

Is India's growth story benefiting only big capital?



Himanshu
Professor of Economics at Jawaharlal Nehru University



Ritesh Kumar Singh
Business economist and founder of Indonomics Consulting

PARLEY

India's impressive economic growth since the end of the COVID-19 pandemic has surprised many, including those who were critical of the Centre's economic policies. The Indian growth story is today widely praised across the world. In 2023-24, the country grew at 8.2%, the fastest among major economies. However, most of the economic gains in the last few years have mostly come from big businesses. Is India's growth story benefiting only big capital? Himanshu and Ritesh Kumar Singh discuss the question with Prashanth Perumal J. Edited excerpts:

Is it true that India's economic growth story is fuelled by just a handful of big businesses?

Himanshu: It is now more or less accepted that India's growth story is K-shaped, where the richer sections of the population have been growing much faster than the bottom half of the population, which has not seen increases in their incomes. It is not a dispute any more; even the government data shows it.

Ritesh Kumar Singh: There is no dispute about uneven growth. GDP growth is currently led by government capital expenditure, which is mostly related to infrastructure. Private sector investments also depend on infrastructure-related spending. So, steel producers might be doing well and infrastructure companies might be doing well, but there is no revival of broad-based private capital expenditure. Small-scale industries are losing market share and they are distressed.

Fundamentally, what causes growth in an economy to be either broad-based (benefiting many) or narrow (benefiting a few)?

Ritesh Kumar Singh: The cost of capital and the general compliance filing and reporting requirements for smaller businesses are just too much. I run a small business. Most of the time I seem to be dealing only with compliance-related filings; they just keep going up. For larger corporations, most of the compliance filing is easier to deal with, but for owners of smaller businesses, it is getting very complicated. Also, when it comes to the cost of capital, most small businesses are getting capital [at an interest rate of] 12-14% as compared to larger corporations, which might be getting capital [at an interest rate of] 8-9%. There is one more issue, which is taxation. The government slashed the corporate tax in September 2019. But 95% of the businesses are non-corporate, so they are not



A man walks through a solar plant, an Adani Group project, in Ramanapeta, in Telangana. REUTERS

benefiting from this tax cut. Further, because of the government's policy of protecting the producers of key industrial inputs – for example, steel and aluminium – downstream businesses are seeing increased cost of production.

Himanshu: Two of the greatest man-made economic shocks that the country has seen – demonetisation and the rollout of the Goods and Services Tax – were favouring big businesses at the cost of the small and medium enterprises or the unorganised sector. Data from the Budget clearly show that in the last 10 years, the effective rate of taxation for big businesses has come down much more compared to small and medium enterprises. So, there is this mindset where we depend on big businesses to drive growth. I don't think that is going to work given a demand deficient economy.

Is the market economy to blame for uneven economic growth? Should big businesses be taxed at higher rates, as many recommend?

Himanshu: The effective tax rate has always been lower for the larger corporations compared to the smaller corporations. That is a problem. In the last 10 years, the effective tax rate paid by large corporations has actually declined, but not so much as far as the small and medium enterprises are concerned. We are basically following the policy of effectively subsidising the large corporations at the cost of the smaller companies. The support that is being given to the private corporate sector has not actually even contributed to the growth of the economy. A large part of capital expenditure is being supported by the government. All this is happening at a time when the amount spent is raising consumption for the bottom 50% of the population is on the decline. For example,



If the government can reduce the compliance burden, or if it is ready to look at ease of doing business from the perspective of smaller businesses, that would be a big help. Smaller businesses don't need more subsidies.

RITESH KUMAR SINGH

expenditure on rural development, agriculture, rural infrastructure, etc., which could have actually turned small and medium enterprises into growth drivers, is not happening partly because there are funding cuts in those sectors. The whole approach of supporting only the corporate sector at the cost of small- and medium-scale enterprises, which are going to create employment, demand, and investment in the economy, is likely to lead to unsustainable growth in the long run.

The government also has to realise that not all small and medium enterprises are tax evaders and reduce the regulatory hurdles to them, so that they can also become large enterprises. This does not require it to spend a large amount of money. I think it is necessary to reduce the regulatory burden, reduce the compliance costs, and reduce the kinds of discriminatory policies it has against small companies.

There is also a case for adopting a progressive taxation policy, which would imply a larger tax burden on big business and a much smaller burden on smaller companies which have less of an ability to pay.

On paper, smaller companies are supposed to pay low taxes. But the problem is that large corporations are able to game the system and have a much lower taxation rate compared to the small and medium enterprises. In the latest year for which data are available, the effective tax rate for large corporations was close to 20%, whereas for small firms with the profit range of ₹1 crore to ₹10 crore, it was 26%. That is unacceptable. It is not just about tax rates, but also the kinds of loopholes that big businesses are able to use to game the system.

Ritesh Kumar Singh: I have a different opinion when it comes to taxing the profit of different businesses. I don't want progressive taxation or lower taxation for smaller firms. I believe we should have the same tax rate for all businesses. So, the corporate tax which has been slashed should be extended to all kinds of businesses. Otherwise, if you devise progressive taxation, there is also misuse. Progressive taxation will encourage firms to remain smaller. So, my suggestion would be to treat the profit from all

types of businesses as the same.

The major problem is the increasing compliance burden. If the government can reduce the compliance burden, or if the government is ready to look at ease of doing business from the perspective of smaller businesses, that would be a big help. It is not that we need more subsidies. There are a lot of things that can be done without spending money, without ruining our fiscal targets.

What kinds of reforms can help India achieve economic growth that benefits people across the board rather than just a few business groups?

Ritesh Kumar Singh: My expectations from the government are low. I would like the GST system to be made like the income tax system, so that we have quarterly filings and quarterly payments of taxes and annual filing of taxes. Right now, there are too many gaps, too much confusion, conflicting interpretations, etc., so much so that even a chartered accountant doesn't know what to do. It is also very difficult for smaller businesses to get GST refunds or input tax credits.

Next, when it comes to banking, the whole credit appraisal system is asset-based rather than cash flow-based. Private banks are slightly better in the sense that they rely on cash flows to extend loans. But government banks, which have a far greater reach in smaller towns and villages, should also switch to cash flow-based lending.

Himanshu: The solution lies in first recognising that there is a problem of demand in the economy and that it comes from the distressed incomes of a large majority of the population. Once you recognise that, the solution automatically arises. The solution is to find ways of increasing incomes in the rural economy, to spend more money in the rural economy and, through this, benefit small and medium enterprises. This is also the best way to raise wages for the workers at the bottom of the pyramid. The government has enough regulatory ammunition; it can actually facilitate small business owners by easing the regulatory burden. These owners can also be provided some kind of credit access support. But all this will require the political willingness to realise that the problem lies at the bottom of the pyramid.



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NOTEBOOK

The rising popularity of chess in India and in the media

Chess used to rarely make big news. But after the recent Olympiads, coverage of the game in the country has really improved

P.K. Ajith Kumar

Last week, I was in Anantapur in Andhra Pradesh to cover the Duleep Trophy. Everyone knew that prominent Indian cricketers, including Suryakumar Yadav, Shreyas Iyer, Sanju Samson, and Ishan Kishan, had come to their town. Never before had so many cricket stars descended on the excellent ground at the Rural Development Trust Stadium in Anantapur. In order to make a pitch that will have the bounce and pace of the wickets in South Africa and Australia, one man had travelled 800 kilometres. But that is another story.

While having breakfast at my hotel in Anantapur one day, I heard some men at the next table talking loudly about D. Gukesh. I had been writing about Gukesh every day for a fortnight: the Chess Olympiad was taking place in Budapest and I had to file the match reports while following the games online. Now, chess is not cricket. It is not even football. By that I mean it is not exactly a subject that is discussed in hotels and coffee shops. The Chess Olympiad, however, got the people of India talking about the game and about how the incredible Indian men and women's teams won gold medals in the Hungarian capital. Only two countries have achieved this feat in the past: China and the erstwhile Soviet Union.

When I first started following chess seriously, the Soviet Union was the undisputed superpower in chess. Back then, I used to play in chess tournaments. We used to get great books from the Soviet Union, mostly translations of fiction from the Russian, at very affordable prices. I still have the book on the games of the 1984-85 World Championship match between Anatoly Karpov and Garry Kasparov. I would replay those games on the chessboard I had back at home in Kalpetta in the Wayanad district of Kerala.

Chess rarely made big news those days. It would take decades after the Internet revolution for organisers of the game to discover the possibilities of live

streaming, which has really helped spread the popularity of chess. Just yesterday, Grandmaster Vantika Agrawal, one of the stars at the Olympiad, was telling me over a phone call how her friends and teachers from school and college were following her exploits at Budapest on YouTube.

Over the last few years, the mainstream media too has woken up to cover chess. There was a time when I or another reporter of *The Hindu* would be the only journalist assigned to cover even major chess tournaments. But when India hosted the Chess Olympiad at Mamallapuram near Chennai two years ago, there was a large media contingent stationed there. I remember how a reporter from a television channel asked Gukesh – he was as brilliant in Chennai as he was in Budapest – in Tamil about Sicilian Defence and the way the young Grandmaster answered in detail. The Indian men and women won bronze medals during that Olympiad and received a lot of media attention.

That India has now managed to clinch gold medals at the Olympiad has, of course, received more extensive coverage now, especially in the online space. There were live blogs during the games, too. Considering the fact that chess is not a spectator sport, this is significant. Chess is not even considered a sport in many countries. In India, though, it is emerging as one of the fastest-growing sports. With the ever-increasing space given to chess in the media, the game can only get better. Vantika told me how nice it felt, for once, to be recognised for the magnificent effort that she put in at the Olympiad to help India win the gold.

For decades, there was only one Indian who represented chess. But even that player, Viswanathan Anand, was once asked, when he told a stranger that he played chess for a living, "Who do you think you are? Viswanathan Anand?"

Not many will ask Gukesh that question today.

ajithkumar.pk@thehindu.co.in

PICTURE OF THE WEEK

A special bond



A man takes his daughter back home from school after he attends a weekly market on the outskirts of Guwahati. RTU RAJ KUNWAR

FROM THE ARCHIVES

The *MOA* Hindu.

FIFTY YEARS AGO SEPTEMBER 27, 1974

Raids on paper dealers' firms and houses in Madras

Madras, Sept. 26: In a series of raids conducted yesterday in Madras on office premises and godowns of groups of firms dealing in paper, and residences of the dealers Rs. 7 lakhs in cash, Rs. 12 lakhs worth of gold jewellery, Rs. 9 lakhs worth of shares of different companies and considerable number of documents were seized by Income-tax

authorities.

According to a departmental spokesman, one firm engaged in paper manufacture and its mill in the south were also searched. Searches were also made in connected premises in Bombay and Calcutta.

The spokesman said that 25 safe deposit lockers were sealed. Two lockers were opened and searched. One contained Rs. 1.5 lakhs in cash. The owner of the locker had earlier admitted that he had deposited Rs. 1.5 lakhs in the locker and that it was "unaccounted money". The other locker contained gold jewellery. The remaining 23 lockers would be searched in the next few days.

A HUNDRED YEARS AGO SEPTEMBER 27, 1924

Resolution on cotton excise duty

London, Sept. 26: Commenting on the Assembly's resolution in favour of the abolition of the Cotton Excise Duty, the "Manchester Guardian" quotes the Share Report from Bombay newspapers referring to the prosperity of the Indian Cotton Industry and states that the removal of the Excise Duty would mean an average of extra six per cent dividend to the shareholders.

REAPPRAISAL



Rich legacy: His writings must be read widely, this perhaps would be a better tribute to Bhagat Singh's life as a revolutionary than propagandism or empty political posturing. FILE PHOTO

A life in revolution: Bhagat Singh, a radical thinker and ideologue

A look back at the works of a revolutionary who was martyred in the fight for freedom; erudite, and a polyglot, he filled his short and tumultuous life writing on many subjects, from communalism and inequality to religion and faith, words which have a chilling contemporary relevance

Prathmesh Kher

In our age and clime, a radical worldview is often simplified. As if an entire ideology could be reduced to a haiku, and the worth of a man reduced to mere sloganeering. Whether it is Gandhi, Ambedkar, Bose, Savarkar, or Nehru, all are victims of this malaise; as if those who existed in the past serve merely the political interests of the present. One such figure in history is Bhagat Singh. On his birth anniversary, we take a look back at some of the works of the thinker and ideologue.

Literary references

Bhagat Singh was able to communicate in Urdu, Punjabi, Hindi, and English, and was familiar with the fundamentals of Sanskrit.

In one of his earliest pieces in 1923, *The Problem of Punjab's Language and Script*, a 16-year-old Singh lucidly explains the distinction between the Gurmukhi script and the Punjabi language, and how a language is suffused with influences far beyond man-made borders.

Singh's jail notebook and letters also reflect the eclecticism of his literary diet.

In *Vishwa Prem* (Universal Love), published in November 1924, Singh declares "Visvabandhuta (Universal Brotherhood)! For me the greatest meaning of this word is equality and nothing else. None will need to cry for bread when hungry... There would be peace without penal codes."

Singh extols Rana Pratap, Mazzini, Gandhi, Lenin, Washington, Savarkar, Tilak, and MacSwiney as models for the youth, and harkens to Brutus in Roman history, and Krishna in the Mahabharata in the article.

By 1928, the stark realities of the Indian situation were more apparent to

the young Singh.

In the article *Communal Riots and their Solution*, Singh comes down hard on the journalists of his day, writing, "These people arouse public sentiment by writing bold headlines in the newspapers against one or the other and compel people to start fighting with one another... riots started in many locations just because of the fact that local newspapers had written articles that stoked passions."

"The actual duty of newspapers is to educate, to liberate people from narrow-mindedness, eradicate fundamentalism, to help in creating a sense of fraternity among people, and build a common nationalism in India, but these papers behaved in a manner entirely antithetical to their duties," he says.

Students and politics

"We are hearing a wide clamouring that students should not take part in political work," Singh writes in a July 1928 article, *Students and Politics*, explaining how the then Punjab government required aspiring collegiates to "sign off on an undertaking that they will not take part in political activities." Singh says that an education which will "only equip them for clerical jobs" would be "worthless."

"They should study, but at the same time they should acquire the knowledge of politics too, and when the need arises they should jump into the fray and sacrifice their lives for the nation," Singh states.

In his June 1928 article, *The Problem of Untouchability*, Singh exhorts the "so-called untouchables, the real sustainers of life" to remember that they "were the backbone of Guru Gobind Singh's army. Shivaji was able to achieve all he did with your participation and it made him forever shine in history." Singh

urges them to "unite to stand on your own feet and challenge the existing order of society."

Declaring the idea that "since someone is born in a poor sweeper's family, he shall continue cleaning toilets all his life" as "utter nonsense", Singh stokes the depressed classes to "start a revolution from a social agitation." Singh reminds the untouchables that they "are the pillars of the nation and its core strength. Awake, O sleeping lions! Rebel, raise the banner of revolt."

In a December 1929 article, *What is Revolution?*, Singh explains, "The spirit of revolution should always permeate the soul of humanity so that reactionary forces may not accumulate to check its eternal onward march. Old order should change, always and ever, yielding place to new, so that one 'good' order may not corrupt the world. It is in this sense that we raise the shout 'Long Live Revolution'."

In a three-part piece titled, *What is Anarchism?*, published in 1928, Singh reflects, "Anarchists are against God and religion to begin with because they feel this is the root of mental slavery. And then they are against the State because it is the root of physical slavery. They say that motivating people with the temptation of heaven, fear of hell, or with the iron hand of law is the wrong approach and it is also an insult to a superior being like a human."

In his 1931 *Letter to Young Political Workers*, Singh writes, "According to our definition of the term, revolution means the complete overthrow of the existing social order and its replacement with the socialist order... the state, the government machinery is just a weapon in the hands of the ruling class to further and safeguard its interest. We want to smash it, and handle it, to utilise it for the consummation of our ideal, i.e., social

reconstruction on a new, i.e., Marxist, basis."

Challenging faith

As an atheist and a materialist, Singh had thought organised religion to be an impediment to the freedom struggle in particular and to social progress in general. "We can see the mountain of religion standing in our path," Singh writes in an April 1928 article, *Religion and our Freedom Struggle*. "... a clash between people could be instigated with the loud recitation of Koranic verses and Vedic mantras. The question is then, why should we not do away with all this once and for all?" he asks.

In *Why I am an Atheist*, Singh declares, "Any man who stands for progress has to criticise, disbelieve and challenge every item of the old faith. Item by item, he has to reason out every nook and corner of the prevailing faith... An individual who claims to be a realist has to challenge all of ancient faith."

In an April 1929 letter to his compatriot Sukhdev, Singh writes about how the emotion of "love" can elevate a human life. Writing of Mazzini in the aftermath of the failed rebellion, Singh says, "He could have either gone mad or committed suicide, but with a letter from his beloved, he became not only as strong as the others, but stronger than everybody else... The character of a person is always elevated by love; it never shows one in a bad light provided that the love is true love. True love can never be created. It wells up by itself when no one can predict."

Bhagat Singh wrote and worked extensively in his short and tumultuous life. His writings must be read widely — this perhaps would be a better tribute to Singh's life as a revolutionary than propagandism or empty political posturing.



FROM THE ARCHIVES

Know your English

K. Subrahmanian
Upendran

Hi! How was your trip to Ooty?"

"It was fantastic. We really enjoyed."

"Enjoyed what?"

"The trip to Ooty, of course. I thought

that was obvious."

"It's not so obvious to me."

"It isn't? Why?"

"Because your answer was

incomplete."

"You asked me how our trip was and I

told you we really enjoyed."

"'We really enjoyed' is an incomplete

answer."

"What?"

"You see, you didn't say what it was

you people enjoyed. When you use the

word 'enjoy' in a sentence, it has to be

followed by an object and..."

"Oh please. I find it very confusing."

"Let me try and explain it without

becoming too technical."

"That would be wonderful. Go ahead,

please."

"When you use the word 'enjoy', you

have to tell the listener what it is you

enjoyed. While talking about Ooty, you

could have said 'I really enjoyed my trip

to Ooty' or 'We really enjoyed our stay in

Ooty'."

"More than the stay, I enjoyed the train

journey."

"Good. You can also say 'I enjoyed

myself in Ooty' or 'We enjoyed

ourselves'."

"Thanks for your explanation."

"Thank you."

"You remember the physics test I was

complaining about some time ago?"

"Yes."

"Anyway, I got 98 per cent in that test."

"Congratulations!"

"Oh, there's no need to congratulate

me for that."

"You mean 'on that', don't you?"

"On that?"

"You congratulate someone on

something, not for something. Everyone

congratulated the cricket team on its fine

performance."

"And what about the volleyball team?

Shouldn't we congratulate them for... I

mean on their performance?"

"You mean their non-performance?"

"Don't be so mean."

"Merely stating facts."

"Everyone is blaming the coach for the

defeat."

"Why just blame the coach? He is a

nincompoop, I agree..."

"A nincom... what?"

"The first syllable 'nin' rhymes with

'sing', 'ring' and 'king'. That is, the final

'n' in 'nin' is pronounced like the 'ng' in

'sing'. And the second syllable 'com'

sounds like the 'com' in words like

'computer', 'compel' and 'complain'."

"I see. In other words, the 'o' in 'com'

sounds like the 'a' in 'China'."

"Very good. And the final syllable is

easy enough. What do you think 'poop'

rhymes with?"

"Sounds like 'soup'."

"Give me another word it rhymes

with."

"Loop."

"And the word is pronounced

nincompoop."

"Can you guess what the word means?"

"It probably means an idiot or

something like that."

"Very close. A nincompoop is a silly or

foolish person. It is an informal word."

"Then I'm looking at a nincompoop

now."

"How dare you call me a

nincompoop?"

"I'm not calling you a nincompoop,

silly. Look, here's a picture of our coach in

the school magazine."

Published in *The Hindu* on July 6, 1993

THE DAILY QUIZ

Here is a quiz on the occasion of the birth anniversary of revolutionary freedom fighter Bhagat Singh

Prathmesh Kher

QUESTION 1

Which school did Bhagat Singh attend in his boyhood?

QUESTION 2

What word did Singh and his comrades add to the Hindustan Republican Association thus changing its acronym from HRA to HRSRA?

QUESTION 3

What was the name of the British officer assassinated by Bhagat Singh and Rajguru?

QUESTION 4

Bhagat Singh and Batukeshwar Dutt threw bombs in the Central Legislative Assembly during his first arrest and detention in connection with the Lahore Dussehra bomb case of 1926. How long was he detained in prison in connection with the case?

QUESTION 5

How many days of hunger strike did Bhagat Singh undergo in protest of the treatment of political prisoners?



Visual Question:

This is a photograph of Bhagat Singh taken secretly at the Lahore police station during his first arrest and detention in connection with the Lahore Dussehra bomb case of 1926. How long was he detained in prison in connection with the case?

Questions and Answers to the previous day's daily quiz: 1. Expand the initials T.S. in the great poet's name. **Ans: Thomas Stearns**

2. Of the four parts of Eliot's 'Four Quartets', two are 'Burnt Norton' and 'East Coker'. Name the other two. **Ans: 'The Dry Salvages' and 'Little Gidding'**

3. Which work is called Eliot's 'conversion poem' because it was written after his conversion to Anglicanism in 1927?

Ans: 'Ash-Wednesday'

4. To which literary figure was Eliot's most famous work 'The Wasteland' dedicated and from where did he get the title? **Ans: Ezra Pound and Jessie Weston's 'From Ritual to Romance'**

5. In 'Old Possum's Book of Practical Cats', if Macavity is the Mystery Cat, then who is The Cat about Town and The Railway Cat? **Ans: Skimbleshanks and Bustopher Jones**

6. At which famous bank did Eliot work? **Ans: Lloyds**

7. In the 'The Love Song of J. Alfred Prufrock', how does the protagonist measure out his life? **Ans: With coffee spoons**

Visual: This World Heritage Site is the setting for which of Eliot's famous works? **Ans: Canterbury Cathedral**

Early Birds: Shanmugadass K | Tamal Biswas | Piyali Tuli | Tito Shiladitya | Sonali Das

Word of the day

Specious:

Plausible but false

Synonyms: deceptive, inaccurate, misguided

Usage: His argument is somewhat specious.

Pronunciation: bit.ly/speciouspro

International Phonetic

Alphabet: /spɪʃəs/

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SCIENCE

World Rabies Day: tracing the journey from myths to modern medicine

World Rabies Day, on September 28 which commemorates the death of Pasteur, encourages reflection on the misconceptions that once shaped the approach to this disease, and the ongoing efforts to develop vaccines. By connecting past and present, we are reminded of the need for awareness, education, and vaccination to eradicate rabies

Aravinda C.

In May 2024, a tragic incident in Alappuzha, Kerala, highlighted the ongoing threat of rabies in the 21st century. A nine-year-old boy died from rabies after being bitten by a stray dog. He was not vaccinated after the attack owing to the absence of major wounds. This preventable death prompted school assemblies that turned into science classes. A message was delivered to over 159,000 students across 740 schools, underscoring the critical need for immediate medical attention and vaccination after any animal bite to prevent rabies.

This incident serves as a stark reminder that, despite advancements in medical science and the availability of effective rabies vaccines, the disease remains a significant public health challenge. With a nearly 100% fatality rate once symptoms develop, rabies continues to be a formidable threat.

World Rabies Day, observed on September 28 to commemorate the death of Louis Pasteur, encourages reflection on both the historical misconceptions that once shaped the approach to this deadly disease and the ongoing efforts to develop vaccines and modern strategies for rabies control. By connecting the past and present, we are reminded of the continuous need for awareness, education, and vaccination to eradicate rabies.

Weird theories

Historically, rabies has been surrounded by superstitions and misguided theories. One ancient remedy was consuming dog hair to cure rabies. Another 19th-century idea from Italian Monsignor Storti was to set up brothels for dogs—to counteract what he believed was canine sexual frustration. Such theories did nothing to stop the disease's spread. Rabies, known for over 4,000 years, was first noted in ancient Mesopotamia and India, where early texts like the *Susruta Samhita* described its symptoms. However, understanding and treatment remained limited for centuries, with many misconceptions persisting. Despite this ancient awareness, progress in understanding and treating rabies stagnated for centuries.

Advent of vaccination

The 19th century marked a turning point in the battle against rabies with the advent of germ theory, which fundamentally shifted medical science's approach to infectious diseases. Pasteur turned his attention to rabies in the 1880s. At the time, the understanding of



A stray dog being caught to administer anti-rabies vaccine in Salem. FILE PHOTO.

immunology was rudimentary, and the concept of viruses as distinct infectious agents was non-existent. Pasteur himself referred to the rabies pathogen as a "virus," but this term merely signified an unknown infectious agent smaller than bacteria. Despite the lack of a clear understanding, Pasteur hypothesised that a weakened, or "attenuated," version of the rabies virus could stimulate the immune system to fight off a real infection.

After years of painstaking work, which included drying infected rabbit spinal cords to weaken the virus, Pasteur developed a vaccine that could be administered after exposure but before the onset of symptoms, providing a critical window to save lives. This work was groundbreaking, especially considering that the immune system's workings were poorly understood, and Pasteur's methods were developed largely through trial and error.

Pasteur's first major success came in 1885 when he treated a nine-year-old boy Joseph Meister, who had been severely bitten by a rabid dog. Given the high mortality rate associated with rabies, Meister's survival following Pasteur's vaccination regimen was hailed as a scientific triumph. However, it is important to note that modern ethical standards for clinical trials were not in place at the time.

Pasteur's decision to test the vaccine on

Rabies, known for more than 4,000 years, was first noted in ancient Mesopotamia and India, where early texts like the *Susruta Samhita* described its symptoms. However, the understanding and treatment remained limited for centuries

human subjects, including Meister and other rabies victims, was driven by desperation and the absence of alternatives, rather than a fully informed understanding of the risks involved. After the smallpox vaccine was developed, there was an 89-year gap before Pasteur created the rabies vaccine, the second vaccine ever developed.

The success of the rabies vaccine had far-reaching consequences. Just months after Meister's treatment, four boys from Newark, New Jersey, who had been bitten by a rabid dog, were sent to Paris to receive the vaccine.

Their successful recovery brought international attention to Pasteur's work and solidified his reputation as a pioneer of modern medicine.

The publicity surrounding these cases spurred the global demand for the rabies vaccine and led to the establishment of the Pasteur Institute in the year 1888, a research facility that would become a cornerstone in the development of many

future vaccines.

Epidemiology in India

Rabies in India, as of 2021, caused 59,000 deaths, representing 33% of the global total. Notably, 96% of these fatalities resulted from dog bites, highlighting the urgent need for improved rabies control and dog vaccination programs to prevent this preventable disease. The overall economic cost of dog-mediated rabies was estimated to be \$8.6 billion.

Newer rabies immunoglobulin (Rabies Ig) and the rabies vaccine are essential for post-exposure prophylaxis (PEP) against rabies. Rabies Ig is specifically used for category 3 bites, which involve severe exposure such as transdermal bites or scratches, and provides immediate protection by supplying ready-made antibodies. It is administered once, ideally infiltrated around the wound, on day 0 with the first vaccine dose.

The newer rabies vaccine is used for both category 2 and 3 bites; category 2 involves minor bites or scratches without bleeding. The vaccine stimulates the immune system to produce long-term antibodies and is given in a series of four intra-dermal doses on days 0, 3, 7, and 28 (Modified Thairgimen) or 0, 3, 7, 14 and 28 intramuscular doses (Essen regimen) for unvaccinated individuals. Previously vaccinated individuals receive two doses on days 0 and 3 without Rabies Ig.

One Health Approach

The "One Health" approach, recognises the interconnection between people, animals, plants, and their shared environment. This strategy emphasises collaboration among veterinary, medical, and environmental sectors to effectively manage rabies at the human-animal-environment interface. Local bodies play a vital role in animal control efforts, such as stray dog population management, vaccination drives, and public education campaigns, which are critical to preventing rabies outbreaks. To achieve the dream of zero rabies deaths by 2030, India needs to establish a robust surveillance mechanism, including GIS-enabled tracking, and ensure successful coordination among key institutions such as wildlife, urban and rural ministries, animal husbandry, the Ministry of Environment and Forests, the Ministry of Panchayat Raj, and the Health Ministry.

Effective collaboration among these stakeholders is crucial, as operating in isolation will lead to little to no success in eradicating this preventable disease. (Dr. C. Aravinda is an academic and public health physician. aravindaatimsj10@hotmail.com)

THE GIST

The disease remains a significant public health challenge. With a nearly 100% fatality rate once symptoms develop, rabies continues to be a formidable threat

The 19th century marked a turning point in the battle against rabies with the advent of germ theory. Pasteur turned his attention to rabies in the 1880s. He hypothesised that a weakened rabies virus could stimulate the immune system to fight an infection

Pasteur's first major success came in 1885. Just months later, four boys from New Jersey who had been bitten, were sent to Paris to receive the vaccine. Their recovery brought international attention to Pasteur and solidified his reputation as a pioneer of modern medicine

PHOTO: PRADEEP K. SINGH / GETTY IMAGES; DR. C. ARAVINDA

BIG SHOT



Passengers are screened for their temperatures at the Incheon International Airport in South Korea, as part of a training drill to check the quarantine response system in the event of suspected infections. AFP

When women's bodies reject sex

Maitri Porecha

A few months into her marriage, Anjana R., 31, realised that she was unable to have sex with her partner. "My body would not respond. All I could feel was pain. I researched the condition and realised that I may be suffering from vaginismus," says the Chennai resident. Vaginismus is one of the lesser-discussed conditions related to women's sexual health and wellness, where the pelvic floor and the vagina tighten up to avoid penetrative intercourse. It is an uncontrollable muscle spasm, a phobic response to penetration, which has harmful effects on women suffering from it.

In the next few weeks, she visited three gynaecologists. "They gave me fertility advice. I felt gaslit by them; they were not ready to address my core issue," says Anjana.

Taru Jindal, a Mumbai-based gynaecologist, who has helped over 450 women heal their vaginismus through a holistic approach, says that often when women approach gynaecologists complaining about "painful sex," they usually suggest surgery to remove the hymen or advise Botox treatment to paralyse the nerves of the vagina.

"They don't understand that vaginismus is not merely a physical block; it is the woman's mind saying no as it perceives sex as a threatening activity. It is often linked to trauma or sexual abuse in the past, watching the portrayal of violence against women in media, or preconceived notions of normalising sex as being painful," says Dr. Jindal, who suffered from va-



Vaginismus is one of the lesser-discussed conditions related to women's sexual health. GETTY IMAGES/STOCKPHOTO

ginitis for nearly seven years.

High prevalence

While there is no nationwide prevalence study on vaginismus in India, multiple case reports and hospital-specific studies are cited to establish the prevalence of the condition. For instance, the Department of Obstetrics Gynaecology (OBG) Physiotherapy at the Karnataka-based Institute of Physiotherapy run KLE Academy of Higher Education and Research, conducted an observational study in 160 women from 20 to 35 who faced fertility issues and sought treatment. When they were screened for Vaginismus, 58% were found to be suffering from complaints linked to the condition: fear of penetration, painful sex, and tensing of the pelvic floor muscles.

While researching her condition, Anjana stumbled upon Dr. Jindal's work at a Bengaluru-based company called Proactive For Her. Their three-month online programme focusses on physical and emotional healing. "Traditionally, vaginismus is not taught in medical school. So, I re-

ferred to a lot of western material and designed a step-wise approach, which included psychological support, pelvic floor relaxation exercises, dilation of the vagina, couples therapy, and introduced pleasure components," she says.

Anjana is middle-class. She enrolled for the three-month programme which cost her a steep ₹30,000. She said the programme was worth it, as it spanned eight weeks and included 24 sessions with multiple experts. Male partners were encouraged to join. "My partner financially supported my situation, so I was okay, but many women are unable to afford these costs. For some, the cost of the programme is equivalent to their monthly salary," she says.

Dr. Jindal said that currently she is running the 32nd batch of 60 women, and there are already 35 women on the waitlist.

"We now have the largest cohort of women living with vaginismus who have healed. We are in the process of publishing our research in an international journal, as historically there is hardly any or documentation of such cases from India," she said. Dr. Jindal said the programme cost has now been reduced from ₹ 30,000 to ₹20,000.

(porechamaitri.m@thehindu.co.in)

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

The
Hindustan Times
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[OUR TAKE]

Delhi's air crisis: A failure of will

The national capital needs to bank on science and enforce policy measures to contain the disastrous impact on citizens' health

The air quality in Delhi is again on the brink—Wednesday's was the worst air city breathed in nearly 100 days though the situation improved yesterday. Despite this being an annual spectacle that arrives with ample forewarning, the governments—in Delhi, its surrounding states, and at the Centre—appear wholly unprepared to act, until it becomes a full-blown crisis.

Policy makers have repeatedly revealed their inability to understand the science that should form the basis of their decisions. Take, for instance, the attempts to understand real-time source apportionment of Delhi's pollutants. In January 2019, the Delhi government tasked the University of Washington to find the real-time source of air pollution. Eighteen months later, the government abandoned the project. In November 2021, it roped in IIT-Kanpur. However, unhappy with the institute's "data generation", the government terminated the deal two years later and claimed that accurate forecasting was untenable. Last heard, the Delhi Pollution Control Committee was looking for another institute to do the work. The mess points to the real malaise in the system: putting the cart before the horse. The government makes policy decisions (also influenced by political contingencies) without building a sound scientific foundation. Adhocism, driven more by reaction than reason, tends to shape policies.

Delhi's crisis demands both immediate and long-term strategies. First, the immediate strategy. Delhi's geography places it at a disadvantage—its location in the Indo-Gangetic Plain with the Himalayas to its north and northwest makes it a natural basin for pollutants, especially from the farm fires in Haryana and Punjab. But this does not excuse inaction: Year after year, the two neighbouring states' governments blame economic hardships faced by farmers to avoid putting out farm fires. The reality is alternatives exist to stubble burning but are not enforced. Allowing the fires to rage, knowing the catastrophic effects on air quality, is abdication of the State's responsibility to citizens. In the medium- to long-term, the government needs to shift its focus to controllable sources of pollution—vehicular emissions, the pervasive burning of garbage, and unregulated construction. These are well within the Delhi government's remit. However, efforts to address them are inconsistent, and measures are typically rolled out after the problem has escalated.

This is a profound public health crisis where the lives of over 20 million people are at stake. The State has the resources to mitigate the crisis but seems short on the will to implement the solutions. Delhi is choking because the administration is slipping.

Rent-seeking in the name of NRI quota

The stinging rebuke that the Punjab government received from the Supreme Court over its attempt to expand eligibility under the NRI quota in medical admissions was the only expected outcome in the matter. The state government had moved to allow the wards' nearest relatives' of NRIs to avail of the quota apart from children of NRIs, with "nearest" kin covering grandparents, maternal and paternal uncles and aunts, and even first cousins. Given the quota had been introduced to allow children of NRIs to seek higher education in India, the expanded eligibility amounted to a rent-seeking tool for the educational establishment—fees for NRI seats are typically several multiples of those charged for general category seats, and vacant NRI seats must be transferred to the general category at the fees applicable for the latter.

The implications for merit would have been severe, as the move would have allowed candidates with money to claim seats despite lower scores than non-NRI candidates by simply proving relationship with an NRI individual, which is not too hard to do in a state that sees significant international out-migration. The apex court's rejection of the move should serve as a warning to other states that have adopted such expanded definitions of the quota.

Indeed, a harder look at the relevance of the NRI quota itself is called for. The quota facilitated higher education for children of NRIs from many Gulf nations that didn't allow dependent visas after the age of 18 years. That is now changing, with the UAE having relaxed such a rule a couple of years ago. Equity balanced with merit must be made the lodestone for allocation of scarce higher educational opportunities in the country, not mere considerations of revenue.

The world wants to make in India

Decisive leadership, a large market, a young workforce, and a vibrant democracy make India an attractive proposition for investors

India's transformation from an economy weakened by a decade of mismanagement under the United Progressive Alliance (UPA) government to a rare, sought-after bright spot in today's tumultuous world is a result of various effective policies, including the flagship Make in India initiative. It was launched by Prime Minister (PM) Narendra Modi 10 years ago to reinvigorate job creation and stimulate economic growth.

The Make in India mission has delivered results that make the country a favoured investment destination, says PM Modi. It is a roaring success that has made India the focus of global attention and curiosity. It has empowered businesses, especially MSMEs, to produce high-quality goods and transformed several sectors from being importers of sub-standard products to exporters of high-quality goods.

An example of this transformation is toy manufacturing, which has seen

a 239% jump in exports while imports have halved. This has helped local manufacturers and sellers, and of course, the children, who were earlier exposed to hazardous, low-quality toys that were imported.

India's journey has been exciting, and the future looks even more promising. The wide array of policies initiated by the Modi government to attract investment and foster high-quality goods and services is now bearing fruit.

This exciting journey began from a precarious position. The scam-ridden UPA government had inherited a robust economy with strong macroeconomic fundamentals, but it left behind a mess that made citizens anxious and businesses pessimistic. The economy was in a state of disarray, plagued by high inflation, slow growth, an unstable rupee, vulnerable banking system and a neglected manufacturing sector. On top of that, the UPA government faced a series of corruption scandals involving mind-boggling sums of money.

However, after a decade of PM Modi's visionary leadership, India has maintained manufacturing momentum despite formidable challenges like two wars and the devastating global pandemic. As the PM

rightly said, "Make in India initiative illustrates the collective resolve of 140 crore Indians to make our nation a powerhouse of manufacturing and innovation. It's noteworthy how exports have risen in various sectors, capacities have been built, and thus, the economy has been strengthened."

In contrast to the UPA era, which was plagued by scandals, the Modi government has overseen a surge of innovation, with the Startup India initiative leading to the creation of about 15 lakh jobs.

These startups are not just creating jobs; they are also providing solutions to reduce food wastage, provide better health care, empower women, help farmers, and improve sanitation. The government is also supporting manufacturing through initiatives like the development of industrial corridors and 20 smart cities, attracting investments worth over a lakh crore and generating direct and indirect employment for thousands.

Additionally, the Production Linked Incentive (PLI) schemes are transforming the country's manufacturing sector. These schemes focus on critical sectors such as electronics, pharmaceuticals, automobiles, and textiles to create ecosystems for sustained growth and ensure global



Piyush Goyal

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The Make in India mission has delivered results that make the country a favoured investment destination

competitiveness. These schemes have attracted ₹1.32 lakh crore in investments to significantly boost manufacturing output. More than 8.5 lakh jobs have been created directly and indirectly through this initiative.

India is now recognised as a key partner in high-tech and emerging technologies. Global companies are eager to invest in India, benefitting from the country's manpower, management expertise, and improved infrastructure, which allows for efficient operations and competitive pricing in the global market.

Modernising infrastructure has been a key priority, with substantial investments leading to the development of modern highways, expressways, and world-class railway stations. India's infrastructure spending has increased substantially. This year's Union Budget allocated a record ₹11.11 lakh crore capital expenditure that will be a multiplier effect on the economy and manufacturing.

Investor confidence in India is growing, with foreign CEOs and industry bodies regularly visiting, eager to participate in India's growth story. For them, India offers the advantage of 40 Decisive leadership, demand from a 140 crore population, and the strategic wisdom of a young workforce, and a vibrant democracy.

To support MSMEs, the government has taken numerous steps to improve the ease of doing business, including eliminating 42,000 compliance requirements and removing criminal penalties for minor offences. India has significantly improved its rank in the World Bank's Ease of Doing Business report, rising from 142nd in 2014 to 63rd in 2019.

The Modi government remains committed to improving the ease of doing business, regularly consulting stakeholders to introduce new, innovative reforms. PM Modi is determined to promote investment, support businesses, and secure a bright future for India's youth. The Make in India initiative is a major step towards achieving these goals.

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Piyush Goyal is Union Minister of commerce and industry. The views expressed are personal

SC order on child porn marks a paradigm shift

The Supreme Court of India's Monday ruling on the illegal nature of viewing or possessing sexually explicit material involving minors under the Protection of Children from Sexual Offences (POCSO) Act marks a significant legal and moral shift in the fight against child exploitation. By overruling a controversial Madras high court order and reclassifying "child pornography" as "child sexual exploitative and abusive material" (CSEAM), the apex court has not only fortified legal protections for minors but also set a global precedent in addressing one of the most heinous crimes.

The ruling by Justice of India (CJ) Dhananjaya Y Chandrachud and Justice JB Pardiwala underscores that the act of consuming sexually explicit content involving minors is not merely a private vice but a serious crime that fuels a broader cycle of abuse and exploitation. In articulating this principle, the Court has set India apart on the global stage, placing it among the few countries that recognise and penalise the passive consumption of such material.

Many nations struggle to keep up with the evolving nature of child exploitation in the digital age. For instance, in the United States, the legal framework criminalises the possession, viewing and distribution of child sexual abuse material, with strict penalties. However, enforcement often falls short and the definition of what constitutes illegal material can vary by state. While the European Union has set directives on child sexual exploitation, enforcement and legal interpretations are uneven across the member countries. Against this backdrop, India's Supreme Court judgment stands out as a holistic and unequivocal approach to criminalising all forms of engagement with such exploitative material.

The judgment's recommendation to replace the term "child pornography" with CSEAM marks a paradigm shift. The term "pornography" often implies consensual adult behaviour, which mischaracterises the non-consensual and abusive nature of content involving minors. By adopting the term "CSEAM", the apex court has emphasised that this material is a record of abuse and exploitation, not entertainment or consent. This redefinition recognises the trauma inflicted on child victims, whose rights and dignity are repeatedly violated each time such material is viewed or shared.

The apex court's call for this terminology change challenges the legal and societal perceptions of such crimes, directing all courts in India to stop using "child pornography" in judicial proceedings and orders. The judgment, penned by Justice Pardiwala, insists that language matters in framing laws, influencing public perception and shaping the approach of law enforcement and judiciary systems towards child exploitation.

The Supreme Court's decision also addresses crucial legal loopholes. As it clarified that even the act of viewing CSEAM online without physically downloading it constitutes "constructive possession", the ruling ensures that offenders cannot escape on technical grounds. This

expansive interpretation of the POCSO Act and the Information Technology Act closes significant gaps in existing laws, reinforcing the idea that any engagement with such material, whether active or passive, is a criminal act.

The judgment further delineates three separate offences under Section 5 of the POCSO Act—failing to delete or report CSEAM intended for sharing, actually sharing or preparing to share such material, and storing or possessing it commercially. This granular breakdown ensures a robust legal framework that covers every aspect of the crime, making it difficult for perpetrators to exploit ambiguities in the law.

The most forward-looking aspect of the judgment is its emphasis on online safety education and reforming legislative frameworks. The Court's call to the Union government to actively promote positive, age-appropriate sex education is a crucial step in preventing the proliferation of CSEAM. The Court highlighted that sex education should not be seen as a taboo but as an essential tool for equipping children and young adults with the knowledge to make informed choices about their sexual health and behaviours.

This recommendation aligns with global best practices. Countries like the Netherlands, which have comprehensive sex education programmes starting at an early age, have reported lower rates of sexual violence and abuse. Research has shown that well-structured sex education can delay the onset of sexual activity among youth and foster healthier attitudes toward relationships. By advocating for robust educational reforms, the Court has set a path that not only addresses the immediate legal aspects of child exploitation but also targets the root causes of such behaviour.

The Supreme Court's judgment is more than a legal victory—it is a call to action for society as a whole. The Court's recommendations for psychological counselling, therapeutic interventions and increased public awareness reflect an understanding that legal measures alone are insufficient. A multi-faceted approach involving educators, health care providers, law enforcement and child welfare services is necessary to combat the scourge of child exploitation effectively.

Moreover, the Court has laid the groundwork for a coordinated national response by proposing the formation of an expert committee to develop comprehensive health and sex education programmes and raise awareness about POCSO. Such an approach recognises that combating child exploitation requires not only punitive measures but also preventive strategies and support systems for victims.

The judgment marks a transformative step in redefining the legal landscape surrounding child sexual exploitation. It sets a global benchmark in the fight against these heinous crimes. By criminalising the passive consumption of CSEAM, promoting education and pushing for legislative reforms, the Supreme Court has laid the groundwork for a robust framework of accountability and protection. The judiciary's proactive role signals a strong commitment to closing legal loopholes and ensuring swift justice. However, this mission cannot be fulfilled by the courts alone. The Union and state governments, along with civil society, must also shoulder a major role in safeguarding children, restoring their dignity, and translating these legal principles into concrete actions that uphold justice and prevent further victimisation.

The views expressed are personal



Utkarsh Anand

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KEIR STARMER | PRIME MINISTER OF THE UK

I want to reset our relationship with the European Union and make Brexit work for the British people. I want to be ambitious about what we can achieve within the EU reset

Pragmatism set to define Sri Lanka's foreign policy

Since Anura Kumara Dissanayake of the Janatha Vimukthi Peramuna (JVP) was elected as the ninth executive president of Sri Lanka, there is speculation about the new government's foreign policy. Given the economic and geopolitical scenario, pragmatism is likely to take precedence—Sri Lanka will continue to balance between India and China. The new dispensation's quest for good governance and reforms will also likely benefit India.

At its inception in the 1960s, the JVP was a staunchly anti-Indian organisation with its Marxist and Sinhala nationalist ideology. Fighting Indian "expansionism" in South Asia was one of its core ideological themes. Its first insurrection against the Sri Lankan State in 1971 ended quickly, with India stepping in to secure the Colombo airport and conducting maritime patrols at the request of the Sri Lankan government.

However, the second insurrection, between 1987-1990, became even more anti-Indian with the JVP criticising the Indo-Lanka accord that permitted the deployment of Indian Peace Keeping Forces (IPKF) in Sri Lanka. While the JVP renounced its armed struggle and entered mainstream politics in 1994, it remained a non-traditional choice. It was during the economic crisis and the 2022 Aardra movement that Dissanayake emerged as a popular choice for a populace disenchanted with traditional elites. JVP's rising popularity compelled India to enhance its engagements with the party. The unpredictability of the elections also meant that India maintained engagements with all the key contenders.

Delhi invited Dissanayake on an official visit, even as external affairs minister S Jaishankar and national security adviser Ajit Doval met Sri Lankan leaders across party lines in the run-up to the elections.

India's pragmatic engagement is part of its Neighborhood First policy and Security and Growth for All in the Region (SAGAR) vision. As Sri Lanka's geopolitical significance increases, India has pushed for connectivity to further its leverage. In fact, during the island nation's economic crisis, India stepped in to offer assistance of \$4 billion. As a result, India will be managing and upgrading airports and maritime ports in Sri Lanka, developing the Trincomalee region, and investing in renewable energy and oil refineries, an energy grid, and a bidirectional petroleum pipeline. Multiple Indian firms have expressed interest in investing in Sri Lankan State-owned enterprises (SOEs), and India and Sri Lanka are also discussing a land bridge and the Economic and Technology Cooperation Agreement (ETCA).

On their part, JVP understands that Cold War-era alliances and affiliations make little

sense in the contemporary world order. This realisation existed even before the elections and underpinned its outreach towards India. It recognises that India's geopolitical clout and economic growth will help the country recover and strengthen its economy. Several promises in Dissanayake's manifesto, such as developing Sri Lanka into a maritime hub, a port and trading hub, and a regional logistics management hub, will depend on the latter's connectivity with India. Dissanayake wants to improve tourism and information technology revenues for which India will again prove to be an important country. It is this growing importance of connectivity and economic leverage that has prompted JVP to be sensitive to India's concerns. Its manifesto specifies that the country's land, sea, and air spaces will not be permitted to threaten the national security of any country, particularly India.

That said, the new government will even attempt to balance relations with China, too. Beijing will continue to enhance its relationship, leveraging the new regime's Communist leanings. Dissanayake has also hinted at being before the latter's senior high-level Chinese delegates had also visited him before the elections. As one of the biggest lenders to Sri Lanka, Beijing will continue to engage with the government to further its interests in the Indian Ocean. This capacity to invest and assist will continue to woo an economically recovering Sri Lanka. But having won the election with strong rhetoric on transparency and accountability, the government's balancing will be subject to more pressure. Dissanayake aims to promote a rigorous and transparent tender process for all foreign investments, avoid privatisation of critical SOEs, conduct detailed debt audits on foreign loans, and enact legal action against those misusing these loans. On a short-term basis, this will be challenging current Indian and Chinese competition for a stake in crucial SOEs, and their investments. The call to suspend the Adani energy project is a case in point.

However, in the longer term, scrutinising loans and the new investment conditions (if implemented) are not likely to go down well with Beijing, which has exploited systemic loopholes, promoting corruption, and opaque loans. On the contrary, this could be more beneficial for India and its like-minded partners who are genuinely interested in strengthening institutions and promoting transparency and accountability in the country's governance.

Harsh V Pant is vice president for studies and foreign policy, and Aditya Gowarda Shivamurthy is associate fellow, both at Observer Research Foundation. The views expressed are personal



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● INVESTING IN INNOVATION
Vice president Jagdeep Dhankhar
We will have to be on guard that merely because fiscal resources are committed, we cannot take pride...Investment in research and development has to be correlated to tangible outcomes

FOMO in IPO market

Companies are in a rush to make hay while the sun shines, but investors must exercise caution

LAST WEEK, A retail investor walked away with listing day gains of over 70% in an initial public offering (IPO) of one of the lesser-known companies. A short-term capital gains tax of 20% was hardly a deterrent. After all, returns of over 50% post-tax in a single day will keep anyone interested in this party — till it lasts, of course. No wonder companies are in a hurry. With fund-raising plans of ₹50,000 crore in the next couple of months, there will be ample opportunity for those who missed a blockbuster IPO like Bajaj Housing Finance. In such times, when SWOT analyses, management quality, and other important factors take a backseat, regulators find themselves in a Catch-22 situation. While a rising stock market bolsters the belief that the economy is on a sound footing, there is a lurking fear that if things start going wrong, investor appetite might disappear in a flash. And it could take years, or even a decade, for investors to muster enough confidence to regain their risk-aversion.

The best regulators can do during this phase is to keep on making investors aware about the perils of going overboard. In that context, the Securities and Exchange Board of India needs to be lauded. In the past couple of years, it has been coming out with data-driven studies highlighting the behaviour of IPO and derivatives market investors. The data, which was from FY23 till December FY24, revealed that 54% investors, excluding anchor investors, sold their allotted shares in the IPO in the very first week. More importantly, 67.6% retail investors (by value) exited in the first week with profits of over 20%, but 23.3% sold even if they were in losses. The regulator has also consistently harped on about the pain points and tried to instill some kind of sanity among investors — something that wasn't done earlier probably due to the absence of technology to capture credible data.

Of course, market gurus like the late Parag Parikh have always been in the forefront when it comes to warning investors about the perils of aggressive investing. For example, in his 2009 book, he wrote that during the internet bubble (dot-com boom) in the 1990s, 74 firms were listed. Fifteen years later, less than 50% survived. A similar story played out in 2006-2007 when infrastructure, including real estate stocks, saw unrealistic valuations. Investors with huge exposure to these stocks couldn't find an exit for almost a decade or even more. It seems that once in every 10-15 years, an inexhaustible bull run grips the Indian stock market that offers even the reckless an opportunity to make pots of money.

But such good times seldom last. This bull run has already entered its fifth year, and some investment experts believe that the rally could lose its steam sooner than later. As Nikhil Kamath, CEO and founder, Zerodha, pointed out in the company's business update on Wednesday, there is a risk of the bull run ending any time. It would be a good time for retail investors to take stock of their market exposure and, perhaps, move part of their money into more reliable asset classes. Better still, they should keep in mind George Soros' evergreen quote on investing and trading: "It's not whether you're right or wrong that's important, but how much money you make when you're right and how much you lose when you're wrong."

Boeing needs to take cue from UPS and pay strikers

BOEING CO'S LABOUR negotiators should have paid more attention to how Carol Tomé, the chief executive officer of United Parcel Service Inc., handled talks with its union last year. UPS workers were itching to strike, and the company was inevitably going to have to give hefty raises.

Instead of digging in over a couple of percentage points on the salary increases, risking a strike and creating more animosity with its workforce, Tomé relented to the union's demands. The higher labour costs have squeezed margins, and investors registered their dismay with a 27% drop in the share price since the tentative deal was announced in July last year. UPS customers, though, were grateful that Tomé avoided the disruption a strike would have caused.

Tomé's calculation was that even if she pushed the negotiations to the point of a strike, the company would have ended up in the same place — a big payout and costly changes such as adding air conditioning to new delivery vehicles. The only difference would have been the worker ill will and angry customers that a strike would have provoked. Automakers, on the other hand, let labour talks break down, and they ended up agreeing to record pay increases after a costly six-week strike.

Boeing has dug in its heels with striking machinists who have shut down factories for more than a week, and it's not working. The planemaker will more than likely have to meet workers' demands to end this damaging and costly strike. Customers are upset that the delays in plane deliveries will worsen. Suppliers are left in the dark about how much they should cut back on production, which hurts their workers and finances. The strike is only accelerating Boeing's cash burn, spurring Moody's Ratings to consider cutting the company's debt rating.

CEO Kelly Ortberg wasn't hired until August and was late to the negotiating game. Still, he missed an opportunity to change the dynamic with union workers by acknowledging the anger over lost pensions and reduced salaries during the last decade. Ortberg ignored the flashing red warning lights when 95% of workers rejected the company's first offer. His move to adopt austerity measures, including unpaid leave for management employees and cuts to C-suite salaries, is a symbolic gesture that won't win over union workers. Ortberg compounded his problem by trying to take a sweetened offer directly to workers. Trying to create a wedge between union leadership and its members rarely works, especially after workers clearly expressed their anger with the almost unanimous rejection of the first offer.

In contrast, UPS relented and staved off a disruptive strike, agreeing to pay its drivers \$49 an hour by the end of its contract. When adding in Cadillac health insurance and pension benefits, that comes out to about \$170,000 a year, the company said. Drivers for the Ground unit of FedEx Corp. make around \$20 to \$25 an hour and have no benefits. UPS is able to compete because of efficiencies such as the longevity of its drivers, who know they can't find such a high-paying job anywhere else. FedEx Ground is hurt by the constant turnover of its drivers, including higher insurance costs because they have more accidents.

UPS' rationale for paying such outsized wages is that if the company takes care of its people, they in turn will take care of the customers.

This same reasoning applies to Boeing's factory workers. Changing the company's culture to eliminate defects and ensure that every plane that rolls off the line is safe is a difficult enough task under optimal conditions. The head of the Federal Aviation Administration, Michael Whitaker, told members of Congress on Tuesday that the process will take years, not months. If workers are angry and resentful, it will be impossible.

Boeing is in a weak negotiating position, and union leaders and members know this. The damage inflicted on suppliers and the company's finances from this strike is mounting by the day. It will likely be for nothing because the company will end up meeting strikers' demands. Investors won't be happy about Boeing caving in, but he can't afford the alternative.



THOMAS BLACK
Bloomberg

CBAM RIDDLE

INDIA AND EU WILL BENEFIT GREATLY FROM AN AGREEMENT ON LOWERING EMISSIONS

Co-operation or contention?

IN MAY 2023, The European Union (EU) approved its regulation establishing a carbon border adjustment mechanism (CBAM). There were concerns in India that this would have a significant impact on exports to the EU. Calls were made to raise a dispute challenging the consistency of the measure with World Trade Organization (WTO) rules and take retaliatory action. But there are suggestions to seek a solution through bilateral dialogue too. The relative merits of the two options from India's perspective are assessed in this article.

The disputes option

Starting 2026, the EU proposes to impose a carbon tax on imported goods on the basis of emissions during the production of goods in the exporting country. To begin with, the levy would apply to six energy-intensive and trade-oriented sectors — iron and steel, cement, fertilisers, aluminium, electricity, and hydrogen. Eventually, it would cover all sectors. As the EU takes measures to lower emissions, it is naturally concerned at the possibility of attempts by businesses to shift production to other, less demanding territories. The aim of the CBAM is to plug the loophole and prevent carbon leakage. Countries that export the covered products are doubly disadvantaged because the EU has acted unilaterally.

Concerning the WTO remedies available to India, the WTO agreement permits members to impose customs duties and charges on imported products at the border, subject to two principal conditions. First, the same level of duties must be applied to similar or directly competitive products imported from other members. Second, the duty must not exceed the tariff binding of a member for that product. An important aspect of WTO rules



ANWARUL HODA
Honorary professor, ICRIR

is that the tariff binding does not affect a member's ability to levy a separate charge equivalent to an internal tax imposed on a similar domestically produced item.

In the context of climate change, the question whether different levels of duty can be applied on similar products on the basis of emission of greenhouse gases during production has been raised. The conventional view in the General Agreement on Tariffs and Trade/WTO earlier has been that no distinction can be made on the basis of the process or production method in levying customs duty on similar products. However, this line of thinking has evolved and successive appellate body rulings in the WTO have permitted a distinction for legitimate objectives, based on methods of production. In a WTO dispute, the CBAM is likely to withstand a challenge on this score. The consistency of the CBAM with the WTO rules, however, can still be called into question at least on two counts. First, the whole framework in the EU's Emission Trading System on which the CBAM is based involves regulation rather than imposing an internal tax that can serve as a benchmark for border adjustment. Second, since the CBAM cannot be justified as a tax equivalent to an internal

tax, its imposition could result in a breach of tariff binding. But these shortcomings of the CBAM will matter little in a WTO dispute. Article XX of GATT 1994 (General Exceptions) enables members to override all substantive rules spelt out in the mainstream provisions of the WTO agreement if measures are needed for certain public policy objectives. These include protection of human/animal/plant life, or health and conservation of exhaustible natural resources. Climate change-related policies are not specifically mentioned but are clearly encompassed by the exceptions on account of the objectives both of protection of health and conservation of natural resources.

Since the CBAM aims to stem carbon leakage, it is evidently linked to climate change and is shielded by the general exceptions from the application of substantive rules of the WTO agreement. A dispute challenging the CBAM will be of no avail.

The bilateral dialogue option

Our central objective in the bilateral talks should be the negotiation of a co-operative arrangement with the EU for dealing with the CBAM to minimise its adverse effects on exports. In the bilateral conversation, the imminent estab-

lishment of the Carbon Credit Trading System (CCTS) in India will give credibility to the country's standing as a serious partner in reducing emissions and elicit a favourable response to our request for working out a way to lighten the CBAM burden on India. It would be reasonable to seek CBAM exemption from our exports up to the level achieved in a recent historical period, from the outset.

Questions may no doubt be asked of us about various features of the CCTS. It should not be difficult for us to explain why the targets for reduction are fixed in terms of the emission intensity of the GDP and why, to start with, only the large producers in four industrial sectors will be brought within the purview of reduction targets. The reduction trajectory may also figure in the talks and we are likely to be urged to scale up our efforts. In this context, we should ask for recognition that the carbon price that emerges from various features of the CCTS may perform well at a much lower level than the prevailing price in developed countries, keeping in view the difference in per capita income. This may give us an opportunity to also ask for opening up a bilateral channel for the flow of finance and transfer of technology in accordance with the aims agreed to in Article 9 of the Paris Agreement.

Both India and the EU will benefit greatly from a co-operation agreement on lowering emissions. India may be able to minimise the adverse effects of the CBAM and possibly open up a bilateral channel for the flow of climate-related finance and technology. Meanwhile, the EU will be able to join in a co-operative endeavour with the world's third-largest emitter to launch a health-in-all-policies approach. Workforce health needs to be a core consideration in all aspects — considerate of the various dimensions and determinants of health.

An enabling environment for workforce



ALI MEHDI
Founder & CEO, UHC360

An exploitative approach to productivity is counterproductive — it undermines employees' health, and ultimately their productivity

THE DEATH of two young female workers at leading companies — 26-year-old Anna Sebastian Perayil of EV and Sadaf Fatima, 45, of HDFC Bank — has once again brought the issue of workplace stress and toxicity to the fore. Perayil and Fatima joined more than a million people in India's working-age population who die every year due to cardiovascular diseases (CVDs). Many die before their 50th birthday. India has been the world's largest contributor to CVD deaths in the 15-49 age group since 1997 (Global Burden of Disease/GBD).

Hypertension was the leading cause of cardiovascular morbidity and mortality in India in 2021. Air pollution was the second leading cause as far as cardiovascular morbidity is concerned, and third for cardiovascular mortality. The third and second positions were held by dietary risks — low consumption of fruits and vegetables, whole grains, nuts and seeds, Omega-3 and -6, etc. as well as high consumption of sodium and trans fats (GBD).

According to 9th round of India's National Family Health Survey (2019-2021), 24% of men and 21% of women aged 15 years or above had hypertension (on anti-hypertensive medicines) with a blood pressure of >140/90 — a high threshold, considered as stage 2 hypertension by the American Heart Association. The respective figures were 19% and 17% in the 4th round of the survey (2015-16). More worrisome is the fact that only 23% of those with hypertension had it under control (bit.ly/3AMZ0WV).

Winters are near, and we will soon be faced with toxic levels of air pollution and a resultant rise in the burden of cardiovascular and other diseases. India accounted for 22% of global CVD deaths due to air pollution in 2021, with 35% of CVD deaths in the country attributable to air pollution (GBD). For India's workforce, it will be a deadly cocktail of toxic weather and workplace.

As far as dietary risks are concerned, we need to bear in mind that food choices are quite complex, and a behavioural focus on healthy diets is not going to be enough.

The World Health Organization (WHO)'s global strategy on diet, physical activity, and health (2004) highlights the "complex interactions between personal choices, social norms and economic and environmental factors". An enabling environment is essential. "The more an environment consistently promotes healthy behaviour, the greater the likelihood that such behaviour will occur" (bit.ly/3THLXAG).

So, what can employers do to create an enabling environment for workforce well-being? They should adopt health promotion as their primary strategy — enabling employees "to increase control over, and to improve, their health" (1986 Ottawa Charter for Health Promotion). Employees should, among other things, be involved in decisions

that impact their work and well-being. This could help develop a sense of ownership and commitment in them, and engage them as partners in progress. An empowered employee is the agent, the subject, not an object, of his or her work and well-being.

Employers should also draw lessons from the United Nations' 2030 Agenda for Sustainable Development, "a plan of action for people, planet and prosperity" that involves an "integrated", "indivisible", and "balanced" approach to the three dimensions of sustainable development: economic, environmental, and social. A sustainable path to prosperity does not threaten people or the planet. Employers should ensure that employees "can fulfil their potential in dignity and equality and in a healthy environment". And they should "protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources" (2030 Agenda).

Human resources also need to be managed sustainably. They are capable of working wonders in an enabling environment. An exploitative approach to productivity becomes counterproductive. It undermines employees' health (or even survival, as in the case of Perayil and Fatima), and ultimately

their productivity. An "integrated" and "indivisible" approach to workforce well-being is needed. Together with well-being programmes, employers should adopt a health-in-all-policies approach. Workforce health needs to be a core consideration in all aspects — considerate of the various dimensions and determinants of health.

The WHO Constitution defines health as "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". WHO's first director-general, Brock Chisholm, argued that the earlier definition of health ("sane mind in a sane body") was "outmoded", and we also have "responsibility for social health, for being able to live in peace and contributing to the welfare of other people" (quoted from his 1948 paper, "Organization for world health"). Social health can help tackle social isolation that has the potential to raise the risk of death by up to 91% (bit.ly/3B6A15C) — thanks to an impact comparable to smoking, and higher than health risks such as physical inactivity and obesity. Social health could foster a positive work environment by inspiring empathy, and improve productivity, collaboration, innovation, and job satisfaction — and reduce toxicity, stress, and attrition levels. With workplaces being building blocks, social health can also help them make the wider world — torn by war and hatred — a peaceful place to live in.

LETTERS TO THE EDITOR

A crook state

Apropos of "Shades of 1982" (FE, September 26), early this month, Israel PM Benjamin Netanyahu announced that enabling the displaced residents to return to their homes was one of the aims of this war. Then came the pager explosions followed by air strikes and according to the Lebanese government, at least 575 people were killed in Israel's air strikes in just two days. In revenge, Hezbollah fired

projectiles, including a ballistic missile on Wednesday towards Tel Aviv. The conflict is now in an escalatory spiral and what is to be seen is whether Israel would launch a ground invasion. Israel is making another mistake in Lebanon. A ceasefire in Gaza could silence the northern border. Instead, Netanyahu, after killing over 40,000 Palestinians in 11 months, has intensified the war with Hezbollah, killing many more. This disrespect for international law and rules carry the

signs of a crook state with absolutism. —Sanjay Chopra, Mohali

Data drought

The absence of reliable data in India makes it very difficult for economists and analysts to make an accurate estimation of numbers for arriving at decisions. Therefore, more consumption surveys are needed. The lag between the collection and compilation of GDP numbers is unacceptable. The present GDP

numbers are not reflected anywhere in the results of listed companies, especially fast-moving consumer goods ones. With increasing use of sophisticated algos, it should not be too difficult to compile accurate numbers which can reflect the true state of the economy and not just the rosy picture that we have been led to believe. —Anthony Henriques, Maharashtra

● Write to us at feletters@expressindia.com

THE ASIAN AGE

27 SEPTEMBER 2024

Subhani

Will Kangana's rash views damage BJP in Haryana?

The passage of three laws that sought to govern agriculture and agri-culture marketing in India by the Narendra Modi government in its last edition, the long agitation farmers organised against them and the final withdrawal of the laws by the government bowing to the protests mark a milestone in the republic's democratic tradition. The BJP unilaterally introduced the laws but had to backtrack on them as the farmers feared they would make them captive to the market monopolies and refused to budge, despite the offer of talks. It is memory which the BJP would never want to forsake.

It is in this background that one watches the events unfolding in the BJP where party MP Kangana Ranaut has been expatiating on the so-called advantages of the three farm laws. That those laws would fit snugly into the development path of the country, and also ensure that farmers are on it, is her refrain. She believes that the laws would ultimately benefit the agricultural sector, a point that even the interlocutors of the government, including Rajnath Singh, had failed to explain to agitating farmers.

Facing back-to-back elections in Haryana, Maharashtra and Jharkhand, the BJP immediately jumped to deny the party's association with its MP's statement but not before the Congress and the Opposition had got a chance to sniff a conspiracy.

Ms Ranaut was forced to withdraw her remarks and apologise for nicking them. The party not only said that she was not authorised to speak on the topic, but also that whatever she spoke was not the party's official position. On her part, Ms Ranaut admitted that it was her personal opinion and did not represent the BJP's views.

Last month, too, Ms Ranaut triggered another controversy linking the farmers' agitation with violence and rape. The MP had no statistics to back her claim and had to backtrack after the party pulled her up for those statements.

The Opposition has alleged that Ms Ranaut has flown a kite for the party and the government to test which way the wind is blowing and that the government really wants to bring the laws back. And since the BJP and the right wing political platforms are experts in presenting the people with a myriad of choices through the fringe groups associated with them and sell whichever is the hot favourite of their customers, this allegation of the Opposition will have some traction among the farmers. With Haryana elections two weeks away, the Opposition will use it to the hilt to unseat the BJP government which is facing anti-incumbency. Smelling a rat, the BJP unit in the state has clarified that the party has no plans to reintroduce the laws.

Realpolitik apart, the government of the day must have a policy on important matters and legislation must be brought in only after taking stakeholders into confidence. Rulers acting on a whim forcing victims to react are not the way democracy functions. People like Ms Ranaut with no idea of policy or governance serve only to widen the trust deficit between the people and the government and should, therefore, be muzzled.

India has a China problem

India has a China problem, but China does not have an India problem. At a time when China is resetting its economy in the face of an incipient crisis, it has also expressed the sentiment that it would like to move forward to an era of cooperation with India. And since the BJP and the right wing political platforms are experts in presenting the people with a myriad of choices through the fringe groups associated with them and sell whichever is the hot favourite of their customers, this allegation of the Opposition will have some traction among the farmers. With Haryana elections two weeks away, the Opposition will use it to the hilt to unseat the BJP government which is facing anti-incumbency. Smelling a rat, the BJP unit in the state has clarified that the party has no plans to reintroduce the laws.

In the Indian foreign minister's view, which is based on what has taken place or not regarding de-escalation and restoring the pre-April 2020 status quo with the other party in the border area, the situation is still "significantly disturbed". Since the two countries are looking at it through different prisms, the conclusion is that perspectives are looking even more contrasted.

Having said earlier that 75 per cent of disengagement problems have been resolved in eastern Ladakh, the foreign minister has brought up the official issue of the patrolling rights that have been curtailed since the Galwan Valley clashes. It does appear that, regardless of the more positive Chinese attitude said to have been reflected in the last military commanders' meet, India is still chary of talking about the rest of the relationship until LAC matters are fully sorted.

A likely meeting next month between the Chinese supreme Xi Jinping and Prime Minister Narendra Modi at the BRICS summit might have been the determinant to the slight positive change that China is signalling. India's wariness in this matter is understandable as China may have blindsided India into agreeing on disengagement and other normalisation processes in places that saw troops disengagement like Galwan Valley, Pangong Tso and Gogra Hot Springs while leaving the issue hanging at Depsang Plains and Demchok.

The ball is not so much in India's court as China's now since it must respond by way of a return to the normal in terms of patrolling also to show it is sincere in extending an olive branch as its envoy in India has been saying that ties are poised to improve and may extend to areas far beyond the border situation.

THE ASIAN AGE

KANISHA MITTAL
New Delhi

R. BHASKAR
New Delhi

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State sponsor of terror? US has rarely objected to Israeli excess

Mahir Ali

Over the past week, the Netanyahu regime may have succeeded in its endeavours to provoke a wider war. It isn't difficult to imagine what the Western reaction would have been to, say, Iran, Russia or China booby-trapping an adversary's communication devices. In the case of Israel, shock is superseded by awe.

Yet even admiration for the technical ingenuity of Mossad has not prevented some commentators from acknowledging the terrorist aspects of a tactical success that qualifies as a war crime under international protocols to which Israel is a signatory. That mass-casualty attacks have been supplemented with conventional air strikes that have already claimed hundreds of lives. Hezbollah will almost certainly feel obliged to respond, despite being massively outgunned. The big question is whether Iran will stay aloof.

The US state department notoriously maintains a list of "state sponsors of terrorism" that currently features Cuba, North Korea, Iran and Syria. Israel has obviously never been included. Nor has Pakistan — although it was previously seen as one of several "safe havens" for militants. But its backing for the Afghan mujahideen in the 1970s-80s, sponsored by CIA and the Saudis, was never an

issue. Nor its initial nurturing of the Taliban. Israeli excesses have rarely elicited any objection from Washington, never mind the terrorist antecedents of at least two of its Prime Ministers, Menachem Begin and Yitzhak Shamir, and the indulgent attitude of all other leaders towards international and "domestic" operations by its agencies that qualify as terrorism by any reasonable definition. Quite apart from the terror it routinely perpetrates or sponsors in the occupied Palestinian territories, the Israeli military and its offshoots have also created or encouraged terrorist movements or actions across its neighbourhood. The most egregious instance of this tendency was the Sabra and Shatila massacre in 1982 by Lebanese Falangist militiamen supervised by IDF general Ariel Sharon, who was officially reprimanded, but whose bloodlust did not prevent him from becoming PM.

Back then, far-right US president Ronald Reagan ordered Begin to halt the "holocaust" in Beirut. The Israeli PM bristled, but obeyed, perhaps influenced by the fact that many Israelis took a stand against their nation's horrific conduct in Lebanon. This year's demonstrators are understandably keen to bring home the message. Israel's armed forces failed to protect on October 7 last

year, but all too many of them are keen on the IDF stepping up its genocide in Gaza, and continuing it in the West Bank, even southern Lebanon.

No one bothers to deny that the formidable Israeli war machine has been sponsored by the US for the past half-century or more. A year before his assassination in 1968, Martin Luther King declared "my own government" to be "the greatest purveyor of violence in the world today". The accusation remains valid, but the transcontinental bloodshed conducted by the US has frequently been supplemented by the violence of its local auxiliaries or mercenaries. The very nation that purports to be an arbiter of international disputes and a key to its resolution in fact qualifies as the world's most formidable perpetrator and sponsor of terrorism through much of the 20th century, and into the 21st.

It is not alone but its record — from the Philippines to Italy, Iran, Guatemala, Congo, Cuba and Indonesia as well as Timor, Vietnam, Chile, Cambodia, Afghanistan and Iraq — is unmatched in modern history. Hubris and hypocrisy are the key defining features of the American empire, which encompasses auxiliaries such as the UK, Canada and Australia, alongside key US puppet nations and a bunch of hangers-on in the

Global South.

Its favourite adopted child, though, may occasionally be subject to mild, mostly meaningless admonitions, but is always welcome to supplies of the latest lethal weaponry, and liable to be excused whenever it oversteers the mark, which is quite routine.

Unlike almost all of his predecessors, Benjamin Netanyahu does not have a storied military past; his terrorist tendencies have surfaced largely during his extended prime ministerial tenure. His primary motivation at the moment is to stay in power, not least to stave off legal challenges to his record of corruption — which barely intrudes into his moral turpitude as a politician.

It remains to be seen whether Hezbollah or Iran will wisely continue to ignore Israel's repeated provocations or disastrously trigger some kind of mutual assured destruction. But all bets are off as long as Israel proceeds with the Gaza genocide and the creeping annexation of the West Bank. The US won't be able to evade culpability unless it continues up the courage to halt arms shipments to its primary Middle Eastern proxy as it pursues its misanthropic aims.

—By arrangement with Dawn



India-US ties plagued by irritants, friction points



Abhijit Bhattacharyya

Unlike the state of almost permanent, congenial hostility which marks India's relations with the People's Republic of China, ties between New Delhi and Washington, who are sometimes described as "natural allies" being fellow democracies, are often plagued by a series of unexpected irritants, creating clear-air turbulence.

While it is true that Prime Minister Narendra Modi had a successful bilateral meeting just recently with US President Joe Biden, nearing the end of his term in the White House, followed by a multilateral Quad summit along with the leaders of Australia and Japan, some niggling issues invariably crop up, creating avoidable confusion. One such is the summons issued by a US district judge to some senior Indian officials over the alleged attempt to kill an American citizen on US soil. These pinpricks, unless nipped in the bud, could spool the efforts made at high levels for peace, prosperity and collective security.

One of the chronic problems is that the United States is constantly playing on multiple fronts, and in the face of escalating violence in the Middle East and elsewhere it has exhibited negligence, over-confidence, rank intelligence failures or misjudgment, leading to wanton killings and violent eruptions from Libya to Afghanistan, Baghdad to Maghreb, Sahel to the Levant; and now in the Danube-Volga basin. It is possible that US intentions were born out of altruism, but what resulted on the ground has been only death, destruction and despair.

The US, in the process, is losing more goodwill than it is gaining. Even in Europe, and among its closest military allies,

there are definite murmurs about its role in the Russia-Ukraine conflict, which shows no sign of ending anytime soon. There is an acute lack of trust in Washington's intentions, and matters are not helped by the intense political bickering going on in America on these matters, as a landmark election looms. The Europeans, and others across the world, appear keen to have a day without "help" from Washington on policy.

The US, outside its borders, continues to exhibit the same arrogance as before, but the takers are shrinking, given the clear signs of panic, nervousness, and vacillating but vitriolic use of avoidable toxic and jingoistic jargon. That is not the way a superpower should behave.

Regarding India, the US continues to have a problem accepting the close, decades-old bond between New Delhi and Moscow and India's insistence on asserting its "strategic autonomy", despite the close relationship it has built up with Washington on both economic and military fronts. The neo-conservative successors of late war-diplomat Donald Rumsfeld, former US defence secretary, now transcend US bipartisan space and play a seminal role in today's wars.

They find it hard to accept that any nation which they have embraced so closely, and to which they have even offered a military alliance, might actually choose to do some independent thinking of its own and not just sign on the dotted line. Since the US has wooed India as a "strategic partner", how can India choose to be anything other than a wholehearted member of the American camp. What is sought is an attitude of "unequals" rather than equals.

That might be what lies

LETTERS

BJP LOSING HARYANA

Usually first off the blocks in electoral campaigning, the Prime Minister, Narendra Modi, has been unusually late to begin campaigning in Haryana. Does it mean the BJP is reconciled to the loss of Haryana? Reports appearing on the social media platforms show there is marked loss of enthusiasm for the rallies of the PM, M.L. Khattar tried fishing in the troubled waters of the Congress but was rebuffed by Selja Kumari with a lot of egg on his face. Rather than count the achievements of the BJP rule for 10 years, Mr Modi preferred to dwell on the shortcomings of Congress.

Anthony Henriques
Mumbai

GENDER GAP CLOSES

The LATEST Periodic Labour Force Survey (PLFS) report for 2023-24 reveals that India's unemployment rate remains steady at 3.2 per cent, while the Labour Force Participation Rate (LFPR) has reached a seven-year high of 60.1 per cent. Notably, female participation surged to 41.7 per cent, although their unemployment rate also rose to 3.2 per cent, highlighting gender disparities in job availability. Despite increased job creation, concerns persist about the quality of employment, with many jobs lacking adequate wages and security, particularly in the informal sector. Addressing these challenges will require targeted policies to improve job conditions and support women's inclusion.

Amarjeet Kumar
Hazariabagh

TOILET KING & QUEEN

A METROPOLITAN magistrate court in Mumbai's Mazgaon on Thursday convicted Shiv Sena (UBT) leader Sanjay Raut and sent him to 15 days imprisonment in a defamation case filed by BJP leader Kirti Somaiya's wife, Medha. The case involves Sanjay Raut's claim that Kirti Somaiya and his wife were involved in a ₹100 crore "scam" related to building and maintenance of public toilets after cutting down mangroves. Raut made these allegations in an article published in the party's official Marathi newspaper *Saamna*. Was the court showing bias in favour of the rulers? Or did the Sena leader not check facts and collect evidence?

Sanjay Kumar
Chakdaha, West Bengal

The writer is an alumnus of the National Defence College, New Delhi. Views expressed here are personal.

Challenge for oil PSUs: how to get \$900 mn dividends out of Russia

SUKALP SHARMA
NEW DELHI, SEPTEMBER 26

IT IS A billion-dollar question, literally, that India's public-sector oil companies and the government are struggling to find an answer to. For two and a half years, the dividend income of Indian oil companies — ONGC Videsh (OVL), Oil India (OI), Indian Oil Corporation (IOC), and Bharat Petroleum (BPL) — from investments in upstream projects in Russia has been piling up in that country.

The cumulative value of the dividends has now reached around \$900 million, according to latest estimates.

The companies have taken up the issue repeatedly with their Russian partners, and it has featured in government-to-government discussions between New Delhi and Moscow, but a mechanism to move the

money — or use it in the bilateral trade between the countries — remains elusive.

Restrictions on Russia

The main challenge in repatriating the income — which is sitting in the companies' accounts in the Commercial Indo Bank (CIB), an affiliate of State Bank of India (SBI), in Moscow — lies in the complications arising out of Western sanctions imposed on Russia, including the restrictions put on payment channels, after the war broke out in February 2022.

Soon after Russia invaded Ukraine, major Russian banks were shut out of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) financial transaction processing system, which seriously dented Russia's ability to access the global payments system.

The Indian companies face additional complexities related to international jurisdic-

tions as some of the vehicles used by them to make investments in Russian oil and gas assets are based in countries such as Singapore.

Investments in Russia

Over the years, Indian public-sector companies have spent billions of dollars to pick up stake in oil and gas projects in Russia as part of the energy security strategy of the country, which is heavily dependent on oil imports.

According to one estimate, the total investments by Indian companies in Russia amount to more than \$6 billion.

OVL, the overseas investment arm of Oil and Natural Gas Corporation (ONGC), holds a 20% stake in the Sakhalin-1 project and 26% in the Vankor project. A consortium of IOC, OI, and BPL — the upstream arm of refining major Bharat Petroleum Corporation

(BPL) — has 23.9% share in Vankor and 29.9% in the Taas-Yuryakh project.

The dividend income is being deposited into the CIB accounts in rubles. Dividends are earning a nominal interest. Dividends of around \$600-650 million belong to the IOC-OI-BPL consortium, and around \$250 million belonging to OVL, are stranded.

EXPLAINED ECONOMICS

No easy options available

With the money stuck in Russia, it could have been theoretically used for payments there, to increase investments, and to fund operational and capital expenditure requirements of existing projects. None of these options are, however, currently feasible.

This is because the dividend payments are being released after deduction of operational expenses, and there is no plan at present to invest more capital into ongoing proj-

ects. These assets are past their major capital expenditure cycle, which means that major cash calls, or demand for more investment in the projects, are highly unlikely in the near-to-medium term.

The only exception is OVL, which is required to pay around \$600 million to be re-nominated as a shareholder in the Sakhalin-1 project. The company is in talks with Russian authorities to use its stranded dividend income to partly settle this payment.

The Indian companies are also not exploring investments in any other project in Russia. This means the only option left is to use the money for payments in Russia.

The question then arises: why can't the money be used to partly pay for the copious volumes of Russian oil that is flowing into India? The short answer: while the Indian companies would love to do that, it is fraught with several challenges and complications. First, while IOC and BPL do buy Russian

oil, OI does not.

Second, the investments in Russian projects are through special purpose vehicles registered in overseas territories such as Singapore. This means that any payment would also come under the jurisdiction of these overseas territories, not just Russia's and India's.

Given the various Western sanctions against Russia and its energy sector, cross payments for Russian oil using the dividend income could end up becoming an extremely complex exercise with regard to taxation and accounting. The companies have been seeking the opinion of legal and international accounting experts to find a way to do this.

The bottom line: any feasible and workable solution is likely to emerge only through a combination of effective diplomacy and smart commercial negotiations with stakeholders in Russia and elsewhere.

THIS WORD MEANS

KEFFIYEH

A Palestinian scarf traditionally worn by lower classes which today is a symbol of nationhood and struggle

RISHIKA SINGH
NEW DELHI, SEPTEMBER 26

INDIAN-AMERICAN author Jhumpa Lahiri declined an award from New York's Noguchi Museum after it fired three employees for wearing keffiyeh scarves — a garment long associated with Palestinian nationhood and its struggle against Zionist occupation.

The New York Times reported that the museum announced a policy last month banning employees from wearing clothing or accessories that expressed "political messages, slogans or symbols".

Protection against desert sun

The keffiyeh is one of the many scarves worn in West Asia. Usually made of cotton (or its blend) and white in colour, it features some patterns which reflect elements of Palestinian culture. For instance, the popular net-like pattern is said to resemble fishing nets, fishing being a major economic activity in the region. Another popular pattern depicts the leaves of olive trees.

Armin Langer, an assistant professor of European Studies at the University of Florida, traced the centuries-old history of the garment in an article for The Conversation. He wrote that the keffiyeh was first used as a head covering to shield from the harsh desert sun, and was popular among the lower classes.

A Palestinian symbol

The British gained control of Palestine in 1917, after the fall of the Ottoman Empire. Opposition to British rule led to the keffiyeh's use as a symbol of national unity in the 1930s. "Some rebels strategically donned the keffiyeh to hide their faces, as a way to avoid potential repercussions from British authorities," Langer wrote. In 1948, following the creation of Israel and the subsequent Arab-Israeli war, more than 750,000 Palestinians were displaced from their homes. Langer wrote, "The keffiyeh became an expression of Palestinian resilience against Israel's treatment of Palestinians. Worn by both those who were displaced and those who remained,



A demonstrator wears a keffiyeh at a pro-Palestine protest in Los Angeles. Reuters

the headscarf captured the emotional connection to the land."

Palestine Liberation Organisation (PLO) leader Yasser Arafat popularised the scarf in the 1970s.

Bans on keffiyehs

In the West, wearing the keffiyeh has long been associated with opposition to Israel. This has resulted in the scarf being banned a number of times, including after the events of October 7 last year.

For instance, the legislature of the Australian province of Victoria banned the scarf in the chamber. Shaun Leane, President of the upper house, said that the garment counted as "symbolism" that the whole chamber was not expected to get behind, and thus should not be worn. Leane also told a Member of Parliament that watermelon earrings could not be worn. The fruit has also been used as a Palestinian symbol because it matches the colours of the Palestinian flag, which has often been banned in public by Israeli authorities. Notably, the keffiyeh has also been flown as a flag at pro-Palestine protests.

In the late 2000s, fashion brands like the US-based Urban Outfitters and the UK's TopShop began selling keffiyeh-like scarves. Palestinians criticised this as sellers profiting from their culture without giving due recognition to their history.



SHUBHAJIT ROY

ON THE sidelines of the Quad leaders' summit, Prime Minister Narendra Modi held a meeting with United States President Joe Biden on September 21. This might well have been the final life-to-life between the two world leaders before Biden leaves the White House in January 2025.

The Biden presidency has been enormously consequential for India-US ties. After the hour-long meeting with PM Modi last week, the President remarked that his country's partnership with India "is stronger, closer, and more dynamic than any time in history".

An old friend of India

President Biden's advocacy of stronger ties between the two countries far predates his entry into the Oval Office.

In 2006, three years before he became Vice President to President Barack Obama, Biden articulated his vision for the future of India-US relations. "My dream is that in 2020, the two closest nations in the world will be India and the United States," he said.

In 2008, then Senator Biden worked with both Democrats and Republicans to get the landmark India-US nuclear deal approved in the US Congress. This was despite the initial reservations of soon-to-be President Obama on the matter.

As Vice President, Biden continued working towards furthering India-US ties. He visited India with his wife Jill in 2013, and met, among others, then Prime Minister Manmohan Singh and Vice President Hamid Ansari.

In August 2020, as the Democratic Presidential nominee, Biden said that he would stand with India in confronting various threats along its borders.

His personal affinity to India aside, President Biden inherited a strong India-US relationship from his predecessor Donald Trump. The former president had, for the very first time, framed China as a strategic rival and adversary to the US, and thus aligned Washington and New Delhi's positions. In this regard, Biden carried Trump's legacy forward.

Trump revived the Quad grouping comprising India, the US, Australia, and Japan in 2017. In 2021, Biden elevated the Quad to the leaders' level, the highest in international diplomacy. He hosted the first Quad leaders'



President Joe Biden bids farewell to PM Narendra Modi after the end of the Quad summit at the Archmere Academy in Clayton, Delaware, on September 21. The NYT

summit in March that year, less than two months after he became president.

Since then, Biden and PM Modi have met six times at the leaders' level, including four times in person. On the bilateral front, the two have interacted at least 10 times, including twice virtually.

Technology cooperation

New Delhi and Washington realised in the post-pandemic world that they needed to frame their ties in durable terms. Both countries wanted to tie themselves from future China-related disruptions, and become a part of a resilient global supply chain.

India also wished to be part of the US-led tech ecosystem. No major country in the post-World War II era has succeeded without technological support from Washington — from Japan and Germany in the War's immediate aftermath to Singapore and Taiwan more recently. Even the rise of China, to some extent, was aided by support from the US.

Biden saw the opportunity in including India into the US tech ecosystem. Washington and New Delhi began working to this end in 2022. On January 31, 2023, the two National Security Advisers launched the Initiative for Critical and Emerging Technology (ICET) in Washington to facili-

tate strategic technology collaborations in critical and emerging technologies, and enable co-development and co-production in the tech sphere. ICET also looked to connect the two countries' respective innovation ecosystems, especially in AI, quantum, telecom, space, biotech, semiconductors, and emerging defence technologies.

After three NSA-level meetings — the most recent one taking place between NSA Ajit Doval and his US counterpart Jake Sullivan in June 2024 — the outcomes of ICET are now visible.

PM Modi's recent visit saw him sign an agreement for setting up a semiconductor fabrication plant in India, which would make chips for use in "national security, next generation telecommunications and green energy applications". Both Biden and Modi hailed the "watershed arrangement" in which the US military has agreed to a partnership with India on highly valued technology.

The fab, focused on "advanced sensing, communication and power electronics", will be enabled by support from the India Semiconductor Mission as well as a strategic technology partnership between Bharat Semi, 3rdTech, and the US Space Force, the joint statement said. "It will be established with the objective of manufacturing infrared, gal-

lium nitride and silicon carbide semiconductors," it said.

Drawing a parallel with the Indo-US civil nuclear deal, sources said the fab titled Shakti (or "power") would not only be the first technology partnership between Indian businesses and the US Space Force, but also a first in the Quad. Officials have said that this marks a "glass-ceiling breaker" in tech diplomacy, by "raising the game and going into true chip fabrication, the holy grail of semiconductors", not just testing and assembly, as was the case in previous India-US arrangements.

Beyond the fab, India and the US are working on a broad range technology partnerships, from joint research conducted by NASA and ISRO on the International Space Station, to a pact for critical minerals supply chains and emerging digital technologies in Asia and Africa. There has also been progress regarding a deal for 31 remotely piloted aircraft which India would acquire from the US.

Some headlines in ties

That said, the headlines in India-US ties cannot be ignored. Most notably, in recent times, the alleged assassination plot against US-based pro-Khalistan separatist Gurpreet Singh Pannun has been a thorny issue.

Two important developments took place days before PM Modi's visit to the US.

■ Last week, a US court issued summons to NSA Doval, among others, after Pannun filed a civil suit seeking damages for the alleged assassination plot. India has described the allegations "completely unwarranted and unsubstantiated immaterialities". However, Doval was nonetheless absent from India's official delegation this time around. Sources said the Jammu & Kashmir elections and domestic commitments had kept the NSA from travelling to the US.

■ The fact that a group of Sikh activists and pro-Khalistan separatists visited the White House on the eve of PM Modi's US visit was also a signal to New Delhi. Local media in Delaware reported that pro-Khalistan protesters could be seen along the route of the Prime Minister's motorcade.

India has to address this issue to remove any misgivings in Washington about New Delhi's democratic credentials. But South Block believes that in the larger scheme of things, the two countries' strategic alignment vis-à-vis China means that such challenges are only minor wrinkles to be ironed out.

With Biden leaving office early next year, New Delhi will be keenly watching the US elections in November to see who carries forward his legacy — his Vice President and current Democratic nominee Kamala Harris, or his predecessor and Republican nominee Donald Trump.

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Why Pakistan needed another bailout from IMF, what this will entail

ANAGHA JAYAKUMAR
NEW DELHI, SEPTEMBER 26

THE INTERNATIONAL Monetary Fund (IMF) on Wednesday officially approved a \$7 billion Extended Fund Facility (EFF) for Pakistan, two months after the agency had reached a staff-level agreement for the same with Islamabad.

Pakistan Prime Minister Shebaz Sharif thanked IMF chief Kristalina Georgieva for the 37-month loan programme, the twenty-fifth such programme in Pakistan's history, and the sixth under the current borrowing framework. He said, however, that "God willing, this will be Pakistan's last IMF programme."

Why does Pakistan need an IMF bailout?

Poor governance and imprudent fiscal management has long plagued Pakistan. In 2022, Pakistan was still receiving funds from the 2019 EFF, when a severe economic

crisis struck the nation — due to the impacts of the Covid-19 pandemic, Russia's war with Ukraine, and the devastating floods that rocked Pakistan in August that year.

In November 2022, the IMF decided to stop the disbursement of a pending \$1.18 billion under the 2019 EFF due to the government's unwillingness to meet certain demands, including assurances on increasing energy rates, imposing more taxes, and stopping artificial control over the exchange rate. As a result, an already cash-strapped Pakistani economy was pushed to the brink.

Food and oil prices shot up, with Pakistan's inflation rate peaking at 38% in May 2023. The Pakistani rupee (PKR) fell about 20% against the US dollar in 2023, while the country's foreign exchange reserves dwindled to under \$3 billion in early 2023.

In July 2023, Pakistan secured a nine-month \$3 billion Stand-By Arrangement (SBA) from the IMF. The country's interim government worked to ensure the IMF's con-

ditions of "fiscal discipline, structural reforms and a return to market-determined exchange rate" were met.

As of September 2024, Pakistan's inflation rate stands at around 7.5%, its lowest in five years. The country's forex reserves too stand at around \$9 billion, supported by inflows from its allies China, Saudi Arabia and the UAE.

But Pakistan still has an external debt of around \$130 billion, of which it will need to pay \$9 billion over the next three years.

What does the \$7 billion package entail?

An EFF is a financial assistance package offered by the IMF to countries facing severe balance of payments issues due to structural weaknesses that cannot be resolved in the short term.

In theory, it is meant to help the borrowing country implement medium-term

structural reforms. In Pakistan's case, these include bolstering monetary and fiscal policies including tax reforms, strengthening competition, and rebuilding the forex reserves.

In its press release in July this year, the IMF said that the EFF "aims to capitalise on the hard-won macroeconomic stability achieved over the past year by furthering efforts to

EXPLAINED GLOBAL

strengthen public finances, reduce inflation, rebuild external buffers and remove economic distortions to spur private sector led growth."

The IMF will immediately make \$1.1 billion available to borrow, according to Pakistan State Bank governor Jameel Ahmad.

Notably, the package does not include plans to restructure the country's external and internal debt, which according to Dawn, equalled around 81% of the previous fiscal year's tax revenues.

What conditions did Pakistan have to meet to secure the funding?

The July press release alluded to the "timely confirmation of necessary financing assurances from Pakistan's development and bilateral partners". A key step was the rollover of the country's \$12 billion debt being approved by China, Saudi Arabia and the UAE. Additionally, earlier this month, the government took a \$500 million loan from Standard Chartered Bank ahead of Wednesday's meeting to approve the EFF package.

The EFF funding was conditional on Pakistan making sweeping tax reforms to widen its tax base. The government committed to this in its budget for the current fiscal year, and expects to collect up to \$6.5 billion in additional taxes. Pakistan has also increased electricity prices by 51%. It hopes to generate 64% more revenue through non-tax sources like petroleum levies and electricity tariffs.

Additionally, the IMF mandated there be a balance in spending between Pakistan's

federal and provincial governments, with taxes being imposed on agriculture, and no new subsidies being introduced.

The IMF's conditions have been labelled harsh by experts like Murtaza Syed, the former acting governor of the State Bank of Pakistan, who told the Financial Times that the EFF would only go to make things precarious and widen the debt-to-GDP ratio (which stands at 77% in July 2024). There is also concern about the lack of political support to meet the programme's requirements.

Many have questioned whether the sweeping tax reforms that the move will require will indeed work. As the Dawn wrote in an editorial, "countries have improved their tax performance... [by] making their tax regimes equitable, fair and easier to comply with... the intent [of the tax reforms announced in the budget] seems to be to squeeze existing taxpayers to meet the revenue targets rather than broadening the net".

THE INDIAN EXPRESS, FRIDAY, SEPTEMBER 27, 2024

11 THE IDEAS PAGE

DIS/AGREE
THE BEST OF BOTH SIDES

A fortnightly column, which offers not this-versus-that, but the best of both sides, to inform the debate



C R Sankar

Death of a 26-year-old in Pune, allegedly due to work stress, has sparked controversy. A teacher and a corporate executive write to the young on how to navigate today's work place

Imagine the world beyond your office

Productivity should not only be about profit of the corporation that has hired you



AVIJIT PATHAK

DEAR YOUNG FRIEND, I am writing this letter because I value your innate possibilities, your creative energy, and your urge to earn your livelihood through meaningful and life-affirming work. Yet, I feel worried. Will you be able to celebrate your work, and also experience a deeper meaning of existence? Will it be possible for you to realise that there is a world beyond your office — the tiny cubicle on the 20th floor of a skyscraper? Will there be sufficient "surplus" time to converse with your ailing grandmother, read Pablo Neruda or Herman Hesse, and go for a long walk?

Possibly, you are thinking that I am imagining a rhythm of life that has no meaning in the age of "productivity" and "efficiency". Possibly, as an ambitious young person gifted with a sought-after degree like B.Tech/MBA/chartered accountancy, you are thinking that nothing is more important in life than the urge to be a "winner". Work, work and work; earn money; achieve "success", and consider everything else as secondary.

You might have heard about the tragic death of Anna Sebastian Peraiyil, the 26-year-old chartered accountant, an employee of the global organisation, Ernst and Young in Pune. It seems she could not bear the tyranny of deadlines and associated work stress, anxiety and sleeplessness. You might be persuaded to think that her case is an "exception" — Anna was not "strong" enough to bear the pressure of work. This temptation to blame the victim prevents you from accepting that the work culture the technocratic world has created is essentially life-killing. It debilitates you and transforms you into a mere resource to be perpetually exploited, even if from the outside everything looks glamorous — a lucrative salary package, a weekend office party in a mega hotel, or "three nights and four days" at a Maldives resort.

Forgive me, as I urge you to ask three

questions: What is meaningful and life-affirming work? What is "productivity"? And what is "success"? Quite often, the work we do — even when it's "prestigious" — does not fulfill us. The experience of being alienated from one's work is not present only in Karl Marx's theorisation. For many, it is real. Neither money nor glamour can heal the pain of fatigue, boredom and meaninglessness. Think of it. Possibly, it becomes exceedingly difficult for your role models to escape from this alienated work because the seduction of consumerism has already trapped them. Where do they get the money to pay the EMIs for almost everything they regard as "important" — a luxury car, a fancy apartment in a gated community, a loan for their children's "foreign education"?

Or, what is "productivity"? Is it only for enhancing the profit of the corporation that has hired you? Does it really help you to unfold your hidden potential, or help you to experience the bliss of holding what, for instance, William Blake would have characterised as "infinity in the palm of your hand"?

Your generation, I assume, is fond of "self-help" books — the bestsellers that give a set of instructions for achieving "success", and becoming a "billionaire". And the more you run after this mythical "success", the more tired and wounded you become. And then, in this age of instantaneity, the spiritual industry comes forward with all sorts of fancy gurus who instruct you how to "detox" your mind in 10 minutes, and then come back to the same routine. Don't regard me as a "romantic fool". I am not asking you to cherish poverty, fame and glamour disempowers you, the trauma of poverty belittles you. I am only urging you to sharpen your intelligence and wisdom to distinguish your true needs from the baggage of market-induced artificial ones. Only then is it possible for you to say "no" to your boss who asks you to work for 70 hours in a week, and forget what really matters for your sanity.

I am urging you to sharpen your intelligence to distinguish your true needs from the baggage of market-induced artificial ones. Only then is it possible for you to say "no" to your boss who asks you to work for 70 hours in a week, and forget what really matters for your sanity — say, feeling the magic of Bismillah Khan's *shehnai* while touching the hands of your grandmother, and watching an amazing sunset!

Live aesthetically and creatively, dear friend. Love and prayers...

The writer taught sociology at JNU

Draw red lines your boss cannot cross

You will spend the best years of your life working. Don't make peace with bad work culture



PALLAVI JHA

DEAR YOUNG FRIEND, if you are feeling trepidation or are disturbed after hearing about the tragic death of Anna Sebastian Peraiyil, it is understandable. Honestly, it is heartbreaking. I read her grieving mother, Anita Augustine's letter to the CEO of her employer; it is poignant and written with heartfelt candour. I believe she speaks for millions of parents, who anxiously wait to talk to their young ones over the weekend, as the latter burn the midnight oil to build their careers.

This is an opportune moment for plain speaking, as I am part of the corporate universe. First a disclosure: I have, in the past, also been a hard-wired workaholic, and I did experience burnout which had health consequences for me. So, I guess I have earned the right to share with you my views on the subject.

If you are cynical about the grand mission/vision statements framed in corporate boardrooms, you are totally justified. CEOs are obsessed with their quarterly performance results. Also, with rapid change, short-termism is in; it is the employees who become collateral damage. Anna appears to have been a victim of this radioactive environment. The irony is that most of us CEOs are high on platitudes: "Culture eats strategy for breakfast" is a popular cliché. But when it comes to the bottom line, many of us are guilty of treating our teams like "resources" instead of real people. Orders for summary

sacking of people to boost profits and satisfy shareholders is the primal obsession of most business honchos. But as a young recruit with a brilliant career ahead of her, how can you challenge this ossified workplace dynamic?

Firstly, please don't fall for the headline-making statements of a Jack Ma and other biggies: The 996 work culture and 70 hours a week, etc. Avoid like the plague corporations that treat work-life balance as an irritant to a "growth mindset". They

have got their priorities wrong. Secondly, CEOs and senior managers are not gods; they have feet of clay, like everyone else. Challenge them. The reason companies are increasingly callous in their workforce management is that India has a huge jobs crisis; the excess supply makes the negotiating room lopsided. But that does not mean that companies can ignore the cardinal rules of engagement. I think this is the perfect time for constructive employee activism; India's young deserve a voice in office environments or culture audits. An offsite to a beach destination, Diwali sweet boxes, Secret Santa gifts, and birthday cake-cutting, with all their good intentions, do not suffice. What one needs most is to be heard. If the corner office does not heed your requests, you have your task cut out. Freshers invariably get a raw deal; they are viewed as dumpsters and told that they need to do whatever is asked, ostensibly to "make them rock-solid" for the future. This is a load of rubbish, as Anna's case exposes. You can't afford to have a repeat of that. But you have to break eggs to make an omelette; speak up and do so fearlessly. Managing stress is a last resort; why should you be forced into that predicament in the first place? Rest assured, however, that most leaders will take cognisance of the repercussions of what happened to Anna. Her sad death will be a catalyst for change. We owe her that. The time for cosmetic lip service to employee health is over.

The highest intangible cost that no one measures is the mental health toll on the employees of a poisonous office space; you will spend the best years of your life working, and thus, cannot afford to compromise here. The corporate brand may look prepossessing from the outside, but what matters for you is what is going on within. Periodically ask yourself: Is it worth it? What matters most is that you should feel respected, there should be a red line your boss cannot cross without your explicit permission, your holidays should be sacrosanct, and your values should never be up for a trade-off. If your conscience says "no", just quit (companies bleed when attrition rises). It will be the best thing you will have done. No one should ever take you for granted. No one. I think Anna would like that.

The writer is chairperson and managing director, Dale Carnegie India, Walchand PeopleFirst Ltd

WHAT THE OTHERS SAY

"As a regional power, India should respect Sri Lanka's sovereignty and the foreign development choices it makes based on its own interests. It should refrain from its hegemonic impulse to exert pressure on or interfere in Sri Lanka's external cooperation."

—THE GLOBAL TIMES, CHINA

An excess of cess

It is being used like never before by the Union government to deprive states of revenue



ZERO HOUR
BY DEREK O'BRIEN

"CHIEF MINISTER NARENDRA Modi today accused the Centre of adopting a policy of coercive federalism and thus pushing states to a subordinate position by monopolising all powers of financial allocations, reducing even the constitutional rights of states." (IE, January 16, 2012).

Your columnist distinctly remembers the then finance minister, the affable Arun Jaitley, inviting about half a dozen fellow MPs to his room in Parliament for a hearty lunch sometime in 2015. Our gracious host wanted to celebrate the good news: The 14th Finance Commission had recommended increasing the devolution of the divisible tax pool to states from 32 per cent to 42 per cent. We all saw this as a big win for federalism. But Jaitley's boss, the former chief minister of Gujarat, had other ideas. A dirty, four-letter word that damages federalism: Cess.

As any undergraduate in commerce will tell you, cess is not a part of the divisible pool; that is, the money collected is not shared with state governments. A cess is a specific tax imposed by the Union government to raise funds for a designated purpose. The Union government currently levies a GST compensation cess, a cess on health and education, road and infrastructure, agriculture and development, Swachh Bharat, exports, and crude oil, among others.

Consider this. In 2012, cess formed 7 per cent of the Union government's total tax revenues. In 2015, this rose to 9 per cent. In 2023, cess contributed to 16 per cent of the total tax revenue. From 2019-23, the Union government has collected a whopping Rs 13 lakh crore as cess. This excludes GST compensation cess. In the last five years, it has collected Rs 84,000 crore as cess on crude oil.

The share of cess as part of the Union government's gross tax revenue has tripled, up from 6 per cent in 2011 to 18 per cent in 2021. This rise in cess and surcharge has inversely led to a reduction in the divisible pool of taxes. The divisible pool has shrunk from 79 per cent of gross tax revenue in 2011 to 69 per cent in 2021. This, despite the 10 per cent increase in tax devolution to states as recommended by the 14th Finance Commission.

A Comptroller and Auditor General

(CAG) report exposed that in 2018-19, the Union government withheld Rs 1 lakh crore of the Rs 2.75 lakh crore collected through various cesses in the Consolidated Fund of India (CFI). Rs 10,000 crore of the Road and Infrastructure Cess collected during the year was "neither transferred to the related Reserve Fund nor utilised for the purpose for which the cess was collected". More alarmingly, Rs 1.24 lakh crore collected as cess on crude oil in the past one decade "had not been transferred to the designated Reserve Fund (Oil Industry Development Fund) and was retained in CFI". The report further stated that "non-creation/non-operation of Reserve Funds makes it difficult to ensure that cesses and levies have been utilised for the specific purposes intended by the Parliament".

The key reason for the imposition of cess and surcharge is for the Union government to increase its revenue. One major criticism has been its inability to increase revenue substantially, despite increasing cess. Revenue receipts have increased only marginally in the last 10 years — from 8.8 per cent of GDP in 2014 to 9.6 per cent of GDP in 2024. Less than one percent.

Recently, the Chief Minister of Karnataka wrote to eight other chief ministers of both NDA and Opposition governed states, expressing concern that states with higher per capita GDP were being penalised for their economic performance by receiving disproportionately lower tax allocations.

In the early 1980s, the Sarkaria Commission recommended that cesses and surcharges should be levied for a specific purpose and for a limited time period. In 2010, the Punchhi Commission stated that "extension of cesses and surcharges amounts to dilution of the recommendations of the Finance Commissions and deprives the States of their due share in Central tax revenue". It further elaborated that, "we recommend that the Central Government should review all the existing cesses and surcharges with a view to bringing down their share in the gross tax revenue".

The recommendations of the Sarkaria Commission and the Punchhi Commission have been ignored. The number and amount of cesses that are levied keeps increasing. States that ideologically oppose the ruling dispensation are often deprived of their rightful dues. Seasoned Opposition MPs in the corridors of Parliament rue the reality. TINSTAAFL (There is no such thing as a free lunch!)

The writer is MP and leader, All India Trinamool Congress Parliamentary Party (Rajya Sabha). Additional research by Ayashman Dey and Dheemant Jain

LETTERS TO THE EDITOR

THE MISSING PIECE

THIS REFERS TO the article, "Fortifying the basic structure" (IE, September 26). Much more is now being said about ONOE. Simultaneous elections to the state assemblies and the Lok Sabha is a good concept in theory. It saves time and it saves the taxpayers money which can well be utilised for developmental purposes. However, how far it is possible for ONOE to become law in the current scenario is yet to be seen. Deploying troops and polling personnel is a Herculean task. Holding elections in extreme weather conditions is a challenge as well. Periodic festivals held in different parts of the country will also pose issues. Lastly, dissolving newly elected state assemblies will also have legal hurdles.

N R Ramachandran, Chennai

Thirishika Anjaneyulu, via email

ONOE CHALLENGES

THIS REFERS TO the article, "Fortifying the basic structure" (IE, September 26). Rhyming with "One Nation, One Party" and signalling the decline of regional parties, the One Nation, One Election policy may fail without proper diligence. Although the High Level Committee's integrated approach can aid policy paralysis, the idea of a complete shift to one election still seems far-fetched. This imperious approach would favour only a few dominant national parties and marginalise regional ones. This compromise of federalism seems dimmer than that of democracy without any party of contest. The claim of expenditure is relative because larger parties with substantial electoral funds would still break the bank to dominate and have numerous grandiose campaigns.

Shashwat Jena, Gaziabad

LANDMARK RULING

THIS REFERS TO the editorial, "Terms of protection" (IE, September 26). Correcting an "egregious error" made by the Madras High Court, the Supreme Court has ruled that downloading and watching sexually explicit content involving children are offences under the Protection of Children from Sexual Offences (POCSO) Act and the Information Technology Act. This implies that even viewing child pornographic material — without storing or sharing it — is tantamount to possession. The landmark judgment is expected to go a long way in curbing the Protection of Children from Sexual Offences (POCSO) Act and the Information Technology Act. This sends out a strong message to society at large that such acts will be countered with a zero-tolerance approach.

Khokan Das, Kolkata

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

THE ELUSIVE JOBS

New survey frames urgent challenge before government — inadequate creation of remunerative, productive job opportunities

THE RESERVE BANK of India has pegged the Indian economy to grow at 7.2 per cent this year. Medium term forecasts, such as those by the IMF, expect the momentum to continue over the coming years. However, concern over the lack of quality jobs continues to persist. The recently released periodic labour force survey provides granular information on the state of the labour market in India. Several trends warrant closer examination.

First, at the aggregate level, the labour force participation rate (15 years and above) has risen from 49.8 per cent in 2017-18 to 60.1 per cent in 2023-24. However, much of this is due to the sharp rise in female participation, especially in rural areas, where it has risen from 24.6 per cent to 47.6 per cent over this period. While a rise in female participation should ideally be welcome, some have argued that it may be a sign of distress — women stepping out of the house to augment their household income. As per the survey, the share of women engaged in salaried employment has fallen. More are now engaged in self-employment — across the country, the share of women who are self-employed has risen from 51.9 per cent in 2017-18 to 67.4 per cent in 2023-24 — either as unpaid helpers in household enterprises or as own-account workers. This indicates the absence of alternatives. Second, a large section of the labour force continues to be employed in informal firms. The percentage of workers engaged in informal enterprises (proprietary and partnerships) stood at 73.2 per cent in 2023-24. While it has fallen marginally from 74.3 per cent in 2022-23, it remains higher than the estimate of 68.2 per cent in 2017-18. Third, the share of the labour force engaged in agriculture continues to edge upwards, while that engaged in manufacturing remains almost stagnant. In 2017-18, 44.1 per cent of workers were employed in the farm sector. By 2023-24, it had risen to 46.1 per cent, underlining the reversal of the trend of the falling share of the farm sector seen over the past decades. On the other hand, the share of the labour force engaged in manufacturing remains roughly the same — 11.6 per cent in 2021-22 and 11.4 per cent in 2023-24. Fourth, the unemployment rate (15 years and above) has fallen from 6 per cent in 2017-18 to 3.2 per cent in 2023-24. While youth unemployment has fallen from 17.8 per cent in 2017-18 to 10.2 per cent in 2023-24, it remains high. The unemployment rate is also higher among the more educated, with those with a secondary and above level of education having much higher rates than others.

The labour market data reinforces the key development challenge facing India — of inadequate creation of more remunerative and productive employment opportunities. Addressing this challenge is becoming more difficult with the production process becoming more capital intensive and labour-saving, as the India Employment Report 2024 has also noted. This issue should be at the forefront of the policy agenda.

DELAYED AND DENIED

Delhi HC will hear bail pleas in 2020 riots cases for a third time. The bureaucracy of justice flies in the face of SC orders

AN INVOLUBLE PRINCIPLE of the justice system is that an accused is "innocent until proven guilty". Too often, however, this is observed only in the breach. The Kafkaesque delays in the bail hearings of the accused in the 2020 Delhi riots cases in the High Court illustrate how the bureaucracy of justice makes the process the punishment. It also goes against the grain of recent Supreme Court verdicts that affirm "bail is the rule, jail the exception", even when the accused is charged under laws with stringent bail provisions such as the Prevention of Money Laundering Act (PMLA).

Since March 2022, the bail pleas of Abdul Khalid Saifi, Gulfiya Fatima, Md Saleem Khan and Shifa Ur Rehman have been argued twice in the Delhi High Court. Now, their lawyers are set to do so a third time, from scratch. Each time, the judge presiding over the case has left without delivering an order, when he has been transferred from the Delhi HC to the chief justice of another high court. Meanwhile, the trials of the accused have yet to begin. In many cases of the 2020 Delhi riots, the accused have been in jail for over four years and the court is yet to even frame charges against them. While granting bail to Arvind Kejriwal earlier this month the Supreme Court observed that even in UAPA and PMLA cases, "legislative policy against the grant of bail will melt down where there is no likelihood of trial being completed within a reasonable time. The courts would invariably bend towards 'liberty' with a flexible approach towards an undertrial." In August, in *Jaluddin Khan vs Union of India*, the SC denied high courts for being seemingly reluctant to grant bail in UAPA cases. Again, while granting bail to Manish Sisodia, the SC accused high courts of "playing it safe".

Justice Ujjal Bhuyan, in his order granting Kejriwal bail, said that "Courts must ensure that they continue to remain the first line of defence against the deprivation of liberty of the citizens." Through reserved verdicts, bureaucratic delays and lack of urgency, the Delhi HC has fallen far short of the standards expected of it by the Supreme Court. Justice Bhuyan also said that "Deprivation of liberty even for a single day is one day too many". Four years after their arrest, as a new bench hears the bail pleas of the accused all over again, it must deliver its verdict with alacrity. Because not doing so would be further failing the standards set by the apex court.

A STREGA NONA MOMENT

An Italian tale's lesson for the season: Slow down, step away, make room for joy

IMAGINE A COMFORTING bowl of food that never runs out. Sunshine on one's shoulders, a happy cry, the smell of freshly-cooked food and the camaraderie of friends. Imagine self-contentment, the joy of opting out of the crushing need to keep pace, to step up and keep shining. Sounds like a vibe worth aspiring to? After the chaotic adrenaline rush of "Brahmaram", autumn's soothing note has been struck by *Strega Nona*. September. It advocates mindfulness and the restorative power of the quiet life, even if its message of wholeness — ironically — has become a social-media aspiration.

At the heart of the trend is a 1975 children's folk tale by Italian writer Tomie dePaola that features a gentle witch doctor, Strega Nona, with a flair for cooking up pasta and handing out cures and advice for everything from headaches to heartaches. As age catches up with her, Nona employs a strapping young helper, Big Anthony, who is fascinated by her ability to conjure up pasta in her magic pot. His own attempt at emulating Nona's magic, however, goes woefully wrong — the pot won't stop churning out the dish and soon, the town is awash in spaghetti. Nona comes to the rescue: She hands out a fork to Anthony and asks him to eat up — and clean up — after himself.

There is, of course, an inherent wisdom in folk tales, but in this *Strega Nona* moment, there is a larger subtext to the script. That, like the passage of seasons, there is a time to rush and a time to nest; that, even in this age of hustle and grind, do and tell, there is virtue in knowing when to pull back — and for what. Corporate culture will continue glorifying a 24/7 work ethic, social media will measure one's worth in likes and virality. But like Nona, it helps to be wise enough to know who we are when we are not performing and to be secure enough to make time for the things that delight. As Mary Oliver writes in her poem, "Don't Hesitate," "If you suddenly and unexpectedly feel joy, don't hesitate. Give in to it... joy is not made to be a crumb."



JULIO RIBEIRO

THE KILLING of a rape accused inside a police vehicle in the limits of the Thane Commissionerate raises troubling questions. The man who was killed had come to police notice only a year ago when his second wife lodged a complaint against him of forcing her to have unnatural sex with him. He was neither a gangster nor a hardened criminal. This year in August, he was employed by a privately-run school in Thane district as a janitor. No inquiries were made about his antecedents despite the fact that the school caters to girls who are four years old and older.

On two consecutive days, the teacher sent two four-year-old girls to the washroom with the recently recruited janitor. It was only when the children complained of pain that their mothers realised that the children had been raped.

The teacher recounted the events and the janitor was arrested. All hell broke loose when the sordid details became public knowledge. It attracted the ire of the entire locality and from there spread to adjacent middle-class localities. The fact that two little girls were the victims shocked everyone.

With polls to the Maharashtra Legislative Assembly due in November, the Opposition grabbed the opportunity to berate the Mahayuti government, ignoring the fact that such an offence could have occurred under any party's watch. Marches, demonstrations and "rail roko" followed in quick succession with massive crowds participating. The BJP was the most troubled since its representative, Devendra Fadnis, was the deputy chief minister heading the home ministry.

With the Mahayuti under attack, the BJP sensed danger. The Opposition was blaming the government for not protecting women and children despite its pro-women slogans. The propaganda was hurting the Mahayuti, forcing it on to the back foot. It is this factor that has set many wondering if the "encounter" was staged at the instance of the political leadership.

The Mahayuti, a combination of three political entities with the BJP as the mentor and the Shinde faction of the Shiv Sena and the Ajit Pawar faction of the NCP as partners, was the only entity that stood to benefit from the "encounter". Sweets were distributed by the lo-

A fraught encounter

A rape accused was killed in a police vehicle in Thane. That's not the end of the story

There is not an iota of doubt that the people of Thane were mighty pleased when the "encounter" was publicised. Their anger against the Mahayuti evaporated as soon as the police took on the role of judge and executioner. A thought that occurs to me as I write this article is that a year or so ago in Hyderabad four alleged rapists of a woman doctor were arrested and then killed by the police in similar circumstances on the outskirts of the city. The Bharatiya Rashtra Samithi of K Chandrashekar Rao, in power at the time, received encomiums from the public but lost the subsequently held assembly elections. Maharashtra's ruling dispensation should keep this in mind.

The Hyderabad "encounter" was greatly appreciated by the people of that city, but was found to be full of holes by stakeholders of the judicial process, that is, the police, the prosecutors and the judiciary. So also in the case of Thane. A police party, led by a senior police inspector, and consisting of a junior inspector and two men (three if you count the driver), left by a police vehicle, to transport the accused to Thane from Talaja jail where he was lodged following his arrest. The case for which he was being freshly investigated was the year-old complaint lodged by his second wife. Incidentally, the man's first marriage reportedly lasted only two days, the second lasted 10 days, and he re-married for a third time.

It is not usual to deputise a senior inspector on escort duty of prisoners. Even the junior inspector was superfluous. The accused could have been questioned in Talaja jail itself about his second wife's complaint. It did not require such elaborate arrangements.

The senior inspector deputised for the job has a chequered history. A decade or so earlier, Arup Patnaik, then police commissioner

of Mumbai, had recommended the officer's dismissal from service for facilitating his (the senior inspector's) own relative's escape from police custody. The recommendation was not accepted by the state's DGP though the escapee was a known gangster.

After the Thane incident, interesting but damaging information about senior inspector Sanjay Shinde, who allegedly fired the fatal shot, is emerging. He was seen as a budding "encounter specialist" in the style of his mentor, Pradeep Sharma, who is facing trial in the murder of a businessman whose car was found laden with explosives and parked outside the home of Mulesh Ambani.

The escorting police party has now come out with a story that the accused, who must have been handcuffed and his face covered with a black hood, snatched the pistol of the officer sitting next to him and unlocked the weapon, without knowing how a pistol works. The entire story given by the police is unbelievable. It is even more amateurish than the story put out by the Telangana police when they disposed of four alleged rapists last year.

In most cases of fake encounters the victims are poor. This remark was made by a police constable in a group of policemen discussing the incident. That same man went on to remark that if the accused was a rich man or a politician like the alleged molester of women wrestlers or the Karnataka MP accused of raping several women, the police would not have dared to stage such an "encounter".

The police encounter as a people-friendly method of tackling crime has been adopted in Uttar Pradesh in a big way. It has assumed Yogi Adityanath's votes in earlier elections. How and why this magic did not succeed in the recent Lok Sabha elections in the crucial state is a matter for the BJP to ponder.

If the political leadership has ordered the Thane "encounter", there is no way to prove that. It is finally the four policemen who will lose out. That will be grossly unfair and unjust.

The writer, a retired IPS officer, was Mumbai police commissioner, DGP Gujarat and DGP Punjab, and is a former Indian ambassador to Romania



PRABHATH RANJAN

THE DEBATE ON Chinese foreign direct investment (FDI) into India oscillates between economic benefits and security risks. But, a key fundamental question beyond that remains unanswered. Does India have a comprehensive legislative framework to deal with FDI and international trade on grounds of national security? The answer is negative, despite the high-decibel debates.

It is important to recall that in April 2020, when the world was beset with the fears of a raging pandemic, India adopted a new FDI regulation called Press Note 3 (PN3). PN3 is enforced through the Foreign Exchange Management Act (FEMA) — a law that provides the architecture for the orderly development and maintenance of the foreign exchange market in India. To curb opportunistic takeovers and acquisitions of Indian companies weakened due to the pandemic, PN3 subjects inward investments from land-bordering countries to prior approval of the central government (the so-called government route). While many countries share land borders with India, this regulation aimed to curb Chinese FDI into India. In short, it was said that India subjected Chinese FDI to greater control for national security reasons, though PN3 does not contain the words "national security".

While India was not the only country restricting Chinese FDI then, India's method remains an aberration. As Pratik Datta has argued, several liberal democracies like Canada, and Australia too limited Chinese FDI during the pandemic. However, these countries did so under dedicated legal provisions designed to deal with risks FDI may pose to national security.

For instance, Section 25 of Canada's Investment Act empowers the government not just to screen inward FDI but also to act against FDI in operation if it is "injurious to national security".

A LEGAL VOIR

India needs a dedicated law to deal with national security risks from FDI and trade

As Pratik Datta has argued, several liberal democracies like Canada, and Australia too limited Chinese FDI during the pandemic. However, these countries did so under dedicated legal provisions designed to deal with risks FDI may pose to national security.

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FEMA does not contain explicit provisions to deal with FDI on national security grounds. This is not surprising because national security in the military sense is not directly linked to managing foreign exchange. Since India doesn't have a specific law that deals with risks that FDI might pose for national security, FEMA — a foreign exchange control law — doubles up as a legal instrument to screen foreign investment for national security, pointing to a legal vacuum.

India's international treaty practice further provides evidence of this vacuum in India's domestic legal regime. Unlike the domestic legal regime, India's past and current international investment treaties and investment chapters in free trade agreements have separate provisions to deal with issues like current and capital account transactions (things that fall within FEMA's domain) and national security. For instance, in the 2015 Model Bilateral Investment Treaty (BIT), Article 6 deals with foreign investment-related exchange control issues, while Article 33 empowers the state to take measures for the protection of national security even if such measures violate the treaty's substantive provisions. Likewise, international trade agreements such as the General Agreement on Tariffs and Trade, contain separate provisions to deal with trade restrictions arising out of foreign exchange difficulties and national security.

The legal vacuum in India on this point is not restricted to foreign investment. It extends to international trade. Immediately after the Puhwama terror attack in February 2019, India denounced its most favoured nation obligation under the World Trade Organisation towards Pakistan and increased customs duties on all Pakistani imports to 200 per cent. While the reason to do so was national security, India relied upon section 8A(1) of the Customs Tariff Act — a law relating to customs duties. Section 8A(1) confers "emergency powers" on the government to increase tariff rates. It is typically meant for economic emergencies, not for trepidations arising from terrorist attacks. Like FEMA, the Customs Tariff Act doubled up as a national security instrument in this case.

The absence of a specified domestic law to deal with FDI and international trade on security grounds makes New Delhi vulnerable if India's measures are challenged at international courts and tribunals.

The ongoing debate on national security risks and Chinese FDI should be utilised to trigger another national debate — the need for India, according to global best practices, to have dedicated laws dealing with national security risks that FDI and international trade might pose.

The writer is professor, Jindal Global Law School, O.P.J.S. Global University. Views are personal



SEPTEMBER 27, 1984, FORTY YEARS AGO

ZAIL SINGH CLEARED

THE FIVE SIKH high priests cleared President Zail Singh of the charges levelled against him and held that in view of the satisfactory explanation offered on his behalf, there was no need for any further action in this regard. The high priests had declared Singh a "bhakamama" on September 2 when a "bhakamama" was issued against him. Singh's exoneration paved the way for his attending the handing over ceremony of the Golden Temple complex.

DIPLOMATS SHUFFLED

BOTH INDIA AND China are going to have new

ambassadors to represent them in Beijing and New Delhi from early next year. China is sending Li Liangping as its ambassador to India. India's ambassador A P Venkateswara is returning to New Delhi from China to take over as secretary in the Ministry of External Affairs. KPS Menon, at present India's ambassador to Japan, will take over from Venkateswara.

MP TO FACE ACTION

THE OUTSPOKEN CONGRESS MP from Orissa, S S Mohapatra, who has been openly criticising the Chief Minister (Biju Patnaik), is also likely to face strict disciplinary action, was indicated in New Delhi. Rajendra Kumar

Bajpai, AICC-2 general secretary who is a member of the Congress-4 Disciplinary Action Committee headed by Mrs Gandhi, said the high command had taken a serious view of Mohapatra's statements to the press.

DPCC CONVENTION

PRIME MINISTER Indira Gandhi and Rajiv Gandhi, AICC-1 general secretary have intervened to bring about unity in the strife-torn Delhi Pradesh Congress Committee (1). A one-day convention of Delhi Congress (1) workers has been fixed for September 28 at the Talkatora Indoor Stadium. Both Rajiv and Indira Gandhi will address the convention.