENPASTRY

Crookie, cruffin or cronut — the croissant has endured as an iconic food due to its versatility

N ONE OF his many visits to Paris, the novelist Charles Dickens, like so many before and after him, fell victim to the considerable charms of the croissant. Speaking of "the dainty croissant on the boudoir table", he contrasted the French pastry's delicate, buttery appeal with the "dismal monotony" of English bread. One wonders what he would have made of its decidedly more robust 21st century descendent, the "crookie" (a croissant stuffed and topped with cookie dough and baked till the chocolate melts). Would he have denounced it as an abomination or seen the appeal of crossing the flaky texture of the croissant with the chewy, chocolatey all-American cookie?

Not that anyone needs the imagined verdict of the long-dead Victorian writer. The masses have spoken: The crookie, like the cronut (croissant stuffed with flavoured cream and shaped like a doughnut) and the cruffin (a muffin-croissant hybrid) before it, has become a runaway hit, inspiring takes across the world since its debut in Paris's Maison Louvard in October 2022 and becoming social media's most viral baking craze this March. Often described as "frankenpastry" — perhaps unfairly — what creations like the crookie, cronut and cruffin underline is that the most enduring foods are also the most versatile.

After all, even the classic crescent-shaped French croissant is only an iteration of the similarly-shaped Viennese pastry called the kipfel. It got its recognisable layers and air pockets only when the French patissiers switched the heavier dough used by Viennese bakers with puff pastry. Would the croissant have achieved its iconic status and worldwide fame if it had stayed true to the recipe? Dickens knew what he liked — as do the millions around the world who enjoy a fresh, hot croissant, with or without cookie dough.



Intellectual elites must introspect on why their words fail to make a mark

Aditya Puri

I ENJOYED READING the interaction with Harvard professor Michael Sandel moderated by Anant Goenka and Aakash Joshi (IE, March 14). I agree with Sandel's well-articulated views but I am not sure whether these editorial pages are imbued with Sandel's political philosophy.

Clearly, the debate needs greater awareness and intensity.

Let's start with the lament of some intellectuals on these pages suggesting that people who win elections are ignoring them and their views. Could it be that the philosophical discussions these people are having reside in the clouds? In other words, is this intellectualism disconnected from reality?

Philosophy, especially political, belongs to the street in cities and villages where citizens gather and debate issues relevant to the common good leading to a just (not utopian) society.

The correct question is not whether the people who are winning elections are listening to intellectuals but whether, as Sandel said, are the intellectuals listening to the "people"?

There is a backlash against elites in many democratic countries, including India. We need to ask why. Is it because these socalled elites have failed to offer a compelling alternative? Or, is it that their prescriptions have failed and they now want to play the role of a scarecrow running down good alternatives and performers? Maybe, it is also because elites look down on cultural and religious sources of populist appeal.

Politics which is only about economics and ignores equitable sustainable growth and cultural and religious issues will fail

INDIAN EXPRESS

– Dear Editor, – **I DISAGREE** 

Pakistan has followed

exploitative policies in

inception. China has become

complicit in these policies

over the years through its

projects that have brought

opportunities to the local

Gold Project run by the

Gwadar port are some

Chinese and construction

activities in relation to the

examples. This has caused

amongst the local populace.

resentment against them

little benefit or employment

people. The Saindak Copper-

Balochistan since its

A column in which readers tell us why, when they differ with the editorial positions or news coverage of 'The Indian Express'

A politics that does not address deep cultural and spiritual sources and the need for a balanced society as forces that move people leads to anger, frustration, resentment and also affects hopes and aspirations. This is what leads to the success of nationalist right-wing politics which is filling the moral void created by a hollow public discourse that does not address grievances, hopes, identity, and national pride.

over time. The populist backlash is the result of governing elites embracing a flawed conception of politics, economy and governance. Presuming that a version of marketdriven finance, trade flow of capital, people and secular politics was the only way forward and ignoring the failure of this to reduce inequality, create employment, or protect the environment.

This was a model that should have been challenged as not meeting the public good, but was not, as it suited the enlightened self-interest of the governing elite.

Over the years, global crises have hurt people at the bottom of the pyramid the most. This could and should have led to a rethink of the model but, instead of an overhaul, we fixed the puncture while leaving the edifice intact. For example, in the wake of the financial crisis of 2008, we had a bailout of banks (which bailed out the rich), creating tremendous anger among the Left and the Right, as the poor were left adrift.

As Sandel said, a politics that does not address deep cultural and spiritual sources and the need for a balanced society as forces that move people leads to anger, frustration, resentment and also affects hopes and aspirations.

This is what leads to the success of nationalist right-wing politics which is filling the moral void created by a hollow public discourse that does not address grievances, hopes, identity, and national pride.

During the Independence movement, when Jawaharlal Nehru was a central figure in the 1950s, there was a feeling in countries around the world that to avoid communal conflict and violence, we needed governing principles that were entirely secular.

insists that citizens leave their moral and spiritual convictions at home when they enter the public space. This was a concept that was never followed from the start or we would not be talking of the Uniform Civil Code 70+ years since Independence. I agree with Sandel that this was a big mistake.

Secularism is a version of liberalism that

Basically, it is not possible to decide questions of justice, law, rights, duties, and freedoms, and common good without reference to important conceptions and beliefs. People want public life to be about the larger picture of meaning, belonging, national identity. India's democracy is a source of national pride across all sections of society and continues to be so.

So what happens now?

A lot depends on whether the opposition parties can find the leadership to articulate an alternative governing vision that takes into account the importance of national identity, pride, public expression and have a broad agreement on cultural, social and economic issues.

Prime Minister Narendra Modi has been able to do so: To address and articulate his vision factoring in national pride, identity, purpose, meaning, social and religious causes, as well as, progress on these issues.

The world acknowledges this is India's decade because of changes in geo-economics and politics. The secular shift in telecom, technology, mobility, social media and demographics favours India; so do the stars. Let's catch the wave.

The writer, former CEO and Managing Director of HDFC Bank, is senior advisor to Carlyle's Asia private equity team

# First Indian in Space

### APRIL 4, 1984, FORTY YEARS AGO

### FIRST INDIAN IN SPACE

INDIA REACHED OUT for new frontiers of knowledge as Sqn Ldr Rakesh Sharma, with two fellow Soviet cosmonauts, soared into space aboard T-11 for a historic rendezvous with the orbiting laboratory Salyut 7. The Soviet spacecraft was hurled into an elliptical orbit by a towering booster rocket which flashed into life at 6:38pm IST. The liftoff was an awesome spectacle as the rocket streaked into a clear sky.

CHANDIGARH CLASHES PROF V N Tiwari, a member of Rajya Sabha, cession of BJP leader Harbans Lal Khanna. Punjab and Chandigarh observed near total bandh. Two persons posing as students came to his house and opened fire when Tiwari came down to meet them.

was shot dead by terrorists in Chandigarh

and 10 others were killed as mob and police

clashed in Amritsar during the funeral pro-

### AFSPA IN PUNJAB

IN A SIGNIFICANT move against terrorism, the Punjab government vested sweeping powers in police and paramilitary forces in the state under the Armed Forces (Punjab and Chandigarh) Special Powers Act, 1983,

for a period of three months. The decision came in the wake of mounting terrorist activities and mob violence in Punjab. This is the second time that the state administration evoked the special act to curb violence.

### PM ON SPACE FLIGHT

PRIME MINISTER INDIRA Gandhi said that with the launching of the first Indian in space, Indo-Soviet friendship had acquired a "new dimension". "It is a proud occasion for us", Mrs Gandhi said. She expressed hope that the first Indian cosmonaut would symbolise the message of peace, which was Mahatma Gandhi's and Jawaharlal Nehru's legacy to India.

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- GLOBAL TIMES

# THE IDEAS PAGE

# The demographic window

India must prepare to make the most of the opportunities arising from fall in fertility rate, and to deal with challenges that follow



Amitabh Kundu and P C Mohanan

THE PROJECTION BY the UN Population Division is that India will have a population of close to 1.7 billion by 2065 before it starts declining. This overwhelming size has overshadowed the debate on other aspects like age structure, quality of the population, and its contribution to economic growth. Now we have a report from The Lancet where the total fertility rate (TFR) for India is projected to go down to 1.29 by 2051. This estimate is based on a complex demographic modelling, done for 204 countries as part of the global burden of disease study. Though this is an estimate within a range of 0.97 to 1.61, given the scientific rigour in their methodology, it opens up interesting pointers to the direction of India's population dynamics.

The total fertility rate used for projecting the population by the government's technical group (1.94 for the period 2021-2025 and declining to only 1.73 during 2031-2035) and that used by the UN are higher than those thrown up by the study in The Lancet. The latter is even higher than what one would estimate using NFHS 5 data. All these imply that our population may stabilise below the 1.7 billion mark much before 2065.

Several factors have jointly triggered a demographic transition in India, the rapid pace of economic development, particularly since the early years of the present century, being the key one. Lower infant and child mortality rates reducing the need to have a large family for old-age support, would be the other factor, backed by the rise in women's education and work participation rates. Improvement in housing conditions and the old-age security system are the other contributing factors.

The first impact of the rapid decline in TFR is a fall in the dependency rate and a larger share of working adults in the population, leading to an overall surplus income which can accelerate economic growth and lead to positive intergenerational transfers. However, this will subsequently result in a larger share of the elderly dependent population, as is noted in China, Japan and several European countries. The dependency ratio, taking the young and the old as a fraction of the percentage of the working-age population, is projected to go up from 13.8 in 2011 to 23 in 2036 for India.

It must, however, be noted that the decline is uneven across states and it will take a decade before all states, especially large ones like Uttar Pradesh, Bihar and Jharkhand, achieve the replacement level fertility, which, in the long run, would ensure stabilisation of population. Furthermore, the inter-district variations are even higher. Odisha, the state experiencing the fastest transition among the poor states, will achieve TFR as low as 1.51 by 2036 and yet districts like Kandhamal, Nabarangpur and Rayagada will have it much above the replacement level, modelled on the data from NFHS 5. It will, therefore, be premature to take an alarmist view



C R Sasikumar

of the transition, even if it is somewhat faster than what was projected earlier.

Undoubtedly, the demographic transition will have a positive impact on several states in the coming years through an increase in labour productivity. It would do so via three channels. First, the decline in population growth would increase the amount of capital resources and infrastructure available in per capita terms. Second, the reduction in fertility would permit the relocation of resources for the education and skill development of children rather than expanding the coverage for achieving universalisation. Third, it would affect the age distribution of the population, increasing the fraction of the labour force in the population, although for a limited period, which would accelerate the growth of the overall economy.

While, in the absence of any recent population count, the future size and structure of the Indian population remain in the realm of projections, emerging population issues have serious implications for policy, particularly for skill development for women and other underprivileged groups.

A declining TFR will lead to a situation where the number of children enrolling in schools is lower, as is already happening in states like Kerala. This could improve educational outcomes without additional resources being spent by the state. Attention must, however, shift to middle and higher education where the drop-out rates are very high. Substantial resources must be allocated to technical and professional education before the window of demographic opportunity closes.

A major factor responsible for the low participation of women in the workforce is their engagement in childcare at an age when they should be in the labour force. With less time needed for childcare, one would expect more women to join the labour force in the coming decades. The larger share of women in MNREGA employment in the southern states is a pointer.

culture to industries and services would balance the sectoral distribution. Skill development among SCs/STs and religious minorities can ensure there is no dearth of labour in the modern growing sectors. Much of the incremental workforce will come from the gradual process of the withering away of traditional activities.

The north-south movement of labour has already emerged as a major factor, creating spatial balance in the labour market. This would get an impetus with the modern sectors in the southern states, and Gujarat and Maharashtra, soliciting cheaper labour from the northern states. This, over the years, must result in improved working conditions, elimination of wage discrimination for migrant workers and the mitigation of security concerns in the receiving states through institutional safeguards.

The Asia 2050 report, prepared by the Asian Development Bank, predicts that the 21st century belongs to Asia, with India being a major actor. This is very much possible, but not inevitable, warns the report. It emphasises sectoral and spatial redistribution of the workforce, skill development and increase in the work participation rate of women, all compensating for the declining share of the working age group in the population.

Understandably, improvement in life expectancy would be associated with problems of the aged and increased burden of disease, resulting in high demand for health care facilities. India must accept these challenges to make the most of the opportunity if it comes a bit ahead of the predicted time.

Ahmedabad and Mohanan is former member, National Statistical Commission

The shifting of the workforce from agri-

Kundu is professor emeritus, LJ University,

# Life of a prisoner

"The robust development of China's new energy industry relies on technological innovation and excellent quality forged through competition in the global market not on so-called subsidies. The US is the one practicing 'double standards' on

WHAT THE OTHERS SAY

Delhi CM's incarceration in Tihar is a moment to ask why all inmates are not afforded basic facilities as a norm, not as an exception



subsidy issues."

Madhurima Dhanuka

ONCE AGAIN, THE life of a prisoner is in the public eye. What they eat, when they get up, how they sleep — these are questions being asked on social media platforms, news shows and in private conversations. Curious minds are constantly wondering what special privileges will be made available to the Delhi Chief Minister, Arvind Kejriwal, as he gets remanded to judicial custody till April 15 in the excise policy case.

This is not the moment to ask why certain facilities are being made available to the CM but to question why all prisoners aren't provided these facilities as a norm. Access to medication for diabetes, a pen, paper, a television, medical staff, books they are at best classified as "basic", not "special". Then why are other prisoners denied such basic amenities when it is a longestablished principle of penology that prisons are places where people are sent "as" punishment and not "for" punishment?

In simple terms, this means that when persons are imprisoned, the curtailment of liberty is the punishment. Nowhere is it prescribed that prisoners should be made to sleep on concrete floors, live in unhygienic conditions or eat food with worms. Yet, that seems to be an expectation. A life of hardship, days of misery, nights of despair — this is how a common person imagines the life of a prisoner to be. Sadly, this narrative is rarely challenged, bringing us to the present situation, where access to the most basic amenities appears like a privilege.

Delhi Prisons has three prison complexes, Tihar is the largest in the world, comprising nine central prisons; the second is in Rohini and the third in Mandoli with six central prisons. At the end of 2022, Delhi Prisons had a prisoner population of 18,497 persons with an occupancy of 185 per cent. One concerning fact is the high incarceration rate in Delhi (110 per cent) vis-à-vis the national average (52 per cent). Incarceration rates refer to the number of prisoners per lakh population, and Delhi is placed fourth in the country.

Central Jail No. 2 where Kejriwal is lodged, has the lowest prison occupancy of 118 per cent among the other prisons, with Central Jail No. 4 at 466 per cent occupancy (3,453 prisoners in capacity of 740 prisoners) and Central Jail No. 1 at 411

per cent occupancy (2,323 prisoners in the capacity of 565 prisoners). Acute overcrowding can have disastrous implications for a prisoner — imagine the queues for accessing toilets for morning routines, sleeping on a rotation basis, struggling for space, not to mention the undue stress on prison administration and resources.

Allocation for institutions such as schools or hospitals is based on the number of seats or beds available. Why are there no such standards for prisons? Why is it acceptable to remand a prisoner to a prison with no capacity? Why does the superintendent of prison not have the power to deny admission when their seats (capacity) are full? The Supreme Court has time and again upheld the right to life in the context of prisoners. The right to life includes the right to live with dignity, and this should include the right not to be detained in overcrowded prisons.

The Model Prisons and Correctional Services Act, 2023, prepared by the Government of India, states in Section 3 that one of the functions of prisons is to provide prisoners with food, clothing, accommodation, other necessities and medical treatment. Yet, one finds, be it Maharashtra, Karnataka, West Bengal or Delhi — unless the prisoner is able to secure permissions from the court, they are denied access to even the most basic necessities.

These court permissions too are only accessible to those who can afford to hire good lawyers. For the vast majority of prisoners, who hail from weak socio-economic backgrounds, asking for a thing as simple as a book or toothbrush or a sanitary pad, is a herculean task. As a result, either prisoners never demand their basic rights or are found doing daily chores such as washing clothes, dishes, sweeping, etc., for other influential prisoners, as barter for accessing these facilities.

It is time that we view prisons and prisoners from a lens of reformation and rehabilitation. Prisons are not the "end" but the beginning for those who find themselves entangled with the criminal justice system, and seek to set a path on the road to reform. It is the function of prisons to provide correctional services to prisoners with the objective of rehabilitating them in society as law-abiding citizens.

The next time one considers access to books, medicines, and pens as a special privilege for high-profile prisoners, we must challenge our collective conscience that continues to normalise the inhuman, degrading, undignified treatment of human beings in prisons.

The writer is a lawyer and expert on prison reforms. She has been associated with the Prison Reforms Programme at the Commonwealth Human Rights Initiative since 2008. Views are personal

### LETTERS TO THE EDITOR

### FREE AND FAIR

THIS REFERS TO the article, 'The umpire cannot be silent' (IE, April 3). After the announcement of the Model Code of Conduct, political parties, politicians and the Centre and state governments should adhere to the dos and don'ts enumerated. With every election season, the Code is bypassed through loopholes or brazen disregard. Voters are influenced and hurdles created in the Opposition's path. Social media channels are also misused. Under these circumstances, the EC should not be a mute spectator. All concerned should cooperate in the conduct of free and fair elections. Constitutional rights must take priority.

Subhash Vaid, New Delhi

### STORY NUMBERS TELL

THIS REFERS TO the report, 'Since 2014, 25 Opposition leaders facing corruption probe crossed over to BJP, 23 of them got reprieve' (IE, April 3). Kudos to The Indian Express for putting together this investigation. Joining the BJP amounts to a 92 per cent guarantee of reprieve for an opposition leader under probe. This is significant and can't be attributed to the vagaries of an individual's luck. This flies in the face of PM Narendra Modi's promise of eradicating corruption, and the assertion that central agencies like ED, CBI are working independently.

**LR Murmu,** New Delhi

### Unsettling matter

THIS REFERS TO the editorial, 'No poll issue' (IE, April 3). PM Narendra Modi, by raking up the contentious matter of Katchatheevu, has set an unhealthy

toral gains, and one that has bearing on ties with Sri Lanka. A little after Narendra Modi became Prime Minister, an MEA affidavit in the Madras High Court stated that sovereignty over Katchatheevu "is a settled matter". But the present government has also been telling Parliament that the matter relating to the islet is sub judice as it was before the Supreme Court. Sri Lanka had been exercising jurisdiction over the territory since the mid-1920s without protest by India. It is understandable if political leaders in Tamil Nadu raise the demand for Katchatheevu's retrieval every now and then, but it would be disturbing if the PM too joins the bandwagon.

trend of politicising an issue for elec-

Khokan Das, Kolkata

### FOR GREATER SAFETY

THIS REFERS TO the report, 'AviationMin, DGCA seek detailed report from Vistara' (IE, April 3). The TATA group airline Vistara is going through a tough time due to the protests by its pilots resulting in many cancellations and delays in its flights in the past few days. The airline is in the process of merging with Air India, and seeking a uniform salary structure for pilots. The revised Flight Duty Time Limitation (FDTL) norms include a 12hour increase in pilots' weekly rest period, extension of night duty period, limiting the number of night landings to only two as against six earlier, and mandating airlines to file quarterly fatigue reports. Keeping in view the health safety of pilots and thus the safety of passengers, airlines must implement the revised FDTL norms without any further delay.

Sanjay Chopra, Mohali

# West against the rest

NATO must stop trying to achieve its security goals at the cost of others

The Asia 2050 report,

prepared by the Asian

Development Bank, predicts

that the 21st century belongs

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Denis Alipov

THE NORTH ATLANTIC Treaty Organisation (NATO) pompously celebrates the anniversary of its establishment on April 4, 75 years ago. It sees plenty of reasons to rejoice whereas the facts and figures suggest that it is rather a sorrowful occasion to reflect upon the flawed goals it pursues and the bloody methods it uses.

For the sake of space, I will summarise. NATO was created to defend its member states from aggression. As the facts go, it never suffered from one or the threat of one. On the contrary, in the name of defending its member states, NATO went on the offensive. Over the last seven decades, it initiated or participated in more than 200 military conflicts worldwide, including 20 major ones. Everywhere, instead of declaring peace and stability, it only inflicted damage and human toll and brought with it destruction and alienation. The bombing of Yugoslavia, the invasion of Iraq, the ruined statehood of Libya, the unlawful military interference in Syria and the dubious results of combating terrorism in Afghanistan are the most prominent among numerous cases in point. What makes a bad situation even worse is the established fact that ISIS is a notorious creation of the US, NATO's undisputed leader.

Five waves of the alliance's expansion

since 1991 despite assurances to the contrary and the transformation of Ukraine into the springboard against Russia have become the greatest provocation of all time. Russia, for the record, had shown remarkable restraint but, alas, NATO does not care. Obviously, it is not going to celebrate the appalling record of its misadventures, as is evident from the vicious reaction to the anniversary of the bombing of Yugoslavia. The stark reality is that the Atlantists, ver-

bally proclaiming their peaceful aspirations, go in for war or threaten to attack any state that refuses to accept the decadent liberal "rules-based order". In this sense, NATO's military potential stands as an effective tool for maintaining the West's hegemony over the nations that are not viewed as a military menace. No wonder an increasing number of countries consider it a continuation of the ugly colonial practices in a modern avatar under the slogans of democracy, human rights and freedom as prescribed by the Euro-Atlantic rulers.

The alliance dismantled dialogue mechanisms with Russia and adopted the Strategic Concept at the 2022 NATO summit in Madrid by which Moscow is proclaimed to be the most significant and direct threat to allied security, peace and stability in the Euro-Atlantic

— which Russia has never been, but that is trivia. Russia is to be countered across the entire geographic and operational environment.

The coalition's capabilities are being built up in outer- and cyberspace. NATO's "eastern flank" is pumped with new assets and forces to gear up for the adjusted regional military plans. NATO's aggressive behaviour expands beyond Russia. The search is on for new "foot soldiers" in Africa, Asia and Latin America. The Atlantic radar has turned towards the post-Soviet space and Eurasia at large to create more alienation lines and damage the traditionally close ties between countries in this part of the globe.

A new manifestation of the block's expansionism can be seen in NATO's attempts to extend its responsibility over the entire eastern hemisphere under the crafty slogan of indivisibility of security in the Euro-Atlantic and Indo-Pacific regions. To this end, Washington has been busy creating pocket minilateral formats, such as AUKUS, US-Japan-South Korea troika, and the Tokyo-Seoul-Canberra-Wellington quartet to drag them into practical cooperation with NATO. To justify NATO's presence in the region, the Americans are putting out the fire with gasoline openly or surreptitiously encouraging tensions and territorial disputes in Asia-Pacific.

The above-mentioned facts explicitly reveal that NATO is devoid of a positive agenda or intention to contribute to the maintenance of global and regional peace and security. On the contrary, it deliberately undermines international stability and challenges emerging centres of power, using far-fetched pretexts, including the absurd narrative of the "inevitable" Russian invasion of Europe. Russia is closely monitoring the develop-

ment of the situation at its borders and takes appropriate measures to safeguard national interests and protect its people, as any sober political leadership would do. In the foreseeable future, it is hard to imagine any normalisation of Russia-NATO relations. At the same time, Moscow has never rejected constructive dialogue and believes in the concept of a sustainable system of European and global security, which cannot be attained without taking into account Russia's legitimate concerns. Only equal cooperation and mutual accommodation of interests can become the basis for this endeavour. NATO's jubilee slogan "All for one, one for all" will read more like "The West against the rest" unless NATO changes its approach to achieve its security at the expense of others.

The writer is Russia's Ambassador to India

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#### **Fiscal battle**

Kerala's suit raises questions on States' right to borrow, Centre's power to limit

he Supreme Court of India order referring a suit filed by Kerala, challenging the Centre's decisions curtailing its borrowings, to a Constitution Bench is a welcome development. The Court declined to grant an interim order to restore the position prior to the imposition of borrowing limits by the Centre, but the referral will give a larger Bench an opportunity to examine the extent to which the Union government may regulate a State's borrowings. The litigation is much more than a tussle over the Centre's charge of fiscal mismanagement against the Left Front regime in the State. The Court has recognised that it is also a constitutional question on Centre-State relations: an apparent conflict between efforts to maintain the country's fiscal health on the one hand and moves that undermine the fiscal space of States on the other. At the heart of this dispute is Article 293, which confers executive power on the States to borrow money within limits prescribed by the State legislature. It also allows the Union to extend loans and guarantees to the States, and requires the Centre to give its consent and impose conditions for States to raise further loans while earlier ones are outstanding. Kerala contends that the Article does not confer on the Centre any power to regulate all State loans and that it can impose conditions only on borrowings from the Centre.

Kerala also challenges the Union's decision to include borrowings by State-owned enterprises and the liabilities on its public account under its 'Net Borrowing Ceiling' (quantified as 3% of its projected Gross State Domestic Product for 2023-24, or ₹32,442 crore). A 2018 amendment to the Fiscal Responsibility and Budget Management Act capped the 'general government debt', or the sum total of the debts of the Central and State governments, at 60% of the GDP. The Union government argues that public finance being a national issue, it wanted to prevent the use of off-budget borrowings to bypass the borrowing ceiling. It also claims that unlimited borrowing by State governments will have the spillover effect of raising the cost of borrowing and crowding out private sector borrowers. The issue comes at a time when the current formula for distribution of revenue is seen as one that penalises States that perform better on social indicators. It is no surprise that Kerala, a topper in social advancement, faces this crisis. In an era in which a major revenue source for the States has been subsumed by a system in which they share the proceeds of a common Goods and Services Tax with the Centre, fiscal space has become precious. It is now up to the highest court to determine how strict the Centre should be on borrowing limits and giving consent to hold States to their fiscal obligations without violating federal norms.

#### **Dangerous game**

Commercial interest should not be allowed to override public health, safety

n February this year, the Supreme Court of India issued a contempt notice against Patanjali Ayurved for publishing misleading advertisements that were in direct violation of the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and its Rules despite the company's assurance to the Court in November last year that it would not do so. On Tuesday, the apex court turned up the heat by threatening Patanjali's co-founder Baba Ramdev with perjury proceedings in addition to contempt. The twomember Bench again came down heavily on the government, this time for turning a blind eye when the company was promoting its products as a panacea during the COVID-19 pandemic, in blatant violation of the Act. While the Court has asked the government to file an affidavit to dispel the impression that it was complicit, the fact is that the government did almost nothing to inform the people that Coronil was not a "cure" for COVID-19 – as claimed by the company in June 2020 - but only a "supporting measure in CO-VID-19". In February 2021, the presence of Harsh Vardhan, then Union Health Minister, along with Union Minister Nitin Gadkari, at a press conference organised by Patanjali to promote Coronil, made the company's claims sound very credible.

Emboldened by the absence of penal action by the courts or the government for the false claim that Coronil could cure COVID-19, the company went on an advertisement spree in 2022 claiming that its products could cure many non-communicable diseases and conditions. The advertisements also denigrated and derided evidencebased medicine (allopathy). On November 21, 2023 the Court warned the company not to advertise permanent cures and threatened to impose a penalty of ₹1 crore on every product for which such claims were made. But, in absolute defiance, the company held a press conference the next day to defend its products. In December last year and January 2024, cocking a snook at the Court, the company again issued newspaper advertisements, compelling the Court to issue a contempt notice in February. It is highly unlikely that the company could have continued to act this way in the absence of at least tacit support from the government at the Centre and in Uttarakhand, where the company is based. Independent of the Court, the absence of any restraining order by the government to stop the company from freely advertising highly misleading claims only strengthens the suspicion. In matters related to health and medicine, the government playing favouritism can be extremely dangerous and harmful. Allowing commercial interests to override public health and safety can be perilous.

### Turning the spotlight on the urban poor

he India Employment Report (IER) 2024 by the Institute for Human Development and International Labour Organization poses questions on the trickle-down effect of benefits to the working class in the backdrop of a 5.4% average real economic growth, from 2015-16 to 2022-23. It also shows a divergent trend between rural and urban areas in terms of employment and income. It demonstrates a relatively higher unemployment rate in urban areas, at 4.8% in 2000 over the 1.5% in rural areas. However, average monthly earnings are higher by 76% for self-employed, 44% for regular employed and 22% for casual labour in urban areas in 2022. The coexistence of higher unemployment and wages requires further investigation to understand its implications for the urban poor. This article looks at the dynamics of employment and wages in pockets of deep urban poverty, such as slums, and juxtaposes these with the findings of the IER

The higher income in urban areas and a better life have prompted rural-urban migration in the past. As in the IER 2024, although overall migration has increased, the migration of males has declined by 1.2% during 2000-08, and further marginally in 2021. This implies that migration for economic mobility is losing its sheen. Rural poor households migrate to slums instead of formal settlements. Hence, an analysis of income and employment trends of slum dwellers would reveal the prospects of economic mobility and decent work for the poor in urban India.

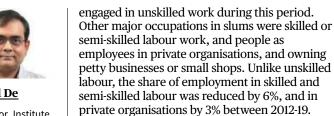
#### Findings of survey in Kolkata

This writer and a team conducted a survey in 37 slums across different parts of Kolkata in 2012. These slums were again surveyed in 2022-23. However, we could track only 29 slums as the other slums had either been redeveloped or evicted. We surveyed 513 slum households in 2012 and 396 in 2021-22. To get the overall trends from 2012, we collected data on income and employment in slums in 2019, the pre-COVID-19 year, to avoid the COVID-19-affected years of 2019-22, for comparison.

The major occupations in slums in Kolkata have remained the same over the decade, with a fourth of the working population taking on unskilled labour. It is the most stable and significant occupation in slums. The IER 2024 also finds that a fourth of workers in India were



is Professor, Institute



On the other hand, employment has increased by 9% in petty businesses or small shops. Surprisingly, the share of other self-employed has also declined by 3%. Among occupations that were less popular earlier but which gained momentum in the last 10 years are truck driving and cleaning, by 5%, and construction and related work, by 4%. The people employed in construction and related-work were minuscule in

#### **Income trends**

The average monthly income in 2012 was around ₹4,900. It decreased by 5% at constant prices (2012) in 2019. Income was the highest for government employees in the slums in both periods. However, at constant prices in 2012, their monthly income decreased by 5% in 2019. On the other hand, the monthly income of domestic servants and unskilled workers has remained the lowest. The highest decline in real income is observed for construction and related work (51%), followed by petty business or small shop (32%) and government service (32%) in 2019 as compared to 2012.

The decline in income and the rise in engagement with petty business or small shops and construction or related work indicates a need for gainful employment options. Medium to large shop owners have also lost real income by 26%. The popularity of labour work can be explained by the rise in the real income of unskilled labour by 33%. Income of skilled or semi-skilled labour increased by 12% but a lesser proportion are employed in 2019 compared to 2012. It implies the reduction of the availability of skilled or semi-skilled labour work.

The IER 2024 illustrates similar trends of changes in employment and wages. The share of self-employed (including business) has increased from 38.7% to 41.3% for males and from 34.5% to 44.8% for females in urban areas between 2000-19. However, real monthly wages (at 2012 prices) declined for self-employed from ₹7,017 to ₹6,843 and for regular workers from ₹12,100 to

₹11.155 but increased for casual workers (including labour) from ₹3,701 to ₹4,364 between 2012-19. This implies that the economic transition observed by the IER 2024 is a reflection of the transformation happening in urban slums.

Interestingly, the fall in slum income of the highest income earners, government servants, is accompanied by a doubling of the real income of the lowest income earners, domestic servants. This implies that there was a general downfall in income, along with a reduction in the differences in income from 2012-19. Other statistical measures also show a fall in inequality in slums.

The gender composition within different occupation categories in Kolkata shows that overall, the percentage of women in the workforce has declined by 3% in 2021-22 compared to 2012. However, the IER 2024 shows a 1.6% increase in women's workforce participation during 2012 and 2022. This may be due to an increase in female workforce participation in non-slum areas rather than in

#### Rise in casual work

A comparison of the IER 2024 and our survey data shows that the rise of casual work, especially labour work, has happened due to increasing wages. However, casual work offers a sub-standard work condition without any social security. On the contrary, self-employment such as businesses, is rising but without a commensurate rise in income. It projects a groundswell of low-earning petty businesspeople in slums. Slum women could not march with the overall rising trends of female workforce participation in urban areas. With the reduction of inequality, income also fell leading the urban poor to deeper poverty. Hence, the higher income in urban areas compared to rural India does not delineate the urban poor's economic mobility and quality of work. Hence, more public support is required in urban areas for access to cheap food and gainful employment. It also explains the declining male migration during 2000-08. As the Gross Value Added in agriculture, forestry and fishing grew at the slowest rate (3.03%) compared to other sectors during 2000-19, along with a negative employment growth (1.05%), focusing more on rural non-farm would be imperative.

The views expressed are personal

### Systems science for a better future

he Pew Research Center surveyed the citizens of many countries in 2023 to gauge how many prefer authoritarian rulers to multi-party democracy. The numbers choosing dictators will dismay democrats. In the Global South: India (85%), Indonesia (77%), South Africa (66%) and Brazil (57%). In the West: the United Kingdom (37%) and the United States (32%), which are significant numbers too. China and Russia were not surveyed.

Citizens of democratic countries have los in their governments' economic policies. Average incomes may be rising but the very rich are becoming much richer, faster. Large corporations and financial institutions are compelling governments to set the rules of the game in their favour by reducing taxes for them, emasculating labour institutions, and exploiting the natural environment for their profit.

Moreover, the growth of the global economy and human population has brought humanity to the brink. Scientists predict that the overuse of fossil energy for fuelling modern consumptive lifestyles will make life on earth impossible beyond this century. Water, fundamental for life, is also running out. India is among the most water stressed large countries in the world.

India has 17.5% of the world's population living on only 2.4% of the world's land. In 2014, India ranked 155 out of 178 countries in the global Environment Performance Index, meanwhile, in 2022, India slipped to the very bottom – 180 out of 180. India, also the world's most populous country, has an additional problem, viz. to increase the incomes of its citizens faster. While economists chase GDP targets, inequality is increasing and we are spoiling the earth which supports the economy and sustains our lives.

The science of systems Keeping the forest in sight, do not get lost in the trees, is good advice. Many things must be known, and their interconnections mapped, to understand how the world works. All sciences – social, medical, and natural – are fragmented into narrow silos. Locked within their echo-chambers, scientists in different disciplines do not learn from each other. As the sciences advance, experts know more but about less. No



An analysis of

income and

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**Arun Maira** 

is the author of 'Shaping the Future: A **Guide for Systems** 

Rather than

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one sees the whole. Politics and economics are integral parts of complex social systems. It is moot whether the weakening of democratic institutions empowers large capitalist institutions or whether capitalist institutions corrode democracy. What has broken down is the comprehension of complex systems with diverse forces, and human egos, within them.

Economics emerged as a distinct science out of philosophy and the humanities in the early 20th entury. Modern economists do not understand how societies function. By the century's end, free market fundamentalism had become an ideology. Leave it to the "invisible hand" of the market because it knows best, these economists say. Behind the invisible hand is the power of capital. The rights of capital, and its freedom to roam the world across national boundaries and make more profits, trump the rights of human beings moving across borders searching for safer lives.

Systems' knowledge has been devalued by specialisation. Heart specialists can keep the heart alive with amazing technologies. Brain specialists delve deeper into the biology of the brain. They lose sight of the whole human being. Climate scientists research how to remove carbon from the atmosphere, but the effects of their solutions on the livelihoods of citizens are not in their science's scope. High-tech solutions can improve parts of complex systems while reducing overall health and well-being.

Any intelligence within a system cannot comprehend the system that produced it. Modern science gave human beings hubris that they could conquer "unruly nature" as Francis Bacon declared at the emergence of the European Enlightenment. The arrogant scientific man thought he could change the system that had created him. His scientific fixes of the world, and scientific improvements of his own genes, are threatening humanity's existence.

In times of uncertainty, people yearn for certainty. They follow godmen, dictators, and wealthy technologists because these people claim to know the truth and have the power to apply it. When economists and scientists with their incomplete understanding of the world become the guides of leaders and steer social and economic policies, the losers are both common

people and the natural environment that sustains everyone's lives. Recalling the idea of the ancient Greek poet Archilochus - "A fox knows many things, but a hedgehog knows one big thing" philosopher Isaiah Berlin divided thinkers into "foxes" and "hedgehogs". Great writers, like Leo Tolstoy, who combined many perspectives in their histories were both hedgehogs and foxes, Berlin said. They understood the fundamental nature of existence and the limits of any rational scientific approach to it

Rather than specialised sciences focused on parts, a higher-level science is required: a science of holistic, self-adaptive systems which include human egos in them. Complex self-adaptive systems have three components: systems being, systems thinking, and systems acting. Systems being requires humility. Systems thinking requires the mind of the "hedgehog-fox" to see patterns among the details.

#### **Enterprises for cooperation**

Systems acting to improve the world for everyone must be driven by organisations whose purpose is cooperation, not by organisations driven by competition. The purpose of business corporations and armies is to make more profit and gain more power, whereas the purpose of families is to improve the well-being of their members. Family members have natural differences in sex and generational abilities. Yet, they cooperate with each other for the well-being

of all. Women's contributions to the well-being of families and societies are under-valued in money terms and not counted in GDP. Economists say that few Indian women are in the labour force, whereas, for centuries, women have been working harder than men, producing social and economic value for their families and communities.

The world needs more caring, less competition. Women are natural family builders and systems facilitators whereas men are brought up to compete. Rather than men teaching women to think like men and compete with them in hierarchies of the formal labour force, men must learn the caring ways of women to make the world better for everyone.

#### LETTERS TO THE EDITOR

An old issue The Bharatiya Janata Party is trying hard to milk the Katchatheevu issue for all it is worth. Was the Prime Minister putting the 'party first' or the 'nation first'? Instead of raking up what happened in a bygone era in the run-up to the general election, the top leader ought to have raised the issue of the retrieval of the islet with the Sri Lankan government during his rule. He manifestly failed to

dissuade the Sri Lankan government from arresting Indian fishermen. Jingoism, sabre-rattling and bellicosity are only for domestic consumption. G. David Milton, Maruthancode, Tamil Nadu

The Katchatheevu issue has been well explained in all the relevant forums and history books. Compared to the area of the islet of Katchatheevu, China

is said to have usurped

thousands of square kilometres of land from India. Why are there weak statements on this? Tharcius S. Fernando, Chennai

It is but natural for the Sri Lankan media to be peeved about an issue that was considered long settled. Just like the *Sengol*, that many had neither heard of or even forgotten, and which was needlessly refurbished at the time of

commissioning the new Parliament building, Katchatheevu too will find no traction among the citizens of Tamil Nadu. Even if our leaders were 'wrong' as far as the Katchatheevu issue, there is very little that can be done about it now. In the larger interests of good neighbourly diplomacy, it is best we avoid such delicate topics as part of election rhetoric.

H.N. Ramakrishna,

Bengaluru

#### A 'cure' and the court

It was amusing to come across the phrase, "self-styled yoga guru", in the report, "Why did Centre turn a blind eye to Patanjali's 'COVID cure' claim, asks SC", April 3). Are not all the umpteen number of "gurus" mushrooming across India self-styled? As long as you know the art of fooling the masses and earning followers, you can be a "leader" in politics or "religion" in the present

context in India. C.K. Prem Kumar, Palakkad, Kerala

This is not the first time that Patanjali has found itself in the middle of a row. It is well known that the 'guru' is a staunch supporter of a well-known national party. That the Court has used strong language in the case underscores the seriousness of the issue in health care. R. Sivakumar,





**OUR VIEW** 



# A rate-structure review of GST is clearly in order

Its revenue buoyancy should close the chapter of a shortfall cess and prompt reforms aimed at GST simplification. For this tax to fulfil its basic promise, start by reducing rate slabs

ndia's latest goods and services tax (GST) revenue figures indicate that the regime's initial phase of inadequate mop-ups is over. Overall GST revenue in 2023-24 hit a record ₹20.2 trillion, up 11.7%. Last fiscal year's monthly average GST mop-up was ₹1.68 trillion, up from ₹1.5 trillion the year before. It seems we can finally close the long chapter of shortfall-compensation for states after the mid-2017 switchover to GST from multiple central and state taxes that got subsumed by this uniform levy across the country The government's five-year deal with states to plug their gaps in case they fell short of a projected GST-revenue incline ended in mid-2022, but the pay-out for this was so large that a cess imposed on top of GST for some goods had to be extended till March 2026 just to pay off the debt taken to fully compensate states. Now that our GST intake—which is split by the Centre and states—is finally showing a steady upward trend, perhaps that loan can be foreclosed and the cess dropped ahead of time. As cesses add to taxation complexity, it would mark a small win for the idea of a "good and simple tax," as GST was meant to be. Sustainable relief from a revenue crunch also makes space for GST reforms to simplify how it is levied in India. This is what the GST Council must turn its attention to at the earliest.

Let's recall why GST adoption was hailed as a critical reform. Its uniformity, which made India 'one market' for the ease of business, was one aspect. Its fostering of specialization along value chains was another. As a tax applied only to value addition by a taxpayer (with input-tax credits available), GST was designed to prevent tax bills bloated by one levy upon another. This not only moderates commercial costs, it favours

value chains determined by skills more than taxation policy, as having more profit-oriented business units as links in a supply chain does not result in costlier final output. This prospect of enhanced economic efficiency went along with a promise of rate clarity and stability. An ideal GST regime would levy a single rate on every good and service, forming a system that can be held stable for the foreseeable future, closing the scope for confusion, rate inversions, tax-relief lobbying and rate-related squabbles. Unfortunately, not only has GST compliance caused much hardship, our rate slabs have splintered and shifted so often that today's structure is riddled with complexity. We have too many rates, and with many items that look arbitrarily slotted into one slab or another.

A single-rate GST was rejected right at the start on the argument that it would be acutely regressive, with the rich paying too little and the poor too much as a slice of their incomes. But then, indirect taxes are always regressive, regardless of rate variation, and it's the job of progressive direct taxes to lend taxation fairness. Clearly, it's more about varying rates to squeeze items that can be charged more on the pretext of rich people using them (or their use needing to be deterred). Since multiple rates underpin today's GST-intake calculus, we can start simplifying it by adopting a clear threeslab regime. Most items should be taxed at a central rate that meets our revenue target, with two exceptional slabs for a tiny bunch of obvious items that need to be either relieved or overtaxed: a low-rate merit slab and a high-rate demerit bracket. All other deviations should be axed. This way, GST will get a chance to fulfil its conceptual promise of clarity, tax-policy stability and economic efficiency.

### MY VIEW | ECO SQUARE

# Solving India's water crisis calls for a well-integrated action plan

A people-centric and science-based approach could ensure we don't run short of this vital resource



**LEENA SRIVASTAVA** is an independent expert on climate change and clean energy.

he headlines in recent days have been about severe and debilitating water shortages in several states of the country—particularly in the south.

All eyes have been on Bengaluru—which is India's Silicon Valley, the country's most technically savvy, most innovative and third richest city. It is also a city that spotlights the disconnect between the corporate sector's famed strategic management capabilities (unfortunately over-shadowed by its short-sightedness in not engaging with sustainability governance) and government orthodoxy.

That Bengaluru has been struggling to manage its water resources well is longestablished. Images of the 'frothing' lakes of Bengaluru—with instances of toxic fumes catching fire—have horrified us earlier. While a large part of the blame goes to local authorities for allowing untreated sewage to flow into its water bodies, industry stood a silent witness to the resource degradation of the 'garden city,' resulting from the enormous population pressure created by prosperity.

Ironically, for Bengaluru, scanty rainfall has resulted in its water bodies going dry. If, on the other hand, the region had experienced heavy rainfall, then there could have been a repeat of the 'frothing' problem. The city urgently needs a comprehensive water and waste management strategy to address quantity and quality issues. It is already suffering from a reputational challenge that could

scathe businesses along with the city.

A couple of days ago, a leading national newspaper headlined its story as "...a water crisis that software cannot resolve." But this statement gives an easy pass to the information technology (IT) sector and is grossly misleading. In 2019, the World Economic Forum identified an urgent need to deploy real-time sensor technology for high-resolution monitoring of the quantity and quality of water bodies (complete with automated geo-tags and time-stamps), along with machine learning models to predict impacts and outcomes of rainfall and waste-water flows, and then use this information for policy and strategy development in a holistic manner. India's IT capital has a role to play.

In general, India is an inherently water-stressed country, hosting 18% of the world's population with only 4% of its water resources. 70% of its surface water is unfit for consumption and over 40 million litres of waste-water flows into its rivers and water bodies daily. Our water resources and their quality must be addressed for adequacy and accessibility. The government's own first census of water bodies, commendable as that is, documents the rather pitiful state of water bodies in India—in terms of location, state of fullness and beneficiary population. More than 97% of our water bodies are in rural areas, with reservoirs making up a mere 12%. According to a member of the Central Water Commission, we need to "acknowledge the fact that India's water reservoirs are dying" (The Wire Science, 2 February 2021).

With regard to the role of IT mentioned above, India's water-body census has not yet covered issues of available capacity (after accounting for siltation and ageing issues), adequacy, accessibility, vulnerability to rainfall patterns, or water quality. It merely seeks to assure communities on the groundwater situation they are likely to face, given that nearly 60% of irrigated agriculture and 85% of drinking water supplies are dependent on groundwater. A scarcity of

necessary information, unfortunately, means that robust planning for this life-saving resource is impossible.

A 2013 World Bank report estimated the health costs relating to water pollution to be about ₹47,000-61,000 crore. These costs today are likely to be much higher. Compare this with the 2024-25 budget estimate of the ministry of ial shakti of ₹98,418.79 crore, of which only ₹21,028.11 crore goes to the department of water resources, river development and Ganga rejuvenation. Also compare it with the estimated outlay of ₹278,000 crore for the ministry of road transport and highways, aimed at development activities that will only increase our resource challenge. Clearly, much needs to be done.

On the positive side, water interventions, unlike in energy, are largely focused on people's participation and demand management. The government has several laudable schemes for stemming groundwater depletion and initiatives under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The questions that arise from some of these schemes relate to their outcome efficacy and issues of equity, fairness and justice: are common citizens engaged by such schemes being compensated adequately for their labour while alleviating governments of their responsibility?

to rise in the coming decades, given our still-rising population, rapidly growing economic activity and climate change. The water shortages we face today have been exacerbated by the El Niño conditions experienced last year. In the coming years, we will increasingly feel the harsh effects of climate change, amplified in some years by the cyclical El Niño effect that results in subcontinental dryness. The looming water crisis of 2024 is another wake-up call to adopt sciencebased approaches to natural resource management, re-prioritize public invest ments and address our sustainability challenges in an integrated manner.

India's water vulnerability is only set

#### 10 PCARS AGO



#### JUST A THOUGHT

We contend that for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.

WINSTON CHURCHILL

**GUEST VIEW** 

## Could reg-tech address the compliance woes of banks?

ANUPAM SONAL



is former chief general manager, Reserve Bank of India

he compliance function in banks is the nerve-centre that performs a vital role in preserving organizational resilience and stability. Equate it to our cardiovascular system. Just as a weak heart can debilitate the body, even result in a sudden demise, so can inept and deficient compliance take a toll on a bank's health, with serious implications for the entity as well as the financial sector. The case of Paytm Payments Bank is one such poignant reminder of this effect.

Robust compliance within banks is not only a must, it should cover nearly all aspects of operations. It is both multifaceted and increasingly demanding. Regulatory expectations of banks went up sharply after the 2008 Global Financial Crisis, the lessons of which inspired reforms spanning the entire spectrum of prudential guidelines, covering both idiosyncratic and systemic risks, with many new variables placed under watch, such as the liquidity coverage ratio, net stable funding ratio, non-risk-based backstop facility or leverage ratio, and too-big-to-fail

criteria. The focus on governance, conduct, risk management and supervisory scrutiny has intensified in response to evolving financial dynamics and the disruptive impact of fintech on banking, payments and digital channels. The 'assurance' function, encompassing risk management, compliance and internal audit/inspection, has gained in importance at banks.

For proper compliance, banks should (i) embrace regulatory technology (reg-tech) to streamline processes and improve compliance efficiency, (ii) foster collaboration on reg-tech and compliance models, and (iii) prioritize capacity building, education and awareness. The compliance function must adapt swiftly and in sync with changes in the financial sector to align itself with technological advancements.

Reg-tech addresses regulatory, compliance and supervisory aspects and a three-way interface for these is crucial for effective outcomes. Initiatives like regulatory sandboxes, innovation hubs and platforms such as CRILC (India) have aided reg-tech adoption globally. However, most banks must overhaul their reg-tech systems to make a meaningful switch to enterprise-wide compliance automation. These mechanisms need an end-to-end mapping of regulatory

guidelines, while ensuring real-time communication and smooth information flow across all verticals and departments. Embedded within it should be functions like Know-Your-Customer and Anti-Money Laundering (KYC/AML) checks and due diligence, monitoring processes, deficiency-and-violation detection,

**New regulation** 

technologies

can help lenders

comply with

rules for the

sake of their

own safety

timely alerts and prompt risk addressal.

Artificial intelligence (AI), machine learning (ML) and natural language processing (NLP), as well as cloud services and blockchain technologies, can play a pivotal role in preserving data quality through effective management and analytics. Smart systems can be integrated to efficiently compile, document and encode information and processes, while allowing user-

friendly access for verifications, thereby ensuring accurate and timely regulatory reporting, as also robust internal oversight. Algorithms can set compliance goals, monitor results and adjust processes based on emerging data patterns. Reg-tech enabled

cross-functional interaction and coordination can enhance the efficacy of the bank's assurance function.

Reg-tech adoption must accompany safeguards against associated operational risks, such as privacy breaches, cyber vulnerabilities, data manipulation, frauds and scams.

Reliable mitigation tools exist in this context as well.

Notably, reg-tech does not eliminate but instead reinforces the necessity for strong human oversight. Transitions to end-to-end digitized compliance and grievance redressal do not mean that machines can be blamed for failures.

As increasing regulatory density and technological complexity can raise compliance costs to prohibitive levels, the advantages of a protect approach cannot be

collaborative reg-tech approach cannot be overemphasized, especially as it neither poses conflicts-of-interest nor causes competitive discomfort. On the contrary, collaboration on reg-tech and access to open-source compliance platforms, apps, API systems and best-practice repositories will help

spread know-how across the sector and save research costs and efforts, especially for smaller banks, while also creating a pool of tech tools. Consistency and uniformity in compliance models and practices across the industry would ease supervisory burdens and bolster the regulator's confidence in banks' compliance standards. A stronger culture of rule-adherence also reduces potential damages from supervisory and enforcement actions.

Yet, the desired outcomes will remain elusive without a concerted effort to prioritize capacity building, training and education as a key component of a bank's compliance culture. This is especially crucial for the technical and front-line staff and for risk managers. Relentless supervisory action by the regulators against banks for compliance, conduct and KYC/AML failures would suggest an unfinished aganda on this front.

unfinished agenda on this front.

Well trained and aware staff in a robust digitized compliance ecosystem, backed by the application of well-defined principles of accountability, would fortify compliance and organizational resilience, ensuring the safety of customers. This, in turn, will enhance the trust placed by customers and

the regulator in these financial entities. These are the author's personal views.



THEIR VIEW

## **Daniel Kahneman was the king** of happiness as a field of study

What drives emotional well-being would seem beyond the reach of objective analysis but he did establish a dominion over it



is a professor of statistics at Indian Statistical Institute, Kolkata

very year, the World Happiness Report ranks countries in terms of happiness by calculating their happiness scores. The six key variables that make up this index are GDP per capita, social support, healthy life expectancy, freedom, generosity and lack of corruption. These are mostly calculated on the basis of individual selfassessments. In contrast, looking back at the legacy of Daniel Kahneman (1934-2024), a 2002  $winner\ of\ the\ Nobel\ Prize\ in\ Economics\ who$ fused Psychology and Economics, it's noteworthy that, starting in the 1990s, a significant part of  $his\,work\,concentrated\,on\,the\,assessment\,of$ "objective happiness" through "moments" of life.

These efforts bear a strong connection with his and Amos Tversky's paradigm-shifting research from the 1970s that pioneered Behavioural Economics. Perhaps following that idea, Kahneman provided a whole new meaning of 'happiness,' which is multifaceted and neither separate nor time-neutral. According to Kahneman, if a person wins a lottery twice in a row, for example, the winner's total utility will be higher if the first win is \$1,000 and the second is \$1 million, rather than if the sequence is reversed.

Moments: What about them? According to a popular estimate, each of these little time-spans of psychological presence (as in 'present tense') might last up to three seconds. This would mean that at least about 500 million moments occur in a life span of 70 years. Kahneman created a momentbased conception of objective happiness, an aspect of well-being, sometime in 1999-2000.

He posited that measurements of moments must be made in accordance with logical principles in order to generate a useful estimate of experienced utility. Populations with different life conditions can have their well-being compared using the cumulative distribution of moment utilities. On a 6-point scale, for instance, we may evaluate the proportion of time that the rich and poor spend at a utility level below 4.

Crucially, unlike other measures of well-being, Kahneman's moment-based objective happiness does not include any retrospection at all; rather, it only depends on instant introspection.

In a 2006 paper published in the Journal of Economic Perspectives, Daniel Kahneman and economist Alan B. Krueger (1960-2019) examined whether or not a subjective survey can accurately gauge someone's level of well-being. "[S]ubjective well-being measures features of individuals' perceptions of their experiences, not their utility as economists typically conceive of it," they wrote. They suggested the U-index, a kind of misery index that quantifies the proportion of time spent in an unpleasant state and has the advantage of not requiring a cardinal understanding of people's feelings.



But what's the relationship between money and happiness? Kahneman and his co-authors examined the veracity of the widely held notion that affluence is positively correlated with happiness in a 2006 paper published in Science. They found a weak relationship between income and global life satisfaction or experienced happiness. "People with above-average income are relatively satisfied with their lives but are barely happier than others in moment-to-moment experience, tend to be more tense, and do not spend more time in particularly enjoyable activities," they stated. In their view, the role of attention helps explain why many people pursue high incomes, as their predictions of happiness increase on account of a 'focusing illusion', and why the long-term effects of income gains become relatively small as attention eventually shifts to less novel aspects of daily life.

Nevertheless, Kahneman's research on happiness took a more objective shape when, in a 2010 paper with Angus Deaton, who would go on to win the Nobel Prize for Economics in 2015, Kahneman discovered a monetary "happiness plateau." Kahneman and Deaton reported that—in the American context, of course-a measure of emotional wellbeing (or happiness) increased but then flattened somewhere between an income of \$60,000 and \$90,000 a year (\$75,000 being the median).

How influential was this study? Inspired by this paper's findings, Dan Price, CEO of the Seattlebased company Gravity Payments, established a \$70,000 minimum wage for all its 120 workers in 2015, almost doubling the starting salary. What's

more, Price cut his own salary from \$1.1 million to \$70,000 in order to pay for this move. Price's 2020 book Worth It has a description of this Robin Hood-type corporate endeavour.

VIEWS

However, in contrast to Kahneman and Deaton's 2010 findings, Matt Killingsworth of the University of Pennsylvania found a linear relationship between happiness and (log) income in a 2021 study that used experience sampling. Subsequently, in 2023, Kahneman, Killingsworth and Barbara Mellers published an adversarial collaboration (perhaps Kahneman's last published paper) to resolve this allemma. Re-analyses of the data showed that happiness rises with household income up to \$100,000, after which it "abruptly" levels out in situations of extreme unhappiness. Further, happiness increases at an accelerated rate beyond \$100,000 for the 30% happiest people. According to this study, Kahneman and Deaton may have arrived at the right conclusion if they had expressed their findings in terms of unhappiness as opposed to happiness, as their measurements were unable to discriminate among degrees of happi $ness\,because\,of\,a\,ceiling\,effect.\,Think\,about\,it.$ 

Over the last three decades of his incredible career, spent at Princeton University, Kahneman, the King of Happiness, undoubtedly delivered an objective appraisal of happiness by integrating psychology and economics. His contribution to happiness research can be assessed coherently. Happiness, however, will remain elusive. And it's possible that unhappiness is also something worth looking into.

MINT CURATOR

### Take Adam Smith's advice on low-priced clean-tech: Buy it

The US should not bar Chinese imports on flaky dumping charges



is a Bloomberg Opinion columnist covering climate change and energy.

ad economic ideas don't die. Instead they just return a decade later to haunt another generation. That seems to be the situation with China's steel industry. US Treasury Secretary Janet Yellen plans to cite the example of steel over-capacity on a trip to China as justification for what looks like a pending crackdown on imports of Chinese clean-tech products. "In the past, in industries like steel and aluminium, Chinese government support led to substantial overinvestment and excess capacity," she said in a speech. "Now, we see excess capacity building in 'new' industries like solar, EVs and lithiumion batteries.

That example harks back to a panic from 2016. "China's steel industry is actively and deliberately flooding the international market," United Steelworkers, a US union, said then. Its [mill output] growth was "far faster than domestic and international demand would dictate." This theory led to anti-dumping tariffs on some steel products as high as 256.44% under President Barack Obama in 2015, before President Donald Trump followed up three years later with 25% tariffs on all Chinese steel products.

None of it was true. China wasn't seeking to make more steel than long-run demand would dictate. It wasn't responsible for weak prices in the US and tariffs didn't halt a job decline in US metals manufacturing. It's bad enough that misguided steel protectionism has served only to raise costs and reduce competitiveness for the rest of the US economy. Worse still is the way the same failed policy is now being dragged out in support of far more damaging barriers on clean-tech, slowing our ability to fight climate change.

Look at steel production. Chinese mills did increase capacity in the second half of the 2000s, more than doubling potential output to 1.06 billion tonnes from 489 million tonnes between 2006 and 2010, before rising to a peak 1.22 billion tonnes in 2014. With construction and factory demand lagging, capacity utilization fell to 67% in 2015, well below the 75% or more seen as consistent with sustainable profits.

Note that China's steel output did not peak then. Instead, a boom in construction and manufacturing raised demand by 249 million tonnes over the subsequent five years. Contrary to the perception of a crisis around 2015, China wasn't over-supplied. It pretty much had the right number of mills to satisfy projected needs. Capacity utilization since 2018 has consistently been at healthy levels north of 80%.



Will the US repeat its steel-sector error with Chinese clean-tech?

You could make quite as strong an argument that the US and Europe, whose utilization has frequently been well below 75%, have overcapacity. The better argument, though, is to accept that there are often dislocations between industrial capacity and demand, and that this need not be evidence of malign geopolitical intent.

Perhaps, though, China was flooding the US market to escape the consequences of its bad investment decisions? Wrong again. As a share of total production, China has always been a rather small-scale exporter. It only seems so weighty because it produces more than half of the world's steel, so any shortfall between capacity and output seems hulk-sized. At the height of the overcapacity panic in 2015, exports to North America came to just 4.4 million tonnes, about 8% of the 55.5 million tonnes total.

The best explanation for weak US prices was simply that US steel consumption had peaked and was in decline, as the country moved to a post-industrial, service-oriented phase of its development. No amount of protectionism has been able to change the fact that US steel output now is about 80% of its level in 2008.

Chinese steelmakers, furthermore, have not only grown into the capacity that they built, but made money doing it. That's a sign that there never was a long-term excess of supply over demand. When your rival is making sustainable profits, accusing it of overcapacity is just another way of complaining that their better productivity is taking away your market share.

There's one big difference when it comes to clean technology. Unlike steel, electric vehicles, solar panels and lithiumion batteries really are easily traded on a global scale, and the scale and technological accomplishments of Chinese companies make them formidable competitors. That doesn't mean that they have been beneficiaries of unfair advantages, though, as we [in the US] have argued.

Instead, what is being built in China is not overcapacity, but merely the basic capacity the world needs if it's to build the low-emissions economy needed to get the planet to net-zero emissions.

If China is producing tools to avert global warming more cheaply than we can do ourselves, we should follow the advice of Adam Smith: "Buy it." **©BLOOMBERG** 

MY VIEW | BEHAVIOUR BY BRAIN

## Daniel Kahneman: The man who changed many a life

**BIJU DOMINIC** 



is chief evangelist, Fractal Analytics, and chairman, FinalMile Consulting

o most, professor Daniel Kahneman (1934-2024) is best known for his path-breaking explorations of how people's decisions deviate from perfect rationality and the Nobel Prize he won for that work. For me, Professor Kahneman is

someone who changed the course of my life. In the 1990s, I was an advertising professional. While being part of the ad industry, knew that much of what we were doing to understand and influence human behaviour was not really working. So, I questioned a lot what I was doing in my daily job. Deep within, I had a passion to understand human behaviour better. So anything new about

human behaviour caught my attention. I remember reading an article in Business Standard in 2002. It was about the man who had won that year's Nobel Prize in Economics and a brief explanation of his theory. Even before finishing the article, I was ecstatic. I knew I had found the theoretical foundation of human behaviour that I was desperately searching for. Until then, I had an inkling that understanding human brain processes could be the key to understanding behaviour. But I had dismissed it as just another random thought of an average intellectual. But Kahneman's Nobel Prize changed it all

What was most interesting for me about Kahneman's work was not the framework of Prospect Theory, nor the nuances of loss aversion. I was delighted to hear about the world of heuristics, the short-cuts that the brain takes while taking a decision. It greatly strengthened my fledgling thought that understanding various processes in the brain will surely give me new insights into human behaviour. From then on, my quest to acquire as much knowledge about the human brain as possible increased by leaps and bounds.

The thought of starting a firm based on this new understanding of human behaviour popped up in my head in 2006. But I had to convince some of my very talented friends to join me in this new venture. This was few years before the UK or US governments had started their behavioural insights teams. Books like Nudge (by Richard Thaler and Cass Sunstein) were not yet published. So the only lifeline I had to convince my friends to join me in this new journey of human behaviour management was Kahneman's Nobel Prize. And then, in 2007, I co-founded FinalMile Consulting, a firm dedicated to applying the principles of Behavioural Economics to solve real-life human behaviour problems. The confidence to start my entrepreneurial journey, thus, was derived from the inspiration I got from

the uniqueness of Kahne-

man's ideas In the initial years of FinalMile, it was almost impossible to convey even to the most educated what this new theory of human behaviour was. So, in every presentation that I and my colleagues made, one slide was constant. It had a photograph of Kahneman receiving the Nobel Prize. That slide was the most convincing proof we could

offer that the theory we were presenting was worth listening to.

We knew that the world of mental shortcuts offered a view of human behaviour that was quite different from that of the rational man theory which held influence until then. We really believed that this new knowledge

would help develop more effective solutions for human-behaviour-related problems. But the truth is that we knew very little about the world of heuristics and biases. To support all the discussions and debates we held in our office on the new world of heuristics, books were the only guides we had. That is when

books like Choices: Values and Frames, Heuristics and His trove of Biases: The Psychology of Intuitive Judgement that ideas inspired Kahneman co-authored became our constant coma career switch panions. To be honest, aimed at solving these academic books were not nearly as simple to read real-world and understand as his later book, Thinking, Fast and problems of Slow. But we had no other option back then. behaviour

Ekalavya, the character from the Mahabharata, had carved out a statue of his

guru Dronacharya from the mud the teacher had walked upon. Ekalavya became a great archer, overhearing Dronacharya's instructions and practising in front of that statue. Similarly, my team and I derived lot of confidence by having Kahneman's photograph in our presentations. We acquired much knowledge reading various books and articles he had written and listening intently to recordings of every talk he gave. What Dronacharya was for Ekalavya, Professor Kahneman was for us.

I never had an opportunity to meet Professor Kahneman in person. But I know that Professor Richard Thaler and some journalists had informed him of how my team had taken learnings and inspiration from him to develop innovative solutions for several human-behaviour problems around the world. But he remained pessimistic about one's ability to tackle such problems. His pessimism emanated from his deep understanding of the human brain's complexities. For example, he knew that getting people to accept short-term costs in their daily lives in order to mitigate higher but uncertain losses in the future is exceptionally hard. So the professor saw no path to success in solving the planet's climate-change problem.

Had it not been for the presence of certain people in our lives, we would not be what we are today. I have no doubt, if I had not known Daniel Kahneman and his work, I would not be where I am today.

So, in his memory, I would like to offer my pranam to Professor Daniel Kahneman, my behaviour guru.

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-PAPER WITH PASSION-

### Air turbulence

Vistara faces flight disruptions due to crew shortage; DGCA demands daily updates

■light operations of Tata Group's Vistara Airlines, which has earned a reputation for its premium services and reliability in the Indian aviation sector, have of late been marred by cancellations and delays. Vistara, a joint venture between Tata Sons and Singapore Airlines, has attributed the disruptions to a shortage of flight crew. Passengers have been left stranded and inconvenienced, with some facing difficulties in rebooking their travel plans at short notice. Vistara's troubles come at a time when the aviation sector is recovering from the impact of the pandemic, with domestic travel demand showing signs of revival. The airline industry has been navigating a delicate balance between scaling up operations to meet growing demand while managing operational constraints and ensuring passenger safety. In response to the crew shortage crisis, Vistara has assured passengers that it is working diligently to address the issue and minimise disruptions to flight



services. The airline is actively recruiting and training additional crew members to augment its workforce and improve operational resilience. For passengers affected by flight cancellations and delays, Vistara has offered options for rebooking or refunding tickets, along with assistance in making alternative travel arrangements. The airline has reiterated its commitment to prioritising customer satisfaction and minimising inconvenience caused by the disruptions.

The Directorate General of Civil Aviation (DGCA) has stepped in, demanding daily reports from the airlines regarding the status of flight operations, crew

availability and measures taken to mitigate the impact of disruptions on passengers. The crew shortage issue highlights the challenges faced by airlines in managing their workforce in the midst of evolving dynamics of the aviation industry, particularly in the wake of the COVID-19 pandemic. Domestic flights have been reporting disruptions, including layoffs, furloughs and changes in travel demand patterns, much to the consternation of passengers. The incident underscores the importance of effective workforce management and contingency planning for airlines to ensure smooth and uninterrupted flight operations. As the aviation industry strives to rebound from the challenges posed by the pandemic, maintaining a robust and adequately trained workforce is critical to meeting the evolving needs of passengers and sustaining growth. This is what DGCA must be concerned about and has taken up on priority. As Vistara endeavours to overcome the crew shortage crisis and restore normalcy to its flight operations, the incident serves as a reminder of the complex and dynamic nature of the aviation industry. Effective collaboration among airlines, regulators and stakeholders is essential to address challenges promptly and ensure the seamless functioning of the aviation ecosystem.



Devotees at BAPS Hindu Mandir, in Abu Dhabi

The escalating perils of global terrorism



### The recent ISIS-K attack outside Moscow has elicited widespread condemnation and intensified global anxieties surrounding terrorism

he recent ISIS-K (Khorasan) claimed attack outside Moscow, resulting in over 130 deaths and more than 100 injuries, warrants strong condemnation. Khorasan, a splinter unit of ISIS with roots in Iran, Turkmenistan, and Afghanistan, highlights four critical lessons. Firstly, politics, as observed by Thomas Hobbes in 'Leviathan,' remains deeply intertwined with human nature, with greed and fear driving conflicts. Despite global changes, power struggles persist, leading to conflicts like World War I and II. The post-World War II era witnessed the emergence of non-state actors, exacerbated by the Cold War and subsequent conflicts.

Secondly, intervening in internal conflicts, such as Russia's support for Assad against ISIS, can breed enmity and fuel terrorism. Thirdly, while international terror groups may appear subdued, they can resurge with renewed vigour, forming clandestine links in Central Asian Republics. Lastly, any retaliation against ISIS should involve cooperation with neighbouring countries to prevent spillover effects. This attack is reminiscent of past incidents in Russia, such as the 2002 Moscow theatre hostage crisis and the 2004 Caucasus hostage tragedy. The recent attack underscores vulnerabilities in Russia's security apparatus, with terrorists exploiting the ability to choose the time and place of their attacks for maximum media impact. The global criticism of the attack

reflects widespread concern over combating international terrorism. The US, despite geopolitical tensions, has shown commitment to addressing terror threats worldwide. However, trust deficits between major powers hinder cooperation efforts. While Ukraine denies involvement, the Federal Security Agency (FSB) is apprehensive about Ukrainian links to the attack, potentially complicating the ongoing conflict. China's expanding influence in Central Asia further complicates egionai dynamics.

Central Asian Republics (CAR) face increasing terrorism threats, with non-state actors exploiting cultural ties for nefarious purpos-



for multilayered security cooperation and technological innovation to combat terrorism effectively. Despite efforts by intelligence and security agencies, challenges remain in dealing with terrorists driven by religious misinterpretations. The influx of refugees from neighbouring countries adds complexity to the security landscape. Efforts to combat terrorism through collaboration, such as the Samarkand meeting, offer hope for regional stability. However, economic disparities and inconsistent Government policies contribute to vulnerabilities in the region. The presence of international Íslamist terrorist organisations like Hizb Ut-Tahrir poses significant security challenges. Despite anti-terrorist drives, Central Asian states have attempted to export terrorism to conflict zones like Iraq, Afghanistan, and Syria. The recent influx of illegal

migrants and increased terrorist activities have compelled China and Russia to seek cooperation in tackling transnational terrorism. Rise of fundamentalism in Central Asia poses an internationa reality, fueled by disgruntled groups and external influences. Central Asia's strategic importance and rich resources



MODERN TERRORISTS ARE HIGHLY ORGANISED AND PROFESSIONAL, NECESSITATING A SHIFT TOWARDS MORE VIGILANT AND ASSERTIVE INTELLIGENCE. POLICE AND **PARAMILITARY NETWORKS** 

Russia and CAR require coordinated action and cooperation. Economic transformation hinges on fighting inflation and developing robust anti-terrorism mechanisms. It's crucial to recognise that the issues of law and order differ from those of terrorism, despite often being conflated. Policymakers must understand the diverse security threats facing nations today and adapt strategic policies accordingly. Modern terrorists are highly organised and professional, necessitating a shift towards more vigilant and assertive intelligence, police, and paramilitary networks. Many recommendations from various committees may not align with current realities, especially considering India's struggles with terrorism, naxalism, and insurgency. It's outdated to attribute terrorism solely to societal conditions or structural adjustments. Instead, a thorough analysis of the psychological factors driving terrorism can offer deeper insights and guide effective counterterrorism strategies. Understanding the financial links between terrorism,

organised crime, arms dealers, drug traffickers, and smugglers is crucial. Special forces should be deployed to counter terrorist activities in regions where violence is endemic. Collaborative efforts among nations are essential to develop strategic mechanisms for combating international terrorism, with the United States and India playing pivotal roles. Addressing the multifaceted challenges posed by terrorism demands a nuanced approach that differentiates between law and order issues and acts of terrorism. Policymakers must acknowledge the evolving nature of security threats and adapt strategic policies accordingly. Vigilant and assertive intelligence, police, and paramilitary networks are vital in countering the sophisticated tactics employed by modern terrorists. Understanding the financial networks that sustain terrorism is equally crucial for effective counterterrorism efforts. As terrorism continues to pose a global threat, collaborative efforts among nations are essential. In this endeavour, the US and India can play pivotal roles, leveraging their resources and expertise in the gnt against terrorism.

(The writer is recipient of the Bharat Gaurav Award, is a Professor and strategic affairs expert; views are personal)

# Synergy between man and machine



Ambient Computing brings many positive workplace outcomes, from reducing operational costs to human creativity and innovation in production

ndustry 4.0 is enabling new concepts and tech-■ nologies that make factories smarter. It begs the question: how do we create stronger synergies between humans and machines to improve production efficiencies, while progressing the creative cognition of human potential? This question gained traction after the global pandemic. The industry started to emphasise sociotechnical considerations to enable new use cases around asset management, workplace well-being and process control, requiring ambient computing at the manufacturing

What is Ambient Computing: Ambient computing is a form of ubiquitous computing, a subset of edge computing. It uses computing power to exhibit human-like intelligence in perceiving, processing and taking actions based on available data and information. In simple terms, ambient computing enables a smart agent - think of an Alexa and Siri optimised for manufacturing processes - to collaborate with people, operational technologies and assets, such as machines and

autonomous mobile robots, to mitigate disruptions at the

manufacturing edge. The fusion of AI into the manufacturing edge also helps drive continuous improvement and introduces innovation of new products and services

Working with People, Assets and Processes: Ambient computing let organizations focus on growth and innovation by bringing agility to the manufacturing edge where people, assets and processes are working together in unison to deliver required yield and throughputs

Cybersecurity and Industry **4.0:** Industry 4.0 essentially has three components: How machinery communicates in a production process, how info a system, and how information is shared throughout the manufacturing lifecycle. Learn how your cybersecurity needs to account for all

Ambient computing can be applied to the following: Assets monitor themselves and schedule maintenance based on wear and tear.

A smart meter system (water, air, gas, electricity and steam) manages the production environment to reduce waste and drive efficiencies by automatically adjusting its end devices such as thermostats and valves.

Automated guided vehicles and mobile robots self-manage routes and tasks based on product, people and environment.

Production and assembly floor environments monitor themselves to ensure safety and security of people, products and assets.

Smart devices such as notebooks, phones, tablets, wearables and stand-alone devices collaborate with people on risks, issues, continuous improvement and production optimization.

By transforming the manufacturing floor to be automated and self-sustainable, ambient computing can reduce operational costs, improve product quality and time-tomarket and empower employees to work smarter.

With access to real-time information, organizations can improve how they handle market and ecosystem disruptions with better and faster collaboration between

humans and systems. Adopting Ambient Computing: It require seven core elements to fully embrace ambient computing, fostering data availability and enhancing collaboration across people, applications, assets, and devices: 1.Edge computing for realtime decision-making and

collaboration. 2.Data-as-a-service to meet evolving needs. 3. Digital twins for predictive insights.

Cognitive automation for continuous learning. 5. Connectivity to facilitate constant communication. 6.Quality of experience (QoE) to cater to diverse needs. 7. Trusting systems to perform

reliably. Ambient computing represents a transformative concept that are propelling Industry 4.0 towards the realisation of smarter factories.

(The writer is cofounder Raising superstars; views are

#### **KATCHATHEEVU CONTROVERSY**

Madam — Apropos news article "Katchatheevu takes centre stage in TN" published on April 02, this is my response. It is indeed hilarious to note how the powers demanding "farsightedness" enough to predict 400 plus seats in their favour(even before the first vote is cast) by gauging the "national mood," blatantly resemble a bunch of drowning lot clutching at a straw! So despite India and Sri Lanka being bound under the Vienna Convention on the Law of Treaties 1969 revolving around the Katchatheevu island; how ridiculously can it be brought into the discourse by making a mockery of mutually accepted international agreements framed around half a century ago?

Instead of making a mountain out of a molehill, amidst the waters of Palk Strait, located outside the maritime boundary of India; would the "nationalists" act "kind" enough to enlighten the country about the latest status of Chinese occupation in Ladakh following the fatal assault upon Indian soldiers in Galwan! Why doesn't the self-declared "patriotic" brigade concentrate its time energy and resources to protect the North-West boundary of the nation to ensure that Pathankot Gurdaspur Uri Pulwama does not get repeated on Indian soil in future? Last but not the least. Would the current powers care to applaud the stalwarts of Congress for ensuring the inclusion of Jammu & Kashmir Goa Daman Diu Sikkim into the Indian fold, though the said regions were not part of the national territory at the stroke of independence?

**Kajal Chatterjee** | *Kolkata* 

#### **SC REPRIMANDS PATANJALI**

Madam — Apropos news article "Patanjali advertisements: SC comes down hard on Ramdev, Acharya Balkrishna for 'absolute defiance" published on April 02, this is my response. If the product that Yoga Guru Ramdev and Patanjali's MD Balkrishna are making is about as good and authentic as they say it is, then they didn't have to apol-

ogise and could have won the case on its

### **RBI's role and challenges**

THE EDITOR



propos news article "PM: Growth should be RBI top most priority next decade" published on April 02, this is my response. The Reserve Bank of India (RBI), established in 1935, has been instrumental in guiding India's economic trajectory through various transitions. From steering the country towards a market-oriented economy to embracing digitalization, the RBI has demonstrated adaptability in the face of numerous challenges. Despite setbacks like the 2008 financial meltdown and the implementation of demonetization, the RBI has implemented measures such as the Insolvency and Bankruptcy Code to address

merits. They were scamming people in the name of Ayurveda. Like law-abiding citizens, the Supreme Court also wondered and pulled up the Centre, asking why the Ministry of AYUSH "chose to keep its eyes shut when Patanjali was going to town saying there were no remedies for COVID in allopathy."

Ramdev was promoting his concoction CORONIL for the treatment of COVID when India was entering the most lethal COVID wave which killed thousands. People expected that the SC would give exemplary punishment to Patanjali in its next hearing on 10 April, instructing both

Ramdev and Balkrishna to be present. Bidyut Kumar Chatterjee Faridabad

#### **CANCER AMONG WOMEN**

Madam — Apropos news article "Taboos fuel breast cancer silence" published on April 01, this is my response. For years breast cancer has been a major health issue among Indian women. It accounts for 14 per cent of all cancers among our women. Statistically, one in every 28 women in

issues like bad loans, showcasing its resilience and proactive approach to crisis management. It is crucial to address evolving macroeconomic and regulatory challenges. Specifically, enhancing banking regulation and supervision and improving oversight mechanisms is imperative, especially in light of recent episodes involving financial institutions like YES Bank and Infrastructure Leasing & Financial Services Ltd. Transparency in dealing with regulated entities, such as Paytm Payments Bank, also remains a significant concern. Looking ahead, empowering the RBI with necessary legal changes for effective banking regulation and respecting its institutional position will be vital. Additionally, maintaining low fiscal deficits is essential to prevent potential fiscal dominance of monetary policy, thus ensuring the RBI can effectively fulfil its mandate of maintaining price stability and fostering eco-

Amarjeet Kumar | Hazaribagh

India is at risk of developing breast cancer in her lifetime. And, unfortunately, in our country, the number of breast cancer cases reported each year is rising at higher rates than ever. Numerous studies have shown that regular screening of women with no symptoms of breast cancer has lowered the number of women who die

from the disease. Increased body weight and weight gain as an adult, are linked with a higher risk of breast cancer after menopause. The American Cancer Society recommends women stay at a healthy weight throughout their life and avoid excess weight gain by balancing their food intake with physical activities. Diet plays a very small but measurable role in breast cancer prevention. However, women who adhere to a healthy diet should still take other preventive measures, such as having regular mammogram tests.

Ranganathan Sivakumar | Chennai

Send your feedback to: letterstopioneer@gmail.com Vol. CXXXXXVIII 80

# TheStatesman

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### **Standing firm**

Perritorial disputes are a recurring theme in the swirling currents of geopolitical strife. The latest chapter in this saga unfolds in the remote reaches of the Himalayas, where India and China once again find themselves at odds over the renaming of places in Arunachal Pradesh. This move by China, while seemingly innocuous on the surface, reverberates with deeper implications and underlying tensions.

At the heart of the matter lies the question of sovereignty. For India, Arunachal Pradesh is not just a piece of land on a map; it is an integral part of the nation's identity. The rejection of China's renaming attempt is therefore not merely a diplomatic gesture; it is a resounding reaffirmation of India's sovereignty over its territory. Ministry of External Affairs spokesperson Randhir Jaiswal's assertion that "assigning invented names will not alter the reality" encapsulates the steadfast resolve of a nation unwilling to yield to external pressures. Yet, beyond the rhetoric and diplomatic manoeuvres, lies a fundamental truth: the people of Arunachal Pradesh. They are not pawns in a geopolitical chess game but individuals with their own history, culture, and identity. The attempt to impose foreign names on their homeland is not just an affront to India's sovereignty but a disregard for the rights and dignity of the people who call Arunachal Pradesh home.

This standoff between India and China over Arunachal Pradesh is not an isolated incident but a symptom of deeper-rooted tensions. The border clash in 2020, which resulted in the loss of lives on both sides, serves as a grim reminder of the fragility of peace in the region. While military and diplomatic talks may temporarily ease tensions, the underlying issues remain unresolved, simmering beneath the surface, ready to erupt at any moment. In the midst of this geopolitical turbulence, the role of the international community cannot be understated. The unequivocal support of the United States for India's sovereignty over Arunachal Pradesh sends a clear message to China that unilateral attempts to alter the status quo will not be tolerated. It underscores the importance of upholding international norms and respecting the territorial integrity of nations. But at the same time, let us not forget the human cost of these conflicts. The soldiers stationed along the border, the families living in the shadow of uncertainty and the communities caught in the crossfire – they are the true victims of this geopolitical brinkmanship. As tensions continue to simmer, it is imperative that all parties involved exercise restraint and seek peaceful resolution through dialogue and diplomacy. For starters, Beijing must immediately stop taking unilateral decisions. The renaming of places in Arunachal Pradesh is not just a matter of semantics; it's a reflection of broader geopolitical dynamics and the struggle for power and influence in the region. As India stands firm in defence of its sovereignty, let us hope that cooler heads prevail, and that peace and stability prevail in the Himalayas.

### Perils of silence

n a world increasingly governed by the rapid dissemination of information through digital chan- $\blacksquare$  nels, the recent ordeal surrounding the health of the Princess of Wales, serves as a stark reminder of the perils of silence in the face of speculation. The incident, which unfolded in a frenzy of hash-tags, memes, and unfounded conjectures, underscored the need for timely and transparent communication, particularly from figures in positions of influence. As the online rumour mill churned with wild theories about the whereabouts and well-being of Princess Catherine, it became evident that the vacuum created by a lack of official updates was quickly filled with speculation and sensationalism. The absence of clear and verifiable information only served to fuel the flames of uncertainty, leaving room for misinformation to flourish and genuine concern to escalate into a frenzy of conjecture. In today's hyper-connected world, where social media platforms amplify even the most baseless claims with alarming speed, the adage of the British Royals to "never complain, never explain" is no longer a viable strategy for those thrust into the public eye. The reluctance of the royal family to address rumours head-on only perpetuates the cycle of speculation, undermining trust and credibility in the process. However, amidst the chaos and confusion, there emerged a glimmer of hope in the form of a candid and courageous video message from the princess herself. In this deeply personal and emotionally charged address, she chose to confront the speculation head-on, revealing her battle with a formidable adversary: cancer. It was a moment of raw vulnerability, a testament to the power of authenticity in a world often characterised by artifice and pretence.

Yet, even as the truth was laid bare, the insidious tendrils of conspiracy continued to linger, casting doubt and suspicion where none should exist. From unfounded claims of artificial intelligence-generated speeches to absurd accusations linking the illness to unrelated events, the resilience of misinformation in the face of truth is a sobering reminder of the challenges inherent in combating falsehoods in the digital age. In the aftermath of this tumultuous episode, it is imperative that we reflect on the lessons learned and take proactive steps to prevent similar crises in the future. Clear and timely communication, coupled with a commitment to transparency and authenticity, must be the guiding principles for those entrusted with the responsibility of shaping public discourse. Ultimately, the burden of accountability lies not only with the royal family but also with each and every one of us who consume and propagate information in the digital realm. By exercising discernment and critical thinking, we can collectively combat the spread of misinformation and ensure that truth triumphs over fiction in the on-going battle for the integrity of public discourse.

# China's democracy

A crisis in democracy need not be a crisis of democracy. The only way to remedy democracy's imperfections is to have more democracy, not less. The West's cynicism about the Chinese model is understandable. One of the greatest challenges to democracy comes from a catastrophic failure of the marketplace of ideas. But what about the rise of elected autocrats in the democratic world? Doesn't democracy require binding values and ideals and shared convictions? Today, democracy across the world looks alive and dead at the same time



**ASH NARAIN** 

The writer is director,

become economically fit for democracy. India provided a contrasting model. It chose to become economically fit through democracy.

India consciously chose democracy knowing full well that democracy was a daily plebiscite in which demand for more power, more autonomy represented a daily interrogation of that existence.

The newly decolonised countries of Africa borrowed from the West what Ali Mazrui, Kenyan born American writer called, "the profit motive, but not the entrepreneurial spirit... learnt to parade in display, but not to drill in discipline.

Communist China faced its own dilemma. Could it economically modernise without culturally westernising? Like the Japanese, the Chinese chose to follow Western technique, but Chinese spirit.

When China began economic reform, it did just the reverse of what many African countries did. As Mazrui explains, Africa became "westernised in prayer, but not production; in idiom, but not innovation; in costume, but not computer.'

China's rise is phenomenal by all accounts. The world's second largest economy is today a major global player. Its voice counts as also its clout.

When in 2021 US President Joe Biden hosted a Summit for Democracy and snubbed China by not inviting President Xi Jinping, Beijing decided not to take it lying down.

It claimed that China had a high-functioning form of democracy of a different sort, and that it is delivering better results for its people than the broken the Sinicization of Marxism. U.S. system.

'whole-process people's democracy.' It was also designed to show that China can stand up to the United States, and to counter the suggestion that the Chinese system is inferior to the democracies that Biden had a New Era. brought together.

Vice Foreign Minister Le Yucheng adopted an aggressive stance by claiming that China's whole-process people's democracy is not the kind that "wakes up at the time of voting and goes back to dormant afterwards."

China's State Council came out with a 30-page White Paper,

entitled, "China: Democracy That Works. It redefined democracy with a promise to "hunt down tigers, swat flies and chase foxes".

The State Council said that China had no intention to "duplicate western models of democracy" but to "create its own." Beijing took the line that it is not for "a few self-

appointed judges like QUAD, Five Eyes and the G7 to decide which country is democratic and which is not.

To counter Biden's Summit for Democracy, Beijing hosted an international forum on democracy and invited academics, think tank representatives and media personnel from 120 countries to participate in it.

The third Beijing international forum on democracy was organised on 20 March 2024. Through these forums, China is seeking to counter what it calls US democracy 'monism'.

China is not disowning democracy. It is embracing what Daniel A. Bell in his book China's New Confucianism, calls "a new variant of Confucianism" that offers a compelling alternative to Western liberalism. New Confucianism has played a significant role in

What Deng Xiao Ping had China came out with a coined as "socialism with Chinese characteristics" has now been re-branded as the "wholeprocess people's democracy". It is a major element of Xi Jinping's Thought on Socialism with Chinese Characteristics for

What is 'whole-process de-

mocracy'? President Xi, while making an inspection visit to a civic centre in Hongqiao sub district in Shanghai on 2 November 2019, said that China was "taking the path of socialist political development with Chinese characteristics and people's democracy is whole process.'

> According to Prof Lin Jianhus of the Chinese Academy of Social Sciences, wholeprocess democracy has four key fea-

> First, the term is manifested in the CPC's governance practices and is applied through a combination of democratic elections consultations and

decision-making. China claims that it covers all aspects of the democratic process.

Second, it ensures that the people's wishes are widely represented and recognises their fundamental interests in all respects.

Third, it integrates processoriented democracy with resultoriented, procedural democracy with substantive democracy direct democracy with indirect democracy and people's democracy with the will of the state.

Fourth, whole-process democracy presents a path of socialist political progress with Chinese characteristics in line with China's national conditions.

He claims that wholeprocess democracy has made the people the 'masters' of the country. He also maintains that China has a system of multi party cooperation.

political parties uphold the prin-cratic world? Hasn't the media ciples of long-term coexistence through forums, talks and other forms of consultation.

The Chinese People's Political Consultative Conference serves as an important institution of multi-party cooperation under the leadership of CPC.

Few western scholars would rank China as a democracy. They argue that China follows a model where the state advances as the people retreat.

As Jacob Dreyer, a writer who has lived in Shanghai for over a decade, maintains, "the collection of peoples we call China is not really a society of citizens in the sense that emerged from the American and French revolutions.'

However, John Keane, professor of politics at the University of Sydney, is of the view that the Chinese governance model "contains democratic qualities that should not be dismissed.' There is a very strong sense in the political system that "power ultimately rests in the hands of the people."

Like America's Freedom House and Sweden's V-Dem Institute, which rate civil liberties across the world, China organised a global survey in 23 countries last year about its 'whole-process democracy.'

The respondents agreed claims the survey, that each country should choose democracy and a modernisation model that suits its own conditions.

The survey endorsed the view that democracy should focus on solving people's practical problems. The respondents also believe that Chinese democracy is conducive to promoting state and global governance.

A crisis in democracy need not be a crisis of democracy The only way to remedy democracy's imperfections is to have more democracy, not less.

The West's cynicism about the Chinese model is understandable. One of the greatest challenges to democracy comes from a catastrophic failure of the marketplace of ideas.

But what about the rise of The CPC and eight other elected autocrats in the demoin many democracies become scrappy truth-tellers? Doesn't democracy require binding values and ideals and shared convictions? Today, democracy across the world looks alive and dead at the same time. Physician, heal thyself!





### **Enhancing the** national image through cultural diplomacy

n the ongoing efforts to bolster the nation's soft power and amplify Viet Nam's presence and reputation globally, Associate Professor Dr. Bùi Hoài Son, a Permanent Member of the Cultural and Educational Committee of the National Assembly, emphasises the need for the diplomatic sector to vigorously enhance the promotion of Viet Nam's culture through diplomacy in the years ahead.

Cultural diplomacy holds significant importance for a nation's politics on various fronts. Firstly, in the broader spectrum of human existence and international relations, culture serves as a vital conduit. It operates as a form of soft power, exerting a profound and enduring influence across generations. In the context of globalisation, cultural diplomacy assumes heightened impor-

While countries navigate the currents of globalisation, preserving their unique cultural identities becomes paramount. This preservation not only fosters national pride but also facilitates the achievement of national development goals by fostering mutual understanding and respect.

Cultural diplomacy is integral to Viet Nam's foreign policy framework, standing alongside political and economic diplomacy as one of its three pillars. The adaptability and flexibility of cultural diplomacy enable it to effectively complement these pillars, forming a comprehensive foreign policy

### Việt Nam News.

strategy. Particularly in today's era of deep and comprehensive integration, global appreciation of Viet Nam's culture, people and policies is essential for enhancing the nation's international standing and image. Therefore, cultural diplomacy plays a crucial role in advancing Viet Nam's political

objectives on the world stage. Indeed, cultural diplomacy has played a pivotal role in Viet Nam's political landscape, contributing significantly to the nation's modernisation, cultural preservation, and integration of international influences. Activities such as international cultural exchanges, hosting cultural events abroad, and organising Viet Nam Days overseas have been actively pursued and highly valued by both the Party and the state. These endeavours have not only promoted Viet Nam's image but also ele-

vated its standing on the global stage. The growing interest and understanding of Viet Nam from countries worldwide serve as a testament to the effectiveness of cultural diplomacy efforts. Recognising its importance, the organisation and implementation of cultural diplomacy strategies have become a focal point of concern raised by National Assembly delegates.

Minister of Foreign Affairs Bùi Thanh Son emphasised the importance of cultural diplomacy activities in enhancing the promotion of the country's image and its people to the world. What significance does this hold? How do you assess the cultural promotion efforts of the country in

Cultural diplomacy serves as a crucial instrument for fostering mutual understanding and strengthening political relations with other nations, thereby contributing to global peace, stability and elevating Viet Nam's international standing. Minister Bùi Thanh Son's acknowledgement underscores the profound significance of

such endeavours. In recent years, Viet Nam has made commendable strides in cultural promotion, spreading soft power, instilling confidence in Vietnamese culture and its people and establishing brands for Vietnamese cultural and artistic products. These efforts have been instrumental in supporting the country's socio-economic development and enhancing its global reputation.



editor@thestatesman.com

# Sense of unease

**SIR**, Apropos the two letters with opposing viewpoints in today's edition, "Let's introspect" and "Busybody," while it was appropriate for the MEA to summon senior diplomats from the German and American embassies to lodge protests for making official



statements condemning the arrest of Delhi Chief Minister, Arvind Kejriwal, the fact that such statements are coming from various Western capitals right since Barack Obama's 2015 visit to India, when he chastised India's attitude towards its minorities, should still be regarded as a cause

for concern. It is possible that Kejriwal may indeed be guilty of the accusations levelled against him. But that can only be determined by a court of law and by no other party. However, one cannot escape the malaise that has set in India right since the advent to power of the Bharatiya Janata Party in 2014. This general uneasiness is bound to increase after the probable election of our prime minister for a third term.

If India blatantly keeps disregarding the plight of its opposi-

### **RUPEE'S FALL**

**SIR**, The rupee continues to reach new lows against the dollar. Those who predicted the dollar would be worth 35 rupees if the BJP came to power are completely silent as the dollar touches the high of 83.43. It is hard to understand how the currency of a nation could fall if it is showing a staggering GDP growth of 8.4 per cent. It is of little comfort if other Asian currencies are doing worse. China is growing at 4 per cent and even that figure is challenged by many economists.

The PM himself had once said that the falling rupee reflected the falling prestige of the Indian nation. This was mere rhetoric and many were taken in by it. The government is selling dollars to keep the rates stable. This is a short sighted measure and could create more problems later.

Yours, etc., Anthony Henriques, Mumbai, 27 March.

tion parties, minorities, institutions such as the judiciary and the media, one should be prepared to hear more denunciations from various quarters

regarding the increasingly undemocratic practices of the world's largest democracy.

> Yours, etc., Animesh Rai, Noida, 30 March.









### A thought for today

National security lies not just in protecting our borders, but in bridging divides

**JOE LIEBERMAN** 

# MahaRushtra

Maharashtra may be this election's most complicated battleground. No wonder, parties are in scrabble mode

t was down to the wire on Wednesday for Mahayuti (BJP, Shinde Sena & Ajit's NCP) as the alliance in power scrambled to agree on La candidate for the Vidarbha region constituency of Yavatmal Washim. Today's the last day to file nominations for phase 2 on April 26, when Yavatmal votes. Mahayuti infighting prompted Amit Shah to tell the parties to stop squabbling. Break-up of NCP and Sena has complicated matters for all six - BJP, Congress, the two NCPs and the two Senas. But as things stand, Mahayuti is struggling more to (1) finalise party-wise seat allocation of over 12 seats, (2) find candidates for seats and (3) tackle rebels both inter-party and intra-party.

Bosses in Buldhana | But for the Mahayuti tussle here, this Vidarbha seat would unlikely be on poll pundits' radar. Shinde Sena got Buldhana, which BJP also wanted, and fielded Sena's sitting MP Pratap Jadhav. Local BJP was miffed, a BJP neta filed his nomination as well. EC's website, in fact, shows the BJP chap has filed two nomina-



tions - one as BJP, another as an Independent. Shinde Sena's dared him to stay in the contest. Even the local Sena MLA filed his nomination, but said he'll withdraw, now that Pratap Jadhav is decidedly Mahayuti's official candidate. The wrangle exemplifies what party brasses are up against.

Miles to go, MVA | Four prestige seats are causing great consternation in the Congress-UBT Sena-Pawar NCP camp. UBT's offered Mumbai North to Congress, which is yet to decide. The other worry is what to do with Prakash Ambedkar's VBA. NCP's keen to bring the party on, but

Congress and UBT aren't. So VBA's decided candidates for 20 seats it's angry Congress fielded a candidate in Akola, Prakash Ambedkar's seat, but has also said he'll support Supriya Sule. Whether such mixed messaging has any electoral impact will be known on June 4.

Baramati's beti-bahu | Supriya Sule takes us to Baramati – Pawars' empire where NCP meets NCP. A battle where Supriya has lamented she must contest against close family, Ajit Pawar's wife. Baramati is certainly not the only seat where family's pitted against family, but it's likely the only one that will not only decide a Lok Sabha winner, but also who voters 'bless' as keeper of the Pawar sprawl.

Poaching and parting of ways continues apace. It speaks to Maharashtra's rich political traditions that a Ram temple isn't enough, that it's still the ban on onion exports that's making farmers teary. And that local concerns are at least as important as national messages.

## One China? What's That?

Beijing's Arunachal game should make New Delhi bolder on Taipei. Stand with quake-hit Taiwan

hina continues on a belligerent tack and has again released a list of names for places in Arunachal Pradesh. Of course, this is Inonsense. New Delhi has restated the obvious: the renaming exercise in no way changes the fact that Arunachal was, is and will always be an integral part of India. Beijing's claim on the region it calls 'south Tibet' is nothing but figment of expansionist imagination. It also shows that China has no intentions of mending ties with India.

Not bhai-bhai | China expects the whole world to respect its territorial integrity but doesn't uphold the principle when it comes to other nations. This is precisely why it has multiple border and maritime disputes with neighbouring countries. In fact, China's claim



on Arunachal confirms that it sees India as a country that can be pushed around. Which is why perhaps it's time for India to reconsider its adherence to the 'One China' policy. Note that our practical cooperation with Republic of China or Taiwan - which unfortunately suffered a massive earthquake yesterday - is growing.

Calling China out | India in any case has stopped mentioning the 'One China' policy in joint statements and official documents since 2010. And with Beijing flatly refusing to recognise a reciprocal One India policy in 2014,

there's no need for New Delhi to finesse the issue. China will remain India's strategic rival and a security problem - through both PLA incursions and support for Pakistan – for the foreseeable future. Therefore, India shouldn't hold back from raising China's draconian actions in Xinjiang, Tibet and Hong Kong along with Western partners at international forums.

Taiwan connect | Additionally, New Delhi should explore and facilitate high-level political and technical visits with Taiwan. The latter is a semiconductor giant and India is already seeking bilateral cooperation in this sector. There's no need to look over our shoulder at Beijing when engaging Taipei. India can start by offering earthquake relief assistance to Taiwan. China cannot dictate our Taiwan policy.

# Level slaying field

Nothing can be 'level' when our poll-iticians have field day

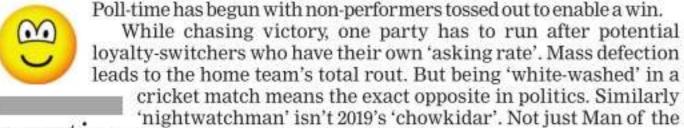
**Bachi Karkaria** 



At its Sunday rally, INDIA again demanded a level-playing field. Beleaguered Sonia G with the wives of jailed Delhi CM Arvind Kejriwal and Jharkhand ex-CM Hemant Soren made for a pointed photograph. The electoral field truly looks like the municipal corporation has had a go at it. Elections are our greatest spectator sport but where's the sportsmanship.

No grace of Federer, only unruly McEnroe. It's all decidedly Messi. Cricket, which has the playing field skewed in its favour, naturally provides the greatest parallels. Even beyond the boundary.

An Indo-Pak match comes closest to elections in fevered emotions and rowdy desibels. So there's an apt echo in ex-Captain/PM Imran Khan being bowled out by poll-tical googlies, and he too being jailed for crimes against the exchequer. There are far more analogies closer home. A match starts with winning the toss.



erratica Match, we also have Ban of the Match. Rain is unlikely to interrupt poll play since it will be high

summer. However some controversy is inevitable in such a mammoth exercise. ECI will have to depend on the 'Duckworth Lewis' formula. The Tebbitt test of loyalty is firmly entrenched. You are irredeemably unpatriotic if you cheer for any non-authorised point of view. Anti-government is anti-national. Bas. You might well believe that the current series has already been won by

Bahut Jeeta Party. After all, the man batting for Bharat also bowls enough bouncers to stump us all? In fact he's promised a hat-trick more impressive than Bumrah's in 2019. When the master of spin is in such form, dare his rivals dream of a doosra innings? Will their hopes turn to Ashes?

Alec Smart said: "Neta iftar parties are now iffy. But naturally."

# Forget Wayanad, Study Othukkam

Congress is weakening in Kerala. Rahul's candidature doesn't change that. The interesting fight is between CPM & BJP's politics of coercive containment

up too much space and leaning on other passengers.

Dilip Menon



Rahul Gandhi filed his nomination papers for Wayanad yesterday, after a roadshow drawing big crowds there. But overall, Congress is looking like a spent force in Kerala. This may help BJP win a few seats this time - party

projections are between 4-5. In 2019 Lok Sabha elections BJP failed to win a single one of the 20 seats in Kerala. While the state's legislative assembly has historically swung between the Left Democratic Front (led by CPM) and the

United Democratic Front (led by Congress), a certain pragmatism has driven the election of Congress candidates to Lok Sabha. BJP's Hindu nationalism has found little favour in Kerala, where political secularism is bolstered by significant

Christian and Muslim minorities. Nor has Modi's trumpeting of vikas found purchase in one of India's most developed states. Why could this time be different? A recent scandal adds to speculations. ED has conducted investigations into a

₹150 crore scam in Karuvannur Service Cooperative Bank in Thrissur district, concluding that the scam was initiated at the behest of CPM leaders, several of whose members have held accounts in the bank without a membership. Allegedly, they used this money to purchase land and fund elections.

The scandal is being bruited about and rumour has it that this will weaken CPM's political resolve in a state where

it is still strong. This bank scandal is but the most recent in a series of corruption charges levelled against CPM. There are allegations of gold smuggling and the

in a hydro-electric project-related financial scandal. The question is **Special Series on Elections** whether BJP has managed to corral CPM with the corruption issue;

involvement of Kerala's CM Pinarayi

hoisting the Left on its own politics of othukkam? The word othukkam circulates in everyday Malayalam conversations, but it also refers to a key political principle in Kerala. You may ask someone on a bus to othungi nikkkuka, or to stand without taking

evening, he may tell you that he will vandi othukkan kondupokuka, that is, put it away for the night. If you spread out your luggage in a second-class train compartment, you may be asked to onnu othukki vekkanam

(keep it together). What all these phrases invoke is a principle of



disciplined containment. It is also a key tenet of local patriarchy. Young women are often commanded by parents, teachers and members of the public to show othukkam, or containment and feminine comportment

> respect to elders, and refrain from looking men in the eyes. This feminine othukkam is

> to speak softly in public, show

cultivated energetically in Malayalam films, where submissive, ever-loving women feature as

a perennial source of grace in their men's lives. The principle of othukkam, or violent containment, is central to the political violence used in Kerala to subordinate and dominate opponents. For more than

60 years, internecine warfare between CPM and RSS If you ask an auto driver for a ride late in the cadres in northern Kerala has taken about 200 lives and left many thousands wounded. Kerala has the largest number of RSS units in India (which do not, however,

translate into BJP seats in the legislature or Parliament). The politics of othukkam for CPM means "containing" the threat posed by RSS and other political rivals. It

turns university and college campuses into battlefields where young men are politically baptised through blood. Any young CPM upstart who may break the rules of party discipline (acchadakkam), will be subjected to othukkam.

> RSS, on the other hand, has been working assiduously with local families and housewives, getting involved in birth, marriage and death rites, while cultivating Hindu piety alongside othukkam. This slow grassroot work emerged during the statewide agitations for women's entry into the pilgrimage shrine of Sabarimala.

> Countering the Supreme Court judgment allowing universal entry, a movement of piously modern Malayali women rallied under the #ReadyToWait tag, displaying impeccably proper, feminine Hindu comportment and the containment of othukkam. This campaign signalled a slow rise in Hindu sentiment in the state.

> The othukkam principle of coerced containment finds echoes in BJP's national strategy. A growing number of arrests and threats from ED is arguably creating a culture of political fear and causing defections, which is bleeding all

So, the big question for Kerala, when it goes to polls on April 26, is will BJP open its score? Will the party's attempt to contain CPM-to subject it to othukkam, possibly via several corruption investigations – lead to a weaker Left and a different kind of political fight?

By the way, the word othukkuka also means "to reach a compromise". If we assume Left is feeling subdued, by itself is that enough to open the electoral door for BJP? Or will Kerala, once again, remain immune to Hindu politics?

The writer is a historian

Kerala (20 LS seats) votes on April 26

# Why Katchatheevu Isn't Such A Catch

From the perspective of India's other, more complicated border problems, laying claims over a small, barren island isn't worth the trouble

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Why is BJP calling a 1974 GOI decision to give up an uninhabited islet of 285 acres to Sri Lanka "a disgraceful act of statesmanship"? Katchatheevu has no productive value. Nothing grows on the sand bar except shrubs and palms. Historically, its ownership appears to have changed hands repeatedly. Yet, BJP has made it a poll issue.

The crux of the matter is that India has the third longest land border in the world, shared with seven countries. Its maritime limits adjoin even more neighbours. And since Independence, it has struggled to forge amicable settlements on

delimiting these boundaries. Commentators, politicians and policy-makers have been divided into moderate and forward schools of thinking on this. The notion that an alignment has to be based on what best serves the nation's interests, and not a construct rooted in history or myth, did not necessarily have many takers.

To paraphrase historian Arnold Toynbee, across the post-colonial world, successor states often "consecrated" the lines drawn by British officials. "They became heirlooms of national heritage," assets of which not an inch was to be negotiated.

linked that Nehru chose to treat the border with China as "a firm and definite" one, which was "not open to discussion with anybody", as far back as 1954.

Nepal and Bhutan | Even treaties with Nepal and Bhutan were broadly agreements in which India took over British rights between 1947 and 1950. Significantly, a string of these mountain states including Sikkim owed suzerainty to China until the Empire brought them into the sphere of its influence. Thus by 1950, India managed to contain tensions to some sections of its Himalayan frontier, but using a template that was a legacy of the pre-Independence arrangement.

Burma | In the east, Burma had been carved out of undivided India by the British in 1937. It comprised

regions annexed in the 19th century after the Anglo-Burmese wars. This 1,643km Indo-Myanmar border runs through Arunachal Pradesh, Nagaland, Manipur and Mizoram and is distinct except in a portion around the trijunction with China. A treaty was signed in 1967 by the two nations to delimit the common frontier in detail, but again barring minor adjustments, the alignment was already in place.

Bangladesh | As for the Bangladesh frontier in the east, which is also the country's longest land border, over



**China** In India, sovereignty and soil became so interthe world, despite being responsible for its neighbour's liberation from Pakistan and also having signed a Land Boundary Agreement with it back in 1974, India was unable to settle a dispute with Bangladesh over enclaves inside each other's territory for four decades.

Eventually, through a constitutional amendment bill drafted under UPA govt but passed under NDA rule in 2015, the two exchanged land parcels and populations. India got 510 acres, Bangladesh 10,000 acres, but without altering individual maps.

The interesting feature was external affairs minister Sushma Swaraj's willingness to credit an erstwhile Congress PM for the blueprint. "Manmohan Singh is the one who started the whole thing. I have merely completed the task," she said in Rajya Sabha, drawing applause from opposition. This unqualified bipartisan agreement was rare in the history of India's

relations with its neighbours.

Coincidentally, in 2014, a long festering dispute over the Indo-Bangladesh maritime boundary had also been resolved. After eight rounds of inconclusive talks over 40 years, both sides agreed on arbitration under the UN Convention on the Law of the Sea. The July 2014 decision went in Bangladesh's favour but was accepted by both nations.

**Pakistan** | With Pakistan, however, the maritime boundary has not been fully settled. That festers, apart from bigger problems along LoC. Despite an international tribunal in 1968 settling the larger Great Rann of Kutch border between India and Pakistan, dispute remains in Sir Creek. There

> have been 12 rounds of talks since 1997. Pakistan wants the two sides to submit to international arbitration again, but India has declined on the grounds that under the Simla Agreement, all bilateral disputes should be resolved without the intervention of

third parties. As of last year, more than 700 Indian fishermen and civilians were in Pakistani jails for alleged violation of territorial limits. On the Indian side, 400 Pakistanis were similarly nabbed.

Sri Lanka | The maritime boundary agreements between India and Sri Lanka, on the other hand, clearly demarcate the rights of both in the Gulf of Mannar and Bay of Bengal. Two successive pacts in 1974 and 1976 define fishing rights as well as economic zones for oil and marine exploration.

Taking local sentiment and practices into consideration, the treaty allows Indian fishermen to worship at a Catholic shrine on Katchatheevu. However, the present dispute stems not from lack of access to the island, but over the rights of fishermen all along southern Tamil Nadu who often stray into both Indian and Sri Lankan waters in the shallow and protected Gulf of Mannar, a biosphere rich in marine life.

If India lays irredentist claims to such 'lost' territories under political pressure, not only does it open itself up to hostility from neighbours, but it risks adding to the huge burden involved in committing more resources to guard land and sea borders.

### Calvin & Hobbes



I IMAGINE BUGS AND GIRLS HAVE A DIM PERCEPTION THAT NATURE PLAYED A CRUEL TRICK ON THEM, BUT THEY LACK THE INTELLIGENCE TO REALLY COMPREHEND THE MAGNITUDE OF IT.





### **Sacred**space



The ship of my life may or may not be sailing on calm and amiable seas...Stormy or sunny days, glorious or lonely

nights, I maintain an attitude of gratitude. If I insist on being pessimistic, there is always tomorrow. Today I am blessed.

Maya Angelou

# Why Am I Always Thinking Of Money?

Osho

That else is there to think about? Money is power. Everybody is thinking of money, don't be worried. Even those who are thinking of the other world...they have different coins, but they too are thinking of money.

Your saints are also thinking of money - they call it virtue. By virtue, you can purchase a better house in heaven, a better car. A few people are not that greedy. They are thinking only of the money that is current in this world. Others are greedier, they think of the other world. And if you are thinking of virtue to attain to para-

dise, what is it except money? A man stops thinking about money only when he starts living in the present. Money is the future; money is security for the future. If you have a good bank balance, your future is safe. If you have a good character, even life after death is safe. The whole world is

thinking in terms of money. Those who think in terms of power politics are thinking in terms of money, because money is nothing but a symbol for power. That's why you can go on accumulating more and more money, but the desire never leaves you to have futile and fruitless. Only the other

still more - because the thirst for power knows no end. And people are thirsty for power

because deep down they are empty. They want to stuff that emptiness with something-it may be money, power, prestige, respectability, character, virtue. Anything will do.

There are only two types of people in the world: those THE SPEAKING TREE who try to stuff their inner emptiness, and those very

rare precious beings who try to see the inner emptiness. Those who try to stuff it remain empty, frustrated. They go on collecting garbage; their whole life is

kind, the very precious people who try to look into their inner emptiness without any desire to stuff it, become meditators. Meditation is looking into your

emptiness, welcoming it, enjoying it, being one with it, with no desire to fill it -there is no need, because it is already full. It looks empty because you don't have the right way of seeing it. You see it through the mind; that is the wrong way. If you put the mind aside and look into your emptiness, it has tremendous beauty, it is divine, it is overflowing with joy. Nothing else is needed.

Abridged from The Book of Wisdom, courtesy: Osho Times International,