



Demolition squad

Courts cannot be oblivious to the communal symbolism of the bulldozer

In raising questions about the legality of the demolition of houses belonging to alleged offenders, the Supreme Court of India has articulated a valid and widespread concern about the use of the bulldozer as a form of retribution. The targeted demolition of Muslim houses has become part of the governance model in BJP-ruled States and if the Court can end the impunity with which these extra-legal measures are used by those in power, it would be a wholesome intervention. As Justice B.R. Gavi, heading a Division Bench with Justice K.V. Viswanathan, remarked, the law indeed does not permit anyone's home to be demolished just because they are accused in a case, and it cannot happen even in the case of a convict. The judiciary cannot be oblivious to the political symbolism that the bulldozer has acquired as an instrument of collective punishment inflicted on those the authorities label as rioters. There are instances of the houses of named suspects being demolished, without regard to the fact that the rest of the family may have nothing to do with the offence. However, considering that local laws do permit removal of encroachments and unauthorised constructions, the Bench has articulated its intention to lay down uniform guidelines on a pan-India basis to streamline the procedure for action against such structures. Observations by Justice Viswanathan indicate that these may involve the manner in which unauthorised structures are to be identified, notices issued to those concerned and a fair hearing given to them before any action.

It is here that the Court should tread carefully. The laying down of guidelines should not send out a message that the obvious correlation between incidents of communal violence, and the demolitions that follow them, can be blurred by administrative trickery. In many cases backdated eviction notices are produced to justify these demolitions, even as obvious gloating over the inhabitants' plight betrays the political and communal motive. The idea of digitalising eviction notices may address the problem of backdated notices, but it may not be possible to make the transition in all parts of the country. The real question that the Court should grapple with is whether the claim that only encroachments are being demolished is enough to justify the egregious violation of the rule of law and absence of due process in several recent instances in Uttar Pradesh, Madhya Pradesh, Haryana and Delhi. It ought to be clear by now that the ruling party in these States seeks to gain political mileage by giving the impression that the regime is acting sternly against anti-social elements, even while thinly masking the blatantly communal action by passing it off as an anti-encroachment drive.

Hollow middle

The growing anti-establishment mood in Germany is worrisome

The regional elections in the eastern German States of Thuringia and Saxony – Brandenburg goes to the polls on September 22 – have captured attention because of the rise of the Alternative for Germany (AfD), the far-right party with neo-Nazi roots. The results underline an unmistakable trend in German politics – the AfD, despite earnest efforts by establishment parties to isolate it, is on the ascent. Classified as “extremist” by domestic intelligence, the AfD emerged as the largest vote-getter in Thuringia with 32.8% votes and finished second in Saxony, with 30.6% votes. Formed in 2013, it has built a base by constantly attacking the establishment and taking a hardline, nationalist approach towards immigration. The Reason and Justice Alliance, a leftist nationalist-populist upstart also known as the Sahra Wagenknecht Alliance (BSW), emerged as a dark horse with 15.8% vote in Thuringia and 11.8% in Saxony. The party, which opposed Germany's continued military assistance for Ukraine and campaigned for better social protection for workers and tougher laws to control immigration, finished third. The strong showing of the AfD and the BSW points to growing anti-establishment sentiment. While Chancellor Olaf Scholz's Socialists finished fifth in Thuringia with 6.1% vote and fourth in Saxony with 7.3% votes, his coalition partners, the Greens and the pro-market Free Democratic Party, fared worse. The conservative Christian Democrats was the only establishment party that did well.

Despite the Thuringia result, the AfD is unlikely to form the government as no party is willing to join a coalition led by it. But this strategy might face challenges. The AfD's rise has already pushed Germany's polity towards the Right, with even the Socialists taking a tougher line on immigration. Now with the largest vote share in Thuringia, the AfD will play a critical role in the state-house as a powerful bloc even if it is kept out of government. And, if it continues to grow in popularity (it is expected to finish first in Brandenburg, even the policy of political untouchability will come under stress. To check the rise of the right-wing extremists, the establishment parties, especially Mr. Scholz's unpopular coalition, should be mindful of popular sentiments, angst and demands. The war in Ukraine and its impact on the German economy, which fell into a recession last year, are taking a toll on Germany. Berlin should work toward ending the war, tackling economic challenges and addressing working class concerns. Unless the underlying conditions that the far right exploits are addressed, mere political untouchability might not help in stalling the far-right's rise in Germany, where memories of the Nazi violence are still fresh.

A discourse on AI governance that India must shape

The Summit of the Future (September 22-23 2024) will be a decisive moment for global diplomacy and the international norm-building process in the sphere of Artificial Intelligence (AI). At the summit, world leaders and stakeholders are to come together under the aegis of the United Nations to advance the Global Digital Compact (GDC). The GDC aims to build a collaborative multi-stakeholder framework that strives to address the digital divide, advance the Sustainable Development Goals (SDGs), and create a secure and inclusive digital environment. Crucially, it seeks to strengthen the international governance of emerging technologies, including AI, to ensure that they align with fundamental rights and values. As digital technologies continue to shape our societal and geopolitical landscape, it is imperative for India to not only engage with but also actively shape the international discourse on the international governance of AI.

Geopolitical contestation

Parallel to the GDC, the UN General Assembly recently adopted two key resolutions on AI led by the United States and China. The U.S.-led resolution, on 'Safe, Secure and Trustworthy AI for Sustainable Development', advocates a harmonised approach to AI governance and encourages member countries to develop shared ethical principles, data protection measures and transparency standards. By promoting a harmonised approach to AI governance, the U.S. aims to assert dominance in AI technology and dictate the terms of its development worldwide. On the other hand, the China-led resolution, on 'Enhancing Cooperation on Capacity Building of AI', focuses on equitable benefits from AI development, bridging the digital divide, and promoting an open and non-discriminatory business environment. The resolution not only prioritises inclusivity and equitable development but also strategically positions China as an important player in global trade and technology standards. These resolutions are deeply intertwined with each country's interests and highlight growing geopolitical contestation in the domain of digital governance.

The UN is quickly emerging as the apex forum for shaping and harmonising global standards on AI – something not entirely unexpected given the impact of AI on markets and societies. The UN offers an inclusive platform to articulate challenges, reconcile diverse national interests and promote international cooperation mechanisms. India has an active and long-standing engagement at the UN and strategic engagements at the G-20 and Global Partnership on Artificial Intelligence (GPAI). India can, therefore, seize the opportunity to ensure that the GDC aligns with its developmental priorities and ethical standards, bridges the global digital divide, and meaningfully commits to the interests of the Global South.



Sukanya Thapliyal

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India has a deep historical legacy and influence at the UN, even as it has championed the issues of the Global South. This is most evident from its engagement in international climate negotiations where it has consistently advocated the principle of equity and climate justice as the basis of global climate action. India positioned itself as a key player in climate negotiations following the UNGA Resolution 44/207 in 1989 and contributed to integrating the principle of Common but Differentiated Responsibilities (CBDR), which acknowledged that developed countries bore the primary responsibility for climate change. India led significant efforts to shape the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, ensuring that developing countries like itself are not subjected to obligations not aligned with their developmental plans and priorities; it emphasised the need for technology transfer and financial support from developed countries.

India's diplomatic weight

India also played a pivotal role in forming coalitions of developing countries to ensure that their perspectives are adequately represented throughout negotiations. India created the Green Group alliance comprising 72 like-minded developing countries at the first Conference of Parties under the UNFCCC to counter demands from the developed countries to have stringent commitments on developing countries. India also worked closely with Brazil, South Africa and China to form the BASIC Group to safeguard its developmental and poverty reduction objectives in the 2000s. India continues this trend of active participation – evident in the Paris Agreement and reaffirmed at the Dubai Summit – where it advocated fair terms and obligations that consider the varied capabilities and needs of developing countries.

India's history of leading Global South negotiations, along with the unique challenges it faces, positions it as an important contender in debates around AI. As a Global South country, India grapples with structural inequalities in the AI innovation landscape. This includes a lack of advanced computing infrastructure, high-quality data sets, and capital. Just as India advocated differential needs and responsibilities in climate agreements, it must now ensure that discussions around AI governance include considerations of equity, accessibility and fairness.

India has succeeded in registering these considerations at other international fora as seen in the G-20 New Delhi Leaders Declaration and the GPAI Ministerial Declaration. Under India's leadership, the G-20 and the GPAI have underscored the importance of fair access to critical AI resources, emphasised equitable sharing of AI benefits, and mitigated risks while fostering international cooperation. It is crucial to voice these concerns to the UN. The UN has unique legitimacy as an organisation with

universal membership and a well-established framework grounded in the rule of law, a Universal Declaration on Human Rights (UDHR), and SDGs that offer clear pathways to accountability. India is adept at building coalitions and advancing first principles that prioritise the interests of the Global South. By leveraging the UN platform, India can amplify its existing efforts on a wider scale, ensuring that the voices of developing countries are heard.

India should push for more equitable access to AI technology, building technical capacity, and creating institutional mechanisms for knowledge sharing to ensure that all countries can harness the benefits of AI. India can use this opportunity to redefine the multi-stakeholder model to be more inclusive – one that actively includes voices from the Global South, particularly those from marginalised and under-represented groups. This includes creating a platform accessible to smaller non-governmental organisations, small and medium enterprises, and groups that otherwise lack the resources to participate in global discussions.

In addition, India should also advocate a more comprehensive and inclusive approach to AI governance that respects human rights, aligns with existing international laws and standards, and ensures that AI systems are designed to be inclusive, fair and representative of diverse global perspectives.

Address the challenges

India's advocacy for a fair and inclusive AI governance framework is also crucial in the context of bipolar dynamics between the U.S. and China, where both countries are driving the AI governance discourse to advance their strategic interests. This risks sidelining the unique needs and perspectives of the Global South. The wide gaps between developed and developing countries are starkly evident in the realm of AI advancements. While developed countries have readily available resources, developing countries lack even the basic infrastructure, Internet access, and electricity – absolute essentials for AI advancements. Addressing these challenges requires a localised understanding and approach, which might be overlooked or simplified by those unfamiliar with these specific contexts. This can result in policies and frameworks that fail to address the root issues faced by developing countries, limit the effectiveness of global AI governance initiatives, and exacerbate existing inequalities.

India's historical legacy of advocating the interests of the Global South, robust engagement at international fora, and lived experiences as a Global South country make it well-positioned to lead these conversations. Its active engagement will not only advance its interests but will also contribute towards a balanced and sustainable digital future.

The views expressed are personal

Take on the challenge of rising income inequality



Sam Pitroda

telecom technocrat with 60 years of experience, an inventor, policymaker and global thinker

large asset transfers. This tax has been proposed by several people in the past in India. The World Inequality Lab says that in India, the share of the top 1% in the national income is among the highest in the world, and that India is today more unequal as a society than it was under British rule. Is this acceptable?

About inclusion and equity

This is not a debate about increasing or introducing new tax for the middle class, the rich or the super rich. It is about locating the resources needed to lift millions more out of poverty and joblessness, and to do this in ways that encourage value addition through production and efficiency, quality and consumption as well as inclusion, sustainability, dignity and justice. The need is for analysis and debate, not for inventing falsehoods to cause a scare. India has already lifted millions out of poverty. However, what it has done is simply not enough. More needs to be done with brave and bold initiatives that copycat solutions will not achieve. The new economics is all about moving from "economics of scope and scale" to "economy of purpose". And the purpose is inclusion, equity and sustainability to lift millions out of poverty. Discussions on fiscal and other measures should be understood within this context.

What are the strategies that India can pursue that can create resilience in these uncertain times? There is no silver bullet, and none is suggested. The need is for reflection and a policy framework that can ensure growth with justice and hope, by looking at and debating every possible option available through learning from global experience and drawing on India's creative and innovative abilities.

Some continue to see globalisation and market liberalisation as silver bullets rather than as

strategies which demand capacities for vigilance and constant mid-course correction. Past turmoil in global markets, the COVID-19 pandemic, and the wars in Europe and West Asia remind us that globalisation extracts its own price.

To me, the Gandhian model of development with a focus on decentralisation, local needs, local talent, local resources, local production and "small is beautiful" makes huge sense in a hyper-connected world in order to ensure local employment and prosperity in India. Investment in small and medium-sized enterprises and local innovations is equally critical to network to scale for global markets. Unfortunately, banks prefer large loans to big companies as opposed to small loans to SMEs. This must change with digital technology for financial services. India has 800 districts with unique climate, natural resources, capabilities and talent to build 800 production centres for a variety of goods and services. It also means 800 digital platforms to network to build supply chain, logistics, markets and distribution centres.

Where the future lies

Future jobs even in the AI-dominated world will come from food, education, health services, tourism and manufacturing. In fact, young Indian talent is the workforce for the world. This issue is thus about assessing progress in terms of human and technology development and a new economic model based on decentralisation and digital platforms to network needs and change consumption patterns and behaviours. The future definitely lies in a new tech economic model to deliver on inclusion, basic human needs, decentralisation, conservation and non-violence. The future also lies in a change in lifestyle that values happiness from "sharing and caring" as opposed to a "vulgarity of conspicuous consumption".

There must be a realisation that the new economics is all about moving from 'economics of scope and scale' to 'economy of purpose'

LETTERS TO THE EDITOR

'Bulldozer justice'

I write this letter as a former Union Minister for Law and Justice. The Supreme Court of India's intervention interdicting "bulldozer justice" is a welcome affirmation of the constitutional imperative of observing the legal due process in meting out justice. The apex court's

reprimand must now be taken to its logical conclusion by ensuring a fool-proof mechanism for effective implementation of the guidelines against bulldozing proposed by the Court.

The point of principle underscored by the Court concerns the foundational value of the Republic —

namely, that justice is to be dispensed according to the law and by observing legal processes. The issue at hand is also about the proportionality of punishment in a given case. When a bulldozer is used to raze a residential dwelling, it amounts to denying to its occupants their right to shelter and dignity,

declared by the Court as sacrosanct fundamental rights. Razing the property of persons as a form of retribution is unknown to civilised democracies committed to a civilised use of the state's police powers and answerable to constitutional discipline.

Ashwani Kumar,
New Delhi

Thinking judges

On the issue of judicial appointments (Opinion page, September 2), the controversy will exist, whether it is through the NJAC or collegium or any other mode. The best way to end it is on a lighter note. One of the senior-most judges of the Supreme Court complimented

another judge by saying that he thinks on his feet. To which another senior-most judge, known for his brilliance, remarked that for some of the judges, thinking itself was a feat. This explains how inconclusive the debate on judicial appointments is.

N.G.R. Prasad,
Chennai

From Bharati to Karunanidhi

To mark the birth centenary of former Chief Minister and Muthamil Arignar (Tamil scholar) M. Karunanidhi, the Tamil Nadu government has nationalised his entire literary output. Nationalisation is a curious practice of literary paternalism unique to Tamil Nadu. This means that Karunanidhi's works will no longer be under a copyright regime. They will be in the public domain, and anyone can publish or translate his works in any form. Literary works are governed by copyright laws. Copyright is a property right that vests in an author, and after their death, passes on to their legal heirs for 60 calendar years.

A unique practice

To most parts of the world, this is a novel — even unheard of — intervention by the state. But in Tamil Nadu, this practice is 75 years old. As it often happens in Tamil culture, this innovation too began with the great poet, Subramania Bharati. Following his death in indigent circumstances, his widow Chellamma Bharati made a distress sale of his copyright. Eventually, the broadcast rights passed on to A.V. Meiyappa Chettiar. That the work of a literary icon was now the private property of a mercenary filmmaker triggered an uproar. Following this, the then Madras government, in 1949, acquired Bharati's copyright and later released it for unrestricted public use. More than being an executive legal intervention to settle a copyright issue, this was actually a unique honour bestowed on Bharati. This was a distinction that M.K. Gandhi, B.R. Ambedkar, Jawaharlal Nehru, or Rabindranath Tagore did not have. By the 1980s, similar copyright difficulties were encountered in relation to Bharati's premier follower, Bharathidasan. During his brief return to power in 1989-91, Karunanidhi nationalised Bharathidasan's works. But few would have imagined that this would lead to political



A.R. Venkatachalapathy
Author of 'Who Owns That Song?: The Battle for Subramania Bharati's Copyright'

Nationalisation of literary works, originally conceived of as an honour for exceptional cultural figures, has now been emptied of all significance

one-upmanship. In 1994, when her Dravidian credentials were under attack, the then Chief Minister, Jayalalithaa, nationalised the writings of the DMK founder, C.N. Annadurai. In a glittering function, 75 lakh was handed over to his wife Rani Annadurai as compensation.

The floodgates were now open. A stream of writers was freed from copyright. The works of 179 writers have been nationalised by the government so far. Nearly ₹15 crore of public money has been disbursed to their legal heirs. What was originally conceived of as an honour for exceptional cultural figures has now been emptied of all significance. Today, the most knowledgeable literary historians may find it difficult to identify many of the 179 writers.

This practice has had worse implications as well. Given that the Tamil publishing industry is more or less a cottage enterprise, knowledge of copyright issues is at best rudimentary. In their zeal to act as patrons of art, successive governments have devoted little attention to various concomitant issues. For instance, in whom do the moral rights of nationalised authors vest? In acquiring copyright, the government has invariably compensated legal heirs, i.e., family, rather than the work's legal owners. Publishers who acquired the right through due legal process have often been put to loss. In some cases, the government nationalised authors, such as the first Tamil novelist, S. Vedanayakam Pillai, and the Tamil scholar, V.G. Suryanarayana Sastri, decades after the copyright had legally lapsed. To add to the confusion, the works of authors such as Rajam Krishnan were added to the list when they were still alive. This presents a bizarre legal conundrum: can copyright be given away even before the composition of a work?

Further, there has been no consistency in awarding monetary compensation. Termed 'solatium', it has a strong whiff of patronisation. These days, whenever a writer dies, there is a

clamour to nationalise their works. Their families queue up at Fort St George, the seat of power, expecting a largesse. Vested interests have often tried to influence the government's decision. At least in three cases — Kannadasan, Mu. Varadarajan and Sundara Ramaswamy — the government announced nationalisation without obtaining prior consent from the families and had to rescind its decision following their objections.

Effects on publishing industry

No doubt, nationalisation has democratised literature and aided genuine scholarly work. But its deleterious effects far outstrip its benefits. The huge pile up of Kalki's Ponniyin Selvan at book fairs does not make for a pretty sight. Predatory publishers have exploited the situation without any moral qualms. They have preyed on the huge volume of books released from copyright and dumped them on state-funded public libraries through unscrupulous methods. The works of well-known authors and even classics have been pillaged, their titles ravaged, and authorship changed. The situation has reached such alarming proportions that the Madras High Court has ordered an enquiry. The many problems unleashed by the well-intentioned moves of the government cry for urgent resolution.

In nationalising the works of Karunanidhi, the process that began with Bharati has reached its zenith. M.K. Stalin has discharged his duty twofold: as Chief Minister, he has put a celebrated writer's works in the public domain; and as a son, he has waived compensation for giving up the copyright. From Bharati to Karunanidhi, the story of the Tamil Nadu government's intervention in literary copyright is complete. It is now time to declare a moratorium on the nationalisation of literary works. Other ways to patronise literature and support indigent writers can easily be devised.

The Backward Classes quota promise

The government would do well to ensure that local body polls are conducted soon

STATE OF PLAY

R. Ravikanth Reddy
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The Congress, which has been in power for nine months in Telangana, faces the challenging task of keeping its promise of providing 42% reservations to the Backward Classes in local body elections.

Since February 2, special officers have been performing the functions of the 12,700-odd gram panchayats in Telangana after the tenure of the sarpanches expired. The tenure of members of the Zilla Parishad Territorial Council and Mandal Parishad Territorial Council also ended in July. This means that there is no local governance in rural areas.

Due to the absence of elected representatives, the Central government's funds to villages and mandals have dried up. These villages and mandals have become ineligible for funds from the 15th Finance Commission, released to Panchayati Raj Institutions. About ₹2,000 crore is pending from the government.

Conducting polls to local bodies is not easy for the Revanth Reddy government as it has to fulfil its election promise, known as the Kamareddy Declaration, of providing 42% reservations to the Backward Classes, which comprises 130 groups. Of these, more than 100 groups are extremely backward economically, educationally, and politically.

To provide 42% reservation, the government will have to pass the 'triple test' legal challenge. This includes constituting a dedicated commission to examine the nature and implications of the community's backwardness in local bodies, specifying the share of reservation for the

such as backwardness in social, economic, and other aspects. The draft is with the government.

Unlike the educational and employment reservations to Backward Classes which are broadly categorised into five segments, political reservations have to be much broader ensuring all the 130 caste groups and women are covered, according to the Kamareddy Declaration. This will take time and the government cannot wait that long for elections. The Commission is said to have suggested to the government to overcome the 'triple test' of the Court by fielding Backward Classes candidates from general seats and fulfilling its promise of 42% reservation in local bodies.

Even as political pressure is increasing from Backward Classes groups, the Commission's term expired a few days ago. This will likely further delay the process of enumerating castes scientifically.

Meanwhile, in the absence of local body representatives, governance has taken a hit. Without sarpanches, administrative duties are affected. The special officers who have been appointed in their place have little idea of the villages and their needs. Unlike the sarpanchs or ward members, they don't stay put in the villages as they have to manage two to four villages at a time. If this continues, this could lead to disillusionment and anger in the villages.

The Revanth Reddy government is hard-pressed to overcome these political, social, and governance challenges. The government would do well to ensure that elections are conducted soon instead of waiting for the term of municipalities to end in January 2025. The delay will only help the Opposition parties gain ground.

Over 80% Indians want a PM who shares their religious views

The share was much lower among economically advanced western and Asian nations

DATA POINT

The Hindu Data Team

As many as 84% of Indian adults said it is important for their Prime Minister to have religious beliefs that are the same as their own, according to the results of a recent survey conducted by the Pew Research Centre (PEW). A similar share also said that it is important to have a Prime Minister who stood up for people who share their religious beliefs, even if those are different from their own. PEW had conducted the survey across 35 countries between January and May 2024 among 53,000 respondents.

In general, the share of respondents who shared similar views was highest in certain South Asian, Southeast Asian, and African countries. It was lowest in North America and Europe. South America was in the middle. Even within Asia, the share of respondents who held similar views was much lower in economically advanced countries such as Japan, South Korea, and Singapore.

Chart 1 shows the share of adults who said it is very/somewhat important to have a leader of their country who has strong religious beliefs, even if those are different from their own. It is important to note that in this measure, the share of those who answered "yes, it's important/somewhat important" was not very low even among advanced western countries. For instance, in the U.S., close to half of the respondents (48%) said their President should have strong religious beliefs, even if those are different from their own. In Singapore, the corresponding figure was 45%.

However, when asked whether it was important for their leader to have beliefs that are the same as their own, as shown in Chart 2, there was a notable drop among respondents in western countries and economically stronger Asian

countries who answered that it was "important/somewhat important". The share of respondents who said so in the U.S. was lower at 37%. In Singapore, the corresponding share was 36%.

Among countries that were relatively weaker economically in Southeast Asia and South Asia, such as India, Bangladesh, Sri Lanka, Indonesia, Philippines, Malaysia and Thailand, the share of those who said it was important/somewhat important that their leader should have strong religious beliefs, even if those are different from their own, was much higher than the share in the west. Moreover, the share of those who said that their leader should have beliefs that are the same as their own was even higher. So, not only do Asians in countries that are relatively weaker economically want their leader to have religious beliefs, but a higher share of them want the leader to share their beliefs, which is in contrast to western nations.

When asked whether their leader should stand up for people with their religious beliefs (Chart 3), the share of respondents who said it was important/somewhat important increased in western countries. About 64% of respondents in the U.S. said they want their leader to stand up for people who share their religious beliefs and 50% said the same in Singapore. The only outliers were France, Japan and South Korea, where less than 30% each shared similar views.

PEW also asked people who were not affiliated with any religion whether they want their leader to have religious beliefs that are the same as their own (Chart 4). Understandably, very few of them said that it was a "very/somewhat important" criteria. As the sample of such respondents in India was too low, they were not plotted.

PEW conducted the survey in India face-to-face among 3,559 people, across most States, except some in the Northeast and in some Union Territories.

The importance of religious beliefs

The data for the charts were sourced from the PEW Research Centre



Chart 1: The share of adults who said it is important for their country's leader to have strong religious beliefs, even if they are different from their own

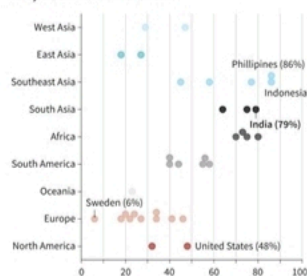


Chart 2: The share of adults who said it is important that their country's leader shares their religious beliefs



Chart 3: The share of adults who said it is important for a leader to stand up for those with their beliefs

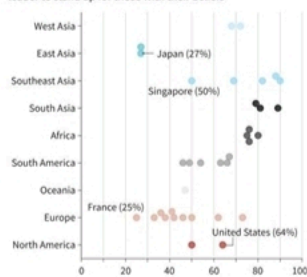
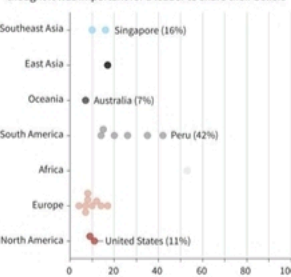


Chart 4: The share of religiously unaffiliated adults who thought it was important for a leader to share their beliefs



FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO SEPTEMBER 4, 1974

Khosla panel findings on Netaji's death

New Delhi, Sept. 2: Netaji Subhas Chandra Bose sustained third degree burns in the air crash in Formosa on August 18, 1945, and died the same night, according to the Khosla Commission report presented to Parliament today. The report says Bose was informed on August 12, 1945, that the war was about to end and the Japanese had decided to surrender to the Allied forces. He discussed his future plans with his colleagues. It was decided that Bose should leave Singapore and try to escape to Russia, where he hoped to find asylum. On August 16, Bose left Singapore, accompanied by Col. Habibur Rehman and others and arrived at Bangkok the same day and spent the night there. On the morning of August 17, they left by two planes for Saigon. The planes, in which Bose and his party travelled to Saigon, had to go back, and fresh arrangements had to be made for the next stage of the journey. Bose was informed that only two seats could be given to him in a Japanese bomber. He was very upset because he wanted to carry all the members of his party with him. Habibur Rehman accompanied Bose and the plane arrived at Touraine on the evening of August 17. It left Touraine the next morning reaching Taipei in the afternoon. The plane took off at 2:35 p.m. on August 18, but within a few seconds one of the engines flew out and the plane crashed near the fringe of Taihoku airfield. The body of the plane broke into parts and caught fire. The pilot was killed inside the plane. The rest of the crew and passengers came out but all of them had burn injuries. Bose received very severe injuries. They were carried to the army hospital nearby, where Bose died.

A HUNDRED YEARS AGO SEPTEMBER 4, 1924

Assam tea gardens

The Secretary, Assam Congress Committee, wires under date Jorhat Sept. 1: 429 coolies from the Lakwa Tea Estate in the Sibsagar sub-division arrived at Dhorhat after walking 65 miles on Friday the 29th August to meet the Deputy Commissioner of the district to lay their grievances against the garden authorities who induced them through their recruiters to come to the garden on misapprehension of prospects about 5.5 months ago but were disillusioned in the tea estates.

Text & Context

THE HINDU

NEWS IN NUMBERS

The fine on Clearview AI for creating an "unlawful database"

33.7 in million. The Netherlands' Data Protection Agency (DPA) fined Clearview AI over the creation of an "unlawful" database of billions of faces. **IN**

The number of people killed due to Russian strikes on Ukraine

41 Two Russian ballistic missiles struck an educational facility and a nearby hospital in the Poltava region in central Ukraine, killing at least 41 people and wounding 180 others, the Ukrainian President said. **IN**

The people killed in terror attacks in Pakistan in August

84 The August attacks take the total number of attacks in 2024 to 325, according to Islamabad-based think tank Pak Institute for Peace Studies. These incidents include 29 attacks in Khyber Pakhtunkhwa. **IN**

The Bangladeshis pardoned for protesting in the UAE

57 The convicted were imprisoned for their involvement in protests regarding the current unrest unfolding in Bangladesh. Human Rights Watch declared the convicts as "arbitrarily detained". **IN**

Land under cultivation which got affected by Maharashtra rains

2 in lakh hectares. More than 200 persons were relocated and nearly 90 others rescued after heavy rains inundated several areas in Hingoli district of Maharashtra's Marathwada region. **IN**

COMPILED BY THE HINDU DATA TEAM

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Did corporate tax cuts increase wages?

Tax cuts on profits do have immediate effects on income distribution. A reduction in profit taxes boosts the profits on already invested capital without necessarily increasing future investment, thus benefiting private capital while showing little to no benefits for wage-earners

ECONOMIC NOTES

Rahul Menon

In the years prior to the pandemic, two of the largest economies in the world – the U.S. and India – cut corporate tax rates in an attempt to stimulate growth. While the pandemic caused an unprecedented shock to the economy, enough time has passed for us to evaluate the effects of these tax cuts.

The effects of tax cuts in the U.S. The Tax Cuts and Jobs Act was signed into law by former President Donald Trump on December 22, 2017, and went into effect from January 1, 2018.

While the act affected personal and corporate taxes, one of the most significant provisions was the reduction of the top tax rate on corporate income from 35 to 21%. Proponents of the measure held that the move would ensure that companies invest more, leading to an increase in growth and employment. The new investment would also cause an upgradation in technology and productivity, leading to an increase in wages as well.

In a recent publication titled 'Lessons from the Biggest Business Tax Cut in U.S. History' (published in the Summer 2024 edition of the *Journal of Economic Perspectives*), economists Gabriel Chodorow-Reich, Owen Zidar and Eric Zwick examine the effects of the tax cut. They find that the cuts did have a positive impact on investment, with a range of studies estimating an increase in investment of around 8 to 14%. Furthermore, studies suggest that based on investment trends, there would likely have been a fall in investment if the tax cuts were not passed.

This is not to say that the tax cuts were an unambiguously positive outcome. This is a relatively small increase in investment, implying a long-run increase in GDP of only 0.9%, and an increase in annual wages of less than \$1,000 per

Fig 1: The share of different tax sources

According to the budget estimates of 2024-25, the share of corporate taxes has fallen to 26.5%, below that of GST (27.65%) and income taxes (30.91%)



worker. This is in stark contrast to the claims of an increase in wages of around \$4,000 to \$9,000 dollars advanced by the Council of Economic Advisors in favour of the move. Furthermore, the reduction in tax rates imply a long-run reduction in tax revenue of almost 41%. The fiscal health of the U.S. economy has been impaired at the cost of higher profits and a marginal increase in wages.

On tax cuts in India

Tax rates for corporates were cut in September 2019 in India, with the rate for existing companies reducing from 30 to 22%, and that of new companies from 25 to 15%. This resulted in a tax revenue loss of around 1 lakh crore in 2020-21. This tax cut could nevertheless prove to be of net benefit to the economy if it resulted in an increase in employment and investment.

The pandemic led to severe dislocations in the labour market, leading to high unemployment. Unemployment has reduced since then, with labour force

participation rates rising, particularly that of women. However, the corporate sector has had little to do with this increase. Much of the increase in employment has come in the form of insecure work, with unpaid family work showing significant increases in the rural sector. According to the PLFS, the share of workers with regular wage employment at the all-India level has fallen from 22.8% in 2017-18 to 20.9% in 2022-23. Furthermore, when comparing the periods July-September 2017 and July-September 2022, the average nominal monthly earnings of rural and urban regular wage workers displays a CAGR (compounded annual growth rate) of 4.53% and 5.75% respectively, which is barely above the rate of inflation. In real terms, rural wages for regular employment have reduced, with relative stagnation for urban wages.

This is not to say that there has been no growth; corporate tax collections have shown healthy growth since the pandemic. However, it has had little to no

effect on employment or wages. Tech companies in India have recently made the news for laying off workers, rather than expanding hiring.

Furthermore, tax cuts have led to a shifting of the burden of tax collections from corporates to individuals.

Figure 1 shows the share of three major sources of taxes – corporate taxes, income taxes and GST – in gross tax revenues of the Centre. In 2017-18, corporate taxes were almost 32% of gross tax revenues. It has fallen since then while the share of income taxes rose. According to the budget estimates of 2024-25, the share of corporate taxes has fallen to 26.5%, below that of GST (27.65%) and income taxes (30.91%).

This may explain the move of the Centre to remove indexation benefits and tax long term capital gains, as it tries to find new sources of revenue to offset the falling share of corporate taxes.

What next?

Tax cuts would not necessarily boost investment if capital believes that the prospect of future profits are uncertain. In an economy recovering from the pandemic and from supply-related disruptions, tax cuts have exercised only marginal effects on private investment.

Tax cuts on profits do have immediate effects on income distribution. A reduction in profit taxes boosts the profits on already invested capital without increasing future investment, thus benefiting private capital while showing little to no benefits for wage-earners (who would gain only if investment raised employment, productivity and wages sufficiently).

Chodorow-Reich et al make the point that a suitable policy strategy would be to have high taxes on existing profits and increased incentives promoting future investment. These tax cuts have shown the difficulty of policy-making in an uncertain world.

Rahul Menon is Associate Professor in the Jindal School of Government and Public Policy at O.P. Jindal Global University.

THE GIST

The Tax Cuts and Jobs Act was signed into law by President Donald Trump on December 22, 2017, and went into effect from January 1, 2018. One of the most significant provisions was the reduction of the top tax rate on corporate income from 35 to 21%.

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Furthermore, tax cuts have led to a shifting of the burden of tax collections from corporates to individuals.

Why is Google accused of being an illegal monopoly?

Why did the U.S. Department of Justice accuse Google of having an unfair advantage?

Prashanth Perumal

The story so far:

Google, the leading American technology company best known for its popular search engine, has lost a Court case filed against it by the U.S. Department of Justice in 2020 accusing the company of being an illegal monopoly. A U.S. District Judge ruled earlier this month that the company indeed misused its dominant position in the market to block competitors from freely offering their services in the market.

Why was Google accused?

Google comes set up as the default search engine in most new phones, laptops and other electronic devices in the market. The company even pays billions of dollars each year, as a share from its advertisement revenues, to device manufacturers such as Apple, Samsung etc. to be featured as the default search engine in their devices. In fact, Google

paid as much as \$20 billion in 2022 to Apple to be featured as the default search on Safari, Apple's default browser. Google has also paid web browser providers such as Mozilla to be featured as the default search engine in their browsers. This practice is advantageous to Google and unfair towards other search engine providers as users could end up sticking to the default search engine in their new devices rather than make the effort required to try out better search engines.

Is Google really a monopoly?

The sheer size of Google, which is the leading search engine in the world with a market share of over 90%, has led many to argue that the company is a monopoly that abuses its dominant market power. Such a dominant position, it is believed, allows Google to dictate terms when it deals with people who want to do business with it or even use its services. Some also note that a big technology company like Google would have far more influence on regulators and the law in

general than smaller companies.

Others, including interestingly the judge who ruled against Google in this case, however, have argued that a large market share alone does not make a company a harmful or illegal monopoly. They note that even though it may be very hard to compete against a behemoth like Google due to certain advantages the company naturally enjoys as the market leader, the fact remains that there are still no legal barriers against entry into the market of competitors who want to compete against Google by offering a better product. Further, there is also no guarantee that Google's absolute dominance of the search engine market will last forever. Microsoft's significant dominance of the search engine market came to an end with the advent of Google. The same thing could happen to Google if a competitor offers a better product, they argue. It is also believed that the threat of entry of competitors with better products will keep Google on its toes and limit the extent to which the company can abuse

its market power.

Supporters of Google also note that there is nothing wrong with Google sharing ad revenues with device manufacturers such as Apple and Samsung. In their view, the practice of paying to be featured as the default search engine is no different from a company buying key real estate space to gain better visibility. Further, Google's competitors are also free to pay for such privileges. Finally, Google itself has argued that its position as the market leader is not simply due to its ability to pay to be the default search engine but rather due to the superiority of its service.

What lies ahead?

Court proceedings on action against Google are expected to begin next month. The Court could order Google to stop sharing ad revenues with companies like Apple to be featured as the default search engine on their devices. It may also mandate that users should be given the choice to pick the default search engine in their browsers. Another possible action by the Court could be to force Google to share information that it holds about user searches, which is believed to be a major reason for Google's superior performance, helping competitors catch up. And while the chances are remote, the Court may also order that Google be broken up into multiple companies so that there is no single dominant player in the market. Finally, Google may decide to appeal against the Court's order.

THE GIST

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KEYWORD



GETTY IMAGES

The harm principle: how John Mill's theory defines the extent of liberty

John Mill states that liberties can be restricted only when our actions cause harm. If any act that you do injures another person, you can be punished for it. But that brings us back to the fundamental question: what really constitutes harm?

Radhika Santhanam

A few days ago, a minor girl was gang-raped in the Dhing area of Nagaon district, Assam, allegedly by three Muslim men. As anger over the horrific incident and against the community escalated, Chief Minister Himanta Biswa Sarma, who has called Muslims a "communal organisation" in the past, said he would not allow "Myia Muslims" to "take over all of Assam" ("Myia Muslim" is a derogatory term used against the minority Bengali Muslim community). Mr. Sarma has made such remarks in the past, which have been slammed by the Opposition and termed by some people as hate speech.

The objection to Mr. Sarma's statements is twofold. First, he is a Chief Minister who took an oath saying he will bear true faith and allegiance to India's secular Constitution. Second, by making such remarks, he is denigrating an entire community and furthering an already deeply rooted bias against them, in a State which has suffered ethnic violence.

Some may argue that Mr. Sarma is exercising his right to free speech. While free speech is a fundamental right, the Constitution allows for certain "reasonable restrictions" to it. Others may argue that this is hate speech. There are many provisions in Indian law that criminalise offences characterised as hate speech. However, hate speech is not defined in the Indian legal framework.

The harm principle

In order to understand free speech and the extent to which it can be restricted or controlled either by society or government, it is worth revisiting the 19th century philosopher John Stuart Mill's seminal work, *On Liberty*. Mill's work is the bedrock of what we refer to today as libertarianism. Mill believed that true societal happiness (utilitarianism) can be achieved only when people are free to exercise their choices. He urged for

minimal state intervention in the exercise of liberties, arguing that "the only power that can be rightfully exercised over any member of a civilised community, against his will, is to prevent harm to others". This is called the 'harm principle'.

His point was seemingly simple and straightforward: if any act that you do physically injures another person, you can be punished for it. For example, if you walk around with a cane, you do not hurt anyone, but if you slam that cane against a person's head, that constitutes harm or assault, which can call for state intervention. To put it theoretically, Mill separated our actions into two categories: 'self-regarding actions' and 'other-regarding actions'. Self-regarding actions affect only the individual and not others, while other-regarding actions affect others or society.

However, this distinction is not always clear. We can argue that all our actions affect the people around us or society at large. For instance, if a person develops a drinking problem, he may not be harming anyone else, but his excessive drinking may be causing immense stress to his family and he could be turning emotionally and physically abusive.

Mill believed that the state or society do not have any justification in restricting self-regarding actions. However, the state or society can control other-regarding actions. While society can control actions which may hurt others but do not violate any legal rights (by, say, ostracising an individual), the state can control other-regarding actions when there is a violation of legal rights (by imposing a punishment). In *Navtej Singh Johar vs. Union of India*, the Supreme Court of India buttressed its conclusion that the state cannot criminalise homosexuality by recalling Mill's theory.

Freedom of speech and expression

In short, Mill said liberties can be restricted only when our actions cause harm. But that brings us back to the

question: what really constitutes harm? We could define harm as an act that makes a person worse off because of another person's actions. But this is still tricky terrain. If a family or a doctor decides that a terminally ill patient, who has been bedridden for 40 years, is better off dead, will their decision constitute a harm or will it help the patient by putting an end to her suffering and indignity?

Is harm also only physical? Nowadays, we have many debates on the harms caused by disinformation and misinformation. Mill, being a libertarian, believed that there must be complete freedom of thought and expression. He argued, "If all mankind minus one were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had power, would be justified in silencing mankind..."

"The peculiar evil of silencing the expression of an opinion is that it is robbing the human race; posterity as well as the existing generation; those who dissent from the opinion, still more than those who hold it. If the opinion is right, they are deprived of the opportunity of exchanging error for truth; if wrong, they lose, what is almost as great a benefit, the clearer perception and livelier impression of truth, produced by its collision with error." Here, Mill essentially says that if we disregard an opinion as false, we will not have any challenge to our views and we may even be wrong (he cites the example of Socrates). False beliefs provide us with the opportunity to constantly defend our beliefs, making sure that they remain a living truth rather than dead dogma. It is only when our beliefs are constantly challenged that they are strengthened. If we disregard an opinion which is actually true, then we would be deprived of knowing the truth and correcting our false views. Therefore, all opinions must be allowed to flourish.

However, Mill does acknowledge that freedom of expression could be limited

under some cases. He cites an example:

"An opinion that corn-dealers are starvers of the poor, or that private property is robbery, ought to be unmolested when simply circulated through the press, but may justly incur punishment when delivered orally to an excited mob assembled before the house of a corn-dealer, or when handed about among the same mob in the form of a placard... The liberty of the individual must be thus far limited; he must not make himself a nuisance to other people."

This seems logical when the potential harm is apparent. But what happens when Bengali Muslims are referred to as 'Myia Muslims' and consistently dehumanised with the potential harm not immediately clear? According to Mill's theory, it could always be argued that it is not right to completely ban it since we could be deprived of that shade of opinion. At the same time, allowing hate speech could psychologically harm a group and could even incite other groups to violence. In Rwanda, for instance, the radio station RTLM, which had allied with leaders of the government, had been inciting the ethnic majority called Hutus against the Tutsi minority, by repeatedly describing them as inyenzi ("cockroaches") and as inzoka ("snakes"). The constant hate-mongering over time culminated in a genocide.

What happens when state actors themselves promote speech that could cause harm and agencies that are meant to keep them in check fail to do so?

Mill's case for free speech is not built on a foundation of universal rights. Rather, it is based on the belief that free discussions will correct our errors and benefit humanity in the long term. Such unhindered discussions, as we know, are often threatened by both societal and state power.

While Mill's vision of a liberal-minded world is not what we see today, his 'harm principle' continues to be discussed and impacts law even today.



FROM THE ARCHIVES

Know your English

K. Subrahmanian

"I'll never talk to that couch potato again! What does he mean..."
"Hey, keep your shirt on, will you?"
"What do you mean 'Keep your shirt on'? Can't you see that it is on?"
"As I said before, keep your shirt on."
"If you say that one more time..."
"You'll what? Do you know what 'Keep your shirt on' means?"
"No."

"If you don't know, then say so. There's no point in getting angry."
"Sorry."

"Never mind. 'Keep your shirt on' is another way of telling someone to stay calm, not to get worked up."

"In other words, you're asking me to stay cool."
"Exactly."

"But what's the connection? How can a person be calm by keeping his shirt on?"
"Tell me, what do men do when they become really angry with another?"

"They have a big argument. And if things get out of hand, they might even come to blows."
"Yes, they come to blows. They have a fist fight. But before fighting, they normally remove their shirts, don't they?"
"Not anymore."

"Well, in the good old days, they used to take off their shirts and fight."
"So when someone took off his shirt, it meant he was angry and ready to fight."
"Right. So when you tell someone to keep his shirt on, you are requesting him to stay calm, there is no need to fight."

"One of these days, I'm going to tell my grandfather to keep his shirt on! We had an argument..."
"Really? About what?"
"About some programme on TV. You see we were watching the 7 o'clock programme last night and he asked me who I thought was the best looking girl in it. When I said it was Bina, he told me I was nuts."

"Your grandfather is right."
"What?"
"Bina isn't telegenic."
"Telegenic? What does it mean?"
"What does photogenic mean?"
"Someone who looks good in photos."
"Exactly. And a person who appears good on television is said to be telegenic."
"You sound like my grandfather."

Anyway, after talking about Bina, he went on to talk about some very old actress. After five minutes, he ended the lecture by saying "that is the naked truth!"
"What was he talking about?"
"I don't know. But tell me, why do people say 'the naked truth'?"

"Naked truth" means 'plain or undisguised truth'. There's an interesting story behind this expression."
"A story! Please tell me."
"Two Goddesses, the Goddess of Truth and the Goddess of Falsehood, used to bathe in a stream. Falsehood finished bathing first. When she came out, instead of wearing her own clothes, she deliberately put on Truth's clothes. When Truth came out, she found her clothes missing. She did not want to wear Falsehood's clothes; so she walked around naked and everyone saw 'the naked Truth'."

Published in *The Hindu* on March 30, 1993.

THE DAILY QUIZ

The release of Kangana Ranaut's film 'Emergency' has been mired in controversy. Here is a quiz on other biographical political drama films in India

Sindhu Nagaraj

QUESTION 1

What is the movie *Emergency* about? Kangana Ranaut will play the role of which politician?

QUESTION 2

This 2019 Hindi-language political film is based on the 2014 book by Sanjaya Baru. It stars Anupam Kher in the lead role. Name the film. Who was it based on?

QUESTION 3

This Marathi-language biopic based on Nitin Gadkari was released in 2023. Who played the role of Gadkari? Name the film.

QUESTION 4

Main Atal Hoon is a 2024

biographical film on former Prime Minister Atal Bihari Vajpayee. Name the actor who essayed the role of Vajpayee.

QUESTION 5

This 1993 biographical drama film was written by noted playwright Vijay Tendulkar. Parash Rawal portrayed the role of the main freedom fighter and politician on whom the film is based. Name the politician.

QUESTION 6

This 1997 Tamil-language epic political drama, directed by Mani Ratnam, stars an ensemble cast including Mohanlal, Prakash Raj and Aishwarya Rai in lead roles, portraying the roles of some of the most well-known politicians from Tamil Nadu. Name the movie.



Visual question:

Identify this film from the poster. The film is based on which noted politician?

Questions and Answers to the previous day's daily quiz: 1. The 'B' in Zyklon B was the first letter of the German name for the substance. This was the substance in English. **Ans: Prussic acid**
2. This country in 1916 used Zyklon B during World War I. **Ans: France**
3. At the Nazi concentration camp in Majdanek, Poland, Zyklon B served this purpose in barrack 42. **Ans: Disinfecting clothing**
4. In 1946, these men became the only two businessmen to be executed for Nazi war crimes in Western Europe. **Ans: Bruno Tesch and Karl Weinbacher**
5. The primary constituent of Zyklon B is deadly because it inhibits the action of this enzyme. **Ans: Cytochrome c oxidase**
Visual: Identify this man. **Ans: Harry S. Truman**
Early Birds: Pranab Biswas| Bharath Viswanathan| Arvind Tillyaw

Word of the day

Foray:

a sudden short attack; an initial attempt; steal goods; take as spoils; enter enemy territory

Synonyms:

strip, ransack, rifle, plunder, pillage, loot, raid, maraud

Usage:

it was her first foray into politics.

Pronunciation:

bit.ly/foraypro

International Phonetic Alphabet:

/ˈfɒr.ɪ/

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Harnessing biotechnology for economic development



AMITABH SINHA

THE CENTRE unveiled its BioE3 (Biotechnology for Economy, Environment, and Employment) policy last week. On the face of it, the policy appears to be a routine attempt to create incentives and opportunities to energise growth in the biotech sector. But it is, in fact, about transforming existing industrial and manufacturing processes across various sectors to make them more sustainable and environment-friendly, and less wasteful.

The policy seeks to achieve this by harnessing the power of biotechnology, and developing new manufacturing methods that replicate, or mimic, processes found in natural biological systems. Government officials are calling it the first step towards the industrialisation of biology, which can have pro-

found impacts on the economy.

What are biotech's potential benefits?

Biotechnology, the science of manipulating biological organisms and processes to develop desired products or applications, is a vast and diverse field. It includes areas such as genomics, genetic engineering, synthetic biology, bioinformatics, gene therapy, etc. Knowledge in these areas has been used to find cures for genetic disorders or develop new varieties of plants that, for example, have special desirable traits. So far, biotechnology-based solutions have been applied largely in the fields of medical science and agriculture.

However, recent breakthroughs in gene editing technologies, protein synthesis, or the ability to grow specific enzymes using genetically modified microorganisms, coupled with increased data processing capabilities and the use of artificial intelligence, have opened up new possibilities for biotechnology.

Traditional products such as synthetic clothes, plastics, meat or milk, and fuel can be more environment-friendly alternatives, produced using modern biology. Similarly, several chemical processes in the industry can be replaced by organic and less

polluting biological processes.

For example, animal-free milk, which is the same in taste, texture, and nutritional benefits as natural milk, can be produced using a process called precision fermentation. There are benefits in terms of lower carbon footprint, greater access, higher nutritional value, and increased supply.

Chemically produced traditional plastics, which are a major environmental hazard, can be substituted by a range of bioplastics such as polylactic acid that are biodegradable. These bioplastics are made from renewable and recyclable biological materials like corn starch or sugarcane, and not from hydrocarbons that are the source for traditional plastics.

Micro-organisms such as some kinds of bacteria and algae can also be used for capturing carbon dioxide from the atmosphere, a critical bioprocess in times of climate change. Different versions of existing carbon capture and storage technologies, based on chemical processes, have remained unviable for many reasons, including high costs and the fact that they involve burying the captured CO2 in geological for-

mations below the Earth for an indefinite period. Biological processes involving micro-organisms break down CO2 into other useful compounds, including biofuels, thus negating the need for storage.

In the field of synthetic biology, novel organisms with specific characteristics or biochemicals like proteins and enzymes can be designed from scratch to perform desired functions. Using a process called organogenesis or organ engineering, organs can be grown in laboratories. This can eliminate the dependence on donors for organ transplants.

The potential of biotechnology is just beginning to unfold. While some alternatives like animal-free milk are already commercially available in a few markets, most of the technologies are still under development. They may be facing scalability, financial or regulatory hurdles as of now.

How can BioE3 policy benefit India?

In a few years, these technologies are expected to transform the economy and existing processes.

Bio-manufacturing — the use of biological

organisms or processes in industrial production of goods and materials — alone is expected to have an economic impact worth \$2-4 trillion over the next decade, according to government estimates. Bio-manufacturing is just one part of the greater integration and reliance on biology in economic processes.

The BioE3 policy is thus an attempt to prepare India for the future. The policy is unlikely to yield any economic dividend in the near term. But the idea is to build competencies, promote research, educate and train young talent, and get involved in the process of technology development so that India can be well-placed to derive benefits when the technologies become mature.

In this regard, the BioE3 policy is similar to several other recent government initiatives in the science and technology sector. The Artificial Intelligence Mission, the Quantum Mission, and the Green Hydrogen Mission are attempts to enable India to develop and harness futuristic technologies that are expected to soon become the backbone of the global economy, and help solve critical issues like climate change and energy security.

The BioE3 policy envisages the setting up of several bio-manufacturing hubs across

India. At these hubs, industry partners and start-ups can establish facilities for producing specialised chemicals, smart proteins, enzymes, functional foods, and other bio-products and services.

The hubs will focus on six areas — bio-based chemicals and enzymes, functional foods and smart proteins, precision biotherapeutics, climate resilient agriculture, carbon capture and utilisation, and futuristic marine and space research.

The last is aimed at developing products such as life support systems for astronauts that recycle waste in space and produce oxygen and food. This is done by growing special plants or micro-organisms like algae in space habitats.

Research on marine ecosystems could result in the bio-manufacturing of novel compounds and enzymes produced by marine organisms. They can have useful applications in areas such as pharmaceuticals or cosmetics.

The BioE3 policy is being piloted by the Department of Biotechnology but its impact is so widespread that at least 15 different government departments, or more, need to collaborate for successful implementation.

EXPLAINED GLOBAL

FOUR MAJOR U.S. CLIMATE POLICIES TRUMP WOULD REVERSE IF ELECTED

EXPRESS NEWS SERVICE

NEW DELHI, SEPTEMBER 3

IF DONALD Trump wins the upcoming US presidential elections, he would rescind many of President Joe Biden's clean energy rules and speed approvals of power plants, the Republican's presidential campaign said last week.

Speaking to the reporters in a call organised by the campaign, David Bernhardt, Trump's former Interior Department secretary, said the former president "will immediately stop all Biden-Harris policies that distort energy markets, limit consumer choice and drive up the costs on consumers on day one".

What are some of the key climate policies that Trump plans to reverse during his second term?

Power plant rule

In April this year, the US Environmental Protection Agency finalised regulations that would force coal plants and new natural gas-fired generators to either deploy technology to capture virtually all their emissions in the coming decade, or shut them down.

The Biden administration estimates that the rules would cut 88% of the carbon dioxide emissions from power plants between now and 2047.

Bernhardt told reporters that as president, Donald Trump would overturn the rules and "put coal country back to work so that all Americans have access to affordable energy".

He also said Trump would implement rapid approvals for energy projects and "the construction of hundreds of new power plants".

Automobile emissions rule

Transportation accounted for the largest portion (28%) of total US greenhouse gas (GHG) emissions in 2022, with

cars and trucks making up the bulk of emissions. In March, President Biden imposed limits on pollution from automobile tailpipes, pushing car automakers to expand the production of electric and hybrid vehicles.

The final regulations were a watered-down version of the original proposal. However, Trump said they would lead to a "blood bath" in the US economy, "kill" the auto industry, and trigger an "assassination" of jobs, according to a report by The New York Times. He has vowed to reverse them if elected to a second term in the White House.

Inflation Reduction Act

Enacted in 2022, the Biden administration's Inflation Reduction Act (IRA) is the largest investment in reducing carbon pollution in US history. It contains more than \$340 billion in tax credits to help the US move towards clean energy such as solar and wind. For instance, the IRA offers incentives to companies to make electric vehicles.

Trump has repeatedly said he would repeal EV subsidies, calling them "one of the dumbest" decisions he has heard. It remains unclear which other provisions Trump might try to scrap. Any changes to the Act would require the approval of the US Congress.

Paris Agreement

During his first term, Trump withdrew the US from the Paris Agreement, a 2015 treaty in which signatories agreed to cut greenhouse gas emissions to keep global warming within relatively safe limits. He argued that the deal was unnecessary and put the US at a competitive disadvantage to China.

Biden returned the US to the Paris Agreement on his first day in office.

Trump's campaign has said he would again withdraw the country if elected.

(With inputs from Reuters)

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JAY MAZOOMDAAR

NEW DELHI, SEPTEMBER 3

SINCE MARCH, seven deaths in Uttar Pradesh's Bahraich district have been blamed on attacks by wolves. At least two other deaths are under investigation for suspected involvement of wolf packs.

Local health officials have claimed wolves have injured as many as 34 people during this period. The administration, led by the state forest department, has one by one captured four wolves. A combing operation for at least two other animals that are believed to be active in the area is currently ongoing.

In mythology and literature

In the Mahabharata, Bhishm's ravenous appetite was established as Virikodara (vrik is Sanskrit for wolf and udar, stomach) with reference to a voracious wolf. The English language has figures of speech such as "hungry as a wolf", and "wolfing down (food)".

Western folklore imagines the werewolf and the Big Bad Wolf but equally, the animals are associated with the Greek god Apollo and the Roman god Mars. A she-wolf raised Romulus and Remus, mythical founders of Rome, and in Rudyard Kipling's *Jungle Book*, the Seemee wolf pack led by the noble Akela is the hero while the tiger Shere Khan is the villain.

During the Raj, killers & killed

In the second half of the 19th century, wolves killed as many people as tigers did in India, show records kept by officials of the British Raj. Captain B Rogers of the erstwhile Bengal Army recorded that wolves and tigers killed 4,287 and 4,218 people in lower Bengal alone in 1866.

A decade later, Surgeon General Joseph Fayer recorded that tigers killed 828 people and wolves 1,018, primarily in North India, in 1875.

Surprisingly, British records also show that human fatalities due to wolf attacks were rare in Punjab, Rajasthan, Gujarat, and the Deccan plateau, even though the species was abundant in these regions and the loss of livestock to wolves was commonplace.

Nevertheless, government-sponsored bounty hunting killed an estimated 1 lakh wolves, mostly in the North-West Provinces and Awadh (later United Provinces), between 1871 and 1916, the records show.

The resilient Indian wolf survived the onslaught — in parts due to their elusive nature and the absence of any commercial interest in their rather plain hide. And yet, the oldest



A wolf in Rajasthan takes out the liver — the organ that is richest in nutrients — before competitors crowd the kill. (Right) A wolf cub outside its den. Records available since the 1990s show that major killing sprees began in or around March when Indian wolf pups are weaned from milk and the pack must hunt to feed them meat. Photos courtesy: Dharmendra Khandal

wolf lineage in the world has conceded a lot of ground — not more than an estimated 3,000 survive today in low densities in parts of its erstwhile range in India.

Wolves that 'eat people'

All large predators can potentially prey on people, and wolves are no exception. But they do so rarely, and only under exceptional circumstances. Such situations arise almost exclusively when humans compete with predators for natural resources — by converting wild habitats to farmland, cutting forests for timber, or hunting/wild herbivores for bush meat, etc. Experts feel that these factors are likely to be at play behind the current attacks as well. In India, historically, wolf attacks on people have been reported primarily in northern India — in UP, Bihar, Madhya Pradesh, and Bengal — where widespread poverty probably fuelled and sustained such inter-species competition for natural resources.

There are other triggers such as wild predators being incentivised by the ease of hunting humans after an accidental kill — the classical explanation for an old or injured carnivore turning on humans who can't outrun it, claw, or bite back.

Some experts have also suggested the possibility of domesticated and subsequently abandoned wolf-dog hybrids becoming "man-eaters" because they, as pets, lose the fear of people. But that would also make such animals approachable and easier to catch, which is often not the experience of those trying to capture wolves following attacks on people.

Lessons from past attacks

In the winter of 1985-86, a pack of four adult wolves killed 17 children in Astha, Madhya Pradesh. While a single wolf was blamed initially, all four — two males and two females — were subsequently killed, and local tribals adopted two cubs.

The killings triggered mass hysteria as many villagers imagined the killer as an incarnation of the devil. Former civil servant Ajay Singh Yadav's *Man Eating Wolves of Astha* (2000) documented this episode.

According to researcher K S Rajpurohit's paper *Child Lifting: Wolves in Hazaribagh* (1999), five wolf packs were blamed for the death of 60 children in the Hazaribagh West, Koderma, and Latehar forest divisions of undivided Bihar between April 1993 and April 1995.

Another 20 children survived wolf attacks that occurred primarily between March and August during those years. The author suggested that the loss of natural prey and rise of wolf-dog hybrids should be studied to take appropriate mitigation measures.

In 1996, researchers Y V Jhala and D K Sharma, both from the Dehradun-based Wildlife Institute of India, studied wolf attacks on 76 children in Pratnagarh, Sultanpur, and Jaunpur in eastern UP. After analysing the time and place of the attacks, animal signs, and feeding patterns, they ruled out the involvement of multiple packs and zeroed in on a single alpha male or his pack.

Jhala and Sharma's 1997 paper also pointed to the loss of wild prey due to hunting, the presence of too many unscared children who were more vulnerable to attacks than well-protected livestock, multiple false claims for compensation, and the fanning of mass hys-

teria to feed the myth of *man-eating* (werewolf).

A major spate of attacks was reported from Balrampur district adjoining Bahraich, where 10 children died in wolf attacks during February-August 2003. Not only did all these attacks occur in the northern Indian landscape of Bihar-UP-MP where hunting wild herbivores for cheap meat is a common practice, most killing sprees began in or around March when Indian wolf cubs are weaned from milk and the pack must hunt to feed them meat.

Clinical approach to problem

Every time serial attacks take place, they create conditions for some to settle personal scores, make false claims for compensation, and fan hysteria about animal attacks. Also, once a wild species is targeted for a few attacks in an area, attacks by other wild species in the vicinity are often blamed on it.

DNA testing of saliva samples collected from wounds of victims can conclusively determine the species involved in an attack. Injury patterns (a wolf pack will bite and feed from multiple points), animal tracks around the attack sites, location of feeding (leopards typically prefer sugarcane fields while wolves like open grounds), survey of local dens for cubs etc, can offer vital information.

Whatever the trigger, an animal habituated to attack people has to be removed, experts say. But instead of multiple trial-and-error operations, proper identification and targeted removal with baits can benefit both the wild species and the potential human victims.

In the long run, such attacks will stop only when the wolf is either exterminated or given its fair share of natural space and prey.

OpenAI's Project Strawberry and the promise of AI's next big breakthrough

BIJIN JOSE
NEW DELHI, SEPTEMBER 3

OPENAI, the world's premier artificial intelligence research organisation, will likely release its most powerful AI model this fall (September-November), and could integrate it into ChatGPT-5, the new version of the chatbot and virtual assistant that it launched in late 2022.

The secretive project, on which OpenAI has been working for long, was earlier known as Project Q (Q-star), and is now codenamed Project Strawberry. It is expected to feature autonomous Internet research and dramatically improve AI reasoning capabilities, and has been billed as OpenAI's push to create Artificial General Intelligence — AI with capabilities similar to that of the human brain.

On August 7, OpenAI CEO Sam Altman

posted an image of strawberries growing in two pots to his X account. The tweet was seen as confirmation that OpenAI is working on the new and powerful large language model (LLM).

OpenAI was reported to have demonstrated a version of the new model to national security officials, seemingly a statement of its commitment to transparency at a time when the rapid development of AI has raised serious security concerns among national governments.

A wizard at math

The influential California-based tech industry business publication *The Information* reported on August 26 that Project Strawberry would be better at math and programming than any existing chatbot, quoting "two people who have been involved in the effort".

Integration with ChatGPT will make the



An illustration of a high-tech AI lab, where a big strawberry is being analysed by advanced AI systems. DALL·E text-to-image model created by OpenAI

latter the most powerful AI chatbot there is, the report said. ChatGPT has sometimes struggled with math, and experts think the

errors could be due to the absence of adequate mathematical information in the training data.

The *Information* report said that a demo by Project Strawberry staff had shown that the new AI model is capable of advanced levels of thinking, which allowed it to solve puzzles, including *The New York Times* 'Connections', a particularly difficult word puzzle.

Need for training

The *Information* said that Project Strawberry aims to raise more capital, which OpenAI needs for its next-frontier model, codenamed Orion.

The generation of high-quality training data for Orion is believed to be one of Project Strawberry's key applications. This is significant because most of the training data on the Internet has already been used, and there is now a dearth of information that is outside paywalls and authentication, and

is free to access for the purpose of training AI models. Indeed, OpenAI has been of late making deals with publications to use their content for training.

Project Orion, which is being designed to outperform GPT-4, could use a combination of Project Strawberry and high-quality synthetic data that would likely reduce errors and hallucinations compared to its predecessors and other AI models.

Creating synthetic data

Altman has said that in order to try out different ways to train AI models, OpenAI has been testing how to generate large amounts of synthetic data. Generative AI models create synthetic data based on real-world data samples. The algorithms learn patterns, correlations, and statistical properties of the sample data; after it is trained, the model can produce statistically identical synthetic data.

The large datasets that AI models rely on could be prone to biases and errors, or could

have incomplete or inaccurate information — high-quality synthetic data produced by Project Strawberry can fill gaps in real-world data sets and provide a more wholesome, inclusive, and balanced training set.

Many believe that the use of synthetic data can help make future AI models more neutral and fair, and reduce noise and irrelevant information — thereby improving both the efficiency of training and the accuracy of the model.

Big Strawberry leap

Based on what is known, Project Strawberry's improved reasoning, logic, and the ability to plan and carry out research, could allow the model to autonomously conduct experiments, analyse data, and come up with new hypotheses. This could potentially lead to scientific breakthroughs, including the discovery of new drugs. The models could also offer personalised education, creating educational content and interactive lessons.

SCIENCE

Could earthquakes explain why gold nuggets are found in quartz veins?

Researchers have been wondering why most gold nuggets mined in human history were found in orogenic quartz veins. A new study says the quartz itself may be the key, especially the fact that it is the most common piezoelectric mineral on the planet, with some help from seismic waves

Vasudevan Mukunth

Sometimes a scientific study comes along that reminds us not all the natural mysteries of this world demand highly specialised knowledge or million-dollar experiments to solve. Instead, they reveal something new by using ideas we were familiar with by high school. Doing this science in this day and age is still limited by access to specific instruments and locations and of course time. Not everyone can do it – but that shouldn't stop us from being wowed by it.

One such study was published in *Nature Geoscience* on September 2, offering to explain why gold nuggets accumulate in quartz veins found in mountainous areas – a mystery for which scientists currently lack a single, convincing explanation.

It opens thus: "Ore deposits represent natural enrichments of elements compared with their normal distribution in Earth's crust. Gold deposits stand out by having the highest degree of enrichment, by factors of 1,000 to 10,000 required to make economic deposits ... compared with base metals, such as copper, that require ~200x enrichment. Gold nuggets represent the most extreme examples of this gold enrichment. Most nuggets originate from the quartz veins formed in orogenic gold systems found around the world. These systems have had exceptional economic importance throughout human history, representing up to 75% of all gold ever mined."

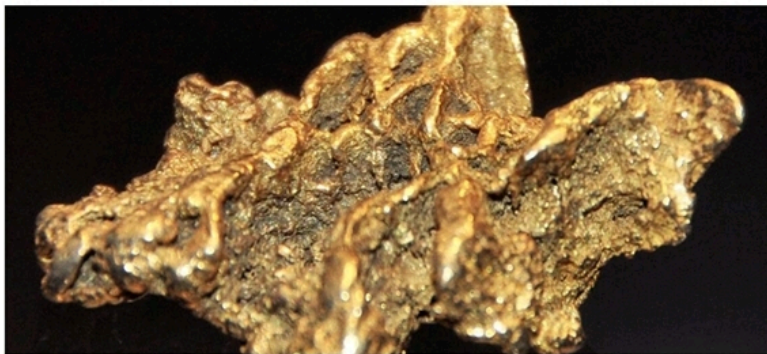
("Orogenic" means a large-scale geological process that creates mountains, such as the interaction of the Indian tectonic plate with the Eurasian plate to create the Himalaya.)

Nuggets in quartz veins

For the study, the researchers – all from research institutes in Australia – were curious why most gold nuggets mined in human history were found in orogenic quartz veins.

Scientists know gold isn't very soluble in fluids. If gold deposits form when the metal condenses out of water in certain locations, we'd need 10 million litres of water just to have 10 kg of gold. So this theory doesn't present the full picture. Another idea scientists have had is that water could contain more dissolved gold if the gold is present as nanoparticles, but yet others have said there's no way to explain why a very large quantity of nanoparticles would get out of water at the specific places where miners have found nuggets.

Even others have wondered whether the orogenic nugget veins could be



A nugget of gold on public display at the Carnegie Museum of Natural History, in Pittsburgh, U.S., on November 17, 2012. JAMES ST. JOHN

formed the same way epithermal vein deposits – which occur up to 1.5 km underground – are formed: when hot, mineral-rich fluids cool, depositing gold, silver, copper, and/or some other metals on the rocks around them. There's a problem here, too, per the paper: "This mechanism leaves a clear textural and geochemical signature that cannot be applied to most orogenic deposits."

Where are the large nuggets coming from, then?

It seems the quartz itself might be the answer. Quartz is a piezoelectric crystal: when it is squeezed or its shape is mechanically distorted in some way, it develops a voltage. The electric field created distorts the electronic properties of the crystal such that charged particles – like electrons – flow from the crystal to an aqueous solution on its surface or vice versa. And if the quartz crystal is continuously distorted back and forth, these charged particles can also keep flowing back and forth.

"This exchange is referred to as piezocatalysis and can drive electrochemical reactions at the material-solution interface," the paper read.

Squeezing the reaction out

The researchers cut and prepared six slabs of quartz, placed them inside fluids containing small amounts of dissolved gold, and switched on a linear actuator that strained the slabs at a frequency of 20 Hz. (Small earthquakes produce seismic waves in the 5-60 Hz range.) They also prepared six other slabs the same way but didn't strain them; they formed a control group against which the team

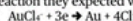


Most nuggets originate from quartz veins formed in orogenic gold systems around the world. These systems have had exceptional economic importance throughout human history, representing up to 75% of all gold ever mined

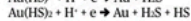
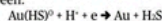
could compare the effects of the strain. The team's goal: to check if piezocatalytic chemical reactions could cause gold to be deposited from the solution to the slabs' surface.

The solution consisted of chloroauric acid dissolved in a water-salt solvent, where the gold is present as the AuCl_4^- anion. According to the researchers, while the "dominant" gold-bearing compounds in orogenic quartz-vein fluids are $\text{Au}(\text{HS})_2^-$ and $\text{Au}(\text{HS})^-$, a reaction that causes AuCl_4^- to gain electrons will also cause the hydrosulphide ions to gain electrons because AuCl_4^- is the keenest of all three gold-bearing compounds to lose electrons.

Et voila! An hour after they turned on the actuator, they spotted several small gold deposits on the quartz slabs and none on the control slabs. The chemical reaction they expected was:



The corresponding reactions with the hydrosulphide compounds would've been:



Thus they had an answer to the question about the origins of orogenic quartz-vein gold nuggets: a seismic wave

released during an earthquake and/or its aftershock squeezes natural quartz crystals, leads to piezocatalytic reactions with gold-bearing solutions nearby, and some gold is deposited on the crystals' surfaces. As this happens thousands and thousands of times, more and more gold finds itself in the quartz veins until, one day, there are large gold nuggets.

Gold leads to more gold

According to the researchers, their idea is held in good stead by two other details. One: Gold is also a very good conductor of electricity, which means if some gold is deposited in some place for the first time, piezocatalysis will cause even more gold to be deposited there in future, which the researchers have written could explain why nuggets are so highly localised. And two, according to the paper:

"Additionally, this provides interpretation for highly interconnected networks of gold along fractures within quartz veins; the fractures are repeatedly reactivated as fluid pathways, and since piezoelectric voltages are coupled with stress, the maximum achievable voltages occur during brittle failure. Since piezoelectric voltages are instantaneous and leave behind no visible tracer, this can rationalise why gold nuggets commonly appear to be 'floating' in quartz veins with no obvious chemical or physical trap."

Take quartz, dip in aqueous solutions of gold, and hit them with earthquakes for millennia. Making big gold deposits is almost like microwaving cup noodles. Kind of. Importantly, understanding how only demanded knowledge of high-school physics and chemistry.

THE GIST

Quartz is a piezoelectric crystal; when it is squeezed or its shape is mechanically distorted in some way, it develops a voltage

An electric field distorts the electronic properties of quartz, causing electrons to flow from the crystal to an aqueous solution on its surface or vice versa

A seismic wave leads to piezocatalytic reactions with gold-bearing solutions, and gold is deposited on the crystals. This process, repeated thousands of times, creates large gold nuggets

BIG SHOT



Gustavo Baila, an oceanographer at the Federal University of Rio Grande, holds a green sea turtle in Guanabara Bay in Rio de Janeiro on August 29. These turtles are regaining their health after struggling for years with a disease that hampered their movement and sight and ultimately led to their deaths. Scientists said the revival comes after authorities cleaned up the water. REUTERS

QUESTION CORNER

Flu spikes when schools reopen

Q Why do people catch colds and flu more often in the winter? Are viruses transmitted more easily in damp air? Is the resistance of the population reduced by the cold and lack of sunlight, or do the viruses simply take advantage of the greater time we spend indoors with each other?

A: There is no one reason why we get more colds and flu in winter. The rhinovirus, which is responsible for up to 40% of colds, cultures better at a temperature of 32 degrees C rather than the normal body temperature of 37 degrees C. However, 32 degrees C is the normal temperature of the lining of the nose, which is good news for the virus.

We do tend to be indoors more often in poorly ventilated areas during the winter and this aids the airborne transmission of the virus. Similarly, ultraviolet rays will kill viruses and this may be another factor as there is obviously much less sunlight in winter.

However, it is believed that one of the biggest factors for the great increase in colds that occurs in early autumn and just after Christmas is the return of students to schools and colleges.

Children and teenagers are far more susceptible to infection as their immune system learns how to combat more infections as they get older and have been exposed to more of the 200



It is believed that one of the biggest factors for the great increase in seasonal cold is the return of students to schools and colleges. FILE PHOTO

or so viruses responsible for the common cold.

Densely packed nurseries, schools, and colleges provide an ideal breeding ground for viruses that then spread out into the community, aided by the cold damp weather.

For feedback and suggestions for 'Science', please write to science@thehindu.co.in with the subject 'Daily page'

India must revive case for Tibet's full autonomy



MAJ GEN ASHOK K MEHTA (RETD)
MILITARY COMMENTATOR

US Special Coordinator for Tibetan Issues White House National Security Council's Kelly Razzouk recently met the Dalai Lama, who was in New York for a knee-replacement surgery. China was quick to condemn the meeting, accusing the Dalai Lama of being "a political exile engaged in anti-China separatist activities under the guise of religion".

While the US's Resolve Tibet Act, 2024, has sought to catalyse talks between the Dalai Lama's envoy and China — which are being held through the backchannel, though denied by Beijing — India is not uttering the "T" word, hoping that a leaders' summit can lead to full disengagement in eastern Ladakh. Indian restraint and patience need to be replaced with building leverage and deterrence.

New Delhi has been unusually vocal about Beijing's attempts to alter the status quo in the West Philippine Sea and Taiwan. Equally, China's coercive

activities in the South China Sea and the Himalayas, along with its 'no limits' support for Russia, have drawn considerable international opprobrium. The time is ripe for New Delhi to revive the case for Tibet's full autonomy as a lever against China to settle the border issue. India has stopped saying that the "Tibet Autonomous Region is a part of China" since 2010. But India needs to strengthen its Tibet stance at home and internationally. It is time to reactivate the All-Party Indian Parliamentary Forum for Tibet to start a discussion on the region and the Dalai Lama's succession issue in Parliament. Restlessness among Tibetan youth in Dharamsala is growing over the succession to the 14th Dalai Lama in view of internal contradictions.

Another matter that warrants action is the confusion over India's border: is it with Tibet or China? While Arunachal Pradesh Chief Minister Pema Khandu has consistently stated that his state shares a border with Tibet, not China, the US Senate recently passed a bipartisan resolution declaring the McMahon Line as the border between China and Arunachal Pradesh. This contradiction can unhinge Tibet's legal stand on sovereignty. Besides, there are other matters that the Dharam-



URGENT: It is time to reactivate the All-Party Indian Parliamentary Forum for Tibet to start a discussion on the region and the Dalai Lama's succession.

sala-based Central Tibetan Administration (CTA) needs to resolve with the office of the Dalai Lama.

The RSS (Rashtriya Swayamsevak Sangh) had been vocal on Tibet, but since it began to get involved in major policy decisions with the BJP's ruling establishment, it has remained silent on the matter. Civil society organisations need to be mobilised to speak out against the gross human rights violations in Tibet and the adverse impact of its Sino-centric policy on the ecology.

India needs to revitalise

China's aggression in eastern Ladakh is a result of the failure of Indian deterrence.

its contact and protocol arrangements with the Dalai Lama. A liaison officer from the Ministry of External Affairs is based in Dharamsala. He should be at least a Joint Secretary-level officer. The East Asia Division handles the subject of Tibet and works with the CTA through the liaison officer and coordinates the movements of the Dalai Lama with his office. A new map of Tibet, the Dalai Lama's succession and other political matters are being discussed. The Foreign Secretary

usually visits Dharamsala at least once a year and seeks an audience with the Dalai Lama, who, in turn, is supposed to come to Delhi periodically to meet the Prime Minister. Of late, there have been no meetings.

Regarding his succession and the selection process, the Dalai Lama wrote a long letter in 1986 to then Prime Minister Rajiv Gandhi. He told his followers in 2011 that he would live to the age of 104 and leave it to his people to decide whether they wanted a new Dalai Lama or abandon the institution, for which a referendum was mooted. He would appoint his successor at an appropriate time.

Earlier this year, the current head (Sikyong) of the CTA, Penpa Tsering, urged China to release the Panchen Lama, who is second only to the Dalai Lama. At the age of six years, Tenzin Phuntsok was anointed the Panchen Lama by the Dalai Lama, according to the tradition of reincarnation. But in 1995, Tenzin and his parents 'disappeared'. The Chinese appointed their own Panchen Lama, Gyaisen Norbu. It is almost certain that the Chinese will appoint their own Dalai Lama once the incumbent achieves nirvana.

It is imperative that the Indian government discuss the succession issue

with the Dalai Lama so that Beijing does not preempt his appointment.

In July 2014, then Sikyong Lobsang Sangay said in New Delhi that during the Simla Convention of 1914, China and British India had accepted that, as per international law, Tibet had the capacity to enter into a treaty. An agreement was signed to demarcate the border (McMahon Line) between Tibet and India, and a sovereign Tibet legally ceded part of its territory to British India. A separate trade pact was signed between India and Tibet. Sangay added that Mao Zedong announced the establishment of the People's Republic of China on October 1, 1949, while Tibet was forcibly incorporated into China after the invasion of October 1950. Michael Waltz, a legal luminary, has established that China exercised suzerainty over Tibet, never sovereignty, till its military occupation.

It is Beijing's insecurity that makes it push other countries to state that Tibet is a part of China. China's aggression in eastern Ladakh is a result of the failure of Indian deterrence. Had India not vacated the Kailash heights or gone on to occupy territory across the Line of Actual Control, the deterrence would have had some balance.

China keeps reunification agenda alive with pressure on Taiwan



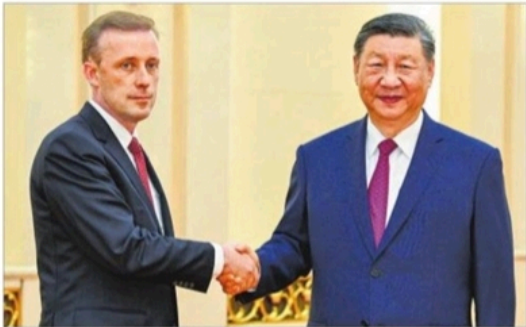
JAYADEVA RANADE
CENTRE FOR CHINA
ANALYSIS AND STRATEGY

CHINA's unwavering pressure on Taiwan in the backdrop of its military preparations has increased ambiguity about its intentions. During US National Security Adviser Jake Sullivan's recent visit to Beijing, Chinese Politburo member and Foreign Minister Wang Yi asserted that "Taiwan belongs to China and that China will be reunified". Reunification with Taiwan is high on Chinese President Xi Jinping's agenda. Coinciding with Sullivan's visit, China also showed an aggressive posturing towards Japan and the Philippines — both countries have signed a key defence pact with the US.

Tension across the Taiwan Strait has been rising after the leader of the Democratic Progressive Party (DPP) Lai Ching-te took over as Taiwan's new President. Since then the Chinese authorities have been mounting military and psychological pressure on Taiwan. Beijing has

issued sternly worded warnings, accompanied by personal threats, to Lai Ching-te against making statements that Beijing perceives as provocative. Tensions were raised further when Xi told the People's Liberation Army (PLA) to be ready to invade Taiwan by the 100th anniversary of its foundation in 2027. Central Intelligence Agency (CIA) Director William Burns had mentioned in February last year that the US knew 'as a matter of intelligence' about Xi's instruction to the PLA.

A few developments have contributed to the increase in tension. The electoral victory of Taiwan's Democratic Progressive Party (DPP) for an unprecedented third time and the election of pro-independence DPP candidate Lai Ching-te as President has set back for the Chinese Communist Party (CCP) and personally for Xi. The DPP victory came despite Xi having strengthened the CCP Central Committee's (CC) United Front Work Department (UFW) in late 2016, by doubling its budget and personnel strength. CCP cadre Song Tao was also brought out of retirement to head the crucial Taiwan Affairs Office (TAO) of the State Council and the CCP's Taiwan Office. According to reports, Song Tao, a close confidant of Xi, has "the deepest knowledge of the DPP" and has had many contacts and commu-



RELENTLESS: US National Security Adviser Jake Sullivan with Chinese President Xi Jinping (R) during his recent visit to Beijing, when Foreign Minister Wang Yi asserted that Taiwan belongs to China.

nications with his Taiwanese counterpart, Chiu Tsai-san.

The UFWD has apparently intensified efforts inside Taiwan. Interactions with Taiwan's main opposition political party, Kuomintang (KMT), have increased with a KMT delegation visiting China almost every week. KMT leader and former Taiwan President Ma Ying-jeou has visited China at least twice and met Xi. China's official *Huaxia Ribao* (Overseas Chinese Daily) almost daily reports Taiwanese officials or politicians' visits to China. Taiwan's armed forces personnel are also being targeted to win them over or get them to defect.

Ever since former US

Whether China can successfully launch a military invasion of Taiwan is debatable. But the US and other nations should not disregard the possibility of a sudden operation.

House Speaker Nancy Pelosi's visit to Taiwan in August 2022, China has maintained military and psychological pressure on Taiwan and kept alive the possibility of using the military to effect the reunification. The PLA Eastern Theatre Command has conducted numerous exercises in the Taiwan Strait and, departing from past practice, has now made crossing the median line almost a routine. They have carried out air and sea exercises around Taiwan and on its eastern coast, prompting observers to assess that the Chinese navy is rehearsing for a blockade. Separately, PLA ground forces and

marines have carried out amphibious landing and para-drop exercises ostensibly in preparation for an invasion of Taiwan.

There are other indications of the Chinese leadership working to a timetable for the reunification, if necessary, by force. In April, for the first time, the Government Work Report presented by Premier Li Qiang to the National People's Congress omitted the word 'peaceful' while referring to the reunification of Taiwan. At the 16th Straits Forum in Xiamen in June, Wang Huning, Politburo Standing Committee member and Chairman of the Chinese People's Political Consultative Conference, which is responsible for Taiwan's reunification with Mainland China, also reiterated this.

Speaking at a seminar in Malaysia on May 8, Zhang Weiwei said that reunification had entered the 'fast track' and is targeted to be completed by 2027. Zhang, a close associate and supporter of Xi and former English Interpreter to Deng Xiaoping and later Premier Li Peng, is a Professor of International Relations at Fudan University and Director of its China Institute. Interestingly, Zhang was in France for lectures around the time of Xi's visit and underscored that the Taiwan issue was high on the CCP's agenda and that reunification would be

effected soon. If Xi has returned from his European tour with the feeling that the US is distracted and Europe is preoccupied with the war in Ukraine, it would strengthen his view that China has a window of opportunity to move against Taiwan with minimal possibility of intervention by the West.

Whether China can successfully launch a military invasion of Taiwan is debatable. Nevertheless, Beijing retains the option of a sudden, swift operation to seize at least one or all three small islands of Penghu, Matsu and Kinmen just off China's coast. Such a limited Chinese action will end before the US or other nations can react and enable Xi to declare he has begun the process of reunification — becoming the first Chinese leader to achieve this. The US will then face the difficult choice of either responding militarily or imposing punitive economic sanctions against China. Enforcing the latter will be difficult as American and European businesses are reluctant to dilute ties with China.

Countries in the region like Japan, Vietnam and India will certainly take a serious note of China's actions and multi-options. It would, nevertheless, be imprudent to disregard the possibility of Xi embarking on such an adventure.

QUICK CROSSWORD

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ACROSS

1 Fail to fulfil obligation (7)

4 Loaves in one baking (5)

7 Grow weary (4)

8 Cray (8)

10 Snobbish (5-5)

12 Breed of small hound (6)

13 Curt (6)

15 Knowing everything (10)

18 Go ahead! (4,4)

19 Feel the loss of (4)

20 Southern US state (5)

21 Uppend in contest (7)

DOWN

1 Crash-land at sea (5)

2 Utterly ludicrous (8)

3 State of lethargy (6)

4 Consecutive (4-2-4)

5 Sort (4)

6 Area of potential trouble (3,4)

9 Assuredly (2,3,5)

11 Certain to succeed (4-4)

12 Advantage (7)

14 Allay hostility of (6)

15 Allay hostility of (6)

16 Pleasing in flavour (5)

17 Decisive point at issue (4)

Yesterday's solution

Across: 1 Showstopper, 9 Immerse, 10 Overt, 11 Turn, 12 Rosemary, 14 Nerves, 16 Clutch, 18 Daffodil, 19 Flop, 22 Carve, 23 Caustic, 24 Rest assured.

Down: 2 Homer, 3 Work, 4 Tremor, 5 Properly, 6 Elegant, 7 Sitting duck, 8 Stay the pace, 13 Redolent, 15 Referee, 17 Circus, 20 Lithe, 21 Guru.

SU DO KU

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YESTERDAY'S SOLUTION

5 8 6 2 7 3 4 1 9

9 1 7 8 5 4 2 3 6

2 4 3 6 1 9 5 8 7

6 9 4 7 3 2 8 5 1

1 5 2 4 9 8 6 7 3

7 3 8 5 6 1 9 4 2

4 7 5 3 2 6 1 9 8

3 6 1 9 8 5 7 2 4

8 2 9 1 4 7 3 6 5

CALENDAR

SEPTEMBER 4, 2024, WEDNESDAY

Shukla Samvats 1946

Bhadrapad Shukla 13

Bhadrapad Purnimashi 20

Hijari 1446

Shukla Paksha Tithi 1, up to 9:47 am

Sadhya Yoga up to 8:03 pm

Uttaraphalgun Nakshatra

Moon enters Cancer sign 9:56 am

FORECAST

SUNSET: WEDNESDAY 18:41 HRS

SUNRISE: THURSDAY 06:02 HRS

CITY

MAX

MIN

Chandigarh

34

26

New Delhi

34

26

Amritsar

35

25

Bathinda

34

26

Jalandhar

35

26

Ludhiana

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Bhivani

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27

Hisar

33

26

Sirsa

34

28

Dharamsala

32

19

Manali

24

17

Shimla

24

15

Srinagar

30

17

Jammu

33

22

Kargil

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The Tribune
ESTABLISHED IN 1881

Brakes on bulldozer

SC should lay down foolproof guidelines

IN recent years, the bulldozer has been all over the place, riding roughshod over laws, rules and procedures — especially in BJP-ruled states. People booked in cases of rioting and violence, particularly those belonging to a certain minority community, have seen their shanties and shops being flattened well before their guilt (or innocence) could be proved. In some cases, action has been taken without giving any notice to the accused. Such rare 'efficiency' of the authorities is nothing but a vengeful ploy to punish the accused and their families. The contentious exercise, which is carried out in full public view, is meant to send out a stern message to the entire community: Stay out of trouble or face the music.

Municipal laws mandate that unauthorised construction or encroachments on public land be razed. But the devil is in the timing and selectivity. Illegal structures come up right under the nose of the administration, which wakes up to the perennial problem mostly when a communal clash takes place. Making a welcome intervention, the Supreme Court has proposed to lay down guidelines to be implemented across the country to ensure that such demolitions stay within the legal ambit. The court has made it clear that even if someone is convicted, his or her house cannot be demolished without following the procedure prescribed by law.

The guidelines must include the provision of strict action against officials who bypass due process in their zealotry to show 'results' to their political masters. Proceedings should also be initiated against politicians who encourage illegal construction or promise to get it legalised in order to woo voters. The removal of encroachments ought to be a year-round activity, not restricted to the election season or confined to a section of the offenders. A pick-and-choose policy will only make the authorities lose credibility and embolden violators from the majority community.

Vigilante justice

The dangerous rise of cow protectors

THE recent killings in Haryana, allegedly at the hands of cow vigilantes, have reignited a critical debate on the dangerous interplay of religious fervour and law enforcement in India. In two incidents within a span of a few days in the state, a student of Class XII, Aryan Mishra, was gunned down and a 26-year-old migrant worker, Sabir Malik, beaten to death by self-appointed protectors of the cow. Aryan was out with friends when they were chased by a group of cow vigilantes, who mistook them for cattle smugglers. The group was relentlessly pursued for 30 km before Aryan was shot dead in Faridabad. In the other tragic loss to senseless violence, Sabir, suspected of eating beef, was lured to a bus stand and then lynched by the vigilantes in Charkhi Dadr.

These incidents are a part of a broader and disturbing trend that has taken root. Cow vigilantism, which ostensibly aims to protect an animal considered sacred in Hinduism, has increasingly become a pretext for extrajudicial violence, mostly targeting a minority community. Efforts have been made to curb it, including arrests and legal proceedings, Supreme Court directives for stricter enforcement and pressure on governments to act. However, inconsistent implementation and the political influence of vigilante groups hinder progress, leaving members of the minority community vulnerable to violence.

The rise of cow vigilante mobs correlates with the growing influence of Hindu hardliners in the past decade. These groups operate with alarming impunity, often sidestepping law enforcement and judicial processes. The fact that several of their leaders have found success in local politics in the past seven years raises troubling questions about the erosion of democratic principles and the protection of minority rights. The government must act decisively to curb this menace before it further destabilises social harmony.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, THURSDAY, SEPTEMBER 4, 1924

Belated response

THE Government has at last made up its mind to say a few words about Judge McCardie's extraordinary summing up in the O'Dwyer-Nair case. And what words they are! In going through them, the first thought that strikes one is, if this is all that the Government of India had to say, why should it have taken so long a time to say it? Why should it, in particular, have refrained from saying it even when it published Lord Olivier's obviously belated despatch? At that time, the public in India was told that the Government's views on the subject would be published soon. What is there in the precious resolution which has now been published in the form of a Gazette of India Extraordinary that required this long and careful drafting, that could not, indeed, have been penned by a clever Under-Secretary within the brief space of a quarter or at most half an hour? Of the three paragraphs which make up this witty despatch — for has not brevity been described as the soul of wit — the first contains, besides a statement of familiar facts, only a single expression of opinion, an expression which not only does no good to anyone but which shows how little regard the 'Simla gods' have for Indian feeling even in a matter in which Indians admittedly feel strongly and deeply. "The Governor-General in Council," says the resolution, "desires to emphasise the view expressed by the Prime Minister in the House of Commons on June 23, 1924, that a further discussion of the matters referred to in the question addressed to him would not be conducive to public interest."

Top-down approach has come a cropper

Leaders who want to support reforms should listen to the change-makers and learn from them



ARUN MAIRA
FORMER MEMBER,
PLANNING COMMISSION

I begin with some bold statements: Global governance has collapsed. Geopolitical governance is broken. Global financial systems and global supply chains are breaking. The United Nations is unable to stop the genocidal massacre of women and children in Palestine because the most powerful country in the world is unwilling to do it. Countries are harming nature's systems with their ambitions to climb GDP rankings, which are supposed to be indicators of their level of development. Even within the richest, so-called democratic countries, citizens do not trust their governments to govern them equitably. The pressure of economic exploitation is breaking the ability of nature's system to sustain itself. Humanity is facing an existential crisis with depleting fresh water sources, degraded soils and runaway climate change. Powerful nations are empowering their armies with more technologies and artificial intelligence. The present danger is that more wars in the future will kill people even faster than climate change will.

Do we need evidence that top-down solutions for global problems have failed? As Albert Einstein and others said, continuing to solve problems with the same way of thinking that has caused them is madness.

Let's think scientifically for a moment. There are 17 Sustainable Development Goals (SDGs). All of them must be addressed faster. Moreover, none of them can be solved by themselves because they are interlinked. Each of the SDGs is not manifested in the same way everywhere. Problems



IRONY: The power of knowledge lies with academic experts, not farmers and workers with practical experience. R1

of the environment and the climate are not the same in Alaska and Barbados, or in Uttarakhand and Kerala. Problems of livelihoods are quite different in the slums of New York and in rural Bihar. Therefore, all problems must be solved locally. And, everywhere in the world, at least seven of the 17 problems of the SDGs must be solved urgently.

Forecasters estimate that the SDGs will be achieved only by 2067 if we persist with the present top-down and siloed approach of problem-solving, whereas the aim was to achieve them by 2030. How many different combinations can there be of seven problems at a time taken out of 17? 17 SDGs are manifested on the ground, and they take different shapes everywhere. Clearly, one-size-fits-all solutions developed by global climate scientists or global health experts will not fit local realities everywhere. We need a new paradigm of problem-solving. Local, community-led systems solutions are the way to solve global systemic problems of inequality, social disharmony and environmental degradation.

The earth on which we all stand is 'common ground'. The established paradigms of governance and management have too much 'I' and too little 'we';

The bottom-up paradigm of cooperative change does improve the lives of everyone in the community.

and too much competition and too little collaboration. We must follow a new path, so far as taken, to realise the 'promise of our commons', which the established ways of thinking and acting have converted into the 'tragedy of the commons'.

A new systemic way of thinking and acting must be spread around. This will require an 'unlearning' of the unsystemic ways of solving problems and organising that have become universal. In the established way of organising on scale, systemic problems are broken up into parts with specialists, and resources, dedicated to solving individual problems separately. However, decisions taken in silos hamper other parts of the system. Solutions to make the economy grow with man-made infrastructure destroy the environment. Solutions to save the environ-

ment by removing humans living in forests, or animal grazers in pastures to build renewable energy infrastructure, destroy livelihoods. Increasing the productivity of agriculture by applying more chemicals and replacing farmers with machines has reduced the productivity of soils, and so more chemicals are required. Meanwhile, the farmers displaced are unable to find employment in manufacturing because, simultaneously, humans are being replaced by robots to increase the productivity of factories!

Let us pause our rush to set global targets and programmes to save the world based on old theories that have caused the harm we must prevent. We must stop the 'God of GDP' from exploiting nature and human beings to feed the growth of the greedy economic machine; instead, the Economy must be made to serve society and nature. The 'green' and 'caring' economies, which economists say will create employment in the future, will require 'informal' community ways of working which create good societies, to replace 'formal' factory ways of working which are required to produce outputs efficiently and boost economies.

This paradigm shift will not be easy, because power must shift

from the top to the people. Modern governance systems maintain the structure of the Hindu caste system. The power of knowledge lies with academic experts (Brahmins), not farmers and workers with practical experience. Political power lies with powerful officers (Kshatriyas), not the people. Economic power lies with traders and accumulators of financial wealth (Vaishnavas), not with those who produce value with their labour. Paradigm changes are never easy because wealth and power accumulate in a process of 'cumulative causation'. Those with wealth and power use it to lobby for rules that make it easier for them to grow their wealth and power. They use their wealth and power to support research, convene conferences and lobby for policies that endorse their ideologies. Those who challenge them are shut out. Thus, paradigms of ideas become locked in hard.

The keys to change a paradigm must be found outside the echo chambers of the paradigm. There is hope. Leaders of the commons are convening, learning together and enlarging a non-violent movement of change from below. Leaders on top who want to support reforms that benefit India's disempowered masses should listen to these change-makers and learn from them. Hundreds of them gathered for a 'Commons Convening' at the Ambedkar International Institute in New Delhi from August 27 to 29. Here was proof on the ground that the bottom-up paradigm of cooperative change does improve the lives of everyone in the community and repairs harm to the environment that the expert-led paradigm of growth has caused. These role-models of transformational change reveal the right way to make India Viksit by 2047. Such ideas must be adopted by the powers on top and spread around faster to scale up outcomes. Otherwise, Viksit Bhatti will be just another glorious vision in vain, like India@75 before it, and claims to double farmers' incomes and provide employment to all.

THOUGHT FOR THE DAY

The world must learn to work together, or finally it will not work at all. —Dwight D. Eisenhower

Of sneezes and sneezing

STANLEY CARVALHO

IT takes all sorts of sneezes to make the world. There are mild and loud sneezes, and there are bold and timid ones. Some sneeze after a wheeze, while a few sneeze simply to tease.

I have come across various types of sneezes, especially in Bengaluru, a city which is notorious for giving nightmares to people with sensitive nostrils. Let me introduce some of them.

The 'explosive' sneezer can actually scare the living daylight out of all around him. Without as much as a warning, he sneezes with a blast that combines a nasal eruption with an ear-splitting vocal accompaniment. I remember vividly how a child trembled before letting out a cry when an 'explosive' sneezer sneezed at an informal gathering.

The 'spraying' sneezer is a crude mortal who literally adds insult to injury. Apart from sneezing to his heart's content and assailing the eardrums of those within earshot, he sprays a mild shower, too.

The 'outlandish' sneezer provokes a laugh with his sneeze. He tries to control his sneeze, but when it becomes unbearable, he tries to 'abort' it, thereby creating a funny, outlandish sound, much to the amusement of those around.

The 'shrewd' sneezer exercises great control over his sneeze by not only smothering his sneeze and cupping his mouth with his palms, but more importantly, by controlling the volume.

As for me, my nostrils have never been sensitive, and I rarely sneeze. But in my mallow youth, occasionally, like the little boy in Alice in Wonderland, I used to tickle my nostrils to create a sneeze because it gave me a kind of sensual pleasure.

Once, I even stole a pinch of my grandmother's snuff for the sheer experience of it. I sneezed so much that I swore not to touch it again.

That said, I was amused to know that snuff and sneezing have an interesting history. Novels from the Victorian era are replete with references to heroes delicately flicking snuff with their fingers.

Poet Samuel Taylor Coleridge was a snuff lover, and so was Napoleon. One of the Seven Dwarfs, immortalised by Walt Disney in his version of Snow White, was Sneezey.

Legendary French playwright Moliere defined sneezing as 'the craving of upright men. It not only purifies the brains of men but also instructs their souls into righteousness... and by taking snuff we acquire virtue.'

Whether it purifies brains or is useful in acquiring virtue, sneezing is quite intriguing. When I feel I am likely to sneeze and prepare myself for it, it eludes me. And when I don't want to sneeze, I am simply unable to control it. Isn't that something to be sneezed at?

LETTERS TO THE EDITOR

Undue delay in justice delivery

With reference to the editorial 'Tyler in the dock', the 1984 anti-Sikh riots remain one of the darkest episodes in the history of independent India. The Delhi court's order for the framing of charges against Congress leader Jagdish Tytler in connection with the Gurdwara Pyl Bangash killings is welcome. But such an inordinate delay in the delivery of justice is deplorable. All cases must be settled or disposed of within a given time frame. An undue delay and unnecessary legal hurdles are weighing down the Indian judiciary.

GREGORY FERNANDES, MUMBAI

Misuse of stringent laws

Refer to the editorial 'The PMLA paradox'; despite the surge in PMLA cases, the conviction rate remains dismal. It seems like the law has become a weapon to target Opposition leaders. The Supreme Court has reiterated time and again that bail should be the norm and jail an exception. Even those charged with crimes under the PMLA or UAPA should not be denied bail. No accused person should have to stay behind bars for an extended period without trial. Probe agencies and lower courts must pay heed to the apex court's words.

SK SINGH, BY MAIL

Ensure prompt justice delivery

Appropos of the news report 'Preet: Generation passes awaiting rape case verdict, end adjournment culture'; President Droupadi Murmu is right to express her anguish over the 'culture of adjournments' and call for prompt delivery of justice, especially in rape cases. It is common for defence advocates to seek adjournment on flimsy grounds just to delay a verdict in favour of the victim. In view of the Kolkata rape-murder case and other heinous crimes, there is a need to overhaul the system.

UPENDRA SHARMA, BY MAIL

Rift within NDA

The upcoming Jammu and Kashmir elections have exposed a rift within the NDA,

with the JDU proposing the release of political prisoners and stone-pelters, challenging the BJP's hardline stance. This promise of peace and reconciliation could attract the Valley's disenchanted voters. But it risks being seen as appeasement by the BJP's core base. The JDU's divergence — seeking the restoration of statehood and special protections for locals — seems to strike a chord with the sentiments that many locals share. Yet, this approach starkly contrasts with the BJP's anti-separatist policy. As the NDA allies tread different paths, the alliance's unity faces a severe test. Will the pursuit of peace in the Valley come at the cost of coalition integrity? The NDA must decide if its partnership is a strength or a liability as it confronts Kashmir's unique challenges.

SAHIBPREET SINGH, MOHALI

No place for bulldozer justice

Appropos of the front-page news report 'Can't raise house even if person is convicted: SC on bulldozer move'; the apex court has rightly stressed that there is no place for bulldozer justice in our country. It is unfortunate that such heavy-handed measures have become the order of the day. The powers that be waste no time in razing the houses of persons accused of serious crimes. They usually do so just to quell public anger. But they must not forget that we are a nation of law and order. State governments must not overstep their boundaries to score brownie points with the masses.

DVS SANKARA RAO, VIZIANAGARAM

Check spike in student suicides

With reference to the article 'Spread awareness about mental health to tackle suicide epidemic'; the recent spike in student suicides is a matter of grave concern. The government must take a serious view of the epidemic and take concrete measures to arrest the trend. Each loss of life is a loss for the nation. The fact that more students are dying by suicide now than farmers is telling. Initiating programmes to improve the mental health of students might make a difference. It is time to bring about a positive change.

S KUMAR, PANCHKULA



THEIR VIEW

MINT CURATOR

A carbon credit trading system will help only if it's designed well

The new trading system in the making will help promote decarbonization in India provided six critical issues are addressed



MONTOK SINGH AHLUWALIA & UTKARSH PATEL

are, respectively, former deputy chairman of the Planning Commission and distinguished fellow at Centre for Social and Economic Progress; and associate fellow at CSEP.



One of the announcements made by the finance minister in the budget speech was that a Carbon Credit Trading Scheme (CCTS) would soon be implemented in India. This would be an important development, as it would put us in a select group of countries such as the EU, UK, China, Indonesia, South Korea, Australia, etc. that have introduced similar schemes to reduce emissions.

A CCTS is essentially an alternative to a carbon tax. The tax operates through prices, raising the cost of fossil fuels, which reduces their use and therefore emissions. A CCTS operates directly on the quantity of emissions by setting a limit on the emissions allowed per unit of output.

Economists agree that a carbon tax should be the preferred instrument, but it has little political support because it is seen as directly affecting all producers and raising costs. The CCTS is more politically acceptable because it is limited to larger units, leaving small producers outside its ambit. The higher costs of larger units will of course be passed on to consumers, but it is less immediately evident. A crucial component of the CCTS is trading of carbon credits. Producers that emit less than they are allowed receive carbon credits and these can be sold to those who find it very costly to reduce their emissions to the required level. The ability to trade credits increases the efficiency of the system, and the price of carbon credits that emerges from the system would reflect the lowest cost of reducing emissions across all entities.

For the CCTS to be a major step forward towards decarbonizing the economy, it is essential that the system is properly designed. The Bureau of Energy Efficiency (BEE), which will administer the system, has been tasked with developing the design. The BEE has experience in operating the Perform, Achieve and Trade (PAT) scheme, which was designed to improve energy efficiency. This is an advantage, but the demands of a CCTS will be much more complex.

In this article, we list six critical areas that need to be addressed for the CCTS to be successful. The first challenge is how to determine the emission allowance for each unit. This task has been entrusted to a National Steering Committee, co-chaired by the power and environment secretaries, with representatives from key ministries, central agencies and some states. However, the committee will need to establish the principles to be used in making this decision. Relying on a 'bottom-up' negotiation process will be far from optimal. Ideally, the emission allowance for each entity should approximate what would be the outcome of applying a common carbon tax to all entities covered. For this, the committee should be advised

by technical teams drawn from research institutions capable of modelling the response of different industries. They should also consult representatives of the private and public sectors in each industry, as these may have different views.

The second issue relates to the coverage of the CCTS. At present, it is proposed to cover large producers in the iron and steel, cement, petrochemicals and pulp and paper industries. The power sector, which is the single largest contributor to the country's carbon emissions, is not expected to be covered yet. This differs from the practice in other major countries that have such a system. The fertilizers sector is also excluded, which is illogical.

It is possible that power is excluded because decarbonization of this sector is being separately pushed by imposing Renewable Purchase Obligations (RPOs) on distribution companies (discoms) and large industries, forcing them to source an increasing share of electricity from renewables. This may work well for a while, but it is not the most cost-effective way to cut emissions. Specifically, it does not ensure that the cost of reducing emissions in power generation is aligned with the costs in other sectors. This problem would be solved if the power sector is brought under the CCTS, which should be done as soon as possible.

The third issue is that if our objective is to reach net-zero by 2070, the emission allowances for each industry should be reduced over time in line with this objective. This is not simply a matter of reducing allowances for each industry at the same pace. Instead, the rate at which allowances are reduced should reflect the rate at which technology reduces the cost of reducing emissions in different sectors. In other words, sectors where the cost of emission reduction is falling faster should decarbonize sooner.

The fourth issue is whether the CCTS should be designed to generate revenue, like a carbon tax. This is possible if emission allowances are auctioned. The revenue realized can be used to finance climate-related expenditure and replace the loss of tax revenue that is expected as fossil fuels are phased out. We can follow the EU's practice and start with free allowances, but then move to auctioning an increasing proportion of allowances over time. The Finance Commission could be asked to recommend a way of sharing the revenue from this source between the Centre and states.

The fifth aspect of design is to ensure that the CCTS can help shield our exports from the carbon border adjustment taxes that the EU plans to phase in from 2026 (and the UK from 2027). Introducing a CCTS by itself will not suffice, as the EU would argue that if the carbon price yielded by our CCTS is lower than its own (which is likely), it will impose a countervailing duty on imports to make up the difference. We should make the case that the introduction of a CCTS is an indication of our seriousness in accepting our mitigation obligations, but that developing countries should be allowed to have a lower carbon price than developed countries.

An IMF staff paper had suggested that the carbon price in lower-middle income countries (such as India) should be about one-third of the carbon price in advanced countries like the US and EU, while for upper-middle income countries (such as China), it should be two-thirds. We have traditionally opposed differentiation among developing countries, but differentiation based on per capita income is logical and we should push for it.

The sixth aspect of the CCTS that needs to be accepted is that the new system will increase production costs for the sectors covered until low-carbon technologies become cheaper than fossil fuel-based options. Following the 'polluter pays' principle, higher costs will need to be passed to end consumers. This will also be true in the power sector, whether we attempt decarbonization by relying on steadily rising RPOs, as presently envisaged, or by including it in the CCTS.

There will be political compulsions to protect low-income households from higher electricity tariffs. However, this should not lead to discoms being prevented from raising electricity tariffs, as this will only weaken discoms financially and worsen the quality of electricity supply over time. This outcome would mostly damage small and medium enterprises. The solution is to let electricity tariffs reflect costs, while introducing direct compensatory cash transfers targeted at the poor.

It may not be possible to resolve all these problems satisfactorily at the outset. However, there is merit in introducing the CCTS as soon as possible, with a clear promise that its performance will be reviewed and modified with time. A reasonable medium-term goal would be to have a fully effective system in place well before 2035.

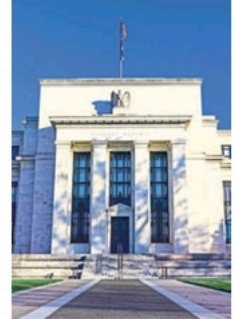
The Fed is no longer the only game in town and that's good

A bigger fiscal role in US economic affairs is fixing an imbalance



ALLISON SCHRAGER

is a senior fellow at the Manhattan Institute and a Bloomberg Opinion columnist covering economics.



For long, the US central bank was seen as the economy's top manager.

The recent meeting of central bankers in Jackson Hole was a kind of victory lap for the Fed. It may have also marked the peak of its power. The US Federal Reserve's recent successes are undeniable. Inflation seems to be under control and fears of a recession are fading, allowing the bank to start normalizing interest rates. But a research paper suggests this may be the Fed's swan song. In the coming years, it is likely to get weaker, the result of two separate but related developments—one positive, the other negative.

In the last few decades, the Fed has gained extraordinary power over the US economy. This is in part because the federal government was seen as ineffective. Part of the hands-off approach was deliberate; policy makers were wary of micromanaging the economy and were mostly supportive of free trade. And even as deficits rose, there was at least some fiscal restraint, especially after the financial crisis and recession that followed. As columnist Mohamed El-Erian noted, the Fed was the only game in town.

As a result, many people looked to the Fed to expand its role and take on the traditional dual mandate of keeping inflation and unemployment low. They wanted the bank to take on challenges such as reducing the structural rate of unemployment, inequality and even climate change.

That era is now ending. In their paper, three economists from New York University, Stanford and London Business School argue that the US is moving from a regime of 'monetary dominance' to one of 'fiscal dominance'. In the former, the Fed controls inflation by adjusting short-term nominal interest rates. The government supports these efforts by committing to increase future taxes, ensuring that other interest rates don't change too much and debt doesn't overwhelm markets. Under monetary dominance, interest rates and inflation are low and relatively stable.

The regime changed during and after the pandemic, when wartime-sized debt was issued. As a result, interest rates increased and became much more volatile, the correlations between stocks and bonds flipped, and inflation returned—all hallmarks of a fiscal dominance regime.

Under such a regime, the Fed is less powerful. It has to manage regular bouts of inflation and faces real trade-offs between managing the labour market and inflation. Not only is its job harder, but its tools are less powerful—it has less influence over interest rates. After spending moderated and monetary policy became more

restrictive, the US returned to a monetary policy regime. But the nation's debt trajectory risks a future turn to fiscal dominance.

And yet it is not all bad news for the Fed. Yes, the sheer size of fiscal policy undermines the bank's power, but the scope of fiscal policy is changing for the better.

Fiscal policy, which has become more ambitious in recent years, is finally doing the job it's supposed to do. Both parties have been vocal in supporting policies that aim to shift production from services to manufacturing, either through tariffs or with industrial policy. There are also goals related to improving infrastructure, lowering the cost of housing, and reforming the immigration system. These policies change the supply side of the economy, which will influence the rate of growth, inflation and the structural rate of employment—all objectives that, just a few years ago, the Fed was expected to take on.

In some ways this is a better model, even though I myself favour a more market-friendly approach. Industrial policy, tariffs and excessive debt can lead to a slower and less productive economy. The best option is a monetary dominance regime and a government that aims to expand the supply side of the economy with pro-growth policies that don't require so much debt.

Still, arguments over the proper size and role of government aside, one thing it should be doing is taking on the supply side, facilitating growth and enacting policies that affect the distribution of resources. Not only does it have better tools to do this, but the government—unlike the Fed—is also accountable to voters.

It is neither advisable nor sustainable for the Fed to be the only game in town. It can smooth out the bumps in the business cycle and manage inflation expectations, but over the long term, the Fed needs to maintain independence. When it takes on a bigger role in the economy, it jeopardizes that independence. At the same time, fiscal policies that risk a return to a high-debt monetary regime also undermine the Fed's independence.

It's good that the government is emphasizing the supply side of the economy—and is at least attempting to stimulate production. Its success will then be judged by voters, as it should be. But it also needs to focus on managing its debt. **©BLOOMBERG**

THEIR VIEW

Weak deposit growth: Let's not bark up the wrong tree

SWANAND KELKAR



is managing partner at Breakout Capital.

As a teenager, I once fell sick on a family vacation. Several well-meaning aunts and uncles commented on the likely causes and suggested remedies. Eventually, it turned out to be the flu and I recovered within a few days, without having to either correct my irresponsible lifestyle or inhale the recommended vapours of medicinal herbs. Something similar has been happening with anaemic deposit growth in the Indian banking system. It has lagged credit growth for over a couple of years now, causing commentators to look for causes and remedies.

It is important to first eliminate factors that are not causing this divergence between bank deposits and loans. Flows into capital markets via either mutual funds or direct equity participation are often wrongly blamed. As long as the money used to purchase a financial asset remains within the banking system, it does not affect overall deposit growth. Indeed, the same holds for savers preferring to deposit their savings

with non-banks or in small savings schemes, or buying gold or property. These decisions change the savings pattern of households and have implications for the stickiness and cost of deposits for the banking system but not for its overall growth rate.

From a top-down vantage point, a possible framework to understand what's going on is to think about the sources and uses of broad money (M3) and how they have changed over time. Put simply, there are five broad-money actors: cash in circulation (CIC), scheduled commercial banks (SCBs), the central bank, the government and the country's financial relationship with the rest of the world (i.e. the balance of payments or BoP). Analysing interactions between these actors should help us solve today's deposit growth riddle.

For instance, if CIC goes up, it amounts to a leakage from bank deposits and therefore cannot be on-lent. This impacts the credit deposit math. Similarly, if SCBs increase the amount of cash reserves they hold with the Reserve Bank of India (RBI), our central bank, it reduces resources available for commercial credit. The government maintaining a larger or smaller balance with the central bank also impacts this equation, as does the BoP ledger balance.

Since the sources and uses of M3 are two sides of the same equation, they have to tally. Hence, a perfect reconciliation between incremental deposits garnered and credit extended by SCBs should be possible. Unfortunately, all the required data for this reconciliation is not publicly available in a disaggregated way, at least not as of the same date.

Although a perfect reconciliation may not be possible, we can still get a sense of direction of the items to be reconciled that would help us estimate leakages from and infusions into the country's banking system.

An increase in CIC is a leakage, but it is heartening that since fiscal year 2020-21, as a share of deposits, this figure has gradually declined, which implies that the extent of this leakage has been reducing. The rapid rise of digital payments may be one reason for this.

For 2023-24, higher government balances with RBI as compared to the previous year is another significant leakage. As a share

of deposits, it went up by 0.7%, but this increase is likely to be transitory in nature, as the government eventually spends its fiscal collections. Data for the first quarter of 2024-25 confirms as much.

Banks having to maintain larger holdings of government securities (as part of their statutory liquidity ratio or SLR obligations) is sometimes cited as a reason for weak deposit growth. But again, as long as the money remains within the banking system, it should not affect the aggregate growth numbers. A change in the cash reserve ratio (CRR), if and when it happens, would however affect the deposit growth number.

While the two leakages outlined above are the main ones, there was significant infusion as well. This was in the form of a BoP surplus that India reported in fiscal year 2023-24.

If we now flip our lens to a bottom-up one, we can analyse incremental deposit and credit growth by looking at the aggregate balance sheets of SCBs. Again, since assets

equal liabilities, we should be able to get a perfect reconciliation, and this time, as of date. If we compare the last reporting Friday for 2021-22 with that of 2023-24, we find that loans now occupy a slightly higher proportion of the combined SCB balance sheet, which goes along with lower SLR and non-SLR investments. The main story is in the composition of the liability side. Deposits now occupy only 86% of banks' total liabilities, down by over 5 percentage points from 2021-22, and the rest is almost entirely their equity and reserves component. The rising profitability of banks in India, especially that of state-owned lenders, has been well documented over the past two years, and this has contributed to it. Put differently, banks have been lending more out of their equity than before, as it should be. But it also needs to focus on managing its debt. **©BLOOMBERG**

So, what happens now? Nothing really. Incremental credit over deposits is already cooling off. From 113% in 2022-23, this measure was down to 96% by the end of 2023-24 and will likely reduce further. Like the teenager me, it is coming back to normal on its own. In case of future abnormalities, though, we hopefully have a framework to analyse them. That would be better than barking up the wrong tree.

OUR VIEW



The stock market must not be a cause of worry

The casino-like air that hangs over India's IPO frenzy could engender instability and harm investors. It's the economy that must drive our financial markets, not the other way round

Recently, a two-wheeler dealership with a few dozen employees was in the news for an initial public offer (IPO) that attracted 400 times the money it sought to raise. This subscription rush highlighted the casino-like appeal of IPOs that seems to have taken retail investors in its thrall. Now, a study by the Securities and Exchange Board of India (Sebi) suggests that Indian investors have a large number of gamblers in their midst. The market regulator's analysis of 144 IPOs (with their stocks listed between April 2021 and December 2023) shows that a staggering 54% of the share allotments by value to non-anchor subscribers were sold within a week of listing, while 70% were offloaded within a year. Among individual investors, this tendency was pronounced for shares that gained in value after making their debut. For stocks that rose more than 20%, they encashed 67.6% of their allotments by value within a week. Investors have been chasing quick returns, which are now being taken for granted, clearly, no matter how good or bad the debut-making company's earning prospects may be.

Indeed, share prices seem driven more by large lumps of money going into them than anything these businesses are achieving for sustainable shareholder value. Three-fourths of the IPOs analyzed by Sebi saw a post-debut bump-up, while nearly a fifth saw a listing-day rise of over 50%. This looks like a throwback to pre-Sebi days, when issue prices were set by the Controller of Capital Issues. Back then, even prized stocks often had to be offered at their face value, with the result that demand far exceeded supply, turning allotment into a lottery. The lucky few got primary shares

could cash out at a huge profit as soon as their trading began. Although issue pricing was freed and Sebi took charge as part of India's market reforms more than three decades ago, a similar air has come to prevail, with business basics playing too tiny a role. While we can take heart from the earnest behaviour of mutual funds, which sold only about 3.3% of their allotted value within a week, the broad scenario is far from ideal. What an economy needs is a market that fosters efficiency in the allocation of capital, done by blending a wide range of informed views on which companies make better use of it. If equity prices are not aligned with the real value generated by businesses, as the case mostly is when wild bets dominate bourse activity, then the market cannot assure us optimal use of investor money.

For the market to aid India's emergence, shares must not be seen as casino chips, but as rights to slices of profits made by businesses that are busy satisfying demand in the markets they address. Reckless investor behaviour poses the risk of a collapse that may put people off investing for life. Another worry is that of a 'financialization trap,' into which we could slip if the interests of financial markets begin to dictate public policy. It's the expansion of our real economy that must drive asset values, not the other way round. We must not find that consumption is driven by the 'wealth effect' of swollen equity portfolios to such an extent that a market slump could hit private spending and cause a wider slowdown. Nor should we find our high levels of household debt going bad should assets get re-priced to reflect their intrinsic value. A robust stock market is good for us, but not one that's inflated by gambler infusions. Let the tail not wag the dog.

LEENA SRIVASTAVA



is an independent expert on climate change and clean energy.

For decades, climate scientists have been warning governments—and society at large—about the impact of climate change, especially the increased frequency and intensity of a range of nature-related disasters. Today, we are witnessing these unfold as news media headlines scream, almost on a daily basis, about how climate change has exacerbated disasters. Be it wildfires across the world, including the horrific ones in Greece recently, or typhoon Gaemi that killed dozens across the Philippines, Taiwan and China, or incidents such as the water spout that resulted in the sinking of a luxury super yacht off Italy, or the several recent instances of air turbulence, climate change is touching every aspect of life as we know it, resulting in an ever-increasing sense of vulnerability.

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Pithoragarh, Uttarakhand, for the first time ever is being bemoaned by all—and even though the jury is out on whether this is attributable more to climate change or excessive tourism, one can be sure that one will impact the other.

The essence of the narrative above is that, while we may continue to debate historical responsibilities, *ad nauseum*, India needs to adopt a much more aggressive stance on all aspects of the climate change challenge: from mitigation to adaptation and resilience building. As the third largest emitter of greenhouse gas (GHG) emissions in the world, and with a little over a sixth of the world's population, India's vulnerabilities are extreme. With increasing incomes, Indians are also being termed as a 'goldmine' of global tourism; five years ago, in 2019, the number of Indians travelling abroad topped 27 million, doubling over a decade. With 35 million non-residents and persons of Indian origin, the vulnerabilities of Indians go far beyond our own shores, as does the problem of climate change.

Undoubtedly, India has implemented various measures to mitigate our GHG emissions. But, as many have highlighted, we are still making a clean-energy dent only in the incremental demand space, though trans-

forming the economy to a zero-carbon one in less than 50 years needs us to have a clear line-of-sight on the policies, strategies and processes that would enable us to meet this goal in a dynamic technology-driven environment. India cannot afford to take a glass-half-empty approach. We need to be hard-

nosed on opportunities to take pro-active climate action and, equally importantly, avoid mistakes that would lead to infructuous outcomes.

As climate change touches all aspects of life as we know it, the solutions too have to be harnessed across the board. And, there exist many low-hanging fruit with more than commensurate positive outcomes. Here are a few examples of problem-alleviating actions that are not as visible or tangible as the large investment projects we have, but can be just as consequential.

India set up the Technology Information, Forecasting and Assessment Council (TIFAC) way back in 1986 with a clear mandate: "For the Ministries and Agencies with

a cultural product can assure success. As Cass Sunstein writes in *How To Become Famous*, to become successful, "some people... need to get attached, to the... mood of the nation." Salim-Javed did that with their angry young man. As the actor Sharat Saxena recalls: "It was the 70s... The anger and the fire that burned inside this hero was the same fire that raged within every young man." This is where the documentary peaks on this concept and then moves on. However, Akhtar offers this disclaimer: "We were unaware of all this while writing."

A nice segue could have explained how the term 'angry young man' emerged. In its plural form, it originally referred to a group of British writers and playwrights such as Kingsley Amis and John Osborne, whose writing of the 1950s reflected their disillusionment with traditional British society.

Another key aspect which the documentary touches on but doesn't fully explore is the inspiration behind some of Salim-Javed's films. Take *Deewaar*, a clever reworking of *Mother India* and *Gunga Jumna*. Taking a primarily rural storyline and setting it in the port and underworld of Mumbai was a terrific idea. How did it come about? No details are provided. Similarly, *Kala Patthar* features a lead character inspired by Joseph Conrad's novel *Lord Jim*.

Or take Salim-Javed's biggest hit, *Sholay*. The broad plotline is borrowed from Akira Kurosawa's *Seven Samurai*. The scene where the family of Inspector Thakur Baldev Singh is killed by the dacoit Gabbar Singh is inspired from Sergio Leone's *Once Upon a Time in the West*. The famous water tank scene was borrowed from *The Secret of Santa Vittoria*, and the coin-toss scenes from *Garden of Evil*.

Further, as Anupama Chopra writes in *Sholay: The Making of a Classic*, "Raj Khosla's 1971 hit, *Mera Gaon Mera Desh*, the story of a one-armed man who reforms a petty criminal and uses him to protect their village against dacoits, loomed like a ghost in the background..."

The Bimal Roy classic, *Madhumati*, has a scene in which a boastful servant is caught by his master, much like what happens with Soorma Bhopali. Even the dialogues in the scene where Jai talks to Mausaji and asks for Basanti's hand for his friend Veeru were copied from the Pakistani novelist Ibn-e-Safi's 1955 novel, *Khaushak Imarat*.

Of course, it took great skill to weave all this into a coherent film. Also, this material was available to other writers but they didn't write a *Sholay*. As Khan puts it: "Originality is the art of concealing the source." Also, there is a difference between inspiration and plagiarism. For instance, Mahesh Bhatt's *Dil Hai Ki Manta Nahi* was a scene-by-scene lift of *It Happened One Night*; even the dialogues written by Sharad Joshi were translations. *Sholay*, though, was inspired but not plagiarised. That said, while we shouldn't judge the moral standards of 50 years ago by today's norms, such scripting would be unlikely in today's era of stringent copyright laws.

On why the duo split in the early 1980s, the documentary suggests their relationship had simply run its course. However, it could have been more engaging if it had explored whether Salim-Javed became overly reliant on their 'angry young man' trope. As the zeitgeist began shifting in the 1980s, cinema needed to evolve. Naturally, this isn't an exact science, and hindsight always makes us sound wiser.

Finally, the documentary has little to say about their individual careers as film script writers, which weren't very successful. Was it because they worked very well as a team, with Khan coming up with the storyline, both working together on the screenplay, and then Akhtar writing the dialogue?

Angry Young Men left me, a film buff, a bit disappointed. Yet, much like Salim-Javed's movies, it was entertaining, with the best bits coming from Honey Irani. But what is Hritik Roshan doing in this documentary, mouthing dialogue that someone else probably wrote for him?

MY VIEW | ON THE OTHER HAND

'Angry Young Men': It entertains but isn't the last word on its topic

This documentary on the Salim-Javed cinema partnership is watchable even if it misses vital bits



VIVEK KAUL is the author of 'Bad Money'.

The documentary, *Angry Young Men*, which explores the careers of screenwriters Salim Khan and Javed Akhtar, recently premiered. Produced mainly by their families, it has the feel of a heart-warming home video, which is an excellent introduction for those unfamiliar with how famous they were in the 1970s.

Even those well acquainted are likely to go through a range of emotions—from tearing up to getting goosebumps. The documentary shines in moments, like when Jaya Bachchan refers to Salim-Javed as "brats," or when Honey Irani, Akhtar's ex-wife, mentions his affinity for writing dialogue for negative characters. She also recalls how she sometimes found them arrogant, which she believes ultimately affected their judgement of film scripts. Akhtar himself shares a poignant memory from his early struggles: "I stay in five-star hotels [now]. They bring out so much food, and I always wonder where this food was on the days I had nothing to eat." However, for film buffs like me, the documentary feels unsatisfying, as it lacks fresh insights and doesn't delve deeply into their collaborative work.

While it touches on the idea of the 'angry young man' that they pioneered, it doesn't go into specifics such as when and where the idea first emerged. Now, every era has its own zeitgeist—or the spirit of those times—and tapping it for

10 YEARS AGO



JUST A THOUGHT

The greatest threat to our planet is the belief that someone else will save it.

ROBERT SWAN

MY VIEW | ECO SQUARE

Climate change: We need responses based on evidence

LEENA SRIVASTAVA



is an independent expert on climate change and clean energy.

For decades, climate scientists have been warning governments—and society at large—about the impact of climate change, especially the increased frequency and intensity of a range of nature-related disasters. Today, we are witnessing these unfold as news media headlines scream, almost on a daily basis, about how climate change has exacerbated disasters. Be it wildfires across the world, including the horrific ones in Greece recently, or typhoon Gaemi that killed dozens across the Philippines, Taiwan and China, or incidents such as the water spout that resulted in the sinking of a luxury super yacht off Italy, or the several recent instances of air turbulence, climate change is touching every aspect of life as we know it, resulting in an ever-increasing sense of vulnerability.

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forming the economy to a zero-carbon one in less than 50 years needs us to have a clear line-of-sight on the policies, strategies and processes that would enable us to meet this goal in a dynamic technology-driven environment. India cannot afford to take a glass-half-empty approach. We need to be hard-

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India set up the Technology Information, Forecasting and Assessment Council (TIFAC) way back in 1986 with a clear mandate: "For the Ministries and Agencies with

large investments or large volume of production to provide a technology forecast covering their requirements over a 10 year or longer period and for evolving suitable strategies for development based on priorities." Today, this institution is very well placed to harness and inform policymaking on the rapidly evolving knowledge around novel technologies.

Yet, a cursory look at its list of publications reveals no new additions in the last couple of years and nothing related to an energy transition in the years prior to that. Maybe it is time to revitalize this institution and increase its accountability towards one of the most pressing problems we face.

The Environmental Impact Assessment (EIA) process was introduced in India in 1987—a long period of time over which infrastructure and capacities have been created. However, a constant criticism of this mechanism has been our inability to implement it effectively or to hold relevant entities accountable towards its terms and

purpose. A gradual dilution of projects subject to the EIA process is exacerbating India's environmental and natural resource-related vulnerabilities. Maybe the National Green Tribunal can ask for a review and strengthening of this mechanism for its own efficiency. Additionally, all policies and programmes should be put to a strategic environmental assessment (SEA); this is currently implemented in a rather *ad hoc* manner. The above-proposed review should also reflect upon how climate responses and resilience building could become an integral part of EIA and SEA processes in the country.

Another critically important measure would be to institute a robust ecosystem of data and analytics. While corporate entities will increasingly be called upon to set up robust data and reporting systems, it would serve the country well to use emerging technologies to also create robust systems for other activities in the commercial, agricultural and residential domains.

The National Data and Analytics Platform under Niti Aayog is a great start. The governance, data protocols and review of this platform must leverage the expertise of key scientists and follow FAIR (Findability, Accessibility, Interoperability and Reusability) data principles.

New WB Bill is all about politics

The West Bengal anti-rape Bill will likely have muted on ground impact. It will only lead to political one-upmanship

The real import of the new anti-rape Bill cleared by the West Bengal (WB) assembly on Tuesday doesn't lie in the stringent provisions of the proposed law, but instead in the political posturing that it allows. Battling intense criticism over its fumbles in the handling of the grisly rape-murder of a junior doctor in Kolkata last month, the state government introduced the so-called Aparajita (the undefeated) Woman and Child (West Bengal Criminal Laws and Amendment) Bill, 2024 that calls for the death penalty for anyone convicted of rape and gang-rape if the victim dies or is left in a vegetative state. Additionally, it stipulates a life sentence without parole for those convicted of rape.

Politically, the Bill makes sense. The WB government has struggled to allay mounting public anger over the crime that has sparked protests in Kolkata on a scale not seen in decades. Every new allegation of ineptitude in the case hurts the government's credibility, and threatens to erode chief minister Mamata Banerjee's standing among women constituents. Against this backdrop, the Bill allows Ms Banerjee to take a strong stand on crimes against women, reinforce her credentials as the chief custodian of West Bengal and let her take potshots at the BJP over similar gruesome crimes in other states. It forces the Opposition to fall in line with the government or run the risk of being seen as anti-women — this is why the draft legislation received unanimous approval from the assembly. And it sets the stage for a protracted face-off between the state government and the governor, who is likely to ask for presidential assent on the Bill since it potentially has a conflict with the central law. If precedent is any guide — in 2019, Andhra Pradesh passed a Bill mandating stricter punishments for certain crimes against women, and in 2020, Maharashtra also enhanced punishments for crimes against women, but neither have received presidential approval — then the political battle over the Bill will be long and bitter.

Its impact on the ground, however, might be more muted. Crimes against women flourish due to a toxic cocktail of social impunity, lax implementation of laws, and administrative apathy. Laws to prosecute such crimes already exist. What is needed is their impartial and consistent implementation. Any modification must be done with wide consultation and careful deliberation. Difficult reform and honest appraisal are what is needed, not shortcuts to bypass the judicial process of deliberation. The absence of this initiative blunted the impact of the reforms after the 2012 Delhi gang-rape. That reckoning needs to happen, and fast.

In Haryana, a reading of employment stress

The incongruity of over 46,000 graduates and post-graduates in Haryana applying for contractual sanitation worker jobs with the government is telling in many ways. Youth in the state have historically turned to agriculture and government employment for livelihood, and with uncertainty over returns from agriculture for the past several years, the rush for government jobs has likely intensified. This was also evident in the farmers' agitation making the roll-back of the Aajeevika scheme a key demand, given the state contributes in record numbers to the armed forces — a phenomenon that has both social and economic underpinnings. To be sure, unemployment pressures in the state have been obvious for some time, the debate over the numbers from government and private sources notwithstanding. The state government's failed attempt to legislate domicile reservation in private sector jobs was aimed at easing this pressure. With assembly polls due in a month, this will be a focus of political crossfire.

But, the problem of overqualified applicants is hardly unique to Haryana. Many states have reported such surges — even featuring PhD holders — in recruitment drives at different times over the past couple of decades. It is a barometric reading of the employment stress in the overall economy. There are multiple pain-points — the struggle to create enough jobs, the lure of government-sector stability against the backdrop of the bulk of stable private sector jobs being concentrated in just a few sectors, and a complete disconnect between abilities and educational qualifications. It is the last, the mismatch between education, skillings and the labour market that needs the maximum attention. Without this, instances of overqualified applicants for low-paying jobs may become more common.

Three parallel realities of Inco-US relations

Delhi and Washington interact all the time, they deepen ties in the most sensitive domains, and they disagree. Governments have to prepare citizens for this dynamic

The last three months have been marked by frenzied activity on the India-United States front. In terms of engagements, Prime Minister (PM) Narendra Modi and US President Joe Biden have met once and spoken twice and will see each other in New York, both for a bilateral meeting and Quad leaders' summit in three weeks. National security advisors Ajit Doval and Jake Sullivan, external affairs minister S Jaishankar and secretary of state Antony J Blinken, and defence minister Rajnath Singh and secretary of defence Lloyd Austin have all met each other. Both State department deputy secretaries, Kurt Campbell and Richard Verma, have travelled to India while former foreign secretary Vinay Kundra has taken over as India's ambassador to the US.

In terms of convergences, China continues to be the fundamental strategic glue. The initiative on critical and emerging technologies provides a robust framework for deepening cooperation across defence co-operation and innovation, semiconductor manufacturing, space, telecom, biotechnology, Artificial Intelligence, quantum, and more. New defence

pacts on supply chains have been signed, older procurements are in process, established American companies and new Indian startups are working together, personnel interactions have been more frequent, used, and joint exercises continue to be held. Businesses continue to explore investment opportunities in both directions, with pharma, aviation, and investment summits held in recent months. And the Indian diaspora's profile in American politics has never been higher.

In terms of controversies, there is residue from the allegations implicating an Indian intelligence official in an assassination plot in America, an issue that will come back to the news cycle once Nikhil Gupta's trial begins and Canada makes its investigation public. The US was upset with the timing of PM Modi's visit to Russia as it coincided with NATO's 75th summit in DC, a sense of disappointment that was partially offset by the PM's subsequent visit to Ukraine. The US and India have clearly different assessments of what happened in Bangladesh and are struggling to find common ground in practice, even if the goal of a democratic elected government and an inclusive polity remains the same. And there is undoubtedly the role of external actors — Russia, China, and Pakistan — in amplifying differences further, for all three share an interest in causing a rupture in India-US ties.

All of this reveals three parallel realities of the India-US relationship. One, there is an extraordinary degree of dialogue and convergence between the highest political and bureaucratic leadership of the two countries. From the Indian side, Modi, Doval, Singh, Jaishankar, commerce minister Piyush Goyal, Kundra, current foreign secretary Vikram Misri, and before he retired this January, ambassador Taranjit Singh Sandhu, have been key. From the American side, Biden, Sullivan, Blinken, Austin, Campbell, Verma, commerce secretary Gina Raimondo, and White House tech czar Tarun Chhabra have been central actors. All these individuals talk to their interlocutors in the other system more often than assumed. They share assessments of global and regional issues, including China, but go beyond it as well. They find ways to privately resolve what can become major points of public differences and deepen ties in the most sensitive of domains.

To be sure, structural convergences drive this. Business chambers lobby for it. There is popular goodwill for the US in India and India in the US. Elites are getting more invested in each other's country. It is on top of this that the personnel matter. But since Bill Clinton's 2000 visit, there has broadly been a convergence and alignment in the worldview between the top personnel. And that itself tells us a lot and offers a sign of continuity irrespective of the outcome of the upcoming US presidential elections.

Two, there are ideologically driven factions in both countries that are sceptical of the partnership. Just like India's old Left, India's new Right has a certain conspiratorial manner of



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viewing America's loud and heterogeneous State and civil society apparatus and remains convinced that the West is out to undermine India. Just like the ultra-nationalists of every society, there are Indian strategic elites unwilling to admit how much Delhi needs Washington's geopolitical support and network of allies. New York's financial flows, Silicon Valley's tech edge and venture capital investments for India's own domestic development.

Just like the colonialists of yore and the liberal internationalists and neo-conservatives of recent decades, there are American progressives who have taken on the mantle of democratic reform elsewhere even as they have little moral ground given the horrors of American history and war crimes. There are American evangelists who engage in the most corrupt enterprises to induce people to convert and look down on local cultures. There are American strategists unwilling to admit that a diminishment of their power now requires them to work with non-allies that have their own minds.

The trust deficit between these constituencies sometimes gets reflected in the public sphere in vicious ways,

which then makes the relationship appear to be in a deeper crisis than it really is. But it does point to the need for leaders to be more honest, politically own the bilateral relationship, and invest in smarter public diplomacy to prepare public opinion for both deeper ties and differences.

Finally, there is a paradox related to economy, technology, and diaspora. As economic ties deepen and investments flow, there will also be more expectations on the business environment front, more demands on regulations and taxes, and more quarrels on trade. As tech ties deepen, there will be more tensions between tech firms and State sovereignty concerns. And, as the diaspora becomes active in politics or transnational ideological networks get consolidated, there will be a constant tussle between political sympathies on ethnic and ideological grounds and the imperative of completely staying away from the domestic politics of another country. The next US administration and the Indian government will have to balance between celebrating this growing intimacy and navigating its attendant challenges.

The views expressed are personal



Prashant Jha

Making transit-oriented urban development work

Transit-oriented development (TOD) has been, for some years now, the most popular urban planning concept discussed in Union budgets. The term has been mentioned five times in budget speeches since the 2019-20 one. This year's budget speech also mentioned it. Working on TOD planning over the past several years, one was thrilled to hear about it the first three times. Then, it got tiresome, especially when nothing much seemed to follow in terms of on-ground implementation. Before the term became popular in the finance ministry, a national TOD policy was formulated in 2017 by the ministry of housing and urban affairs. Indeed, a report by the parliamentary standing committee on housing and urban affairs reads, "The Committee recommends the Ministry to exert, persuade, and prod the state governments to implement Transit Oriented Development along metro stations in respective states." Such a choice of words indicates the desperation felt in implementing transit-oriented development in our cities.

The concept denotes planning for an increased quantum of living, working, and shopping options near transit stations. This promotes public transport use and minimises travel distances within the city. The plan is to develop transit-influencing zones that are compact, dense, mixed-use, and diverse. There is also a need for more open spaces, social infrastructure, wide footpaths, and active frontages of buildings to attract and accommodate a high volume of people using these areas. TOD is not merely about tall buildings near transit points. People need better access and more choices to travel in the city, and the transit systems need commuters. The concept represents a sweet deal between the two. When implemented right, it helps reduce carbon emissions and improve livability.

However, it is a long road to meaningfully implementing transit-oriented development in our cities. Here are the three key areas that need work.

One, TOD is losing its competitive advantage against highway-oriented development. With the introduction of the TOD a few years ago, floor area ratio norms were liberalised near transit stations or transit corridors. The logic was to give the advantage of redevelopment to the areas where the transit supply is stronger. Cities like London determine their floor space supply based on public transit accessibility levels. Contrary to this, many Indian cities like Bangalore, Chennai, Pune, Hyderabad, Ahmedabad, and Gurugram have started incentivising estate projects

around wider roads and highways. Today, highway-oriented development outpaces transit-oriented development in many cities. Why would developers invest in a middle-of-the-city, messy redevelopment project if they profit more from peripheral land development? Smaller investments? As we have seen in the past, these highways and wider roads in the peripheries get congested in just a few years. People living in the peripheries get used to their vehicle-centric lifestyle and demand more flyovers and free parking. Advantage in favour of transit-oriented cities needs to be restored.

Two, there is a lack of coordination and joint planning between transit agencies and cities' planning authorities. Policymakers want the metro rail system to make money to recover massive investments made, at least partly. The metro system can make money by increasing ridership and selling development rights near transit stations. This can be done with efficient TOD planning. At present, development rights are monopolised by the planning authorities in our system. Years of conflicts and lack of coordination between transit agencies like the Delhi Metro Rail Corporation and city planning authorities like the Delhi Development Authority are well known. In every large city where metro rail is planned, a lack of coordination or squabbles over revenue-sharing persists between the transit agency and the planning authority. The planning authority is not obliged to share its floor space sale revenue with the transit agency. Transit agencies often behave too exclusively in coordinating with local authorities. Our cities need joint planning mechanisms where the land and the transit agencies are mandated to work together.

Three, our current planning system needs reform to accommodate TOD. Urban planning practices today are laden with a command-and-control approach and pseudo-scientific norms. The new approach to planning is about promoting development and not controlling the urban land excessively. Beyond the reforms in planning mechanisms, much work is required to change the mindsets and embedded institutional culture. Transit-oriented development is to be featured prominently in the city's master plans, and not just policy documents. We need to reduce supply-side constraints of serviced land and restore the advantage of developing land near transit.

Transit-oriented development is not limited to making money from tall buildings near transit but also concerns sustainably improving accessibility and livability in our cities. There is much to be done on urban planning and transit-oriented development in our cities. We are just beginning to discuss the right ideas and practices. The long road to implementation of transit-oriented cities will require restoring the competitive advantage of the concept backed by institutional coordination and reforms in urban planning practices.



Rutul Joshi

Rutul Joshi teaches urban planning at CEPT University, Ahmedabad.
The views expressed are personal

[S JAISHANKAR] EXTERNAL AFFAIRS MINISTER

India — as the most populous country and currently the fifth-largest economy — will have multi-directional engagements. The world is not a zero-sum game for us



IAF's sheft shows in West's keenness on joint exercises

The recently concluded first phase of the Tarang Shakti exercise was the first-ever multinational air force exercise conducted by the Indian Air Force (IAF) after more than six decades. The last such exercise, Shiksha, was conducted in 1963, after the 1962 Indo-China conflict — with the American, British, and Australian air forces participating in it. With the French Air Force and Space Force, the German Air Force, the Royal Air Force of the UK, and the Spanish Air Force and Space Force taking part this time, it marked a new beginning for the IAF. The chiefs of the German, Spanish, and French air forces participated in the exercise.

In July 2024, six Jaguar aircraft of the IAF flew across the Atlantic to participate in Coe Thunder, a multinational exercise organised by the US Pacific Air Force. The IAF has come a long way since. Having taken part in numerous exercises across the globe and having conducted bilateral exercises with the air forces of the UK, the US, Russia, the UAE, Egypt, Australia, Saudi Arabia, Israel, and many others, the IAF is much sought after as a participating force in joint exercises. The world would understand that they would be the first responders in any conflict, natural calamity, or disaster — due to the inherent attributes of speed, agility, stealth, and precision. Multinational exercises with friendly foreign countries not only ensure interoperability but also enhance bonhomie amongst participants of different nations, lead to a better understanding of each other's capabilities and limitations, and enhance operational synergy.

Carrying out large force engagement (LFE) exercises, refuelling mid-air from each other's tankers, and operating under the air force's warning and control systems (AWACS) of different air forces with their mission commanders gives a great deal of confidence to the participating crew of different nationalities apart from enhancing situational awareness under dynamic conditions. Exercises such as these are rare opportunities that test the planning, preparation, operational readiness, and response of our forces in a spirit of healthy competition, preparing them for unforeseen contingencies should the need arise.

Tarang Shakti's second phase commenced

on August 30, with the participation of forces from the US, Australia, Greece, Singapore, Japan, Sri Lanka, and the UAE, apart from observers from many other friendly foreign countries. Bangladesh, which was scheduled to participate in the second phase, has withdrawn due to political uncertainty and turmoil in the country. With seven nations participating with their air assets in this exercise, the IAF is going to field its indigenous Tejas LCA apart from Rafale, Su 30, Jaguar, Mirage 2000, and Mig 29 aircraft along with its AWACS, including the indigenous Netra AEW & C aircraft. F-16s from the Hellenic Air Force and the USAF, F-18s from the Royal Australian Air Force, Mitsubishi F-2 fighter aircraft from the Japan Air Self Defence Force (JASDF), and A-10s of the USAF are going to participate in this phase, which will also witness live firing by IAF aircraft. The exercise is going to witness several LFE missions, including some that will be long (through the night). This is going to be the first time that Greece's air force will participate in a military exercise in India, after IAF's participation in the Indo-Chinese exercise hosted by Greece in April 2023.

The exercise is going to test the mettle, skill, and professionalism of all participating nations while honing their ability to operate in a multinational environment with large forces. While the western air forces are used to operating together on a regular basis in an airborne networked environment with common and interoperable communication links and operating bases, the IAF needs to fast-track operationalisation of its airborne network-centric capabilities and secure communication links, including software-defined radios (SDR). The increasing demand of foreign air forces to exercise with the IAF bears testimony to the professionalism of its air warriors and the growing stature of India in the emerging world order. Multilateral exercises such as Tarang Shakti serve as a beacon of hope and resolve for participating friendly forces and send a strong strategic signal of deterrence to inimical forces and hegemonies that do not wish to abide by a rules-based world order.

Air vice marshal (retd.) Anil Golani is director general, Centre for Air Power Studies.
The views expressed are personal

FARMER PROSPERITY
Union agriculture minister Shivraj Singh Chouhan
Farmers' prosperity will lead to a prosperous economy as farmers start spending their fortune on consumption...farming is the backbone of the country with farmer being the life blood

Competing for FDI

Investment-friendly charter does help but can't prevent flows to richer states in the country

THE GOVERNMENT IS no doubt concerned that foreign direct investments (FDI) are going only to a few states and would like to ensure a more equitable distribution. Towards this end, it is nudging state governments to compete for such investments by improving the ease of doing business, reform land and building norms, and improve power supply and other infrastructure, besides law and order. The official think tank, Niti Aayog, has been tasked with preparing an investment-friendly charter to monitor the various states on these parameters and rank them accordingly. This initiative should be welcomed as the states would be encouraged to target specific potential investors depending on the comparative advantages they have in various parameters. Foreign investors, for their part, would have an additional source of valuable information to decide where to locate their facilities. Tesla, for instance, clearly might prefer to locate in one of the states where the ecosystem in electric vehicles is developing.

However, it would be a tad unrealistic to expect Niti Aayog's investment-friendly charter to help reduce disparities in FDI even if the various states race to the bottom to attract such inflows. For perspective, a lion's share of foreign equity inflows of \$233 billion from October 2019 to March 2024 have gone to the richer states that have had a head start in industrialisation. Maharashtra and Karnataka alone account for a half of these investments. If Gujarat, Delhi, and Tamil Nadu are included, these five states garnered close to 90% of cumulative inflows. The tendency of investments to be attracted to such states — rather than to the relatively poorer states in the Hindi-speaking heartland, for instance — only reinforces the biblical axiom, for whosoever hath, to him shall be given! This reflects the agglomeration factors they offer significant advantages for potential investors with their manufacturing ecosystem in terms of availability of skilled labour, supplier base, and prospect of knowledge spillovers to collocate near existing units.

For such reasons, there is a fierce competition among the richer states to attract big-ticket FDI, exemplified by Maharashtra's angst over losing out to Gujarat for a prized semiconductor facility. Or the southern states like Karnataka, Tamil Nadu, and Telangana rolling out the red carpet to attract Foxconn, the world's largest contract manufacturer. The big losers in this milieu are bound to be the less prosperous states in the country. For all the advances of the so-called double engine government — in which the state and the Centre are of the same political party — Uttar Pradesh secured only 0.7% of such inflows. Bihar got 0.09% although it received big-ticket FDI from GE and Alstom in 2015 — the first such instance in the history of the railways — to manufacture diesel and electric locomotives. These projects are up and running but there has been no subsequent momentum towards attracting more investments.

The dominance of a few states obviously has serious implications for interstate disparities in FDI as they will pull apart from the poorer states. The policy imperative at the national level needs to be to create appropriate incentives for a dispersal of FDI. Rather than leave it to states, inflows must be incentivised towards the building of greenfield factories, industrial parks, and other infrastructure all over the country. Such investments depend on a stable policy and regulatory framework. Reforms are also needed to free up the land and labour markets.

● A GREENER FUTURE
NATIONS MUST WORK AS ONE ON RENEWABLE ENERGY, ENERGY EFFICIENCY, & ENERGY STORAGE

Joining hands on energy triad

SOLAR ENERGY is the best way for the world to meet its current and future energy needs, and understandably assumes great importance in the energy pathways of most countries. However, it isn't enough to merely ramp up renewable energy (RE) generation; it must be complemented by the implementation of energy storage systems and energy efficiency measures. It is a jigsaw that needs to be pieced together through the collective efforts of all nations.

India has done extremely well in building up its solar energy capacity over the past decade. The installed solar power capacity is more than 87 gigawatt (GW), almost 58% of the total installed RE capacity. However, energy storage hasn't kept pace with RE development, and this poses challenges with respect to grid flexibility and stability. Energy efficiency has been picking up, but largely through government-led programmes implemented by and for civic infrastructure; adoption by the private sector has lagged in comparison. India's inbound investments in RE, meanwhile, continue to be a small percentage of the global total.

The Union Budget in July placed strong emphasis on strengthening the growth of India's RE ecosystem. It announced a rooftop solar scheme, a policy for promoting pumped storage projects, and measures aimed at incentivising domestic manufacture of solar panels, cells, and other components. The Budget also announced financial support to micro, small, and medium enterprises for shifting to clean energy and implementing energy efficiency measures.

This momentum must be enhanced further in the years ahead. There is a long way to go in meeting the stated target of 500 GW of RE by 2030. Widespread deployment and adoption of solar energy has many prerequisites and entails certain challenges that India — and all other nations working towards a clean energy transition — must address with urgency.

AJAY MATHUR

Director general, International Solar Alliance

Intermittency of solar power and energy storage

Solar power generation, by the very nature of its source, is intermittent, and this can adversely impact the stability of the power grid. It is necessary to manage this intermittency and minimise voltage and frequency fluctuations to safely integrate solar energy into the grid with other sources, necessitating energy storage systems. Solar energy, combined with battery storage, can be a very viable choice for electrification, especially in places that are far away from the grid. The National Electricity Plan 2023 of the Central Electricity Authority projects India's energy storage capacity requirement to grow potentially to 82.37 GWhours by 2026-27 and a further fivefold by 2031-32. There is a need to strengthen R&D and increase investments in energy storage technologies to drive down costs further.

We need efforts from governments, businesses, and organisations to build a global solar ecosystem

Complementing energy generation with storage

To limit global temperature rise, it is essential to treble renewable power generation capacity and double the current levels of energy efficiency by 2030. The good thing about energy efficiency is that it can be adopted across industries and verticals.

In the building sector, it can be achieved through deep retrofitting, advanced insulation, high-efficiency windows, smart energy management systems, and near-zero energy standards for new constructions.

In the industrial sector, energy efficiency can be enhanced with high-efficiency boilers, artificial intelligence-driven analytics, smart sensors for real-time monitoring, and state-of-the-art processes. The transportation sector can look to electric vehicles, extensive charging infrastructure, stringent fuel efficiency standards, and enhanced public transport systems. The power sector, meanwhile, can optimise electricity distribution and reduce losses via greater smart grid deployment.

A combination of RE and energy efficiency can potentially reduce global energy demand by up to 25% by 2030. Furthermore, it can create millions of jobs — a big plus point for a country like India that is trying to maintain a balance between its development goals and environmental commitments.

Policy interventions

Policy has a huge influence on how any industry grows and develops. On the energy efficiency front, the solar industry will benefit from the implementation of strict energy performance standards for solar infrastructure, vehicles, and appliances. Germany's Energiewende policy, which promotes the integration of RE and energy efficiency, has led to significant reductions in the country's greenhouse gas emissions.

There must be financial incentives — such as tax credits, subsidies, and grants — for those who develop energy-efficient

technologies as well as for those who adopt them. Adoption can also be accelerated by public awareness campaigns that educate people and businesses about the best practices and benefits of energy efficiency.

On the financial front, it is estimated that annual clean energy investments must increase to \$4.5 trillion by 2030, with a majority of it being used to increase RE capacity and improve energy efficiency, and with a comparatively smaller share allocated for energy storage technologies and industrial equipment upgrades. Today, emerging economies receive only a fraction of the resources needed to meet their energy requirements sustainably. Policies that encourage collaborations with international financial organisations, development institutions, and national governments can help in attracting the necessary investments and financial support.

International collaboration

Most of the technologies that we need for the solar revolution already exist; what we need is greater international cooperation, knowledge-sharing, and innovative approaches to widen their reach and maximise their impact. RE, energy efficiency, and storage technologies will complement and strengthen each other, but not all nations have the knowledge or the resources to bring the triad together on their own; it is the collective responsibility of the world to make it happen.

We need concerted efforts from governments, businesses, and international organisations to conceptualise, develop, and build a global solar ecosystem that is supported and enhanced by robust policies, finances, and technology-based solutions. India is one of the world's largest economies, and a leading voice of the Global South. The onus is on all — businesses, investors, research institutions, and governments — to turn ambition into action and walk the talk of a sustainable pathway to development.

Path to 50% non-fossil fuel power generation

IN RECENT YEARS, there has been a rising frequency of extreme climate events, including intense heatwaves, cold spells, excessive rainfall, and cloudbursts. 2023 was the hottest year on record, and India saw extreme weather on 318 of the 365 days. The recent landslides in Kerala, flash floods, and extremely high temperature across India underscore the huge human and economic losses from climate change.

In this context, to match the fast economic growth and rising electricity consumption (average 8% year-on-year), India has to rapidly change its power generation mix to a larger share of clean and renewable energy (RE), in an effort to adhere to sustainable development goals. Between 2015 and 2024, India added 175 gigawatt (GW) power generation capacity, with 65% coming from renewables. The goal to generate 50% of all power from non-fossil sources by 2030 underlines India's commitment to energy security through sustainable means.

This strategy is based on a strong policy framework and reforms. The government aims to diversify the energy mix by focusing on renewable sources like solar, wind, hydroelectric along with pumped hydro and small modular nuclear reactors (SMRs). As of July, with ~87 GW solar, 47 GW wind, and 47 GW hydroelectric, non-fossil fuel sources accounted for 44% of India's total installed electricity generation capacity. Tata Power supports this transition with its installed clean capacity of 6.1 GW, pipeline of 5.3 GW, and a goal to achieve 70% clean energy portfolio by 2030.

RE from solar and wind is intermittent and requires storage technologies like pumped hydro and electric battery for round-the-clock supply. The recent Union and state budgets highlighted policy support for these technologies. Multiple companies including Tata Power are working towards realising this. The Union Budget also mentioned developing SMRs for base load applications via public-private partnerships.

This aligns with the acceptance of nuclear energy, witnessed during COP28.

India's RE goal relies on public-private synergy. Government policies, including subsidies, performance-linked incentive, and tax incentives, have created a favourable environment for private investment, with \$60 billion for clean energy in 2023, up nearly 40% from the 2016-20 average. Independent power producers, start-ups, and corporations drive innovation and job creation. Public sector entities like the India Power Corporation of India are partnering private players to co-finance and execute RE projects, enhancing resource utilisation and risk-sharing.

Cross-border collaborative efforts, aligned with strategic investments, is setting the ground for India to lead global energy transition. Tata Power, with its origins in hydro power, is expanding clean energy availability through collaborative projects in Bhutan.

Green bonds, foreign direct investments, and climate finance are crucial for supporting India's clean energy projects. India has advanced cooperation with countries and global institutions for technology transfer and capacity building in RE. In 2023, global investment in clean energy reached a record \$1.77 trillion, up 17% from 2022.

The growth of India's power sector hinges on robust support from original equipment manufacturers, other manufacturers and suppliers. With the industry projected to reach \$130 billion by 2030, manufacturing and exports are crucial. Projects like the newly commissioned Tata Power Solar 4.3 GW Tirunelveli solar module cell manufacturing plant exemplify efforts to build Atmanirbhar Bharat and commitment to becoming an important player in the global supply chain.

To meet targets, we need reliable power supply at affordable rates, with significant investments in storage solutions, clean energy technologies, and power evacuation infrastructure. According to a Moody's estimate, power firms will need to invest \$190-\$215 billion to achieve 500 GW of clean and RE capacity by 2030. An additional \$150-\$170 billion will be required for expanding and enhancing transmission, distribution, and energy storage systems.

Achieving 50% non-fossil fuel power generation by 2030 is an ambitious goal. Together, we can ensure a resilient and sustainable energy future for our country.



PRAVEER SINHA

Speaker, POWERGRID India and Indian Utility Week 2024, and CEO & MD, Tata Power Company

Elusive peace in an era of war

N CHANDRA MOHAN

The writer is an economics and business commentator based in New Delhi

PROSPECTS FOR A cessation of hostilities look bleak for the two and a half years' war between Russia and Ukraine and the 10-month-long battle between Israeli forces and Hamas in Gaza. They are perhaps two of the most consequential conflicts — of the 56 currently going on with 92 countries involved outside their borders according to the Global Peace Index — that adversely impact the world economy. Due to the Ukrainian war, energy prices skyrocketed to \$140 a barrel before falling to current levels of \$77 a barrel, besides unleashing a global food crisis. The Gaza war threatens to escalate beyond Israel to Lebanon and ultimately involving Iran, engulfing oil-producing West Asia, which can plunge the world economy into stagflation as in the 1970s.

Wars do not end unless the parties involved feel the need to silence their guns as they cannot achieve their military objectives. Alas, this does not seem to be the case at present. Since early August, Ukraine launched a stunning push into Russia's Kursk region and seized 1,250 sq km of territory, more than Russia has in Ukraine all year. Russia is registering significant gains in Ukraine's eastern region. Ukraine's President Volodymyr Zelenskyy is now pressing the US and allies to ease restrictions on the use of western weapons to strike deep into Russian territory. Israel's PM Benjamin Netanyahu has vowed to continue the battle in Gaza till Hamas is

"totally destroyed" and has opened a new front with military operations in the occupied West Bank.

In this milieu, there are objective limits to any mediation efforts as India discovered after it offered to play the role of a peacemaker when Prime Minister Narendra Modi visited Kyiv. India has consistently taken the position of not joining the chorus of western nations in condemning Moscow's invasion, while appealing for diplomacy and dialogue. Zelenskyy welcomed this stance and even suggested a peace summit in India, but added a caveat that it would not be appropriate to host in a country that hasn't endorsed the joint communiqué of the first peace summit in Switzerland. Kremlin's spokesman, too, appreciated India's efforts but stated that it was "more than obvious" that there was no basis for talks right now.

The US, too, is painfully aware of its limited success in securing a ceasefire in Gaza despite offering a three-phase proposal in May. When asked if Netanyahu was doing enough to reach a deal, US President Joseph Biden said "no". Israel's PM, whose political survival crucially depends on the support of ultra-nationalist and religious extremist groups who want the war to continue, has added fresh conditions — like retaining troops

The world economy has a huge stake in a negotiated end to the two biggest ongoing conflicts — between Israel and Hamas, and Russia and Ukraine

in the Philadelphi Corridor between Egypt and the Gaza Strip — that scupper any deal. A frustrated US is now set to present a "take it or leave it" proposal. A few of the six slain Israeli hostages were in fact set to be released if the ceasefire kicked in, triggering massive protests in Tel Aviv. But Netanyahu is undeterred.

The problematic nature of peace-making stems in good part also from how the warring parties perceive the interlocutors. India is not considered a neutral party by Ukraine with Zelenskyy expressing disappointment with Modi's trip to Moscow in July, which unfortunately coincided with a Russian missile strike on a children's hospital in Kyiv. Ukraine is aware of India's delicate balancing act with the West, especially the US, even as it bolsters a strategic relationship with Russia in a multi-polar world. The US, too, is not exactly a disinterested peacemaker in the Gaza conflict or the West Asian region given its iron-clad commitment to support Israel's right to defend itself by providing billions of dollars of weaponry.

For such reasons, Zelenskyy asked India to stop its balancing act and come on the side of peace, adding that if it stopped purchasing Russian oil President Vladimir Putin will have

huge challenges in running a war economy. That if India changes its attitude to Russia, the war will end. The Gaza war also could have ended earlier if the US used its considerable leverage over Tel Aviv to implement its ceasefire proposal. Taking its support for granted, Israel instead has violated every red line that the US indicated — like desisting from invading Rafah — to minimise civilian casualties. Netanyahu is biding his time hoping that Donald Trump, who is much more favourable to Israel, would win in the US presidential elections.

Clearly, there is a long road ahead for both these important conflicts to wind to a conclusion. Ukraine is unfazed by the barrage of Russian missile strikes on its cities as it is emboldened by seizing Russian territory, which will be a valuable bargaining chip if and when both the warring parties smoke the peace pipe. Gaza has been reduced to a dystopian, rubble-strewn wasteland as the war has killed more than 40,000 Palestinians and threatens full-blown famine conditions. The only silver lining is a temporary pause to allow polio vaccination for Gazan children. The elusive peace-making efforts to end these ongoing conflicts — amidst signs of dangerous escalation — do not bode well for the world economy.

Views are personal

LETTERS TO THE EDITOR

SC calling out 'bulldozer justice'

The Supreme Court has pronounced its opinion on "bulldozer justice"; it has found "retributory demolitions" of the family shelters, shops, and business establishments of the accused or even the convicts to be illegal. The apex court has come to the rescue of vulnerable Muslims, at least prospectively, with its observation that the so-called bulldozer justice is

against the law and extrajudicial. The critical comments by the country's top court against "bulldozer justice" are a damning indictment of Uttar Pradesh Chief Minister Yogi Adityanath and others of that ilk who were behind it. The one word that I can think of to describe the grotesque bulldozing of buildings as instant punishment precluding the judicial process is "primitive". There must be more sensible and acceptable ways to enforce law and order and deter

crimes than the razing down of houses and properties of the accused, which in itself is an indictable crime.

—G David Milton, Maruthanode

Penalise companies proportionately

Apropos of "Don't ask for peanuts" (FE, September 3), any financial penalty should be proportionate to the act of wrongdoing. It is beyond shocking that two trainees were

allowed to fly with hundreds of passengers they did not have any clue about. Airlines cannot take their flyers' lives for granted. A pittance in the name of penalties will never act as a deterrent to these companies. It is high time that regulatory bodies and governments worked out steep fines so that companies fall in line and do not abuse their positions of power.

—Bal Govind, Noida

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12 THE EDITORIAL PAGE

WORDLY WISE

JUSTICE WITHOUT FORCE IS POWERLESS; FORCE WITHOUT JUSTICE IS TYRANNICAL.

—BLAISE PASCAL

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

JUSTICE DELAYED

A bulldozed home cannot be reconstructed from rubble. The court's observations are welcome — but will they make a dent?

THE SUPREME COURT has spoken out against "bulldozer justice" — the practice of state governments demolishing homes and properties of people accused in crimes, in the guise of acting against "illegal encroachment". It has invited suggestions for pan-India guidelines that it proposes to put in place. The apex court's intervention is welcome. But, with due respect to the court, it must also be said that this was long overdue. The highest court of the land has called out such brazen misuse of power and miscarriage of justice by its name after families and businesses have been destroyed and rights of citizens violated in irreversible ways. Indeed, over the past few years, "bulldozer justice" has become a mis-governance model, a morbid political template across states: from the Yogi Adityanath government in UP that first deployed it as a shock-and-awe weapon wielded by a hard state targeting the minority disproportionately, earning the CM the moniker of "Bulldozer Baba", to the erstwhile Shivraj Singh Chouhan government in MP, which mimicked the brutish strategy, to even the Congress-ruled government in Rajasthan from then CM Ashok Gehlot and the then MVA-led Maharashtra government.

"It is a position of law. How can anybody's house be demolished only because he is an accused? Even if he is a convict, it can be done without following the procedure as prescribed by law", said Justice BR Gavai, on Monday. "As they say, a pious father can have a recalcitrant son and vice versa, but this is no way to go about it," said Justice KV Viswanathan. "We propose to lay down certain guidelines...", said the bench. The inadequacy of the intervention lies not just in its belatedness, but also in the well-founded scepticism that it is much too thin. For evidence, just look at hate speech and the Court. In April 2023, the apex court directed all states and UTs to register cases on their own against those making hate speech, without waiting for complaints — it was extending the mandate it gave in October 2022 to the police in Delhi, UP and Uttarakhand to take suo motu action in hate speech cases. "Any hesitation to act... will be viewed as contempt of court and appropriate action shall be taken against the erring officers", the court had said. Just last week, however, the abuse and assault of a 72-year-old falsely accused of carrying beef in a Mumbai-bound train, a space that's meant to be protected by the Indian Railways, and the initial police response, has brought more proof of the entrenched climate of impunity in which the highest court's direction and mandate have made scarcely a dent.

Of course, it will take more than the highest court. Lower courts and thanas, for instance, will need to take the message of zero tolerance of hate speech, and implement it on the ground. It will also need a politics that imposes penalties on, not rewards, those who peddle hate. But having said that, as it gets down to framing the guidelines on "bulldozer justice", the Supreme Court must know that questions will also be asked on whether its own anguish and its own action may be too little and too late. Justice delayed is justice denied — more so, when the clock can't be turned back, and when a home cannot be re-constituted from rubble.

MANIPUR, STILL

Amid fresh violence, demand for removal of central forces from the state shows a pattern of political, administrative abdication

ON AUGUST 29, days before violence returned to Manipur's Koutruk, a Meitei village in Imphal West district, close to the border with the Kuki-Zo majority Kangpokpi district, Chief Minister N Biren Singh had expressed confidence in the restoration of peace in the state within the next six months. In an interview to PTI, he emphasised that, as a "CM for all", his "job is to protect Manipur and people of Manipur". The fragility of that promise — not the first one to be made in the nearly 16 months of turbulence in the state — has become apparent once more in the aftermath of the attack by alleged Kuki militants that killed two, injured 10 and saw the deployment of RPGs and sophisticated drone weaponry.

As Manipur grapples with the aftershocks — Koutruk has been one of the worst afflicted in the ongoing ethnic tensions between the Kuki-Zos and the Meiteis — BP MLA Rajkumar Ingo Singh, the CM's son-in-law, has requested the Home Ministry to withdraw the nearly 60,000 central forces from the state because of what he calls their failure to stem the unrest. He has also called for the unified command of security forces, operationalised last May, to be handed over to the CM's office on grounds of partisanship and ineffectuality. This is part of a disappointing script of abdication of responsibility, a shifting of blame. It also highlights the fault lines that have gouged the state into distinct factions. Politics in Manipur — from the reorganisation of regions to its architecture of violence — hinges on deeply-entrenched questions of identity. In the absence of adequate infrastructure creation, education, and vitally, employment, the mobilisation of ethnic differences into insurgencies and acts of violence has become a way to bargain for economic and political power. The present crisis began with a Meitei demand for ST status and a Kuki-Zo push-back. And yet, instead of addressing these structural lacunae, the Centre and Singh's government remain keep alive the spectre of the outsider-disruptor, framing it as a law-and-order situation. This, even as the nearly 5,000 weapons looted in the early days of the crisis remain missing and the fresh burst of insurgency indicates an intelligence failure, worsening not least because of the crisis in Myanmar next door.

The situation in Manipur is a result of the dereliction of duties by the Centre and the state administration. The dialogue that the CM spoke of in the interview, as "the only way" forward should have begun much earlier. The process of peace needs more than lip service. It requires resolve — and the honesty to own up to errors and begin afresh.

AGAINST ALL ODDS

The Paralympics underway in Paris brings good news, and successes that inspire

FOR A COUNTRY with 1.4 billion-plus people that is counted among the also-rans at the Olympics, the Paralympics underway in Paris have brought good news. With a few days left for the closing ceremony, the Indian contingent is all set to go past its best-ever medal haul. Athletics, badminton, shooting and archery have been the highlights of the performance, which has brought a smile back on the faces of Indian sports fans after the largely underwhelming show at the recent Olympics.

The modest haul of six Olympic medals owed much to the contributions by pistol shooter Manu Bhaker, who climbed the podium twice. In the Paralympics, it has been Avani Lekhara who kept the tricolour flying high at the shooting range. The 22-year-old from Jaipur successfully defended the gold medal she won in the 10 metre air rifle SH1 category at the Tokyo Paralympics three years ago. She also won a bronze in the 50m rifle three positions event in Japan, making her the most successful Paralympian in Indian history with three medals. That she won both her gold medals breaking Paralympic records, is testament to her drive for excellence. A car accident when she was 11 left Avani with complete paraplegia, which impairs the functioning of the lower extremities of the body. The feats of Avani and armless archer Sheetal Devi are immensely inspiring.

Many of the women medalists who have contributed to India's haul at the Paralympics come from modest backgrounds, and have had to overcome multiple barriers. Their achievements show what is possible with courage and resolve, no matter how daunting the odds.



BINA AGARWAL

GITA GOPINATH, IMF's deputy managing director, recently interviewed in this paper (IE, August 17) emphasised that India needs 60-148 million additional jobs cumulatively between now and 2030. But she gave short shrift to agriculture, saying we need to get workers to move out of agriculture into other areas". My question is: Why can't agriculture too be a driver of growth and creator of desirable jobs?

In 1954, when Arthur Lewis argued that development involves workers moving from agriculture to manufacturing and services, and from rural to urban areas, agriculture was still low-tech and subsistence-oriented. Today, farming in many countries is high-tech and highly productive. We can get there too if we give agriculture its rightful place and re-think the way we farm. Although Indian agriculture has had a five-year average growth rate of 4 per cent, it contributes 18 per cent to the GDP. Its growth is erratic and environmentally costly. It employs 46 per cent of all workers and 60 per cent of rural workers, but incomes remain low, and educated youth don't wish to farm.

For agriculture to be an engine of growth and attractive to youth, we need to overcome ecological, technological, institutional challenges; reconnect with allied sectors; and create synergy with rural non-farm sectors.

Ecologically, we must regenerate our water and soils and tackle climate change. Irrigation is the key to higher productivity and drought resilience. Currently, only half of India's gross cropped area is irrigated, mainly via groundwater whose over-extraction has led to alarming falls in water tables. A notable cause is free electricity. In Punjab, between 1997 (when free power was introduced for irrigation) and 2002, there was a 40 per cent decline in canal irrigation and a sharp rise in groundwater use and area under rice. This continues. We need regulation, not freebies.

For irrigation expansion, a combination of groundwater regulation, rainwater harvesting and micro-irrigation would be effective. In Gujarat, for example, between 1999-2009 agriculture grew at 9.6 per cent per year, due to mass-based rainwater harvesting via micro-structures. Over 10-15 years, Gujarat built 0.5 million micro-structures: Check dams, bunds, ponds, etc enabling substantial produc-

Agriculture must be technically sophisticated and institutionally innovative to be an engine for growth

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profit gains. Rainwater catchments provide surface irrigation and recharge groundwater.

Alongside, efficiency in water use is essential, with measures ranging from drip irrigation to less water-guzzling crops. A government evaluation (NMMI, 2014) for 13 states found that micro-irrigation (especially drip) reduced irrigation cost and fertiliser use while raising average fruit and vegetable yields by 48 per cent and 52 per cent, and farmers' incomes by 48 per cent. So far, less than 10 per cent of our crop area has micro-irrigation.

Next, our soils need fixing. An estimated 37 per cent of our go-area is degraded, with waterlogging, soil salinity, chemical contamination, and nutrient depletion.

Technologically, we must shift from cereal monocultures to crop diversity and agro-ecological farming. This would revive soils, save costs, raise yields, create jobs, and increase profits. It is diverse of produce, including poultry, fruits and vegetables, will also cater to changing dietary patterns. Technology is also key to tackle climate change, especially heat-resistant crops and efficient extension of new farming techniques. Cell phones offer great potential here. A 2019 research paper in Science found that agricultural information provided via cell phones increased yields by 4 per cent and the odds of adopting recommended inputs by 22 per cent in India and Sub-Saharan Africa. Drones offer new means for pest control and crop monitoring.

Most importantly, we need institutional innovation. Today, 86 per cent of our farmers cultivate two hectares or less, occupying 47 per cent of the operated area. Most farms are too small to tap scale economies, use machines efficiently, or bargain well in markets. Some 75-80 per cent use informal credit. Farm incomes are low and erratic. Higher crop prices and market reforms can benefit smallholders if we first address their production constraints.

How can we increase farm size? One answer lies in encouraging smaller holders to cooperate and farm in groups. Our 1960s attempts at group farming failed due to poor institutional design. Literature demonstrates that co-operation must be voluntary, with small groups, economically homogeneous, and cemented by trust. There should be participative decision-making and equitable sharing

of costs and returns. Carefully designed group farming initiatives are paying rich dividends in some regions. Kerala, for instance, promoted all-women group farming in the 2000s as part of its anti-poverty mission, Kudumbashree. Now it has over 73,000 group farms. Each group cultivates leased land, pools labour and resources, and shares costs and benefits. They receive a start-up grant, technical training, and access to subsidised credit via NABARD.

My research in two districts, comparing women's group farms and largely male-managed individual farms, showed that the annual value of output/hectare of group farms was 1.8 times that of small individual farms. The average net return/ha in group farms (after deducting all paid-out costs) was 1.6 times that in individual farms (Agarwal, World Development, 2018). Farming together also skilled women and empowered them socially.

Group farms are thriving too in Bihar, West Bengal, Telangana and Gujarat too. Farming groups enables them to consolidate holdings, invest in irrigation equipment, and save on labour and input costs. Group farming reports higher yields than farming individually. Some youth groups are doing vegetable farming instead of migrating for jobs, attracted by technical advancement and working together. Federated structures have strengthened group farms, enabled them to take measures for climate resilience, and some have formed farmer-producer organisations for marketing. Livestock, fisheries and forests also offer huge growth and job potential. In 2022-23, fisheries grew at 10 per cent, providing 28 million jobs (44 per cent for women).

Finally, since 61 per cent of rural incomes come from the non-farm sector, expanding and synergising farm-nonfarm linkages in agro-processing, machine tools, eco-tourism, etc can raise incomes and jobs. We have an opportunity to make agriculture technically sophisticated, environmentally sustainable and institutionally innovative. It can become an engine for growth and create attractive jobs for the young, provided we shed old economic theories and change the way we farm.

The writer is professor of Development Economics and Environment, GDI, University of Manchester



T C A RAGHAVAN

THE PRIME MINISTERS forthcoming visit to Singapore provides an opportunity to take a snapshot of the relationship today. It is evident that India-Singapore relations are vibrant and constantly opening up new possibilities. One indication of this is the frequency and high level of inter-governmental contacts. The PM's visit has been preceded by the second meeting of the India-Singapore Ministerial Roundtable in which four senior Indian ministers travelled to Singapore to meet their counterparts. These are indicative of the new frontiers which are being opened up and consolidated in bilateral relations: Digitalisation, skills development, sustainability, healthcare, advanced manufacturing and connectivity. These high-level exchanges are supplemented by others — parliamentary contacts, contacts between higher judiciary, etc.

This broad spectrum of interstate contacts highlights the spread and depth of the India-Singapore interface. Singapore is India's largest trading partner amongst the ASEAN countries and ranks as the sixth largest trading partner in global terms. Incredible as it may sound, tiny Singapore is also India's largest source of foreign direct investment.

There are other striking dimensions to the relationship. Singapore has the largest concentration of IT and IIM alumni in any non-Indian city — which is saying a lot given recent trends of an exponential increase in Indian diasporic presence in North America and Europe. The two countries also share a long and distinguished history of people-to-people exchanges. Singapore was the home of the Indian National Army. The success of the cur-

FRIENDS WITH BENEFITS

PM's visit to Singapore is an indication of its relevance to India's growth story

rent generation of IIM and IIT alumni who have made Singapore their home is based almost entirely on the foundation laid by an older generation of diasporic Indians from the late 19th century who played a pivotal role in transforming Singapore into a high-achievement hub. Their contribution in making Singapore a secular and multicultural society is immense. The country also acts as a magnet for Indian tourists.

Since the 1990s, Singapore has been a critical factor as India framed a regional policy — "Look East" — and then "Act East". On its part, Singapore facilitated India becoming a key bilateral dialogue partner and then a full dialogue partner of ASEAN. The India-ASEAN relationship plays an unexpected role in South Asia on account of Myanmar — in effect, a bridge between South and Southeast Asia. The erosion of central authority in that country amidst a civil war has obvious and major implications for the entire region. India's proximity to Myanmar and Singapore's association with it through ASEAN means that this will also be part of the India-Singapore agenda.

Yet, all this does not fully capture the broad spectrum of the relationship. Over the years, it has acquired an important defence component and, in particular, a valuable maritime dimension. India's regional narrative has now widened to the Indo-Pacific. Chinese political and military assertion has meant that existing approaches such as ASEAN centrality now increasingly jostle with new architectures such as QUAD, posing new opportunities and challenges for the India-ASEAN and India-Singapore relationships.

A prime ministerial visit is an important occasion to review bilateral, regional and global issues. If trade and economic partnership is at the heart of the relation, new vistas are also opening up. The latest Economic Survey had mentioned the possibility of what has been unmentionable for the past three-four years — Chinese FDI into India. In the event of such a policy shift, it is almost axiomatic that Singapore entities and companies will also play a major role.

It is also necessary to be realistic about the nature of India-Singapore complementarities. This intertwining acquired a new intensity from the early 1990s. To many, it seemed — with some merit — that Singapore provided just that global window that India's older entrepreneur and financial capitals of Chennai, Kolkata and Mumbai could no longer be given regulatory failures and structural inefficiencies at different levels. This was, therefore, a sound basis for a partnership but it is also, in a sense, a negative kind of complementarity.

It is useful to recall that the trade and investment profile in the relationship owes more to Singapore's success in building itself up as a formidable trading platform and global investment centre than any inherent complementarity between the two economies. We, therefore, need to be conscious of how much our own regulatory shortcomings need to be addressed. Singapore is relevant to India's growth story because it is a pointer to just how much terrain we still have to traverse.

The writer is a former Indian High Commissioner to Singapore

SEPTEMBER 4, 1984, FORTY YEARS AGO

HIJACKERS IN CUSTODY

HIJACKERS OF THE Indian Airlines Boeing were flown to Chandigarh where a magistrate remanded them to 21 days of police custody. The seven hijackers face life imprisonment under the case registered at Chandigarh. India has thanked the UAE and the US for their help in returning the hijackers of the Indian Airlines Boeing 737 to India.

ern Philippines with destructive fury. The confirmed death toll was put at 300 as a group of reporters flew into Surigao to be confronted with extraordinary scenes of devastation. The typhoon slammed into Surigao Del Norte province. Within two hours, it caused unprecedented damage.

30-HOUR BLACKOUT

A 30-HOUR BLACKOUT forced The Indian Express and its sister publications, Jansatta and Financial Express, to miss editions dated Monday and Tuesday. The power supply was restored at 9:30pm, barely in time to produce

Tuesday's city edition in the absence of the supplies promised earlier in the day.

UNEASE OVER AKALIS

THE POLITICAL AFFAIRS Committee of the Union Cabinet met to review the Punjab situation and the reports on the Sikh intervention held at Amritsar. Prime Minister Indira Gandhi presided over the meeting. The committee is understood to have noted with concern that the Sikh congregation has completely ignored the state's demand for Minister P V Narasimha Rao inviting the Akalis for negotiations.



TYPHOON KILLS 1,000

UP TO 1,000 people are feared to have died when Typhoon Iliwhip whipped through south-

THE INDIAN EXPRESS, WEDNESDAY, SEPTEMBER 4, 2024

THE IDEAS PAGE

The new internationalism

Rahul Gandhi and PM Modi's upcoming visits to the US show how political parties across the spectrum are expanding their outreach, building bridges with diasporas



RAJA MANDALA
BY C RAJA MOHAN

RAHUL GANDHI'S VISIT to the US next week presents a long-term opportunity and a short-term challenge for the Congress Party. As the party regains ground in India, there is now growing global interest in the persona of India's Leader of Opposition, as well as his economic vision and worldview.

Rahul Gandhi is scheduled to address an Indian community event in Dallas, Texas, and meet a wide range of actors in Washington next week. His latest trip to the US follows his travels in America, Britain, and Europe last year and suggests that the Congress is eager to rebuild its global links, including with the diaspora. The visit also raises tricky questions about Rahul Gandhi taking his sharp critique at home of Prime Minister Narendra Modi and the BJP government to foreign soil. The PM is set to visit the US two weeks after Rahul Gandhi and both leaders are scheduled to address the Indian diaspora.

As they compete for the affection of the diaspora amid deepening domestic polarisation, could the relationship between the internal and external in our political life come into sharp view this month in America? Or could Congress and BJP arrive at an informal compact on separating their natural domestic contestation from activity abroad?

Beyond the diaspora, there is the larger question of revitalising India's internationalism. India has never been as connected to the world as it is now, but its political classes appear a lot less engaged globally than they ought to be.

India's two-way trade in goods and services is now around 40 per cent of India's GDP, which is close to 3.8 trillion. Besides expanding business volumes, Indian tourists, students, and professionals travel abroad in ever larger numbers. As the world seeks out Indian talent, the diaspora, now said to be around thirty-six million, will continue to grow.

As India rises to be a major economy and a military power, the global interest in its markets and geopolitics has inevitably grown. This national response in the form of intensified engagement with the world is mediated more by government agencies, the corporate sector, academia, media, think tanks, and non-governmental organisations.

But the decline in the engagement of our political class with their international peers is unfortunate given the unprecedented changes unfolding in the world. This limited interest stands in contrast to India's expansive internationalism from the late 19th to the mid-20th century. As India's consciousness of the world rose in the late 19th century, all major global ideas had a powerful impact on the Indian elite, including nationalism, socialism, communism, Asianism, and liberal humanism. Contact and communication with the world laid the foundations for India's internationalism in the early decades of the 20th century.

An important part of it was engagement with the Indian labour and capital that



C R Sasikumar

spread across the vast British empire since the early 19th century. As the national movement acquired greater traction, so did the mobilisation of the diaspora in favour of Indian independence.

As the nation's leading political force, the Indian National Congress was at the forefront of this international engagement. So were the Communists and socialists; their global ideological affiliations and mass organisations brought a more structured relationship with the international left.

The weakening organisational structure of the Congress party since the 1960s steadily diminished its capacity to engage the world. Although the personal relations of Nehru and India with Western leaders sustained a measure of continuity, the Congress party's inward economic turn and its strategic drift to the Soviet Union eroded its widespread contacts in the West. Meanwhile, the fragmentation and marginalisation of Indian communists and socialists undermined the channels of communication with the world's political parties.

It is interesting to recall that the Muslim leadership of the undivided India was sensitive to the developments in the Middle East and reacted to them vigorously. The growing global footprint of Islam continues to be an important source of Muslim internationalism in the Subcontinent.

While the rising Hindu elite eagerly engaged the world through radical and secular ideas prevalent at the European heart of the modern world, the conservative Hindu society remained suspicious of the external world. Although some of its leaders began to look outward and find ways to overcome the perceived weaknesses of Indian society, political Hinduism remained a nativist phenomenon.

It is no surprise then that the BJP has the least lineage in terms of internationalism. As it gained ground in the last three decades, the party began to reach out to the world more purposefully. Over the last few years, the BJP's connections with political parties globally, including in the neighbourhood, are expanding.

Congress and other parties have a lot to catch up with; and they are, at least in one domain, the outreach to the diaspora. Connecting with Indian communities abroad has been a major preoccupation of the BJP in the 21st century. The Overseas Friends of the BJP in the 1990s has helped grow the party's presence around the world, especially in the

As India rises to be a major economy and a military power, the global interest in its markets and geopolitics has inevitably grown. This national response in the form of intensified engagement with the world is mediated more by government agencies, the corporate sector, academia, media, think tanks, and non-governmental organisations. But the decline in the engagement of our political class with their international peers is unfortunate given the unprecedented changes unfolding in the world. This limited interest stands in contrast to India's expansive internationalism from the late 19th to the mid-20th century.

Western democracies, where a substantial portion of the Indian diaspora is concentrated.

The Congress has reactivated its Indian Overseas Congress, which is organising Rahul Gandhi's visit next week. Engaging the diaspora is also now a major activity for national parties and their chief ministers. Tamil Nadu Chief Minister M K Stalin was in the US last week connecting with the Tamil diaspora and mobilising investments for his state.

While outreach to the diaspora has helped build bridges with other countries, it is also generating new problems. The divisions within the nation affect its diaspora and intersect with the domestic politics of their adopted homelands. As Indian political engagement with the diaspora grows, there is increasing scrutiny of this activity by the security establishments of the host countries.

In the end, Indian political outreach to the diaspora, important as it is, is not a substitute for sustained interaction with the key political formations in major countries. Viewing key nations through the prism of the diaspora could lead to misperceptions of global reality and an unwanted policy bias in Delhi. Direct political communication with foreign parties will also help the Indian political class avoid the dangers of "groupthink" from self-selected expert communities and the toxic extremism of social media that distorts reality.

On its part, the BJP has accelerated efforts to connect with the world. The Congress needs to revitalise its foreign affairs department and make it an effective instrument of global engagement. Back in 1936, when he became the president of the Indian National Congress for the second time, Jawaharlal Nehru set up the foreign affairs committee of the party and appointed Ram Manohar Lohia as the secretary.

If the great charm of the inter-war period persuaded Nehru to set up the committee, the rapidly changing global order today demands that the oldest party in the country is better equipped to deal with it. One also hopes that Lohia's legacies in our political class who are also regaining domestic political will rediscover, sooner than later, the virtues of internationalism.

The writer is a visiting professor at the Institute of South Asian Studies, National University of Singapore and a contributing editor on international affairs for The Indian Express

WHAT THE OTHERS SAY

"We cannot let impatience and frustration worsen the crisis by creating an artificial teacher vacuum or further compromising teachers' recruitment processes. We hope that students will practice restraint and allow the time and space needed for the implementation of their demands."

—THE DAILY STAR, BANGLADESH

The Court sends a message

SC's recent verdicts on bail affirm the primacy of fundamental rights. They could nudge political parties to revise their politics



ASHWANI KUMAR

GIVEN THE NATION'S current preoccupation with a sense of fear and disquiet over the oppressive processes of our criminal justice system, the Supreme Court's recent pronouncements regarding the grant of bail in cases brought under stringent penal statutes have come as a welcome relief. The decisions have given hope to the accused against unconscionable deprivation of their liberty, reputation and privacy. The judgments speak for themselves.

In *Manish Kumar Sodiya vs The Directorate of Enforcement* (August 9, 2024), the Court expounded upon its mandate "to lean in favour of constitutionalism and the rule of law of which liberty is an intrinsic path." It further held that "bail is the rule and jail an exception", with the right to fair and speedy trial as implicit in the Right to Life under Article 21 of the Constitution. Following its eloquent exposition of the constitutional position in *Sodiya*, the Court, speaking through Justice B R Gavai in *Kavitha vs The Directorate of Enforcement* (August 27, 2024) reiterated that the "fundamental right to liberty provided under Article 21... is superior to statutory restrictions..." and that "prolonged incarceration before being pronounced guilty of an offence should not be permitted to become punishment without trial." Again, in *Prem Prakash vs Union of India* (August 28, 2024), the Court, speaking through Justice K V Viswanathan, held that "liberty of the individual is always a Rule and deprivation is the exception." The Court ruled that "keeping a person behind bars for unlimited periods of time in the hope of speedy completion of trial would deprive the fundamental right of persons under Article 21."

Significantly, while interpreting Section 45 of the Prevention of Money Laundering Act, 2002 (PMLA), the Court declared that the words "reasonable grounds for believing" therein, require the court to see "if there is a genuine case against the accused..." based on "reasonable material collected during investigation." In relation to the statement of the accused in custody under the PMLA, the Court reiterated that the person in custody "is not a person who can be considered as one operating with a free mind..." and that "it will be extremely unsafe to render such statements admissible against the maker, as such a course of action would be contrary to all canons of fair play and justice..." In this context, the Court's judgment ought to persuade the government to revisit the law and judicial processes for mandatorily fixing a reasonable maximum period of detention of the accused, without trial.

By reading the stringent statutory provisions in the light of its fundamental rights jurisprudence, the Court affirmed the primacy of the Constitution and of Article 21 in the hierarchy of fundamental rights. In another case, *Frank Vitus vs Narcotics Control Bureau and Ors*, decided on July 8, 2023 under the Narcotics Drugs and Psychotropic Substances Act, 1985 (NDPS Act), the Court, speaking through Justice Abhay S Oka held

that so long as the accused "is not held guilty, the presumption of innocence is applicable..." and that bail conditions that infringe the accused person's right to privacy will be violative of Article 21. It ruled further that a bail condition which is impossible for the accused to comply with, cannot be imposed. Thus, by reading the necessary safeguards into the law, the apex Court as the final constitutional arbiter has decisively intervened to prevent infringement of the accused's fundamental rights during the course of criminal prosecutions. The distinguished judgments demonstrating "patience and gravity of hearing" have shown judicial statesmanship by suggesting that laws, noble in intent, but perverted in their application and non-deferential to the constitutional command cannot be the nation's way forward for combating corruption and crime.

The value of these important rulings is located not only in their unquestionable constitutional merit but also in the intellectual integrity of the distinguished judges who have aligned law with justice, thereby investing the voice of libertarians with an impenetrable constitutional imprimatur. Founded in reason and the sacrosanct nature of fundamental rights, these decisions will reinforce popular respect for the law in its larger function as a stabilising force. In the interstices of these judgments is a reassuring message that voices against injustice, even though muffled, will be heard at last and that justice will not be subordinated to the rigours of law unconsciously applied. The pronouncements by the highest constitutional Court are a resounding judicial affirmation that the latent tension between unaccountable power and liberty will be resolved in favour of the latter. These judgments affirm that justice as the ultimate virtue is "a standard to achieve and an ideal to reach..."

The Court has vindicated justice, whose majesty is enshrined in one of the most cherished maxims of common law, "Fiat justitia ruat caelum." [Let justice be done, though heavens fall] and has validated its own standing as "supreme in the majesty of duty and power." Its jurisprudence on bail echoes the thought propounded by philosophers including Edmund Burke that freedom is "...clause in the great primeval contract of eternal society, which holds all physical and all moral natures each in their appointed place..." [Edmund Burke, *Reflections on the Revolution in France*, 1866].

However, the cause of constitutionalism can be best served only if constitutional courts can proactively ensure the enforcement of their seminal edicts to realise a living constitution to fulfil its promise of a life of freedom and dignity for all. In an age defined by an absence of institutional deference, the authority of the Court as the nation's moral arbiter will depend upon its readiness to hold the mirror to those in default of the Constitution and to reassure the nation that none will be condemned by accusation alone. Hopefully, the Court's proclaimed libertarian philosophy will nudge political parties to revisit their politics in deference to constitutional imperatives. Let us forget, the defence of inalienable human rights is the collective burden of the people as a whole and the institutions created by them.

The writer is senior advocate, Supreme Court and former Union Minister for Law and Justice. Views expressed are personal



CHIRAG PASWAN

A matter of food safety

Irradiation technology will help upgrade the national food supply chain

production and supply chain.

Irradiation involves exposing food, whether packaged or in bulk, to ionising radiation in a controlled environment. This method reduces the risk of food-borne illnesses by eliminating harmful microorganisms. It also prevents spoilage by slowing down the process of decay and minimises food loss by delaying premature ripening, germination, or sprouting. It also reduces the need for chemical preservatives, contributing to a more sustainable food supply chain.

Irradiation processing typically requires just one exposure treatment to achieve the desired effects, which simplifies food safety practices, and contributes to cost savings in the food supply chain.

While the concept of using radiation for food preservation is not new — traditional methods like drying fruits, vegetables, shrubs, meat, fish, etc., under the sun have been used for preservation for centuries — modern interest in food irradiation technology surged after the Codex Alimentarius Commission, part of the Joint Food Standard Programme of the Food and Agricultural Organisation (FAO) of the United Nations, established global standards.

Food irradiation, much like cooking, is a safe and effective method to ensure food safety. It has been widely adopted, especially in countries with advanced safety standards such as the US, Japan, Australia, Canada and the EU, where it is extensively used for domestic and export markets. A notable example of its impact is the 2012 agreement that al-

lowed Indian mangoes to be exported to the US after a 20-year ban. This breakthrough was achieved by India agreeing to irradiate its mangoes before export to eliminate or significantly reduce the threat of pests, thereby protecting US domestic agriculture.

India has made significant progress, establishing 34 irradiation processing facilities nationwide. The Ministry of Food Processing Industries (MoFPI) has played a crucial role in developing this infrastructure, with 16 of these facilities receiving MoFPI support. While this is commendable, expanding the number and distribution of facilities will further enhance our ability to meet the growing demands of our vibrant agri-food market.

However, widespread commissioning of food irradiation facilities is constrained by high capital costs. Establishing an irradiation facility with a 1 MCoBolt 60 source requires an investment of approximately Rs 25 to 30 crores, excluding land and additional infrastructure costs. Its commissioning involves several stages, including proposal scrutiny, approval, site clearance, plant construction, source installation, safety assessments and guidance, supervision, commissioning, and ongoing maintenance including occasional replacement of radiation sources. Key organisations such as the Bhabha Atomic Research Centre and the Atomic Energy Regulatory Board oversee this process.

Despite the initial high capital costs involved, there are substantial opportunities here for investors. The growing demand for safe, long-lasting food products in both do-

mestic and international markets presents a lucrative opportunity. The ability to enhance food safety and extend shelf life makes food irradiation facilities crucial players in reducing food waste and meeting stringent export standards. With the Indian food processing sector expected to reach \$535 billion by 2025-26 and an ever-increasing share of processed food exports, irradiation facilities represent a promising investment window.

The MoFPI also offers financial assistance of up to Rs 10 crore per project for setting up food irradiation units. This support, provided as grants or subsidies, is designed to treat perishable produce, including fruits and vegetables, and enhance their hygiene and shelf life. Following the announcement in the Union Budget 2024-25, MoFPI has invited "Expressions of Interest" from entrepreneurs for setting up multi-product food irradiation units under the Integrated Cold Chain and Value Addition Infrastructure (Cold Chain scheme).

There is a pressing need to expand our infrastructure to meet the demands of the Indian food supply chain and agri-food export sector. Investors and entrepreneurs must seize this opportunity to establish additional irradiation facilities, utilising the financial support provided by the Ministry. Join us in transforming India's food industry — your investment will drive the future of sustainable agriculture and contribute to a thriving economy.

The writer is Union Minister for Food Processing Industries

LETTERS TO THE EDITOR

A TALE FROM DHAKA

THIS REFERS TO the article, "No clean slate in Bangladesh" (IE, September 3). The article mentions Joao Baez's song lamenting the suffering of Bangladesh's people in 1971. In March 1972, as a visiting *EPW* journalist in Dhaka, I personally handed over a taped copy of that poignant song to Prime Minister Sheikh Mujib. He graciously thanked me.

Javidi Laiq, New Delhi

MASTERS OF CRAFT

THIS REFERS TO the article, "Injustice and daddy issues" (IE, September 3). Salim Khan and Javed Akhtar excelled at weaving the contemporary social mood into the cinematic medium. *Deewar*, their chef-d'oeuvre, is one of the best examples of this mastery. It helped Amitabh Bachchan become the face of Bollywood. *Zanjeer*, by the same duo, established his angry young man image two years before *Deewar* was released. These films came out when the two were reigning supreme in the Hindi film industry. Apart from a powerful theme, *Deewar*'s simple dialogues like "Mere paas maa hai" will keep mesmerising future generations of moviegoers.

SH Quadri, Bikaner

LAW & THE CITIZEN

THIS REFERS TO the editorial, "To do justice" (IE, September 3). The editorial rightly emphasises the need to balance justice with due process. However, there are two glaring issues. Firstly, the adage "justice delayed is justice denied" reflects a grim reality in our country where cases linger for decades. Justice, then, becomes a casualty of the very system meant to uphold it. Secondly, the stark contrast in how the judiciary responds to the influential vs the common man raises concerns about fairness. This biased approach erodes public trust and brings into question the foundation of our system.

Ketan Kishan, Gurgaon

THIS REFERS TO the editorial, "To do justice" (IE, September 3). What is the value of a punishment 32 years after crime was committed? More than half of the lives of the offenders have passed. The Ajmer case points to the deplorable state of justice in India. Real change will come when these laws are enforced promptly, when the culprits are held accountable immediately and when the victims' voices are heard. The pursuit of justice must not be an afterthought, but a priority, to curb such tragedies.

SS Paul, Nadia

Oasis Fans, Bourses, You Gotta Roll With It

Dynamic pricing builds efficiency of a market

After hundreds of complaints about how 'dynamic pricing' of tickets for the reunion tour next year of rock band Oasis has driven up ticket prices, the British government has promised to look into the pricing system. But dynamic pricing — which alters prices based on demand — increases efficiency of markets and has come to be used in all manner of things, from airline fares to concert tickets. Oasis isn't the best judge of how much a ticket to their concert ought to cost. Their manager makes a guess and finds that a chunk of the tickets ends up with touts, who then match supply to demand for a profit. Concert organisers like Ticketmaster have been using dynamic pricing to ensure all tickets are sold at the best-possible price. Much to the dismay of fans paying eye-popping amounts, the process is fairer for bands like Oasis. And it eliminates touts. Sebi has a valid related concern over the 'flipping' of IPO shares. Individual and institutional investors are displaying a strong speculative streak by selling a big chunk of allotted shares within a week of listing. Investor behaviour aside, divergence between primary and secondary market prices leads to this phenomenon. Greater the divergence, larger the post-listing turnover. How does Sebi solve this? It could discourage speculative behaviour by imposing constraints on IPO stock allocations. It could also work on aligning the price discovery mechanism in the primary market with the secondary market. The second solution is more elegant, but it runs into a problem. The price discovered in the primary market is static, while the latter works on the dynamic pricing principle. Scope for speculation can't be eliminated.

IPOs have a more sophisticated method of price determination than rock concerts, and should ideally be able to minimise listing-week flipping. A book runner makes a more informed guess based on, among other things, investor appetite and corporate performance. But it's still a guess. And when guesses are consistently wrong, the regulator needs to look at the estimation process.

The Southeast Gaze Part of Acting East

Narendra Modi's 2-nation visit to Brunei and Singapore is part of India's efforts to step up engagement in Southeast Asia. That the visit comes close on the heels of India hosting the Vietnamese and Malaysian PMs underscores the effort to infuse energy and direction in the 'Act East' policy.

It is reflective of India's commitment to continue its strategic engagement with the Indo-Pacific region in which Southeast Asia is key — and China the elephant in the room. More so given the volatility, and Beijing's continued forays in India's neighbourhood. Focused engagement at the highest level of government makes it clear that India is putting its energies into playing a bigger role in a region where China has significant presence. However, a greater role for India won't be possible without stepping up economic integration with the region. New Delhi needs to up its game by focusing on trade and connectivity. Partnerships in tech and investment provide a springboard for this, and could lead to mapping complementary industrial policy instruments. Advancements in economic integration with Southeast Asia will have a salutary impact on the other regional forum, BIMSTEC.

Security is another critical area — energy and defence figure in Modi's discussions. This engagement is important in the context of New Delhi's commitment to maintaining safe, secure and free lines of maritime communications. It builds on shared concerns on China's growing economic and military strength and its implications for the evolving regional order. The Act East policy, in particular its relations with Southeast Asia, is important in India realising its global ambitions. That it is following up on its policy priority with action is good news, indeed.

JUST IN JEST

Have you noticed how an overwhelming number of our film villains are...

Hindus, Why Are They (Film) Baddies?

What's in a name? It turns out, quite a helluva lot. Yesterday we wrote about how silly it is to call the Mughal emperor, Akbar the Great, 'such Akbar' itself means 'great'. Today we find legitimacy in the suddenly discovered complaint that barring the odd Mogambo and Dr (Michael) Dang (Christians) in Mr India and Karma respectively, and Shakaal and Abrar Haque (Muslims) in Shaan and Animal, villains in Hindi movies overwhelmingly are Hindu characters. Ajit of Mona Darling (Christian), Prem Chandra, Hindu. Prem Chandra of 'Prem naahi mehra, Prem Chandra' fame, Hindu. And of course, Gabbar Singh, Hindu. (A Sikh would not wear the kind of amulet the Sholay villain wears around his neck.) Even film bad guys like the psychopathic character played by Shah Rukh Khan — please note, a Muslim — in Darr; is named Rahul Mehra, a Hindu.

There is clearly a trend here where most villains in Hindi cinema are Hindu. Trotting out the odd Aurangzeb from Padmaavat, or the communicating-by-whisky-glass-taps Sir Juddha (presumably Jewish) in Karz just won't do. Neither will the argument that most heroes are also Hindus. That is not the point. What the point is that there should no longer be Hindu characters depicted as villains, thereby besmirching a whole community. Movies needn't be bereft of bad-dies. They just have to be chosen from other communities.

Cursor The brief glory of Swadeshi Steam Navigation Co offers a case study from the past An Anti-Crony Capitalist's Fate

T K Arun

VO Chidambaram Pillai is not a household name. He comes up rarely in any list of the heroes of India's freedom movement. He deserves better. From Tuticorin, a coastal town in southern Tamil Nadu, he promoted, raised funds for, and ran, Swadeshi Steam Navigation Company (SSNCo), to take on the might of the British India Steam Navigation Company and of the British empire itself. And failed. And that failure illustrates what happens if you are the antithesis of the much-reviled crony capitalist.

Crony capitalists are held in bad odour. This, of course, is at variance with the historical evolution of large companies. The East India Company had a state-sanctioned, state-supported monopoly for doing business with India, in whatever manner required. The giant companies that built America's rail network worked on the state. One of President Abraham Lincoln's many preoccupations during the American civil war had been to make land grants to the Pacific Railroad.

Stanford University was founded by one of the bosses of Pacific Rail, in memory of his son. Its faculty and alumni essentially built Silicon Valley out of orders placed by the US Army for innovative solutions to its defence needs.

The Japanese Zairatsu were actively supported by the imperial state, and, after World War 2, by the ministry for international trade and industry, to grow into giant conglomerates like Mitsubishi and Sumitomo. The Korean chaebol grew big from running grocery stores (Samsung) and making face cream (Lucky Chemicals-Lucky Goldstar — LG), with active state support. Thyssen and Krupp waxed big on arms order from the Third Reich, and never under, even after Germany's defeat in World War 2.

They were all honourable men, sure. The British colonial government supported Indian businesses, not always by policy. Tuticorin saw busy traffic to and from Colombo, carrying merchandise and people, most of them tea garden labouring in Ceylon, sourced from various parts of the Madras Presidency. Early attempts by a group of local merchants in Tuticorin to hire steamships to get the service that the incumbent monopoly British India Steam Navigation Company denied them, was foiled by initial actions of the assistant district collector.

Pillai more than made up for lack of capital business experience to start a shipping company with his chutzpah and zeal



Ooze of doing business: Illustration by Gaganendranath Tagore, 1917

pressed Indian businesses, not always by policy. Tuticorin saw busy traffic to and from Colombo, carrying merchandise and people, most of them tea garden labouring in Ceylon, sourced from various parts of the Madras Presidency. Early attempts by a group of local merchants in Tuticorin to hire steamships to get the service that the incumbent monopoly British India Steam Navigation Company denied them, was foiled by initial actions of the assistant district collector.

labourers had to go through quarantine before they could leave the port. The year was 1906. The partition of Bengal the previous year had set many parts of the country seething in nationalist fervour. The foremost Tamil poet of the time, Subramaniam Bharati, gave fiery, elegant, voice to the sentiment, and amplified it. Nationalist leaders and monks from the Ramakrishna Mission addressed audiences in the Madras Presidency articulating collective angst against the colonial administration's surgical move to divide and rule. A recent book by A R Venkateshalingam, Swadeshi Steam, vividly describes the story of SSNCo and its founder. The merchants, who were not just denied service

but also insulted by officials of the British steamship service that monopolised the traffic between Tuticorin and Colombo, decided to set up a shipping service of their own. They needed more than mercantile experience to do this, and took the help of an English-speaking pleader, Tamil enthusiast and nationalist, V O Chidambaram Pillai.

The ideal of setting up an Indian shipping company to challenge the British, gripped VOC's imagination. It blended with his nationalist mission and work. While he himself did not possess the capital or business experience to start a shipping company, he more than made up for that lack with his chutzpah, zeal, energy and commitment.

Present members of the initial group of merchants, who had approached him with the task of starting up a rival to the British India Steam Navigation Company, developed cold feet. VOC did not lose faith in his mission. He persuaded a group of merchants to promote the shipping company, constituted as a private limited company, with an authorised capital of ₹10 lakh (two steamships were expected to cost ₹5 lakh), drew up and issued a prospectus inviting the public to subscribe to the capital, went around the land mobilising investment and started operating.

Initially with leased, chartered ships, and later with its own vessels, SSNCo operated from mid-1906 to 1910, and it was liquidated the following year.

The company was undercapitalised, lacked professional management and its directors clashed with VOC, its driving spirit, on continuing to mix up political activism and his role at the company. For VOC, the shipping business was part of his nationalist enterprise, as part of which he supported strikes, gave fiery speeches and defied government orders.

VOC was charged with sedition, tried and sentenced to two terms of life imprisonment, but was released in 1912. He died in debt and litigation.

Would SSNCo have succeeded, if VOC had been a crony capitalist? Without access to the state, the company, which in all probability, have gained experience and expertise, and flourished.

The book, Swadeshi Steam, would primarily be read as a masterpiece piece of history writing. But it deserves to be read as a business case study to understand how the state can make, or mar, a business.

THE SPEAKING TREE Befriend Humility

V BALASUBRAMANIAM

The word 'humility' has its origin in the Latin word 'humilis', meaning 'low'. Humility means the state of being humble. 'If the world gives you lemons, then make lemonade,' goes the saying. Humility is a sign of greatness. The Bhagavad Gita lists humility as a laudable virtue that is integral to knowledge.

Humility is not making yourself small and insignificant. It develops inner strength and stamina. It also develops a feeling of gratitude for what we have been given. It is the storehouse of all other virtues and it is, therefore, established as the western divine grace. Truly, humility flowers when we are ready to appreciate other people's efforts and not hinder the progress of others.

Buddha was walking on his disciples. A man came and started abusing Buddha because his brother had become Buddha's follower. Buddha calmly sat looking at the man. After some time, the man stopped. So, Buddha asked, 'Have you finished talking?' He said, 'No,' and continued abusing. Again, after some time, the man stopped. Buddha asked, 'Have you finished talking?' The man said angrily, 'Yes. What do you have to say?' Buddha replied, 'If I lift you something and you don't take it, with whom does the gift stay?' The man said, 'With you.' Buddha smilingly responded, 'Dear sir, I do not accept your gift.' Smallness adorns and adorns it itself — greatness is humble. When pride comes, then comes disgrace; with humility comes wisdom.

ChatGPT SHAIRO OF THE DAY

When films most uphold the right idea

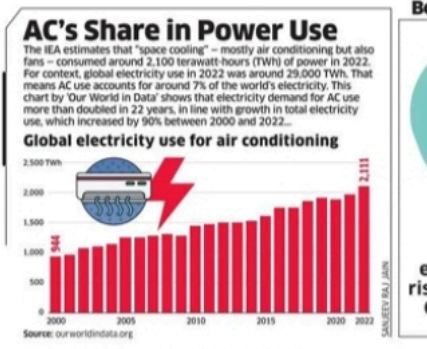
To keep national sentiment on its throne

They'll track every detail

Will find fault without fail

Correct it and leave you to atone!

...



Bell Curves

Stock markets are exposed to regulatory risks. Review regulators' CVs before investing.

From Agri to Rural Fin

Aditya Puri

India's GDP is driven by two major sectors: agriculture and allied activities, and MSMEs, which are predominantly based in semi-urban and rural areas. Therefore, policies supporting the sector need a rural focus. For instance, banks' agriculture-oriented priority sector lending (PSL) requirements should shift to rural sector PSL. This change could drive an additional ₹10 lakh cr in bank lending to rural India. Currently, 70% of rural districts have a credit-to-deposit ratio below 10%.

Here's what needs to be done:

- **Tweak lending policies** All rural loans should meet rural sector PSL requirements. Financing for personal needs and consumer durables allows for credit penetration by banks and enhances financial inclusion for growth.
- **Support small agri biz** Farmers and agri-processors rely on pledge finance for funding during crop cycles and raw material stocking. Banks provide pledge finance with the support of collateral managers. Bringing these managers under RBI's regulatory framework will help quadruple financing by banks in agri-lending while allowing farmers to retire existing loans, achieving higher production realisation, supporting transformation into small agribusinesses, and availing crop loans for the next sowing cycle.
- **Differential lending treatment** Recognising all lending as PSL, lending by banks in regions/states and UTs, such as J&K, where there is focus

on improving credit-to-deposit ratio, is an important way to broaden industrialisation.

- **Harnessing non-bank savings** India is said to have more than \$2 trn in private gold holdings. Rural India saves in gold. Gold loans by banks with allowance for rural sector PSL will unleash lending in a manner that protects farmers' roof and land holdings in bad times.
- **Bank on partnerships** Semi-urban and rural areas are catered to by local or state-level cooperative banks. If cooperative banks and private and public sector banks work together to support the agri and MSME sectors, it will bring the best of both to the end consumer. Permitting inter-bank financing deals will create greater transparency in the portfolio of cooperative banks while creating greater confidence in private and public sector banks to confidently lend.
- The MSME sector is a major job-provider and has contributed immensely to entrepreneurship development, especially in semi-urban and rural areas. Of the 6.5 cr entities, only 1.5 cr meet their credit needs from the formal banking system. This means that of the total demand for credit of ₹50 lakh cr in the sector, about ₹20 lakh cr is not met through formal banking channels. There is an urgent need for structural policy changes to push

sectoral growth.

- **Harness GST data** To encourage banks to deploy their surplus funds to support 5 cr entities that do not borrow from formal banking channels, 100% Easement Credit Line Guarantee Scheme (ECLGS) cover may be extended for lending by banks to these MSME who file GST returns to the extent of 25-30% of the sales turnover. Banks are sitting on surplus funds of ₹7 lakh cr. This will attract micro-finance to bank finance, reduce their finance cost, allow banks to provide credit to these new-to-formal credit customers with minimal risk on government guarantee given credit is calculated on GST turnover. This will also encourage more of these entities to file GST returns and obtain Udyam Registration Certificates (URCs).
- **Push Udyam registration** Banks would encourage entrepreneurs to register under URC. The first step of formalisation is enabling the credit culture among growing entrepreneurs. Banks can be allowed to partner go to get customers to register for URC if they are permitted to register on behalf of new-to-formal credit customers. Banks can be allowed to partner go to get customers to register for URC if they are permitted to register on behalf of new-to-formal credit customers. Banks can be allowed to partner go to get customers to register for URC if they are permitted to register on behalf of new-to-formal credit customers.

Who Wants to Live Forever?

Fancy living forever? It might not be everyone's cuppa, but for some, like the cryptocurrency Ethereum's founder Vitalik Buterin, it's an intriguing idea. In the latest episode of our podcast series Intrigue, the 10-part programme 'The Immortals' holds us in rapt fascination.

Technology reporter and psychologist Aleks Krotoski dives into the world of extreme longevity, where pioneers like Buterin are pushing the boundaries of what it means to live. Many Valleywags like Jeff Bezos and Elon Musk have reportedly invested in companies working on tackling ageing — and even death.

In episode 7, Vitalik, the spotlight is on the Ether king. In 2022, Buterin filed a radical idea — a state with a constitution declaring that ageing is bad. Life extension is good, and innovation in this field should face no barriers. This podcast becomes even more mind-blowing as it digs deeper, from the crypto founder who created a 'longevity city' in Montenegro because he believes we have a moral responsibility to stop ageing, to AI that is already being engineered to create a 'post-human being' merged with machines.

As Krotoski puts it, it's ultimately a story of faith and belief — much like our acceptance of death. Only this time, the belief is in a pill.

Manufacturing Corridor Open

This refers to 'Industrial Corridors to Drive Manufacturing, Exports & Jobs' by Sanjay Nayyar (Aug 3). It is disheartening to note our dismal share in global manufacturing (2.8% vs China's 36.3%). While a timeframe of three years has been set for finalising smart cities, the Centre needs to systematically monitor the progress for achieving its goal by the deadline. Further, with the ₹28,000 cr 'grand necklace' project strategically covering 10 states, it is important that political issues, state vs Centre and fragile egoes do not sidetrack our ambition of becoming a global manufacturing hub.

God Bless the Broken Road

Apropos 'Painful Pedestrians, You Are Not Alone' (Just In-Jest, Sept 3), Indians are a whining lot; when they did not have footpaths, they screamed their heads off. Now they do not want potholes that come with the accompanying inconvenience. Where would the potholes go? And, haven't we put enough of them on the Moon and Mars? So much so that nations could not even land their spacecraft on the south side of the Moon. But India did. Why? Simply because we have an unmatchable experience navigating potholes. Spicereferencing nations should visit our cities to get the experience. We can guarantee a far better deal than Athenians in terms of cost and difficulty grade.

N BHOWMIK
New Delhi

Letters to the editor may be addressed to edit@timesofindia.com

thehindubusinessline.

WEDNESDAY • SEPTEMBER 4, 2024

GIFT for start-ups

Liberal norms in GIFT City, the right way forward

The Centre's recent decision to lower the minimum public shareholding norm for listings in Gujarat International Finance Tech-City (GIFT) from 25 per cent to 10 per cent, is a welcome move. This policy change aligns with the broader objective of positioning GIFT City as a global financial hub and reflects a strategic step towards creating a "light touch" regulatory framework under the International Financial Services Centres Authority (IFSCA).



This lower public shareholding threshold applies to Indian companies that want to list only on the exchanges in the GIFT City. The reduced limit of 10 per cent applies to both the initial public offering phase and continued listing requirements for such exclusive listings. This move will not only boost the primary market activity in the GIFT IFSC but will also enable GIFT City to effectively compete with other international financial jurisdictions. In major financial centres such as New York, London, and Singapore, the minimum public shareholding required for listing is typically around 5 to 10 per cent. The IFSCA's internal study highlighted that the 25 per cent norm was not only unique but also out of step with international practices. One of the major criticisms of the 25 per cent public shareholding norm was that it posed an onerous requirement for companies, particularly for high-growth start-ups that may not wish to dilute their ownership significantly in the initial stages. Over 100,000 start-ups registered in India under the Startup India programme can now tap the GIFT City exchanges. Start-ups domiciled in foreign jurisdictions can tap GIFT City for their listing needs.

However, under the current framework, Indian residents are not allowed to participate in GIFT City issues from an Indian issuer. Presently, only Non-Resident Indians (NRIs) and foreign investors can invest in Indian companies listed in GIFT City. This gap must be addressed by the Centre and the Reserve Bank of India. Allowing Indian residents to invest in these listings is imperative to ensure demand for these issuances. A leaf can be taken from Hong Kong which permits Chinese nationals to participate in the primary issuances in its offshore financial centre, thereby enhancing market liquidity and investor participation. By enabling investments through the Liberalised Remittance Scheme (LRS), the government can unlock a vast pool of domestic capital that could flow into Indian companies listed in GIFT City.

The decks are not yet cleared for companies already listed in India to make public issuances in the Indian offshore financial centre. SEBI will have to be careful while setting the threshold for minimum public shareholding for such issuances, while making other regulatory amendments for enabling listed companies to tap foreign investors through the GIFT City. This is to guard against stock price manipulation through promoter owned entities in foreign jurisdictions.

POCKET



"I respect this economy. It taught us to lead simple lives while spending a lot of money!"

PSBs need to win back depositors

STEP UP. A focus on personal banking, hiking deposit rates and rollback of deregulation of SB interest regime will help stabilise the credit-deposit ratio



MANAS R DAS

Deposit growth rate falling far below credit growth rate in public sector banks (PSBs) has become a cause for worry not only for banks but also the RBI and the Finance Ministry. During 2020-21 to 2023-24, the compound annual growth rate (CAGR) of credit for PSBs at 14.4 per cent exceeded the CAGR of deposits, of 9.2 per cent. The phenomenon was visible across PSBs to varying extents. Consequently, the credit-deposit ratio jumped from 64.1 per cent in 2020-21 to 73.7 per cent in 2023-24. Even the 'demand and savings bank' (SB) deposits to total deposits ratio fell from 41.3 per cent in 2020-21 to 38.6 per cent in 2023-24. This pattern continued in Q1 2024-25 with credit growth at 14.3 per cent vis-à-vis deposit growth of 8.9 per cent (year-on-year).

CAUSES FOR DECLINE

As a policy, over the past few years, credit growth has been emphasised more than deposit growth. Consequently, bankers' spotlight on deposit mobilisation has dimmed. Use of technology for deposit mobilisation hasn't yielded desired results. Banking, a 'special' business, thrives on enduring customer relationship, especially with depositors who part with their hard-earned money for some time. Thus, deposit mobilisation is effort-elastic and requires, characteristically, face-to-face interaction between the (potential) depositors and the banker, which faceless interaction via technology — which, moreover, is not trustworthy — cannot provide. Let's examine the staff factor. During 2020-21 to 2023-24, PSBs'

staff strength declined by 1.2 per cent CAGR, despite their aggregate balance sheet size growing by 9.7 per cent CAGR. Although 'Officers' grew by just one per cent CAGR, 'Clerks' fell by whopping 3.6 per cent CAGR. Resultantly, the 'officer-clerk' ratio which was as low as 100:69 in 2020-21 further deteriorated to 100:60 in 2023-24. RBI's 'Report on Currency and Finance 2023-24' (Table 1.1) corroborates our observation. Since, normally, loan desks have more personnel than deposit desks, the ratio would be worse for the latter, adversely affecting deposit mobilisation and allied services.

Financial disintermediation in the form of risk-loving income earners or depositors migrating to capital market directly or through mutual funds (particularly via Systematic Investment Plans) has provided stiff competition to bank deposits. This is a natural stage in the financial development process, as investors with risk appetite chase more remunerative assets. The behavioural 'shift' seems unstoppable.

Consequent upon deregulation of SB interest rate in 2011, the rate varies widely over banks now, with, generally, PSBs offering much lower rates than several private banks. This has caused outflow of SB deposits from the former to the latter. Also, non-adherence to SB account terms and conditions attracts penalties to various extents. These, coupled with short-term deposits of 'below one-year maturity' options, have made deposit mobilisation complex and arduous, leading to bank hopping.

Penalties on SB account-holders, especially for non-adherence to minimum balance rule, should be kept at the minimum, if not abolished

proliferation of inoperative accounts, etc. Viewing macro-economically, during 2020-21 to 2023-24, the 'gross household savings in physical assets to GDP' ratio jumped from 10.8 per cent to 12.9 per cent (source: National Statistical Office). The physical assets principally constituted bank-financed residential properties by the middle class. This, no doubt, was a good development, but came at the cost of their (a) past savings towards margin money payment for the loan and (b) part of current income as EMIs.

It needs to be investigated whether there were large bulk withdrawals, in any form, from any accounts after the withdrawal of ₹2,000 notes from circulation in May 2023.

POSSIBLE REMEDIES

Obviously, PSBs need to rejuvenate their deposit mobilisation efforts with focus on medium- to long-term fixed deposits (FDs). This will lend stability to their deposit portfolios. Short-term deposits of 'below one-year maturity' should be consolidated, if not phased out, and PSBs be permitted to mobilise 'over 10-year' deposits. Reliance on bulk deposits should be discouraged.

In order to make bank deposits attractive, interest earned thereon should be free of income tax, for all. PSBs need to recruit more staff, and adequately equip their deposit desks. Deposit mobilisation campaigns targeted at potential areas and depositors with personal visits should be organised from time to time like those in 1980s/90s. The personnel in these desks should monitor large variations in deposit inflows/outflows in accounts.

During 2020-21 to 2023-24, PSBs have improved their financial position, convincingly. During 2023-24, the median 'net interest margin' for PSBs stood at 3.26 per cent (2020-21: 2.77 per cent) with a range of 2.45-3.92 per cent (2020-21: 2.11-3.26 per cent). The improvement can accommodate 'up to 100 bps' increase in deposit rates,

distributed optimally over the maturity buckets, sans increasing lending rates. Further, according to RBI, during May 2022 to June 2024, while the repo rate rose by 250 bps, the Weighted Average Domestic Term Deposit Rate (WADTDR) (fresh deposits) and WADTDR (outstanding deposits) rose by 233 basis points (bps) and 187 bps, respectively, for PSBs, implying further potential for deposit rate increases.

Deregulation of SB interest rate should be rolled back, and the RBI should fix the rate. Penalties on SB account-holders, especially for non-adherence to minimum balance rule, which seem to be aimed more at increasing non-interest income of banks than disciplining depositors, should be kept at the minimum, if not abolished. This makes sense, especially when financial literacy is low in the country.

While cross-selling credit cards, PSBs should issue 'secured' credit cards against FDs as collateral. Opportunities for deposit acquisition also come when customers visit branch to inquire about new products or services like demat and securities trading accounts. In the case of premature closure of FD, the depositor may be encouraged to take a loan against it, instead.

Fee income should be augmented to compensate for reduction in 'net interest income', if any, due to deposit rate increases. The RBI has successfully leashed unsecured and certain personal loans. The strategy should continue, especially for loans for unproductive purposes.

PSBs have managed the shortfall in deposit growth via alternative funding sources like certificates of deposits, commercial papers and infrastructure bonds. Does anyone think PSBs are in the cusp of bank- to market-driven financial development? If so, will it be 'core' banking?

Das is a former senior economist, SBI. Views expressed are personal. Computations are based on bank balance sheets unless otherwise mentioned

A failed attempt at reforming the bureaucracy

The lateral entry of experts hasn't clicked as their powers and service conditions do not match those of career bureaucrats

Govind Bhattacharjee

Just three days after inviting applications for lateral entry to only 45 middle-level posts in the bureaucracy under 24 Central Ministries, the Government was forced to withdraw the notification and scrap the entire recruitment process, following objections raised by its coalition partners. The leader of the Opposition, Rahul Gandhi, accused the Modi government of undermining the Constitution by not allowing any reservation for these posts. The BJP also had its own electoral compulsions, given the impending elections in the crucial States of Haryana and Maharashtra in November.

Introduced in 2018 with only nine recruitments, lateral entry aimed at tapping the huge talent pool and expertise lying outside the government system. It followed the recommendation of the NITI Aayog and the Second Administrative Reforms Commission set up by the UPA government in 2005. The idea was to induct and utilise crucial domain expertise for better delivery, something clearly lacking at the decision-making level in the bureaucracy, over which the IAS has a stranglehold.

These career bureaucrats come with diverse backgrounds and are rotated

among sundry departments throughout their career, which is not conducive to develop the kind of expertise needed in today's extremely complex socio-economic environment. This leads to dysfunctional government programmes, poor delivery, waste of resources and unkept electoral promises. It was to address this gap that lateral entry was introduced on a contractual basis for a period of three years, extendable to five.

APPOINTMENTS SO FAR

So far, 63 appointments have been made through lateral entry, with 57 currently serving. One of them was R Ramanathan from IAS who led the Atal Innovation Mission. The Congress has also appointed numerous outside experts in senior positions in government — Manmohan Singh, MS Swaminathan, Nandan Nilekani being some shining examples. It had no problem with the scheme till now.

Reservation is a constitutional requirement implemented through a roster system under which every 4th position in recruitment is reserved for an OBC candidate, every 7th position for an SC candidate, every 10th position for an EWS candidate and every 14th position for an ST candidate. Thus, legally there is no reservation requirement if no more than three candidates are recruited and since the



TALENT: Short supply in government

lateral entries are advertised separately by different Ministries, this was used to bypass reservation. Indeed, the scheme was doomed from the beginning itself and attracted a muted response — you don't attract the best talent on any contract job for 3-5 years. If the expertise, so sadly lacking in the existing mammoth government apparatus, is to be utilised for development, even the bureaucracy needs competition which can come only when it is open to private experts, something the IAS fears would be its nemesis.

Government can always avail of such expertise through consultants and advisers — there are plenty of them working even now — but to appoint them in crucial decision-making executive positions was perceived as a game-changer, which it certainly can be. But for that a level-playing field should

be created by giving equal powers, responsibilities, authority and service conditions as are allowed to a career bureaucrat including permanence of tenure. Only then will the best talent come. But the entitlement mindset of the IAS officers wouldn't accept this; they were unnerved and resentful when the scheme was launched.

While the world has moved towards a new public management system, adopting a new governance model and discarding traditional bureaucracy, we are still stuck with an archaic system of governance. In most developed countries, career bureaucrats at an operational level work with experts and specialists appointed at tactical and strategic levels. Their systems thus reflect greater democratisation and decentralisation, with widely dispersed decision-making authority.

A developed country believes in specialisation, while we still believe that in an increasingly complex world where specialised domain knowledge has become indispensable, subjects like agriculture, defence, revenue, finance, etc., can be effectively managed by generalist bureaucrats. Accountability has thus become barely visible, and delivery suboptimal.

The writer, a former DG of CAG, currently teaches at the Arun Jaitley National Institute of Financial Management

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Financial messaging

This refers to India exploring Russia's alternative to SWIFT. While these developments might seem advantageous for Russia's trade expansion and India's rupee internationalisation, the global mood must be considered. Without a resolution to the Russia-Ukraine war from international bodies like the UN, the US and the EU, global trade could suffer greatly.

Following sanctions, China and Russia have implemented their own systems, CIPS and SPFS, to facilitate bilateral trade. Russia's proposal for another financial messaging system (FMS) could further complicate

global trade, presenting operational challenges like interfacing with banks' existing systems for payments and compliance checks, including sanctions and AML. Additionally, India might face a dilemma over whether to comply with Western sanctions, potentially putting it in a tight spot.

Srinivasan Velamuri
Chennai

Mop-up of ₹2,000 notes

According to a recent RBI report, 97.96 per cent of ₹2,000 bank notes have returned to the banking system and only ₹7,261 crore worth of these withdrawn notes continue to be with

public. Unless the RBI mandates some cut-off date for acceptance (at its designated 19 issue Offices), the withdrawal of ₹2,000 banknotes created through multiple media channels, that does not seem to be enough. To curb cyber fraud, the government needs to involve both domestic and international cyber experts and make the payments system as foolproof as possible.

Kumar Gupta
Panchkula, Haryana

Curbing cyber fraud

This refers to 'Legal liability for fraud in digital payments' (September 3). Cyber frauds are definitely posing a serious challenge to the government because on the one side it wants to keep pushing usage of UPI and digital

payments and, on the other, the alarming frequency of frauds are making people wary of using digital modes. Though awareness is being created through multiple media channels, that does not seem to be enough. To curb cyber fraud, the government needs to involve both domestic and international cyber experts and make the payments system as foolproof as possible.

Bal Govind
Noida

Harnessing wind energy

The article "Climate change, global heating can hamper India's wind resources, renewable energy"

(September 3) gives a clear picture of the challenges wind energy faces with changing wind patterns. To make wind turbines more efficient must be looked at. AI can help by adjusting blade angles and speeds in real time to capture the most energy. Using adaptive blade designs and lighter materials can also improve how turbines perform, while superconducting generators help cut down on energy loss. These steps can boost efficiency, reduce wear, and maximise energy output, especially in varying wind conditions.

Nandagopal B
Chennai

AMFI's welcome steps

Front-running curbs will boost investor confidence

A Paul Williams

Front-running, the unethical practice of trading on non-public information about upcoming large trades, has long cast a shadow over the mutual fund industry. Front-running typically occurs when individuals with access to sensitive information about impending substantial trades, such as those executed by mutual funds, exploit this knowledge for personal gain.

For example, if an Asset Management Company (AMC) plans to buy a large quantity of a particular stock, an employee or associate might purchase the same stock in advance, anticipating its price to rise following the AMC's purchase. This unfair practice undermines investor confidence and distorts market prices.

Recognising the need to safeguard investor interests and uphold market integrity, the Association of Mutual Funds in India (AMFI) recently introduced a set of stringent measures to curb front-running within AMCs, in accordance with directives from the Securities and Exchange Board of India.

A CLOSER LOOK

These guidelines will be implemented in stages, beginning November 2024, initially focusing on equity schemes with an AUM exceeding ₹10,000 crore. AMCs must institute comprehensive standard operating procedures (SOPs) to monitor suspicious activity.

This includes a three-tier alert mechanism. AMCs must generate three levels of alerts weekly to detect any potential front-running or market abuse. Tier 1 alerts are based on participation volume and volume-weighted average price across large, mid, and small-cap stocks.

Tier 2 alerts focus on price movements during deal execution, block trades, and scrip volumes traded within an hour before the AMC's trade. Finally, any other suspicious activity that doesn't fall into the first two tiers 3. Further, AMCs are required to examine suspicious alerts through various measures like reviewing recorded communications of key employees, inspecting entry logs of AMC premises, and checking CCTV footage.

The restricted trading windows will significantly reduce



HALTING. Unfair practice

information asymmetry, ensuring that all market participants have a level playing field. This will promote fairer price discovery and prevent undue advantages for insiders. By demonstrating a strong commitment to combating front-running, the mutual fund industry will instill greater confidence among investors.

The perception of a transparent and fair market will encourage more individuals to participate in mutual funds, leading to increased inflows. The new rules will enhance regulatory oversight of the mutual fund industry.

Stricter surveillance and monitoring will deter potential wrongdoers and facilitate prompt action against any violations. AMCs will need to invest in upgrading their systems and processes to comply with the new requirements. While this might entail additional costs, it will ultimately benefit them by fostering a culture of integrity and bolstering their reputation.

Distributors will play a crucial role in educating investors about the new rules and ensuring that they understand the importance of ethical practices.

They will also need to adhere to the stricter code of conduct and avoid any actions that could compromise market integrity. Finally, investors will be the primary beneficiaries of these regulations. They can be assured that their investments are protected from unethical practices and that market prices reflect genuine supply and demand dynamics.

The success of these measures will depend on effective implementation and vigilant enforcement. AMFI, along with market regulators, will need to monitor compliance closely and take swift action against any violations.

By working together, the industry can create an environment where front-running is eradicated.

The writer is the Head of India at Sernova Financial



ATANU BISWAS

The 32nd triennial International Conference of Agricultural Economists (ICAE-2024), held in early August in New Delhi, focused on "Transformation Towards Sustainable Agri-Food Systems".

Addressing the conference, renowned German agriculture economist Martin Qaim of the University of Bonn said that the United Nations' 2030 target of eradicating hunger would most likely not be achieved. His comment attracted a lot of attention right away, but wasn't it known beforehand? A common roadmap for peace and prosperity for people and the planet, both now and in the future, is provided by the 2030 Agenda for Sustainable Development, which was accepted by all United Nations Member States in 2015. The 17 Sustainable Development Goals (SDGs) are central to it, of which Goal 2 aims to create a world free of hunger by 2030, and it is positioned next to "no poverty."

Hunger is characterised as "more than a moral outrage" in the July 2016 issue of OFID (Open Fund for International Development). Quarterly, which mentioned that achieving zero hunger by 2030 was a "not-so-impossible dream". But the figures were so stunning and horrifying that they were incomprehensible. At that time, 780 million people on this planet were deprived of sufficient nourishment, three million children under five died from starvation in a single year, and 66 million primary school children were sent to class every day on empty stomachs.

Thus, how can hunger and poverty be eradicated for good by 2030? The challenges were deeply complex. It's easy to understand that in order to meet this deadline, more than just producing enough food was required. Effective value chains and distribution networks, as well as prudent management of the planet's finite supplies of natural resources and the successful mobilisation of all parties involved—from governments to the private sector and civil society—were also necessary.

THE PROBLEMS

After almost a decade, and with just six years remaining until the deadline, how are we moving towards the intended



Hunger-free world by 2030: A mirage?

FOOD FIRST. Malnutrition, hunger are worsening due to geopolitical unrest and climate change. More realistic goals are needed

objective of zero hunger? Unfortunately, since 2015, there has been a startling rise in hunger and food insecurity worldwide. It became worse for a number of reasons, such as the pandemic, armed conflicts, climate change, and widening inequality.

The State of Food Security and Nutrition in the World (SOFI) 2022 highlighted how, despite advancements made since the Covid pandemic and improvements in global food security, the number of hungry people worldwide increased to 828 million in 2021, up from a dramatic spike in 2020 during the height of the pandemic. According to SOFI 2022, there will be around 670

Global hunger has returned to levels not seen since 2005, and food costs are still higher in many countries than they were between 2015 and 2019

million hungry people in the world in 2030, representing 8 per cent of the world's population, which is equivalent to the reported number in 2015. Additionally, data from the UN's Sustainable Development Goals Report 2022 and the Global Alliance for Food Security underscore the severity of the food crisis and demonstrate that the world is not on track to achieving zero hunger and malnutrition by 2030.

LITTLE IMPROVEMENT

Remarkably, global hunger has returned to levels not seen since 2005, and food costs are still higher in many countries than they were between 2015 and 2019. Food shortages and high food costs have been exacerbated by civil unrest, falling food production, climate shocks, growing living expenses, and conflicts. Therefore, Martin Qaim didn't say anything new when he stated that none of the 17 SDGs could be accomplished unless there were significant changes made to the way food is produced,

distributed, and consumed worldwide. Furthermore, as Qaim also mentioned, issues with food and malnutrition are getting worse due to geopolitical unrest and climate change. "And we cannot ignore that our food systems themselves were contributing significantly to the climate crisis and several other environmental problems," he stated.

Is it possible to achieve zero hunger in the near future, then? Beyond mere concepts and carefully worded "goals"? To address this pressing humanitarian issue, there has to be immediate focus on and concerted international efforts to address the ongoing spike in hunger and food insecurity, which is being driven by a complex interplay of variables.

Crucially, the global body should review the zero-hunger goal and, if at all feasible, reframe realistic deadlines and roadmaps. And every stakeholder ought to follow that.

The writer is Professor of Statistics, Indian Statistical Institute, Kolkata

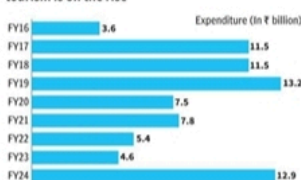
STATISTALK.

Compiled Arun K Shanmugam | Graphic: Vivekswaran V

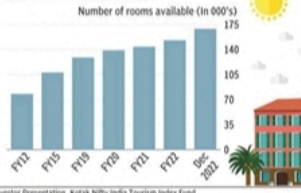
Is the travel industry ready for take-off?

Domestic demand, capacity and utilisation are rebounding for aviation, and this has had a positive impact on the hospitality sector. With the Budget allocation increased from ₹1,692 crore for FY24 to around ₹2,480 crore for FY25, the outlook for the travel and hospitality industry is encouraging. The number of rooms available has also increased along with high average daily rate (ADR), revenue per available room rate (RevPAR) and occupancy.

Government spending on infrastructure for tourism is on the rise



Healthy travel numbers: A strong tailwind for hotel market



Aviation: Domestic demand, capacity and utilisation rebounding



Hospitality: Decade-high ADR, RevPAR and occupancy



thehindubusinessline.

TWENTY YEARS AGO TODAY.

September 4, 2004

Citroen watching the road to India

French maker PSA Peugeot Citroen is currently studying the Indian market to introduce its Citroen range of compact cars in the country. Industry officials point out that the company is in the process of identifying dealers to introduce its cars through the completely built unit (CBU) route.

Govt okays HPCL's tie-up with French co

The Government has approved Hindustan Petroleum Corporation Ltd's (HPCL) technological collaboration with AXENS of France for upgradation of a few units of the company to meet the Bharat-II/Euro III emission norms. A total of seven foreign collaborations have been approved by the Minister for Commerce and Industry, Mr Kamal Nath.

Delay in funds release hits rural telephony

The Ministry of Communication's plans to provide telephone services to rural India may hit a bump with the Finance Ministry delaying the release of money to the Universal Services Obligation (USO) Fund. Of the Rs 3,700 crore collected last year, the Finance Ministry has allocated only Rs 500 crore to the Fund.

BL TWO-WAY CROSSWORD 2518



EASY

ACROSS

- Dissemble, disguise one's feelings (11)
- Rotate, move about a centre (7)
- Small medicine-bottle (4)
- Opposite to zenith (5)
- Weigh in one's mind (6)
- Probable or expected future (11)
- Bird related to swallow (6)
- Of the cheek (5)
- Mental twist, crick (4)
- Last longer than (7)
- Recompensed, paid for service rendered (11)

DOWN

- One overrunning another's territory (7)
- Encounter (4)
- Essayed (5)
- Practical joke, frolic (5)
- Plant of the sage genus (5)
- Condition of being a noble (8)
- Offence against dignity of court (8)
- Fixed bench in church (3)
- Country community (7)
- Use tobacco (5)
- Meat infusion used as soup (5)
- Wash soap out (5)
- Confidence, anticipation (4)

NOT SO EASY

ACROSS

- Conceal one's real feelings with lies: must aid confusion (11)
- Turn it right away from the gun (7)
- Small bottle going six to a litre (4)
- How it may drain into its lowest point (5)
- Having done wrong in public relations, think about it (6)
- The expected view of five being decapitated (11)
- Bird would take one for a vermouth (6)
- Of the cheek that might cause alarm (5)
- Mental quirk of the family Kirkpatrick (4)
- Go on longer like the tenth bat to be dismissed (7)
- Tune dreamer composed when paid for service rendered (11)

DOWN

- One overrunning an arrangement Verdi made (7)
- Come face to face with what used to be fitting (4)
- Attempted to be heard in a criminal court (5)
- Mischiefous trick, parking on the taxi stand (5)
- Aromatic plant half the lads' week (5)
- Noble condition of a judge's address (8)
- Scorn shown by NCO who turns to entice one (8)
- We quietly give up our seat (3)
- Hamlet might give up everything inside (7)
- Cape will use a pipe of S African brandy (5)
- The one and the other about right for culture of bacteria (5)
- Get up around noon and remove the soap (5)
- Anticipation of it being Good at the Cape (4)

SOLUTION: BL TWO-WAY CROSSWORD 2517

ACROSS 1. Detract 5. Swiss 8. Mimicry 9. Ready 10. Guarantee 12. Ton 13. Lipid 17. Rag 19. Waterside 21. Align 22. Galleon 24. Htbe 25. Trotter
DOWN 1. Damage 2. Timbale 3. Arc 4. Tryst 5. Surrender 6. Inapt 7. Saying 11. Allowance 14. Exigent 15. Breath 16. Leaner 18. Grist 20. Tight 23. Leo

Primary driver

Listing gains are pushing IPO subscription

The frenzy that centred round the SME (small and medium enterprises) initial public offering (IPO) of Resourceful Automobile indicates the primary market is in a phase of irrational exuberance. Resourceful Automobile, a motorcycle dealer with two showrooms and a workforce of eight, was seeking to raise a modest ₹12 crore. It received bids worth ₹4,800 crore. Most of the investors were retail/non-institutional. Moreover, this is not the only SME IPO that has received high levels of oversubscription in the recent past. An astounding 219,000 individuals, on average, have applied for every IPO thus far in FY25. In contrast, FY20 saw an average of 408 individual applications for each IPO, rising to only 511 in FY21. Apart from Resourceful Automobile, many IPOs like Hoac, Foods India, Medicament Organics, Koura Fine Diamond Jewelry, and Maxpure have enjoyed retail oversubscription of over a thousand times.

On average, IPOs in FY25 have gained a whopping 76 per cent on listing day. At least 60 IPOs have listed in 2024 at premiums of over 90 per cent. This follows in the wake of a highly bullish FY24, when average listing gains exceeded 50 per cent, and applications hit 113,000 per IPO. All this indicates a speculative mood with retail investors. A Securities and Exchange Board of India (Sebi) study, which examined the trading patterns of over 90 million IPO investors, noted a majority of investors sold within a week, while 70 per cent sold within the year. Even qualified institutional buyers (QIBs) sold 65.4 per cent of the shares allotted within a week, and 87.8 per cent within a year. That same study, which covered 144 IPOs that raised ₹2.13 trillion between 2021 and 2023, indicated that 75 per cent of these (108 IPOs) delivered positive returns, with 26 IPOs hitting more than 50 per cent returns on the listing day. The holding period was even shorter for IPOs of below ₹1,000 crore. This points to an attitude of looking to make a quick buck, regardless of the fundamentals.

That bull market continues and it has encouraged targeting short-term gains. In effect, this has become a lottery, given very high oversubscription and excess demand that drives up the listing price. Buoyed up by quick returns, investors now tend to invest in all IPOs, hoping for some allotment, with a high likelihood of listing gains. Ironically, the simplicity of trading processes and the fact that funds remain in the investor's bank account until allotment may encourage this behaviour. Sebi has issued a cautionary advisory regarding SME IPOs (which is approved by the stock exchanges and not Sebi) due to the exuberance. It has also warned that unscrupulous promoters often present a misleadingly positive picture, and capitalise on this momentum to offload holdings at profit. The National Stock Exchange has been asked to implement a cap of 90 per cent over the offer price for SME IPOs during a special pre-open session on listing day. Many market experts have also advised caution.

However, history suggests that momentum of this nature cannot be halted by mere cautionary advisories. Sober advice will be ignored until such time as there is a crash in the primary market, or some event dampens overall market sentiment. Retail investors would be well advised to approach the market with caution and the exchanges must ensure that only quality issues make it to the market. However, the silver lining is that deserving SMEs will be able to raise money easily.

Protecting gig workers

Govt needs a balanced approach

Union Minister for Labour and Employment Mansukh Mandaviya recently reiterated the government's commitment to extending social-security benefits to gig and platform workers. He underscored the government's active exploration of various approaches to ensure that these workers were brought under social-security schemes, akin to those available to traditional employees. In this regard, companies and aggregators employing gig and platform workers would be encouraged to lead the registration process of their workers on the eShram portal, which serves as a national database for unorganised workers. This initiative will be in line with the four new Labour Codes, introduced by the Union government in 2020 that are still awaiting implementation. Among these, the Code on Social Security, 2020, is particularly significant because it consolidates nine labour laws related to social security into a single, integrated code, aiming to extend coverage to workers across both the organised and unorganised sectors. While the Code sets out mandatory benefits for traditional employees, it only provides the central government with guidelines to formulate and announce welfare and social-security schemes specifically for gig and platform workers.

The absence of a comprehensive legal framework to address the specific needs of gig workers is a pressing issue that requires immediate attention. As this workforce segment is rapidly expanding, it is becoming increasingly vital to implement protective measures. According to estimates of the NTI Aayog, gig workers are projected to constitute 67 per cent of the non-farm workforce by 2029-30, a notable increase from 24 per cent in 2019-20. Some state governments introduced legislation in the recent past to protect this burgeoning workforce. More recently, the Karnataka government proposed a Bill designed to protect the rights of gig workers. This Bill specifically placed obligations on aggregators for social security, ensuring transparency in automated systems, mandating clear contract terms, and a robust dispute resolution mechanism. However, the Bill received objections from businesses, which argued it introduced a stringent inspection regime that could hinder operational efficiency and compromise the ease of doing business.

Thus, developing a balanced approach to protect gig workers from exploitation without disrupting business operations is crucial. Policymakers must consider several factors while formulating any regulations in this space. Many businesses employing platform-based gig workers are relatively young, in the early stages of development, and not making any profits. These businesses rely heavily on the flexibility of the gig market, which allows them to adapt swiftly to market demands and financial pressures. Stringent regulations could impose substantial operational and financial burdens, potentially disrupting their business models or forcing them to cease operations. Further, having aggregators lead the registration process or mandating written contractual agreements could introduce significant challenges. These workers often register with multiple platforms to sustain their income, rotating between them based on demand. Requiring written contracts could restrict them to a single platform, limiting their ability to diversify their income sources. Given the market condition, the government is actively collaborating with all stakeholders to develop a comprehensive framework that addresses the evolving nature of work while ensuring adequate protection for gig and platform workers. Thus, achieving a careful balance is essential to safeguard these workers' rights and welfare while maintaining the operational viability of the businesses that depend on them.



ILLUSTRATION: BINAY SINHA

Difficult conversations we must have

High immigration and demographic change are huge concerns globally. Political correctness should not prevent us from discussing them

Free societies do themselves no credit by outlawing the free expression of genuine human concerns, insisting on politically correct narratives, pejoratively mislabelling those who disagree with the "liberal consensus," or treating designated "minorities" as deserving of higher respect and protection than anyone else. Sooner or later, you will not be able to prevent the dam of resentment caused by such suppression from breaking through, sometimes in violent forms. We saw this recently in the United Kingdom, where white mobs attacked the police after a gruesome incident involving the knifing and killing of young girls in Southport, northern England, who were attending a Taylor Swift-themed event. The delay in identifying the perpetrator added fuel to the fire, as many suspected the police were protecting an immigrant with an Islamist background.

Two major concerns across many European countries are illegal immigration and rapid demographic changes, thanks partly to their own falling birth rates. In countries as liberal as Sweden and Denmark, large parts of central and eastern Europe, and even in bigger countries such as France, Germany or Italy, anti-immigration sentiment is delivering huge vote increases to "Right-wing" parties. The tragedy is that instead of addressing the concerns of ordinary citizens, parties belonging to the mainstream consensus have deliberately chosen to mislabel anti-immigration sentiment as a "Far Right" rhetoric. The crimes perpetrated by these (mostly non-white) groups are attributed to some generic category such as "African," "Asian" or "South Asian," as we saw in the United Kingdom over the last decade when largely Pakistani "grooming" gangs were lumped together

under the label "South Asian". Police officers were reluctant to call out crimes against teenage girls for fear of being labelled racist. To call rape or molestation "grooming" is itself another piece of politically correct nonsense, as if these girls were being "groomed" for good manners or dressing well.

Many public intellectuals have called out this kind of myoclonic of criminals among immigrant communities. It is called "two-tier" policing, where the Iron fist of the law is applied to crimes by the (largely Caucasian) majority, while similar crimes by "minorities" are treated with kid gloves.

The two biggest questions this article wants to raise are these: Why are we so afraid to deal with the immigration question, and why is fear of rapid demographic change not a fit topic for serious discussion? Why are people who raise these issues silenced by being called racists or bigots? Once we start discussing these issues in public, better solutions can be found to the problems vexing ordinary citizens.

Liberals will point out that immigrants bring diversity and new ideas to host nations. Moreover, they often are willing to work longer hours and for lower wages than what locals are willing to do.

We don't have to dispute the benefits that immigrants bring, but we should not dismiss concerns about the harm they may bring too. Extreme diversity is not an unmitigated blessing, given the cultural schisms that emerge. Immigrant communities are often associated with high crime rates. Also, in high-tax Nordic societies, which have very generous welfare programmes, immigrants are making taxpayers increasingly unwilling to



BEYOND IDEOLOGY
R JAGANNATHAN

Will ELI fix India's jobs crisis?

India is grappling with a stark economic paradox: While gross domestic product (GDP) growth remains robust, job creation lags woefully behind. Despite the economy expanding by 8.2 per cent in FY24, there has been a persistent decline in the labour force participation rate (60.2 per cent in Q1 FY24, as reported by the Periodic Labour Force Survey) and a rise in the unemployment rate (9.2 per cent in June 2024, according to the Centre for Monitoring Indian Economy). This disconnect between India's booming economy and its stagnant job market poses a significant structural challenge that could derail the nation's long-term economic aspirations.

India's demographic dividend, often touted as a critical driver of future growth, risks turning into a demographic liability if the country fails to generate sufficient employment opportunities. The socio-economic stakes are high — a large, youthful population with unmet job expectations could exacerbate rising inequality, social unrest, and potentially lead to an economic downturn. Employment is the cornerstone of sustainable economic growth — a robust job market drives consumption, boosts aggregate demand, and creates a virtuous cycle of economic expansion.

Recognising the crisis, the Indian government has recently announced the employment-linked incentive (ELI) scheme, a policy initiative designed to incentivise businesses to hire more workers. Though belated, the move marks a small but significant step towards addressing the nation's employment challenges. The ELI scheme introduces a range of financial incentives, including wage subsidies for new hires and bonuses for companies that significantly expand their workforce. For instance, companies that employ first-time workers with monthly salaries up to ₹1 lakh are eligible for wage subsidies of up to ₹15,000 per employee, paid in instalments. The scheme explicitly targets the manufacturing sector, offering further incentives to companies that increase their employees' provident fund organisation-registered workforce.

Given the challenging employment scenario, the ELI scheme appears to be a meaningful policy intervention. By lowering the cost of labour, it seeks to make hiring more attractive, particularly in sectors like manufacturing, which has consistently been a key focus of the government's economic strategy. The sector, which currently employs about 12 per cent of the workforce, will likely play a crucial role in absorbing a large segment of India's labour force. The ELI scheme's targeted incentives could catalyse the dual objectives of industrial expansion and employment generation.

However, the ELI scheme is unlikely to fully address the structural issues contributing to jobless growth. The scheme's reliance on wage subsidies raises concerns about the sustainability and quality of jobs. Data from the National Sample Survey Office (NSSO) indicates that nearly 80 per cent of jobs in India are informal, lacking the stability and benefits associated with formal employment. There is a real risk that the ELI scheme could worsen this trend, encouraging companies to create low-wage, temporary positions rather than investing in long-term, stable employment. Furthermore, wage subsidies alone may not be enough to compel businesses to invest in the kind of job creation that aligns with the evolving demands of the global economy.

The scheme's narrow focus on manufacturing ignores how the global labour market is shifting towards technology-driven and service-oriented industries. To effectively tackle the problem of jobless growth, the ELI scheme must be reimagined as part of a more comprehensive, forward-looking strategy. Policymakers should consider expanding the scheme to include sectors such as technology, healthcare, and renewable energy industries that not only promise significant job creation but are also aligned with future economic megatrends. For example, the healthcare sector, which employs around 4.7 million people and is growing at a compound annual growth rate of 22 per cent since 2016, is poised for further

pay high taxes if much of it will not benefit "people like us," but "those people."

The real question to address is how much of immigration is good for any society. What also matters is the pace at which immigration happens, and also how quickly the newcomers integrate with the culture of the host society. If the pace of entry is too fast, and integration is too slow, we are essentially saying it is okay for immigrants to create their own ghettos where the host nation's laws will not apply, except with the occasional consent of the minority concerned. This is one reason why Denmark — yes, ultra-liberal Denmark — is breaking up large immigrant clusters and forcing children from a very young age to learn Danish culture and language. Children are separated from their families for up to 25 hours a week to receive these instructions so that they integrate better with the larger society when they grow up. The intention is to avoid the creation of parallel societies. Sweden went from limited immigration to very high immigration, where, in less than a decade, immigrants made up over 20 per cent of the population. Which society will not be destabilised by such huge infusions of culturally alien populations?

Two ideas that the world must embrace in some form are stricter rules for citizenship and integration. When large numbers enter a country due to persecution or economic hardship, it should not automatically follow that all of them must receive citizenship by birth or naturalisation without deeper cultural integration. Some minimum standards of acculturation need to be internalised by immigrant communities before they are granted citizenship.

What is currently being discussed in Europe is equally relevant to India, where discussing the plight of Hindu minorities in Bangladesh — who are clearly not "those people" — is considered "communal." If a massive fall in Hindu demographic from around 22 per cent in 1951 to less than 8 per cent now is off-limits even for a serious conversation, how can we call ourselves a democracy? Demography is changing rapidly in several Indian states due to immigration, religious conversion, and the fertility gap between majority and minority communities. We need to talk about the challenges of integrating a rapidly changing population in the public mood, where frustrated groups will opt for vigilante justice and violence.

It is odd that most Indian politicians of the pre-independence era could speak their minds openly on contentious issues under colonial rule. But we now hesitate to call a spade a spade when it is most obviously so. For instance, one should read the letters Jawaharlal Nehru wrote to his chief ministers on quotas and big city in states, or B R Ambedkar's views on Islam and the idea of Pakistan to understand this point. Had anyone other than Ambedkar written those words, they would likely be called an Islamophobe today.

A democracy must be able to openly discuss people's concerns without resorting to "cancel culture" or silencing those with uncomfortable opinions on contentious issues. A free society cannot afford to brush such matters under the carpet of political correctness and electoral expediency.

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AMARENDU NANDY

positions rather than creating low-wage, temporary employment. Furthermore, wage subsidies alone may not be enough to compel businesses to invest in the kind of job creation that aligns with the evolving demands of the global economy. The scheme's narrow focus on manufacturing ignores how the global labour market is shifting towards technology-driven and service-oriented industries. To effectively tackle the problem of jobless growth, the ELI scheme must be reimagined as part of a more comprehensive, forward-looking strategy. Policymakers should consider expanding the scheme to include sectors such as technology, healthcare, and renewable energy industries that not only promise significant job creation but are also aligned with future economic megatrends. For example, the healthcare sector, which employs around 4.7 million people and is growing at a compound annual growth rate of 22 per cent since 2016, is poised for further

expansion due to an ageing population and increasing healthcare needs. By extending ELI incentives to this sector, the government could address both employment concerns and the growing demand for healthcare services.

Continuous skills development must also be integrated into the ELI framework. The World Economic Forum (WEF) projects that by 2025, automation and technological advancements will require reskilling nearly half of all global employees. To remain competitive, India must prioritise upskilling. Policymakers should forge tri-sector partnerships among the government, industry, and academia to develop targeted upskilling programmes aligned with evolving industry needs. This approach would not only enhance job creation but also ensure the sustainability and quality of employment opportunities, positioning India's workforce for future economic challenges.

Finally, the implementation of the ELI scheme must be underpinned by a robust monitoring and evaluation mechanism. Data-driven insights should guide the scheme's evolution, allowing for real-time adjustments that respond to changing labour market dynamics. Regular assessments of job quality, sustainability, and the distribution of jobs will be crucial to ensuring the scheme's long-term success.

While the ELI scheme is a commendable start, addressing jobless growth requires bolder, more innovative policies. To avoid creating temporary, low-quality jobs, policymakers must pivot toward high-growth, future-ready sectors such as technology, healthcare, and renewable energy industries that not only promise significant job creation but are also aligned with future economic megatrends. For example, the healthcare sector, which employs around 4.7 million people and is growing at a compound annual growth rate of 22 per cent since 2016, is poised for further

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India@100: The audacity of optimism



BOOK REVIEW

V KUMARASWAMY

The last two chief economic advisors (CEAs) have made the Economic Survey reader-friendly for the common man and discussed topical issues and solutions outside the earlier rigid frameworks. This book by the CEA who served before the current one appears to bring back macro issues concerning India's rightful place in the future to the drawing rooms and coffee tables.

The book starts by breaking the myth of the state ambition of the Indian economy hitting \$5 trillion gross domestic product (GDP) by 2047. That sounds ludicrous on first hearing, but the logic is well laid out, though somewhat laboriously, if India

hope over despair is the chapter on the judiciary, which offers plenty of light through data without the usual heat. The author has deepened the issues as repeated stays, uncertainty, delays over judicial appointment, likely corruption and soon and focused on pendency. Using past statistics, he demonstrates that if pending vacancies in district and sessions courts, as well as high courts, are filled — and a few more added — the entire backlog of cases, along with new ones, could be cleared within 10 years. Quick justice is the best deterrent to crime and this argument offers some hope.

The book is divided into four pillars of action, besides the big picture. The first is the focus on growth. Besides the known mix of growth steroids, he has rightly addressed the exogenous spillovers to our growth trajectory — justice and the bureaucracy, which are increasingly becoming hurdles to our progress. The second pillar is on social and economic inclusion, where the canvas is wider than the conventional one — empowerment

through employment, creating employment and using our digital advantage to inclusion are all well out. The section also addresses climate change and changes required in agriculture to focus on small farmers who get a meagre share of the pie due to the limitations of agri-market structures. Third, the author addresses the wealth creation, which neutralises many phobias and outdated moral shacks surrounding it. This engaging section discusses stoking innovation, shedding the thought baggage of the past, letting the markets play, and rolling back the interference of government from business enterprises. Finally, he tackles the vexed question of private investment to make growth happen. Here, he talks about creating a healthy knowledge infrastructure, a healthy population,

building skills, a good stock market to provide finance to enterprises, and leveraging private investments as the key to sustaining growth. An essential ingredient of thought leadership is breaking the mould to think of creative solutions. Countering the myths around middle-income traps and sequential manufacturing stand out as examples.

The strategy of assemble first, join the global value chain, and then target end-to-end manufacturing makes practical sense. Another myth is the needless scare-mongering about fiscal deficits foisted by Finance Commissions. The book skillfully argues that the best way to tackle the debt-GDP menace is growth. If the money borrowed is productively used, growth is capable of enhancing the GDP pie enough to overshadow debt. Limiting advanced countries' debt-GDP ratio prescriptions is more a poison pill than a viable risk

management measure. His arguments that tackling poverty can address inequality and that growth is essential to tame poverty are timely reminders to think on our feet rather than paying attention to unwarranted bogies. Often, these arise from inequality seen motivated to distract attention rather than offer solutions.

A few drawbacks. Several figures and graphs strain the eye. In some parts, the argument appears to be those who have read and understood the annual Economic Survey rather than a business daily reader. More attention to the issue of leakage of labour from agriculture to the rural sector as productivity growth that sector and what to do with them would have been desirable. A discussion on the emerging challenges from social and religious tensions would have been useful. Economic commentators, readers of business dailies or analysts at fund houses would find this book of long-term help. And if you want to converse meaningfully and knowledgeably around the coffee or dinner table, this book must count as an essential read.

The reviewer is the author of Making Growth Happen in India

