



## Private consultation

### Government's gatekeeping of critical debates hurts trust in policymaking

The Ministry of Information and Broadcasting has reportedly been holding closed-door meetings with the broadcasting and entertainment industry regarding the Broadcasting Services (Regulation) Bill, 2023, and while a draft was circulated last year, subsequent editions are only being given to a few select stakeholders – under strict terms of confidentiality. Each copy of the newest draft has been provided with a unique watermark that can identify “leaks”, if any. Public consultations are an integral part of making laws that affect many Indians, a fact that was recognised by the government’s 2014 Pre-Legislative Consultation Policy, which recommends extensive public outreach before lawmaking. While the government circulated the earlier version of the Bill to the public, it seems to have insisted on withholding responses, and has chosen to take just a few stakeholders into confidence. This approach ignores online creators, large parts of the media industry, and civil society – the very stakeholders who have the most to be concerned about with media regulation. The Bill would expand an already comprehensive regulatory framework that has been criticised as having a chilling effect, discouraging free expression in a range of media spanning news and entertainment. This has been evident, for instance, in the toning down of OTT streaming platforms’ content since the passage of the IT Rules, 2021.

Cast in that light, the omission of meaningful public consultation – a growing problem in much of policymaking across Ministries – may be less a sin of omission and more a deliberate strategy of gatekeeping major policy changes, and deciding who gets to have a say in them. While the individual laws that are being deliberated in this way may be concerning, the process in and of itself is cause for significant alarm. When it comes to media regulation, for instance, the interests of established corporate stakeholders might not always coincide with those of the emerging crop of creators, independent commentators, social media users and independent journalists who are also likely to be impacted by the Broadcasting Bill. Without a right to know other stakeholders’ points of view – let alone respond to them – the quality and sincerity of this proposal can only be deeply suspect. The government must cease methods of policymaking that may be quick and unfussy, but diminish public trust in their intent. Meaningful public consultation does not constrain the ability of lawmakers to proceed with their intended course of action in any case; all it does is to put diverse points of view across. Hurried and gate-kept consultations may well end up begetting flawed and exclusionary legislation.

## Contested harvest

GM crops might not be perfect, but what matters is that they are useful

India’s torturous saga on the fate of genetically modified food crop made another pit stop last week with a two-judge Bench, of Justices B.V. Nagarathna and Sanjay Karol of the Supreme Court of India, delivering a split verdict on the question of allowing genetically modified (GM) mustard in farmer fields. As of today, the only GM seed permissible in India is cotton. The gain in cotton yield had prompted agricultural institutions, private and public, to develop GM seeds in food crops such as rice, wheat, tomato, brinjal and mustard though none has been released. These issues underpin the story of DMH-II, or Dhara Mustard Hybrid-II, that was developed under a publicly funded project at the Delhi University’s biotechnology department. The genes used in the plant make the crop suitable and lucrative to private seed companies for making newer hybrid varieties. For crops to be approved under India’s agricultural system, they must be sown over three seasons in different agro-climatic zones and prove themselves to be consistently better than their existing comparators. Trials conducted over three years by the Indian Council of Agricultural Research suggest that DMH-II passed these metrics. This led the GEAC, the scientific advisory body led by the Ministry of Environment and Forests, to approve DMH-II in October 2022, subject to certain tests. On the other hand, environmentalist groups have said that the DMH-II is a ‘herbicide tolerant’ crop. It is genetically coded in a way that effectively forces farmers to use certain kinds of pesticide, with destructive environmental consequences; the allegations are that the developers were not transparent with this information. These findings, and the GEAC approval, have been contested in the Court by Aruna Rodrigues and the organisation, Gene Campaign.

The judges disagreed among themselves whether the GEAC was correct. Justice Nagarathna said that the GEAC had violated the ‘precautionary principle’, under which any new organism or modifying technology should, by default, be caged in unless its consequences are deliberated upon. Justice Karol, however, appeared to be satisfied by the process. Therefore, the case passes on to a larger Bench led by the Chief Justice of India. However, the most significant decision was a Court order to the Centre to evolve a policy on GM crops. The dispute over GM crops is fundamentally ideological and less on the traditional agricultural yardsticks of yield and farm economics. This is amplified by India’s agricultural history where a panacea from yesteryears, hybrid seeds and synthetic fertilizer, while improving yields and productivity, have unleashed environmental harm. In their decisions, the Court and the government must remember that the good ought not to be seen as the enemy of the perfect.

In the coming weeks, a seven-judge Bench of the Supreme Court of India is slated to hear arguments over critical questions governing the contours of a Money Bill. The Court’s ultimate ruling will have ramifications on a slew of legislation that has been enacted in recent years without the Rajya Sabha’s approval.

At stake too in the case are the future of India’s federal architecture and the various delicate balances on which the Constitution’s divisions of power rest.

The reference to the seven-judge Bench emanates out of a verdict rendered in November 2019, in *Rojer Mathew vs South Indian Bank Ltd.*, in which the Finance Act, 2017, was under challenge. The Act, which was passed after its certification as a Money Bill, radically altered the authority and jurisdiction of 26 different tribunals. It abolished some of these bodies, merged together others, prescribed qualifications for appointment of members, and imposed various other stipulations, including conditions of service.

### Articles and definitions

In *Rojer Mathew*, the petitioners argued that these changes were far too extensive to meet the criteria required of a Money Bill. Under India’s constitutional structure, for a Bill to turn into law, it must obtain the sanction of both Houses of Parliament. The only exception, which is contained in Article 109, allows Money Bills to be enacted as law with only the Lok Sabha’s approval. The Rajya Sabha may make recommendations on the Bill, but any suggestions from it would not bind the Lok Sabha in any way.

Article 110(1), which defines a Money Bill, creates a deeming fiction. It details a list of subjects, including the imposition or abolition of a tax; the regulation of the borrowing of money; the appropriation of cash out of the Consolidated Fund of India; and any matter “incidental” to the specified subjects. So long as a draft law contains only provisions dealing with all or any of the matters enlisted in the clause it would be deemed a Money Bill. Article 110(3) further makes it clear that the Speaker of the Lok Sabha shall have the final say in determining whether a proposed legislation is a Money Bill or not.

On a simple reading of the definition, it ought to be obvious that the use of the word “only” means that a Bill that has subjects in it which are more than merely attendant to those delineated in Article 110(1) can never qualify as a Money Bill. Yet, this is precisely what the Finance Act, 2017, sought to do.



**Suhrith Parthasarathy**

an advocate practising in the Madras High Court

The Supreme Court of India’s ruling will have bearing on legislation enacted without the Rajya Sabha’s approval and the state of India’s federal architecture

# A verdict on the Money Bill that India awaits

Usually, a Finance Act is passed at the beginning of every year to outline the state’s fiscal plans. But here, the law made sweeping changes to the functioning of tribunals, invading, in the process, principles essential to the maintenance of the judiciary’s independence. The law, quite apart from rearranging panels and bodies, also granted to the Union Executive a *carte blanche* to make rules on how the subsisting tribunals were to be administered.

There is no doubt that the Finance Act had elements in it that touched on subjects contained in Article 110(1). For example, the law determined salaries payable to members of tribunals out of the Consolidated Fund of India. Those clauses could be attributable to items which would ordinarily be termed a Money Bill. But, for the most part, the legislation made amendments to substantive laws, and encroached into areas well beyond the subjects enlisted in Article 110(1).

### A colourable exercise of power

In many ways, the Court’s job in *Rojer Mathew* ought to have been simple enough. After all, under no circumstances could changes through a Money Bill to terms of office, or the conferral on the executive of unbridled power to regulate tribunals through delegated legislation, or the incorporation of provisions on qualifications for appointment through a Money Bill be seen as anything but an act of subterfuge. It was, therefore, plainly evident that the Finance Act, 2017, was a colourable exercise of power. The Constitution’s plain language had been perverted with a view to defeating its basic thrust.

Still, the majority on the five-judge Bench saw itself constrained by prior precedent. It found that a coordinate Bench, in *K.S. Puttaswamy vs Union of India* (2018) (where the validity of the Aadhaar regime was challenged), had failed to provide sufficiently clear bright-line rules on the standards to be employed in reviewing a Speaker’s decision to certify a draft law as a Money Bill. In particular, the effect of the word “only” in Article 110(1), the Bench said, had been overlooked in *K.S. Puttaswamy*.

Justice A.K. Sikri, who wrote the majority opinion there, concluded that because Section 7 of the Aadhaar Act concerned subsidies, benefits and services, for which expenditure was to be incurred from the Consolidated Fund of India, the law met the conditions of a Money Bill. What he failed to account for was the veritable welter contained in the other provisions of the statute. These ranged from enrolment to the scheme based on demographic and biometric information and the obtaining of consent from

individuals before information was collected, to the creation of offences and penalties and the establishment of a statutory authority to administer the process.

Properly construed, these matters could scarcely be seen as incidental to the subjects in Article 110(1). It now falls within the remit of the seven-judge Bench to consider the implications of the word “only”. Any decision from it will have enormous consequences. This is because both before and since the reference in *Rojer Mathew*, there have been other instances where the Rajya Sabha has been bypassed.

Notably, the Finance Act, 2019, made far-reaching amendments to the Prevention of Money Laundering Act, 2002 (PMLA) through a Money Bill. The changes made included alterations to the definition of what constitutes “proceeds of crime” and a bestowal on the Enforcement Directorate of draconian powers of arrest, attachment, and search and seizure. The Supreme Court upheld many of these amendments, in *Vijay Madanlal Choudhary vs Union of India* (2022), but kept open the question of whether the amendments could have been validly made through a Money Bill.

### The role of the Upper House

Any ruling from the seven-judge Bench is, therefore, likely to carry considerable purport. But beyond the laws on which it will have an impact, there is, as Justice D.Y. Chandrachud pointed out in his concurring opinion in *Rojer Mathew*, something far deeper at peril: the role of the Upper House in acting as a mirror to the pluralism that our nation represents.

“[The Rajya Sabha] is an indispensable constitutive unit of the federal backbone of the Constitution,” Justice Chandrachud wrote. “Potential differences between the two houses of the Parliament cannot be resolved by simply ignoring the Rajya Sabha. In a federal polity such as ours, the efficacy of a constitutional body created to subserve the purpose of a deliberate dialogue, cannot be defeated by immunising from judicial review the decision of the Speaker to certify a Bill as a Money Bill.”

Money Bills are a means of ensuring that the Rajya Sabha does not scuttle the efforts of the government of the day to access the treasury for basic administration. To use the measure as a tool to circumvent the Council’s role in serving as a check on the state’s legislative function amounts to playing a ruse on the Constitution. Should the Court allow this practice to go unchecked, it might well endanger the foundations on which our democracy stands.

# Propelling the U.K. and India story



**Richard McCallum**

CEO, UK India Business Council

Two democracies, two elections and two path-breaking results. In June this year, Prime Minister Narendra Modi became the second leader in Indian history to win a third consecutive term. In July, the Labour Party under Sir Keir Starmer achieved a landslide victory in the United Kingdom. This is a new chapter of the U.K.-India partnership.

There are positive signals in the U.K. Government’s engagement with India. The Labour Party has pledged to pursue a “new strategic partnership” with India. As part of this, we are eager to see a swift conclusion of the U.K.-India Free Trade Agreement (FTA) and deeper cooperation on security, technology, climate change, and education. It is good to see the U.K.’s Secretary of State for Foreign, Commonwealth and Development Affairs, David Lammy, visit India within a month of taking office.

The ‘2030 Roadmap’ has delivered. Bilateral trade stood at £39 billion in 2023. Both countries are investing significantly in each other’s economies, employing around eight lakh people between both countries currently.

However, we call on both governments to agree on a new Roadmap to 2047 to unlock the full benefits of this partnership.

### India matters and it matters now

India’s global position is undisputed. Its immensely successful G-20 Presidency in 2023, remarkable moon landing, primacy in digital public infrastructure, and soon-to-be the world’s third largest economy are testament to this. The organisation I lead, the U.K. India Business Council, is on a mission to help the U.K. and its companies understand this better and update how they see the Indian opportunity. India is not simply a market but a strategic partner – part of our research and development (R&D) chain, technology chain, talent chain and supply chain.

This is also a message we are conveying to the new government in the U.K., which must prioritise India and forge an equal economic partnership, creating jobs and prosperity in both

The potential for a deeper U.K.-India economic partnership is vast, but this will require work from both nations

countries. A swift FTA would be a game changer – it is the foundation of a new structure we can build, and central to that structure is technology and R&D collaboration. India has the best return on investment (ROI) per dollar of R&D spend in the world – look at what the Indian Space Research Organisation has achieved. Equally, Indian firms are eager to work with U.K. companies and our world-class universities.

We can think big here. The two countries have a long-standing health-care partnership, successfully developing the life-saving malaria vaccines to address a global challenge. Can we enhance more U.K. clinical trials in India, share health-care research and support knowledge transfer?

The U.K. is investing to support innovative sustainability technology and British banks provide billions in climate financing to India. Our university members are collaborating with Indian industry to help develop talent for India and the world. And partnerships with Indian universities, through innovative Transnational Education routes, can help offer world-class higher education in India.

### Key areas of alignment

Last year’s landmark G2G agreement to collaborate on science and innovation points the way.

The U.K. and India are natural partners in defence and security.

The U.K. once provided most of India’s defence equipment. Today, it has a mere 2.5% market share. India is focused on indigenisation, building reliable defence technology supply chains, securing access to critical technology, increasing exports, and creating domestic manufacturing jobs. The U.K.’s mature and sophisticated defence industry can support this mission. The successful visit to the U.K. by India’s Defence Minister Rajnath Singh in January 2024 (the first by a Defence Minister in 22 years), indicates that momentum is rising.

Mobility is another area where the two countries seamlessly align. Getting this right for

students and skilled professionals is vital. It will impart trust and of mutual confidence, sending a strong message to Indian investors that the U.K. is welcoming. The U.K. has a positive story to tell on mobility. Over the last year, about 3,50,000 visas have been issued to Indian nationals for work, education or as dependants. We need to further champion this ‘living bridge’.

### Unlocking full potential

The ideas above are just the tip of the iceberg. The potential for a deeper U.K.-India economic partnership is vast – this will require work from both nations. In India, we would welcome further business environment reforms.

British companies are committed to manufacturing in India and welcome policies that help integrate India into their supply chains without impacting their efficiency. For example: a facilitative tariff and standards regime would help unlock significant inflows.

It is essential to have taxation policies and regulatory treatment that ensure parity and level-playing field across all investors.

British investors are keen to bring and co-create new Intellectual Property (IP) in India with Indian partners, if policies can provide adequate protection and commercial compensation for their IP.

Ease of doing business optimisations, such as shorter timelines for approvals and a more consistent, transparent approach across government departments, States and regulators for clearances, are also important.

We will continue working closely with both the governments to deepen the strong bilateral economic partnership that improves lives globally.

India is the most exciting economic story today. We are at the beginning of the Indian century, making it a great time to join forces for greater good.

Mr. Modi’s statement, ‘The more your friendship deepens with India, the more prosperity accrues to both’, sets the tone for a shared future.

## LETTERS TO THE EDITOR

### The path ahead

Landslides in the Western Ghats are becoming a more frequent occurrence every monsoon season. And the losses for a densely populated State such as Kerala are severe. Experts are of the opinion that intense rainfall due to climate change and irrational land use change in the hills are exacerbating the crisis. But the authorities seem reluctant

to act. It makes no sense to be indulging in a blame-game. Instead, more data-focused mitigation is the key. Forecasting models need to be more location specific. Soil parameters such as saturation and sliding tendencies also need to be mapped well. Most landslide-prone regions in Kerala are plantations. So, it is best advised to incorporate AI-technologies in farming

practices that will provide data on soil conditions during heavy rain. This can be correlated with rainfall data.

**S.S. Dev,**  
Kochi, Kerala

We should ask what aggravated the landslides more than what caused them. Unchecked construction, quarrying and monocropping, and unregulated tourism have

denuded forest cover and added to the ecological and geological fragility of the Western Ghats. Or so the experts say. The disaster is a clear case of nature retaliating with force and fury when it is harmed. The lesson to learn is that environmental concerns should take precedence over economic growth and revenue generation.

**G. David Milton,**  
Maruthancode, Tamil Nadu

Politicising everything does not yield anything, especially at a time when there is a huge tragedy. Wayanad is a stern warning with lessons that cannot be ignored.

**M. Pradyu,**  
Thalikkavu, Kannur, Kerala

**Anshuman Gaekwad**  
Anshuman Gaekwad was a thorough gentleman who played the game with a straight bat. His association

with cricket was not just as a player but as a coach and selector as well.

**Devendra Khurana,**  
Bhopal, Madhya Pradesh

Daring Gaekwad belonged to an era of “no helmets” and “no limit on bouncers” bowled. He was a complete team man and a mixture of patience, perseverance and elegance.

**P.V. Srinivas,**  
Secunderabad



# Is the Centre being iniquitous in State transfers?



**Pinaki Chakraborty**

Visiting distinguished professor, National Institute of Public Finance and Policy, New Delhi



**R. Ramakumar**

Professor, School of Development Studies, Tata Institute of Social Sciences, Mumbai

## PARLEY

Following the Union Budget, Opposition Chief Ministers have boycotted and walked out of the NITI Aayog meeting chaired by the Prime Minister alleging that the Centre is discriminating against non-NDA States. Is the Centre being iniquitous in State transfers? Pinaki Chakraborty and R. Ramakumar discuss the question in a conversation moderated by **Jasmin Nihalani**. Edited excerpts:

**Do you think the opposition’s concerns about bias in resource allocation are valid?**

**Pinaki Chakraborty:** A couple of things need to be kept in mind when we talk about biases. Post-economic liberalisation, the Budget has substantially declined as a tool to allocate resources to States by the Union government. It is no longer a public sector scheme-based allocation that determines the resource flow to the States. However, this year’s Budget speech devoted a significant amount of time about schemes for Bihar and Andhra Pradesh. The fiscal implications of such schemes need to be assessed. In the context of aggregate resource flow to the States, I think the fiscal implication of such schemes is very limited.

**R. Ramakumar:** There are different types of transfers from the Centre to States: devolution of taxes, loans, finance commission grants and, non-finance commission grants, which are essentially discretionary grants. This is where the real problem lies. In discretionary grants, there are no criteria to decide on how much each State should get. Consequently, an element of arbitrariness creeps in, which is not healthy for the spirit of cooperative fiscal federalism.

If you look at the last 10 years, there were many announcements of packages made for selected States, coinciding with political developments, but no rationale was provided for these decisions and how the concerned amounts were arrived at. We see a continuation of this phenomenon in this Budget.

**Critics say that the NITI Aayog which replaced the Planning Commission has been reduced to creating indices and ranking States, fostering competitive federalism. Do you think it should be given more powers?**

**PC:** Abolition of the Planning Commission was done in a context. It was largely considered by most States, as an institution which was giving transfers and remained outside the transfer mechanism envisaged in the Constitution. So, the discussion about planning for development and transfers became a contentious issue. Greater



Prime Minister Narendra Modi chairs the NITI Aayog meeting, at Rashtrapati Bhavan Cultural Centre, in New Delhi, on Saturday. ANI

flexibility to the States through untied resources was considered as an alternative. When devolution to the States was increased to 42%, the idea was they would have greater flexibility in planning because the flow of money was untied and due to increased devolution. Given the rise in inter- and intra-regional inequality, NITI Aayog can give capital grants through a consultative process with the States without introducing an element of rigidity as seen in centrally sponsored schemes (CSS).

**RR:** Earlier States had complaints about transfers determined by the Planning Commission as it was not a constitutional body. Yet it played an important role in using public investment to address regional inequalities and as an institutional interlocutor between the Centre and the States. So even if the States had complaints about transfers, there was at least a forum that they could engage with. This is no more the case with the NITI Aayog.

The National Development Council has also been disbanded. The NITI Aayog has no powers. It is a skeleton with no financial prowess; it is just a think tank with no powers of enforcement. Its powers have been transferred to the Ministry of Finance, which makes all the decisions on transfers outside the Finance Commission (FC) recommendations.

What we need is a new, credible body, which should not be seen as politically influenced, and as one where States can sit with the Centre and discuss matters professionally and transparently. Above all, all transfers outside the FC recommendations must be free from discretion and also be rule-based transfers.

**On the distribution of Union tax resources among States, one side says that the States that contribute more should have a higher share while others say that distribution should be done to provide comparable levels of services across the country. What should the 16th FC do to allay the concerns of the States that perform better?**

**PC:** Considering collection or origin as criteria for



The NITI Aayog has no powers. It is a skeleton with no financial prowess; it is just a think tank with no powers of enforcement

**R. RAMAKUMAR**

tax devolution cannot solve the issue. All the major taxes are collected in a few important business locations. Propagating such an argument will lead to large-scale increase in inequality in resource distribution.

But if due to an increase in per capita income ranking, certain States witness a continuous decline in transfers and that creates challenges for their fiscal stability, then it needs to be addressed through a mechanism of grants.

Also, all State-specific needs may not be possible to address through a devolution formula as it is to address fiscal inequality. Per capita income always would get a very high weightage. And States with high incomes are not going to benefit because of that. So, if we have a State-specific need, I think the ideal way would be to provide grants. States should make a case for needs and challenges they have and how much money is required to address those challenges, with the FC.

**RR:** I agree that one devolution formula cannot be to the satisfaction of all the States. So, you need to use grants judiciously to ensure that post devolution differences across States are hammered out. The devolution share itself must also rise in the divisible pool to 50%.

**The share of cesses and surcharges levied have significantly increased in the gross tax revenues. Should the revenue from them be shared with States or should the Centre reduce its reliance on them?**

**PC:** Cesses and surcharges have only increased over time. But, the Constitution did not envisage its continuity. It is always said that they should be for a limited period. One reason for the increase is the proliferation of CSS.

**RR:** When the share of devolution from the net proceeds was raised from 32% to 42%, the Centre tried to compensate for the fall of its share in two ways. One, by raising cesses and surcharges, which are kept outside the net proceeds. Two, by changing the spending ratio in CSS schemes by thrusting 40% of the burden on the States.

If you add the total amount of cesses and surcharges collected by this government between 2015-16, and 2024-25, it cumulatively amounts to about ₹36 lakh crore. Not a paisa from this amount has been shared with the States in an

untied format.

Cesses and surcharges are not unconstitutional, but they should be charged only for limited periods for specific purposes. However, many of them have continued over many years. Some were ended but rechristened under a different name from the next year. The other problem is that many cesses and surcharges were collected but only partly used for the purposes of their collection. So cesses must be limited in number and collected for a specific period. What the FC can do is increase the State’s share in devolution from 41% to 50% because the Centre keeps all cesses and surcharges in full and does not devolve at all from its bounty of non-tax revenues like the dividends received from the RBI.

**Kerala’s FM argued that the revenue deficit grants for the State have decreased, the borrowing limit has been whittled down and State has lost revenues due to the fall in its share in the divisible pool.**

**PC:** Revenue deficit grants are given to those States who as per FC assessment, have a deficit in their account, post tax devolution. If there is a gap even after devolution, the State becomes eligible for a revenue deficit. Coming to Kerala’s borrowing limits, there is an asymmetry in borrowing power between the Centre and States. States have hard Budget constraints. However, State level hard Budget constraint is needed for macro stabilisation. Since macroeconomic stabilisation is a central function, the Union government also needs to reduce its deficit and debt. But saying that States and Centre should have symmetric and unrestricted borrowing power, is dangerous from the macro stability point of view. There has to be a restriction of Budget constraints at the State level. At what level is a different issue.

**RR:** Kerala faces a hard Budget constraint not because the State is fiscally irresponsible but because it has historically chosen to make critical investments in its social sector. This is why a State like Kerala would continue to need a revenue deficit grant. Many other States appear to be fiscally prudent and not needing a revenue deficit grant because they invest relatively less on the social sector. But such prudence is achieved at a social cost. On the other hand, Kerala has historically suffered in the devolution process. It must be compensated for its losses through grants. Revenue deficit grants is one type, and I hope the 16th FC continues it.



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## NOTEBOOK

# The growing problem of restricted access

The space for journalists is being squeezed in Parliament and government functions

**Vijaita Singh**

Last month, as I sat down in the press gallery of the Rajya Sabha to cover Prime Minister Narendra Modi’s speech, I noticed two pairs of eyes watching all the journalists gathered there. Young security personnel in grey civvies were sitting on their haunches at the edge of the gallery, closely following our hand movements as we took down notes. Two others stood by their side. The men took turns to observe us. This was perhaps the first time, after parliament security was handed over to the Central Industrial Security Force, following a security breach in December 2023, that journalists were being subjected to such intense scrutiny in the press gallery. Security personnel were present in the press galleries of the old Parliament building too, but they would observe us from a distance. What has changed is the scale of deployment and level of scrutiny.

Entry into the press gallery has been heavily restricted since COVID-19. Only two people from one organisation are allowed into the premises. After legislative business moved to the new Parliament building last year, separate entries were consigned for journalists, officials, and Members of Parliament (MPs). This was not the case in the old Parliament building. Today, journalists are frisked four times and have to walk down a long windowless corridor dotted with security cameras in order to reach the gallery.

Earlier this week, TV journalists and camerapersons were confined to an air-conditioned glass enclosure. Their movement around Parliament, or Makar Dwar, was apparently causing inconvenience to the MPs. This happened days after farm leaders who had come to meet the Leader of the Opposition, Rahul Gandhi, in Parliament, spoke with reporters.

Some may ask why journalists need to be present in Parliament at all, as Sansad TV relays the proceedings live. But TV cameras cannot capture what journalists can: interactions, camaraderie, and ban-

ter in the House. Opposition members reach out to the Treasury benches and vice-versa, and members move from their designated seats to catch up with colleagues. All this gives us a glimpse of the bonhomie in Parliament and the various equations in the corridors of power.

On July 3, minutes before Mr. Modi was to begin his speech, Bharatiya Janata Party (BJP) members requested Ministers belonging to the Janata Dal (United) and the Telugu Desam Party (TDP), two of the BJP’s key alliance partners, to move to the front row. The JD(U)’s Lallan Singh, who was sitting at the rear end, was requested to go to the front row, but he was reluctant to move. I noticed BJP Minister Ashwini Vaishnav hold Mr. Singh’s hand and lead him to the front benches. Similarly, one of the BJP MPs offered a second-row seat to TDP Minister Ram Mohan Naidu. The idea, it seemed, was to show a united alliance.

It is not only Parliament that is squeezing the space accessible to journalists. At government functions, the refreshments corner, where reporters could meet officials for candid conversations, has also been blocked over the last decade. Usually, the Minister or the chief guest would interact with journalists in these corners after the function ended. Now, security personnel are stationed so that journalists do not dare enter the VIP enclosure. At one such function, a security personnel told me, “We have arranged tea and snacks for you at the other end.” The suggestion that journalists attend events for “tea and snacks” spoke volumes about the perception of the media.

By cutting down access, politicians or the bureaucrats may heave a momentary sigh of relief; they will no longer have to be troubled by the questions posed by some journalists. However, democracies thrive and survive only when they have an inquisitive media landscape. As far as stories are concerned, they will never stop. Truth will find its way.

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## PICTURE OF THE WEEK

### Waves of glory



▲ Brazil’s Gabriel Medina reacts after getting a large wave in the 5th heat of the men’s surfing round 3, during the Paris 2024 Olympic Games, in Teahupo’o, on the French Polynesian Island of Tahiti, on Monday. AFP

## FROM THE ARCHIVES

FIFTY YEARS AGO AUGUST 2, 1974

### Magsaysay award for M.S. Subbulakshmi

Manila, Aug. 1: Srimathi M.S. Subbulakshmi was named winner of the 1974 Ramon Magsaysay Award for public service to-day. She was cited having performed “exalting rendition of devotional songs and magnanimous support of numerous public causes in India over four decades.” The



Magsaysay Foundation Board of Trustees said Srimathi Subbulakshmi was acknowledged as “the leading exponent of classical and semi-classical songs of the Carnatic tradition.” She had raised more than \$ one million for social causes with her singing of South Indian classical songs and Bhajans. “These contributions have benefited charitable foundations for the poor, hospitals, orphanages, school and music and journalism institutes,” said the Award Committee. The award was the first of a series of annual Magsaysay Awards – named after the late Philippines President – to be given this week.

A HUNDRED YEARS AGO AUGUST 2, 1924

### Empire wireless scheme.

London, Aug. 1: The House of Commons to-day approved the agreement with Marconis, with reference to the construction of beam wireless stations for communication between Dominions Britain and India (see cable of 23rd July). Mr. Hartshorn said, it was understood an arrangement was being made with Australia and South Africa for erection of beam stations, as it was already arranged with Canada.



# Text & Context

THE HINDU

NEWS IN NUMBERS

Indians who died while working in Russian armed forces

**8** The government has received requests for the facilitation of early discharge of some Indian nationals recruited into the Russian armed forces in unclear circumstances, Minister of State for External Affairs informed Parliament. PTI

The Indian tourists who visited Nepal in July by air

**21,500** Indians formed the largest chunk of tourists coming by air to Nepal. Nepal received a total of 64,599 foreign tourists. PTI

Time taken by Pan Zhanle to finish 100m free-style in Paris

**46.4** in seconds. Pan Zhanle of China broke his own world record by winning the men's 100-metre freestyle on Wednesday night. This is China's first swimming gold medal. AP

The Goods and Services Tax collection in the month of July

**1.82** in ₹ trillion. This is a rise of 10.3% from the same period last year, the government said. The government had collected 1.65 trillion rupees as GST in the same month last year. REUTERS

Average monsoon rainfall recorded in India since June 1

**453.8** in mm. India is predicted to record above-normal rainfall in August and September, the IMD said. PTI

COMPILED BY THE HINDU DATA TEAM

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## The relevance of pumped storage projects

Why is renewable power generation subject to variations and weather changes? How do power managers decide which energy source to use? Where are some of the pumped storage projects of India situated? How do the reservoirs in Kadamparai, Tamil Nadu operate?

EXPLAINER

M. Kalyanaraman

The story so far:

**T**he Union Budget for 2024-25 promised that “a policy for promoting pumped storage projects will be brought out for electricity storage and facilitating smooth integration of the growing share of renewable energy with its variable and intermittent nature.”

**Why is pumped storage important?** India has planned to create an ambitious 500GW of non-fossil fuel energy by 2030. In around two years, from 2021 to 2023, it created some 23GW of non-fossil generation capacity. Out of the total 10GW added in eight months in 2023-24, 7.5GW were from wind and solar energy, pointing to how renewables will account for most of the new power generation that will be added in India. The share of actual renewable power generation will increase in times to come, but this power will necessarily vary and will be “infirm”.

Indian policies have laid down that all the power that renewable sources generate should be used and their curtailment should be last priority. State-of-the-art forecasting techniques have helped to predict more accurately how much renewable power generation might vary in the course of a day. This has helped grid operators plan in advance how to increase or decrease power generation from other sources to provide steady power to the consumer. For example, hydro power generation can be quickly ramped up or down in a matter of seconds. However, coal and nuclear energy need hours of notice.

When the world's attention turned to renewables and the problem of variable power generation, many solutions were proposed for storing energy and releasing it when wind and solar power generation are down. Until then, no electricity generated was stored at a large scale.



**Power centre:** The Kadamparai Cavern Power House.

Some of the proposed energy storage methods include scaling up batteries and pumping in compressed air into large caverns and then drawing on them to generate power when required. However, much of the energy storage adopted across the world today is pumped storage that uses water. These are like super large batteries but natural and use water.

**Does India have pumped storage?**

India has 3.3GW of pumped storage. Main ones are in Nagarjunasagar, Kadana, Kadamparai, Panchet and Bhira. China leads the world with 50GW of pumped storage supporting 1,300GW of wind and solar energy. India would need to ramp up its pumped storage capacity by several times if it wants to meet its renewable power generation targets.

Pumped storage is of two types: on

river and off river. On-river is like any hydroelectric project supplied by a river. Off-river projects are those that have two reservoirs at two different levels to which the water can be pumped up or let down under gravity in a closed loop. When there is surplus power, water is pumped up from the lower reservoir to the upper, and when power is needed the water can flow down to turn the turbines and generate power. One such project is at Kadamparai, Tamil Nadu.

**How does pumped storage at Kadamparai operate?**

In Tamil Nadu, at noon on a typical day in July, wind and solar can generate half of all power. This is among the highest in the country. On a summer day, solar plants in Tamil Nadu currently produce some 5,000MW at noon. But that power

dwindles and drops to zero at sunset. Wind also has its own vagaries. Tamil Nadu has peaks of around 17,000MW to 20,000MW on a daily basis. This year in July, maximum wind power generated reached 5,499MW and maximum solar reached 5,512MW. Wind and solar energy have must-run-status in the State which means whatever energy they produce must be taken.

The Kadamparai plant in Coimbatore district that came up some 37 years ago has four units, each 100 MW. The plant has a higher reservoir that is at a height of around 380m above a lower reservoir. Each unit has a turbine generator set producing power when the water flows from the upper reservoir to the lower. The same unit can function as a pump consuming power when it pumps water from the lower to the higher reservoir. Power managers plan in advance for the next day on how much and when to operate each power plant in the State based on factors such as demand expected and forecast of wind and sunshine conditions. Typically, around noon, there is a power surplus coming from solar energy. That power is used to pump up the water at Kadamparai. Each unit needs 20% more power to operate as a pump than what it can produce as a generator. But since it is solar energy, no fuel is being burned to produce the required power.

When the Kadamparai plant is operating as a pump to store energy, it would need about an hour and a half to switch to generating mode. When stopped, it would need about half hour to start and generate a full load. When solar generation stops and the evening peak load begins after 6pm, the Kadamparai plant becomes a generator. It can produce 400MW of full power for three to four hours and help support evening peak loads. Sometimes the plant is operated at less than full load late into the night depending on the conditions. The upper reservoir has around 1 TMC feet of water. Leakages are marginal and are often replenished by natural rainfall.

THE GIST

India has planned to create an ambitious 500GW of non-fossil fuel energy by 2030. In around two years, from 2021 to 2023, it created some 23GW of non-fossil generation capacity.

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## On election of the European Commission president

Why did Giorgia Meloni, Italy's far right Prime Minister, disapprove of the European Council's decision on Ursula von der Leyen's candidature? What are some of the challenges ahead for the European Union?

Garimella Subramaniam

The story so far:

**O**n July 18, the newly constituted European Commission (EC), the executive arm of the European Union, elected Ursula von der Leyen, the EC's first female President, for a second term. Ms. Von der Leyen, of the centre-right European People's Party (EPP), won by a clear majority of 40 votes unlike the razor-thin nine vote margin she secured in 2019.

**How is the EC President chosen?**

The selection of the EC President entails a two-stage process in consonance with the results of the parliamentary polls. The candidate is initially proposed and elected by the European Council – comprising the leaders of the EU's 27 member countries – and subsequently put to a secret ballot in parliament. Conventionally, the Council's choice has

been a straightforward affair, determined essentially by the steady dominance of top three of the bloc's eight political groups, namely the EPP, the centre-left Socialists & Democrats (S&D) and the liberal Renew group.

Yet the decision regarding Ms. Von der Leyen's candidature was not unanimous. Brothers of Italy, the party of Giorgia Meloni, Italy's far right Prime Minister, had bagged the maximum number of seats in the EU parliamentary polls. The European Conservatives and Reformists (ECR), the far-right caucus Ms. Meloni heads, had for a short time managed to muster the numbers to be counted the third largest group in the legislature. Italy, moreover, is one of the EU's six founder members and the bloc's third largest economy. Given this formidable background, the Italian far-right caucus was straining every nerve to exert Rome's clout on the EU stage. While EU leaders and heads of the three main groups finalised Ms. Von der Leyen's

candidature, Ms. Meloni took strong exception to her exclusion from the meeting. In the end, Ms. Meloni and the hard-right Hungarian Prime Minister Viktor Orban disapproved the decision, leaving it to the remaining 25 leaders to back the Council's nominee.

**What about the vote in parliament?**

The ripples from Ms. Meloni's abstention in the Council were felt across the board, giving momentary pause for Ms. Von der Leyen's prospects for automatic reinstatement by the legislature. There were even murmurs of the Council calling for a possible second vote in case parliament rejected her appointment.

Eventually, Ms. Von der Leyen secured 401 votes, exactly the number of seats held by the parliament's three main political groups supporting her, and well over the halfway mark in the 720-strong house. It fell to the 53 MEPs from the Green party to come to Ms. Von der Leyen's final rescue, backing for the first

time a commission nominee. The revival of the landmark Green Deal to achieve net zero emissions by 2050, in return for the party's critical support, remains to be seen. Ms. Meloni and the ECR are for now a much reduced force. A more potent threat facing EU centrists is the newly launched Eurosceptic and anti-immigrant Patriots for Europe group, which has overtaken the ECR and is now the third largest bloc in parliament.

**What will be the challenges Ms. Von der Leyen will have to face?**

The bloc's most powerful institution, the EC, speaks as a single voice on external affairs and proposes legislation covering areas that require collective action, sifting through competing claims arising from divergent national and ideological perspectives. The most complex exercise of them all is the formulation of the bloc's seven-year budget. Crucially, Ms. Von der Leyen has pledged to tie national disbursements from the EU budget to the observance of the rule of law and plans to impose conditions relating to the respect for fundamental rights for availing other funds. With far-right parties heading national governments or in coalition, democratic backsliding could be a matter of some concern in the coming years.

Ms. Von der Leyen's second term would be anything but smooth sailing, as she seeks to appease and accommodate particular political constituencies.

*The writer is Director, Strategic Initiatives, AgnoShin Technologies.*

THE GIST

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CSDS-LOKNITI

Mental health matters: the psychological pressures of UPSC preparation

The relentless pressure to succeed can lead to a host of complications for UPSC aspirants. When asked about their experiences with stress, loneliness, and fear of underperformance, six in 10 aspirants reported having feelings of loneliness, while seven in 10 experienced stress

Suhas Palshikar  
Vibha Attri  
Devesh Kumar

The recent flooding of the basement of a coaching institute in Delhi has drawn our attention to the precarious living conditions of UPSC aspirants. While the tragic event has highlighted several systemic lapses, it also alludes to the gruelling journey countless students embark on while facing academic and economic pressures. These pressures end up taking a toll on their mental health. As per the National Crime Records Bureau (NCRB)'s ADSI report 2021, an alarming 35 students end up taking their lives every day. Lokniti-CSDS data reveals that about a quarter of UPSC aspirants know someone who has either harmed themselves or attempted to commit suicide due to pressure.

**Reasons for overwhelming pressure**  
The academic rigour required for clearing the UPSC examinations is daunting. The syllabus is vast and aspirants end up studying 10-12 hours a day, sacrificing sleep, a social life and sometimes, even basic self-care. The perpetual need to stay updated with current events adds to the burden, creating a vicious cycle of stress. In fact, our data reveals that nearly half of the students have been frequently experiencing self-induced pressure. This is further compounded by an anxiety of under-performance, which was reported by one in every three aspirants. Fierce competition and expectations from family members can add to this burden. About one-third of the students reported that they have 'often' or 'sometimes' experienced peer pressure (36%), while another quarter cited family pressure in a similar vein (24%) (Table 1).

Economically, the stakes are high. Many aspirants come from humble backgrounds, making the preparation process a significant financial investment. In our study, a significant number of students come from low-income groups. Data indicates that less than one sixth (15%) of the aspirants have a monthly family income between ₹30,000 and ₹50,000, while close to two of every 10 (17%) of the students' families earn less than ₹30,000. It is also important to note that another one sixth (16%) of UPSC aspirants have a farmer as the main earner, and a little less than one in every 10 (6%) come from families with skilled or semi-skilled workers as the main earners. These conditions are bound to trigger strong aspirations. As a result, students belonging to lower income groups were more likely to cite a good salary as the primary motive for choosing UPSC as a career path than those who have a higher family income (14% with a monthly income of less than ₹20,000 versus 5% with ₹50,000 and above).

Coaching fees further exacerbate financial pressures. Data indicates that close to half (43%) of the aspirants spend ₹1 to ₹2 lakh annually on coaching, 29% spend ₹2 to 3 lakh, while only 5% spend more than ₹3 lakh. Additional costs for housing, meals, stationery, and transport can again become cumbersome. While a majority reported having received financial support from home, one fifth

Extreme pressure

When students are unable to cope with stressful situations, they approach a mental health professional. Alarmingly, the burden has mounted so much for students that one in every five felt the need to speak to a therapist since starting UPSC preparations

Table 1: The different types of pressure faced by students

|                 | Often | Sometimes | Rarely | Never |
|-----------------|-------|-----------|--------|-------|
| Family pressure | 12    | 12        | 11     | 65    |
| Peer pressure   | 14    | 22        | 11     | 53    |
| Self pressure   | 47    | 25        | 6      | 22    |

**Note:** All figures in per cent.  
**Question asked:** How often do you feel these kinds of pressure while preparing for your competitive exams – often, sometime, rarely or never?

Table 2: The emotions students feel while preparing for the exams

|                           | Often | Sometimes | Rarely | Never |
|---------------------------|-------|-----------|--------|-------|
| Loneliness                | 29    | 32        | 14     | 25    |
| Stress                    | 38    | 34        | 10     | 18    |
| Fear of under-performance | 36    | 30        | 11     | 23    |

**Note:** All figures in per cent.  
**Question asked:** How often do you feel the following (the contents are given in the left column of the table)

Table 3: How often students experience these emotions

| Experiencing emotions since the preparation of exams |          |          |           |
|--|----------|----------|-----------|
| Emotion  | Increase | Decrease | No change |
| Nervousness/ anxiety                                 | 64       | 8        | 27        |
| Frustration  | 57       | 7        | 36        |
| Loneliness   | 54       | 16       | 30        |
| Fear   | 53       | 16       | 30        |
| Sadness  | 53       | 10       | 37        |
| Anger  | 42       | 20       | 37        |
| Depression   | 30       | 10       | 60        |
| Jealousy   | 26       | 9        | 65        |

**Note:** All figures in per cent. Rest did not respond.  
**Question asked:** Since you started preparing for the exam, have you noticed an increase or decrease in these emotions? (The contents are given in left column of the table)

**Method Note:** The findings presented here are from a recent study conducted by Lokniti-CSDS with a sample size of 1,003 students preparing for UPSC in Delhi. The survey was carried out at three locations—Old Rajendra Nagar, Mukherjee Nagar, and Karol Bagh—between the second and third weeks of July 2024. The research team included Rishikesh, Deepa T, Tarini Sharma, Yashodhara Ranjana, Ganesh R. Kulkarni, Shuchita Singh, Vrinda Deshmukh, Kairavi, Naman Jaju, Samyak, Divyansh, and Vithi. The survey was conducted face-to-face using a structured questionnaire, with each interview lasting 15-20 minutes. A similar study conducted in Kota had its findings published in *The Hindu* in a three-part series on November 6, 9, and 11, 2023.

Table 4: Overall mental health

| Overall mental health as compared to before preparing for the UPSC exam | (%) |
|---|-----|
| It has improved   | 44  |
| It has deteriorated   | 33  |
| It has remained the same  | 22  |

**Note:** All figures in per cent. Rest did not respond.  
**Question asked:** How would you rate your overall mental health now compared to before you started preparing for the UPSC exam? Has it improved or deteriorated?

Table 5: Ways used by the students to de-stress

| Ways used to de-stress                       | (%) |
|--|-----|
| Watching web series/TV, listening to music   | 38  |
| Going for a walk/start exercising/meditating | 33  |
| Talking to family/family/siblings            | 32  |
| Going to sleep                               | 17  |
| Start studying                               | 10  |
| Going out for a smoke                        | 4   |
| Consuming alcohol                            | 2   |
| I don't know what to do                      | 2   |
| Not stressed at all                          | 2   |
| Others                                       | 21  |

**Note:** The question was designed to allow multiple responses, meaning that a single person could provide several answers.  
**Question asked:** What would you normally do when you are extremely stressed?

Table 6: Coping mechanisms

| Did you feel the need to go to a therapist for mental health difficulties | (%) |
|---|-----|
| Yes, I visited a mental health professional                               | 6   |
| Yes, but I couldn't afford therapy  | 2   |
| Yes, but I didn't because of fear of being judged                         | 2   |
| Yes, but I didn't because I prefer to fight it alone by myself            | 6   |
| Yes, but, there is no access to such facilities                           | 3   |
| No  | 78  |

**Note:** Rest gave other responses  
**Question asked:** Since coaching started, did you feel the need to go to a therapist for mental health difficulties?



(20%) of the students found it insufficient. To cover the shortfall, three in 10 students engaged in part-time jobs, while 8% offered tuitions. About 20% have borrowed money and one seventh (14%) manage by cutting costs. Only one sixths (16%) turn to their parents for additional funds. This pressure was significantly more pronounced for students from low-income families.

Recent paper leaks of the NEET and UGC NET have heightened stress about the integrity of exams. While a large number of students have said that these

alleged paper leaks were planned (NEET - 63%, UGC NET - 45%), it does create anxiety about the possibility of a paper leak for the UPSC exam as well. When asked about their degree of worry, one in every three UPSC aspirants expressed the fear of a possible leak, with less than one in every five (19%) students worrying 'a lot'. Moreover, the pressure to succeed is so intense that one seventh (14%) of the students say that they have to clear the exam no matter what, whereas another 2% plan to work part time to prepare for re-examination.

**Impact on mental health**  
The relentless pressure to succeed, compounded by the fear of disappointing family and friends can lead to a host of complications impacting mental health. When asked about their experiences with stress, loneliness, and fear of underperformance, six in 10 (60%) aspirants reported having feelings of loneliness, while seven in 10 experienced stress and fear of poor performance (Table 2). It was important for us to distinguish whether these high levels of stress were pre-existing or a result of

UPSC preparations. In a bid to understand this, we asked the aspirants about their experiences. Majority of aspirants reported an increase in nervousness, frustration, loneliness, fear, anger and sadness since starting their preparation (Table 3). In fact, over half the students indicated that these emotions have increased, except for anger, which was reported by four in 10 students. Although there was no significant change in feelings of depression and jealousy, a substantial proportion of students – three in 10 for each emotion – reported that these feelings had increased since the start of UPSC preparations.

Regarding their overall mental health, four in 10 students reported improvement compared to before they started preparing for UPSC. This positive change could be due to many factors like personal growth, a set routine, and motivation from being surrounded by like-minded peers with same goals. Three in 10 UPSC aspirants reported a worsening of their mental health, while two in 10 indicated that there has been no change in their mental health. (Table 4).

Various coping mechanisms

Having a strong support system is crucial to managing stress. A majority of the aspirants reported having a confidant whom they could share their feelings with. However, one in every five (22%) indicated lacking such support.

Students cope with pressures in various ways. When asked how they de-stress during times of extreme stress, four in every 10 (38%) reported that they watch web series, TV, or listen to music. Three in 10 engage in physical exercises or meditation, while a similar proportion reach out to a family member for support. One sixth (17%) of students reported that they go to sleep when facing extreme stress. While the majority has resorted to healthy coping mechanisms, some students used methods that can have a detrimental impact on their mental health. Among them, one in every 10 (10%) resumed studying when stressed. While this may help deal with immediate anxiety, it can have debilitating effects in the longer run. Similarly, 6% indicated that they resort to smoking or alcohol. A matter of concern is that, while most students have used different ways to cope, 2% of aspirants said that they do not know how to handle stress at all (Table 5).

When students are unable to cope with stressful situations, they approach a mental health professional. Alarmingly, the burden has mounted so much for students that one in every five (19%) felt the need to speak to a therapist since starting UPSC preparations. But only 6% actually ended up visiting one (Table 6). For others, concerns such as affordability, fear of being judged, lack of access became a hurdle in reaching out, while others had a preference to manage issues independently.

Similarly, needing medical prescription like sleeping pills or anti-depressants also allude to a deteriorating mental health. One in every 10 respondent agreed to have taken each of them, since they started preparations.

The journey of cracking the UPSC exams is undeniably challenging, demanding dedication and resilience. However, the psychological toll it takes on the students cannot be ignored. Addressing mental health challenges through self-care, support systems, and professional help is very important. Recognising the importance of mental health is the first step towards ensuring that aspirants are not only academically prepared but also mentally resilient. Suhas Palshikar is chief editor of Studies in Indian Politics. Vibha Attri and Devesh Kumar are researchers at Lokniti-CSDS.

THE DAILY QUIZ

The Paris Olympics began on July 26 and will continue till August 11. Here is a quiz to test your knowledge on some of the legendary Indian athletes at the Olympic Games

Soorya Prakash. N

**QUESTION 1**  
Who won the first ever medal for India in the Olympics?

**QUESTION 2**  
Who won the first individual medal for India after independence?

**QUESTION 3**  
Who scored a hat-trick for India in the Olympic Football match, becoming the first Asian to do so?

**QUESTION 4**  
Which father and son duo won medals in the Olympic Games for India in the

same sport?

**QUESTION 5**  
Which father and son duo won medals in the Olympic Games for India in different sports?

**QUESTION 6**  
Who was the captain when India last won a Gold medal in Hockey in the 1980 Moscow games?

**QUESTION 7**  
Who is the first Indian woman to win an individual medal at the Olympics?

**QUESTION 8**  
Who are the Indian women to have won multiple medals in Olympic Games?



**Visual question:**  
Identify this athlete who became the first Indian woman athlete to qualify for a semi-final at the Olympics. THE HINDU ARCHIVES

**Questions and Answers to the previous day's daily quiz:** 1. The term used for 26 member states of the Swiss Confederation. **Ans: Canton**  
2. This famous line also attributed to the protagonists in Alexander Dumas' *The Three Musketeers* is also considered Switzerland's un-official motto. **Ans: Unus pro omnibus, omnes pro uno (One for all, all for one)**  
3. The other flag other than the Swiss flag which is square in shape. **Ans: Vatican City**  
4. There are four official languages of Switzerland. They are German, French, Italian and this. **Ans: Romansch**  
5. The traditional name of Switzerland which is mentioned on its postage stamps. **Ans: Helvetia**  
6. The cities which host the headquarters of the International Olympic Committee and World Health Organization. **Ans: Lausanne and Geneva respectively**  
7. Name the festival held in Interlaken, once every 12 years, which features competitions of stone throwing, wrestling, and yodelling. **Ans: Unspunnenfest**  
Visual: Name this Swiss humanitarian whose work earned him the first Nobel Peace Prize in 1901. **Ans: Henri Dunant, the co-founder of Red Cross**  
**Early Birds:** K.N. Viswanathan| Debopriyo Mukherjee| Debarati Kar| Shiv Narayan| Sadhan Kumar Panda



# Dangerous addiction

SEBI is right in trying to restrict retail F&O punts

For some time now, the Securities and Exchange Board of India (SEBI) and government officials have been dropping hints about the untrammelled rise in retail derivatives trading in stock markets doing more harm than good to the economy. SEBI's latest consultation paper on the subject points to its willingness to act on this score. To those who ask why regulators should worry if individuals choose to punt on derivatives, the paper offers data showing that this is a macro concern.

Globally, the primary purpose of derivatives is to allow investors to hedge price risk on assets they own. In India though, new investors joining the stock market since Covid have been skipping shares and mutual funds to make a beeline for derivatives. About 12.2 crore new demat accounts were opened between FY20 and FY24. In this period, retail turnover in the derivatives market doubled from ₹35 lakh crore to ₹71 lakh crore; likewise, futures and options (F&O) turnover almost doubled from ₹63 lakh crore to ₹117 lakh crore. Volumes are now concentrated (62-96 per cent) on expiries in weekly index options, where individuals punt on contracts at risk of dwindling to zero. In FY24 alone, the 92.5 lakh retail investors who traded index derivatives on the NSE made collective losses of ₹51,689 crore — household savings that could have been more productively used. These punts result in flight of capital too, as the counter-parties are often global algo-trading and high frequency shops.

In this light, SEBI's proposals to rein in retail participation in derivatives do not seem excessive. Rather than completely ban contracts with weekly expiry, SEBI proposes to allow one index contract with weekly expiry from each exchange. It plans to raise the minimum lot size on contracts from the current ₹5-10 lakh to ₹15-20 lakh and then to ₹20-30 lakh, in phases. Brokers will be required to collect higher margins on expiry day and the day before. Exchanges will be asked to reduce the number of strike prices offered on each index contract to 50, so that there are fewer out-of-the-money strikes to bet on. Of these measures, increased lot size is likely to have the maximum deterrent effect. Derivatives trading, like gambling, is an addictive activity. Therefore, these retail traders may well crowd into weekly contracts and out-of-the-money strikes that remain open to them or migrate to other risky segments such as SME platforms, penny stocks or commodity derivatives. In fact, individuals who are really hooked may even get around bigger lot sizes by borrowing to trade, exposing them to financial ruin.

SEBI must consider strict screening criteria for admitting investors into derivatives. Derivatives trading can be made conditional on holdings of equities/mutual funds and minimum years of experience. If these measures do work, though, stock exchanges, depositories and discount brokers will feel the heat on their revenues, profits and valuations. SEBI must resist pushback from this ecosystem.

## POCKET



HARSIMRAN SANDHU

On the cusp of its next phase, the Securities and Exchange Board of India (SEBI) is taking steps to create a new asset class to fill a lacuna between the world of mutual funds (MFs) and the world of portfolio management services (PMS). This product will provide investors with a regulated investment product that enhances risk-taking capabilities and offers a significantly larger ticket size, a feature currently absent in the investment ecosystem, thereby addressing a clear market need.

The introduction of this new asset class will give investors the flexibility and options that they would otherwise have to look for elsewhere. SEBI has taken a segmented, risk-based approach to the regulation of investment products. This has resulted in a diverse range of products that are available for different categories of investors: retail, high-net-worth individuals (HNIs), and institutional investors. MFs, at one end of the spectrum, cater to retail investors with very low ticket sizes. At the other end, PMS and Alternative Investment Funds (AIFs) cater to HNI investors with very high minimum investment ticket sizes.

The PMS industry's assets under management (AUM) have more than doubled over the last five years while AIF assets saw a five-fold increase in the same period. The private credit market, which is a significant part of AIFs' business now, has also seen tremendous traction, providing businesses with an alternative source of funding and generating attractive returns for investors. However, assessing the risks in private credit is often tricky, and some of these firms have controversially offered guaranteed returns, which could mislead investors about the real risk involved. This has inadvertently led investors to unregistered investment schemes that offer high returns without much regulatory safeguards.

The proposed new asset class aims to provide a regulated, structured investment product for investors who want to allocate a portion of their wealth to higher risk and return profiles without falling into the trap of dubious schemes. The new asset class will be offered as a mutual fund with relaxations in prudential norms to enable a higher degree of risk-taking with adequate safeguards.

The key features of this proposed asset are:



GETTY IMAGES

**Higher minimum investment size:** The minimum investment threshold will be set at ₹10 lakh per investor, so as to keep out retail investors and encourage those with significant investible surpluses.

**Flexibility in portfolio construction:** The new asset class will offer a higher level of flexibility in the construction of the portfolio, including the use of derivatives not only for hedging and portfolio rebalancing but for other purposes as well. The cumulative gross exposure through all the investable instruments, including derivatives, shall not exceed 100 per cent of the net assets of the investment strategy.

**Distinct branding and nomenclature:** To differentiate from traditional mutual funds and avoid brand contamination, the new asset class will have its own distinct branding, nomenclature ('Investment Strategy' is suggested), and advertising guidelines.

**Regulatory oversight:** All the SEBI regulations pertaining to mutual funds will apply to the new asset class, subject to such relaxations as may be deemed appropriate in view of product innovation. Thereby, regulatory oversight will be consistent and uniform across different asset classes of mutual funds.

**AMC eligibility:** AMCs with a track record or those meeting specific criteria will be eligible to offer products under this new asset class. The minimum criteria will be an operational period of three years and an average AUM of not

less than ₹10,000 crore in the immediately preceding three years. Alternatively, they can appoint experienced fund managers.

**Exposure to derivatives:** The new asset class is allowed to take exposure to derivatives not only for hedging and portfolio rebalancing but also for other purposes as per existing SEBI provisions. The exposure through exchange-traded derivatives shall not exceed 50 per cent of the net assets of an investment strategy, and specific limits for single-stock derivatives shall also be provided.

**Redemption and liquidity:** The redemption frequency can be designed based on the nature of investments in the portfolio. AMCs may stipulate appropriate notice or settlement periods for redemptions to protect the interests of investors.

The addition of this new asset class will give investors access to an MF-PMS hybrid product, which will charge higher fees but provide higher returns while regulating the risk element of unregistered schemes. Also, the market will grow, product innovations will follow, and the volume of investments in this new asset class will be significant. However, there are risks too — higher

The addition of this new asset class will give investors access to an MF-PMS hybrid product

risk exposure for investors as well as for SEBI, which has to walk a tightrope of robust oversight with the flexibility of a new asset class. Similar to mutual fund schemes, the investment strategies under the new asset class shall also be categorised under a risk-o-meter.

The new asset class will add a separate risk-return category for investors. It is a new category within mutual funds that, by its nature, is going to be riskier than traditional MFs but will also provide a regulated alternative to unregistered schemes. As SEBI does the consultations and fine-tunes the framework, the investment community will be watching keenly. Global experiences have been an important guidepost for SEBI's initiative. For example, in the US, the development of liquid alternative funds or hedge fund lite structures has allowed retail investors access to hedge fund-like strategies with greater liquidity and regulatory oversight. These funds are offered under the Investment Company Act of 1940 and are regulated by the SEC, balancing high returns with investor protection.

In Australia, inverse ETFs and bear funds allow investors to profit from market declines, with sophisticated risk management tools available in a regulated framework. These global precedents show that innovative financial instruments can fill gaps in the investment universe and provide higher returns with effective safeguards.

The writer is Professor of Finance, IMT Ghaziabad

# Growth lessons for India from Asian giants

Progressive reforms, manufacturing-led growth have helped Japan, South Korea and Taiwan transition to developed nations

Trideep Bhattacharya

India aims to become a developed nation by 2047, marking 100 years of Independence. It can learn valuable lessons from the economic trajectories of Japan, South Korea, and Taiwan over the last century.

Japan's rise to economic dominance is marked by strategic policies, technological innovation, and societal commitment. Early 20th-century industrialisation and post-WWII reconstruction, supported by the US Marshall Plan, set the stage for recovery. In the 1950s and 1960s, Japan adopted export-oriented industrialisation, excelling in high-quality manufacturing with global leaders like Toyota, Sony, and Honda. Emphasising education, R&D, and continuous improvement (*kaizen*), Japan developed a skilled workforce.

The 1970s and 1980s saw rapid GDP growth and high living standards through technology and infrastructure investments. Despite stagnation in the 1990s, Japan's technological focus has preserved its global economic role. Japan's globally competitive industries include: (1) Automobiles: Toyota, Honda, Nissan; (2) Consumer electronics: Sony, Panasonic, Canon; (3) Robotics and automation: Fanuc, Omron, Mitsubishi Electric; and (4) Precision machinery: Takeda Machinery Company and Mazak Corporation.



COMPETITIVENESS. India must maintain policy continuity

During Japan's explosive growth phase, its GDP per capita increased 10-fold from 1950-1980, and the Nikkei 225 surged approximately 65 times.

**KOREA'S TRANSFORMATION** South Korea evolved from poverty to economic prowess through strategic planning, industriousness, and innovation. Post-Korean War, the country focused on rapid industrialisation and economic reform. Under Park Chung-Hee in the 1960s and 1970s, Five-Year Plans prioritised export-oriented industrialisation, boosting heavy industries like steel and shipbuilding with government support. The rise of *chaebols* such as Samsung, Hyundai, and LG drove growth through diversification and technological advancement. Transitioning to

high-tech industries in the 1980s and 1990s, South Korea became a leader in electronics and IT.

Despite challenges like the 1997 Asian financial crisis, strategic reforms enabled a strong recovery. South Korea's globally competitive industries include: (1) Electronics and semiconductors: Samsung, LG Electronics; (2) Shipbuilding: Samsung Heavy Industries, Hyundai Heavy Industries; and (3) Automobiles: Hyundai, Kia.

During South Korea's high growth phase, GDP per capita improved more than 50-fold from 1960-1990, with the KOSPI index increasing nearly seven-fold from 1983 to 1990.

**TAIWAN'S RISE** Post-WWII and the Chinese Civil War, Taiwan restructured its economy with land reforms, infrastructure, and education. The 1950s and 1960s saw rapid industrialisation with an export-oriented strategy in textiles. By the 1970s and 1980s, Taiwan pivoted to high-tech industries, establishing the Hsinchu Science Park in 1980 and fostering global leaders like TSMC in electronics and semiconductors.

Taiwan's globally competitive industries include: (1) Semiconductors: TSMC; (2) Electronics manufacturing: Hon Hai, MediaTek; (3) IT hardware: Acer, AsusTek; and (4) Optoelectronics: Epistar and AU Optronics.

Taiwan's GDP per capita improved 50-fold from 1960-1990, with the TAIEX

rising approximately 45-fold from 1966 to 1990.

**PATH FORWARD FOR INDIA** To achieve its vision of becoming a developed nation by 2047, India can draw inspiration from these case studies. Common elements include progressive government reforms, manufacturing-led growth, and incentivising industries through performance-based initiatives.

India has already made meaningful strides by focusing on manufacturing and implementing Production Linked Incentive (PLI) schemes across multiple industries, significantly improving GDP per capita over the past decade.

In this context, the recent Budget was a step in the right direction as allocation towards manufacturing continued to remain high.

However, to ensure sustained success, India must maintain "policy continuity" over at least a decade and focus on developing globally competitive industries.

It is worth noting that equity markets in Japan (65x), South Korea (10x), and Taiwan (45x) saw substantial appreciation during their growth phases. Likewise, Indian equity markets could also be rewarded disproportionately as the country makes this transition over time.

The writer is Chief Investment Officer-Equities of Edelweiss Asset Management Ltd. Views are personal

● **LETTERS TO EDITOR** Send your letters by email to [bleditor@thehindu.co.in](mailto:bleditor@thehindu.co.in) or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

### Improve education system

This refers to 'Job at hand' (August 1). As the Finance Secretary mentioned in a recent interview, the employment incentive schemes announced in the Budget for 2024-25 focus on subsidising part of the salary paid by companies. The discussion centres on whether industries should hire fresh talent or experienced professionals with AI and ML skills, with companies ideally favouring the latter due to their specialised expertise. Thus, simply subsidising the first month's salary of ₹15,000 for new hires is unlikely to significantly boost recruitment. For these schemes to be effective, there must be a greater emphasis on

improving the education system.

**Srinivasan Velamur**  
Chennai

### Endorse with care

This is with reference to the news report 'Shooting star Manu Bhaker is now target of brands' (August 1). Post a successful performance, sportspersons get plenty of brand endorsements. Same is the case of Manu Bhaker, who has created history in the Olympics. One of the main reasons for the popularity of Western junk food like noodles, pizzas, and high-sugar beverages is that our film-stars and sportspersons endorse these products as they get huge sums

of money for such endorsements. It is pertinent to mention here that former badminton star and national coach Pullela Gopichand refused to endorse soft drinks and colas because they are detrimental to the health of children.

**Veena Shenoy**  
Thane

### GDP growth target

The President of Assocham has said that India should aspire to achieve 8-10 per cent GDP growth on a sustained basis, and added that this can be achieved if the private sector chips in with more capex. One feels, even if the private sector is not

coming forward, it is imperative that the state does it. Or, the government can enter into joint ventures with the private sector and enhance the capital expenditure to achieve the desired growth level. The Budget has, no doubt, offered incentives to labour-intensive industries. But then they can cash in on the situation only when they feel optimistic about the product market. There are ifs and buts in the growth strategy.

**S Ramakrishnasayee**  
Chennai

### Averting landslides

The tragedy in Wayanad district has brought back memories of the

disastrous 2018 floods in the State. Not only Wayanad, the whole of western Kerala which is a hilly terrain with sharp slopes is susceptible to landslides and faces nature's fury during heavy downpours. The fact that the areas where landslides occurred in Wayanad were recommended as eco-sensitive by two expert committees 10 years ago cannot be simply overlooked. Putting an end to environmentally destructive activities which unleash irreparable damages to eco-sensitive regions will alone keep devastating landslides at bay.

**M Jeyaram**  
Sholavandan, TN



## AI policy challenges

STEM education and higher govt funding are vital

M Muneer

From San Francisco to Sydney, cities and countries are on a race to lead the AI wave. Stanford AI Report, 2022 puts private investments into AI at \$91 billion, and Goldman Sachs estimates this to reach \$160 billion by next year — an astonishing doubling in just three years.

While the US is leading the race as of now with almost 60 per cent top-tier researchers there and over \$31 billion in funding, China is fast catching up, with the UK, Israel and Canada in the top 5; India is trailing at a distant seventh with just over \$3 billion in investments.

Silicon Valley is definitely the citadel for this breakthrough AI tech and prominent ventures. The US has been actively providing grants for AI research, starting with over \$3 billion in 2022, which perhaps led to the leadership position. By 2027, the Chinese government is expected to invest about \$40 billion. In comparison, India has budgeted only \$1.2 billion towards its AI mission.

If we want to lead this race, we need to do more than just funding. Achieving a competitive edge in AI requires strategic investments and sound policies. The Finance Minister should have allocated sufficient funds for direct and indirect investment in AI education and talent development. In reality, India has to strengthen its STEM (Science, Technology, Engineering, and Mathematics) education and stop the brain drain, like China has done for some time now. The Chinese are funded to go abroad for studies and are encouraged to return to their home country for leading innovation. Most Indians go abroad for jobs while the Chinese return home to help the country prosper.

India must implement a robust STEM programme from early education through higher education. IITs are still behind global top institutions like MIT, Stanford and CMU in terms of pedagogy and curricula.

We also need to specifically promote AI specialisation. A few institutions have developed such AI courses and degrees but these are in spite of the government policies. The US, through institutions like Carnegie Mellon and Stanford, offers comprehensive AI programmes and research that produce top-tier talent.

The second aspect is boosting R&D efforts in AI, by increasing public and private funding. Take



AI EDGE. Race to the top

China where a significant investment in AI R&D has led to rapid advancements and a surge in AI-related patents. India should also set up AI research centres in IITs including dedicated innovation hubs. Collaboration between academia, industry, and government is essential to drive innovation. Germany's Cyber Valley initiative brings together universities, research institutes, and companies to work on AI projects.

The third aspect to lead the race is in creating a supportive regulatory mechanism. The government can start with an AI-friendly policy that supports innovation while addressing ethical and societal concerns. The European Union's regulatory framework is a good example to balance AI advancement with privacy and ethical considerations. We should also ensure robust intellectual property rights to protect AI innovations, and this is needed for attracting private investments in start-ups here.

### BUILD AN ECOSYSTEM

Fourth is about building an ecosystem around AI and innovation clusters. Bring together start-ups, investors and researchers just as how the Silicon Valley has done. Extend financial incentives planned for manufacturing sector to AI. The Budget must offer grants, tax incentives, and funding opportunities for AI start-ups and research projects. Israel's start-up ecosystem benefits from government grants and a supportive venture capital environment — one reason why it is in the Top-10. Also, PPP models must be encouraged to promote AI development.

Finally, leverage AI for economic and social benefits like healthcare, education, and transportation. Estonia uses AI to streamline government services. India must also encourage industries to adopt AI to enhance competitiveness.

The writer is a Fortune-500 advisor, start-up investor and co-founder of the non-profit Medici Institute for Innovation

# Household saving: macro effects

**A BIND.** Spending growth would lower savings, curbing investment. If savings rise, weak spend may hit private investment



NIKHIL GUPTA

The first article in this series on household savings (Chinks in household finances, *businessline* July 15) had looked at the decline in household net financial savings, an increase in borrowings and a faster growth in spending vis-a-vis income.

The second examines the reason for the rise in personal income tax collections despite this situation (Surge in personal I-T collections, *businessline* July 24). This article looks at the impact of household financial savings on current account balance and investment dynamics.

Household net financial savings (HHNFS) were at a 47-year low of 5.3 per cent of GDP in FY23 but it has likely inched up in FY24. Physical savings continue to remain strong, which means HH total savings are likely at around 19 per cent of GDP in FY24 (up from a six-year low of 18.4 per cent of GDP in FY23). Should we be concerned about HHNFS then?

Every rupee invested (physical) in an economy must be financed either through gross domestic savings (GDS) or foreign savings (i.e., current account deficit, CAD) — that is, total investments = GDS + CAD.

### CAD DEFINED

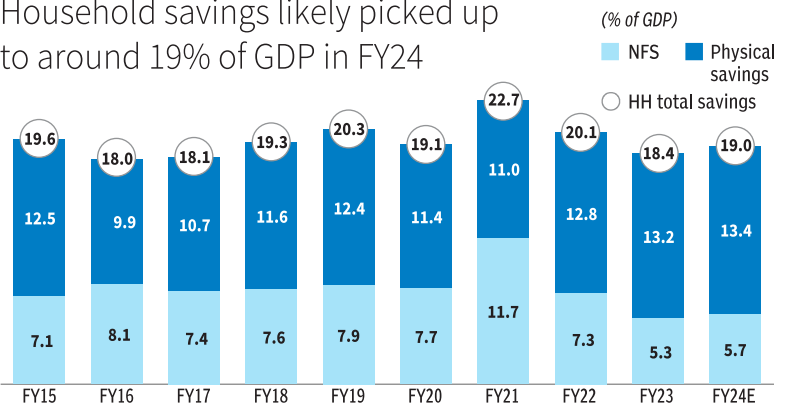
CAD is — barring some errors and omissions — the sum of the difference of investment and savings of all the three institutional participants — household, corporate and government — in an economy.

The higher the savings, given a level of total investments, the lower the CAD will be (or higher surplus) and vice-versa. Therefore, one must analyse the sectoral balances — savings minus investments — to understand the likely implications on CAD. Commenting on only savings or investments isn't as comprehensive and helpful.

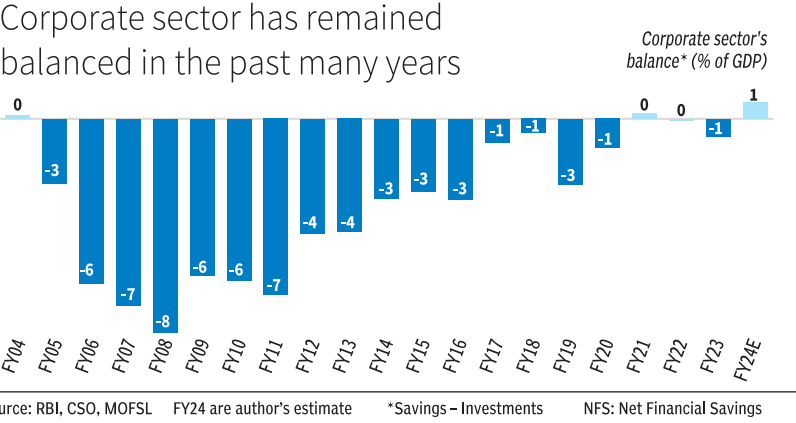
This is why, HHNFS holds special importance since it represents the net surplus of the household sector, which is available to fund net borrowings/deficit of the government and the corporate sectors.

All other things constant, lower HHNFS implies higher CAD. India used to run a large foreign trade

Household savings likely picked up to around 19% of GDP in FY24



Corporate sector has remained balanced in the past many years



Source: RBI, CSO, MOFSL. FY24 are author's estimate

\*Savings – Investments. NFS: Net Financial Savings

surplus of about 3 per cent of GDP on its consumption basket (primarily including agricultural products, textiles and electronic goods) in the mid-1990s, which declined to +1 per cent of GDP by the mid-2000s and turned into a small deficit in the pre-Covid years (beginning FY16) to a trade deficit of 0.7 per cent of GDP in the last three years (FY22-24). Therefore, if higher consumption drives lower HHNFS, it is very likely to lead to higher CAD.

The conclusion would not be different if a surge in physical savings drive lower HHNFS — by changing the composition of HH total savings.

Ceteris paribus, higher physical savings would push India's total investments higher by the same extent. India's CAD, thus, will widen by the

**India's total investments may find it difficult to rise further on a sustainable basis.** Consequently, we may remain stuck at 6-7 per cent real growth

same extent since household surplus (i.e., HHNFS) has declined amid higher total investments.

### ANOTHER SCENARIO

But what if HHNFS remains stuck at the current low levels and physical savings stay at the current elevated levels, which means consumption growth remains weak? Is the persistence of the current situation concerning?

The answer depends on what happens to India's total investments. If total investments increase in India led by the corporate sector, which is what the broad narrative is, then it is very likely that net borrowings/deficit of the corporate sector will rise, leading to higher CAD.

On the other hand, if corporate investments, and thus total investments, remain stuck at the current levels, then the current level of low HH savings is also not a concern. One must note that the corporate sector has run a balanced account (savings similar to investments) in the past many years, compared to a very high net borrowings/deficit of 6-7 per cent of GDP in the mid-2000s. What is the role

## Issue of taxing contingent consideration

Srivatsan Ranganathan

Sale of a business is taxable as a capital gain in the year of sale/transfer, be it transfer by way of shares or on slump-sale basis. There might be contingent consideration payable in business transfer agreements.

The stand of the Revenue has always been to tax the contingent consideration if any, payable as capital gains in the year of transfer, while the stand of the transferor has always been that it should be taxed only in the year of actual receipt. Deferring the taxation to the year of receipt stems from the fact that it is only upon meeting the conditions precedent (usually performance oriented), that the contingent consideration accrues or becomes receivable by the transferor. Thus the reasoning it is taxable only in the year of receipt.

Section 45, the taxing provision, deems the computed capital gains as

the taxable income in the year of transfer. Wherever the law has granted the power to tax something on deferred basis in the year of receipt, the law has always carved out a specific provision as in the case of compulsory acquisition, wherein the additional compensation if any received is taxed in the year of actual receipt irrespective of no transfer existing in the year of receipt. There is no such specific carve-out thus for contingent consideration in the law.

### TAXABLE SCENARIOS

One has to recap that (the law on) capital gains is first not an income as generically understood. Nonetheless, to tax certain capital profits, the law has carved out each and every taxable scenario under capital gains.

Section 50D deems fair value of the capital asset as on the date of transfer to be the deemed consideration in the event the consideration is unascertainable/indeterminable. Going



CLARITY. Missing on the tax front

by this, the contingent consideration cannot be taken up for taxation in the year of transfer. There might also be cases where the contingent consideration might only remain on paper with no amounts accruing to the transferor eventually.

Maintaining an escrow for taking care of contingent consideration/obligation has also gone through judicial scan with either way verdicts. What remains factual, however, is: income, if it does not accrue to an

of the government here? Even if HHNFS remains stuck at the current low levels and corporate sector invests more, won't lower fiscal deficit, and thus, lower government dis-savings, lead to higher GDS and fund higher corporate borrowings/deficit?

Well, lower fiscal deficit can happen only if either tax receipts go up and/or the growth in government spending moderates.

The former, as we have discussed in the previous article in this series, could mean higher tax payout by the household sector, leading to either lower household savings or slower consumption growth, while the latter (lower government spending) means lower GDP growth in general (with a possibility of its dampening corporate investments).

### DYNAMIC QUANDARY

So, it is pertinent to ask: What would incentivise the corporate sector to commit to more investments? This dynamic quandary goes to show how closely the three participants are linked in an economy.

The producers need an environment of rising spending growth to increase capacity. If they smell weak financial position of the consumers (including the government), with a potential slowdown in their spending growth, the pick-up in corporate investment will remain muted. If the corporate sector still goes ahead with higher investments amid weak consumer/fiscal spending growth, it could pose serious challenges in the future.

Since savings are eventually the difference between income and spending, an improvement in spending growth would lower savings, making it difficult to fund higher investments through domestic resources.

And if savings pick up, weak spending growth may keep the corporate sector on the sidelines and they may continue to shy away from committing substantial investments. If so, India's total investments may find it difficult to rise further on a sustainable basis. Consequently, we may remain stuck at 6-7 per cent real growth, and 8 per cent growth may remain elusive.

Not only household surplus has declined sharply, but their leverage has also risen substantially in the past few years. Is it at a threatening stage? We will discuss this in the last article.

The writer is Senior Group Vice-President - Institutional Research - Economist, Motilal Oswal Financial Services Ltd. He is the author of *The Eight Per Cent Solution*

## thehindubusinessline.

### TWENTY YEARS AGO TODAY.

August 2, 2004

#### Ro-ro may become Konkan Rly monopoly

Konkan Railway Corporation Ltd (KRCL) may get the monopoly rights to operate a ro-ro service along the Indian Railway network. Ro-ro service provides the facility to carry loaded trucks on wagons (called flats in railway parlance) from one point to their destinations.

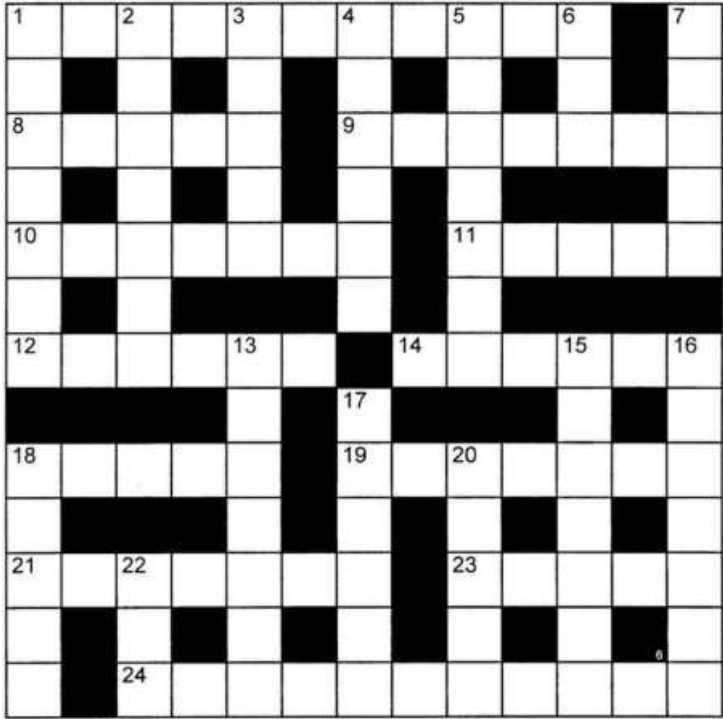
#### Ministry against bailout for private banks

The Finance Ministry is not in favour of any bailout package for any private bank caught in a financial crisis. It said any takeover by a public sector bank in such a case would be on the basis of synergy and economic rationale. It also underlined the need for a strict vigil and timely action to avert crisis.

#### Return on shareholder funds on the rise

The last three years of belt-tightening, in terms of improving operating efficiency, better debt management and using assets effectively, has led to a four-percentage point increase in returns for shareholders in Indian companies. An analysis of 266 companies that have put out their balance sheets for 2003-04 so far reveals that investors earned on an average return of 17.9 per cent on their equity investment against 13.6 per cent in 2001-02.

## BL TWO-WAY CROSSWORD 2495



### EASY

#### ACROSS

- Meditate upon (11)
- Make one cross (5)
- Give back an image (7)
- Marked with owner's symbol (7)
- Misplaces (5)
- Horsemen (6)
- Involving sacred, secret meaning (6)
- Ornamental fastening (5)
- Made to accord (7)
- String instrumentalist (7)
- Small medicine-bottle (5)
- Puts one out of countenance (11)

#### DOWN

- Place for assembly to meet (7)
- Stingy person (7)
- Took the wrong course (5)
- A take-off (6)
- Dreadfully (7)
- Day before festival (3)
- Entrances (5)
- Answers (7)
- Moroccan town (7)
- Embraces intimately (7)
- Military show (6)
- Secret store (5)
- Subject for discussion (5)
- Stableman (3)

### NOT SO EASY

#### ACROSS

- Study a Tory pattern for copyists (11)
- For example, ran around showing one's heated emotion (5)
- Think back on what a looking-glass will do (7)
- Marked a messy sock-repair done in bed (7)
- Unprofitability includes initial expense if one fails (5)
- Clauses added for jockeys and cyclists (6)
- There's no end to my cane, but I'm in contact with deity (6)
- First couplet from Cleopatra what killed her? A hug! (5)
- Made to accord with a non-drinker and a French journalist (7)
- Cancel lists a bowman entered (7)
- Greek letter to a novice driver may have medicine in it (5)
- Hell – it's the Proms it's upsetting! (11)

#### DOWN

- Where assembly may meet to put a bullet in it (7)
- Get US soldier up in grand confusion, being a miser (7)
- Didn't go straight but, not fed up first, wasn't put off (5)
- Gun used in wages take-off (6)
- Very poorly saw, without starting completely (7)
- 24th woman in December? (3)
- Cast one thus punishes at college and severely criticises (5)
- Traveller is not truthful with his answers (7)
- In N Africa it may appear even more pungent (7)
- Copper did lose heart with Leslie in such close encounters (7)
- Permanently mark the army show (6)
- Start of colic: pain is something one keeps hidden (5)
- In bed turned over sanctimonious thing one might discuss (5)
- No end of a refined woman for one working in a stable (3)

### SOLUTION: BL TWO-WAY CROSSWORD 2494

**ACROSS** 1. Implication 8. Ordering 9. Lido 10. Hyena 13. Then 16. Emir 17. Pass 18. Urge 20. Scots 24. Curt 25. Eminence 26. Bird-watcher

**DOWN** 2. Mode 3. Lorry 4. Canon 5. Islet 6. Double Dutch 7. Counts sheep 11. Exits 12. Addio 14. Heal 15. Ring 19. Enter 21. Comma 22. Tonic 23. Knee



## Electronics export opportunity

India must aim for greater global integration

One of the highlights of India's merchandise exports in recent times has been electronic goods. The sector registered a 16.91 per cent year-on-year increase in June and a 21.64 per cent growth rate in the first quarter of 2024-25 over the previous year. The electronics manufacturing sector has significant growth potential and could greatly benefit from increased focus and policy support, enhancing integration into global value chains (GVCs). Further, it is crucial for domestic employment generation as the segment has achieved the highest growth in employment from 2018 to 2022, highlighted in the latest Economic Survey.

However, India's share in the \$4.3 trillion global electronics market is about 2 per cent. Globally, the area is dominated by China with a 30 per cent share in export. Emerging countries like Vietnam and Malaysia have also established a relatively sound base with a 4 per cent share in electronics GVC. In this context, the NITI Aayog's new report "Electronics: Powering India's Participation in GVCs" has highlighted that domestic production in the sector had doubled between 2017 and 2022, with a compound annual growth rate of 13 per cent. The report identifies favourable opportunities but also acknowledges ongoing challenges to further expansion and integration. Currently, India's electronics production primarily involves the final assembly of electronic goods like mobile phones, televisions, refrigerators, and telecom equipment.

Heavy reliance on imports for component manufacturing and design limits the country's ability to move up the value chain. India's limited domestic component development capability is primarily because of a high tariff structure. With an average tariff rate of 7.5 per cent, significantly higher than in China, Vietnam, Thailand, and Malaysia, which have rates below 4 per cent, and additional taxes and surcharges, local production becomes more expensive. Consequently, manufacturers frequently source components from abroad, hindering the growth of a robust domestic electronics manufacturing base. Overall, the sector faces a cumulative cost disability of 14-18 per cent for component manufacturing due to high tariffs and material costs, logistics, and financing costs. Despite lower labour costs, India has struggled to capitalise on this advantage due to lower labour productivity. Given these challenges, it is important to address factors affecting India's manufacturing, particularly in the electronics component sector. A key issue is India's exclusion from major regional or economic trade blocs, which could reduce production costs through lower tariffs, streamlined regulations, and increased trade efficiencies.

Further, despite ongoing efforts, India continues to rank lower than competing nations in ease of doing business. Besides, to improve capabilities, India should diversify its electronics base, which is dominated by smartphones at 43 per cent, to include products like laptops and telecommunications equipment. The focus can be on localising the value chain, scaling up assembly operations, and rationalising tariffs compared to competing countries. Reduction in the Customs duties in the recent Union Budget is a positive step in this direction. A review of the Customs rate structure has been announced in the Budget to take the process forward. However, if all impending issues are not addressed quickly, India will lose the opportunity to attract firms that are moving out or diversifying away from China. Many are opting for Vietnam due to its favourable policies and fewer regulatory and political issues. The NITI Aayog report has highlighted what needs to be done. It's now up to the government to make the most of the emerging opportunity.

## War on peace

Hamas chief's killing will stiffen the 'axis of resistance'

The missile that killed Hamas' Qatar- and Turkiye-based political chief Ismail Haniyeh in Tehran has likely substantially weakened the chances of peace in the Israel-Hamas war and escalated the conflict in West Asia in unpredictable ways. Haniyeh was Hamas' chief negotiator. His death, which Iran claims was orchestrated by Israel, which is yet to formally claim responsibility, silences a relatively moderate voice within Hamas. He had been an advocate of a ceasefire with Israel, often clashing with other Hamas officials. Not surprisingly, leaders in Egypt and Qatar, key mediators in ceasefire talks, have raised serious doubts about the future of negotiations. The fifth Hamas leader to be killed since the war began on October 7, 2023, Haniyeh's death after a missile hit his safe house in Iranian capital Tehran, where he was attending the inauguration of Iran's new President, can also be expected to provoke a stronger response from Israel's traditional enemy and leader of the "axis of resistance". These developments fuel a situation in which the impulses for peace have been decidedly weak in the first place.

For one, the killing of Hamas fighters and leaders has not appeared to have defeated this underground guerrilla movement, as Israel vowed to do, nor diminished its popularity. For another, Haniyeh's assassination is expected to strengthen hardliners within the Hamas shura; prospective successors have not been notable advocates for diplomacy. Israeli Prime Minister Binyamin Netanyahu sees the continuation of the war as the best guarantee of his hold on power, given that his popularity is at an all-time low. Israel's wilful provocation of Iran can be seen as part of this strategy. The attack on Haniyeh came just hours after Israel bombed a residential building in a suburb of Beirut, Lebanon, and that may have killed a commander of Iran-backed Hezbollah. Israel has already allegedly killed two commanders of Iran's powerful paramilitary organisation, the Islamic Revolutionary Guards Corp, since the war began. Till recently, Iran had signalled a disinclination to escalate the war, as demonstrated by its relatively measured response to Israel's attack on its consulate in Syria in April. An attack on two regional capitals and two senior leaders within hours could, however, raise the geopolitical stakes considerably.

With the Arab nations mostly inert, the future of West Asian peace lies squarely with the United States. It has played the key role in keeping Israel supplied with money and materiel to prosecute its asymmetric war in Gaza, which has created a massive humanitarian crisis. In this volatile situation, the impulse for peace may also come from within Israel, where the stalemated war is becoming increasingly unpopular. The initial impulses for massive retaliation are being replaced by growing demands for negotiations for the return of Israelis taken hostage in Hamas' October 7 attacks. These have so far stalled on Palestinian demands for the release of thousands of prisoners languishing in Israeli jails. At the same time, more and more reservists are refusing to report for duty. Much, of course, will depend on the outcome of the US election in November, with Donald Trump expressing unqualified support for his good friend Mr Netanyahu and Kamala Harris increasingly trying to balance Israeli and Palestinian interests. The intervening months will be testing times in West Asia.

# Weapons and technology

In its procurement decisions, India faces a balance-of-power choice as it weighs its options between western democracies and Russia

ILLUSTRATION: BINAY SINHA



Weaponising a military force has never been easy. In the early 1960s, the Indian Air Force (IAF) grappled with the difficult question of which fighter aircraft should equip its military. Having equipped practically the entire Indian Navy with British warships already, New Delhi opted to build the versatile MiG-21, under licence from the Soviet Union. But even then, in our earliest days as a major arms buyer, New Delhi experienced the most fundamental reality of the international arms bazaar: Weapons procurement choices are rarely functions of technology or cost alone. Instead, they are most deeply anchored in foreign policy choices and strategy. More recently, this was again India's quandary in its acquisition of medium multi-role combat aircraft. Going by combat effectiveness, price and ease of logistics, New Delhi would have probably chosen the Swedish Gripen fighter over the French Rafale. But given Paris' greater diplomatic heft, its nuclear weapons status and technological advantage in space and nuclear power generation, Dassault's Rafale won the contest, albeit a truncated one.

For similar reasons, the navy continues making heavy weather of buying six air-independent propulsion (AIP) submarines under its so-called Project 75-India, failing to reach a decision even after a decade of evaluation. Speak to any Indian submariner, and you will hear a clear endorsement of German shipbuilder, Howaldtswerke-Deutsche Werft (HDW), whose four Type 209 (Shishumar-class) submarines have delivered yeoman service since the mid-1980s. HDW was acquired in January 2005 by German shipbuilding conglomerate, Thyssenkrupp Marine Systems (TKMS), which is poised to build the advanced Type 214 AIP submarine in strategic partnership with India's Mazagon Dock (MDL). But Germany, like Sweden, brings a low-key diplomatic approach to arms sales, which leaves Project 75-1 an orphan.

The connection between arms sales, technology control, strategic alliance, and industrial partnership is also highlighted in the emergence of a western

democratic alliance, eponymously named AUKUS (Australia - United Kingdom - United States). AUKUS is an arrangement between only the closest of allies; two Quadrilateral partners, Japan and India, have been left out of this. The foundational pillar of AUKUS involves providing Australia with the technology partnership for building 12 nuclear-propelled, conventionally armed submarines. This scuttled what appeared to be a done deal: The Australian procurement of 12 Short-Fin Barracuda conventionally-powered and armed submarines from French shipbuilder, Naval Group.

This shock decision to offer Canberra nuclear submarine technology assistance had a clear strategic aim: It was intended to nail down Australian support in the event of Chinese aggression around Taiwan. The assumption was that the Australians and Brits would fight alongside the US against China. However, Australian support became apparent only after Scott Morrison became Australia's Prime Minister in 2018. At that stage, the US took this bold measure to tie the Australians to the alliance. Washington wanted the US Navy to be able to count on basing out of Australia and using Australian naval facilities more seriously than anticipated earlier. It has already been announced that, before the end of 2024, the three AUKUS nations will field a new "trilateral algorithm" allowing them to share information about Chinese submarines from P-8 sonobuoys. This will be the first piece of tangible AUKUS Pillar II technology to be operationally deployed. These small capability increments are exactly the kind of synergised, forward-looking technology that the AUKUS agreement is after.

India, meanwhile, faces a simple, balance-of-power choice as it weighs its options between Ukraine on the one hand, supported by the North Atlantic Treaty Organisation (Nato) and the western democracies, and Russia on the other, supported by China and a hodgepodge of not-so-democratic countries that see in the current imbroglio an opportunity to make gains through some discreet topping-up of their weapons shopping list. Counterpoised alongside



BROADSWORD

AJAI SHUKLA

# Expanding GST: Focus on land and real estate

The Finance Minister in her Budget speech mentioned that the goods and services tax (GST) has been truly a transformational tax reform and emphasised that it needs to both expand coverage and rationalise rates going forward.

A committee has been set up under the chairmanship of Bihar finance minister and has been directed to submit its recommendations within the next three months. The committee's recommendations on rate rationalisation are important both for simplification and to nudge the GST rate incidence from the present level of 12.25 per cent towards the revenue neutral rate of 14.8 per cent (prevalent before the introduction of GST).

Another important area is to expand the coverage of GST. There has been clamour among some economists to include petroleum products under GST. In my view, this is probably not the appropriate time, given the diffidence among the states to maintain some fiscal sovereignty, especially to deal with emergency situations.

There is, however, one area that has not been much talked about but could have a dramatic impact going beyond GST revenues. This is bringing land and real estate (LARE) under GST. This measure will bring more transparency in the transactions conducted in the land market, add more revenues on the income tax side, and also encourage more foreign investments in the housing market, which will generate greater employment.

This move clearly needs a consensus among the states, and was actually extensively debated during the period before the implementation of GST. First, the Centre needs to allay the fears of the states by clarifying the legal positions. The imposition of GST on LARE does not preclude levy of stamp duty by the states or the levy of property tax by local bodies.

There are no legal impediments to levying GST on LARE, while states can continue to levy stamp duty, as the taxable event in both these cases is different. This principle has been upheld by the Supreme Court while upholding the aspect theory of taxation.

Further, the Indian Constitution excludes land and immovable property from the definition of "goods". While Singapore considers the sale of the right to land use as goods, in India we can certainly treat the right to use land as a "deemed service".

For the GST levy to be effective, it must cover the whole value chain from land to lodgings—from the development of land to construction to the first sale of constructed ready-made properties. This is certainly legally tenable. The sale of land can be treated as the sale of the right to land as a service and taxed. Besides creating the chain for a self-policing input credit chain, it will also curb the generation of black money income and incentivise land development instead of allowing non-agricultural land to lie idle. The GST levy will also remove the distinction presently made between construction services and ready-made property, with the former being taxed while the latter is exempt. In order to keep the buyer of property away from GST formalities, GST payment could be made by the provider of the service under the reverse charge mechanism (the developer and the builder).

There would be no significant gains in GST revenues, as the revenue at the output end would be completely absorbed by the input duty credit availed on taxes levied on various inputs like iron and steel, cement and fixtures used in the construction industry. The gains in revenues would accrue on the income tax side by facilitating better reporting of transactions at their true value. Affordable housing, defined as dwelling units of carpet areas less than 250 sq ft, could be exempt from the levy. Similarly,



V S KRISHNAN

New Delhi's untenable dependence upon Soviet/Russian weaponry (combat aircraft, medium lift helicopters, armoured fighting vehicles, air defence guns, frigates, destroyers and submarines) is an equally daunting list of equipment from non-Russian sources: Heavy airlift and light transport aircraft and helicopters, submarines, mobile air-defence guns, aerospace engines and marine gas turbines. New Delhi will have to exercise its choice with the conviction that propping up the Russian side comes with the certainty that China's military and defence industry will benefit too.

There is no good option in choosing between foreign weaponry, whether from China or Russia. It is for this reason that India's Ministry of Defence (MoD) is pushing hard towards the goal of "atmanirbharta" (self-sufficiency). Its flagship indigenisation initiative, titled "Innovations for Defence Excellence - Defence Innovation Organisation" (IDEX-DIO), is being talked of as a game changer for the defence economy.

Established by the DIO under the MoD's Department of Defence Production, IDEX has successfully gained momentum, fostering a burgeoning community of startups within the defence sector. It is currently engaged with over 400 startups and micro, small and medium enterprises. So far, procurement of 37 items, worth over ₹2,000 crore, has been cleared.

Military development is the job of the Defence Research & Development Organisation (DRDO), which has identified nine thrust areas for focused research, namely platforms, weapon systems, strategic systems, sensors and communication systems, space, cybersecurity, artificial intelligence and robotics, material and devices, and soldier support. These initiatives have yielded a number of state-of-the-art products including the Dhanush 155mm artillery gun, Tejas fighter, Akash surface-to-air missile system, Arjun tank, Dhruv light helicopter, among others. An unmanned aerial vehicle has been successfully tested in fully autonomous mode. In addition, the Technology Development Fund also funds industries up to an amount of ₹10 crore.

The MoD has promulgated four positive indigenisation lists (PILs) of defence weapons and equipment that are not permitted to be imported from abroad. The first PIL, comprising 101 items was promulgated in August 2020, the second list of 108 items was promulgated in May 2021, the third PIL, comprising 101 items was promulgated in April 2022, and the latest one was issued last month.

Further, more than 26,000 defence items have been uploaded on to the SRIJAN portal (an MoD initiative) and offered to private industry for indigenisation. Of these, 7,031 items have been successfully indigenised. According to available data, defence imports have reduced from 46 per cent to 36.7 per cent since 2018-19. But the quest for "atmanirbharta" goes on.

# The 'compassion' revolution



## BOOK REVIEW

NEHA KIRPAL

On the occasion of the Dalai Lama's 89th birthday on July 6, Penguin released *The Book of Compassion*, the shared writings of the two Nobel Peace Prize Laureates, the Dalai Lama and Kailash Satyarthi, along with writer, TED speaker and the CEO of Chambal Media Pooja Pande.

Ms Pande has painstakingly extracted all references and analogies relating to compassion in several lectures and speeches by Mr Satyarthi and the Dalai Lama over the years. In her journey with this book, Ms Pande, a writer and a mother, came to regard compassion as the ultimate fame impulse. She

believes that the future of compassion leans female. "It is not mere ideology; it is creative, nurturing, equity-leaning, harmony-centric and action-oriented," she writes in the book's Introduction.

In a session at picturesque McLeod Ganj, the Dalai Lama talked about Gandhi's ideas of *ahimsa* (non-violence) and *karuna* (compassion). His Holiness defines *karuna* as the wish for others to be free from suffering. Sitting in the same room, Mr Satyarthi added that just as Gandhi converted *ahimsa* into a social and political movement during the struggle for India's independence, *karuna* too should be converted into a social and global movement.

The duo talk about compassion as something that stems from the interconnectedness of the world in which we live. Discarding the concept of "us and them", the Dalai Lama says, "We need to develop the concept of the entire world and the entire celebration of human beings as 'we', part of 'we.'" "We need a celebration of compassion,"

adds Mr Satyarthi.

Ms Pande explains that the etymology of compassion is simply "suffering with". Its dictionary definition includes not just the feeling or emotion when a person is moved by another's suffering, but also the desire to relieve their distress, she writes. "Concern for others seems to help lessen my own pain," the Dalai Lama explains. "Compassion always enables solution-oriented action and behaviour," adds Mr Satyarthi. Both also emphasise the need to bring compassion down from a pedestal in order to make it something ordinary and necessary as a part of one's daily life. Using wordplay in a Facebook live stream, Mr Satyarthi urged people to "seek *karuna* in the era of corona".

Both lives exemplify the true nature of compassion — "being touched by another's suffering to effect action," writes Ms Pande. Mr Satyarthi also believes that the journey of many religious figures across faiths — Prophet Mohammed, Jesus Christ, Lord Krishna

or Gautam Buddha — started with a spark of compassion. "[They were] urged to do something about what they saw as the inequalities of the world," he says.

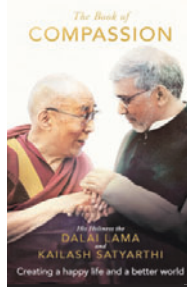
According to the Dalai Lama, compassion and kindness are natural qualities that can be cultivated in children as young as four or five, and reinforced progressively as they grow up. He elaborates on how sensitisation can be incorporated in the education system. Just as physical hygiene is part of the curriculum since kindergarten, he prescribes that the hygiene of emotion needs to be added too. "We should have some knowledge of how to tackle our inner world or emotions," he says.

Social Emotional Ethical Learning, a programme envisioned by the Dalai Lama and developed by Emory University, aims to educate the heart and mind, placing greater emphasis on inner values. Compassion is also rewarded at

Bal Ashram, the centre co-founded by Mr Satyarthi and his wife, where initiatives seek out and reward the most compassionate children. In the book, Mr Satyarthi also mentions Louisville, labelled the "City of Compassion", which had invited him for an event in 2019. The mayor explained that philanthropy in the city had increased manifold over the

## THE BOOK OF COMPASSION

**Authors:** His Holiness the Dalai Lama & Kailash Satyarthi with Pooja Pande  
**Publisher:** Penguin  
**Pages:** 208  
**Price:** ₹599



of compassion — its benefits for our health and well-being, and the fact that it keeps one young. Moreover, the mechanism of compassion, in its ability to make deep connections with others, is also a powerful buffer against loneliness. She also discusses self-compassion, the starting point of compassion. Self-compassion

asks that we first recognise the suffering in the self and act to alleviate it, she explains. In fact, Mr Satyarthi feels that true self-compassion is much harder to practise than showing compassion towards others. Towards the end of the book, Ms Pande explains that compassion needs to be mindfully and intentionally practised in order for it to become a matter of choice and habit in the long run. The book's closing chapter offers a compiled bible of how-to guides and tricks to ignite, exercise and practise compassion.

During a Facebook Live event in 2020, Mr Satyarthi said, "We have globalised everything, haven't we? It is time for a globalisation of compassion now." "His clarion call for a globalisation of compassion," writes Ms Pande, "is ultimately about compassionate geopolitics, broken down into compassionate politics, compassionate economy and compassionate society." The Dalai Lama goes a shade further, asking for "a revolution of compassion", calling it "the mother of all uprisings".

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OPINION



ESTABLISHED IN 1924

{ OUR TAKE }

Fix accountability for the drownings

HC's rebuke underscores the farcical probe in the case where scapegoats are being used to shield systemic corruption at highest levels

If the deaths of three civil service aspirants in Delhi by drowning was a tragedy, what has unfolded since has been little short of a farce. The authorities have chosen to ignore mounting evidence of violation of building rules and norms by influential people who run coaching centres in the Capital in spaces no bigger than cubbyholes, cramming as many students as possible into airless boxes for profit. There has been little action against the laxity of oversight agencies and engineers, who allowed such coaching centres to mushroom and expand, and no crackdown against other agencies that didn't clean the sewers and stormwater drains which allowed sheets of water to pile up and smash through the gates of the coaching centre basement, marooning the three students in the library. Instead of looking at the governance limbo that ensured that the Old Rajinder Nagar area was again inundated on Wednesday just days after the initial tragedy, the authorities have embarked on a strange mission to pin responsibility on small fry and junior officials. The biggest example of this is the arrest and charging of a man who was driving through the waterlogged area. Though the Delhi high court has now granted him bail, the police saying the man was a reveller who caused waves of water to crash through the gates of the basement made for a sorry spectacle. The high court has now taken note of this "strange" and "shoddy" probe and lambasted the Delhi government for failing to upgrade the city's infrastructure due to what it termed a "freebies culture".

On Wednesday, a bench comprising acting chief justice Manmohan and justice Tushar Rao Gedela did not mince words, calling the incident a case of "criminal neglect" and a symptom of "infrastructure breakdown at the larger level". The bench expressed dismay that while the police had arrested a passerby, they had not acted against or even investigated the role of Municipal Corporation of Delhi officials, whose negligence contributed to the tragedy. The court is right. The tragedy, the latest in a series of similar mishaps, underlines that Delhi's infrastructure is crumbling, its governance is hopelessly caught between feuding centres of power, and its monitoring systems, non-existent. These lacunae need serious investigation and long-term fixes, not knee-jerk responses that attempt to shield powerful men and women who did not do their job. It's the least that Tanya Soni, Shreya Yadav and Nevin Delvin deserve.

West Asia on the brink, West needs to step in

Israel has torpedoed whatever feeble chances there were of a ceasefire in West Asia, by killing Hamas politburo chief, Ismail Haniyeh. Perceived to be the restrained and pragmatic one among the hardline Hamas leadership, Haniyeh was to represent the outfit in the talks, and conciliator Qatar is right in saying that there can't be further progress with one of the interlocutors dead. But the repercussions go beyond the ceasefire. The threat of a wider war in West Asia is now real. Haniyeh was killed in the Iranian capital, within hours of having attended the investiture of the country's new president, Masoud Pezeshkian. This was made a carefully calculated response by Iran, as was the case in April when Israel killed one of its military commanders in Syria, quite unlikely. A face-saver attack wouldn't do, which is why Iran has ordered "direct" retaliation against Israel. At the same time, a bigger axis against Israel is evolving — apart from Iran, Turkiye has vowed revenge for the Gaza deaths. And Israel is already locked in conflict with the Yemeni Houthis and Lebanon's Hezbollah. Just hours before killing Haniyeh, Israel killed Hezbollah commander Fuad Shukr in Beirut. Whether Israel can outmuscle this axis or not, a widening of the war will only mean more deaths, and, thereafter, more countries forced to fall in rank behind either side. Israel's allies — primarily the US — need to make it clear that it no longer has their support in a war that has killed over 40,000 civilians. Failure to get it to stop in Gaza, all October 7 justifications notwithstanding, has brought the region to the precipice. There can be no soft-peddalling now on telling Israeli prime minister Benjamin Netanyahu, who has staked his political career on the war, to back off.

{ OVER THE HORIZON }

Arunabha Ghosh



For industrial growth, green trade will matter

India must prepare strategic responses for four kinds of trade barriers that will impact its climate ambitions and energy security concerns

Finance minister Nirmala Sitharaman identified manufacturing and services, and energy security among her budget priorities. For both, the budget seeks, "appropriate energy transition pathways that balance the imperatives of employment, growth and environmental sustainability". To capitalise on these priorities, India must heed developments in international trade and its growing — but increasingly complex — links with energy security, the climate crisis, and environmental regulation. Climate risks are now an economy-wide concern. Extreme weather can damage ports, airports and other infrastructure, resulting in supply chain disruptions. These spillover into the wider economy: Insurance costs of physical damage, food price shocks, and upsetting manufacturing and employment targets. Meanwhile, industrial and trade policies in foreign jurisdictions could disrupt climate action elsewhere. After decades of advocating against government support to industries, advanced

economies have doubled down on (green) industrial policy, such as the United States' (US) Inflation Reduction Act and the European Union's (EU) Green Deal Industrial Plan. A related challenge is the continued concentration of sustainable finance in advanced economies. In 2019, China, the US and the EU had ~30%, ~10%, and ~16% shares of global clean energy spending. By contrast, India got ~3% and Africa received ~1%. By the end of 2024, these ratios would have barely budged. Further, when central banks in rich countries raise interest rates to combat inflation, the cost of finance for foreign currency-denominated debt for clean energy projects goes up. With the costs of intermediate imported goods also rising, manufacturing of cleantech finished products becomes even harder. Energy and resource efficiency are critical for maintaining industrial competitiveness. Industry in India has consistently suffered due to high energy costs for them. But in rapidly growing economies, the push for energy efficiency can only go some of the way. With absolute energy demand rising, disruptions in the supply of fossil fuels or clean energy create major concerns. Trade agreements must respond to these concerns now by ensuring the security of supply of the fuels of the future. India must prepare strategic responses for four kinds of trade barriers that will impact its climate ambi-



Sustainability-driven non-tariff measures (NTMs) are on the rise from 8% of all NTMs notified to the WTO in 1997 to 19% in 2021 ANI

other intermediate goods, such as green steel, green cement, and green ammonia, are also important. What defines them as green? Standards and certification have a long history of being used as non-tariff barriers; cleantech is no exception. For instance, in green hydrogen, we find gaps in India's standards at various stages of the value chain, namely production (such as biomass pyrolysis), storage (say, liquid hydrogen), transportation (through pipelines), or applications (say, aviation fuels). Filling gaps in standards and finding ways to align with other countries should be a priority, especially when billions of dollars are being invested. Thirdly, highly concentrated cleantech supply chains. Over 80% of upper-middle-income economies and 90% of lower-middle-income economies face concentrated imports (for rich countries, the ratio is under 60%). The poorer the economy, the greater the challenge for building green industries. India depends heavily on a handful of countries to meet more than 80% of its solar cell and module requirements. Unilateral industrial policy can help only to an extent. India needs strategic trade relationships where its comparative advantage in manufacturing certain components can be paired with that of key trading part-

Arunabha Ghosh is CEO, Council on Energy, Environment and Water. The views expressed are personal

The case for including North Bengal in NEC

The integration of North Bengal into the North Eastern Council (NEC), which has gained attention recently, is not a novel concept. It is actually a viable solution that addresses various challenges the people of North Bengal face. The region has long been neglected, with the meagre development in West Bengal so far being Kolkata-centric, and only South Bengal reaping its benefits. Given the continued inattention to North Bengal, the people of the area have often demanded its separation from the rest of the state. Thus, North Bengal has seen a number of political movements centred on separation — statehood calls raised by the Gorkhas, Rajbanshis, and Kamtapuris reflect the frustration of some of the neglected communities. The eight districts located north of the Ganga in the state — Darjeeling, Kalimpong, Jalpaiguri, Cooch Behar, Malda, Uttar Dinajpur, Dakshin Dinajpur and Alipurduar — are collectively called North Bengal. Historically, this area was a transitional zone between Eastern India and the great Gangetic plain. Today, these districts are among the most neglected parts of West Bengal, despite being vital both strategically and from the security perspective.



Harsh Vardhan Shringla

A major part of North Bengal is defined by the Siliguri Corridor, which is significant due to its location near the so-called Chicken's Neck that links the northeastern states to the rest of India. The Siliguri Corridor also neighbours Nepal, Bhutan, Bangladesh, and China, and connects India to South East Asia and East Asia through Myanmar. This makes it strategically important to India. The massive improvements in infrastructure in the Northeast are there for all to see. The need of the hour is to develop the Siliguri Corridor as a bridge to South East Asia by augmenting its infrastructure and plugging it into emerging trans-Asian connectivity networks. This might be possible only if North Bengal is independently resourced. Across the world, economic synergies within sub-regions divided by political boundaries are being regenerated. Common infrastructure and economic spaces that acknowledge this contiguity are the foundation of such arrangements. The concept of a composite Northeast is an acknowledgement of this rationale. Viewed from this perspective, the synergies that can be exploited by — and the logic of — linking North Bengal to the Northeast are evident. Moreover, by including the Siliguri Corridor, the Northeast will assume a contiguity with Sikkim that it is currently lacking. The benefits of such arrangements spread beyond their epicentres. Bengal has always been a maritime state. Strengthening land linkages with the Northeast via North Bengal would create an opportunity for the whole of the state to expand its historical role as the gateway to the Bay of Bengal. The economic weight of the hinterland, which made Kolkata (Calcutta) part one of the great economic hubs of its time, would be rekindled by reviving this organic connection to the Northeast. Prime Minister Narendra Modi's focus on

developing infrastructure in the Northeast, Neighbourhood First and Act East foreign-policy pillar gives North Bengal a historic opportunity. The NEC, as the nodal agency for the economic and social development of India's Northeast, gets ~10% of annual budgets of all central ministries. The common roadblocks to development that the north-eastern states share are applicable to North Bengal as well but the benefits of the NEC do not extend to the region and its people. The Northeast, from Sikkim in the west to Arunachal Pradesh in the east, is in the eastern Himalayan range and, as such, the ethnic groups in these areas share significant cultural and ethnic similarities. The populations of Darjeeling and Sikkim predominantly comprise groups such as the Lepchas, Bhutias, and Nepalis. Their shared physical characteristics are a testament to their common ancestry. The lifestyles of the people in Darjeeling, Kalimpong, Sikkim and Arunachal Pradesh are closely linked to their mountainous environment. Darjeeling and Kalimpong are the only hilly districts of West Bengal, and owing to the terrain, residents face distinct challenges that can't be addressed by the 'one size fits all' policies of the West Bengal government. Additionally, areas of North Bengal, including Jalpaiguri, Cooch Behar, Uttar Dinajpur, and Alipurduar, exhibit cultural affinities with Assam. The Rajbanshi, Adivasi, and various tribal communities, such as the Bodos and Rabhas, inhabit both regions. These groups have intermingled over centuries, resulting in shared cultural traits and practices. Assamese is widely understood and spoken in parts of North Bengal, alongside Bengali. Despite the immense potential, North Bengal faces myriad issues that hinder its progress, from infrastructural deficiencies to socioeconomic disparities. Its road and rail networks are insufficient to support its growing population and economic activities. Frequent landslides and flooding, exacerbated by poor drainage systems, further disrupt connectivity. Health care and education services in North Bengal are also lagging. Economic development is another area of concern. While agriculture remains the backbone of its economy, it is marred by low productivity, and inadequate access to modern agricultural techniques and markets. The tea industry, a significant economic driver, faces challenges such as fluctuating global prices, labour disputes, and environmental degradation. The region grapples with socio-political issues, including ethnic tensions and demands for greater autonomy. These challenges underscore the current lack of resources to leverage the region's strengths. Consequently, making North Bengal a part of the NEC is a potential solution. A well-administered, well-resourced, and secure North Bengal region holds immense significance for the country, both strategically and economically.

Harsh Vardhan Shringla is former foreign secretary, and former ambassador to the US, Bangladesh and Thailand. The views expressed are personal

{ URSULA VON DER LEYEN } EUROPEAN COMMISSION PRESIDENT

With our AI Act, we create guardrails not only to protect people and their interests but also to give businesses clear rules and certainty

On the European Union's landmark law on Artificial Intelligence which came into force on Thursday

Bangladesh quota protests a metaphor for discontent

Bangladesh's student-led protests began as peaceful demonstrations against a controversial quota system in government jobs but have since morphed into violent nationwide unrest. This exposes deep-seated tensions in Bangladeshi society and raises questions about the country's governance. The 30% quota for descendants of freedom fighters in government jobs, part of a broader system established in the aftermath of the country's independence in 1971, has long been a contentious issue. While intended to honour sacrifices made during the war of independence from Pakistan, it has increasingly been viewed by many as an anachronistic policy that undermines meritocracy and perpetuates inequality. The students' demands were straightforward: Abolish this quota and give jobs on merit. They argued that the system failed to reflect the needs and aspirations of contemporary Bangladesh. Their cause quickly gained traction, resonating with a broader segment of society frustrated by limited economic opportunities and perceived governmental nepotism. The government went in heavy-handed, deploying police and paramilitary forces. This disproportionate use of force only broadened anger against the administration. As the protests grew, so did the violence. Clashes erupted between demonstrators and pro-government supporters, particularly members of the ruling party's student wing, the Bangladesh Chhatra League. The resulting chaos has led to a shocking toll: Hundreds have died, with thousands more injured. Attacks on journalists have stoked fears about press freedom. The government's decision to impose a communications blackout, blocking internet and social media access, has only exacerbated the situation. Ostensibly aimed at disrupting the organisation of protests, it has instead fuelled speculation about the true extent of the unrest and the government's attempts to control the narrative. In response, the Supreme Court ordered a reduction in the freedom fighters' quota from 30% to 5%, with 93% of jobs to be allocated based on merit. While this decision has been cautiously welcomed by protest organisers, it has not been enough to quell the unrest. The government attributes the unrest to opposition parties, particularly the Bangladesh Nationalist Party (BNP) and the Jamaat-e-Islami Bangladesh, claiming they are instigating violence under the cloak of the student movement. However, the student protesters assert their political neutrality, emphasising that their demands are centred on establishing a fair,

merit-based system that benefits all citizens, rather than serving any political agenda. The persistence of the protests, even after the concessions, points to deeper issues at play. The demonstrations have become a vehicle for expressing a range of grievances, from widespread corruption and economic inequality to concerns about democratic backsliding under an increasingly authoritarian rule. During 2014-2024, Bangladesh's electoral landscape has been characterised by limited competition. The BNP and its allies, for most parts, abstained from participating in the elections, resulting in contests that lacked broad political representation. This crisis lays bare the complex challenges facing Bangladesh. A 15.75% unemployment rate among young people translates to about 21.48 lakh unemployed youths aged 15-29, representing 83% of the country's total unemployed population, underscoring the need for youth-focused job creation and skill development initiatives. On one hand, the country's GDP expanded at an impressive average rate of 6.4% per year from 2016-21, and poverty fell from 44.2% in 1991 to 13.8% in 2016-17. On the other, it grapples with high youth unemployment, political polarisation, and a struggle to balance its historical legacy with the demands of a rapidly modernising society. The quota system has become a flashpoint in this debate. Its reform highlights the need for Bangladesh to find new ways of honouring its past while fostering a more inclusive economic future. As Bangladesh moves forward, several key issues demand attention. First, there is an urgent need for dialogue between the government and protesters to address not just the quota system but the underlying concerns fueling the unrest. Second, the heavy-handed response to the protests calls for a re-evaluation of law enforcement tactics and a commitment to protecting citizens' right to peaceful assembly. Third, the crisis underscores the need to create more opportunities for Bangladesh's growing youth population. With a significant demographic dividend on the horizon, the country must focus on job creation, skills development, and rewarding merit and innovation. How Bangladesh navigates this crisis will be crucial in determining its path forward as a democracy and an emerging economic power in South Asia. The challenge now is to channel the energy of these protests into constructive dialogue and meaningful reform, ensuring progress benefits all, not just a select few.



Syed Munir Khasru

Syed Munir Khasru is chairman, IPAG India, an international think tank. The views are personal



OUR VIEW



# Ola Electric: It'll have to go strictly by a road-map

The electric scooter maker has been a success and boasts of its own gigafactory, but going public will mean far greater accountability. Weakly explained shifts in strategy won't do

India's transition to clean energy has been short of climate-action heroes, so it's natural for investor interest to chase Bhavish Aggarwal-led Ola Electric, which leads the local market for electric scooters, selling four out of every ten rolling onto Indian streets. This startup had a dream ascent to unicorn status, as it zipped past older rivals, fuelled by a perfect storm of factors: an acceleration in demand for electric vehicles (EVs), a receptive audience for an aggressive sales pitch and government support by way of a price subsidy. For B-schools, Ola serves as a splendid case study of brand extension: from taxi services to EVs. And Ola Electric is now set to go public with an equity offer that places its value at around ₹33,500 crore. Large as this may seem, it's only 40% of what the company was earlier looking at, reportedly, and also a steep drop from its last funding round, which valued it at \$5.4 billion. Naturally, too, Ola's ramp-up to this stage invites closer scrutiny.

While Aggarwal has averred that Ola Electric's valuation was cut to make its share issue more attractive for investors, there's a trail of signs that point to a less-than-smooth ride thus far. Take the scope of Ola's market ambition, a key determinant of what value it could foreseeably create for shareholders. On Independence Day, Ola plans to reveal details of an electric motorcycle on its launch pad. Scroll back to 15 August 2022, though, and it was India's four-wheeler market being served notice of Ola's entry. "Indian carmakers are conservative, thinking that we only want small cars or maybe mid-sized cars," Aggarwal had then said at a livestream titled 'Mission 2022,' "Global automakers think that the Indian market is not ready for world-class tech and hence sell their

hand-me-down tech in India... We deserve a car that defines our new destiny." With this review of a market gap, he promised an electric car that would be the fastest made in India, with a pedal thrust taking it to 100kmph in under four seconds, a range of over 500km per charge, an all-glass roof and advanced digital tech. Its launch? 2024. Or so it said on the screen at the end of that spiel. Today, Ola's IPO papers make no mention of any electric car. According to Aggarwal, the company never formally communicated any timeline for what was showcased as an "aspiration product," and its shift in priority is part of a broader strategy to build a robust EV ecosystem. The company recently set up a gigafactory in Tamil Nadu, a unit that makes lithium-ion cells to power EVs. Although battery making success could give Ola an edge in the EV transition, the awkward car episode means it can expect hard questions from investors just to assess the realism of its business strategy. Some of its practices have been under a cloud too. As *Mint* recently reported, some of its market share was on account of scooters sold to its own group entity. It also has an employee attrition rate that's higher than it should be at this stage of a startup. Earlier, its scooter safety record had attracted criticism. Although such problems can be overcome, it's clear that its management must take extra care in adapting to the discipline that a publicly listed company demands. Investors will expect strategic clarity, with no sudden swings in market focus. An entrepreneurial culture may place a premium on 'flexibility,' with startup lore full of quick reversals and alternative paths, but a widely held corporation must hunker down on what investors have been led to expect. Unexplained re-routing won't do.

THEIR VIEW

# Women's labour participation: Lower for longer in UP

VIDYA MAHAMBARE & VIVEK JADHAV



are, respectively, professor of economics and director (research) at Great Lakes Institute of Management, and assistant professor of economics, Institute of Management Technology, Ghaziabad.

The state of Uttar Pradesh is deceptively large. Working-age women (20-59 years) in the state—about 57 million in 2021—outnumber the entire population of countries like Canada, Australia, Malaysia, and South Korea. The state has more women aged 20-29 than the combined population of Norway, Finland and Denmark.

Given the vast size of UP, it makes sense to look at the state separately from the rest of India in the ongoing debate around low women's employment.

Data from the Periodic Labour Force Survey shows that in 2022-23, only about 19.8% of young adult women (20-29 years) in UP were either employed or looking for work—known as the labour force participation rate (LFPR)—compared to 33.2% in the rest of India. In urban UP, only 16.3% of young adult women were labour-force participants, while in the rest of urban India, the proportion was close to 30%.

This gap is worrisome, since UP is a young state demographically. In 2021, around 37%

of working-age women were in the young adult category, compared to only 31% in the rest of India. Similarly, the proportion of teenagers set to enter the working-age population over this decade is larger in UP.

India's average total fertility rate (TFR) being 2, UP's TFR at 2.4 is still above the replacement rate of 2.1, according to the latest National Family Health Survey. The TFR indicates the number of children per woman of childbearing age. So, UP will witness a demographic expansion for longer than relatively prosperous states like Tamil Nadu and Gujarat.

In the age group of 30-59, the gap in women's LFPR between UP and the rest of India is narrower. However, in urban UP, women's LFPR in this age group at 17.4% in 2022-23 was only about half of that across the rest of India.

UP is urbanizing fast. As per news reports, the state government expects around 40% of its population to live in urban areas in five years, from around 30% currently. State policies must ensure that women can participate in urbanization and benefit from it.

It is difficult to disentangle supply and demand factors behind low women's labour participation. The supply-side explanation includes social and gender norms around

marriage, housework, care work and restrictions in terms of mobility. Demand-side determinants include a lack of job opportunities, especially near homes and in sectors where women traditionally work.

When average education levels are lower, low-skilled manufacturing sectors are considered conducive for women to take up paid work. Currently, the share of manufacturing in UP's state economy is only 12%. When Tamil Nadu had a similar per-person real income back in the early 2000s as UP has today, the share of manufacturing in Tamil Nadu's state economy was around 20%.

The UP government expects manufacturing to be a major driver of economic growth and job creation. The state has the highest number of 'smart cities' under development and the construction of several industrial corridors is underway.

But there is a catch. Since UP is landlocked, manufacturing exports rely on ports in other

states for shipping. Goods must be transported by rail or road for long distances, increasing transportation costs. Port development along industrial corridors would help, but until these new ports are operational and integrated into the state's transportation network, UP will face higher export costs than states with direct access to coastal ports.

The Niti Aayog's report on Export Preparedness Index 2022 highlights that, although UP is performing well on export growth, it suffers from infrastructure gaps, power shortages, low foreign direct investment and low manufacturing value addition. Streamlining land acquisition and simplifying regulatory processes would cut delays and lower costs.

Even as manufacturing expands in UP, the ability of women to take up jobs depends on several other factors. One of the main factors is the income-status norm. When the income of their menfolk increases, many Indian

women drop out of paid work. In India, in general, culturally, women are 'required' to take up paid work only if they need to support their families. 'Not required to work' is seen as a mark of high status and it also reduces the exposure of women to 'outsiders.'

Also, Indian women continue to be mainly responsible for childcare, elderly care and household work. Commuting poses another challenge in terms of modes of transport, time taken and safety while commuting.

As the state develops, men's income will rise first and the status-income effect would come into play. There is some evidence in 2022-23 data that in urban UP, women's LFPR does not rise among higher consumption deciles as it does in the rest of India.

Men's incomes also increase faster because they can migrate to other states for work. Women's migration for work remains low and temporary. According to the *Migration in India 2020-21* report, only 0.7% of total female migration was for employment. Men sending remittances back home also lowers the pressure on women to take up paid work to support their families.

There are no easy ways to raise earning opportunities for Indian women. As the data shows, the task is especially difficult for India's largest state.

MY VIEW | TECH WHISPERS

# SearchGPT is a smaller threat to Google than its own challenges

Google's search business is so lucrative that it faces the risk of a financial hit if it pivots fully to AI



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

Arguably the best business model ever invented, other than the illegal one of peddling drugs, is search. This is a \$200 billion plus market today, with gross margins estimated at 60%, growing at 10% every year and projected at \$371 billion by 2031. As we all know, one player dominates this lucrative market: Google, with a highly enviable 90%-plus market share. No one has been able to get anywhere close, with even mighty Microsoft's Bing a light year behind at No. 2 with a 3.7% share. Besides the acclaimed superiority of Google's search algorithms and its effective use of AI, another big reason is network effects and the fact that Google has now become a verb. What you need, you 'google.'

No wonder that every tech company on Earth is trying to get a piece of the action, but has so far only managed to gather crumbs left behind by Google. Despite onslaughts by Microsoft and Yahoo, and pretenders like DuckDuckGo and Wolfram Alpha, Google has never really been under any threat. Until now, that is, with a new technology which threatens to upset its cosy world. The technology is Generative AI, and it is perhaps the first credible threat to Google's throne.

This was apparent when ChatGPT was launched by OpenAI. Suddenly, we had another way of finding information and content out there, but a way that

seemed more intuitive, warm and human than the cold 'ten blue links' of Google's search results. GenAI is built on language, much like we humans are, and its powerful Transformer algorithms (the 'T' in GPT) parse the vast troves of language on the internet to give us answers by probabilistically providing the next set of words to any word or prompt we give it. This is how we humans learn and think with language, but it is this very human quality of making up stuff as it goes along—and being optimized for believability and not facts—that make Large Language Models (LLMs) of GenAI not very conducive to the factual precision we expect of search. Thus, while GenAI has been out there for a couple of years, it has not been a credible danger to Google's search engine so far.

This hasn't stopped people trying. Bing immediately incorporated OpenAI's GPT-4 into its search results and renamed it Copilot, a startup called Perplexity has made waves with its robust competition (see: [bit.ly/3Sr9fKy](https://bit.ly/3Sr9fKy)), and even Google incorporated its own LLM Gemini into its search results. However, the hallucinatory and probabilistic nature of GenAI often led to disastrous results, with Google's GenAI-based search confidently making Barack Obama African, for example.

Last week saw the biggest onslaught on Google's monopoly yet, the launch of SearchGPT by OpenAI. OpenAI seems to have learnt from the mistakes of others. It is being careful, releasing a prototype for 10,000 users so as to learn and improve results before a wider launch. It has struck deals with content producers like *Wall Street Journal*, Vox Media and Associated Press, both to get quality content and send traffic back to publishers "by prominently citing and linking to them in searches." Publishers also have a way to "manage how they appear in OpenAI search features," as per OpenAI. This partnership-led approach by the world's hottest GenAI company is perhaps the most credible threat that Google has seen so far.

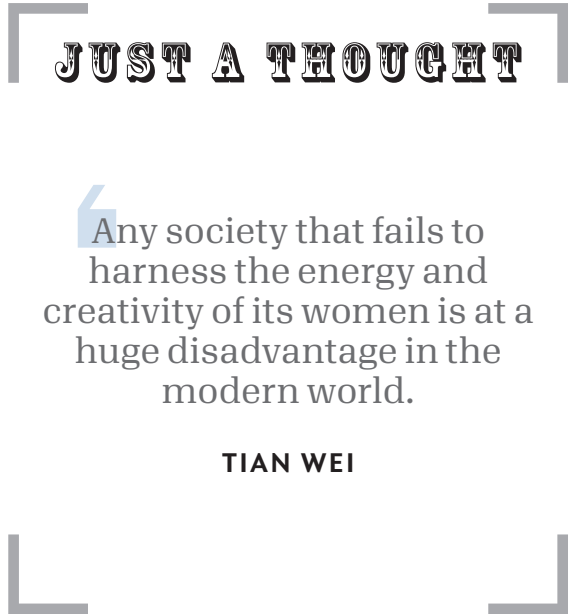
My view is slightly different, though: the biggest threat to Google Search is Google itself. The first reason is what Clayton Christensen called the "innovator's dilemma." The Transformer was invented at Google's lab, but it was OpenAI that took it forward. Google saw GenAI and LLMs as being too reputationally dangerous, and a direct threat to its lucrative advertising-led search business model. The risk of launching something that would cannibalize its own business was too great, and so it demurred—the classic innovator's dilemma. Secondly, Google's dominant position has made it complacent. The Google interface is a bad user experience, with advertiser links disguised as actual results dominating its first page, although users want the best possible result rather than advertised results. Google is optimized for the advertiser, not the consumer. The third reason is what usually happens to a wildly successful company with a monopoly grip: bloated structures slow down decision making, its leadership grows tentative and global regulators begin circling around and slowing down innovation.

Thus, while SearchGPT and Perplexity will launch frontal attacks on its search empire, the biggest threat to Google is Google itself.

QUICK READ

We recently saw the biggest onslaught on Google's monopoly yet with the launch of SearchGPT by OpenAI, which seems to have learnt from the mistakes of others in this high-stakes pursuit.

The biggest threat to Google Search is Google itself, as it faces an 'innovator's dilemma': If it uses AI for a superior user experience, its advertising model could be adversely impacted.



QUICK READ

India's labour force survey shows that less than a fifth of young adult women in Uttar Pradesh were either employed or looking for work in 2022-23, compared to 33.2% in the rest of India.

The state has a higher birth rate than the national average, and while its manufacturing sector could create jobs, social factors are also at play that go against raising women's employment.









# DEEPENING JUSTICE

Allowing quotas within quotas for SC/STs, apex court expands constitutional guarantee of equality. Now politics has to mediate

MARKING A MILESTONE in the jurisprudence on affirmative action post-Mandal, the Supreme Court bench, led by Chief Justice of India D Y Chandrachud, has allowed sub-classification among Scheduled Castes and Scheduled Tribes for the purpose of reservation, holding that this does not violate the Constitution. Extending the principle from the OBCs to the SCs/STs, the court over-rules the 2004 verdict in the case of *EV Chinnaiiah vs State of Andhra Pradesh*. That verdict had been used by high courts to strike down preferential measures designed by various state governments for the more downtrodden castes within the SCs. Thursday's judgment heralds a potential widening and deepening of the constitutional guarantee of equality — sub-classification, it says, must be seen as a facet of equality, not its violation, and as a movement towards its more substantive version, by expanding the sphere and scope of reservation to ensure that its benefits reach those who need it most. At the same time, conscious of the challenges in the path it opens, the Court warns against a reading that might replace the doctrine of equality with the “doctrine of classification”. For all the new possibilities it inaugurates, however, the court is essentially playing catch-up — be it in UP or Bihar, Punjab or Haryana, Andhra Pradesh or Tamil Nadu, political mobilisations have both responded to and sharpened distinctions within the SC category. Going ahead, political parties will now be called upon to mediate the effects on the ground of the Court's imprimatur on the imperative to differentiate within.

The Court traces a long and arduous judicial arc — from a view of reservation as an honourable exception to the equality principle, and from seeing merit/efficiency and reservation in conflict, to challenging those binaries, and underlining that merit must be understood in terms of the social goods of equality and inclusivity. The Court recognises the difference between the OBCs and SCs — SCs suffer from a much more egregious form of social backwardness. And it takes note of arguments that sub-classification could be seen as discrimination in reverse, or that other measures, apart from reservation, could be taken to bring disadvantaged groups at par with disadvantaged groups within the SC category. Yet, it holds that the principle of sub-classification is applicable to the SCs to bring a much-needed deeper equality. It points to historical and empirical evidence that SCs are not a homogeneous category. The caste whose traditional occupation is scavenging, for instance, will be more backward than the one whose traditional occupation is weaving, even as both suffer the stigma of untouchability. There are other criteria too — certain SC groups have substantially lower literacy rates than the state average, and substantially lower representation in government jobs compared to their share in the population.

Even as it leads to a fine-tuning of affirmative action policies, many new questions will be sparked by the verdict — how are the levels of backwardness to be determined, and what will be the design of preferential policies by state governments. But the way forward will hinge, essentially, on whether the core intent of the verdict — to acknowledge and address the intense inequality within SCs — is taken on board and translated on the ground, or it becomes a pretext for political misreading and tinkering.

# A SEPTEMBER PIVOT

US Fed hints at cutting rates in its next meeting, shifts focus to its dual mandate

IN ITS JULY meeting, the US Federal Reserve decided, in line with expectations, to keep interest rates steady. The federal funds rate remains at 5.25 to 5.5 per cent. However, the change in the tone of the accompanying commentary indicates the possibility of a policy pivot in the near term. Federal Reserve chairman Jerome Powell said that if inflation moves in line with expectations, “a reduction in our policy rate could be on the table” in the September meeting. The Dow Jones index rose with markets seeing greater visibility on interest rate cuts. Other central banks in developed economies have already embarked on the path of easing policy rates. In its June meeting, the European Central Bank had cut interest rates as price pressures weakened in the Euro region. In July, the Bank of Canada had also reduced interest rates, its second straight rate cut. And on Thursday, the Bank of England also lowered interest rates by 25 basis points to 5 per cent.

The Fed's policy statement noted that that has been “some further progress” towards achieving the 2 per cent inflation target. In June, inflation, based on the personal consumption expenditure index, rose 2.5 per cent. There is also the indication of the committee shifting focus from being solely fixated on inflation to being “attentive to the risks to both sides of its dual mandate” — inflation and employment. The unemployment rate in the US has risen to 4.1 per cent. With many in the market now pencilling in the first rate cut in September, attention will now turn to the quantum of cuts in the near term. This could have implications for emerging economies. As the International Monetary Fund had noted in the July update of the World Economic Outlook, “a number of central banks in emerging market economies remain cautious in regard to cutting rates owing to external risks triggered by changes in interest rate differentials and associated depreciation of those economies' currencies against the dollar.”

In its last meeting, the RBI's monetary policy committee had voted in favour of maintaining the status quo on interest rates. While two members on the committee — Ashima Goyal and Jayanth Varma — voted in favour of reducing interest rates and changing the policy stance, RBI Governor Shaktikanta Das has recently restated his position, saying that “it is too premature to talk about interest rate cuts”. In the coming months, as greater clarity emerges on the trajectory of food inflation, the path of interest rates will become clearer.

# TASTES LIKE GOLD

After defeating Italy in fencing at the Olympics, Hong Kong's celebrations with pineapple on pizza cut even closer to the bone

HOW DOES VICTORY taste? Like pineapple on pizza, according to Hong Kong. Following its win over Italy in the men's foil final at the Paris Olympics, a food fight ensued. Italy, which has long dominated fencing at the Olympics, took its defeat poorly, registering an official complaint against the refereeing in the gold medal bout. The Chinese territory retaliated by hitting out at Italy's proud culinary tradition. Hong Kongers boasted about enjoying pizza with pineapple and pasta with soy sauce, while the Hong Kong and Macau branches of Pizza Hut celebrated by offering free pineapple toppings. Touché, as they say in fencing.

That outraged sentiment has been expressed in culinary terms is not surprising considering that of all possible insults, the ones that can pierce through the thickest skins are often based on food. Sometimes, as in the case of fans of West Bengal's rival football teams, Mohun Bagan — who swear by their prawns — and East Bengal — who consider the hilsa to be far superior — food is a harmless expression of difference. Occasionally, though, contestations over food can escalate into international legal wrangles, like Greece's lawsuit in the European Court staking sole claim to feta.

Regarding pineapple on pizza, there is no sign yet of an escalation. With even Gino Sobrillo, one of Italy's best known pizzaiolos, embracing the fruit as a topping, Italians may feel that the conversation around pizza moved on long ago. Or it could be that there is a growing acceptance of pizza as a global food, not just a part of Italian heritage. In any case, even a slice of pineapple pizza is sure to taste better than the loss of a gold medal.



YOGENDRA YADAV AND PRANNV DHAWAN

THE SUPREME COURT has finally removed a long-standing legal obstacle to fine-tuning the existing policies of social justice. The seven-member bench of the apex court has allowed state governments to sub-divide the reservation quota meant for Scheduled Castes (SC) and Scheduled Tribes (ST). The Court has also opened the door for identification and exclusion of the “creamy layer” in the SC and ST categories from the benefits of affirmative action. While there can be many issues with the exact formulation and implementation of this judgment, especially the part on the creamy layer, this is a step forward in the long history of India's rich jurisprudence on reservation. On balance, this judgment would help fine-tune and deepen policies and politics of social justice in an era where the very idea of affirmative action faces an onslaught.

The Court's much awaited judgment in the *State of Punjab vs Davinder Singh* case marks the conclusion of a 20-year-long legal struggle by state governments to liberate themselves from the limits upon their power to sub-classify Scheduled Castes. The point of contention was the correct interpretation of Article 341 of the Constitution that empowers the President to notify the list of castes to be deemed as Scheduled Castes throughout the country. In 2004, a five-member bench of the Supreme Court had outlawed any policy that sought to sub-divide this category for purposes of creating sub-quotas. In this *E V Chinnaiiah* case, the bench unanimously took an ultra-technical view of Article 341 and held that all the Scheduled Castes, across the diverse social geographies within the states, were a homogenous class that could not be sub-divided.

The judgment in *E V Chinnaiiah* suffered from a basic disconnect with social reality. It failed to acknowledge that categories like Scheduled Caste or Scheduled Tribe are very large baskets that contain social groups of different status, based on different traditional occupations and, therefore, varying degrees of disadvantage. Historically, they had very uneven exposure to modern education and were therefore unequally placed to take advantage of policies of affirmative action. Just look at the

Verdict on SC sub-classification is welcome, will enable evidence-based identification of the most disadvantaged

The spirit that pervades the majority opinions is that any classifications within the social justice policy must be reasonable and rational. It affirms the long-standing requirement of evidence-based policies of social justice, something the court had nearly abandoned in its curious judgment upholding the EWS quota. Incidentally, this reminder of data-driven policy fortifies the imperative for a nation-wide caste Census.

stark inequalities of educational levels shown by the latest caste survey data among different castes within the SC category in Bihar. Of every 10,000 persons, 124 Dhobis had decent (PG or professional) higher education degrees, while this number was 45 for the Dusadhi community and just one for the most disadvantaged Musahar community. In Tamil Nadu, while Arunthathiyars were about 16 per cent of the SC population of the state, their presence among SC government employees was just about 0.5 per cent. The commonsensical solution to this gross inequality was to divide the category into two or more sub-categories and earmark separate quotas for each subgroup depending on their share in population. Yet, attempts by the state governments in Punjab, Haryana, Andhra Pradesh and Bihar fell foul of the court's ruling.

At long last, following the observations by CJI R M Lodha in 2014 and a five-member bench judgment in 2020, the case was referred to a seven-member bench for final disposal. The majority decision of the court, authored by the CJI himself, has firmly prioritised substance over form and held that the state governments are competent to sub-classify the Scheduled Castes in order to identify groups that merit more beneficial treatment. The judgment authored by Chief Justice D Y Chandrachud appreciates the import of distributive justice within the extremely heterogeneous Scheduled Castes. It affirms that equal protection of the law is not a rule that forbids both “the beggar and the king” from begging in the streets.

By shedding the formal legalism that underlay *E V Chinnaiiah*, the court has demonstrated sensitivity towards the most disadvantaged sections within the Scheduled Castes and charts the course for resolving their historic grievances. At the same time, notwithstanding contrary remarks by Justice Pankaj Mishra, the judgment consolidates and reinforces the socio-legal consensus on the necessity of a principled caste-conscious affirmative action regime that was established in the *Indra Sawhney* judgment of 1992. It thus enriches the struggle for a broader, more effective and fairer, affirmative-action regime.

The spirit that pervades the majority

opinions is that any classifications within the social justice policy must be reasonable and rational. It affirms the long-standing requirement of evidence-based policies of social justice, something the court had nearly abandoned in its curious judgment upholding the EWS quota. Incidentally, this reminder of data-driven policy fortifies the imperative for a nation-wide caste Census.

Can the same logic be extended for the “creamy layer” within the Scheduled Castes? So far, the policy of excluding the privileged sections (“creamy layer” in the language of the *Indra Sawhney* judgment) within the reserved category was applicable to the OBC, but not to the SC or ST category. While this issue was not referred to the Constitution Bench, Justice B R Gavai held that the ground reality of the disparities within the beneficiary groups are too pronounced to be ignored. He puts it eloquently that treating the child of a bureaucrat and a manual labourer alike, even if both belong to the SC community, would defeat the constitutional mandate. At the same time, as Justice Vikram Nath clarifies, the criteria for identification of “creamy layer” would have to be different from that used in the case of OBCs.

A landmark judgment like this is bound to be disputed both in legal and political circles. This might be seen as the thin end of the wedge that may lead to dilution of the affirmative-action regime. Politically, it may be seen as aiding the current regime's designs to divide Dalits. Frankly, both these readings ignore the ground reality of internal differences and discrimination accompanied by political resentment among the most disadvantaged Dalit communities. Those committed to the policies and politics of social justice must not push such issues under the carpet. Instead, they should welcome this judgment and demand careful evidence-based identification of the most disadvantaged communities and provisions to ensure that the sub-division and the creamy layer do not become a route to divert SC/ST quota seats to non-reserved categories.

Yadav is member, Swaraj India and Dhawan is a Delhi-based advocate and legal researcher



KHINVRAJ JANGID

WITH THE KILLING of Hamas political wing chief Ismail Haniyeh, the Israel-Hamas war is at, arguably, its most volatile. Israel has not taken responsibility for the assassination, though it did so for the death of Hezbollah leader Fuad Shukur in Lebanon. It is clear that the Israeli army and intelligence have been looking for the Hamas leadership since October 7. “They are living on borrowed time,” said defence minister Yoav Gallant declaring that Israel will target leaders of Hamas.

Will the killing of Haniyeh compel Hamas to accept the deal to free Israeli hostages? Will Iran get involved in the conflict more directly? These questions hang in the air. What is clear is that Benjamin Netanyahu, after his maximalist rhetoric in no less a place than the joint session of the US Congress, has chosen escalation over a ceasefire.

Israeli leaders, in war and peace, tend to derive plenty of domestic appeal, international leverage and attention by showcasing the privileges, invitations and meetings they can get from the American political establishment. Consider this: Netanyahu, a leader who has been controversial for a long time in domestic politics and the international arena, made headlines by addressing, for the fourth time, a joint session of the Congress. Winston Churchill got such a privilege only three times. Netanyahu has been distrusted and criticised for his position on the two-state solution by US presidents including Bill Clinton, Barack Obama and Joe Biden. He is also disliked by many, if not most, in the US Jewish diaspora. In

# ON A PRECARIOUS EDGE

Netanyahu has chosen a path of escalation that should worry friends and allies

Netanyahu has been distrusted and criticised for his position on the two-state solution by US presidents including Bill Clinton, Barack Obama and Joe Biden. He is also disliked by many, if not most, in the US Jewish diaspora. In Israel, there are near-daily mass protests over his failure to protect the people on October 7 and his prioritising attacking Gaza over a compromise that could free hostages.

# AUGUST 2, 1984, FORTY YEARS AGO

## POLICE FIRING KILLS 5

FIVE PERSONS WERE killed and 70 injured when the police opened fire on a violent mob in Srinagar. Curfew has been clamped on eight mohallahs, known as the strongholds of the pro-Plebiscite Awami Action Committee leader Maulvi Farooq. The injured included 43 policemen who were victims of stone-throwing at Dalai Mohallah, Bohri Kadal, Baghaliya, Nawakadal and Sarafkadal.

## UP'S NEW CM

THE 743-DAY-OLD SRIPATI Misra ministry bowed out of office clearing decks for Union

Industry Minister Narain Dutt Tiwari to assume the chief ministership of Uttar Pradesh. Sripati Misra handed over his resignation to Governor C P N Singh. The Governor asked Misra to continue till a new leader of the Congress legislature party is elected. The party meeting will be held this week to formally elect Tiwari as its leader in place of Misra.

## PAK GETS US ARMS

PRIME MINISTER MRS Indira Gandhi expressed deep concern at the induction of sophisticated US arms into Pakistan and the malicious anti-Indian propaganda in the Pak media and said these were not conducive to

improvement in bilateral relations. Accusing Pakistan of taking advantage of the situation in Afghanistan to acquire arms, the Prime Minister told the Lok Sabha that this had only increased tension in the region.

## INDIA'S HOCKEY STAR

INDIA, INSPIRED BY a brilliant hattrick from defender Vineet Kumar, trounced Malaysia 3-1 in their second group 'A' match of the Olympic Hockey Tournament in Los Angeles. In a match marred by frayed tempers, many of them provoked by decisions from the Egyptian umpire Al-Mohanis, Vineet scored all the goals from penalty corners.





“Iran will not feel that it can ignore this attack, made shortly after Haniyeh attended the inauguration of its new president. Instead of projecting its strength, Tehran has been humiliated by a glaring intelligence failure at a time of heightened security.”  
— THE GUARDIAN

# When the clouds gather

Behind India’s monsoon woes lie poor civic maintenance, ageing infrastructure and the failure of policymakers to make essential connections between urban planning and climate change



KAUSHIK DAS GUPTA

AFTER HEAVY RAINS submerged large parts of Delhi and adjoining NCR cities on Wednesday, paralysing traffic and taking a toll of lives — not for the first time in the last two months — the question that inevitably arises is: Why are Indian cities never prepared for the monsoon? Among the many seemingly complicated reasons for their troubled relationship with the rains is a rather unglamorous term — drainage system. Ancient and medieval civilisations had their ways of channelling water — the hydrological acumen of the Indus Valley cities is well-known. But in modern times, when the ground is all concrete and tarmac — not the best sponges — city planners rarely take cues from the past, that’s only romanticised politically. The runoff has scarcely any outlet. It accumulates in low-lying areas, inundating roads, underpasses, houses, offices, railway tracks, basements. Urban India, it is increasingly becoming evident, cannot deal with short but intense spells of rainfall, one of the hallmarks of climate change.

Another increasingly noticeable facet of climate change is hyper-local torrential rainfall. On July 26, Delhi’s ridge area reported 99 mm of rainfall. A day later, when a drain burst resulted in the gruesome tragedy that took three young lives, Pusa — near the site of the fatal incident in Old Rajinder Nagar — recorded 58 mm. The IMD classifies 64 mm as heavy rainfall. Delhi’s nearly 50-year-old drainage system, by all accounts, cannot handle even 50 mm. The already unsafe basement-run coaching centre, as a report in this newspaper has pointed out, carried out its business from a saucer-shaped stretch, making it even more prone to severe waterlogging. Last week, 26-year-old UPSC aspirant Nilesh Rai tried to avoid one such waterlogged street, not far from the ill-fated coaching centre. Rai reportedly hopped across a dry patch and held onto the iron gate near his PG’s building to cross the clogged section and within seconds, he was electrocuted — the gate was in contact with an exposed electric wire. On Wednesday, high-tension wires claimed three more lives of people near the flooded IFFCO metro station in Gurugram.

Most of the past cities that make up Delhi were situated on an elevated plane, which allowed them to flush out water. But town planning in the Lutyens and post-Lutyens eras has followed a radial or block pattern. Urban expansion, and infrastructure creation, have rarely followed the natural contours and inclines of the city — these often change every few kilometres — which provides an outlet to the run-off. The Minto underpass, one of the first areas that becomes a receptacle for the rains in Delhi, for instance, is a depression bounded by elevated areas. The underpass came under water on Wednesday, and so did Old Rajinder Nagar.

The neglect of hydrology has pushed cities with vastly different geological features — Delhi, Mumbai, Bengaluru for instance — towards similar water-related predicaments.



C R Sasikumar

Created by flattening hills and “reclaiming” lands from the sea — a project that began in colonial times and continued after Independence — Mumbai, whose climate vulnerabilities have been underlined by several studies, is a mix of low-lying areas and hills. When it rains, the water collects in the city’s central depression. During the monsoons, at least one day, virtually the entire city goes underwater, its lifeline, the railway system stops. The high tides complicate matters. Increasingly, after the disastrous floods of 2005, the city’s trysts with bad-weather days are becoming longer.

Climate change affects everyone. It’s well-known, however, that the brunt of floods, heat waves, and extreme cold is borne by the poor and the lower-middle classes. Infrastructure development in urban India has not done justice to these sections, even though the political class knows the power of their votes. Master plans rarely factor in informal settlements, including slums and dwellings of communities that build cities. The waste from urban underbellies, outside the sewerage network, finds its way to the stormwater drainage system and clogs it. A furious spell of rainfall often means an invasion of murky water into homes in these invisible localities, bringing in their wake disease and livelihood disruptions.

The coaching centre, Nilesh Rai and other tragedies show the failure of planners and policymakers to make other connections as well. Rajinder Nagar and its neighbourhoods were created as Partition refugee settlements. A socio-economic map of Delhi would today mark out these areas for middle and upper-middle-class houses, one-room tenements rented to students and UPSC aspirants as well as slums.

Town planning in the Lutyens and post-Lutyens eras has followed a radial or block pattern. Urban expansion, and infrastructure creation, have rarely followed the natural contours and inclines of the city — these often change every few kilometres — which provides an outlet to the run-off. The Minto underpass, one of the first areas that becomes a receptacle for the rains in Delhi, for instance, is a depression bounded by elevated areas. The underpass came under water and so did Old Rajinder Nagar.

In pre-modern Delhi, rivulets and small streams once carried fresh water from the Aravallis, and during the monsoons they became stormwater outlets, swiftly draining Delhi dry within a few hours of heavy rainfall. Today, they are either built upon or are *ganda nallahs*. One such water course, the Jarhalla Nallah in Karol Bagh, a few kilometres from Rajinder Nagar, became one of these *ganda nallahs*. Today, it has been covered.

If the natural water-flushing systems have been debilitated and destroyed, the modern drainage mechanisms have become victims of neglect. Delhi’s drainage system dates back to 1976, when some of these *ganda nallahs* were not covered. Mumbai’s drainage network is about 100 years old. Gurugram’s limited drainage capacity, which results in the Badshahpur drain overflowing during heavy rains and the disruption of the flow of natural water outlets, goes against its claim of being India’s Millennium City. The drain carries millions of litres of sewage every day and discharges it into Delhi’s Najafgarh *nallah* — named after the 18th century Mughal official Mirza Najaf Khan and part of an eponymous *jheel* teeming with birds, linked to the rainfed Sahibi river, along whose banks remnants of Indus civilisation cities have been found.

In the wake of the coaching centre tragedy, welcome conversations have begun on regulating commercial buildings, urban infrastructure, and even desilting drains. More needs to be done. Planners need to join the dots between drainage system, hydrology, climate change-induced weather vagaries, and the inexorable pull of cities as centres of upward mobility — and their inequities.

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# Stories from a cancer centre

Accompanying a friend who had been diagnosed with the Big C, I saw how patients juggle hope and resilience



ZERO HOUR

BY DEREK O'BRIEN

THERE ARE SO many ways to spend a Friday morning, 9 am to 11 am. One could be glued to an outdated iPhone 12, sending sundry text messages while stuck in traffic. Or lounging in bright blue pyjamas contrasted with a starched white linen shirt in the study at home, to look sharp for the call on Google Teams at 10. Or mindlessly watching YouTube Shorts over morning tea, sipping the vicarious pleasure of a blooper made by a political rival. Or pretending to be polite on an intrusive phone call from a pushy Delhi acquaintance. Rush. Rush. Busy. Busy. That’s why they call us the human, race!

But one Friday morning last month, I found myself taking a break from the human race. Two and a half hours at a most unlikely location: The reception area at the David H Koch Center for Cancer Care at Memorial Sloan Kettering Cancer Center in New York. A dear friend’s 59-year-old wife had recently been diagnosed with Stage 4 metastatic non-small-cell lung cancer, which had spread to the calf muscle. My spouse and I accompanied our friends to their first appointment with the oncologist, an expert in large-cell cancers. The patient, her husband and Tonusa, my wife, were with the specialist on the third floor for a little over two hours. I opted for a lonely beige sofa just inside the main entrance of the renowned facility.

I put my mobile phone on silent and stored it away in the pocket of my tracksuit bottom. This was a morning to take pictures in my mind. Just observe. The fantasy captions would write themselves.

Sitting right across me on another beige sofa was a couple who looked to be in their late 70s or even 80s. They had picked up coffee from the cafeteria at one end of the reception and chatted away with the enthusiasm of collegians on their first date. Obviously, one of them had the Big C. I couldn’t tell who. They were enjoying each other’s company. Then there was a mum in a wheelchair who was screaming at her son on the phone. He was late, so she decided to go upstairs for her appointment herself.

Who else did I see at the reception? Stories without names. A man with a caregiver who might have been a colleague, a neighbour or a friend. Then, a stylishly turned-out couple in their 50s, who could have well been on holiday on a beach in

Hawaii. But no. Here they were, checking in early for a doctor’s appointment in Manhattan.

No one says it better, on this subject than Siddhartha Mukherjee in his must-read, *The Emperor of All Maladies: A Biography of Cancer*. Mukherjee writes, “But the story of leukaemia — the story of cancer — isn’t the story of doctors who struggle and survive, moving from one institution to another. It is the story of patients who struggle and survive, moving from one embankment of illness to another. Resilience, inventiveness, and survivorship — qualities often ascribed to great physicians — are reflected qualities, emanating first from those who struggle with illness and only then mirrored by those who treat them. If the history of medicine is told through the stories of doctors, it is because their contributions stand in place of the more substantive heroism of their patients.”

After the poetry of Siddhartha Mukherjee’s writing, here is the prose of the reality of cancer in India:

- One out of nine people is expected to face a cancer diagnosis during their lifetime.
- The estimated number of new cancer cases in India was 14.6 lakh in 2022.
- After cardiovascular diseases, cancer has become the leading cause of death in India.
- Every eight minutes, one woman dies of cervical cancer in the country.
- Lung and mouth cancer are the most common cancers affecting men. For women, it is breast and cervix cancer, and lymphoid leukaemia for children below the age of 14.
- One of the major causes leading to cancer is tobacco use, associated with 35 to 50 per cent of all cancers in men and 17 per cent in women.
- Every day, 3,700 people die of tobacco-related diseases.
- Four per cent of all cancers diagnosed in India are those affecting children.

One of the earliest communication campaigns to increase cancer awareness was created in 1978 by Ogilvy & Mather for the Indian Cancer Society. As David Ogilvy wrote in his masterpiece *Ogilvy on Advertising*, “The purpose of the campaign was to change attitudes from ignorance and fatalism to understanding and optimism. Only then could people be persuaded to have regular check-ups at the free clinics of the Society”.

The advertising campaign with “positive messaging” featured happy pictures of “real patients” who had been cured of cancer. The caption to these joyous photographs was a simple yet powerful message: “Life after cancer... it’s worth living”.

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

## LETTERS TO THE EDITOR

### DEATH TRAPS

THIS REFERS TO the article, ‘Hope and heartbreak’ (IE, August 1). UPSC is one of the toughest examinations. Parents from impoverished backgrounds sell their land and borrow money to send their wards to these coaching centres. These centres have mushroomed across India. The death of three civil services aspirants after being trapped in the flooded basement of a coaching institute in Old Rajinder Nagar is heart-breaking. This is a serious matter as the unregulated growth of coaching centres is leading to the flouting of building rules and regulations. Accountability needs to be fixed and strict action taken against the guilty.  
SS Paul, Chakdaha, Nadia

### CHANGE PRIORITIES

THIS REFERS TO the editorial, ‘The slipping land’ (IE, August 1). With the landslides in Wayanad taking over 150 lives, the government’s failure to abate the area’s well-known ecological vulnerabilities has been exposed. But an unregulated tourist boom has also played a key role in the catastrophe. This factor deserves all the more attention, because it is seen wreaking havoc across several tourist hotspots in the country. The nexus between the business class and the political class serves both. As recommended by the Western Ghats Ecology Expert Panel, Kerala must discourage engineering projects in ecologically sensitive areas and constitute empowered expert committees to study the viability of alternate projects. Governments have to change their priorities. What took centuries to build, we are ruining without thought.  
Sanjay Chopra, Mohali

### MATTER OF LIBERTY

THIS REFERS TO the article, ‘A two-pronged response’, (IE, August 1). While the Maharashtra Special Public Security Bill allegedly aims to target Naxalism, it exacerbates the issue by broadening the scope of what constitutes an “unlawful activity”. This could have severe consequences for civil liberties. The provision that any action which interferes with public order or the administration of law can be deemed unlawful is alarmingly vague, and if the goal is to indeed curb violence, it should be stated explicitly. The UAPA, though not flawless, offers a framework for national security, and rather than creating new laws with broad powers, the focus should be on improving and balancing the existing ones.  
Swarnava Mitra, Kolkata

### MAKE AN EXCEPTION

THIS REFERS TO the report, ‘Gadkari urges FM to withdraw 18% GST on life and medical insurance premiums’ (IE, August 1). While this has been a long-standing demand from multiple quarters, the fact that the finance minister’s senior cabinet colleague has also endorsed it now underscores its significance. Given the abysmal state of social and health security of Indians, especially when their elderly are rising in number, a hefty 18 per cent tax on premiums paid by them to protect themselves and their families from risks is unfair. Even though the GST’s fundamental feature is that of a consumption-based tax with uniform and equal tax rates for specific goods and services independent of consumers’ income or social standing, the rationale for exempting certain insurance plans from GST necessitates an exception.  
Kamal Laddha, Bengaluru



NEERJA CHOWDHURY

# Central Hall to glass house

In the new Parliament building, spaces for journalists have shrunk

THE “GLASS HOUSE” that has come up for journalists near gate number 12 of the old Parliament building — its merits notwithstanding — is the latest symbol of the spaces that have been shrinking for the media.

Journalists can sit and wait in this 20 by 10 ten feet *dabba*-like structure, a container converted into an air-conditioned glass house with two TV screens, and facilities for water, tea and coffee. Politicians can walk across and talk to the media persons sitting inside if they so desire — almost like a favour bestowed on them.

In the days of old, before the new Parliament building came up, there used to be two canopies in the Parliament complex where media persons, particularly TV journalists, used to wait so that they could rush to catch MPs and ministers as they emerged out of the Parliament building (from gates 12, 1 and 4) and get their response to what was happening inside. They would surround them, put a mic under their nose and shoot questions.

After the new building came up, journalists would wait for the MPs to come out of the Makar Gate, one of the six gates in the new building. Earlier, too, the area around the Makar Gate had a cordon of sorts — journo would duck under it and often climb up the steps towards the gate to speak to MPs as they emerged.

Makar Gate is now exclusively for the use of parliamentarians. Journalists are seen hanging around for hours (in the humid July-August heat) outside the barricaded area. Or

they can sit more comfortably inside the glass house not far away, waiting for political leaders to come across to them.

There are few spaces for the media in the new Parliament. There are, of course, the press galleries, but the number of journalists allowed in today is far fewer. One of the purposes behind the new structure was to accommodate more people than was possible in the old, 1927 building designed by Edward Lutyens and Herbert Baker.

There is a media lounge and a briefing room in the new Parliament but they are located outside (in what is called the North Utility Building). There is also a workstation in the basement to facilitate the filing of stories. What is striking is the absence of free spaces where politicians and media persons can sit down over a cup of tea/coffee and chat. Where dialogue can take place as it should in a vibrant, plural and cacophonous democracy. The glass *dabba* is also a reminder of the transition that has taken place from the “old” to the “new” order, from the once vibrant, lively, high domed “Central Hall” to a tiny, constricted “glass house”.

The Central Hall is still there in the old building (rechristened Samvidhan Sadan) but the media is no longer allowed there. The standup fans there still slowly whirl away; the portraits of those who laid the foundations of a free and modern India — Nehru, Sardar Patel, C Rajagopalachari, Maulana Azad and many others — still adorn its walls. There is Gandhi at one end and Savarkar at the other, representing two poles of thinking.

Free and unrestrained exchanges would take place in the Central Hall over cups of coffee or fragrant Darjeeling tea — with the old Coffee Board staff claiming how they would take a cup of freshly brewed coffee for the then PM Indira Gandhi at 9 am to start her day!

The many historic events the Central Hall witnessed over the decades made it a proud symbol of the divergence of views which could co-exist in India. The debates of the Constituent Assembly took place here from 1946-49. It was here that Jawaharlal Nehru made his epochal, “tryst with destiny” speech at midnight on August 14-15, 1947.

These circular walls saw the political shenanigans that elevated Vishwanath Pratap Singh as the seventh Prime Minister in 1989. Devi Lal was declared the leader first — the UNI reporter charged out of the Hall shouting “It’s Devi Lal for PM” only to say a couple of minutes later, “Kill the story”. In a dramatic turn of events, Devi Lal had named VP Singh the prospective PM.

It was in the Central Hall that Sonia Gandhi renounced the prime ministership in 2004. It was also here that Narendra Modi walked across to a copy of the Constitution in June 2024 and bowed before it at the start of his third stint in office. It was here that MPs almost climbed over each other to shake the hand of the then US President Bill Clinton in 2000.

Central Hall enabled ruling party politicians to talk to their counterparts across the political divide. An Arun Jaitley-P

Chidamabaram meeting in a corner sorted out an impasse between the BJP and Congress. It enabled, for instance, the ruling Congress to toughen the nuclear liability law during Manmohan Singh’s term. During A B Vajpayee’s premiership, one could hear Parliamentary Affairs Minister Pramod Mahajan tell the Opposition leaders, “You have made your point by stalling Parliament, now let’s get down to business.”

Jaitley would be surrounded by journalists when he arrived for his “adda” in the Central Hall. Journalists from different states of India could meet and exchange views. For the media, the Central Hall provided a space for congenial, off-the-record interactions. Senior journalists, who became eligible for entry, could pick up behind-the-scenes information that gave them deeper insights into the workings of India’s democracy.

It was the late Vice President Krishan Kant who had once declared in Parliament, “When you stifle the flow of information to the people, you are blocking the channel of information to yourself.”

Lok Sabha Speaker Om Birla has now promised to set up an all-party committee to address the media’s concerns. There is no equivalent of a Central hall in the new Parliament building — it is “a Central hall” that the Speaker should consider restoring to enable the media to access information and play its role in our democracy.

The writer is contributing editor, The Indian Express





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If there are questions of current or contemporary relevance that you would like explained, please write to [explained@indianexpress.com](mailto:explained@indianexpress.com)

MAJORITY

DISSENT



CJI D Y CHANDRACHUD



JUSTICE MANOJ MISRA



JUSTICE B R GAVAI



JUSTICE VIKRAM NATH



JUSTICE SC SHARMA



JUSTICE PANKAJ MITHAL



JUSTICE BELA M TRIVEDI

“Can a child of IAS/IPS or Civil Service Officers be equated with a child of a disadvantaged member belonging to Scheduled Castes, studying in a Gram Panchayat/Zilla Parishad school in a village?”

JUSTICE B R GAVAI

When substantial judicial time and resources are spent on the References by the Constitution Benches, the same should not be... referred to the larger Bench by a smaller Bench, in a casual... manner, and without recording the reasons for disagreement.

JUSTICE BELA M TRIVEDI

STATES CAN CREATE SUB-CLASSIFICATIONS WITHIN SC & ST QUOTA... TO GIVE THEM WIDER PROTECTIONS: APEX COURT

# Sub-classification of SC, ST

Are all Scheduled Castes to be treated similarly? Can states tinker with SC list? What is the yardstick for sub-classification? Here is what SC ruled

AJOY SINHA KARPURAM  
NEW DELHI, AUGUST 1

IN A landmark judgement, a seven-judge Bench of the Supreme Court on Thursday re-framed how the Scheduled Castes (SC) and Scheduled Tribes (ST) quota may operate — for the very first time since reservations were introduced in the Constitution in 1950.

In a 6:1 ruling, the Bench headed by Chief Justice of India D Y Chandrachud permitted states to create sub-classifications within the SC and ST categories for the purpose of according wider protections — through fixed sub-quotas — to the most backward communities within these categories. This overturns the apex court’s 2004 decision in *E V Chinnaiah v State of Andhra Pradesh*, in which it had held that the SC/ST list is a “homogeneous group” that cannot be divided further.

The ruling had six separate opinions — five in favour of sub-classification, and a lone dissent by Justice Bela Trivedi.

### Some context

Article 341 of the Constitution allows the President, through a public notification, to list as SC “castes, races or tribes” that suffered from the historical injustice of untouchability. SC groups are jointly accorded 15% reservation in education and public employment.

Over the years, some groups within the SC list have been underrepresented compared to others. States have made attempts to extend more protection to these groups, but the issue has run into judicial scrutiny.

In 1975, Punjab issued a notification giving first preference in SC reservations to the Balmiki and Mazhabi Sikh communities, two of the most backward communities in the state. This was challenged in 2004 after the apex court struck down a similar law in Andhra Pradesh in *E V Chinnaiah*.

The court had held that any attempts to create a differentiation within the SC list would essentially amount to tinkering with it, for which the Constitution did not empower states. Article 341 only empowers the President to issue such a notification, and Parliament to make additions or deletions to the list. The court also said that sub-classifying SCs violates the right to equality under Article 14.

Based on this ruling, in 2006, the Punjab & Haryana High Court in *Dr. Kishan Pal v State of Punjab* struck down the aforementioned 1975 notification. However, the very same year, the Punjab government again passed the Punjab Scheduled Caste and Backward Classes (Reservation in Services) Act, 2006, reintroducing the first preference in reservations for the Balmiki and Mazhabi Sikh communities.

This Act was challenged by Davinder Singh, a member of a non-Balmiki, non-Mazhabi Sikh SC community. The HC, in 2010, struck down the Act, leading to an appeal at the Supreme Court. In 2014, the case was referred to a five-judge Constitution Bench to determine if the *E V Chinnaiah* decision had to be reconsidered.

## State by state, prominent tribal & Dalit communities



### MAHARASHTRA

More than three dozen SC communities; **Mahar** and **Matang** are most prominent. Mahar are socio-politically proactive, with comparatively high literacy. Large numbers followed Dr BR Ambedkar in embracing Buddhism in 1956. Matang are the second largest SC community; majority are Hindu.

**Gond**, who live in Vidarbha, especially in Gadchiroli and Chandrapur districts, and **Bhil**, who are concentrated in North Maharashtra districts of Nandurbar, Nashik, and Dhule, are two largest tribes.

### RAJASTHAN

59 SCs in State List; **Meghwal** is largest SC community, spread across the state, but mainly in border districts of Bikaner, Jaisalmer, Barmer, Jodhpur. **Bairwa** and **Jatav** are dominant in eastern Rajasthan.

**Meena** are most dominant tribe; influence electoral outcome in dozens of Assembly seats. Community has significant presence in police and bureaucracy countrywide. **Bhil**, some of whom do not consider themselves Hindu, are dominant in Banswara and Dungarpur districts, and have of late rallied behind a new tribal party.

### ODISHA

Tribals are 22.85% of state’s population and 9.17% to India’s tribal population (2011 Census). State has 62 tribes and 13 other primitive tribes. **Khond** are numerically largest; live mostly in southern Odisha districts of Rayagada, Kandhamal, Kalahandi, Koraput. **Santal** are second largest tribal group, followed by **Gond**.

93 SCs in state; 17.13% of total population (2011). **Pan** are dominant

SC community, followed by **Dom**. Other SC communities include **Dhoba**, **Ganda**, **Kandra**, **Bauri**.

### CHHATTISGARH

STs are more than 30% of state’s 2.55 crore population (2011). **Gond** are most dominant of the 43 tribal communities; constitute almost 55% of tribal population. **Kawar/Kanwar** (over 11%) and **Oraon** (almost 10%) people are next.

As per the 2011 Census, 44 SC groups make up 12.7% of state’s population. Largest group among the SCs constitutes more than 70% of the Dalit population, and is known by 16 different names, such as **Bairwa**, **Raidas**, etc.

### MADHYA PRADESH

SCs are about 15.6% of state’s population. Members of the largest Dalit group, which makes up more than 47% of the SC community’s numbers, were traditionally leather workers and live across the state. The **Balai**, who live in the Malwa region, constitute about 12% of the state’s SC population (2011).

STs are 21% of the population. The **Bhil** are the largest community, making up more than 39% of the tribal population. The **Gond** are the other large community, approximately a third of the state’s ST population.

### WEST BENGAL

**Rajbanshi** are largest SC group, comprising more than 18% of state’s 21.4 million SCs (2011); can influence electoral outcomes in 20 Assembly seats in North Bengal. **Matua** are now the second largest SC group; they are mostly concentrated in North and South 24-Parganas, and in border districts like Nadia, Howrah, Cooch Behar, North and South Dinajpur and Malda. The Matua religion was founded by Harichand Thakur in the 19th century, who worked among the “untouchables”. The third largest SC community are the **Bagdi**, who live mainly in Bankura and Birbhum.

### GUJARAT

27 Dalit castes; **Vankar**, whose traditional occupation is weaving, make

up around 35-40% of SC population in state, and lead other Dalit communities in education and jobs. **Rohit**, who are around 25-30% of the SC population, are the next most dominant SC community.

**Bhil** constitute almost 43% of the tribal population, and live mainly in the districts of Dang, Panchmahal, Bharuch, Banaskantha and Sabarkantha. **Halpati**, who live mainly in the southern districts of Surat, Navsari, Bharuch, and Valsad, constitute more than 6% of state’s tribals.

### ASSAM

Tribal population is 12.4% of total population (2011 Census). Fifteen recognised tribes in autonomous districts of Karbi Anglong and North Cachar Hills; 14 in rest of the state. **Bodo** are the largest tribe (35.1% of the tribal population) and politically most powerful. **Karbi** are the largest hill tribe and third largest tribe in state.

### TRIPURA

19 recognised tribal communities make up more than 30% of state’s population. Ancient Tripuri clan includes the **Debbarma** community, the erstwhile ruling dynasty of Tripura. There are 34 SCs in state, who make up almost 18% of the population (2011). SCs include the **Das**, **Badyakar**, **Shabdakar**, **Sarkar**, etc communities.

### UTTARAKHAND

Thakur and Brahmin are around 55% of the population; OBC are about 18%, and SCs and STs together are just about 22% (2011). **Harijan** and **Balmiki**, both of whom follow Hindu religious practices, are the largest SC groups. The **Jaunsari** and **Tharu** are the two largest ST groups in the state.

which...is not adequately represented in the services of the State”.

The court, in *E V Chinnaiah*, had held that the power under these articles was limited to providing quotas in education and public employment to the state’s backward classes. It held that once reservations have been provided to SCs as a whole, “it is not open to the State to sub-classify a class already recognised by the Constitution and allot a portion of the already reserved quota amongst the State created sub-class” within the SC list.

On Thursday, the majority opinion held that “the State in exercise of its power under Articles 15 and 16 is free to identify the different degrees of social backwardness and provide special provisions (such as reservation) to achieve the specific degree of harm identified”.

Justice Gava said that equality of opportunity (Article 16) must account for the varying social positions of different communities. When the same opportunities are provided to SC communities that are on different footings it “can only mean aggravation of inequality”.

On the subject of SC communities that oppose sub-classification, he said that their “attitude” is akin to “that of a person in the general compartment of the train. Firstly, the persons outside the compartment struggled to get into the general compartment. However, once they get inside it, they make every attempt possible to prevent the persons outside such a compartment from entering it”.

### Issue 3: What is the yardstick for sub-classification?

The majority opinion drew stringent red-lines for states on how to work out the sub-quotas. States will have to demonstrate a need for wider protections, bring empirical evidence, and have a “reasonable” rationale for classifying sub-groups. This reasoning can be further be tested in court.

The CJL underlined that any form of representation in public services must be in the form of “effective representation”, not merely “numerical representation”. As a result, even if an SC community is represented adequately just by the numbers, they may be barred from achieving “effective” representation by being promoted to higher posts. So the state must prove that the “group/caste carved out from the larger group of Scheduled Castes is more disadvantaged and inadequately represented, and this must be based on quantifiable data”.

### Issue 4: Does the ‘creamy layer’ principle apply to Scheduled Castes?

Only the opinion of Justice Gava bats for introducing the ‘creamy layer’ exception for SCs (and STs) that is already followed for Other Backward Classes (OBCs). This concept places an income ceiling on reservation eligibility, ensuring that the beneficiaries are those in a community that need quotas the most.

Four of the seven judges — Justices Vikram Nath, Pankaj Mithal and Satish Chandra Sharma — agreed with Justice Gava’s opinion on the matter.

key issues which were before the Bench.

### Issue 1: Are all castes in the SC list to be treated similarly?

Article 341(1) of the Constitution gives the President the power to “specify the castes, races or tribes” in a state, which shall “for the purposes of this Constitution be deemed to be Scheduled Castes in relation to that State or Union territory, as the case may be”. Following such a notification, Article 341(2) states that only Parliament can include or exclude “any caste, race or tribe” from the list of SCs.

The court in *E V Chinnaiah* held that SC

must be treated identically since the Constitution envisaged the same benefits for them, without taking into account their individual relative backwardness. In Thursday’s judgement, CJL Chandrachud rejected this premise, stating that “The inclusion [in the Presidential list] does not automatically lead to the formation of a uniform and internally homogenous class which cannot be further classified”.

The CJL termed the Presidential list of SCs a “legal fiction” — something that does not exist in actuality but is “treated as real and existing for the purpose of law”. A Scheduled Caste is not something that existed before the

Constitution came into force, and is recognised so that benefits can be provided to communities in the list. CJL Chandrachud said this legal fiction cannot be “stretched” to claim that there are no “internal differences” among SCs.

### Issue 2: Can states ‘tinker’ with or sub-classify the Presidential list?

Articles 15(4) of the Constitution gives states the power to make “any special provision” for the advancement of SCs. Article 16(4) gives states the specific power to provide “reservations of appointments or posts in favour of any backward class of citizens

# Identifying the ‘creamy layer’: model of OBC reservation

SHYAMLAL YADAV  
NEW DELHI, AUGUST 1

THE SUPREME COURT, on Thursday, permitted sub-classification of Scheduled Castes and Scheduled Tribes for the purpose of granting separate quotas for those more backward within these communities.

Justice BR Gava, in his opinion, wrote that “the State must evolve a policy for identifying the creamy layer even from the Scheduled Castes and Scheduled Tribes so as to exclude them from the benefit of affirmative action”.

How can such a policy be formulated? The model of Other Backward Classes (OBC) reservations can provide a blueprint.

### What does ‘creamy layer’ refer to?

The concept of a creamy layer arose out of the landmark Indra Sawhney ruling in 1992.

Based on the recommendation of the Mandal Commission, the V P Singh government on August 13, 1990, had notified 27% reservation for Socially and Educationally Backward Classes (OBC reservation) in civil posts and services. This was challenged in the

Supreme Court by Indra Sawhney and others.

On November 16, 1992, a nine-judge Bench headed by Justice B P Jeevan Reddy, upheld the 27% OBC reservation subject to exclusion of the creamy layer, or the more socially, economically, and educationally advanced members among OBCs. This was done in order to ensure that reservation benefits go to those who need it the most.

The creamy layer is not the same as sub-classification or sub-categorisation. The latter refers to community/caste wise breakdown of a reserved category (like SC) based on various socio-economic or other criteria. Creamy layer, however, refers to a group of people within a certain caste/community who are better off than the rest based on certain criteria.

### How is creamy layer among the OBC identified?

The logic of determining the creamy layer was made by an expert committee headed by the retired Justice Ram Nandan Prasad, which was constituted following the Indra Sawhney judgement.

The committee submitted its report on March 10, 1993, based on which, on

September 8, the Department of Personnel and Training (DoPT) listed six categories of people whose children would be considered to fall in the creamy layer. These are:

- Constitutional/statutory post;
- Group ‘A’ and group ‘B’ officers of central and state governments, employees of PSUs and statutory bodies, universities;
- Colonel and above in armed forces and equivalent in paramilitary forces;
- Professionals like doctors, lawyers, management consultants, engineers etc;
- Property owners with agricultural

holdings or vacant land and/or buildings; and

■ Income/wealth tax assessee.

The creamy layer comprises two broader categories (besides persons holding constitutional post) — people whose parents are/were in government service, and those whose parents work/worked in the private sector. For the latter, the creamy layer determination is based on their parents’ income, while for the former, the determination is based on rank.

Originally, the income threshold was fixed at Rs 1 lakh per annum, with a provision for this figure to be revised every three

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हिंदी माध्यम **29 अपरत | सुबह 8 बजे**

Tashkand Marg, Civil Lines, Prayagraj

years. However, since 2017, when the threshold was updated to Rs 8 lakh, no further revision has taken place. In 2015, the National Commission for Backward Classes (NCBC) had recommended raising the income threshold to Rs 15 lakh, however no action was taken in this regard.

For children of government service, either parent being recruited as a group-A officer (the highest category government servants in India), or becoming a group-A officer via promotion prior to the age of 40, makes one ineligible for OBC reservation. Both parents being group-B officers also puts someone in the creamy layer. Similarly, children of a colonel or those of higher ranks in the Army, and of equivalent ranks in the Navy and Air Force, too, fall in the creamy layer.

The union government constituted a committee headed by former DoPT secretary B P Sharma in March 2019 to review this criteria. But no progress has been made in this regard.

### How might the creamy layer among SC and ST be decided?

In his opinion, Justice Gava stated that “the criteria for exclusion of the creamy layer from









Magna Carta is the law, let the king look out. So it has always been with tyrants among our own people

Stanley Baldwin

newindianexpress.com



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— Ramnath Goenka

## WORLD LEADERS MUST JOIN HANDS TO STOP WAR IN WEST ASIA

THE war in West Asia is escalating. The recent turn of events has the potential to draw more countries into it and create a situation so combustible that it may impact the entire world. On Tuesday, Israeli rockets fired into Lebanese capital Beirut killed Fouad Shukur, a top commander of the Iran-backed armed group Hezbollah. This was followed by the assassination of Hamas political leader Ismail Haniyeh in the Iranian capital Tehran. Though no one has claimed responsibility for the Hamas leader's killing, the Iranian and Hamas leaders have blamed Israel for it. The US has been quick to reject accusations of their involvement in Haniyeh's killing. Nonetheless, the Hamas and Hezbollah leaders' assassinations have led to threats of retaliation and apprehensions about the spread of the conflict with a new front opening on Israel's northern border with Lebanon, the Houthis intensifying attacks in the Red Sea, and Iran, Iraq and Syria joining the war.

It is time for the world community to redouble its efforts to calm tempers in West Asia and prevent a full-scale war. The Israel-Palestine conflict has already led to a loss of over 40,000 lives. Further escalation will not only be dangerous for regional stability for generations, but also lead to a bigger humanitarian crisis than there already is. The international community must respond quickly and decisively to this emerging threat. More multi-pronged diplomatic efforts to de-escalate the conflict should have started long back. The US, Israel's closest ally and largest military supplier, should engage with Russia and China, which enjoy good relations with Iran, to prevent a larger war.

The core of the conflict—the Palestine issue—has been simmering for far too long. It has been clear for decades it needs to be resolved for moving towards lasting peace in the region. But the immediate need is to prevent the spread of war. The Houthi blockade of the Red Sea has already had a huge impact on trade and inflation. A full-scale war will further disrupt supply chains and energy supplies, leading to dire economic consequences. The world simply cannot afford a prolonged regional conflict. Despite their sharp differences on Ukraine, the US and Russia must use their leverage in Asia to bring peace to the region.

## BENGALURU TUNNEL PLAN: A CHALLENGE & A THREAT

KARNATAKA Deputy Chief Minister D K Shivakumar, also the minister in charge of Bengaluru's development, has floated the idea of having a 60-km north-south and east-west network of underground roads to decongest the city. He has proposed the first one linking a location near Esteem Mall on Bellary Road in north Bengaluru with the Silk Board Junction in southeast Bengaluru—a distance of 18.5 km. There are some major challenges facing this proposed mega project. It is estimated to cost ₹30,000 crore, or ₹500 crore per km, according to the deputy CM's letter to Union Finance Minister Nirmala Sitharaman seeking central funds in December 2023. At the same time, the state government is staring at a ₹56,000-crore annual spend on the five guarantees promised during last year's poll campaign.

Experts have warned that a thorough scientific assessment of the soil structure and profile is a must, considering that sinkholes appeared during the city metro's underground works. Bengaluru's average soil profile across its 750-square-km area includes layers of weathered or hard rock starting at about 8 metres below the surface. Above it is a layer of medium to dense silty sand with clay, gravel or filled-up soil. Considering that the surface layers are becoming increasingly fragile in urban areas due to frequent infrastructure work, utmost diligence should be the priority if the tunnel project is undertaken. The city has a high population and construction density, which makes it extremely challenging to burrow under without adversely impacting life and property overground. The project would also need to avert underground structures such as water and sewage pipelines, the metro's underground segments, and the deep foundations of some high-rise structures. Given the hard rock base in a densely-developed city, a project such as this would be extremely challenging.

Crucially, adding roads—overground or underground—would mean encouraging greater use of private vehicles. Also, the city already has a poor record of maintaining subways that are regularly flooded during heavy rains and have even claimed a life. The safety of the underground tunnels would be top of the mind for Bengalureans. The better and cheaper alternative would be to qualitatively improve and quantitatively expand the existing public transport infrastructure with greater investments in bus and metro connections. Safer, quicker and more comfortable intra-city travel is a dream in a congested city like Bengaluru.

### QUICK TAKE

#### END THE COLOUR CONFUSION

A war of colours has broken out over the weather office's shaded warnings. After unnaturally high rainfall in Kerala and Delhi led to death and destruction this week, both states claimed the Indian Meteorological Department's red alert came hours too late. A red alert means extremely bad weather would disrupt connections and pose significant risk to lives; an orange alert is a signal to heighten vigilance and take precautions. The coloured warnings are not new and acting on them should be swift and proactive, not a call to wait for clearer signals. Rather than escalating the blame game, the three tiers of government and disaster management agencies should hone their coordination countrywide.

THE Arctic Polar Sea Route, often referred to as the Northern Sea Route (NSR), has emerged as a significant focus of global maritime interest due to the increasing accessibility of Arctic waters resulting from climate change. Recent discussions between Indian and Russian officials, including a high-level meeting in Vladivostok in March 2024 and subsequent negotiations, underscore a strategic shift towards deeper cooperation. This evolving route, while promising for nations like India and Russia, stirs significant concern among Western nations.

In March 2024, Indian and Russian officials convened to discuss a broadening partnership in Arctic shipping. Their agenda prominently featured the operationalisation of the Eastern Maritime Corridor, a proposed shipping lane linking Russia's Far East to Chennai. This corridor is seen as a significant enhancement to the NSR, which has been gaining traction as a viable alternative to traditional routes.

India, although currently engaged more modestly with Arctic shipping compared to China, is keen on leveraging this route to enhance connectivity. The NSR, instrumental in moving substantial volumes of cargo from Russia's Arctic port of Murmansk, could offer India a strategic advantage, particularly in securing Russian oil and gas resources.

#### The route's promise

The NSR presents a compelling alternative to the Suez Canal, reducing the sailing distance between Europe and Asia from 21,000 km to 13,000 km. For India, this route offers reduced transit times and potential cost savings. However, compared to China, already extensively using the NSR, the distance savings for India might be less pronounced. Nonetheless, India's interest in the NSR aligns with its broader strategy to diversify supply chains and develop alternative transport corridors, especially in light of ongoing global disruptions and sanctions on Russian energy exports. During the first seven months of 2023, India was responsible for 35 percent of the 8 million tonnes of cargo transported by the NSR, primarily consisting of coal and crude oil.

India's involvement in Arctic shipping could extend beyond trade. The bilateral cooperation agreement with Russia includes training Indian seafarers for Arctic navigation, a crucial step given the complex conditions in polar waters. This collaboration could also open avenues for Indian firms in shipbuilding, as Russia seeks to capitalise on the economic opportunities presented by the NSR's expansion.

A thawing Arctic has given India the chance to diversify supply chains through Northern Sea Route and secure more Russian fuel supplies. The implications extend beyond bilateral relations

## THE ARCTIC ROUTE: RUSSIAN TIES AND WESTERN WORRIES

MANISH TEWARI

Lawyer, MP and former I&B minister



SOURAV ROY

#### Geopolitical considerations

Russia's strategic interest in the Arctic is multifaceted. The NSR is central to Russia's plans to enhance its global trade routes and reduce reliance on chokepoints like the Suez Canal and the Strait of Malacca. The NSR's development, supported by substantial investments in icebreaker tech and infrastructure, aims to boost traffic volumes significantly. Russia announced ambitious plans to increase traffic tenfold by 2035 and engaged in joint ventures with global logistics companies to achieve this goal.

The NSR offers substantial economic benefits for Russia by enhancing its logistics capabilities and global trade position. It shortens the shipping distance between Europe and Asia, which translates into a transit time shorter by 10 to 15 days, which

can significantly decrease shipping costs. For instance, the cost of transporting a container from Europe to Asia via the NSR is estimated to be around 20 percent lower compared to the traditional route. This efficiency boost enhances Russia's Arctic ports' economic viability, encouraging investments in infrastructure such as icebreakers and port facilities. In 2023, cargo traffic through the NSR reached over 35 million tonnes, a significant increase from previous years, underscoring its growing importance in global trade.

Furthermore, it does have a significant impact on India. For example, a container shipping from Mumbai to Rotterdam via the NSR can cost approximately \$1,500 less than the traditional Suez Canal route.

In 2023, India's total exports to Europe

## AI AND THE MAGNA CARTA OF INTERNET

IN the mid-1990s, as the number of American homes accessing the internet was growing, there was concern about the potential negative impact of sexual content online. Dubbed the 'Great Internet Sex Panic', it led to the introduction of Communications Decency Act in 1995 to address the perceived threat of pornography taking over the web.

The Act was the first federal attempt to define as a crime the use of computers to send 'indecent speech' or offensive material to others, and the US Supreme Court later partly struck down a majority of the provisions relating to indecent speech as being unconstitutional. The Act, however, proved central to the rise of the Silicon Valley and modern internet. Hidden within the Act was a consequential part, section 230, that protects online platforms from being held legally responsible as the 'publisher or speaker' of third-party content. As a result, it has facilitated business models of tech giants currently dominating the internet.

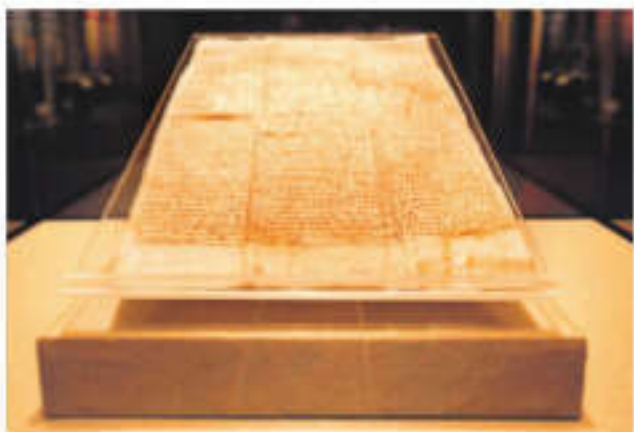
Before section 230, internet firms encountered the risk of users utilising their services to engage in illicit activities, potentially leading to legal liability for facilitating such unlawful behaviour. Section 230, known as the Magna Carta of the internet, provides "good samaritan" protection from civil liability to service providers for third-party information carried by them but does not shield them from responsibility for information they have created or activities unrelated to third-party content.

For instance, the law has been used to safeguard service providers such as social media companies against legal actions arising from their choices to transmit or remove user-generated content. In India, unlike section 230, section 79 of the Information & Technology Act, 2000 says internet service providers are immune for hosting third-party data, information, or communication, provided they observe 'due diligence while discharging [their] duties'—provided under IT Rules.

As the world stands on the precipice of a new era in artificial intelligence, the rapid advancement of large language models (LLMs) is poised to disrupt multiple industries. These are stochastic parrots that engage in convincing chatter without genuine comprehension. They are trained using extensive datasets, which allows them to accurately identify, translate, anticipate, or create text or other forms of information.

However, they can also make things up,

hallucinate, and often generate content that makes untrue factual claims. This isn't a problem of bad inputs but rather a function of the way the LLMs that underpin AI work. They also challenge existing legal frameworks and force us to re-evaluate the boundaries of liability. Will these LLMs be considered information service providers? Or will operators of LLMs be held directly liable for the content generated?



HOUSTON MUSEUM OF NATURAL SCIENCE

Section 230 of the US Communications Decency Act, which protects online platforms from legal liability as publishers of third-party content, has been called the Magna Carta of the internet. Section 79 of the Indian IT Act offers similar cover. However the laws evolve, AI system operators have a moral duty to act responsibly

The legal interpretation of section 230 in the US or section 79 of India's IT Act as a potential defence against claims arising from LLM outputs has not been settled by courts. However, it is likely courts may be called upon to resolve this matter soon. If these sections are to be relied on, the nature of the LLM and its function may end up deciding whether or not the good samaritan exemption becomes applicable. Some LLMs that act like retrieval engines (such as Perplexity) may rely on being similar to Google and not considered as content generators.

However, in the case of LLMs that generate creative content, the answer may not be straightforward. If the new content includes statements or information not

present in its training data, these may be perceived as completely new information. However, at the same time, these LLMs generate content based on particular prompts and inputs and may be comparable to the autocomplete feature in search engines.

Advocates for expanding the good samaritan exemption contend these models function as advanced content curation systems, similar to search engines or social media feeds, which display material according to user input. They argue that imposing legal responsibility on operators will impede innovation and deter the advancement of positive AI applications. On the other hand, critics argue that LLMs exhibit distinctions compared to conventional service providers. Instead of simply serving as a platform for user-generated content, these models autonomously produce content, which gives rise to worries over the possibility of mass distribution of false information, offensive language, or copyrighted material.

The complexity of this discussion is heightened by the obscure nature of LLMs, which frequently lack clarity regarding their training data, algorithms and decision-making processes. While some have argued for a tiered system of liability, where operators would be held to higher standards of accountability but still maintain some protections, the operators may most likely be excluded from claiming the exemptions. Further, the exemption under section 79 is only applicable when the information is "made available by third parties" and "transmitted or temporarily stored or hosted" by the service provider.

Regardless of legal outcomes, the operators of AI systems have a moral duty to act responsibly by being open on the functioning of the AI, proactively mitigating potential biases and equipping users with tools to identify and report harmful content. As we explore this uncharted territory, one thing is certain: the era of LLMs has begun, and the established legal and regulatory frameworks that have governed the internet for many years are now facing a fundamental challenge.

(Views are personal)  
(saaisudharsan@gmail.com)

#### Kamala's advantage

Ref: *Talking down Israel, playing up Ukraine* (Aug 1). The article gives us an impartial analysis of the upcoming US elections. Donald Trump's slogan 'America First' may captivate a chunk of the electorate at first but they may have reservations on his belligerence later. Kamala Harris's pragmatic approach to international conflicts may finally get more credence.

**S Madhavan Thampi, Haripad**

#### Kerala failure

Ref: *Wayanad tragedy a deadly reality check for fragile Kerala* (Aug 1). The saddest part is our rulers are least sensitive to disasters that continue taking a toll on lives. Whether it is natural disasters or road fatalities, they fail to wake up to the gravity of the situation. This is sheer democratic failure.

**P Mangalachandran, Kannur**

#### Asian conflict

Ref: *Hamas's political chief Haniyeh assassinated* (Aug 1). This may invite a direct confrontation between Israel and Iran. The escalation of regional conflict may further deteriorate the security crises prevailing in West Asia and might have global ramifications. Global powers must step up to bring back both sides to the negotiation table and put an end to the ongoing crisis.

**M Rishidev, Dindigul**

#### Cricket's loss

In the passing of Anshuman Gaekwad, Indian cricket has lost a feisty and courageous batter. Known for his grit and defiance against pacers, Gaekwad was a reliable opener during his heyday. His career-best of 201 against Pakistan in 1983 at Jalandhar was a marathon knock where he spent more than 11 hours at the crease, showing a monk-like patience.

**R Sivakumar, Chennai**

#### Sabha decorum

Rajya Sabha Speaker Jagdeep Thakur saying the RSS has 'unimpeachable credentials' was interesting. When the basic nature of the organisation is under a cloud of suspicion, the VP could have avoided making such a statement given the 'impairtal' nature of his post.

**Unnikrishnan Nair, Kuthiathode**

#### Reservation required

Rattling voices have been talking about reserving jobs for Kannadigas, and many corporate honchos felt that discrimination against immigrants is not fair. Multinational companies and the private sector always prefer non-Kannadigas for white collar jobs. Menial jobs go to Kannadigas. Job reservation is the only light that can lift the unemployed Kannadiga youth from darkness.

**D S Gururaj, Bengaluru**

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# Wayanad, How Much Do We Really Care?

Designate the Western Ghats eco-sensitive

‘Rain violence’ sits awkwardly with a country aspiring to earn a ‘developed’ tag in 23 years’ time. Be that as it may, current reality has heavy rainfall and landslide-induced devastation in Kerala’s Wayanad as the latest example of what greed, biodiversity loss and climate change can lead to in 2024 India. This is hardly a surprise. In 2022, the Earth sciences ministry informed Parliament that of the 3,782 landslides recorded across India during 2015-22, about 59.2% — 2,239 landslides — occurred in Kerala, the highest in the country. This time, lives could have been saved if the state had heeded IMD’s orange alert on July 29 and red alert on July 30. Kerala claims there was no red alert.

Allegations aside, ‘Wayanad’ is the product of decades of privileging untrammelled greed over environmental well-being. As Madhav Gadgil, chair of Western Ghats Ecology Expert Panel, set up in 2011 by GoI, stated, the double landslides are proof that the Ghats have been exploited without care, and govs have no interest in protecting nature. The panel had recommended designating Western Ghats as eco-sensitive. It also suggested grading the region into zones based on their ecological sensitivity and fragility, and limiting human activity accordingly. Yet, all six Ghat states pushed back, complaining of an erosion of the federal structure. Unregulated and illegal economic activity flourished, fuelled by an unholy alliance between politics and business. Mining and unrestricted tourism aggravated the situation.

Unless governments and citizens start valuing natural capital, balance economic activities with environmental and ecological well-being, such disasters will recur. The first step now should be to designate the Western Ghats eco-sensitive and rigorously follow guidelines for the regulation and promotion of development activities. That is, if Indians care about the lives and well-being of Indians.



## MACROECONOMICS

# Shifting Goalposts For Fiscal Stability

GoI will transition from fiscal deficit targeting to debt path surveillance, which offers a more stringent approach to tackling public debt. Fiscal deficit could decline while the debt position turns adverse. But falling public debt will necessarily lower the fiscal debt. GoI is signalling its resolve to reach and sustain fiscal balance by benchmarking against the tougher hurdle. It also expects to do this after having corrected most of the slippage on account of the Covid disruptions. This is a remarkable accomplishment considering emerging economies were expected to achieve their pre-pandemic fiscal equilibrium after advanced economies. India has fortunately shown the pundits wrong on that count. It can now raise its ambitions to target a fiscal band while ensuring the debt-GDP ratio shrinks.



There is no justification for a desirable fiscal deficit rate, most widely accepted as 3%. The number emerged from negotiations for entry into the EU and may not be apt for emerging economies amid structural adjustments. A fiscal band allows government expenditure greater flexibility over a rolling horizon while keeping the broader context of public debt in the picture. This facilitates stability in the capital market where GoI is the biggest borrower. GoI intends to maintain its capex tempo, and a multi-year borrowing plan should make it easier for private investment to crowd in. RBI also acquires greater independence in pursuing its monetary targets while managing GoI’s debt.

India stands somewhere in the middle of the emerging economy pack in terms of indebtedness. Bringing debt within the target will not involve an inordinate growth sacrifice for the country. The gov will, however, have to build on the recent success in revenue mobilisation through a simpler tax administration. The finance ministry is undertaking a review of direct tax laws. Direct taxes will have to acquire the revenue mobilisation efficiency on display in GST.

### JUST IN JEST

Great baddie guy Lakshya Sen redeems an old negative term wristfully

# Sen, You Backhanded Compliment You

Ask any baddie player, and they’ll tell you that the backhand is an incredibly difficult shot to play. But what about a *no-look, behind-the-back* backhand stroke? Lakshya Sen unveiled this incredible shot — a commentator named it a ‘matrix move’, while fans dubbed it a ‘god-level shot’ — on Wednesday at Paris during a scorching rally against world No. 3, Indonesia’s Jonatan Christie. Sen won in straight sets, securing a place in the pre-quarters. Huzzah!

The beauty of the Senback — Sen backhand — however, was not just the shot itself but how gracefully the 22-yr-old executed it. It was as if he had a secret third hand that appeared at just the right moment, Nataraj-style. And as the stadium erupted in joy after witnessing something flawlessly beautiful, Sen held his concentration and won the rally. Champion stuff, monsieur. But beyond leaving spectators awestruck, Sen has done the world of words a fab deed. With one stroke, he has redefined the word ‘backhand’, a term that often carries negative connotations, implying indirectness, criticism or deceit. One might give a backhanded compliment like, ‘Your presentation was surprisingly good for someone with your experience.’ Or be part of a backhanded deal, a rather deceitful agreement. But, bhai, Sen’s backhand.... Now, thanks to Sen-san, a backhanded compliment has got a whole new meaning.

Would you really employ additional full-time workers solely to avail of GoI’s ELI benefits?

# Hire for Money, How Many?



Omkar Goswami

In her latest budget, Nirmala Sitharaman highlighted the need for creating more jobs in the formal sectors through employment-linked incentives (ELI). She sought to do this through three schemes based upon EPFO enrolment. The focus was on financially supporting first-time employees and their employers. In a nutshell, these were:

► **First-time employees** To provide one month’s wage to all persons newly entering the workforce in all formal sectors. Such employees, earning a salary of up to ₹1 lakh a month, and only if registered in EPFO, will get a direct benefit transfer of one-month salary in three instalments up to a limit of ₹15k. According to the budget, this scheme is expected to benefit 21 mn young people.

► **Incentivising job creation in manufacturing** Linked to employment of first-time employees, an incentive will be provided directly to both employee and employer vis-à-vis their EPFO contribution during the first four years of employment. The scheme is expected to benefit 30 lakh young people entering employment, and their employers.

► **Support to employers** This scheme will cover additional employment in all sectors. All additional employment up to a salary of ₹1 lakh a month will be counted. GoI will reimburse employers up to ₹3k a month for two years towards their EPFO contribution for each additional employee they hire. The scheme is expected to incentivise additional employment of 50 lakh persons.

These are well-meaning schemes. Moreover,



Sign, only if job-getting was pushing a policy lever

GoI needs to be commended for finally focusing on what is undoubtedly India’s greatest economic problem over the next decade — that of a vast number of young people joining the potential workforce each year without there being enough jobs to go around.

The numbers are truly enormous. While the estimates vary, these coalesce in the region of an additional 8-10 mn young people each year, for the next 10 years.

As against this, every reliable bit of evidence shows that the employment intensity is steadily declining across every major sector of the economy. Simply put, the percentage of additional people employed for a percentage increase in income across any sector is less than before. This reduction is not new. Just to give some facts:

► **India’s employment elasticity** was close to unity in the days of protection in the 1970s. It then dropped to 0.4 with the coming of liberalisation in the 1990s and

► **Factory owners** across all sectors have preferred machines and shop floor designs that involve higher productivity with lower workers

2000s. Now, it’s close to zero. For every 1 percentage point increase in GDP, jobs have been growing by only 0.1%.

Why is this so? For one, the advent of technology, and I’m not referring to AI or anything super-smart. It is simply this: machines are better than before and need fewer workers to man them. Here’s an example. Up to the 1980s, loom-sheds in textile mills consisted of relatively primitive looms that needed frequent attention. Hence, there was one weaver dealing with four looms.

With better semi-automatic and then fully automatic high-speed air-jet and water-jet looms, the ratio became either one worker for 8 or 16 looms. This has been the same everywhere: foundries, forgings, wire drawings, chemicals, paints, pharmaceuticals, automobile components, car and 2-wheeler assembly lines, and evermore. Any factory you go to will demonstrate that the worker-to-output ratio has steadily reduced over time.

For another, factory owners across all sectors have preferred machines and shop floor designs that involve higher productivity with lower workers. These increase throughput, value added and revenue, and simultaneously reduce the myriad managerial and legal hassles of dealing with

a rising tide of workers. Every listed manufacturing entity has reduced the ratio of value added to workers — not only by raising the numerator but also by cutting back on the number of workers, typically by not replacing those that retire.

In such a milieu, should we expect the FM’s well-intentioned measures to work as she expects? I think not. Ask yourself the simple question as an entrepreneur: will you *really* employ additional full-time workers solely



Entrepreneurs have publicly praised these incentives. They have to. But don’t take that for the truth. People hire when they need to hire

ly to avail of the FM’s incentives? The answer seems to be obvious. You will do so only if it is needed for the business. But you will certainly not lock yourself up with extra workforce and all its attendant costs just to take advantage of these incentives.

Entrepreneurs have publicly praised these incentives. They have to. But don’t take that for the truth. People hire when they need to hire. At the margin, this need has been reducing over time. One-off incentives such as these don’t make hiring any more attractive over the lifetime of such a hire. And that is why, despite all the public hosannahs, don’t expect these measures to bear fruit.

We certainly need to deal with this job crisis. But probably not the way FM has suggested. Unfortunately, her hands are tied. Because a budget can only do so much.

The writer is founder-chairperson, CERG



THE SPEAKING TREE

# A Volcano Of Opinions

NAJIB SHAH

In our daily interactions, we often encounter people who seem to have an opinion on all subjects. Even as you speak with such persons, you realise that their knowledge on the subject is limited, but not their opinion on the subject. Rolf Dobelli terms this as the ‘opinion volcano’.

This raises the question: do you need to have an opinion on all subjects? Is not having an opinion a sign of intellectual weakness? Or is it just you being smart? Would you not be better off identifying subjects and topics that interest you, getting to know them, and then forming an opinion on such topics and issues?

Opinions given offhand by ill-informed people invariably are the result of a lazy intellect. As Plato has said, opinion is the medium between knowledge and ignorance. It is ‘really the lowest form of knowledge since it requires no accountability’. Such people also suffer from spiritual poverty.

However, making informed decisions is a responsibility we all share. We should be aware of our limitations, be aware of what we are saying, think before we speak and not speak ill of others. This caution can lead to more considered opinions and better decisions.

So, next time you catch yourself giving an opinion on a subject you do not know, bite your tongue and confidently say I do not know enough on this subject to have an opinion. You will be respected much more.

## Chat Room

# It Ain’t Broke? Let’s Fix It

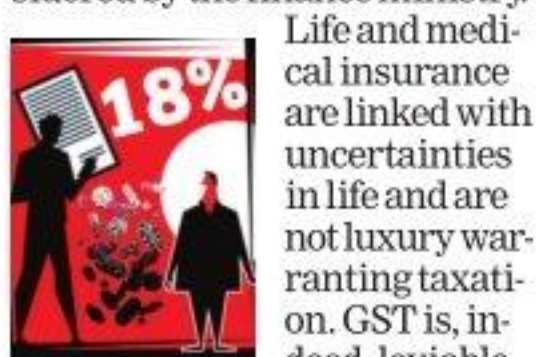
‘Arrey Brother, Why Bother?’ by Swaminathan S Anklesaria Aiyar (Aug 1) seems to say that since democracies cannot register more than 7% GDP growth and since India is doing exactly that, and sometimes even better, we need not do anything, including in education that is producing half-literate by the million. Is it because they are required in reconstruction efforts by war-ravaged nations such as Israel, Ukraine, Russia, etc, and in healthcare by the West and Japan where people are living longer and workers are needed for petty jobs by the thousands? Nevertheless, they will boost our forex earnings and, thereby, GDP.

M BHOWMIK

New Delhi

# Death’s Certain, So are Taxes on It

This refers to the news report, ‘Gadkari urges FM to Withdraw 18% GST on Life, Medical Insurance Premiums’ (Aug 1). Nitin Gadkari’s demand for withdrawing 18% GST on life and medical insurance premia should be considered by the finance ministry.



Life and medical insurance are linked with uncertainties in life and are not luxury warranting taxation. GST is, indeed, leviable on goods and services, but insurance cover is a protection against odds in life. Sorrows and uncertainties of life cannot be subject to tax. Moreover, insurance premia are paid out of taxed income, further making GST on such amounts illogical.

VINOD JOHRI

Delhi

# Tax, Fairness In a Sentence

Appropos ‘Deluge of I-T Notices likely This Mth’ by Sugata Ghosh (Aug 1), I-T authorities must keep taxpayers in the loop before they act. The principle of natural justice must be followed to ensure fairness in tax assessments. Mere placement of notices on the I-T portal may not be noticed by the taxpayers, especially senior citizens or taxpayers from rural areas who may not be tech savvy. There should be a physical post of the notice as well. Prosecution and conviction create fear and uncertainty, and raise the implicit cost of tax collection. In any case, the country needs to significantly broaden its tax base.

PRADEEP KUMAR

Surat

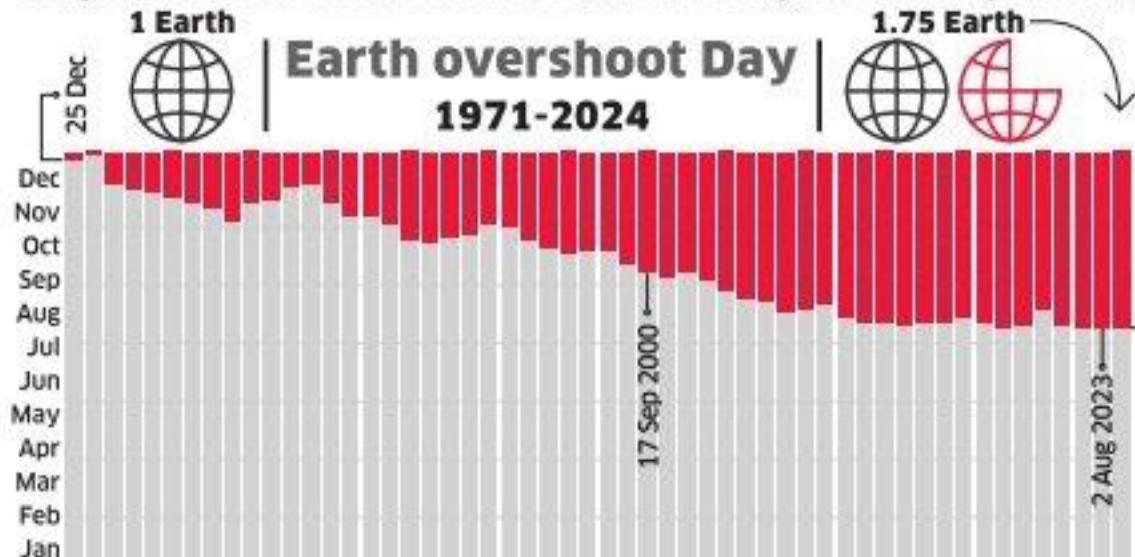
Letters to the editor may be addressed to editet@timesofindia.com

## ChatGPT SHAIRI OF THE DAY

In Delhi when the rains do hit,  
Roads become totally unfit.  
Cars float, the traffic snarls,  
Total chaos totally unfurls,  
While it keeps dreaming of being ‘Viksit’.

## Earth Overshoot Day

This year the Earth Overshoot Day was on August 1, the date when humanity’s demand on nature’s resources surpassed Earth’s capacity to regenerate them for the given year. In other words, humanity is currently using nature 1.7 times faster than our planet’s ecosystems can regenerate...



Note: EOD (calculated by the Global Footprint Network) is computed by dividing the planet’s biocapacity (the amount of ecological resources Earth is able to generate that year), by humanity’s Ecological Footprint (humanity’s demand for that year), and multiplying by the number of days in a year.

Source: overshoot.footprintnetwork.org

## Bell Curves ■ R Prasad



Freeze! This is an ethical hold-up!

# Clear on Small Nuclear



Amitabh Kant

One of the highlights of Budget 2024 was its emphasis on nuclear energy, constituting a significant part of the energy mix for Viksit Bharat and GoI’s pursuit to partner with the private sector for the development of small modular reactors (SMRs) in the form of Bharat Small Reactors.

Even as the Prototype Fast Breeder Reactor (PFBR) nearing completion at Kalpakkam in Tamil Nadu grabs the headlines, rise of SMRs can be attributed to their small footprint, requirement for less than a 10th of a hectare, and promotion of sustainable nuclear power. They can be installed without time and cost overruns, and can consume power locally at the SMR site. Their ability to integrate with RE can offer a resilient grid and manage intermittency, the cost being around ₹4/kWh.

To accelerate adoption and manufacturing of SMRs, India must:

► **Enlist pvt sector** To achieve 100 GW of nuclear capacity by 2047, open the sector to private players. This would involve amending the Atomic Energy Act 1962, to allow private sector participation in SMR development. Existing PSUs or JVs can form partnerships with the private sector, utilising their surplus for technology transfer. The Atomic Energy Commission (AEC) should also aim to segregate the strategic and commercial nuclear sectors, framing a distinct policy for private sector regulation.

The 2016 amendments of the 1962 Act allowed NPCI to form JVs with central PSUs. Three JV companies were formed, but none has taken off. In contrast, in the US, the Atomic Energy Act was amended in 1954 to allow private sector ownership of nuclear facilities and promote public-private research. The British nuclear industry was partially privatised in 1996. In 2020,

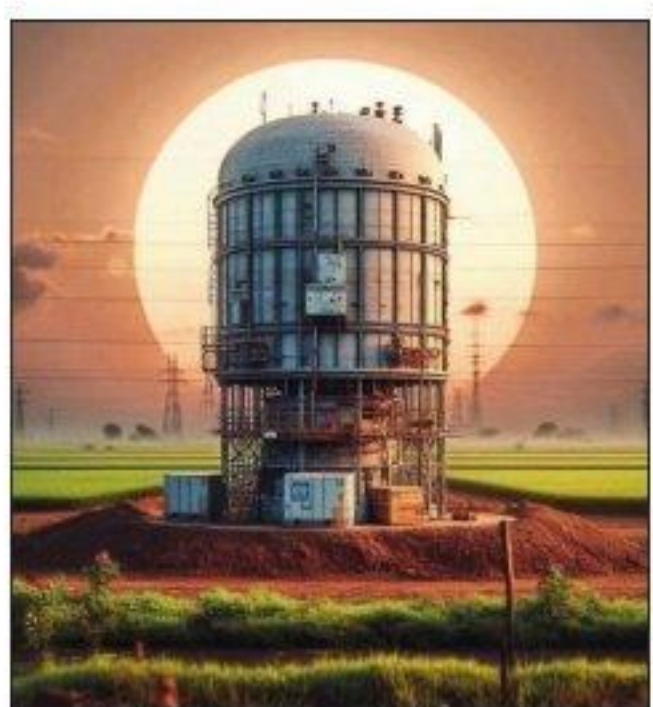
South Africa announced a new nuclear power capacity of 2,500 MW, including SMRs, with a private and consortium-based approach. SMRs are also attracting interest in Canada, the EU and West Asian countries.

Opening nuclear power to private sector participation in India would lead to increased competition and transparency and a reduction in high capex. It would also establish the manufacturing and export of SMRs.

► **N-waste agency and policy** To safeguard the local environment from any potential nuclear hazard, it’s crucial to establish a radioactive waste management agency, which should be tasked with preparing a nuclear waste policy for managing accidental radioactive material.

► **Additional insurance cover** The Civil Liability for Nuclear Damage (CLND) Act 2010 places responsibility on tech providers and operators for nuclear liability. Concerns have been raised regarding the limited capacity for funding this liability through insurance and government assistance. For instance, the Act outlines that operators must cover damages up to ₹1,500 cr in case of an accident, either through insurance or other financial means.

If damages exceed this amount, the government is expected to intervene, though its liability is capped at the rupee equivalent of 300 million special drawing rights (SDRs), or ₹2,100-



Sunrise industry

2,300 cr. To address gaps in insurance coverage, the gov offers refundable bridging loans on commercial terms to meet operators’ liabilities. This financial pool needs to be expanded to include SMR projects, to instil confidence in the private sector.

► **Accelerated tech transfer** India needs to launch a massive SMR construction programme to create jobs through domestic manufacturing and exports. The first few SMRs are becoming operational in the US. GoI should work in partnership with the US to provide Specific Authorisation 10CFR810 for tech transfer. This would enable companies to expedite industrial operations for manufacturing in India.

► **R&D & collaboration** India’s nuclear sector should also consider the availability of ‘coal-to-nuclear’ tech. Effective industry and academia collaboration for R&D and component-level manufacturing of SMRs should be supported under the ₹1 lakh cr corpus to promote research by the private sector and under the ‘Make in India’ initiative.

► **Inclusion in green taxonomy** Nuclear power supplies approximately a quarter of the world’s low-carbon electricity, furnishing significant quantities of dependable, dispatchable energy that enhances stability and resilience within the electrical grid. It serves as a backup for variable RE sources during periods of insufficient sunshine or wind, which should make it compliant to be included in the broader green taxonomy frameworks so that the investment is attracted to deploy SMRs. The European Parliament also recently voted to favour such an inclusion for its region. India’s consolidated FDI regime should also be relaxed for SMR installations.

SMRs are the future for delivering low-carbon electricity, managing renewable intermittency and ensuring baseload concerns of switching to RE. Unlike large nuclear projects, they can be executed anywhere expeditiously and mass-produced. It’s time for India to technologically leapfrog in nuclear energy.

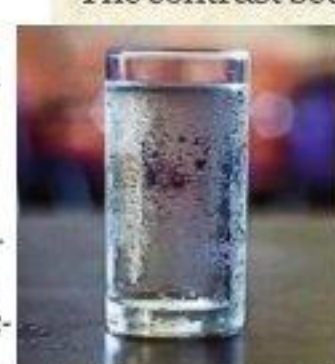
The writer is India’s G20 sherpa



## Drinking Cold Water

On a scorching summer day, few things compare to the pure bliss of cold water. As temperatures soar and the sun blazes overhead, the body craves refreshment, and cold water provides an immediate reprieve. The utter thrill of taking that first sip is exhilarating. The coolness travels down the throat, then the chest, not just quenching intense thirst but isolating the body from a heated world.

Cold water is more than just physical relief. It’s tranquillity and rejuvenation. The contrast between the




external heat and the internal chill creates a frisson, an excitement that momentarily

suspends the discomfort of August. Each gulp brings a wave of comfort.

Moreover, cold water readjusts thoughts. The utter desperation to search for a coolant is replaced by mental clarity. This refreshing experience is accompanied by a sense of gratitude. It’s a reminder of nature’s way of providing relief that makes (summer) days bearable.

Whether cold water is handed out outside the house and office or enjoyed inside, cold water brings people together. Ultimately, the bliss of cold water in summer is a testament to the power of cold holding out heat. It’s a fleeting but powerful experience, offering a sanctuary of coolness.





A thought for today

Equality may be a fiction but nonetheless one must accept it as the governing principle

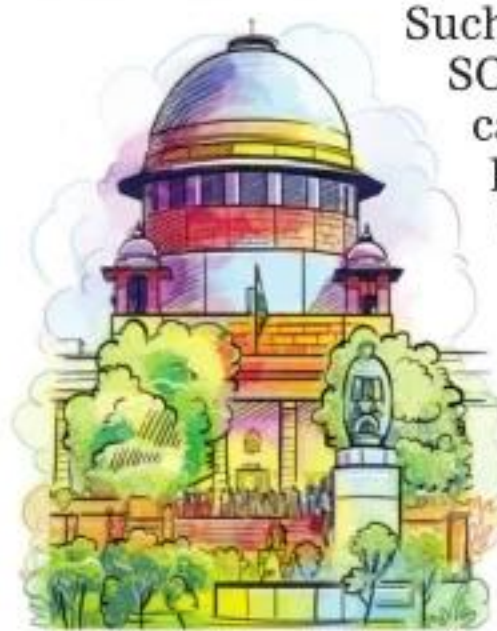
B R AMBEDKAR

# Quota Quicksand

Top court right to okay subquotas within SC/STs. But the entire exercise will set off political gamesmanship

With an SC constitution bench allowing sub-categorisation within the Scheduled Castes and Scheduled Tribes reservation, a new political hot potato is now on boil. Govts also need to identify the creamy layer (children of individuals who've benefited from reservations) among SCs and STs. This exercise risks being as much political strategy, as authentic identification of those in dire need of affirmative action.

**What's good** | Overall, sub-categorisation is a positive step. Quotas, unfortunately, have become the political class's go-to arrow in its election quiver. This has had two outcomes. One, better-offs have tended to corner reservation benefits, crowding out the more marginalised. Two, SC/ST categories have expanded or become more porous. Ever-new groups get added. A community marginalised on the crowded OBC list stands a better chance at access to education, scholarship and jobs, if it is on the SC list.



Such fluidity has seen communities jostling, SC/ST lists growing. Sub-categorisation, carried out efficiently and honestly, will help make the SC/ST quota more inclusive by identifying and including those worse-off in terms of social capital also. Punjab, with 32% of its population SC, realised the need for subquotas back in 1975 and reserved 50% SC quota for Valmikis and Mazhabi Sikhs. Haryana, Andhra, TN tried subquotas. An SC order in 2004 cancelled such a subquota – a decision the top court yesterday overturned.

**What's bad** | Thinly sliced quotas are hardly sum and substance of affirmative action. Subquotas alone can never correct endemic discrimination or counter the shrinking jobs pie. Rehabilitation of manual scavengers for instance – those who managed to leave their punishing work behind – has been a challenge. Addressing discrimination in school and the workplace, as policy, remains a blind spot. Special contempt is reserved for the 'quota-wala'. Assimilation remains a huge challenge. Govt sector jobs are down and private sector jobs are elusive. So, there are caste certificate scams. The desperation for a somewhat steady livelihood finds expression in repeated returns to demands for quota as the *only* solution. All this speaks to policy failure.

**What's tough** | Headcounts can't suffice for subquotas to be meaningful. There are about 1,200 SC communities and over 715 ST ones. Each of these must be parsed for their socio-economic data. That's a mammoth task, and politics will be a determinant. SC decided on the constitutionality of subquotas. How it contributes as affirmative action is now all political number games.

# Premium, But Cheaper

Health insurance GST rate is too high. GOI should slash it to 5% & get insurance cos to treat customers fairly

Nitin Gadkari's call for withdrawal of GST on life and health insurance premiums has raised an issue that's received inadequate attention. On health insurance, the minister highlighted that high GST was hindering the growth of a service that's essential. Post-GST, the tax rate on health policies went up from 15% to 18%. But that rate of tax is an unsound policy. Earlier this year, a parliamentary committee sought rationalisation of GST on health insurance products, saying a high tax rate deters people from buying policies. And we clearly need more people to buy policies, considering 400mn of them do not enjoy any health coverage in this country.



**Premiums go through roof** | This has not been helped by the steep rise in premiums in recent years, a trend that began in the pandemic era. A survey earlier this year found 52% of respondents saying their premiums had increased by more than 25% in the last 12 months. This is why the percentage of renewal of retail health policies is just 65-75%. If health policies, being a saleable service, must be taxed, why not bring them under GST's lowest slab of 5%?

**Insurers must up their game** | But higher insurance penetration needs better service from insurers, too. The same survey found 43% of respondents who filed a claim in the last three years struggling with the settlement process. From delay in settlement to rejection of claims on insufficient grounds to lack of transparency about policy conditions, there's a lot that needs to be fixed. In May, IRDAI came out with a master circular for insurers to improve service quality. It must now ensure that companies fall in line, providing customers a seamless and hassle-free experience.

# 3/5th democracy

The American presidential election is based on a system that raises three-fifths of a question

Jug Suraiya

It's a more thrilling spectator sport than the Paris Olympics. It's the race to see who crosses the finishing line first and becomes the most powerful human being on Planet Earth: the president of USA.

The media is abuzz like a swarm of bees on steroids about the facts and foibles of the two contestants, and what are known as their 'running mates', selected or potential.

There's already information overload about the candidates, on everything, be it manmade climate change, Gaza, Ukraine, healthcare, abortion, their preferred brand of breakfast cereal, and whether they favour brushing their teeth in a clockwise or anti-clockwise direction.

The intricacies of the actual election process are also being put under the scanner. When Americans go to the polls in Nov the votes they cast for the candidate of their choice will actually go to electors who represent each state, each elector having a single vote.

The electors form an electoral college of 538, of which a minimum of 270 will determine the winning candidate. Each elector is meant to vote for the party candidate who got the most public votes in a particular state. But it doesn't always work that way, and five US presidents have been elected by split electoral college votes despite having lost the popular vote. So how democratic is democracy in US, the supposed bastion of freedom and liberty? The origin of the electoral college has a murky history.

In 1787, having won independence from Britain, America's Founding Fathers drew up the blueprint for the nation's governance. Each state was to have proportional representation in the Congress, but the southern slave-owning states forced through what is called 'the three-fifths compromise', by which three-fifths of their slave population would be added to the free, white population.

So though African-Americans wouldn't get the vote for the next hundred years, each slave, or three-fifths of each slave, helped lay the foundation stone of America's democracy.

Three cheers for Statue of Liberty. Or should that be three-fifths of three cheers?

# What Does Rahul Want?

How much reservation is the end-goal of caste census? 80%? Since upper castes do not exceed 20% of the population. And how much will it amp up Hindutva, its logical political counter?

R Jagannathan

In Rahul Gandhi, Parliament has an opposition leader full of aggro after the June 4 election results. This week, he once again batted heavily for a nationwide caste census, BJP fired back hard, and Rahul responded that he is ready to swallow personal insults in order to achieve his larger goal.

BJP's Anurag Thakur made a speech about how the caste census is being advocated by those who may not know their own caste. While a part of Thakur's statement was expunged, Modi tweeted it. Later, another BJP member, Sambit Patra, vehemently took on Gandhi's parliamentary intervention at a press conference.

BJP-leaning social media influencers started saying that a man who wants a caste census, which means intrusively seeking the caste details of every Indian, and who has been aggressively asking for the caste details of journalists or judges or govt officials in public fora, cannot take umbrage at what Thakur said, that too when Rahul wasn't named.

The purpose here is not to get into the political slugfest between Rahul and BJP, but to point out the larger implications of his position. *Jitni aabadi utna haq*, which means rights should be related to population share, could end up stoking caste-based tensions without actually delivering better justice through affirmative action.

Rahul needs to ask himself, and his fellow JAUH enthusiasts, this key question: What is the endgame? Is it to increase caste-based reservations further? Many states have already breached or are close to breaching the 49% limit set in the Indra Sawhney judgment. The judicial nod for 10% quotas for the economically-weaker sections, legislated in the dying days of the first Modi govt, anyway raises the current potential quota limit to 59%, while Tamil Nadu is anyway at 69%. So, is the intention to take this to 75% after a caste census? Or even higher, since the upper castes do not exceed 20% of the population?

Also, is it sensible to extend and expand the reservation policy without any kind of study about how the

49% limit has worked? There is evidence that it is the creamy layers among the scheduled castes and other backward castes who have disproportionately benefited from reservations. This implies that the real challenge is to redistribute quotas within those already eligible. If seven decades of quota-mongering have not adequately helped overturn the disabilities of caste, how will raising quotas by another 10-15% help?

Or is the intention to extend the quota regime even to the private sector, restricting the space for merit-based recruitments even further? China already has a

nature of Rahul's politics: It is patently intended to divide Hindus along caste lines while stoking a consolidation of minority votes.

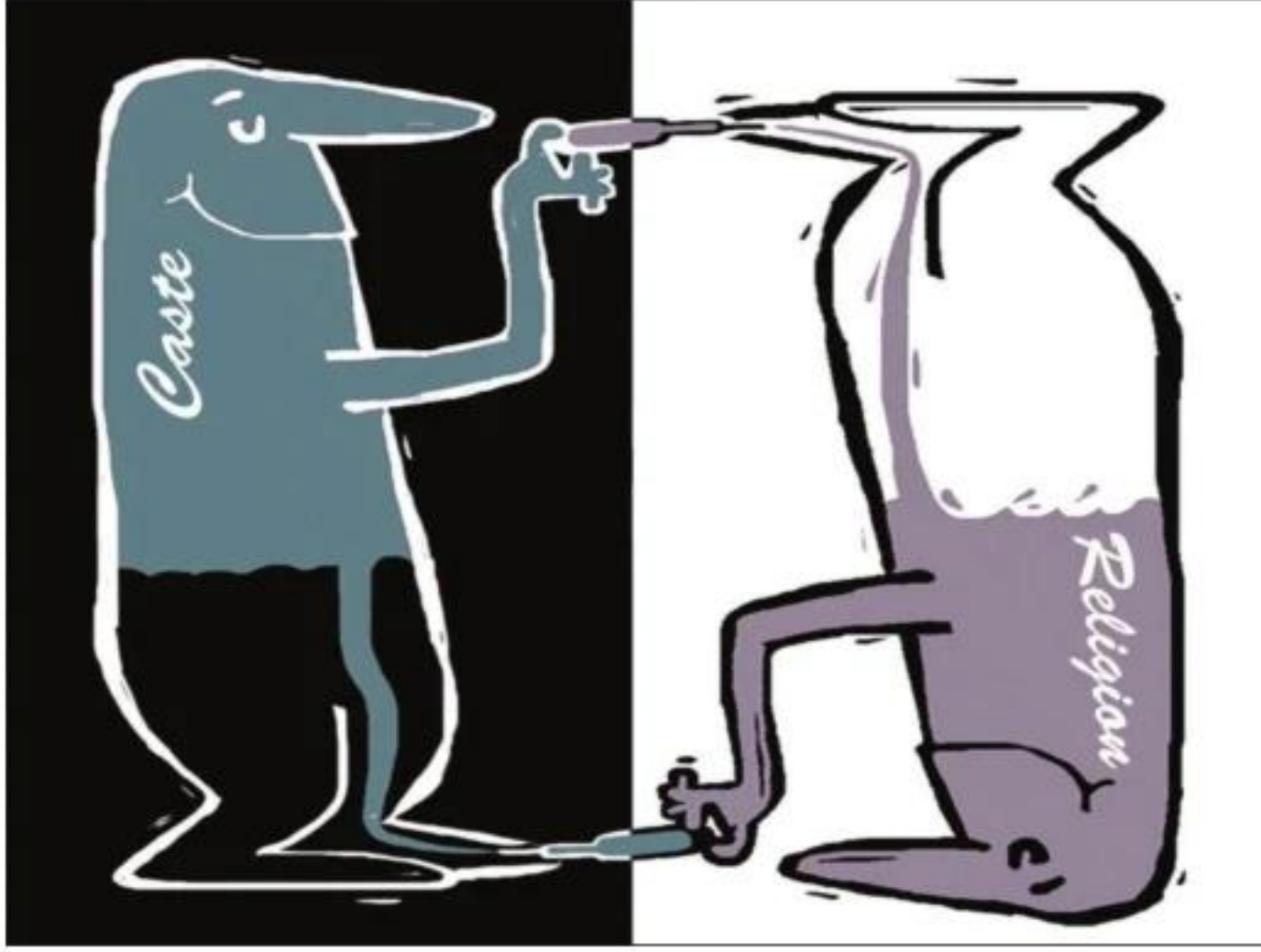
This has always been Congress's election strategy, till Mandalisation enabled OBC-based parties to use the same trick and eject Congress from govt. BJP's counter was to seek a multi-caste coalition under the general umbrella of Hindutva politics. Put another way, by seeking to go back to the old Congress formula of dividing Hindus, Gandhi is forcing BJP to press its Hindutva agenda even more strongly, as this is its only way to overcome caste-based divisiveness. More so when state resources to use subsidies and freebies to entice the voter are limited.

Rahul's caste politics will set off another spiral of religion-based polarisation. It will not end merely by giving a better deal to the deprived castes. Once BJP embraces quota politics, as it did after Mandal, it will be logical to move towards more Hindu-based politics to win elections.

Here is a counter-intuitive thought: You cannot prevent communal polarisation only by dividing Hindus. In fact, there is a better chance of communal amity if a consolidated Hindu vote enables Hindus to shed their sense of disempowerment and negotiate a fair deal with the minorities. The Constitution's secularism is loaded against Hindus, since one can apparently make laws for Hindus but not for minorities, and only Hindu temples and institutions can be taken over and run to the ground like some public sector units. Articles 25-30, which allow the state to intervene in Hindu matters but not in minority ones, cannot endure this contradiction in the long run.

Rahul's caste run is sowing the wind of divisiveness, and he will reap the whirlwind of communal polarisation. If he can demand a caste census, surely BJP can demand a special religion census (outside the regular census) to prevent adverse demographic change in some states (Assam, Kerala and Bengal being three such states). Yogi Adityanath in UP and Himanta Biswa Sarma in Assam have already read the tea leaves in this regard.

If the logic of a caste census is to divide the Hindu vote, the logic of Hindutva will be its logical counter.



# How Haniyeh's Death Scrambles West Asian Jigsaw, Again

A string of assassinations may be Israel's pre-condition for peace. But it's not just Tel Aviv that's glad Hamas political chief is out of the way. Iran, however you see it, cuts a sorry figure

Aydin Sezer

Until two days ago, we were discussing Israel's imminent attack on Lebanon. Many embassies and international organisations in Beirut had evacuated their missions. While all eyes were focused on the Lebanese capital, Ismail Haniyeh's assassination came to the fore. The assassination of Haniyeh, who was in Tehran for the inauguration of Iran's new President, is a development that will undoubtedly have an even more negative impact on the Israeli-Palestinian war.

**Who pulled the trigger?** | That the assassination took place in Iran is of great significance. Turkish foreign minister Hakan Fidan was also in Tehran at the same time and he was one of the last people to meet Haniyeh. There's still no official explanation as to how and by whom the assassination was carried out.

But there is a usual suspect: Israel. All analyses and comments point to Tel Aviv, and some Israeli quarters have openly expressed satisfaction with the development.

**Iran is the loser** | There is also speculation about how exactly the attack was carried out. Was it carried out from inside or outside Iran? If this attack was aided by some cliques inside Iran or the covert Israeli infra in that country, then the Iranian security system comes across as completely bankrupt. If Iran was not involved, then too it loses credibility for this huge security failure. In both cases, this means that Iran is the real loser.

**Israel & Arab monarchies happy** | So who benefited from this attack? The first thing that comes to mind is Israel and the countries that put Hamas on the list of terrorist organisations. In fact, Israel has said the world is a better place without Haniyeh. But the other countries



FELLOW FEELING: Funeral ceremony in Tehran

happy about the assassination are the Arab monarchies. The latter see the existence of Hamas as a threat to their own power. Although we recently saw the unification of all Palestinian factions under an initiative of China, it's doubtful there has been any change in the Arab world's view of Hamas.

**Good result for Abbas** | It will be recalled that after Hamas's attack on Oct 7, 2023, there was not a single reference to Hamas in the meetings of both Arab League and Organisation of Islamic Cooperation, or even in the statements issued after the joint meetings of these

two organisations. Moreover, Palestinian President Mahmoud Abbas too wouldn't mind how things have turned out. As is well known, the Palestinian Authority and Fatah have had a long-standing rivalry with Hamas, which has even descended to conflict in the past. So Abbas would be glad that Haniyeh is out of the way.

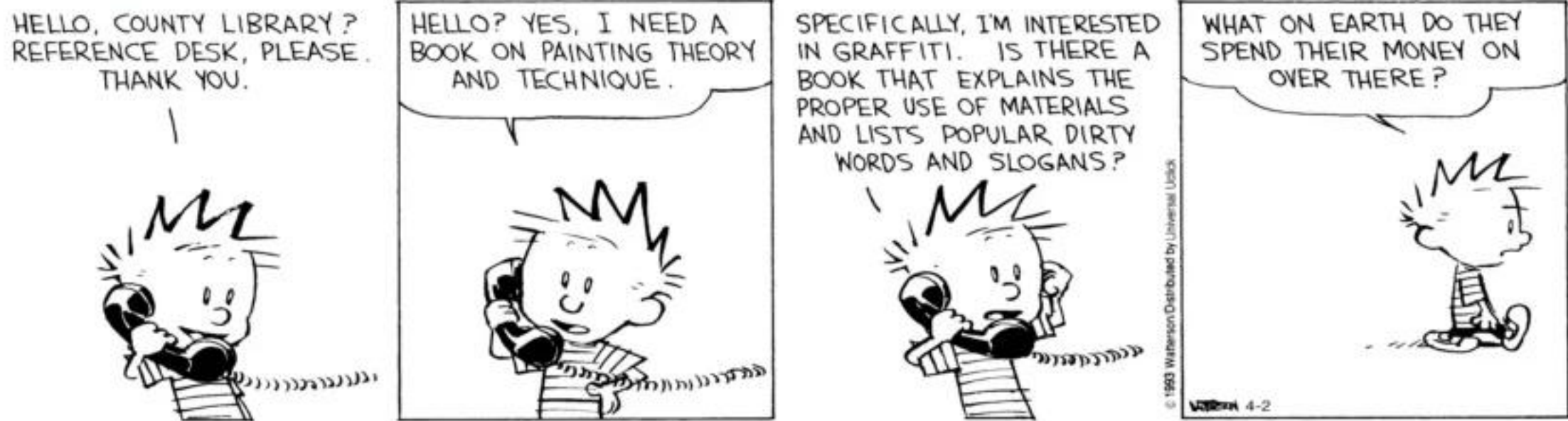
**What happens next?** | That's the million-dollar question. Although the Israeli-Palestinian war has the potential to turn into an all-out regional conflict in West Asia, particularly in Lebanon, Yemen and Iran, it could also be an opportunity for the peace process, which has been going on in the background. Israeli assassinations of Hamas, Hezbollah and some Iranian military figures in recent days – Tel Aviv yesterday also announced that Hamas's military chief Mohammed Deif was killed in an Israeli airstrike in July – may be the kind of clean-up Israel desires as a pre-condition for peace. Thus, it's also possible that the period of most intense war is actually a transformation for peace. Therefore, the general expectation is that things will get worse – particularly in the context of Lebanon – before they get better.

**Turmoil to continue** | Hamas is gradually losing its military power. The same is true for Israel bogged down by more than nine months of conflict. But US and UK's financial and political support for Israel will continue for a long time. Meanwhile, the future direction of the conflict will now depend much on Hezbollah's moves.

So all eyes will be on how the Lebanese are responding to the efforts of Hezbollah and Israel to turn their country into a battlefield. Likewise, Syria. The unbearable economic crises will mean a continuation of what the people of this region have been condemned to for years.

Without getting into conspiracy theories, it's safe to say that until the US presidential elections, good times do not await us in West Asia. Expect the chain of assassinations to continue.

## Calvin & Hobbes



# Choosing To Forgive Is An Act Of Self-Liberation

Dada JP Vaswani

Facing negative emotions such as betrayal, hurt, anger, and disappointment is a universal experience that tests our emotional resilience and inner strength. These emotions often arise from situations where we feel let down or wronged by others, and it's natural to find ourselves consumed by bitterness and negativity as we dwell on the insensitivity of those who have hurt us. However, dwelling on these negative emotions can lead us into a cycle of rumination and resentment, trapping us in emotional turmoil. One of the most empowering realisations in such moments is recognising that we can choose how we respond to these emotions. While we cannot control the actions of others, we can take responsibility for our own emotions and reactions.

It's a crucial step towards reclaiming our inner peace and happiness.

Central to this is the practice of forgiveness. Forgiveness does not mean allowing the hurtful actions of others to control you or pretending that the pain doesn't exist. Instead, it is a conscious decision to release ourselves from the grip of bitterness and resentment. It is about freeing our own hearts and minds from the burden of carrying grudges and negative emotions that weigh us down.


Forgiveness can be particularly challenging when the other person does not seek it or when their actions clearly cause harm. Yet, choosing to forgive is a powerful act of self-liberation. It allows us to break free from the cycle of blame and victimhood, which otherwise perpetuates our suffering. By letting go of the need for vindication, we create space for healing and growth within ourselves. It's important to recognise that people are imperfect

beings who are capable of causing hurt or disappointment, whether intentionally or unintentionally. By acknowledging reality and maintaining control over our own feelings and reactions, we empower ourselves to navigate through challenging situations without losing our sense of inner peace and integrity.

Reflecting on the impact of holding onto bitterness can be enlightening. Does harbouring these negative emotions bring happiness or improve the quality of our lives? Often, the answer is no. Instead, bitterness can poison our thoughts, affect our relationships, and even impact our physical health. It becomes clear that holding onto resentment is a heavy burden that weighs us down and prevents us from moving forward.

Therefore, the courageous choice lies in letting go of disappointment, bitterness, and the desire for revenge.

### Sacredspace



The earth will not continue to offer its harvest, except with faithful stewardship.

We cannot say we love the land and then take steps to destroy it for use by future generations.

Pope John Paul II





# The Tribune

ESTABLISHED IN 1881

## Quota within quota

Onus on states to uplift the neediest

THE Supreme Court has ruled that states are constitutionally empowered to make sub-classification of Scheduled Castes (SCs) and Scheduled Tribes (STs) for granting quotas within the reserved category in order to uplift more underprivileged castes. The majority verdict comes with a rider: the sub-classification has to be justified by 'quantifiable and demonstrable data by the states, which cannot act on their whims'. The challenge for the states is to ensure that the benefits of reservation percolate down to the neediest and poorest of the poor. Justice BR Gavai, who was among the seven judges on the Bench, has put the onus on the states to identify the creamy layer in SCs and STs and take it out of the ambit of reservation.

Commendably, the court has recognised that SCs are not a homogenous class. Hence, there cannot be a one-size-fits-all approach. Over the decades, the quota system has been plagued by the *Animal Farm* paradox — all are equal, but some are more equal than others. The creamy layer has made the most of reservation from one generation to another, even as the weakest sections have lagged socially as well as economically.

The states should initiate the 'quota within quota' exercise in a rational and calibrated manner on the basis of a comprehensive survey. Political and electoral considerations will come into play, and striking a fine balance will be an onerous task. Protests by groups whose prospects will be impacted by the sub-classification are a distinct possibility. Addressing the inadequacy of representation of certain sub-categories can pave the way for their much-needed uplift. With the CJI making it clear that any decision to sub-classify SCs to grant more quota benefits to a particular caste can be reviewed judicially, there is hope that states will refrain from misusing their power and instead make earnest efforts to remove intra-quota imbalances and disparities.

## End the burden

Scrap GST on health, life insurance premiums

BY calling for the abolition of the 18 per cent GST on life and medical insurance premiums, Union Minister Nitin Gadkari has raised a pertinent issue. This tax imposes an unfair burden on policy holders and runs contrary to the intent behind incentivising these vital policies. Insurance is fundamentally a tool for managing life's uncertainties. Levying a hefty tax on premiums is akin to penalising individuals for attempting to mitigate risks. This is especially troubling for the vulnerable sections who already find it challenging to afford adequate coverage. The impact of this tax has a detrimental effect on the accessibility and growth of insurance products.

The insurance industry itself has long advocated for a reduction in GST to enhance the appeal of its products. Lowering the GST rate would not only make insurance more affordable but also stimulate its uptake, contributing to broader financial security and health coverage. This is particularly pertinent given that insurance is more of a 'pull' product — consumers need to be drawn to it — rather than a 'push' one. As per the IRDAI's (Insurance Regulatory and Development Authority of India) data for 2022-23, insurance penetration in India is relatively low — around 3.2 per cent of the GDP for life insurance and 0.94 per cent for health insurance.

Moreover, the current taxation policy is inconsistent with the government's broader objective of promoting social welfare and economic stability. By removing the GST on insurance premiums, the government can take a significant step towards ensuring that more citizens are protected against life's unpredictability without the additional financial strain. Prime Minister Narendra Modi must heed Gadkari's call that aims to restore people's wellbeing. The differences that the PM has had with Gadkari of late must be kept aside on this issue of fiscal policy and respect shown for well-meaning dissent within the party ranks.

ON THIS DAY...100 YEARS AGO

# The Tribune.

LAHORE, SATURDAY, AUGUST 2, 1924

## The Tilak week

YESTERDAY was the first day of what has come to be known in the national calendar of India as the Tilak week. We have no doubt that as during the last three years, the week will be celebrated all over the country with the dignity, enthusiasm and solemnity which the occasion so imperatively demands. Many are the great men who have during the last 40 years worked for the country's political uplift, who have either striven to weld India's millions into a political entity or win for them their birth-right of freedom and self-determination. None worked more singlemindedly or more assiduously or with greater determination for either of these great ends than the distinguished leader whose name has for a quarter of a century been synonymous with all that is best and strongest in India's national life and endeavour. We are, indeed, guilty of no exaggeration in saying that the great men who either preceded Bal Gangadhar Tilak or were his contemporaries from Dadabhai Naoroji, Surendranath and Pherozeshah to the immortal Gopal Krishna Gokhale were all engaged in only preparing the ground for the great fight. It was Tilak, ably aided and seconded by a handful of associates in different parts of the country, who began the actual battle. Pandit Motilal Nehru did less than justice to the noble band of what may aptly be described as the "revolutionary precursors" of India when in a recent speech at Poona he said they constituted nothing more than "an academical society of talents of the country". They were certainly a good deal more. Some of them took the problem of the country's political deliverance as seriously as Tilak himself did.

# Involving the community in education

Muktangan has created a joyful learning environment in educationally underserved communities



TRYSTS AND TURNS  
JULIO RIBEIRO

ELIZABETH Mehta is an Englishwoman married to my good friend Sunil Mehta, the scion of the family which ran Paragon Textiles, known for Elpar Fabrics. They met in England, where Sunil had been sent by his father for studies.

Elizabeth, or 'Liz' as she is called by her husband and his friends, is an educationist by profession. During the years she spent in India with Sunil, she came to the conclusion that "the larger purpose of education was to create a population of healthy, creative, collaborative problem-solvers who care about humanity with respect for its diverse cultures". She harboured a dream, which is presently taking flight.

When the textile industry in Mumbai ground to a halt as a result of a prolonged strike called by labour leader Datta Samant, almost all mill owners shut shop and either sold their land on which the mills were built or utilised the space for other businesses.

Sunil always exhibited a 'social' conscience. I had met him at the board meetings of a well-known NGO in our city, the Happy Home and School for the Blind, where 200 indigent blind students from kindergarten to Class X were housed, fed and taught to read and write using Braille. Sunil was a big contributor to the funds required to run this residential school built on land leased by the government.

Liz's passion for education was a perfect match for Sunil's interest in lifting the unfortunate ones from poverty and want. He handed over a few rooms in his office to Liz to plan and draw up a blueprint for improving the



POSITIVITY: Teachers are demonstrating how learning can be fun. MUKTANGAN EDUCATION TRUST

quality of life of slum-dwellers living in the vicinity of his former mill — through the medium of education. Sunil contributed to Liz's venture by taking over the 'business' part of the newly conceived joint venture. The financing of the venture was left to him.

In March 2003, Muktangan, as the venture was christened, started its first pre-school and recruited seven women from the educationally underserved communities as teachers. These women were not highly qualified nor did they possess the teaching experience required, but they had been motivated by Liz and her dedicated group of teachers to make a difference. They developed a passion for learning that gave wings to the entire initiative. Liz titled the new model 'Education for the community, by the community'. The team, which now included these seven newly enlisted teachers under training, lobbied for a municipal school to be set up and run by Muktangan with its unique pedagogy, based on the belief that it was possible to create a joyful learning environment for students and teachers in educationally underserved communities.

Liz told me that the key component of the Muktangan model is the 'Integrated School and

Muktangan tries its utmost to choose and train teachers from the local community.

The first school was taken over from the municipality in the public-private partnership mode with the support of the community and the municipal commissioner. The spectacular success of this school, defined by the enthusiasm of the parents and their wards, led the Mumbai municipality to ask Muktangan to take over six more municipal schools in the vicinity. The entire project was predicated on the belief that ordinary men and women, empowered with the right beliefs and skills, can drive extraordinary outcomes for children in their aspiring communities.

Liz told me that the key component of the Muktangan model is the 'Integrated School and

Teacher Education Programme'. Learning, she says, is a process which occurs through experience and reflection. She proceeded to assert that children were not passive receivers of information but also active contributors in the classroom.

The children who joined the KG class in Muktangan's first school in 2003 passed out 11 years later. No municipal school in the city had secured the level of success in the SSC (Staff Selection Commission) examination that Muktangan delivered. This level has been maintained every year since then.

A boy who passed out from the SSC batch of 2023-24 stated that in a Muktangan-run school, the children were not taught what to learn but how to learn.

Muktangan tries its utmost to choose and train its teachers from the local community. Sneha Sawant is a proud Muktangan-developed teacher. In 2006, a decade after she had passed Class XII exams in the Marathi medium, she was employed as a pantry-staff member by Liz's team. Sneha was fascinated by the fact that all teachers were

from the community to which she belonged. She decided to become a teacher herself. Muktangan gave her that opportunity, which she grabbed with both hands. She is a teacher-educator now. In 2019, she attended a Global Forum on Early Care and Education in Macau, the former Portuguese colony now under China.

In its quest to foster ongoing learning environments in low-cost mainstream schools, Muktangan has recently forged strategic partnerships with the Zila Parishad, Nanded, (a district of Maharashtra bordering Telangana) to revamp pre-school education in 500 anganwadis in rural areas. Muktangan has also signed an MoU with the Dehu Road Cantonment Board, near Pune, to transform 10 government schools catering mainly to the children of migrant workers settled in the area.

I have been associated with Muktangan almost from its inception. Sunil asked me to serve on its board and I immediately accepted. It was here that I met Anil Swarup of the UP cadre of the IAS after he superannuated. Anil had been Secretary to the Education Department, Government of India. As a practitioner of true service to the people, he was always ready to learn from men and women who were doing selfless service for the needy and the dispossessed.

Anil's desire to learn from others brought him to Muktangan's doorstep. This is what he had to say after he found out what Liz and Sunil were really doing: "Muktangan, where children flourish, is a free *aangan*. What a pleasure it was to meet this 'young' couple that is transforming how education and teaching can be delivered in a municipal school. They are demonstrating how learning can be fun. Truly inspiring."

My article touches on something that has always interested me — a positive contribution to progress by citizens like you and me. The work they do has to be done without expectation of any reward. Only then does it deserve a mention.

## THOUGHT FOR THE DAY

Education is the key to unlocking the world, a passport to freedom. —Oprah Winfrey

## It's time for schooling in concert decorum

SUMIT PAUL

Music with dinner is an insult both to the cook and the violinist. — GK Chesterton

YEARS ago, in Lahore, I asked legendary ghazal maestro Mehdi Hassan, 'Aap ko kaun si baat sab se naa-gavaar guzarti hai?' (What gets your goat?). Smiling, he said, 'Jab kisi hotel ya restaurant mein koi mutrib meri ghazalein gaa raha ho aur bajaay usey sun-ne ke, log lugne todne mein mashghool hon' (When a singer is singing my ghazals at a hotel or restaurant and instead of listening to him, people are relishing their meals).

I could empathise with Mehdi sahab's angst at a swanky restaurant in Pune that had elite diners. The alfresco arrangement had an artiste singing ghazals of Mehdi, Ghulam Ali and Jagjit Singh. Hardly anyone was attentive to the poor singer. Some would patronisingly say *wah, wah or kya khoob* and that's it.

This reminded me of an incident narrated by great Urdu poet Ahmad Faraz. He had gone to a fine restaurant in London, mostly patronised by Indians, Pakistanis and Bangladeshis. He sat in a secluded corner, far from the stage where an up-and-coming singer was singing a ghazal, penned by Faraz and famously sung by Ghulam Abbas. Nobody was listening to him. It was an insult to the artistes. Faraz left and never patronised the restaurant again.

'Eating and listening to Western classics don't go hand in hand. You either eat or listen to Beethoven's celestial symphonies. One can't eat the cake and have it too,' wrote Kishore Chatterjee, a connoisseur of Western classical music. The same can be said about all genres of performing arts. You can't carry eatables to operas in Europe. Theatres in Vienna prohibit eating during a show. True appreciation of art and artistes depends upon the connoisseurs' complete attention. You can't admire Mozart while having popcorn nonchalantly.

Multiplexes serve costly meals during the screening of movies. You can eat and watch in a lying state. Do you go there to watch a movie, sleep or gorge on a sumptuous spread? If you eat groundnuts while watching Ritwik Ghatak's *Meghe Dhaaka Tara* or Cecil B DeMille's *The Ten Commandments*, you are not being respectful to the directors and the actors.

It's like caviar to the general, as Shakespeare said. Eccentric genius Firaq Gorakhpuri rightly ordered the audience to sit through his poetry-reading session without eating or going out to relieve themselves.

Vilayat Khan, Ravi Shankar, Hariprasad Chaurasia and other maestros would request the audience to not clap during the concert. They found it a plebeian and boisterous gesture, distracting them from their soulful renditions. It's time all are schooled in concert decorum.

## LETTERS TO THE EDITOR

### A tragedy foretold

The calamity in Kerala's Wayanad district is a stark reminder of the risk associated with living in an ecologically fragile area. The landslides, triggered by relentless rains, have already claimed around 300 lives and left behind a trail of devastation. The tragedy should not come as a surprise to anyone, as Wayanad was ranked 13th last year in a list of the most landslide-prone districts in India. While rescue efforts are on, the authorities concerned must address the underlying causes of such natural disasters. Climate change, deforestation and an eco-sensitive terrain are a recipe for disaster. Lok Sabha Leader of Opposition Rahul Gandhi has rightly called for an action plan to address calamities in view of the tragedy in his former constituency. A robust early warning system must be in place to help the states prevent the loss of lives. Further, the authorities must adopt a proactive approach to the issue.

SARGUNPREET KAUR, MOHALI

### An avoidable man-made disaster

With reference to the editorial 'Wayanad calamity'; it is shocking how the rain-triggered landslides have swept away entire villages in the district, causing an immeasurable loss of life and property. Besides Kerala, the fear of landslides looms large in the hill states of Himachal Pradesh and Uttarakhand every year during the monsoon season. Senseless deforestation and urbanisation are the reason why such catastrophes have become increasingly common. The Central and state authorities need to work in synergy to avert such man-made disasters.

DEEPAK TAAK, PANCHKULA

### Urbanisation, but at what cost?

Refer to 'Wayanad calamity'; the massive landslides have left a trail of destruction and killed hundreds of people. Last year, the humongous monsoon rains wreaked havoc in Himachal Pradesh, resulting in an economic loss running into thousands of crores. It is unfortunate that local authorities tend to ignore early warnings and fail to take timely measures to save lives. State governments, in a bid to boost their revenue from tourism, allow the construction of highways and

hotels in ecologically fragile zones. This costs them dear when a disaster strikes.

RAMESH GUPTA, NARWANA

### Politicising a tragedy

No single entity bears the entire blame for the horror unfolding in Wayanad. The Centre and the Kerala Government share responsibility for the loss of lives that could have been prevented had they acted in time. But instead of staying focused on extending help to the affected families, a political row has broken out. By locking horns with the state government amid the mounting death toll, the Centre is milking the tragedy to reap political dividends. The need of the hour is to take steps to avoid a repeat of the fiasco in the Western Ghats.

AG RAJMOHAN, ANANTAPUR (AP)

### Defuse the time bomb in West Asia

The assassination of Hamas chief Ismail Haniyeh in Iran is set to escalate the conflict in West Asia. Though PM Benjamin Netanyahu's government has not claimed responsibility for the slaying, it is suspected that Israel was behind it. The possibility of the Israel-Hamas war spilling over no longer seems remote, with Iran being dragged into the conflict. A truce has long eluded Gaza. But with the killing of the top Hamas leader, even the slim hope for negotiations between Israel and the terrorist group has been snuffed out. It is time for other world leaders to step in to douse the fire of conflict before it engulfs the entire region.

DVG SANKARA RAO, VIZIANAGARAM

### Promote undervalued sports

It is a matter of immense pride for us that India has secured three medals in shooting alone. This must prompt the Ministry of Youth Affairs and Sports to formulate a plan to promote undervalued sports like shooting. There is a need to create new opportunities for sports persons and boost public interest in the disciplines that have long been sidelined. This would help Indian athletes continue to bring laurels to the nation. The efforts put in by Olympic medalists Manu Bhaker, Sarabjot Singh and Swapnil Kusale must be recognised.

TARUNJOT KAUR, GREATER MOHALI



# Enhance farm income to tackle agrarian distress



**DEVINDER SHARMA**  
FOOD & AGRICULTURE SPECIALIST

OVER the past 25 years or so, virtually every Finance Minister has begun his or her Budget presentation by emphasising the significant role of agriculture in the Indian economy. From 'Kisan ki Azaadi' to 'a life-line of the country's economy', several epithets have been used to highlight the focus of the Budget proposals. Arun Jaitley had talked of enhancing farm income and kept it at the top of the government's five priorities. Nirjala Sitharaman has also accorded due recognition to agriculture by giving it pride of place among the nine priorities she has spelt out.

The boost for agriculture in almost every Budget should have transformed the rural economy by now. But despite the focus, not even once did it look as if agriculture was on the path to recovery. This is because while the underlying emphasis has remained on increasing crop productivity — in the hope that it would get higher prices and

income for farmers — the agrarian distress has only grown. If the average monthly income for an agricultural household has remained around Rs 10,218 even after a successful Green Revolution and despite all the budgetary support, the serious crisis on the farm cannot be denied.

Here is a reality check: in Karnataka, according to an official estimate, as many as 1,182 farmers have died by suicide in the past 15 months. In Maharashtra, 1,267 farmers took their lives between January and June this year, with Vidarbha's Amravati division alone witnessing 557 cases.

Farmer suicides are not a new phenomenon. A compilation of data by the National Crime Records Bureau shows a staggering number of farmer suicides in the past 27 years. This period coincided with the 25 years of heightened budgetary commitments for agriculture. Between 1995 and 2014, 2,96,438 growers had taken the extreme step. The period from 2014 to 2022 saw 1,00,474 farmer suicides. Simply put, close to four lakh farmers ended their lives between 1995 and 2022, and that too at a time when annual Budgets kept promising to turn agriculture around. The mismatch between the budgetary allocations



**PLIGHT:** While the underlying emphasis has remained on increasing crop productivity — in the hope that it would get higher prices and income for farmers — the agrarian distress has only grown. FILE PHOTO

and the continuing agrarian crisis is glaring.

Telangana is now in the second stage of providing a farm loan waiver. It is in the process of striking off Rs 6,198 crore of outstanding loans for 6.4 lakh farmers, with each of the indebted growers getting a waiver of Rs 1.5 lakh. In the first phase, 11.34 lakh tillers had received Rs 6,190 crore in their bank accounts. In the third phase, set to begin this month, 17.75 lakh cultivators will receive a waiver for Rs 12,224 crore. In all, 35.5 lakh farmers in the state are being given a debt waiver. It, however, does not mean that rising farm debt is not a concern in other states.

The boost for agriculture in nearly every Budget should have transformed the rural economy.

The latest global analysis by the Organisation for Economic Cooperation and Development (OECD) shows that among the 54 major economies it has worked out the producer subsidy support for, only in India's case are farmers bereft of adequate budgetary support to cover up the losses. The report states that Indian farmers have continued to incur losses year after year since 2000. Would any other sector of the economy have survived the continuing losses?

While we can find fault with the methodology, the fact remains that no amount of support for tech-

nology or the injection of money into other schemes to increase productivity and production will see farmers' income go up. It hasn't happened anywhere. The OECD study is a testimony to this.

This is what I call the 'via Bathinda' approach. Why can't a direct effort be made to raise farm incomes rather than routing it through the input suppliers or technology providers? It hasn't worked in the past, and it will not work in the future either. Several studies have shown how the input suppliers rake in profits while the farmers remain at the bottom of the pyramid. Even in the case of supply chains, the growers' share in the ultimate profits is hardly 5-10 per cent or even less. A recent study in the UK said that while the retail profits from marketing strawberries and raspberries went up by 27 pence in 2021, the farmers' share was only 3.5 pence. Earlier, some studies had shown that for the six daily necessities that consumers depend upon, farmers get only 1 per cent of the retail profit. Therefore, the thrust on strengthening supply chains, as stated in the latest Budget, will only be helpful if the share of the primary producer is guaranteed.

With an allocation of only 3.15 per cent of the total Budget for agriculture, and that too for roughly half of the country's population engaged in the sector, nothing extraordinary can be expected. An outlay of Rs 1.52 lakh crore this year, a jump of about Rs 26,000 crore from the previous year, essentially covers the non-plan expenditure, as it was earlier referred to. Given that the budget for agriculture also includes an outlay of Rs 60,000 crore for the PM KISAN scheme, which provides a monthly entitlement of Rs 500 to every land-owning farmer, what is left is Rs 92,000 crore for agriculture. No wonder the Household Consumption Expenditure 2022-23 tells us that the median monthly per capita consumption expenditure in rural areas stands at a mere Rs 3,268. If agriculture is not viable, rural spending will remain low.

Hence, agriculture needs a serious rethink. There is a critical need to first address the issue of livelihood so as to bring about income parity with other sections of society. My suggestion is to set up a National Commission for Farmers' Income and Welfare, which should come up with specific ways to enhance farm income in a given time frame. Start by ensuring a legal framework for the MSP (minimum support price).

# Transition to electric vehicles fraught with challenges



**NAVDEEP ASIJA**  
TRAFFIC ADVISER TO PUNJAB GOVERNMENT

THE advent of electric vehicles (EVs) in India represents a pivotal move towards curbing pollution and embracing sustainable transportation solutions. The Indian Government's ambitious goal to electrify 30 per cent of the vehicle fleet by 2030, supported by incentives and subsidies, underscores this commitment. Major automakers and startups are actively introducing EV models and investing in charging infrastructure. Despite these advancements, challenges such as limited charging infrastructure and higher initial costs remain. Nonetheless, as technology evolves and costs decrease, the EV market in India is poised for significant growth. However, the assumption that EVs are universally cost-effective and environmentally benign warrants scrutiny.

The EV story began in the 1830s with Robert Anderson's early motorised carriage powered by non-rechargeable batteries. The advent of rechargeable batteries in 1859 marked a significant advancement, and by the 1880s, elec-

tric cars were functional and set speed records for their quiet, clean operation.

In 1908, the Ford Model T revolutionised the automotive world with its affordable, gasoline-powered internal combustion engine, offering greater range and convenience compared to electric cars, which were up to 10 times more costly by the early 1920s. Internal combustion engines soon overshadowed the early electric models.

Today, the trend is reversing due to advances in battery technology, rising fossil fuel prices and increasing environmental concerns. Countries like Norway and the Netherlands are setting ambitious targets to phase out fossil fuel vehicles, though most cars on the road are still internal combustion engine-powered.

In India, the focus on electric public transport laid the groundwork for early electric cars like Lovebird and Vikram Safa in the 1990s. A key milestone was the 2001 launch of Reva, India's first mass-produced electric car. Government schemes like FAME (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles), introduced in 2015, have boosted growth, especially for affordable two-wheelers. Transitioning from electric public transport to widespread personal EVs in India involves overcoming challenges related to affordability, infrastructure and policy.

India is expected to become the third-largest market for



**BENEFIT:** Electric vehicles (EVs) help reduce tailpipe and noise pollution. PTI

EVs globally within the next five years, driven by rapid industry development. However, the fact that 80-85 per cent of India's lithium-ion batteries are imported from China raises sovereignty concerns. The country must develop a robust EV supply chain domestically and reduce reliance on foreign sources, thus enhancing pollution control and economic sovereignty.

In India's federal structure, electricity is a state subject, placing the burden of powering EVs on states. Most states generate electricity from coal, a significant pollutant, and offer it at subsidised rates. Conversely, states earn revenue from oil through taxes. The transition to EVs could negatively impact state finances, as they would need to cover the cost of power for EVs while losing oil revenue.

The case of polythene bags, initially deemed eco-friendly but later causing significant pollution, mirrors the potential risks associated with EVs.

This could lead to budgetary imbalances. The expected forex savings from reduced oil imports might be offset by the import of batteries, necessitating clearer projections.

Punjab, for instance, consumes 1.2-1.3 lakh litres of fuel daily. A shift of 10 per cent of oil-dependent vehicles to EVs over the next three or four years could demand an additional 900 megawatts of energy daily. Meeting this demand might require installing a thermal plant every alternate year. Wealthier individuals might afford EVs, while poorer households could face reduced electricity availability for basic needs.

Lithium-ion batteries used in EVs contain essential materials such as lithium, nickel, manganese and cobalt. Each tonne of lithium requires around 20 lakh litres

of water for evaporation, making current brine mining methods unsustainable.

With the rise in EVs, proper disposal and recycling of used batteries are crucial to minimising environmental and health risks. India needs improved recycling infrastructure and incentives for better practices.

EVs help reduce tailpipe pollution and noise pollution, leading to quieter streets and improved urban soundscapes. However, they don't fully address traffic congestion. Subsidising personal vehicle travel can worsen congestion, as seen in the UK, where CO<sub>2</sub> emissions from private cars rose despite improved fuel efficiency. In India, EVs introduce safety concerns such as electrocution risks from high-voltage systems in post-impact scenarios. Research indicates that heavy EVs are twice as likely to be involved in pedestrian accidents compared to traditional vehicles. Given India's high pedestrian and cycle traffic, specific research is needed to address these safety issues effectively.

While EVs are viewed as eco-friendly, their manufacturing process and charging infrastructure require substantial energy. With 60 per cent of India's states relying on thermal power from fossil fuels like coal, it's akin to running cars on coal. The well-to-wheel (WTW) analysis examines the full energy lifecycle of EVs, including battery mineral extraction, refining, transport

and vehicle power, often derived from coal-based electricity. Despite zero tailpipe emissions, WTW calculations suggest that production and disposal might diminish some environmental benefits.

The shift to EVs is vital for reducing emissions and combating climate change. While India's transition to personal EVs could offer carbon emission advantages, it hinges on leveraging domestic energy resources and revising policies, power generation and distribution systems.

The case of polythene bags, initially deemed eco-friendly but later causing significant pollution, mirrors the potential risks associated with EVs. The success of EVs depends on effectively managing their environmental impact. Integrating renewable sources like wind and solar is crucial for providing a steady, eco-friendly energy supply and reducing reliance on fossil fuels.

Additionally, the high cost of battery replacement, often monopolised by a few manufacturers, could lead to significant maintenance expenses after four or five years of operation. Addressing these factors, along with the implications for India's sovereignty and state finances, is essential. The transition to EVs must be carefully managed to avoid unintended environmental and economic consequences, ensuring that the move to cleaner transportation does not come with new challenges.

QUICK CROSSWORD

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ACROSS

1 Correct in all details (5)  
4 Passage (7)  
8 Set in rivalry (3)  
9 Extremely distasteful (9)  
10 Directory about notable people (4,3)  
11 Haul down (5)  
13 Think out (6)  
15 Give a sermon (6)  
18 Temporary obstacle (5)  
19 Craftsman (7)  
21 Formidable older woman (9)  
23 Possesses (3)  
24 Of little substance (7)  
25 Amiable eccentric (5)

DOWN

1 Give authority to (7)  
2 Traveller in space (9)  
3 To cast (5)  
4 Walk very stealthily (6)  
5 Lean and bony (7)  
6 Health resort (3)  
7 Private teacher (5)  
12 True state of things (5,4)  
14 Tragedy by Shakespeare (7)  
16 Integrity (7)  
17 Bother persistently (6)  
18 A settled tendency (5)  
20 Set foot (5)  
22 Metal container (3)

Yesterday's solution

Across: 1 Watertight, 8 Sober, 9 Reunion, 10 Useless, 11 Belie, 12 Return, 14 Bear up, 17 Drain, 19 Insular, 21 Attempt, 22 Fiery, 23 Poker-faced.  
Down: 2 Ambient, 3 Eerie, 4 Thrust, 5 Grumble, 6 Trial, 7 In jeopardy, 8 Square deal, 13 Run amok, 15 Relieve, 16 Bitter, 18 Act up, 20 Sofia.

SU DO KU

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V. HARD

YESTERDAY'S SOLUTION

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

CALENDAR  
AUGUST 2, 2024, FRIDAY  
■ Shaka Samvat 1946  
■ Shravan Shaka 11  
■ Shravan Parvishle 18  
■ Hijari 1446  
■ Krishna Paksha Tithi 13, up to 3.27 pm  
■ Harshana Yoga up to 11.45 am  
■ Aardra Nakshatra up to 10.59 am  
■ Moon enters Cancer sign 5.42 am

FORECAST

SUNSET: 19:15 HRS  
SUNRISE: 05:43 HRS

CITY

MAX

MIN

Chandigarh

35

24

New Delhi

34

25

Amritsar

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26

Bathinda

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24

Jalandhar

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Ludhiana

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Bhiani

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Hisar

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Sirsa

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Dharamsala

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Manali

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Shimla

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Srinagar

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Jammu

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Kargil

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Leh

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Dehradun

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Mussoorie

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TEMPERATURE IN °C



## Squabbling overshadows tragedy

The Wayanad landslide tragedy serves as a stark reminder of the consequences of ignoring environmental warnings

In India, we've developed a bad habit of politicising everything, from festivities to tragedies, using every opportunity for one-upmanship against opponents. Indeed, the tragic landslide in Wayanad, Kerala, that claimed life of more than 170 people is being used as a slingshot to score brownie points. It has triggered a heated political exchange between State and Central Government leaders. The tragedy, which resulted in significant loss of life and property, has brought to the forefront the critical issue of disaster preparedness and environmental stewardship. Following the landslide, Home Minister Amit Shah stated that the State had received an early warning but failed to take necessary preventive measures. He criticised the State Government for the negligence, suggesting that more lives could have been saved with timely action. Kerala Chief Minister Pinarayi Vijayan quickly refuted Shah's claims, asserting that the State Government had acted on all available warnings and had undertaken necessary measures to mitigate the impact.



Vijayan emphasised that the unprecedented intensity of the landslide was beyond what the early warnings had predicted and that the state's disaster response teams had worked tirelessly to manage the situation. This spat achieved nothing; neither relief for the people injured nor a plan of action to stop such incidents in the future. But yes, both the Central and State Governments gave themselves a clean chit, and that was the end of it.

This incident highlights challenges in disaster management and the need for coordinated efforts between State and Central Governments. The

Wayanad tragedy has also opened a broader discussion on environmental conservation and the risks of taking nature for granted. The Kerala Government must take the blame for unrestricted development in the Western Ghats, one of the most fragile ecosystems in the country. Despite frequent disasters, the Kerala Government continues unsustainable activities in the name of development. The thick tree cover is gone due to changed land use. This has turned many perennial streams and rivers into seasonal ones and increased the risk of flooding in the monsoon season. The Wayanad landslide is a stark reminder of the consequences of ignoring environmental signals. Human activities such as deforestation and unplanned construction have exacerbated the vulnerability of regions like Wayanad to natural disasters. The Wayanad landslide underscores the importance of accountability and proactive measures in disaster management. More importantly, it highlights the critical need to respect and care for our environment. Forests, for instance, play a crucial role in stabilising soil and regulating water cycles. Deforestation disrupts ecosystems, making landslides more likely. The Wayanad tragedy is a call to action for governments, communities, and individuals to prioritise environmental conservation for our collective survival.

### PICTALK



Asian Openbill storks perch on a tree, in Kolkata

PTI

## Age and capability: Rethinking retirement and leadership

Why is it that in the corporate world, age is a barrier to employment, while in public service, older individuals often hold the highest offices?

In May 2020, close on the heels of the covid outbreak, my husband lost his job. It was an unexpected knock to take barely a month after he was awarded the best employee. The company that he was serving for the past many years attributed the pink slip to the pandemic, and following it, it was near impossible for him to find another job. In most cases, it seemed as if he was deemed over-age. In the traditional sense, it must be true that 58 years is the time to hang one's boots, but taking superannuation was far from his mind. His mental and physical abilities had not dimmed a wee bit and he had many more years of active work life left in him. But it was hard to convince a work culture that was transitioning to a younger demographic about his worthiness. He was soon forced to stop looking for a job and start something of his own. Three years on, it is a decision we don't regret taking. But there is one thing that I have not been able to decipher. If a company considers a person to be too old to seek employment at that age, what makes older doyens eligible to



seek fresh terms as heads of state? This question is more relevant now after John Biden was forced to step aside following doubts over his diminishing cognitive abilities on various platforms. Biden's dropping out in no way suggests that his opponent (who is younger by only three years) is more eligible to be the boss at the White House if age is a major criterion for holding responsible positions. Yet, in public service, it is par for the course for older men and women to push it till economic and social policies allow or they are naturally indisposed. Why is 80 a wholesome number to be at the helm of a state and 60 an age to retire for employees?

There is no doubt that the age gap between the highest and lowest denominators at a workplace has widened significantly. There are concerns about an agile, IT-driven young generation unable to work alongside an older brigade that follows old clunky ways. On this side things, it is still a huge challenge for those used to archaic practices of functioning to adopt digital modes overnight. But experience is something we still cannot discount. On the other hand, we also need a lot of young blood to keep our workplaces vibrant. People age differently. Their biological age may not be commensurate with their chronological age. In a

recent interview on CNN, Anthony Fauci, former chief medical advisor to the President of the United States looked and sounded many times more agile and vigorous at 81 than Biden does. My mother at 77 is much less healthy than a few other relations in their 90s. So to determine people's capabilities based on the number of summers they have seen is a faulty method. Our cognitive age and ability to handle the pressures of a job is something only we can gauge. It is for us to decide if we are fit to handle the responsibilities – be it to serve the nation, run a company or a household. John Biden must have eventually realised that cracks are showing up in his public image and faculties and that stepping aside is the most gracious thing to do, both for his self-esteem and for the sake of his country. Although it had to come after much persuasion, he made the call. Congratulations to him for being rational and accepting 'it is what it is'.

(The author is a Dubai-based author and columnist; views are personal)



ASHA IYER KUMAR

THE REAL WORLD CAN BE TRICKY TO NEGOTIATE. This is because a lot of early childhood learning needs substantive modification when it comes to real life. Illustratively, a child is taught many principles which are simply impracticable as he grows up. Typically, a child will be told never to do something without informing their parents, whereas in real life this is neither feasible nor practicable. The truth is, that childhood learning is about basics; one learns to modify or calibrate it as one goes along. It has to do with a child's mind and establishing certain principles that life experiences may define or modify. Consider the case of teaching a child about parallel lines. The child is taught that parallel lines are lines that never meet. That's good enough for his purposes. As one matures and gains a few years, the child transitioning into adulthood learns that parallel lines do meet, but they meet at 'infinity'. Similar examples can be cited elsewhere. However, more to the point is a simple proposition, namely that learning has to do with the capacity and capability of the learner. The same principle can undergo several modifications or even alterations. As one emerges into adulthood, one learns many other intricacies about life, and several of them can only be re-learned only through experience. Here is the need to sharpen a person's capacity for continuous learning and absorption. Typically, the adult, as he goes through life, meets different types of people, and there is a clear need to coexist with several others. One's judgment becomes a crucible for deciding what the truth is and where one has to steer clear or walk through it. This is what adult learning is about, and it is a lifelong necessity that is felt at each stage. Sometimes strange situations can occur, especially if one learns through aphorisms/proverbs/ folk sayings, and even the wisdom of



ASHA IYER KUMAR

elders. An illustration of this could make the point clear. In Sanskrit, there is a saying "Satyam brooyat, priyam brooyat, na brooyat satyama priyam". "Broadly translated, it means, speak the truth, but speak it pleasantly. If a truth is bitter, it need not be spoken". Whether this is desirable or not is a moot point. What is more, is that other sayings can be found to be very different than the one quoted above. For example, there is another Sanskrit statement "Satyameva jayate" "A free translation into English would be that "truth alone triumphs". The two statements are clearly in two different contexts and mean two different things. There is an element of contradiction between the two. It is here that adult learning acquires a special veneer of its own. What that special something is a matter of experience and exposure. Some people who repeatedly emphasised in their childhood that they must always tell the truth get so much in the habit of only telling the truth that they become offensive in conversations. This is not because of their



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ill intention, but their style itself became 'offensive'. Such offensive behaviour can have a heavy price. After all, tact is something that is not an optional extra, it is essential to life. Being tactful does not end up lying or being untruthful. It only trains a person to be sensitive to another person's feelings and sentiments. It also raises the importance of recognizing that all inputs contribute to better and improved behaviour. Creating a situation in which everyone gains and a better environment is established is essential. If bluntness causes hurt rather than improvement, it could lead to deterioration of quality of life, which cannot be the objective of any action. The obvious conclusion is that learning is a complex phenomenon with multiple layers. It needs judgement sensitivity, and foresight. In the absence of any of the above relationships, they can become compromised. After all, if the relationship itself is lost, one might ask: what is the input about? This issue is fundamental to the act of living. This is so because man is a gregarious animal, and the act of living



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requires a collective experience. Learning therefore is a lifelong exercise requiring continuous involvement and the capability to evolve. External inputs to learning are of course critical, but internalization of the same is the core. Unfortunately, whereas much attention has been paid to teaching, an equal amount of attention is due to the ways of the learning process. There are indeed definite limits to the capacity to learn and methods of learning. This is something that needs to be more widely recognized than before, especially since it does not seem to be integrated into the larger theories of learning. Indeed, one needs to pay attention to also when and how a revision of the learning process becomes seminal. To sum up, it is important to recognize the continuous nature of learning and one's central role in keeping that learning alive. A teacher can only help the process but cannot substitute a learner's learning. (The writer is a well-known management consultant of international repute. The views expressed are personal)



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ALL QUIET IN BANGLADESH Madam — After the recent mind-boggling violence in Bangladesh, things seem to be stabilising for now. Hopefully, peace will not be compromised again, as Dhaka is an important neighbor for New Delhi. Prime Minister Sheikh Hasina's support for those who fought for the liberation of Bangladesh, led by her late father Sheikh Mujibur Rahman, is well known and reasonable. In the past, Hasina's firm and decisive action against the offenders of the 1971 Bangladesh Liberation War earned her praise, but her indecision and leniency towards extremism were criticized by moderates and liberals. Her recent decision to reserve fifty-six percent of jobs for the descendants of the liberation movement was undoubtedly aimed at certain sections of the country's vote bank. Although the Bangladesh Supreme Court struck down the order and reduced the reservation to five percent, Hasina must be feeling the setback. Some short-sighted remarks by Hasina during the students' protests further fueled emotions. It's time for the longest-serving Prime Minister of Bangladesh to get her act together and display the statesmanship expected of her. Ganpathi Bhat| Akola



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THE LEGACY OF JRD TATA Madam—The 29th of July 2024 marked 120 years since the birth of JRD Tata, fondly called Jeh by those close to him. Words cannot do justice to his modesty, philanthropy, achievements, awe-inspiring firsts, patriotism, and staunch belief in the three guiding tenets of Zoroastrianism: good thoughts, good words, and good deeds, without professing either belief or disbelief in God. Jeh was India's first commercial pilot license holder and the first to fly a commercial plane from Karachi to Madras. He was also the first Indian businessman who refused to bribe politicians and the first to establish Asia's first cancer care hospital, the Tata Memorial Centre in



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Bombay. Furthermore, he was a pioneer in advocating workers' rights, introducing an eight-hour working day, free medical facilities, and more. As stated at the outset, it is impossible to fully capture the essence of JRD Tata, whose life itself was his message. Tata passed away in Geneva, Switzerland, from a kidney infection on 29 November 1993, at the age of 89. A few days before his death, he remarked, "Comme c'est doux de mourir" ("How gentle it is to die"). Upon his death, the Indian Parliament was adjourned in his memory, an honor rarely given to those who are not members of parliament. He was buried at the Père Lachaise Cemetery in Paris. Pages from JRD Tata's life ought to be made compulsory reading in our parliament and legislative assemblies. It might lead to some introspection and, perhaps, inspire some of our elected representatives to mend their ways. Politics in India being what it is, I know this is just daydreaming on my part. Avinash Godbole| Dewas



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Remembering APJ Abdul Kalam numerous speeches and wrote many books addressing the youth; which are listened and read even today by students even across the world. Choosing his birth day as the 'World's Student's Day' was an appropriate decision honoring his works as a scientist and the millions of youths that he inspired and still inspires through his works, achievements, speeches, lectures and books. Students deserve better education standards and we hope it is time to inculcate the best education to students so that they may not wish to go to other countries for education purposes. He believed that students are the future of a nation and they can bring considerable change if well nurtured and educated. He professed education as the only weapon to fight back the demons of poverty, illiteracy, malnutrition etc. Anandambal Subbu | Mumbai



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LACKADAISICAL APPROACH OF MCD Madam — This refers to the editorial, Enough is enough (July 29) vide which the bitter truth was elaborated that the inaction of municipal authorities and the lack of accountability have resulted in yet another tragedy. The tragic death of three students at the illegal Rao IAS Coaching Centre in Old Rajendra Nagar area of Delhi is a shameful tale of gross and unpardonable negligence at the administrative level. This illegal business is flourishing with the connivance of MCD officials. The basement meant for commercial storage was illegally converted into a coaching centre. There was no emergency exit and no technical scientific arrangements for drainage. The issuance of NOC for building usage and security lapses reflected lackadaisical approach of the MCD officials. Harshest punitive measures must be taken against the people responsible. Yugal Kishore Sharma | Faridabad



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INDIA NAVIGATES DIPLOMATIC TIGHTROPE

Despite the US unease, India charts its own course; QUAD Tokyo conference is a case in point



KUMARDEEP BANERJEE

In a balancing act of sorts, the Government of India is trying to address US and European concerns regarding PM Modi's meeting with President Putin last month, when many of the leaders were in a huddle in Washington for the NATO summit. President Putin went an extra step to welcome PM Modi in Moscow, signalling a strong message to the US, regarding the long-standing partnership with India. Senior officials in the US expressed deep concern with the optics involved in PM Modi's Moscow visit while reiterating that nothing significant was achieved. Russia bilateral is a tightrope, that India has managed to carefully tread on, despite its growing engagement with the US in the past decades. Therefore, this week's QUAD foreign minister's conference in Tokyo where External Affairs Minister S Jaishankar met his US counterpart Anthony Blinken was significant. The joint statement in unequivocal terms condemned Russia's action in Ukraine, perhaps for the first time joining in such a multilateral official communication. The joint statement read "We express our deepest concern over the war raging in Ukraine including its terrible and tragic humanitarian consequences. We reiterate the need for a comprehensive, just, and lasting peace in line with international law, consistent with the purposes and principles of the UN Charter, including respect for sovereignty and territorial integrity." PM Modi had also in his bilateral meetings with President Putin and public messages subsequently, mentioned the need for finding lasting solutions to the Ukraine crisis away from the battleground while condemning the attack by Russia killing nearly 41 persons including at a children's hospital. PM Modi said "Whether it is war, conflict or a terrorist attack, any person who believes in humanity, is pained when there is loss of lives. But even in that, when innocent children are killed, the heart bleeds and that pain is very terrifying." Ukraine President Zelensky has condemned PM Modi's visit to Russia. Government officials now indicate that the PM is likely to travel to Ukraine in August to balance the geopolitical dynamics and reset India and Europe's relationship. Meanwhile, the QUAD for-



eign ministers meeting continued to focus on the Gaza crisis, and its spillover in the Red Sea zone, impacting lives and raising freight costs. The foreign ministers jointly communicated "We urge all parties to comply with international law, including international humanitarian law, as applicable. We welcome UNSC Resolution S/RES/2735 (2024) and strongly urge all parties concerned to work immediately and steadily toward the release of all hostages and an immediate ceasefire. We call on all parties to take every feasible step to protect the lives of civilians including aid workers, and facilitate the rapid transportation of humanitarian relief. We also encourage other countries, including those in the Indo-Pacific, to increase their efforts to address the dire humanitarian need on the ground. We underscore that the future recovery and reconstruction of the Gaza Strip should be supported by the international community. We remain committed to a sovereign, viable and independent Palestinian state taking into account Israel's legitimate security concerns as part of a two-state solution that enables both Israelis and Palestinians to live in a just, lasting, and secure peace." India would be the host for the QUAD leaders summit scheduled this year, however, the crucial US presidential elections in November would be a key determinant of the time. President Biden who has mostly shaped the Quad narrative in the past, would like to leave a lasting impression on this group of four.

(The writer is a policy analyst; views are personal)

# Union budget prioritises employment and skilling

To empower youth, the Government has announced three transformative schemes aimed at promoting skilling across various sectors



DINESH SOOD



One of the top nine priorities of the Union Budget is employment and skilling. In line with this, three schemes have been announced to promote skilling. The first scheme involves increasing the maximum loan amount for high-end skilling courses under the revamped Model Skill Loan Scheme from Rs 1.5 lakhs to Rs 7.5 lakhs, with an interest rate of 1.5% per annum. This scheme is expected to empower the youth by providing easy access to advanced-level skill courses, potentially removing significant financial barriers for many deserving students and candidates to gain futuristic and in-demand industry skills, thus creating a future-ready and empowered workforce. Recognising the significant role played by non-banking finance companies (NBFCs) and micro-finance institutions in the skill loan market, the Ministry of Skill Development and Employment (MSDE) has made pivotal modifications to the scheme. This includes the inclusion of NBFCs, Micro Finance Institutions, and Small Finance Banks to extend loans backed by a guarantee against default up to 75% of the loan disbursed through the instrument of collateral-free loans of up to Rs 7.5 lakh to facilitate 25,000 aspirants every year. Without a vibrant skill loan market, many youths leave aspiring candidates without the necessary financial support to pursue their skill training. To ensure uninterrupted credit flow in the skilling sector and to provide low-income youths with access to affordable finance for specialized skill courses, the MSDE initially launched the Credit Guarantee Fund Scheme for Skill Development in July 2015, resulting in below expectations. The low fund utilisation under the scheme over the past decade was due to the low ticket size of loans up to Rs 1.5 lakh, even as course costs and fees rose due to inflation, leaving many high-cost



THIS FIRST-OF-ITS-KIND SCHEME, AIMING TO COVER ONE CRORE YOUTH IN 5 YEARS, HAS THE POTENTIAL TO BE A GAME CHANGER IN TACKLING YOUTH UNEMPLOYMENT

courses out of the scheme. Secondly, private banks still need to be more willing to finance government-sponsored schemes. As of March 31, 2024, loans amounting to Rs 115.75 crore had been extended to just 10,077 borrowers over the past decade. However, the government's unwavering commitment to addressing this issue is evident in the new model skill loan scheme, which aims to meet the challenges of a highly skilled workforce emerging from paced technological changes. Relevant skills are in demand, and the cost of acquiring specialised skills is higher. Only 5% of the so-called skilled workforce is formally trained, creating a significant skilling gap that needs to be urgently addressed. While 26.5 crore children enrol in school each year, by the time they reach higher education, their numbers have dwindled to 4.3 crores. To align with the National Education Policy (NEP) 2020 mandate, an additional five crore children who pass school need to be included in higher education and to make skill training accessible to every individual, especially the large number of students from rural India. The Model Skill Loan Scheme is not just a solution but a necessary and urgent step in bridging this gap. The skill economy is increasingly market-led, integrating new-age learning into the skill development ecosystem. The youth from urban and semi-urban areas recognise the opportunities for skilling and livelihood improvement. An initiative like the Model Skill Loan Scheme opens doors to many skill courses in sectors such as healthcare,

beauty-wellness, IT, AI-data science, cloud applications, digital marketing, hospitality, animation, gaming, graphic designing, and drone technology. These courses, driven by changing industry dynamics, offer substantial placement opportunities and the potential for global mobility, providing a promising future for the youth and opening doors to international career prospects. The second scheme aimed at skilling 20 lakh youth over five years. The scheme, with a total outlay of Rs 60,000 crore, aims at fulfilling this objective by upgrading 1,000 Industrial Training Institutes (ITIs) in the hub and spoke arrangements with outcome orientation. It's an ambitious scheme that aims to make youth more employable by imparting industry-specific skills. The course content and design will be upgraded to reflect the skill needs of the industry. For instance, emerging IT sector needs could include cyber security or data analytics skills. The third scheme introduced in the Budget for Skilling Youth is a comprehensive scheme that provides the youth with internship opportunities in 500 top companies. This first-of-its-kind scheme, aiming to cover one crore youth in 5 years, has the potential to be a game changer in tackling youth unemployment. This internship scheme's innovative approach and potential impact make it a beacon of hope for young people's future employment, promising a significant reduction in youth unemployment rates. Moreover, landing an internship is difficult, leading to a vicious

cycle of frustration and disappointment. Students with professional degrees like MBA, engineering, etc., may still find landing jobs or internships easier after graduation. However, the scenario could be more precise for unemployable humanities graduates with no ready-made market-appropriate skill set. Thus, such a scheme providing young graduates across disciplines with internship opportunities at leading companies can be a game-changer if implemented properly and effectively. Perhaps, in the future, the government could consider widening the scope of this scheme by making it mandatory for companies above a specific size (the government could come up with a set of specifications to decide this) to take in a fixed number of interns every year and fund the training program through their Corporate Social Responsibility (CSR) funds. These funds are a company's initiative to assess and take responsibility for the company's effects on environmental and social well-being. Most importantly, the internship opportunities provided under this new scheme could significantly boost the employability quotient of youth. With concrete experience, they will be more likely to land a job. However, implementation, effectiveness, and accountability are crucial to fostering employable skill sets.

(The writer is a Co-Founder and MD of Orane International, a Training Partner with the National Skill Development Corporation (NSDC), Network Member of India International Skill Centres; Views expressed are personal)

# Transforming bone fracture treatment with the magnesium implants invention

## This innovative solution promises to alleviate the long-term suffering of bone-fractured patients caused by traditional metal implants

An age-old adage "necessity is the mother of invention" still holds now. This aforementioned adage is duly proven by the fact that Nitin Pratap Varma Senior Scientist and highly esteemed research scholar from Dhanbad-based IIT-ISM and currently working as Senior Scientist for Shahjahanpur (UP) based company G Surgiwear Limited, felt the necessity of resorbable implant that could be fully absorbed in the bodies of accident victims as part of treating their fractured bones. Understanding this need of the hour, Varma held meetings with members-scientists of his research team. Many brainstorming ses-



GYAN BHADRA

sions with experiments ensued. Eventually, the team led by Varma zeroed in on the final product and invented the "magnesium implant" for the first time in the world. Shedding light on factual aspects of his invention, Varma says: "For many years, I have been observing the predicaments and troubles being suffered by bone-fractured patients due to inserted implants comprising plates and screws made

up of stainless steel and titanium metals. Since those plates and screws remained embedded in the body, patients had to undergo painful sufferings for a long period. To remove those metallic plates from the body, the patients have to undergo surgery which is physically tormenting as patients have to bear the brunt of risk aspects of surgery. And to add insult to injury, patients bear the huge expenses of surgery. Keeping in mind the troubles faced by patients, Varma convened a series of meetings with his fellow scientists and team members to discuss the use of plates made up of resorbable metals in place of stainless steel-made plates



After having a long discussion, we reached to the scientific conclusion that implant of resorbable metals gets fully absorbed in the body within 3-5 years of insertion. It is no hyperbole on my part if I say it vanishes into the

body. Thus through continued research and experiments, we invented and zeroed in on magnesium implant due to its path-breaking resorbable quality in the human body. Patients do not feel any physical inconvenience

afterwards, Varma explains matter-of-factly. Analysing his bone treatment-related achievement in an in-depth manner, Varma explains that there are three kinds of metals that are resorbable and biologically safe: magnesium, zinc and iron. Undoubtedly, these metals have their pluses and minuses. Varma and his colleagues have been experimenting with resorbable metals to gain knowledge of their utilities and qualities. For this very purpose, the team of scientists also visited the Jamshepur-based National Institute of Metallurgy institution to seek intricate technical knowledge of metals. Expressing optimism over the utility and quality of

magnesium implants, Varma avers that the invented product has reached the final stage; since the product has already been implanted in animals for testing its efficacy. Also, to be well-versed with different clinical parameters related to experimental procedures, the animals have been kept under observation for six months. Results from animal testing are very encouraging. After successfully experimenting with this product in animals, Varma has plans to test this product in human bodies. For this, he has decided to seek permission from the Drug Controller General of India. Having successfully tested this product in human bodies, it will be put in the

public domain, Varma explains. Eventually, it is no exaggeration to say that the invention of the magnesium implant is slated to bring revolutionary changes in the treatment of bone fractures and other bone diseases. This is more so because as per a research report, scores of scientists are engaged in experimental procedures of implants in laboratories the world over. And in this context, thousands of research papers have been inked and published. But to this date, those scientists have yet to make in-roads to reach the level of realistic utility of implants.

(The writer is a freelancer; views expressed are personal)