

Trade trapeze

Goods exports rebound needs nurturing to plug gap with imports

fter a rough 2023-24, when India's merchandise exports tanked 3.1% to around \$437 billion, trade tides appear to be turning. The last two months have recorded an expansion in outbound shipments with the momentum picking up from a 1.1% rise in April to a 9.1% uptick in May. Some of this reversal had begun in the January to March quarter, when exports grew 4.9% to a seven-quarter high of over \$120 billion, belying worries about the disruptions in the Red Sea route since late 2023. Imports as well as exports have risen in four of the last five months now. With the European Central Bank slashing interest rates this month after a long hawkish stance post-COVID-19, exporters and trade officials are hopeful that its peers in key markets would follow suit and help shore up demand for their produce. But with prices of some industrial commodities such as metals as well as food items rising in recent months, those hopes need to be tempered. The U.S. Federal Reserve has scaled back expectations, stating that only one rate cut is likely through this calendar year.

It is heartening that 20 of India's top 30 export items have outperformed last May's export tallies this year, compared with just 13 items recording a rise in April. The sectors that recovered in May include employment-intensive ones such as apparel, man-made yarn, and engineering goods. Worryingly, spice shipments slipped by a sharp 20.3%, while marine products tanked again. Spices and shrimp exports were likely hit by some negative reports in key markets about quality and workplace standards, respectively, and more must be done to counter what has been termed a misplaced narrative. On the other hand, May's import bill hit a seven-month high of \$61.9 billion, widening the trade deficit to \$23.8 billion, 25% over April's gap. A record \$13.2 billion deficit in petroleum products fuelled this gap, with imports worth \$20 billion mostly linked to April's average oil price of \$89 a barrel. Oil prices have eased since then, but warrant close monitoring in an import-dependent country. Officials have downplayed concerns about rising deficits, arguing that import demand will outstrip demand for India's exports, as it is growing faster than the world. Moreover, rising services exports and forex inflows from global investments shall help offset the gap, along with import substitution efforts. The latter assumption could prove tricky foreign direct investment inflows have declined for three years, earnings guidance from IT services' majors has been far from optimistic, and private investments to substitute imports remain sluggish. Rather than banking on intangibles and imponderables, the Centre must revitalise its schemes and efforts to prop up goods exports, with enhanced budgetary outlays to boot.

Negotiating for peace

India's decision to attend but not vote at the Swiss conference was right

he two-day "Summit on Peace", that ended on Sunday in Burgenstock, met with mixed outcomes. Switzerland was able to bring together more than 90 countries, at least 56 were represented by leaders, and the final joint communiqué was signed by about 82 countries and organisations, with the exception of a few including India. The document made a strong call for an end to the "ongoing war of the Russian Federation against Ukraine" and a pitch for sovereignty, territorial integrity and adherence to international law. It cited three areas of broad understanding: nuclear safety, food security and the exchange of all prisoners of war, displaced and detained Ukrainians. The statement was not very ambitious in its scope, as the organisers were keen to bring as many countries, particularly from the 'Global South' on board which they managed to do to some extent. However, despite all these areas where Ukrainian President Zelenskyy hailed a "historic victory", there were shortcomings. Switzerland's decision not to invite Russia, and to build their negotiations on the basis of the Ukraine Peace Formula along with UN resolutions, made the event appear one-sided. The failure in convincing China, which arguably holds the most sway over Moscow, to even send a delegation was another blow. That no BRICS member, current and future, signed on to the statement indicates that it was a non-starter among the emerging economies.

Switzerland, Ukraine and other western countries had made a special attempt to win India's favour for the conference, including a last minute appeal by Mr. Zelenskyy when he met PM Modi at the G-7 outreach summit in Italy. As a close partner of Russia, a key Global South player, and a country that has kept a balance in the conflict, India's presence would have been a major win for the organisers. However, while New Delhi sent the NSA and Deputy NSA to two preparatory conferences in Jeddah and Davos, the Indian delegation here was led by the Secretary (West) in the External Affairs Ministry. India has consistently abstained from every resolution at the UN, Security Council, IAEA, Human Rights Council and other multilateral fora that seeks to criticise Russia for its invasion of Ukraine. While India may share concerns over much of the text released at the conference, it could not have gone ahead with its overtly anti-Russian slant. In its presence, however, New Delhi showed that it is willing to be part of the process, especially if it leads to a more inclusive future conference, with Russia and Ukraine at the table. As a result, India's decision to attend the conference, but not endorse its outcome, was probably a foregone conclusion.

Constitutional respect should not be reduced to optics

rime Minister Narendra Modi never stops surprising the nation with optics. On June 7, 2024, at the Bharatiya Janata Party-led National Democratic Alliance meeting of newly elected Members of Parliament, Mr. Modi, upon his arrival, paid his respects to the Constitution of India by touching the book to his forehead. Interestingly, the setting of the meeting was the Samvidhan Sadan of the newly built Parliament.

But does Mr. Modi respect the Constitution of India in letter and spirit? His actions so far as the Prime Minister since 2014, or for that matter as the Chief Minister of Gujarat, show otherwise.

In a parliamentary democracy, the Prime Minister is only the head of the Council of Ministers. Article 74 of the Constitution mandates: "There shall be a Council of Ministers with the Prime Minister at the head to aid and advise the President who shall, in the exercise of his functions, act in accordance with such advice."

Pitching for 'responsibility'

B.R. Ambedkar and his fellow framers wisely chose the parliamentary system over the presidential system because "Looking at it from the point of view of responsibility, a non-Parliamentary Executive being independent of Parliament tends to be less responsible to the Legislature, while a Parliamentary Executive being more dependent upon a majority in Parliament become more responsible." It was hoped that the assessment of responsibility of the executive is both daily and periodic; the daily assessment is done by Members of Parliament in the form of questions, resolutions, no-confidence motions, adjournment motions and debates on addresses. Periodic assessment is done by the electorate every five years. Thus, the framers preferred "more responsibility to more stability".

On June 9, 2024, the Prime Minister and the Cabinet Ministers were administered the oath of office and secrecy by the President of India. But it was only after the first cabinet meeting on the evening of June 10 that the portfolios of Ministers were announced. Yet, on the same day, the Prime Minister cleared the file that sanctioned the release of the seventeenth instalment of the Pradhan Mantri Kisan Samman Nidhi, the farmers' welfare scheme, for ₹20,000 crore. Could the Prime Minister at all have done so? And was it within his purview under the Rules of Business? Such a scheme will be under the Ministry of Agriculture with its working regulated by the Ministry of Finance, Department of Expenditure.

So, why would the Prime Minister take



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pre-emptive and perhaps unauthorised action? It The first cabinet, which met without the

allocation of portfolios, also took the decision "to provide assistance to three crore additional rural and urban households for the Construction of houses under the Pradhan Mantri Awas Yojana". Could this at all have been done by a cabinet sans portfolios? Which was the Ministry that had initiated the proposal? Was the agenda circulated? Were Ministers aware of the details? Why this hurry? Optics.

Yet again, without reconstituting the Cabinet Committee after the formation of the new government, the Prime Minister extended the tenures of the National Security Adviser Ajit Doval, and P.K. Mishra as the Principal Secretary to the Prime Minister. This was done under the garb of the old "Appointments Committee of the Cabinet", which, incidentally, comprises the Prime Minister and the Home Minister.

On constitutional morality

So, what happens to coalition dharma? These events show a complete disregard for

the Constitution by the Prime Minister. Regrettably, not one Minister or bureaucrat who is bound by constitutional details and controls raised any objections. Why?

B.R. Ambedkar was aware of these problems. On November 4, 1948, before the Constituent Assembly, he said that "Constitutional morality is not a natural sentiment. It has to be cultivated. We must realize that our people have yet to learn it. Democracy in India is only a top-dressing on an Indian soil, which is essentially undemocratic."

So how did this Great Son of India predict today's Modi? Because, to him, constitutional morality meant "a paramount reverence for the forms of the Constitution" and those forms of the Constitution must be sacred in the eyes of both those who are in power and his opponents. To ensure this, the framers provided administrative details in the Constitution of India.

Article 77, thereupon, provides that "The President shall make rules for the more convenient transaction of the business of the Government of India, and for the allocation among Ministers of the said business".

In recent times, the functioning of the Government of India shows a complete negation of the cabinet system and collective responsibility to the President and Parliament. There is an extraordinary amassing of power in the Prime Minister's Office (PMO) which is destroying the constitutional basis of "more responsibility".

Pertinently, the Government of India

(Allocation of Business) Rules, as they stand today, allocate only business to the PMO – "To provide Secretarial Assistance to the PM". On the contrary, they provide that "The business of the Government of India shall be transacted in the Ministries, Departments, Secretariats and Offices specified in the First Schedule to these Rules". Also, the distribution of subjects is provided in the Second Schedule. Even the Cabinet Secretariat is only to provide "Secretarial assistance to the Cabinet and Cabinet Committees" and enforce the "Rules of

So, why is there a complete breakdown of the constitutional framework and ethos? Bhakti.

The advent of constitutional dictatorship B.R. Ambedkar did warn that Bhakti in life is

good for the salvation of the soul. But in politics, it is the sure path to dictatorship. What we are witnessing is constitutional dictatorship, something that the framers were strongly against.

Manipur has been burning for over a year. Yet the Prime Minister has not found the time to visit the State much less resolve the existential threat to the State. Had there been an Opposition government in power in Manipur, President's Rule would have been foisted on the State under Article 356 long back. Does the Prime Minister show any urgency to solve serious challenges such as poverty, ever increasing unemployment, inflation (actual) or even resolving the Kashmir situation? No. Why? These are thorny issues and do not provide instant optics.

The Prime Minister's campaign in the recently concluded general election is living proof of a complete disregard for constitutional morality. While on the campaign trail, he repeatedly attacked the largest minority community in the country, forgetting that secularism runs through the foundation of the Constitution. He belittled the Opposition in every speech forgetting that under our democracy, the Opposition has a place of honour. Yet, not one institution or its guardian stood up to remind him, much less stop him. The Prime Minister, as election laws stand today, is liable to be disqualified from Parliament. But who has courage in a nation where there is fear stalking in every nook and corner? So much for democracy.

So, will the government's coalition partners and the newly rejuvenated Opposition remind the Prime Minister of the need to adhere to constitutional morality? So far, they have failed us: the people, for whom the Constitution created the government of the people, by the people and for the people.

Let us wait in hope.

The last continent must remain a pristine wilderness

he 46th Antarctic Treaty Consultative Meeting (ATCM-46), that was held in Kochi, Kerala last month, highlighted the ongoing debate on Antarctic tourism. While the meeting sought to bring in a regulatory framework it ultimately fell short of a d solution. This reflects the complex challenges of managing tourism in a region governed by international consensus and where the environment is rapidly changing.

Since the early 1990s, Antarctic tourism has witnessed a dramatic surge in tourist numbers, which have exploded from a few thousand to over 1,00,000 in the 2022-23 season. The International Association of Antarctica Tour Operators (IAATO) estimates a figure of 1,18,089 tourists in 2023-2024. The United States and China account for more than 40% of tourists to the Antarctic. This growth is attributed to increased global interest in adventure travel and a desire to experience Antarctica's unique landscapes and wildlife. Tourists typically embark on multi-day expeditions on small to medium-sized ships, with some opting for larger cruises or fly-sail operations. Activities range from wildlife observation and photography to mountain climbing and skiing.

Antarctic tourism offers educational and economic benefits but also raises significant environmental concerns. Increased human presence disrupts wildlife, damages fragile ecosystems, and risks introducing invasive species. Ship traffic pollutes pristine waters, and tourism adds to the global carbon footprint. Climate change exacerbates these issues by opening new areas for tourism while increasing ecosystem vulnerability. The balance between scientific research, responsible tourism, and environmental protection is under intense

Gaps in the regulatory framework

The current governance framework for Antarctic tourism is fragmented and lacks clear regulations. The Antarctic Treaty, that came into force in 1961, prioritises peaceful use and scientific research. While the Madrid Protocol offers broad



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Prioritising

science-based

will enable a

sustainable

future for

Antarctic

tourism

decision-making

day-to-day management falls largely on the IAATO, a self-regulatory industry body. Many believe IAATO's guidelines are inadequate to ldress the growing environmental p The ATCM is the primary platform for

environmental guidelines, it lacks specific

tourism regulations. The responsibility for

international cooperation on Antarctic issues. Despite recognising the need for a comprehensive tourism regulatory framework, the ATCM-46 failed to reach a consensus. Unanimous agreement from all consultative parties is required for decisions, often slowing action and allowing national interests to impede progress. While some countries push for strong regulations, others prioritise economic benefits or interpret Antarctic principles differently. The current geopolitical climate further complicates international cooperation on Antarctic governance.

Despite the limitations, the ATCM-46 made some progress. The meeting focused on developing a "comprehensive, flexible, and dynamic" framework for regulating tourism and non-governmental activities. A newly established working group will lead this effort over the next year. This signifies a renewed commitment to address the challenges of the Antarctic. Antarctica needs stronger measures to mitigate tourism impacts, as there are gaps in the current governance frameworks. The Antarctic Treaty System and the Madrid Protocol offer broad guidelines, but daily management relies heavily on self-regulation by IAATO, which many believe is inadequate for protecting wildlife and ecosystems.

A historical perspective on the evolution of discussions around tourism regulation is also valuable. Discussions on tourism regulation have been a point of debate at ATCM meetings since the 1960s. A proposed tourism annex introduced in 1991 failed to gain consensus, leading to the current reliance on IAATO's self-regulation. Since a 2004 expert meeting on tourism, discussions have grown more frequent, with concerns encompassing environmental impacts, disruption of research programmes, and safety issues.

However, the ATCM's fragmented approach has led to non-binding guidelines rather than comprehensive regulation.

The limitations of the consensus rule are a recurring theme. The requirement for unanimous approval from all consultative parties has ofter hindered action. Proposals such as banning permanent tourism facilities have failed due to a lack of consensus, with objections emerging from conflicts with domestic laws, sovereignty issues, and differing views on Antarctic principles.

Understanding the true reasons for objections and finding flexible compromises are essential. The consensus rule's limitations mean activities are permitted if they comply with the Antarctic Treaty and Protocol, leading to "decision making by non-decision making". This essentially allows unregulated activities to continue in the absence of a clear framework.

India's line

At the ATCM 44 (2022), concerns about tourism's impact on Antarctic research, conservation, and the environment were raised. The importance of monitoring the impacts of tourism was emphasised, and India was emphatic on addressing tourism issues. Resolution 5 (2022) advised against building tourism-related structures with significant environmental impacts. Calls for a comprehensive debate on Antarctic tourism continued between ATCM 44 and ATCM 45, with a 2023 workshop highlighting the need for governance action. Despite the lack of international consensus, India enacted its own Antarctic Law in 2022.

Finding a sustainable future for Antarctic tourism requires a multi-pronged approach. Strengthening environmental protection, implementing robust monitoring programmes, and fostering international cooperation are crucial. The recent efforts at ATCM-46 offer a glimmer of hope. By prioritising science-based decision-making and having engagement with all stakeholders, we can ensure that Antarctica remains a pristine wilderness for generations to come, while also recognising the potential benefits of responsible tourism.

LETTERS TO THE EDITOR

Rail accident

There seems to be no end to railway accidents in India. The 'over indulgence' of the top leader in the affairs of the Ministry of Railways has made the Minister of Railways a non-entity. In the frenzy to flag off Vande Bharat trains across India, the Minister has become a hapless spectator. The Kavach

warning system to save rail passengers is in focus again. One hopes that heads will roll.

C. Sachidananda Narayanan, Palayamkottai, Tamil Nadu

Over the past few years, the Indian Railways has been dealing with serious challenges: signal failures, maintenance issues and gross negligence in various

departments. The Centre seems to be laying stress on modernisation but the perception is that there is hardly any improvement in passenger safety. There is a fear of accidents

and passengers need to be assured that all is well with the system. Routine statements that

severe action will be taken after an investigation seem to ring hollow. Janga Bahadur Sunuwar, Bagrakote, West Bengal

Accidents of this nature will erode the confidence of passengers. With plans to have high-speed trains, the

Despite the 'implementation' of railways should ensure the efficacy of track management. This is not the time to play politics there hardly seems to be over the tragedies.

Front-line staff need to undergo intense medical screening.

G. Ramasubramanyam. Vijayawada, Andhra Pradesh

numerous safety measures, a train journey in India is still unsafe. Passengers are being charged more but

any obligation on the part of the Indian Railways to ensure a safe journey. As a routine, an inquiry will take place and suggestions will emerge. But will the system ever improve? V.S.K. Pillai,

Changanacherry, Kerala

Letters emailed to letters@thehindu.co.in must carry the full postal

The vulnerabilities of India's elderly

he ageing phenomenon is the most notable experience of this century with remarkable improvement in human longevity complemented by the lowest levels of reproduction. While its magnitude and multiplication may appear threatening, there are attempts at redefining this domain not merely in terms of age but other related functioning conditioned by the evolving expansion in longevity on one hand and evolving scenario of vulnerabilities on the other.

In Indian conditions, in particular, the four vulnerabilities of later ages in life course are in terms of restrictions in activities of daily living, multi-morbidity, poverty and absence of any income. On these counts, the Longitudinal Ageing Survey of India (LASI, 2017-18) reports that about 20% of the elderly population experience each of these vulnerabilities. The remedy requires a multi-pronged approach involving the principles of inclusion and adoption of social security measures. Viewing these vulnerabilities as a life course phenomenon, promotion of life preparatory measures has to be put in place; this need not be limited to financial or economic independence per se but also means to ensure healthy active and productive years. Most attempts at evaluation of the ageing phenomenon have maintained an individual focus, wherein the attributes and characteristics of the aged are counted more than circumstances and conditioning of later life.

The rising count of the elderly need not be seen in isolation as the population transition is occurring along with a familial transition. The familial transition needs to be read in consideration of the household compositions and the accommodation pattern of the elderly within them. While there are households without elderly and households with multiple elderly, there are frequent instances of elderly living





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From social and financial independence to ensuring an active life course, we need to focus on preparatory measures for India's ageing population

with elderly within the household. Not only is this living arrangement becoming more and more frequent but there are other features of dependence, care provisioning as well as social security and financial protection assuming prominence in households with elderly compared with those without them. This points to a persistence of vulnerabilities stated above in individual elderly arising simply out of the household features more than individual characteristics

Contrasting today's elderly with tomorrow's, there is every possibility of characteristic advantage in terms of education, life preparation and economic dependence but adversities in health and quality of living owing to rising longevity and emergence of long-term chronic ailments. In this context, the slogan of healthy ageing need not focus on the elderly population but the prospective elderly to a large extent. Limitations as regards activities of daily living (ADL) do show a worsening trend over age even among the elderly population but one wonders as to whether that pattern will be moderated down among the future elderly and be postponed to much later ages of life.

The projected magnitude of the elderly population is estimated at 319 million by mid-century, growing by around 3% a year. This group will be feminine with a sex ratio of 1,065 females per thousand males; further, 54% of elderly women will be widows. While 6% of the elderly men live alone against 9% of their female counterparts, 70% of them are to be found in rural areas. These statistics can be of great use in terms of targeting welfare measures for this population.

The most disturbing feature relates to the health status that is reported to be poor by a quarter of the elderly as against about 20% among the population aged 45 and above. While 75% of the elderly population are victims of one or

more chronic diseases, 40% of those aged 45 and above have one or the other disability. With the advent of the global burden of disease, it is apparent that the two threatening forces are diabetes and cancer which appear to be frequent among India's elderly.

Also, the emerging concern relates to mental health with 20% of those aged above 45 self-reporting some ailment, primarily associated with depression; this is reasonably higher compared with the self-reported extent among the elderly.

There also appears to be food insecurity among India's elderly where 6% of those above 45 years of age ate smaller portions or skipped meals and 5.3% of them did not eat despite being hungry. This phenomenon may look minimal but has its bearing on nutrition and consequential morbidities.

Recognising these adversities, protection measures are in place in terms of welfare provisioning, legal recourse as well as concessional measures for this group of population. However, there is very little awareness regarding the welfare provisioning. Hardly 12% are aware of the Maintenance and Welfare of Parents and Senior Citizens Act, 2007 and 28% are aware of various concessions offered to the elderly. On the whole, there are few

expectations from life among India's elderly and their vulnerabilities make them victims of varied forms of abuse in the hands of family, community and society at large. While 5% of them report abuse, they are quite frequent, particularly for women in rural areas where they remain the most neglected. A movement towards creating social agency for this vulnerable group is the need of the hour. Innovative forms of institutions can be brought in place to alter their valuation from liability to an asset. There needs to be a focus on ensuring an active life course for the future elderly.

Arrival of Azad in Kanshi Ram's land

The new Dalit leader's victory signals a shift in Uttar Pradesh's politics

STATE OF PLAY

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handrashekhar Azad's emergence as the new Dalit leader in Uttar Pradesh, following his resounding victory in Nagina in the just-concluded elections, could be a death knell for Mayawati's Bahujan Samaj Party, which once again failed to win a single seat in the State. While Mr. Azad garnered over 51% of votes, BSP's Surendra Pal Singh barely topped 1%. The passing of the baton could not have been louder or clearer.

It reminded many of the anti-Citizenship Amendment Act (CAA) protests in December 2019. Back then, most political leaders, including Ms. Mayawati, were shy of being seen with the protestors. Not so Mr. Azad. Barely a couple of days after Imam Ahmed Bukhari of Delhi's historic Jama Masjid had voiced support for the CAA, arguing it did not affect Indian Muslims, Mr. Azad showed up around the time of the Friday prayers at the mosque. There on the steps of the mosque, he gave an impassioned call, and thousands of Muslims turned their back on the cleric and rallied behind him. It presented one of the most abiding images of the anti-CAA struggle. Mr. Azad had arrived. Or so thought many who witnessed the huge support he received. Two years later, Time magazine featured him among the 100 Emerging Leaders.

Mr. Azad though had to wait for his moment for over four years. In between, there were cases registered against him, including detention by Delhi Police for the Jama Masjid event for which police per-



mission had been denied. Soon after the CAA stir, he founded the Azad Samaj Party (Kanshi Ram), and this June became the party's first Parliamentarian. His victory, while being heartwarming for Mr. Azad, could prove crucial in the days to come for politics in Uttar Pradesh. In the run-up to the general elections, representatives of the Samajwadi Party had met with Mr. Azad, hoping to bring him into the INDIA bloc. The meetings did not bear the desired results.

Meanwhile, Mr. Azad while maintaining a public posture of respect for Ms. Mayawati - proved to be a good student of Kanshi Ram's book of politics. He realised the importance of being the voice of the Dalit community. Equally importantly, he realised its electoral limitations too. If he harboured any dreams of making a mark at the State or national level, he would have to bring together Dalits and Muslims. It was this perspicacity that drew him to Delhi's Jama Masjid in 2019. It was the same ability to look into the future that drew him to Nagina, a constituency with a 20% Dalit and 40% Muslim population.

With both Dalits and Muslims behind him, Mr. Azad's blueprint was ready. The masses propelled him to victory while consigning the BSP candidate to the fourth spot. SP's Manoj Kumar had to be content with the third place and around 10% votes. The results showed just why the Samajwadi may have cause for concern despite its great comeback in the 18th Lok Sabha election. Historically, the party has been dependent on the support of Muslims and Yadays for success. This time, it added to the mix other OBCs and non-Jatav Dalits. The new confluence worked everywhere except Nagina. Mr. Azad's bid to bring Dalits and Muslims on the same page could provide the kind of challenge Ms. Mayawati, and before her, Kanshi Ram presented.

With Nagina, Mr. Azad has announced the arrival of a new Dalit leader to take forward the legacy of Kanshi Ram. It could well mark the end of the Mayawati saga in the State. For more than 40 years, the BSP was seen as the Dalit representative. Ms. Mayawati built the party on the support of the Dalit community but was smart enough to bring Muslims into the fold, followed briefly by Brahmins as she stitched a rainbow coalition ahead of the 2007 elections in the State.

The success in 2007 fuelled hope and ambition. Whispers started about the possibility of Ms. Mayawati rising higher in political echelons. The lady once quipped, "I dream of becoming the Prime Minister, not President." She spoke too soon. As her juggernaut ground to a halt in Uttar Pradesh, first by the Samajwadi Party in 2012, then the BJP for two consecutive terms under Yogi Adityanath, the BSP's fortunes sank abysmally. From 206 legislators in 2007 to merely 19 in 2017 and a solitary MLA in 2022, it was a steep fall. Add to that zero MPs in 2024. Even as Ms. Mayawati gropes for reasons for her defeat, Mr. Azad seems poised for a long flight.

MPs 27 times wealthier than an average urban household

Over 75% of the elected Members of Parliament in 2024 declared assets worth ₹3 crore or more

DATA POINT

Vignesh Radhakrishnan Sambavi Parthasarathy

he 2024 general elections might have substantially changed the composition of the Lok Sabha in terms of party strengths, leading to a coalition government. However, candidates who thrived - even in the 2019 elections - were inevitably rich across most parties with assets equivalent to that of the top 10% of the urban households of the coun-

The median asset value of winning candidates in the 2024 elections was ₹7.4 crore and close to 92% of the winners had assets of ₹1 crore or more, while 75% of them had assets of ₹3 crore or more. The median asset value of runner-up candidates in 2024 was ₹6.25 crore, with close to 88% of them having assets worth ₹1 crore or more, and 68% with assets worth ₹3 crore or more.

The numbers were similar in 2019. The median asset of a winning candidate was ₹4.8 crores, with close to 95% of the winners having assets of ₹1 crore or more, and 88% of them worth assets of ₹3 crore or more.

The median asset value of the candidates who were runners-up in the 2019 elections was ₹5.4 crore with close to 85% of them having assets worth ₹1 crore or more, and 63% had assets worth ₹3 crore or more (Chart 1).

That candidates who were winners or runners-up had assets worth more than ₹1 crore was possibly due to parties fielding only rich candidates. The median assets of candidates of the top 27 parties each in 2024 was at least ₹1 crore. For the two major national parties, the BJP and the Congress, the values were ₹7.6 crore and ₹5.4 crore respectively (Chart 2).

We use "median values" to filter out outliers; if we used "averages", the outliers – extremely rich can-

didates' wealth - would skew calculations. For example, Union Minister Chandra Sekhar Pemmasani of the Telugu Desam Party has declared assets worth ₹5,706 crore. If averages, instead of median values of assets of winners in 2024 were taken into account, the figure would shoot up to ₹46 crore, in comparison to a median of ₹7.4

That candidates are constituted from the elite segments of Indian society, in terms of wealth, is substantiated by a comparison of their assets with that of Indian house-

Significant gap

The All India Debt & Investment Survey- 2019 estimated that the average value of assets in an urban household was ₹27.1 lakh and the corresponding figure for a rural household was ₹15.9 lakh. These are "averaged" out numbers, meaning they could have been calculated as high because of rich outliers. Even then, the median assets of a winning candidate in 2024 was 27 times more than the average asset of an urban household, and that for a runner-up candidate was

These numbers (depicted in Chart 3) suggest that only someone from the elite, in terms of wealth, can meaningfully contest general elections in India which reflects, to a large extent, the cost of election campaigning financing.

However, there were exceptions: Jyotirmay Singh Mahato (of the BJP) who won from Purulia in West Bengal had assets worth ₹5.95 lakh, Mitali Bag (of the Trinamool Congress) from Arambag -₹7.8 lakh and Priya Saroj (of the Samajwadi Party) from Machchilishahar in Uttar Pradesh - ₹11.25 lakh.

In terms of parties, the Bahujan Samaj Party (₹47 lakh), the Peoples Democratic Party (₹87 lakh) and the CPI(M) (₹1 crore) fielded candidates with the lowest median assets. Only the CPI(M) among them had winning candidates (four).

Rising wealth of politicians

The data were sourced from affidavits, the Association for Democratic Reforms and the All India Debt & Investment Survey

runners-up in 2019 and 2024 Median assets of winners (₹ crore) Median assets of runners-up (₹ crore) 6.2

Chart 1: The chart shows the median assets of winners and

Chart 3: The average value of household assets for different decile classes for rural and urban areas in 2019 (in ₹ 1000s)

Rural Urban Poorest 10% of the households Decile class: 2 23 Decile class: 3 295 Decile class: 4

393

612

767

833

Decile class: 5

The median assets of a winning candidate in 2024 (₹7.4 crore) was 27 times more than the average asset of an urban household (₹27.1 lakh), and that for a runner-up candidate was 23.1 times more

The average asset of the wealthiest 10% households Decile class: 6 in urban areas was ₹1.5 crore (₹15,035,000). This number suggest that only someone 1,252 from the elite, in terms of Decile class: 7 wealth, can meaningfully

1,155 contest general elections 1,911 Decile class: 8 1,649 Decile class: 9 Wealthiest 10% of the households 2000 4000 6000 8000 10000 12000 14000 16000



the major parties in 2024

Median assets (₹ crore) JKPDP CPI(M) AIMIM AITC JJP In terms of parties, the **JKNC** Bahujan Samaj Party (₹47 JMM lakh), the Peoples Democratic Party (₹87 lakh) and the AAP CPI(M) (₹1 crore) fielded JD(U) candidates with the lowest BJD average assets. Only the SP CPI(M) among them had winning candidates (four) INC LJP(RP) For the two major PMK national parties, the BJP RJD and the Congress, the AIADMK values were ₹7.6 crore and ₹5.4 crore respectively BJP SHS(UBT) SAD SHS DMK BRS **YSRCP** TDP

10 20 30 40

50 60 70

NCP(SP)

NCP

JD(S)

FIFTY YEARS AGO JUNE 18, 1974

China and France conduct nuclear tests in atmosphere

China and France exploded on Monday nuclear devices in the atmosphere. While the French explosion took place over Mururoa atoll in the Pacific, China conducted the test in the Lop Nor region. Neither the French nor the Chinese Government officially announced the blasts. But senior Australian officials said their intelligence source was "infallible" and had been checked and double-checked. According to Indian Government officials, the Chinese explosion took place at 11-30 hrs. IST on Monday.

Protest Against French Test

CANBERRA, June 17. Australia and New Zealand said to-day that France had exploded a nuclear bomb over Mururoa atoll in the Pacific and immediately registered their strong protests.

The Australian Prime Minister, Mr. Gough Whitlam, said his Government was deeply concerned by the blast to-day which ushered in France's ninth series of tests in the South Pacific.

The New Zealand Prime Minister, Mr. Norman Kirk, said he had dispatched a protest to Paris over the resumption of testing "in violation of our rights the rights of our South Pacific neighbours under international law."

China's Explosion

NEW DELHI, June 17. Announcing this, a press note issued by the Department of Atomic Energy here this evening said, on the basis of the signals obtained at Indian monitoring stations the explosion was conducted in the atmosphere. China, which exploded its first nuclear bomb in 1964, may have by now conducted about 17 nuclear tests with to-day's test.

A HUNDRED YEARS AGO JUNE 18, 1924

Rains In Bombay.

SUBURBAN RY TRAFFIC SUSPENDED. (ASSOCIATED PRESS OF INDIA.) BOMBAY, June 17.

Some of the Bombay Development projects have been washed away by sea as a result of yesterday's rains. Traffic in Chowpathy has been partially restored while Harvey Road is still under water.

Due to a heavy downpour this morning, the G.I.P. Suburban railway Traffic was dislocated. Weather continued to be inclement.

Text&Context

THEMOHINDU

NEWS IN NUMBERS

Surge in gold, silver imports from the UAE in 2023-24

in percentage. India's gold and silver imports from its free trade agreement partner UAE have skyrocketed to \$10.7 billion in 2023-24 and there is a need to potentially revise the concessional customs duty rates under the pact to mitigate the arbitrage driving this surge, according to Global Trade Research Initiative. PTI

Amount spent to advertise Trump's conviction by Biden

in \$ million. U.S. President Joe Biden's re-election campaign is spending \$50 million through the end of June, a blitz that includes its first television ad trumpeting Donald Trump's felony conviction and signals that the Democratic incumbent is seeking to make his Republican opponent's legal woes a bigger issue heading into November. AP

Expected credit growth for SBI in current fiscal

in percentage. Given the current economic growth rate, the State Bank of India is expecting loan growth during the fiscal year 2024-25, the bank's chairman Dinesh Kumar Khara said. "Normally the way we look at it is that the GDP growth rate plus inflation and 2-3% over that. That gives us the number around 14% or so," the bank's chairman

Countries that modernised nuclear arsenals in 2023

Nuclear-armed nations including the U.S., the U.K., Russia, France, China, India, Pakistan, North Korea and Israel continued to modernise their nuclear arsenals and several of them deployed new nuclear-capable weapon systems in 2023, according to Stockholm International Peace Research Institute. The nine nations spent a combined total of \$91.4 billion on their arsenals in 2023. PTI

Germany's biggest industrial union seeks raise for workers

in percentage. IG Metall union, Germany's biggest industrial union will seek an increase in pay for 3.9 million workers in negotiations starting later this year. The organisation argues that companies including automakers and machinery manufacturers are in a position to afford it. AP

COMPILED BY THE HINDU DATA TEAM

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Laws on mercenaries in war zones

Indian nationals tricked by the promise of lucrative jobs in Russia have died fighting on the frontlines. As states are increasingly hiring private military companies to operate in conflict zones — can they qualify as mercenaries under international law? How can India secure the interests of its overseas migrant workers?

EXPLAINER

Aaratrika Bhaumik

The story so far:

n June 11, the Ministry of External Affairs (MEA) acknowledged the tragic loss of two Indian nationals who were recruited by the Russian Army amidst the ongoing conflict between Russia and Ukraine. The MEA in a press statement said that the Indian Embassy in Moscow has strongly raised this issue with the Russian Ambassador in New Delhi and authorities in Moscow, seeking the swift release and return of all Indian nationals currently serving in the Russian Army.

In February, The Hindu reported for the first time that Indians were getting killed while fighting on behalf of Russia in the Ukraine war. Over the past year, nearly 100 Indians have been recruited by the Russian Army after being reportedly duped by agents with the lure of money and a Russian passport. Contracts signed by these recruits stipulate a "no leave or exit policy" before six months of service, with salaries amounting to ₹1.5 lakh to ₹2 lakh per month. In January, Russian resident viadimir Putin signed a decree simplifying the process of obtaining Russian citizenship for foreigners who sign a minimum of one-year contract with

At least 30 Indians have so far contacted the MEA and the Indian Embassy in Moscow, seeking help to return. The deaths of the two Indian nationals highlight a disturbing reality -Indians are increasingly falling prey to labour trafficking rackets after being unable to secure jobs domestically leading to their recruitment as mercenaries in international armed

What has been the MEA's response?

The MEA has issued a press note advising Indians to exercise caution while seeking employment opportunities in Russia. In March, the Central Bureau of Investigation (CBI) said that it had filed a first information report (FIR) booking 15 individuals and four companies for their alleged role in the "trafficking of gullible Indian nationals to Russia and duping them for better employment and high-paying jobs". In May, the central agency divulged that it had made four arrests in the case.

Who are mercenaries?

The distinction between conventional combatants and mercenaries is a fundamental cornerstone of international humanitarian law (IHL). A combatant is typically a member of the armed forces of a party to the conflict, whereas a mercenary is recruited from a third-party state unrelated to the conflict. Mercenaries usually engage in hostilities motivated primarily by personal gain as opposed to virtues of patriotism associated with regular combatants.

Article 47 of Additional Protocol I to the Geneva Conventions (API) envisages six cumulative conditions for a person to qualify as a mercenary. The person i) should be specially recruited locally or abroad in order to fight in an armed conflict, ii) has taken a direct part in the hostilities, iii) is motivated to take part in the hostilities essentially by the desire for private gain and, in fact, is promised, by or on behalf of a party to the conflict, material compensation substantially in excess of that promised or paid to combatants of similar ranks and functions



Mercenaries qualify for humane treatment in accordance with the fundamental guarantees of humanitarian law as outlined under Article 75 Article 47 of Additional Protocol I to the Geneva Conventions.AP

in the armed forces of that party, iv) is neither a national of a party to the conflict nor a resident of territory controlled by a party to the conflict, v) is not a member of the armed forces of a party to the conflict, vi) has not been sent by a state which is not a party to the conflict on official duty as a member of its armed forces.

Under customary IHL, being a mercenary itself does not constitute a specific crime. However, if captured, they are not entitled to prisoner-of-war status or any protected categories under the Geneva Conventions.

This allows for their prosecution for war crimes or other grave breaches of humanitarian law.

They may also face charges under the domestic laws of the detaining nation. Nevertheless, mercenaries qualify for humane treatment in accordance with the fundamental guarantees of humanitarian law, as outlined under Article 75 of the

However, over time, African states began expressing reservations about this definition, as it only addressed international armed conflicts and overlooked civil wars, where mercenary activities were most prevalent. This led to the adoption of the Organization of African Unity Convention for the Elimination of Mercenarism in Africa in 1977 which included a more expansive definition of mercenaries.

Similarly, in 1989, the United Nations General Assembly (UNGA) adopted the International Convention against the Recruitment, Use, Financing and Training of Mercenaries that criminalised the recruitment, use, financing and training of mercenaries and also promoted inter-State cooperation in this regard.

The charter also widened the prevailing definition of mercenaries as provided under the Additional Protocol I to the Geneva Conventions to include "persons recruited for the purpose of participating in a concerted act of violence aimed at overthrowing a government or otherwise undermining the constitutional order of a State, or at

undermining the territorial integrity of a

What are the limitations of the existing regime?

One of the major challenges of the existing regulatory regime is the lack of a clear, unequivocal, and comprehensive legal definition of what constitutes a mercenary. This is compounded by the fact that the domestic laws of most states do not criminalise mercenary activity. Additionally, the definition outlined under Article 47 of the API does not include within its ambit foreign military personnel integrated into the armed forces of another state – such as the Gurkhas (soldiers from Nepal who have served in the British Army since the 1800s). It also fails to establish mechanisms for holding accountable foreigners employed as advisors and

Dr. Shubha Prasad, Assistant Professor of International Relations at the Hertie School, Berlin highlighted the emerging trend of private military and security companies (PMSCs) gradually taking over roles previously associated with mercenaries. "These for-profit companies provide a range of services from combat to food supplies for troops. The legal framework surrounding the operations of PMSCs is more loosely defined and relies heavily on a country's domestic legal capacity", she said.

For instance, the operations of the controversial Wagner Group in Russia have been increasingly subjected to international scrutiny. Despite being registered as a private entity, it reportedly includes Russian Army veterans among its ranks. While the direct participation of the Wagner Group has been evident in the Ukraine-Russia conflict, the Kremlin had never formally acknowledged its connections with it. This has posed challenges in calling for accountability and assessing whether the group qualifies as a mercenary organisation. However, following the military corporation's aborted attempt at a coup last year,

President Vladimir Putin acknowledged that it had received tens of billions of rubles in public money from the

government. "Signatories to the Montreux Doctrine have committed to stronger state oversight of private military and security actors. States are obliged to check whether PMSCs comply with international humanitarian and human rights laws. However, neither India nor Russia is a signatory to this document. That does not preclude India from imposing tighter restrictions on the recruitment of Indian nationals for such enterprises. Furthermore, we need stronger international legal frameworks to safeguard individuals who are coerced or misled into contracting with PMSCs", Dr. Prasad added.

What is the way forward

According to Dr. Prasad, the Indian government should develop a robust policy framework to address distress migration and implement strict measures against human trafficking. "India should adopt a two-pronged approach," she suggested. "Long-term preventive measures should target the underlying economic factors that are driving people to leave the country, while immediate measures should prioritise educating the public and ensuring strong pre-travel vetting for Indians going to Russia or other conflict zones".

For instance, she pointed out that pre-travel approval from the MEA for travel to Russia could be another measure to check if there are suspicious cases of human trafficking. This will also enable the identification of companies that are exploiting Indians, she added.

In 2012, Bangladesh implemented the Dhaka Principles for Migration with Dignity for ethical overseas recruitment of migrants. The Nepal government in January banned its citizens from travelling to Russia or Ukraine for employment after 10 young men were killed and dozens more reported missing while fighting, predominately in the Russian military.

THE GIST

Over the past year, nearly 100 Indians have been recruited by the Russian Army after being reportedly duped by agents with the lure of money and a Russian passport.

The distinction between conventional combatants and mercenaries is a fundamental cornerstone of international humanitarian law (IHL). A combatant is typically a member of the armed forces of a party to the conflict, whereas a mercenary is recruited from a third-party state unrelated to the conflict. Mercenaries usually engage in hostilities motivated primarily by personal gain as opposed to virtues of patriotism associated with regular combatants.

One of the major challenges of the existing regulatory regime is the lack of a clear unequivocal, and comprehensive legal definition of what constitutes a mercenary. This is compounded by the fact that the domestic laws of most states do not criminalise mercenary activity. The Indian government should develop a robust policy framework to address distress migration and implement strict measures against human trafficking.

BUILDING BLOCKS

How diapers use quantum physics to attend to nature's call

Whether something absorbs or repels water has to do with microscopic forces and the nature of a material. The mesh-like molecular structure of a super-absorbent polymer (SAP) and the presence of sodium in it help diapers absorb large quantities of water



Cotton works great when you need to absorb small amounts of water, but when you need to absorb the litres of fluids your baby is producing overnight, something more remarkable is required.GETTY IMAGES

Adhip Agarwala

till wondering what you should gift your friends who have just turned parents? Think no more and buy a bunch of diapers. This sleep-giving, time-relieving, and peace-conferring machinery has been providing the only solace young parents can often find between all the screaming and food-throwing their adorable babies are doing. Just wrap this soft, powdery white packet around the baby's buttocks, and from a few hours to even a whole night it will make sure the baby - and consequently you – will be able to get some more sleep.

But have you ever wondered how it is that a diaper is able to soak so much liquid? We all know a few things can soak water around us, such as our cotton clothes, and a few things that don't, such as our rubber shoes. What is in that diaper that it seems to be able to absorb so much more?

This has some of the most beautiful pieces of physics we see around us. But before we do that, let's find out why some things soak water and some things don't.

The case of cotton

Whether something absorbs or repels water has to do with microscopic forces and the nature of a material. Water, the all prevailing, life sustaining liquid we are so used to, is a remarkable thing. Its smallest constituent is a molecule made of two hydrogen atoms and one oxygen atom.

While every atom here is charge neutral – i.e. it has an equal number of positively charged protons and negatively charged electrons – something funny happens. Two electrons, one each from every hydrogen atom, decide to shift a bit towards the larger oxygen atom (thanks to a pull exerted by the latter). Thus the oxygen atoms become more negatively charged and the hydrogen atoms become more positively charged.

Thus we can think of every molecule as a big-headed monkey with two hands.

The molecules of a diaper

When you place your cotton handkerchief on the water you accidentally spilled on the table, the water molecules meet the molecules of the cotton fibres.

These fibres are big networks of molecules called polymers, and they have a bunch of slightly positive and negatively charged ions sitting everywhere. So as soon as you place the cotton on the water, the water molecules see this big network like a bunch of hungry monkeys meeting a jungle of dense trees.

The water molecules now experience forces leading them to rush to the ions, climbing over various molecules of cotton. In the process the water is soaked up and your handkerchief becomes wet.

This also means that whether some material will soak or not soak water depends on the kind of ions it is made of. For example, synthetic rubber is again made of a type of network of molecules, but it deliberately has ions that repel water molecules.

So the water molecules are not inclined to enter them at all. Cotton absorbs water quite well and therefore it is no wonder you see it everywhere, including as cotton balls in the handy medical kit.

Cotton works great when you need to

absorb small amounts of water, but when you need to absorb the litres of fluids your baby is producing overnight, clearly something more remarkable is required. That magic material is called a super-absorbent polymer (SAP).

If you wish to see this material, grab hold of a pair of scissors and cut open an unused diaper or sanitary pad. Beneath all the cotton tissue and fragrances, you will come across a whitish power. This is SAP.

The molecular structure of this compound again resembles the complicated mesh of a tree. As soon as it comes in contact with water, water molecules flow through and sit inside. The oxygen atoms in particular are attracted to the mesh due to the presence of an important ion in SAP called sodium - the same sodium that is in your salt and often goes off the charts if you don't hydrate yourself properly in the summer.

Sodium-water bond

Sodium and water have some unspeakable love for each other that they remain stuck together when given a chance. This is the same reason salt – in the form of a compound of sodium and chlorine – dissolves in water. Here, sodium ions leave the chlorine ions for water molecules, and in the process the salt dissolves.

Anyway, because of the oxygen, the water molecules go and attach themselves to the sodium ions in the SAP trees. Their monkey hands are however still free. They start to hold each other and form a strong network that can no longer move. i.e. it is rigid. The whole network swells, trapping the water molecules within, to

form what is called a gel.

Thus, SAP is a magical compound that can absorb a large amount of water, at times more than its own weight.

Quantum physics in the fray

You may still wonder why it is that sodium ions have this fascination with water. What kind of other ions can we use that would change this physics? What if, instead of water, there was some other liquid that has to be soaked up?

The reason why sodium and oxygen atoms want to come closer is that they wish to share an electron.

As a child, we are made to think of an electron as a small table-tennis ball zipping around a much larger nucleus, like a basketball. Like everything else in this world, this is not the complete

The electron is really a wave, and it can be shared by two atoms at the same time thanks to the rules of quantum physics. In fact, nature prefers this arrangement: to have the electron to live in the shared world of oxygen + sodium. And this is what drives water molecules towards the sodium ions in a diaper.

If you want to understand this better, you should consider taking an undergraduate course in physics, such as here at IIT Kanpur, where some of us teach.

The next time you wrap a diaper around your baby and plan to catch a good night's sleep, remember to thank the tiny electrons and the quantum physics that are really attending to nature's call.

Adhip Agarwala is an assistant professor of physics at IIT Kanpur.



THE DAILY QUIZ

Please send in your answers to dailyquiz@thehindu.co.in

A quiz on the COPA AMERICA Football Championship that begins in the U.S. on June 20

Soorya Prakash N

QUESTION #1

How many countries each from the CONMEBOL and the CONCACAF continental confederations bodies are participating in the Copa America 2024?

QUESTION #2

Which two countries have won the Championship the most number of times?

QUESTION#3

Which are the two countries out of 10 from CONMEBOL national teams that have not won the Championship yet?

Which country is making its debut in the 2024 edition?

QUESTION #5

QUESTION #4

Among the current crop of players, who holds the record for having played in most matches?

QUESTION #6

In 1959, two editions of the Copa America were played. Which two countries hosted the tournaments?

QUESTION #7

Who was the first player to officially win the best player of the tournament award?



Visual question: Identify this person who is the only player to win Copa America both as a player and a coach. AFP

Answers to the previous day's quiz:

1. June 17 marks the end of Iceland's centuries old ties with which country. Ans:- Denmark 2. What is the Capital of Iceland and what distinction does it hold as regards its location? Ans:- Reykjavík. It is the most northerly capital in the world 3. Name the Icelandic parliament which is one of oldest surviving parliaments in the world. Ans:- Alþingi 4. Name the Icelandic saga that is considered one of the greatest prose works of medieval literature? Ans:- Saga of the Volsungs 5. The 'Hakarl', an Icelandic national dish, is made using the rotten meat of which marine animal that has been cured with a fermentation process and hung to dry in an open air shed Ans:- Greenland shark or basking **shark** 6. Which late American sporting legend, who won the World championship in his sport at Reykjavik in 1972 but became a recluse, was granted an Icelandic citizenship in 2005? Ans:-**Bobby Fischer** Visual question: If the colours white and blue in the Icelandic flag represent the snow and ocean, what does red represent? Ans:- The volcanoes

FROM THE ARCHIVES

Know your **English**

Does 'dinner' refer to a meal at mid-day or night? (A.K. Misra, Patna)

It could refer to either – i.e., it could be a meal taken at mid day, or in the evening. A dinner is usually the main meal of the day. When people have it, depends to a large extent on their eating habits and their social background. In Britain, people belonging to the working class have their dinner in the afternoon. The middle and upper middle classes have theirs in the evening.

Till the late 19th Century, everyone used to follow the example of the working class people – i.e., they all had their dinner at mid-day. This was the time when Britain still retained its rural culture. Farmers, their helpers, office goers used to return home around mid-day for their dinner. For the evening meal, they had something light to eat and they called this light evening meal "supper".

During the early part of the 20th Century, things began to change. Britain became more and more urbanised: and this brought about a change not only in the lifestyle of the people, but also in their eating habits. People belonging to the middle and upper middle classes no longer wanted a heavy meal (dinner) at mid-day; they wanted something light.

This light meal in the afternoon is called 'lunch'. Because of the introduction of lunch, the main meal of the day was shifted to the evening. That is how dinner became an evening meal for the middle and upper middle classes.

We often read in the papers of Prime Minister and Presidents hosting a dinner in honour of someone. Such dinners are given in the evening – not at mid-day. These days, dinner is used more often to indicate an elaborate, formal meal. What we eat every day in the evening is 'supper'. A 'dinner' is an elaborate to which we invite others or to which we are invited.

Conserve, preserve (S. Radhika. New Delhi)

The word 'conserve' means 'use less, use sparingly, not waste'. We must conserve water during summer. The marathon runner must learn to conserve his energy. We must learn to conserve our natural resources. In these sentences, the word 'conserve' is used in the broad sense of 'keep safe', not 'waste'.

The word 'preserve' like 'conserve' carries with it the meaning to 'keep safe'. But that is only part of the evening. The word 'preserve' is form the Latin praeservare, meaning 'forekeep' – i.e., to keep (something) in safety for future use. When you preserve an item, you keep it safe by letting it remain the way it is. You take every precaution to ensure that it does not change – things must remain as they are now for future use.

Take for example the following two sentences. 'We must preserve water' and 'We must conserve water'. In the latter sentence, you are allowed to use the water – drink it, use it for washing purposes etc. In 'preserving water', you are not allowed to use the water. It is to remain as it is – untouched and unused.

Word of the day

Sojourn:

a temporary stay

Synonyms: stay, visit, stopover, holiday

Usage: On a recent sojourn in Sicily, I frequently found myself visiting picturesque places.

Pronunciation: https://bit.ly/sojournnew

International Phonetic Alphabet: /'spdz.3:n/

> For feedback and suggestions for Text & Context, please write to letters@thehindu.co.in with the subject 'Text & Context'

> > A ND-NDE

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Deep malaise

NEET apparatus needs drastic surgery

his year's National Eligibility cum Entrance Test (NEET) has generated quite a controversy. Amidst rapidly moving developments, Education Minister Dharmendra Pradhan has admitted to 'wrongdoing on two accounts'. This is welcome as acknowledging a mistake is the first step to corrective measures. A committee has been set up by the National Testing Agency to probe allegations of irregularities.



But for the 24 lakh aspirants and their wards who have staked their all for this exam, a quick resolution of this rather messy situation is called for. It is important that one of the country's most important entrance exams, and for a discipline as critical as medicine, be conducted in an atmosphere of good faith. There were a record 67 toppers this year, six from a single centre in Faridabad, while the total number of toppers since NEET's inception since 2016 is just 74. And as many as 1,563 candidates were initially awarded grace marks for not getting the allotted time to answer the paper, distorting the result. The Supreme Court rightly struck down the grace marks, but these candidates have been offered a re-test option. To add to the confusion, 13 people were arrested in Patna just before the NEET exam in May allegedly in connection with a 'paper leak'. Suspicion has been raised over why candidates from other States opted for centres in Gujarat to give the exam. The demand for a total re-test has arisen because these episodes do not inspire confidence. This deserves some consideration, notwithstanding the delays in the admission process or the difficulties in conducting a re-exam.

Meanwhile, NEET has to be reconfigured. It should be electronically conducted, like the JEE (where one does not hear of leakages) or global tests such as GMAT and GRE, where question papers are set in many combinations. Electronic exams also ensure that the marking is error proof, with marksheets not being mixed up, as has been alleged in the case of NEET. Experts note that the scope for leak is high in an offline paper, as there are many points of human interface – from its framing to printing and distribution.

But a foolproof exam system alone will not address issues plaguing medical education. While 1.08 lakh medical seats are available in all (private and government seats in roughly equal proportion), over 13 lakh aspirants have cleared the exam this year. This leaves 12 lakh aspirants in the lurch (many of whom go to Bangladesh, Nepal, Ukraine and other central Asian countries to study medicine). But what is grossly unjust is that even those ranked in the top one lakh are not assured of a seat, as private colleges could charge admission fees beyond their reach. The answer is to increase capacity. More government medical colleges need to be created to reduce the cost of education and, therefore, care. This can be done by adding medical colleges to existing hospitals. A reduced proportion of private set-ups will make health education and services better and cheaper.



RAVIKANTH





GOVIND BHATTACHARJEE

ith Chandrababu Naidu and Nitish Kumar proving indispensable to the NDA government, the demand for special category status for their States has now been revived with renewed vigour. Both have been passionately demanding this status.

Andhra Pradesh was promised this status in the floor of Parliament by the then Prime Minister Manmohan Singh when Telangana was carved out of it. Two of its most prosperous districts, Hyderabad and Ranga Reddy, that earned a bulk of the revenues for the undivided state, went to Telangana.

Nitish Kumar has raised this demand time and again and has even prepared a special paper highlighting why Bihar needs this status to address its backwardness.

WHY SPECIAL CATEGORY

Eleven economically backward hill States, including all the eight North-Eastern States and the Himalayan States of J&K, now an UT, Uttarakhand and Himachal Pradesh, comprised the group of "Special Category States".

They suffered from many drawbacks arising from their remoteness, geographical isolation and lack of resources, capital and infrastructure. The Centre sought to address this asymmetry by awarding them the "special category status", giving them liberal access to Central funds.

This was rather an unimaginative, adhoc solution that relied solely upon the use of funds, ignoring their inherent structural weaknesses and capacity constraints. Once the status was awarded, the specific assistance pattern follows in perpetuity. While some States used the Central resources to their advantage, others could not do so for various reasons, including protracted insurgency and political instability combined with misgovernance. But the flow of Central funds,

unlinked to any performance expectations or accountability from the States, rather produced an $overwhelmin \bar{g}\, dependence\, of\, these$ States upon the Centre instead of empowering them. It led to complacency as well.

BACKGROUND ISSUES

During the Planning era, Central Plan assistance was provided to the States under the Gadgil formula. Under this, 30 per cent of the total Plan assistance was earmarked for the special category States, given on the basis of 90 per cent grants and 10 per cent loans, essentially for schemes approved by the Centre. This is, of course, distinct from untied

Are special category States justified? THE RIDERS. The transfer of resources needs to be accompanied by accountability and performance markers

transfers under the Finance

Commission's devolution formula. This kitty of 30 per cent remained constant since 1969 even though the number of such States went up from three in 1969 to 11 in 2001. The 90 per cent grants and 10 per cent loans formula for special-category States over time was restricted only to the Centrally-Sponsored Schemes (CSS), as opposed to a potentially larger coverage of State-driven schemes under the Gadgil formula. Initially around 70-80 per cent of the Plan transfers were covered under the Gadgil formula. But with the gradual unchecked proliferation of CSS and appropriation of most of the Plan resources by them through direct off-budget transfers to local entities under the Centre's tutelage, the Gadgil transfers (30 per cent of Plan assistance to Special States) progressively went on shrinking.

The issue of special category status for some States has come to the fore in the current

political milieu. If revived, this scheme must be bound with accountability and monitoring

'Direct transfers' were abolished in 2013-14 as a Constitutional anomaly as these bypassed State governments. In 2013, CSS were restructured — or rather repackaged — by bunching many smaller schemes under "Umbrella schemes. The Planning Commission itself was disbanded in 2014.

However, the funds flow to Special States has continued through CSS, with accountability issues remaining unaddressed.

The Fourteenth Finance Commission report submitted in 2014 (which raised the States' share in the divisible tax revenues of the Centre by 10 percentage points) did not make any specific recommendations for special States giving an impression that the special category status has de facto been abolished, a view articulated by the then Finance Minister Arun Jaitley.

But to evaluate whether the status is still active, we have to consider two things — whether there has been a curtailment of resources of these States and whether they retain their relative advantages vis-à-vis other States. As I have shown elsewhere, the reality is that the benefits enjoyed by these States remain well protected.

Significant excise duty concessions and income tax holidays are also provided to companies for setting up new industrial units within these States, in addition to subsidies on transport, insurance, interest, etc. For these benefits, there have been demands from many States for this status, which also found favour in the era of coalition politics and wafer-thin majorities. However, in the absence of market, infrastructure and local resources, these incentives hardly helped to attract investments.

NEED FOR A RELOOK

If the status is now awarded afresh to Andhra and Bihar the flaws of the existing mechanism must be corrected, which include the absence of any accountability and monitoring mechanism.

The status should be reviewed periodically and a target-based time-bound approach adopted for providing assistance. Suitable incentive for better performance and disincentives for sub-optimal performance should also be built into the system for it to work efficiently.

These States are unable to utilise a significant part of their existing budgetary allocations even now and unless they improve their institutional capacities, additional funds will only lead to additional waste.

The writer is a former Director General at the CAG of

Other ways to assess farm sector's access to credit

AI/ML tools can be used to assess credit-worthiness where traditional metrics cannot be easily applied

Amit Tyagi Sanjeev Kapoor Kushankur Dev

■ he RBI's annual report for 2023-24 had a positive outlook on the financial inclusion (FI) progress and achievement of priority sector lending targets (see Table 1).

Credit access, utilisation, and service quality are critical enablers in reducing poverty and boosting priority sector activities.

One of the priority sectors is the agriculture sector.

The FI index has moved up from 43.4 in 2017 to 60.1 in 2023, with ₹21.55-lakh crore of agricultural credit

However, how much agri-lending was organic, inorganic, or forced is not

Second, RBI reported that the number of operative Kisan Credit Cards (KCCs) increased by 5.4 per cent in 2023-24 from 2022-23, with the outstanding amount up 10.9 per cent.

Nonetheless, the operative KCC accounts do not include non-performing asset accounts and less than 50 per cent of farmer population (7.36 crores) have availed itself of KCCs as a single-window facility for working capital and investment agricultural credit. In other words, more than 50 per

Achievement of priority sector lending target (Amount in ₹ lakh crore) Public Sector Banks Private Sector Banks Year Foreign Banks 28.4 (43.7) 2022-23 2.3 (42.8) 50.2 (44.2) 2023-24* 32.2 (43.4) 24.7 (48.1) 2.3 (41.5) 59.1 (45.1)

*Data are provisional. SCB – Scheduled Commercial Bank, Note-Figures in parentheses are percentages of adjusted net bank credit or credit equivalent of off-balance sheet exposure, whichever is higher. Source: RBI Annual Report (2023-24)

cent of farmers have not utilised formal financial services.

What constrains farmers' access institutional credit or formal finance? The absence of robust borrower data increases search costs and compels mainstream lenders to rely on credit scoring models for loan applicant evaluation, processing, and sanction.

The extant credit scoring model classifies applicants into the solvent (likely to repay without credit default) and delinquents (prone to non-repayment). Banks differentiate between "good" and "bad" credit risks to streamline financing decisions and minimise portfolio (default) risks.

Credit scoring models depend on the borrower's financial history, including the length of credit history, amount of credit availed, and credit utilisation ratio, which weigh heavily on credit

In contrast, low-income individuals such as small and marginal farmers typically do not have the financial or credit history that credit bureaus

require to determine credit scores. This lack of data presents an uphill task in deciding farmers' creditworthiness

(USAID-DFS, 2016).

So, how can an alternative scoring model push institutional finance? The World Bank Group emphasised using alternative data sources to generate credit scores for potential applicants and analyse farmers' personal, property, and liability risks. It involves sourcing various types of alternative data and machine learning algorithms to train and test these data to predict the likelihood of credit default.

ALTERNATIVE SCORING MODEL First, alternative indicators are of two types - non-transactional and transactional.

Non-transactional indicators include farmers' demographic, psychometric, and digital footprints, while transactional indicators include utility payments, e-commerce or platform usage, and mobile usage.

Second, attributes of

non-transactional and transactional indicators can be modelled to diagnose and predict the behaviour of unbanked farmers, and classify them into prospective or solvent and non-prospective or delinquent borrowers. Machine learning models are effective in classifying user groups.

Third, a list of predictors must be identified to determine the alternative scoring factors, such as unbanked farmers' fraud score through farmer classification, interaction score based on farmer interaction with fellow farmers and agri-value chain actors in the marketplace, and revenue score based on their farming activities. The sensitivity, specificity, and accuracy of these score-generating models must be tested and validated.

Fourth, alternative scoring models can serve as a surrogate measure of credit analysis model encompassing character, capacity, capital, condition, and collateral.

To map the non-financial data, merchants, data curators, and technology companies must be roped in to provide legitimate alternative indicators and share application programming interfaces to decode data-driven models for bankers' interpretation and action.

Tyagi is a doctoral scholar, and Kapoor and Dey teach at IIM Lucknow. Views expressed are personal.

• LETTERS TO EDITOR Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

OPEC views This is with reference to the news report "Unemployment, inflation impacted Lok Sabha poll outcome' (June 17). Unemployment and inflation mostly affect the unorganized sector, the lower middle class, and the underprivileged strata of society. The unemployment situation in the country is going from bad to worse, and inflation is skyrocketing. However, no political party intends to make these two factors on the election agenda. Instead political parties divert people's attention to freebies,

subsidies, and other irrelevant issues. No wonder no party got a clear majority in the just-concluded Lok

Sabha polls. To solve the problem of unemployment, the government should encourage entrepreneurs, small businesses, small-time traders, and self-employed people. The budget should allocate more funds for the creation of jobs by encouraging labour-oriented industries, infrastructure construction, tourism, etc.

Veena Sh<u>enoy</u>

Rural infra thrust

The suggestion of the CII President to increase the spending in rural infrastructure like housing and warehousing is welcome. His further suggestion to use the RBI's dividend payout for this purpose is a constructive suggestion that deserves consideration.

The latest data show rural consumption going sharply down. There is a dire need to ensure improvement in the spending capacity of the rural workforce. But the suggestion to use the

RBI's dividend for taking up infrastructure projects can only be a temporary solution. Rural demand contraction requires a lasting solution like taking up area specific manufacturing units. As Kerala has coir industries to use the raw material available in abundance. Similar activities may be activated based on the materials available in each area

AG Rajmohan

Trudeau talk This refers to the news report 'Committed to working together, says Trudeau after meeting Modi' (June 17).

One could easily guess what Prime Minister Narendra Modi would have told his Canadian counterpart Justin Trudeau on the sidelines of G7 Summit in Italy, albeit the latter had declined (diplomatically) to disclose it to It's time Trudeau walked the talk

and stopped encouraging entities

inimical to India's interests. S Ramakrishnasayee

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Harness AI technologies

Businesses can make more informed choices

M Muneer

rtificial intelligence is increasingly driving decision-making in industries as varied as retail, manufacturing and healthcare and in large companies. In the digital age, businesses face a constant challenge: staying ahead of the curve when data is all around and ever-increasing in frequency and quantum.

By harnessing AI technologies, businesses can unlock insights, streamline operations, and make more informed choices. Here's how to maximise AI's potential:

Data-driven decision-making: Organisations are tapping into vast pools of data generated by their operations, customers, and markets. AI algorithms can sift through this data to identify patterns, trends, and anomalies that normally elude human analysis. By utilising predictive analytics, businesses can anticipate market shifts, customer preferences, and even potential risks.

Enhanced planning and forecasting: Traditional planning processes mostly rely on static models and manual inputs, making them vulnerable to inaccuracies and unforeseen disruptions. AI revolutionises planning by offering dynamic, real-time insights based on continuously evolving data inputs. Whether it's resource allocation, production scheduling, or budget forecasting, AI-driven planning tools empower enterprises to adapt swiftly to changing circumstances. An energy company recently employed AI algorithms to optimise its power generation schedule by considering factors such as weather forecasts, energy demand patterns, and equipment maintenance requirements.

Personalised insights and recommendations: AI excels at personalisation by analysing Big Data to understand individual preferences and behaviours. By tailoring recommendations and content to specific users, many businesses have finally enhanced customer engagement and loyalty. Moreover, personalised insights also empower employees by delivering relevant information and guidance tailored to their roles and responsibilities.

Risk management and mitigation: Managing risks effectively is paramount. AI-powered risk management solutions can identify potential



INVEST. In improving data quality

threats, vulnerabilities, and compliance issues in real-time, enabling timely or proactive intervention and mitigation strategies. By leveraging machine learning and predictive analytics, businesses can anticipate and address risks before they escalate into crises.

A financial services company has embraced AI-driven fraud detection systems to monitor transactions in real-time and identify suspicious activities indicative of fraudulent behaviour — much needed for the too-fast-too-soon digitalised Indian financial services.

Clearly it is time for AI integration into many business aspects. Start with clear objectives. Define specific goals and outcomes you aim to achieve with AI integration — whether it is improving efficiency, enhancing customer experience, or mitigating risks.

Next, invest in data quality. Ensure data accuracy, completeness, and relevance to maximise the effectiveness of AI algorithms. Implement data governance frameworks and quality assurance processes to maintain data integrity.

Third, collaborate across functions. Drive collaboration between IT, data science, operations, and strategic business units to ensure alignment and synergy in AI initiatives. Cross-functional teams can only bring diverse perspectives and expertise to ensure that all relevant factors are taken in.

Fourth, iterate and adapt. Just like strategy execution tools, AI is not a one-time solution but an ongoing journey of continuous improvement. Embrace an iterative approach, leveraging feedback and insights to refine AI models and algorithms over time.

Lastly, incorporate ethical guidelines and compliance frameworks into AI development and deployment processes.

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

India's FDI trends are a concern

PROTECTIONISM A FORCE. The uncertain foreign investor interest in India is explained by global trade shifts



DHANANJAY SINHA

he fall in net foreign direct investment inflows in FY24 has many dimensions to it. At the outset, net FDI inflows (on capital account) is \$10.6 billion, but if one includes net repatriation of income by foreign companies estimated at \$53 billion, which is on current account, it turns out that foreign companies may have retained very little.

The adjoining table and charts reveal trends in net FDI flows (on capital account). The Reserve Bank of India reported that net FDI flows dropped 62 per cent over the last fiscal year to \$10.6 billion in FY24, the lowest since 2007. It cites that out of the gross FDI inflow of \$70.9 billion, foreign companies repatriated or dis-invested 63 per cent or \$44.4 billion (capital netflows). Indian companies made outbound investments worth \$16 billion.

While the contraction in net FDI flows (gross FDI inflows by foreign companies less FDI outflows by Indian companies, a capital account transaction) is significant, RBI also reports that FDI companies saw 45.2 per cent growth in net profit at \$32.4 billion in FY24 and similar growth in dividend payout in 2023.

FDI repatriation (capital account) has risen from \$9.8 billion in FY14 (or 15 per cent of gross FDI) to \$44 billion in FY24 (or 63 per cent). Additionally, the net repatriation of incomes (\$53 billion, profits of MNCs, extrapolated from April-December 2023 BoP data, RBI) from India is rising even faster. Overall, the intent of MNCs in India appears to be dominated by repatriation (\$97 billion, both capital and net income) in FY24, nearly \$27 billion higher than the gross FDI flows.

At \$10.6 billion in FY24, net FDI has dropped to a 13-year low (average \$29 billion) and 59 per cent lower than the FY21 peak of \$44 billion. What's more, FPI flows (\$35 billion in FY24) have been negative or flat in five out of the last eight years.

REASONS FOR DECLINE

These trends characterise diminishing longer-term fixed capital commitments by foreign firms in India. Corresponding to global trends, FDI/GDP inflows have declined to a 20-year low at 0.7 per cent in FY24 from 3.5 per cent in FY09.

Components of FDI inflows into India a) Net FDI (b-c) 28 10.6 b) FDI to India (b1-b2) 42 26.5 b1) Gross FDI 71.4 71 inflows b2) Repatriation/ 29.3 44.4 disinvestment c) FDI by India (c1-c2) 16 c1) Gross FDI

17.9

3.9

19.6

3.6

Source: RBI, Systematix Research

outflows

c2) Repatriation/

disinvestment

Hence, India's FDI/GDP ratio decline has been somewhat larger than global declines.

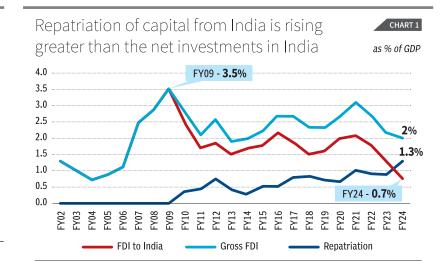
Long-term trends show that net FDI inflows into India as a proportion of GDP have declined from the peak of 3.5 per cent in FY09.

At the global level, our analysis reveals rising trade protectionism, associated with policies that protect domestic industries from foreign competition have resulted in declining global FDI flows. The cumulative impact of the post-GFC (2008) rise in protectionism, its intensification since the US-China trade war (2018), and the aftermath of the pandemic has resulted in a shrinkage of outward and inward global FDI flows. FDI inflows as a percentage of global GDP have declined to 1.3 per cent in 2023, the lowest since 1996 and the peak of 3.2 per cent in 2007.

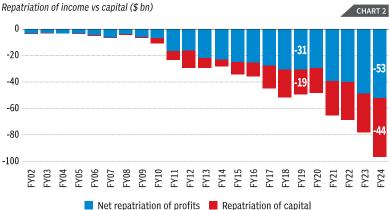
Trade impulses are set to worsen again after a brief post-pandemic hiatus. The US-China trade conflicts have resurfaced with rising technology fragmentation attempts and the US's latest actions (under Section 301, May 15, 2024) to increase tariffs on Chinese imports worth \$18 billion. China's trade and investments also face protectionism by the European Union.

During the global trade liberalisation phase (FY93-FY08), India's real trade of goods and services expanded by 14.8 per

Long-term trends show that net FDI inflows into India as a proportion of GDP have declined from the peak of 3.5 per cent in FY09.







Source: CMIE, Systematix Research

cent CAGR. But since then, it has decelerated sharply; 5.7 per cent CAGR in the post-Covid era and 4.3 per cent during FY13-FY24. Thus, rising global trade protectionism has been associated with deceleration in private capex, job creation, household income and consumption, and higher public and household debt. US restrictions on Chinese imports could intensify dumping in India. Only select sectors can sustain gains from the China+1 theme — viz electric equipment, general machinery, auto parts, semiconductors, and apparel.

How this impacts future FDI is anyone's guess. But historical trends indicate that the recurrence of global trade conflicts would still weigh on the outlook of external capital flows. Foreign capital flows are increasingly becoming opportunistic.

India's FDI inflows are concentrated in a few sectors, mainly IT, trading, and non-conventional energy where the

opportunities are either episodic or long-term. Since FY17 the concentration of the top nine sectors in FDI inflows, mainly services, has risen from 49 per cent to 70 per cent in FY24E. Contrastingly, the share of a wide range of 53 sectors, predominantly manufacturing, has declined to 30 per

Sectoral FDI flows outside the IT sector indicate a dominating intent to tap into domestic opportunities rather than create an export base. Of the 14 focus sectors under the PLI scheme, only non-conventional energy has gained prominence in FDI inflows.

India needs to revive domestic savings and demand, thereby stimulating private capex, employment, export competitiveness, and overall productivity.

The writer is is Co-Head of Equities & Head of Research - Strategy & Economics, Systematix Group. Views are

thehindu businessline.

TWENTY YEARS AGO TODAY.

June 18, 2004

Govt will function as 'gateway to investments'

As a measure to promote investments further in a liberalised environment, the Congress-led UPA coalition Government has taken a conscious decision to shed the "traditional" governmental role of being "gatekeepers". Instead, the various Ministries and Departments will function as "gateways" to facilitate larger investments, both domestic and foreign, and clear the roadblocks, if any.

India to oppose extension of textile quota regime

The US textiles manufacturers are lobbying hard in a Presidential election year with the Bush administration for an extension of the quota regime by another four years, i.e., up to 2008. SB Mohapatra, the Union Textiles Secretary, said "India will oppose any move to modify or repeal the agreement on quota phase-out worked out at the WTO."

Powerlooms may get back excise exemption

The Finance Ministry seems all set to grant full excise duty exemption for powerlooms, thereby, undoing the 2003-04 Union Budget's move to 'complete the CENVAT chain' across all segments of the textile industry. Currently, excise exemption to powerlooms is available on a turnover-based criterion.

A volcano of food scarcity is waiting to explode

here is strange paradox between agriculture and climate change. On the one hand agriculture and forestry and other land use contribute over a fifth of global greenhouse gas (GHG) emissions exacerbating natural disasters, and on the other, UNFCC estimates a damage of over \$108 billion to crops and livestock from natural disasters between 2008 and 2018.

Being a perpetrator and victim of climate change, the agriculture sector needs unconventional thinking and an innovation mindset to break this cycle. A third of the world's food supply (80 per cent of developing world's) produced by smallholder farmers is at risk from climate change. Juxtapose this with an expected increase of 60 per cent in global food demand by 2050 and we have a brimming volcano of food scarcity.

As the rest of the world is talking about Industry 4.0 and artificial intelligence, the world of agriculture examine the following aspects afresh:

Technology for transformation: The relationship between technology, nature and humans is often projected as being at loggerheads especially in new frontiers such as gene editing, mechanisation and chemical use. The realities of the fickle climate world need a re-examination of polarised positions (we saw the pitfalls of only organic approach in Sri Lanka) and explore a redesign of innovation systems (example, patents for new crop varieties). This also requires blending of capital (public and private) to support food security and climate resilience-focused agricultural innovations.

Policymaking — focus on tomorrow not today: The policy priorities need a new equilibrium, shifting focus from minimum support price to how farming as an enterprise can be made profitable and climate proof. This may require embedded financing models, unlocking carbon



USE TECH. To improve crop yield

credits, and new direct producer to consumer bridges, as well as social security measures in the form of living income commitments, micro-equity for farming as an enterprise and climate financing for innovation adoption. Unless farming is made future ready, less risky and profitable, climate change readiness will continue to suffer and food scarcity in future is imminent from abandoned farms.

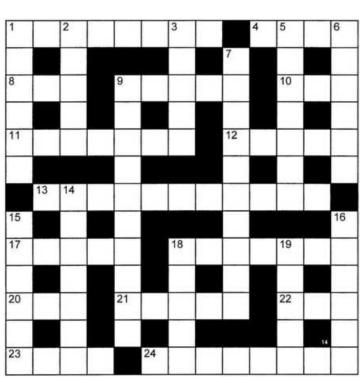
India's unique position: India's position as a top agricultural commodity exporter and its large

ılation highlight its vital role in global food security. There is also a significant thrust on setting up FPOs to help farmers organise themselves and engage with market forces. Innovations in business models, technology and financing are key to benefit from this interplay of endowed agribusiness potential, youth energy, spirit of cooperation and start-up potential that can act as a counterforce to disruption from climate change and offer new

ways of addressing food security issues. Solutions to the burgeoning problem of climate change and resultant threat to global food security cannot come without wholehearted participation of the world's estimated 500 million small farms and its 1.2 billion young people. India's growing prominence in the business and financial world, a large captive base of small farms and demographic benefits offers optimism as a potential innovation hub to solve for this paradox.

The writer is an international development expert

• BL TWO-WAY CROSSWORD 2463



EASY

ACROSS

1. Tenacious canines (8) 4. Meat-roasting broach (4)

8. Hostelry (3)

9. Picture (5)

10. Ventilate (3)

11. Becomes adult (5,2)

12. Backbones of ships (5)

13. All the time (3,2,3,3) 17. Untrue (5)

18. Start an argument (7)

20. Instigate, urge on (3)

21. Soft white rock (5) 22. Keenness of perception (3)

23. Chore (4)

24. Snakes (8)

DOWN

1. Fetches with one (6)

2. 'Tongue' (5)

3. Pop instrumentalists (5) 5. High flat land (7)

6. Pushing force (6) 7. Drudgery (6-4)

9. Deadly epidemic

disease (10) 14. Asserts without

proof (7) 15. Assume, make a

show (6) 16. Niche (6)

18. Situate (5) 19. Huge water mass (5)

ACROSS

NOT SO EASY

1. Clips such tenacious things on leashes (8)

4. A bit of land to turn before the fire (4) 8. In certain nooks it provides refreshment for travellers (3)

9. Picture the finish being so close (5)

10. Something with notes taken by one going for a stroll (3)

11. Reaches maturity, as does a climbing plant (5,2) 12. Shakespeare cools frame supports at sea (5)

13. Twenty-four hours at wicket, the same dismissed, on and on (3,2,3,3) 17. Safe, broken, contains only a pound, and that's not real (5)

18. To arouse hostility may turn out all right inside (7)

20. For example, German capital is shelled (3) 21. Drawing the medium out of Paschal knighthood (5)

22. Narrowly observe the seed-bud of a potato (3) 23. Demand last of rent first, which is a job (4)

24. Press that, with net, may be provided for creepers (8)

1. Fetches the old ships around the North (6)

2. If there's nothing up, leave: see the language! (5) 3. Some who have got together go right in before

5. It's high, and that's flat where geographer is

concerned (7)

6. The unending corrosion may be the driving force (6) 7. Carrot-following is such drudgery! (6-4)

9. Inspect eel that wriggles - plague on it! (10) 14. Claims everything, for instance, has two

directions (7) 15. Put on airs loudly observable in a different facet (6)

16. Time not to sit and see it go back in the wall (6)

18. The location of the fish one had left (5) 19. Here, no headless dace are disturbed (5)

SOLUTION: BL TWO-WAY CROSSWORD 2462

ACROSS 1. Flintlock 5. Hod 7. Acts 8. Lion cubs 10. Turn tail 11. Stay 13. Remove 15. Random 18. Bark 19. Vertical 22. Culpable 23. Helm 24. Nod 25. Kinswoman DOWN 1. Flatter 2. Inter 3. Origin 4. King 5. Haunted 6. Dusty 9. Stove 12. Party 14. Marbled 16. Milkman 17. Berlin 18. Bacon 20. Cream 21. Walk

Standard procedure

Streamlined visa rules for Chinese experts is realistic policy

he Union government is reportedly working to extend a set of standard operating procedures (SOP) it had evolved to streamline visas for Chinese experts and tech workers for its signature production-linked incentive (PLI) scheme to other manufacturing units. To this end, the Ministry of Home Affairs is in the final stages of working on a "better, streamlined SOP" that will enable visas to be processed within 10 days. The Department for Promotion of Industry and Internal Trade has been working with the ministries and private stakeholders concerned to smooth the process. This move involves a uniform process, precluding the need for time-consuming Cabinet approvals, and will go a long way towards easing a chronic problem of domestic manufacturing units, enabling them to access the necessary skills to become globally competitive. It reflects a realistic response to the needs of domestic industry, freeing it from the cycle of piecemeal permit systems.

One of the well-known ironies about Indian labour is the simultaneous existence of high unemployment with low employability, especially in the emerging dynamic tech-oriented industries of consumer electronics, semiconductors, electric vehicles, and high-end civic infrastructure. According to the Indian Skills Report, only 49 per cent of the Indian youth are employable. The National Employability Report for Engineering shows 80 per cent of Indian engineers lack the required skills. For years, therefore, Indian companies involved in telecom, power, airport construction, and so on have depended on the vast reserves of skilled workers in China. Such Chinese technicians are considered value-for-money, being well skilled and affordable compared with their counterparts in, say, Taiwan or Japan. The fact that much of India's new-age industry has benefited from this subaltern cross-border cooperation is one of the untold stories of the country's economic growth. Since 2020, however, a rapid deterioration in Sino-Indian relations has taken a toll on this exchange. As Chinese soldiers trespassed on Indian territory in Ladakh, the Indian government cracked down on economic cooperation. New Delhi subjected foreign direct investment from entities sharing a land border with India to greater scrutiny, resulting in a sharp drop in approvals and precipitous rise in rejections. At the same time, visas for Chinese workers entered the slow lane. According to the industry, 4,000 to 5,000 visa applications for Chinese experts are awaiting government approval.

The PLI scheme, which covers 14 sectors such as telecom, white goods, automobiles, specialty steels, solar PV modules, advanced chemistry cell battery, drones, and pharma, was one of the early casualties of this go-slow, which the government moved swiftly to fix. But manufacturers outside the PLI rubric have suffered, especially those with investments integral to China plus one strategy. According to some reports, escalating Sino-Indian tensions over the past four years have cost Indian electronics manufacturers \$15 billion in production losses and 100,000 jobs. Beyond electronics, investors in textile and leather units have complained that plant and machinery has remained idle for months for want of experts to operationalise them. Given the poor skill levels of the Indian workforce, easing the process for such visas, which typically cover three to six months, has a longer-term benefit in that expertise is transferred to local workers, creating a virtuous chain of training that would be invaluable for the country in the long run.

Inclusive development

India must reduce the gender gap

he need for greater female participation in the economy cannot be exaggerated. It is well accepted that greater gender equality helps productivity, economic growth, and human development. Further, women's active participation in leadership positions fosters diversification, resulting in better governance and decision-making across sectors. Unfortunately, the gender inequality gap in India continues to be large. The latest Global Gender Gap Report 2024, by the World Economic Forum, released last week, ranked India at 129th place out of 146 countries, a decline of two places from last year — with a score of 64.1 per cent on parity, well below the global average. Comparatively, other emerging countries such as South Africa (18th), Brazil (70th), Vietnam (72nd), and China (106th) are ranked much higher. Moreover, within South Asia, India ranked fifth, trailing behind Bangladesh, Nepal, Sri Lanka, and Bhutan.

On the "Economic Participation" sub-index, India closes the gap by only 39.8 per cent. In contrast, countries like the United States, China, and the United Kingdom score much higher at 76.5 per cent, 73.9 per cent, and 71.7 per cent, respectively. India's lower position is reflected in the Periodic Labour Force Survey (PLFS) outcomes, which estimate that the female labour force participation rate (LFPR) is around one-third of the male LFPR. The recent increase in female labour force participation is said to be distress-led, and partly in the family enterprises. Their share in regular-wage employment has gone down. On the "Health and Survival" sub-index, despite closing the 95 per cent gap, India continues to rank among the bottom five countries, unchanged from the previous edition. Malnutrition and poor maternal health are the primary concerns for women's health in India. Further, with the full gross enrolment ratio (GER) of females at the elementary level, India is still positioned at 112th in the "Educational Attainment" category. The female GER sharply declines at higher levels of education. Early marriages, voluntary dropouts, and eldercare responsibilities influence this. Notably, India has shown relatively strong performance in "Political Empowerment", largely due to reservation in local bodies. However, much remains to be desired even in this context. As seen in the recent Lok Sabha elections, only 73 women candidates were elected, comprising 13.44 per cent of the members.

The journey towards a developed India cannot be accomplished by leaving half the population behind. Hence, the gender gap needs to be proactively addressed. A sustained increase in capital expenditure on infrastructure, transport, electricity, and gas connectivity can significantly empower women, thereby increasing their time spent in educational institutions and workplaces. Unfortunately, the nature of the Indian economy, with a large number of small businesses, also goes against women. Small businesses are often not in a position to offer flexibility that women may need at times because of family responsibilities. Thus, greater formalisation of the Indian economy is likely to help improve women's participation. However, before expecting improvement in labour force participation, it is important to improve health and educational outcomes. Efforts will be required to reduce the dropout rates among women. Overall, a number of measures at various levels will be needed to improve the presence of women in educational institutions and workplaces. Indian society at large will also need to adjust to this much-needed positive change.

A progressive era for India?

The primary focus of development policy must shift decisively to expanding opportunities for the underprivileged



The recent election results show that the electorate of India has not shared fully the widely publicised optimism about our present and future economy. Not that there is no recognition of the continuing growth of the economy. A person who surveyed individuals in Uttar Pradesh (UP) reported that when asked about their economic condition, they often said: "Yes, the economy is doing well, but we are not better off!" This discrepancy between growth and income opportunities for the underprivileged is at the heart of the people's assessment of policy performance.

The three decades since the liberalisation reforms of 1991 have seen the Indian economy growing at around 6 per cent per year, with its gross domestic product (GDP) increasing sixfold between 1990-91 and

2023-24. One measure of this is the purchasing power parity estimate of India's GDP, which according to the recent assessment made by the World Bank, is \$10 trillion or about 7.2 per cent of the global GDP.

With the sixfold rise in GDP, absolute poverty has come down. But we have also seen a rise in inequality. According to estimates in the World Inequality Database, the share of the richest 10 per cent in total national income has gone up from 35 per cent in 1992 to 58 per cent in 2022, with the share of the rich-

est 1 per cent going up from 10 per cent to 23 per cent over this period. At the other end, the share of the bottom 50 per cent has fallen from 22 per cent in 1992 to 15 per cent in 2022. When it comes to wealth distribution, the scale of inequality is even higher. The development strategy of this era has focussed

NITIN DESAI

on the liberalisation of private and foreign investment and related institutional reforms. But it has also involved official favouritism for some corporations and their rapid expansion to the top. Today, the top 10 corporations account for 22 per cent, and the top 100 corporations for 64 per cent of the total market capitalisation of over 5,000 listed corporations.

This focus on corporate expansion has been the driving force of growth promotion. Yet, except for a few IT companies, India's corporations have not acquired what is necessary for the long-term growth prospects for the economy — a global standing comparable to what Chinese and East Asian corporations have already achieved. Corporations have focussed largely on meeting domestic demand, and the attenuation of growth for mass consumption items because of rising inequality has slowed down the investment and growth plans of many of them. One exception is their rising involvement in infrastructure development because of a shift in public policy.

In some ways, this focus on private corporate growth and the nexus between the government and some corporate conglomerates is similar to what happened in the United States during the Gilded Age (1870-1900). which saw rapid economic growth, heavy investment in infrastructure (mainly railroads), the expansion of private finance, and the rising power of corporate giants.

The key to this was the nexus between these corporate giants, described by some critics as "robber barons", and the US government "pretending neutrality to maintain order, but serving the interests of the rich".

What is truly interesting is the impact of the Gilded Age on electoral sentiment in the early years of the twentieth century when Theodore Roosevelt took over as President. The focus of politics shifted sharply to address the problems caused by the economic transformations of the

Gilded Age and sought to address political corruption and the concentration of industrial ownership in monopolies. Politics in this Progressive Era was driven by social activism. An optimistic interpretation of the recent Lok Sabha election results could be that we are seeing the beginnings of such a transition in India. Placatory moves like free rations and other handouts do not change opportunities for the poor. The results of the recent election show some evidence of emerging social activism that seeks better opportunities for the underprivileged, who are a legion in India because of its caste system and religious differences.

The driving force may well have been fears about what would happen to the caste-based reservation system. The importance of this political dimension can be seen in the support for a caste census and demands for reservation from communities like the Marathas. This type of caste-oriented reservation system is not a diversion from the concern about inequality, which

should drive policy. The reality of inequality in India is that it is highly correlated with caste because of the close connection between caste and past inequalities. and with religion because of rising majoritarianism. The focus on reservation is the Indian equivalent of the rising demand for worker's rights that led to pro-

Can one see the unexpected rise in the votes for the Opposition as an indicator of the beginnings of a progressive era in India? A survey for the votes cast in UP, where a big shift in seats took place, does show a large share of Dalit and Muslim votes for the Opposition and a large share of upper caste votes for the ruling party. This coincides with the difference in opportunities between the underprivileged and the privileged. But one must also note that this was not seen in some states like Madhya Pradesh, which are not very different from UP, an indication that our progressive era is still at a preliminary stage.

In my view, the election results indicate that the primary focus of development policy should not be the aggregate GDP or on making India the nth largest economy in the world. The focus must shift decisively to expanding opportunities for the underprivileged and the poorly employed. If a simple goal is required, it should be the extent of reduction in reported employment in agriculture (41 per cent, according to PLFS 22-23) and perhaps also in often unpaid employment in family enterprises (18 per cent, PLFS 22-23).

Last month, my column on "Priorities for the New Government" put forward an agenda that essentially focused on the employment generation goal, particularly in the low-growth states that are going to see a large increase in the working-age population. I had not anticipated the upsurge of concern from the underprivileged that we have seen in some of the election results. This, in fact, raises the political case for the priorities indicated last month, and development policy must now focus clearly on:

- Creating new productive jobs at a rate higher than the working-age population growth for about a decade. •Increasing the dynamism of small enterprises as
- input suppliers or as initial suppliers of final product •Using steadily improving physical and digital infras-
- tructure and the rapid emergence of e-commerce and digital payment systems to connect the northern states, where job creation is a more acute necessity, to the higher growth southern and western states in national value chains.
- Trade policy that creates a strong corporate incentive to rapidly expand exports.
- •In the longer term, a more effective system for skill development than what we have had so far.

Job creation should not be the by-product of a growth-oriented strategy. Rather rapid growth should be a by-product of a job-creating strategy. Will the Union government, which is intentionally not new, move towards this transition?

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Tackling rising heatwaves in cities

ay 2024 has been particularly severe for India, as the country endured one of the harshest heatwaves in recent memory. Temperatures were reported to be 1.5 degrees Celsius higher than ever recorded. The climate crisis, exacerbated by El Niño, has pushed temperatures to unbearable levels, resulting in fatalities and highlighting the urgent need for climate-resilient and smart solutions across all sectors to prevent more damage.

As the global urban population grows, more people are exposed to extreme weather conditions, which

disproportionately affect the vulnerable and marginalised communities According to a study conducted by C40 (Cities Climate Leadership Group), a coalition of 96 cities world wide committed to combating climate risks and implementing urban solutions, over 350 cities are currently at risk of extreme heat conditions, with this number expected to rise to around 970 cities by 2050. The same study highlights that over 26 million people living in poverty in cities are exposed to extreme heat (roughly over 230 cities). By 2050, this number will increase to nearly 215 million people (roughly 490 cities).

Additionally, Unicef reports that approximately 560 million children are already exposed to frequent heatwaves, which will increase to 2 billion by 2050. Such extreme conditions indicate that individuals currently exposed to high temperatures will need to adapt to even more severe heat in the near future, while those living in traditionally cooler areas will experience temperatures that they are not accustomed to. Therefore, city planners must prepare for these events to ensure that people endure less climatic stress

Urban planning must adopt a holistic approach that interweaves adaptation with the fundamental necessities of modern living for combating extreme heat. At the heart of this transformation lies the need for resilient urban infrastructures. Cities must envision a future

where every individual, regardless of their socio-economic status, has access to essential services that enhance daily living and fortify against climate extremes. Accessible and affordable healthcare becomes paramount, ensuring that the most vulnerable populations can withstand and recover from the health impacts of extreme heat. It's not just about treatment but prevention and support, creating a safety net that catches those who might otherwise fall through the cracks during heatwaves. Public transport systems also play a vital role as reliable and efficient transportation networks

reduce the dependence on private vehicles, thereby lowering emissions and urban heat island effects.

The present crisis emphasises the ed to rethink green infrastructure as a means to combat extreme heatwaves. Green infrastructure involves a network of nature-based solutions aimed at tackling urban and climate-related challenges. These solutions include stormwater management, climate adaptation, reducing heat stress, promoting biodiversity, and sustainable energy production, alongside humancentred measures like offering shade and shelter. Green infrastructure cre-

ates an ecological framework that fosters the social, economic, and environmental health of communities. It has, therefore, become imperative that solutions for mitigating extreme climatic events in urban areas must be sought in the very process of urbanisation, with a focus on environmental engineering. Urban planning through environmental engineering mainstreams the transition to sustainable options to tackle complex urban challenges. In its Sixth Assessment Report, the Intergovernmental Panel on Climate Change emphasised ecosystem-based approaches like urban greening, restoration of urban forests and wetlands, and establishing early warning systems for further adaptation. Global innovations provide valuable lessons for cre-

ating more liveable cities. Singapore tackled urban heat with green roofs and vertical gardens, while New York

Price: ₹599

City's Cool Roofs programme painted rooftops white to reflect sunlight and lower heat absorption. Similarly, in its 20-year strategy implemented in 2012, Melbourne focussed on increasing its urban forest, with a goal to increase canopy cover to 40 per cent by 2040.

Effective strategies for reducing urban heat include integrating more green infrastructure into cities. Increasing the number of parks, gardens, and green roofs can significantly lower urban temperatures. Similarly, planting urban forests, with trees lining streets and filling public spaces, not only reduces temperatures but also improves air quality and enhances the city's aesthetic appeal.

Another essential approach involves using cool roofs and pavements. Cool roofs, designed to reflect more sunlight and absorb less heat than standard roofs, use reflective materials or coatings. Similarly, cool pavements, which can be applied to parking lots sidewalks, and streets, reflect more solar energy, resulting in lower surface temperatures.

Effective water management also plays a crucial role in mitigating heat. Urban water bodies can cool surrounding areas through evaporative cooling. Additionally, rain gardens and bioswales, designed to manage stormwater and reduce runoff, contribute to cooling urban environments through the presence of both water and vegetation.

Designing cities to be more compact can reduce the heat island effect by minimising paved surfaces and reducing the need for extensive transportation networks. Also, orienting buildings to maximise natural ventilation and shade can decrease reliance on air conditioning, thus lowering overall heat generation.

By integrating these diverse strategies, cities can mitigate the impact of heatwaves, improve urban liveability, and enhance resilience to climate change ensuring a healthier and more sustainable urban environment for the future.

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A champion of trade liberalisation



BOOK REVIEW

A K BHATTACHARYA

www.mav.remember.that.India's economic reforms of 1991 began with dramatic trade policy changes. The evening before India decided on July 3 to depreciate its currency against the US dollar, for the second time in quick succession and by a steeper margin of 12 per cent, the PV Narasimha Rao government took an equally important step towards abolishing export subsidies or cash compensatory support for exporters, removing the monopoly of the state trading companies over imports and introducing Exim Scrips that could be traded in the market at a premium, which would be discontinued seven months later, ushering in partial

convertibility of the Indian rupee on the trade account.

Thus, the story of India's economic reforms is intricately connected with trade policy changes. Not surprisingly, the journey of India's trade policy in the past 33 years has been eventful. Arvind Panagariya, a well-regarded economist known for his deep understanding of international trade and related issues, has been a regular writer on the opinion pages of many news publications in India and overseas and has captured these turns and twists. This book is a compilation of 70 short articles, mostly written for newspapers and some for policy magazines. Six of these pieces have been jointly written by Dr Panagariya, and in five of them, his co-author is his "friend and mentor" and eminent economist,

Jagdish Bhagwati. Appropriately, the articles have been segmented under 10 broad subjects that focus on the importance and criticality of free trade, recidivism in trade policy, issues concerning tariff structure and

exchange rate, key historical lessons from

trade policy, India-US trade engagement, India's trade relations with China, the role India has played during multilateral trade negotiations, the importance of preferential trade liberalisation, and the growing influence of non-trade issues in multilateral trade negotiations.

The shortest of these sections are the ones with four articles each. In one of these, he dwells on India's trade ties with China (advocating that India should maintain a distance from China). In another, he recounts the lessons that trade policy should learn from history. Another article focuses on what Dr Panagariya believed to be the faulty emphasis by India's first Prime Minister on heavy industries and the other on how rupee depreciation and reducing import duties are helpful for an economy. The longest section has 15 articles and provides detailed commentary on where India failed or succeeded in negotiations at the World Trade Organization.

The range of issues and developments in this book, therefore, is vast. Unsurprisingly, the pieces also present Dr Panagariya as one of the earliest champions of trade liberalisation.

CONURBATION

AMIT KAPOOR & BIBEK DEBROY

The earliest piece in this book was written in 1989, following a threat of the United States imposing trade sanctions against India. While urging the Indian government to resist US pressure, he also recommended that it should use this opportunity to reduce tariffs and controls on foreign investment. "Admittedly, tariffs are a major

source of revenue for us. But lowering tariff rates that average 130 per cent will raise, not lower, revenue," he had argued. Those views came a couple of years before India began reducing its import tariffs.

These articles provide a rich and fascinating analysis of how protectionism has harmed the country's trade and economy and how India could have handled its negotiations at multilateral trade bodies better. The author quotes American economist Paul Samuelson to argue that protectionism is like a skin disease; for trade economists, fighting it is almost a neverending battle. Even the elimination of protectionism is a slow process.

Unfortunately, Dr Panagariya could $not\,write\,any\,new spaper\,articles\,from\,the$ latter half of 1989 to 1993 when he was with the World Bank, which did not allow its staffers to write in the media. His only article after trade policy reforms of 1991 was published in 1994, where he argued for liberalising consumer goods imports

and rationalisation of India's Trade tariffs. But his articles Policy: The 1990s written thereafter and Beyond bemoan the fact that **Author:** Arvind subsequent Panagariya governments removed Publisher: import licensing only HarperCollins by 2001. Pages: 340+XXV

And then there is aproblematic reversal of tariffliberalisation-

between 1996-97 and 1999-2000 and again from 2018-19 onwards. Almost acting like a watchdog, Dr Panagariya questioned the increase in tariffs, which in his view were regressive and harmful for India. Many of his pieces also made a forceful plea against the use of antidumping measures that resulted in denying domestic manufacturers an opportunity to procure raw materials or components from the most competitive sources. Even a growing tendency to rely on import substitution, as seen in recent policy initiatives of the Narendra Modi government, drew his ire, so much so that in one of his pieces he questioned the idea of Make in India, Coming from an economist who headed NITI Aayog, the Modi government's think tank, and is the chairman of the Sixteenth Finance Commission, such views can hardly be ignored by the present government. A couple of takeaways from this book

are inevitable. One, the author seemed to have been the most prolific as a newspaper columnist in the first decade of the 21st century. He published as many as 26 articles between 2000 and 2009, compared to less than half in the 1990s. Two, he appears to be open to modifying his stance when he believes the ground reality may have changed. Though two of his articles in this book questioned India's decision to pull out of the Regional Comprehensive Economic Partnership (RCEP), he is now not that critical of India's stance because of his realisation of the China factor. A minor quibble would be the way the articles have appeared in each of the sections without following a chronological order.





{ OUR TAKE }

Campaigning for peace in Jammu

A rise in terror in the region is a worry, particularly with the Amarnath Yatra set to begin and assembly elections likely soon

he spate of attacks that have roiled Jammu over the last week has got the attention of policymakers at the highest level in Delhi and Srinagar, and rightly so. Over the last two years or so, Jammu has emerged as the new epicentre of militancy in the Union Territory with a string of encounters between security forces and extremists. In four back-to-back terror attacks in Reasi, Kathua and Doda districts since June 9, terrorists from Pakistan have targeted civilians and security forces. The first was an attack on a bus carrying pilgrims in Reasi on June 9, killing nine people and injuring 42 others. Two days later, another gunbattle began in Kathua, leaving one Central Reserve Police Force (CRPF) jawan dead, six security personnel and one civilian injured, and two terrorists neutralised. Then, two attacks took place on Wednesday. In the first, a group of three to four militants opened fire on a joint check post of the 4 Rashtriya Rifles and the Jammu and Kashmir Police in Chattargala area in Doda on the Bhaderwah-Pathankot road. Five army personnel and a special police officer were injured. The second attack was in the Kota Top area, 150km away, when a separate group of terrorists attacked a police team and injured a head constable.

The government is right to ratchet up alertness; the Reasi attack was even more alarming because it happened outside the hotbed districts of Poonch and Rajouri, away from the Line of Control, and on a bus full of pilgrims. High-level meetings, one chaired by Prime Minister Narendra Modi and another by Union home minister Amit Shah, have directed the Army, paramilitary forces and intelligence agencies to replicate the Kashmir strategy against terrorism in the Jammu region, use the full spectrum of anti-terror capabilities and make better use of technology to strengthen local intelligence networks.

This is coming not a moment too soon. In two weeks, tens of thousands of pilgrims will begin pouring into Jammu and Kashmir for the annual Amarnath Yatra, presenting a logistical and security challenge for the administration. Then, the first assembly elections in a decade are planned before September. The historic turnouts during the Lok Sabha elections in Kashmir have boosted public morale about democratic processes. It cannot be allowed to be dampened by terror strikes that not only have the potential to depress turnout but also derail the return of normalcy to the region. The government has repeatedly spoked of its success in arresting militancy in Kashmir. It is now time to bring those plans to fruition on the other side of the Pir Panjal.

Ukraine summit is a start, build on gains

■ ndia's refusal to endorse the communique released at the end of the two-day peace summit on Ukraine held in Switzerland is in step with the nuanced view New Delhi has held since Russia invaded its southern neighbour in February 2022. The much-delayed peace meet was attended by close to 100 nations, but most of the Global South preferred to observe rather than actively engage as the Western nations sought to build a consensus against Moscow. Russia was not invited to the summit, and China ignored the meeting. The countries that did not sign the summit communique include Indonesia, Saudi Arabia, South Africa, Brazil, and Mexico. New Delhi's view that peace is not possible in the absence of "sincere and practical engagement" between Moscow and Kyiv shows a realistic assessment of the situation. It had withstood Western pressure to have top political leadership attend the event. Russia is a long-standing friend of India, with bilateral defence and energy deals holding up despite pressure from the West. So far, India has been successful in balancing its legacy interests with countries such as Russia and its engagements with Western strategic alliances.

That said, the summit was a step in the right direction towards building a common ground where both Russia and Ukraine could meet. Russia has insisted that Ukraine give up claims over four provinces, a part of which are already under Moscow's control while Kyiv wants to return to a pre-2022 status quo for the war to end. The West has been supportive of Ukrainian President Volodymyr Zelenskyy and has delivered aid (\$280 billion) and weaponry. The stalemate has started to test its resolve with the fear of donor fatigue. At least 30,000 civilians have died in the war and 6.5 million people have fled Ukraine. It's important to find a workable solution for a crisis that is now in its third year.

In defence of personal liberty, fairness in law

Recent rulings collectively signal the Supreme Court's commitment to ensuring that law enforcement agencies adhere to due process

n recent rulings, the Supreme Court (SC) of India has strongly emphasised the importance of personal liberty in the face of stringent laws such as the Prevention of Money Laundering Act (PMLA) and the Unlawful Activities (Prevention) Act, or UAPA, marking a significant shift in how these laws, designed to combat financial crimes and terrorism, are addressed, Illustrating the apex court's commitment to balancing the scales between law enforcement and individual freedoms. these judgments, delivered within a week in May, underscored the necessity of due process and protection of fundamental rights amid serious concerns of fairness and exercise of arresting powers.

In a pivotal ruling on May 16, the top court curtailed the Enforcement Directorate's (ED) authority to arrest individuals after a special court takes cognisance of a charge sheet filed under PMLA. Justices AS Oka and Uiial Bhuvan declared that once the court is seized of the matter. ED cannot arrest the accused named in the complaint. The court directed that special courts should issue a summons, rather than a warrant, to accused individuals who were not arrested during the investigation. This prevents arbitrary detentions and ensures that those appearing in court are not forced into the stringent bail process under Section 45 of PMLA. Section 45 stipulates that the public prosecutor must be given an opportunity to oppose the bail application of the accused. Furthermore, it requires the trial court to be convinced that there are reasonable grounds to believe the accused is not guilty and is not likely to commit any offence while on bail. These conditions

generally make it challenging for an accused in a money laundering case to secure bail. The court further held that if ED seeks custody of an accused who appears after being summoned, it must apply to the trial court concerned. By restricting ED's post-cognisance arrest powers, the judgment aimed to address possible abuses wherein an accused person who complied with a court summons might be taken into custody and made to go

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PMLA bail process. Similarly, a judicial order on May 17 by the SC stressed the necessity of predicate offences before ED walks in and makes arrests. It underscored that PMLA offences are "parasitic" and require the existence of predicate offences, Justices Surva Kant and KV Viswanathan asserted that without a predicate offence, PMLA charges cannot stand independently. The court emphasised the need for a strong legal

through the cumbersome and rigorous

basis in financial crime investigations by stating that even though one or more accused may not be named in the predicate offence, ED must thoroughly establish the underlying predicate offences before pursuing money laundering charges in a case. This view reinforced the need for a

robust legal foundation in financial crime investigations, taking forward the rationale of a November 2023 ruling by the SC in the Pavana Dibbur case. The 2023 decision held that criminal conspiracy, punishable under Section 120B of the Indian Penal Code, cannot be the only offence for the

opening of a money laundering probe, and that the conspiracy must relate to a crime enlisted as a scheduled offence under PMLA. The recent decision aligns with the principle that PMLA depends on the commission of a scheduled offence, without which ED's case lacks legal standing

Another important SC decision on May 15, quashing the arrest of News-Click's founder, Prabir Purkayastha, highlighted the importance of procedural fairness and the right to be informed of the grounds of arrest under UAPA. Justices BR Gavai and Sandeep Mehta criticised the Delhi Police for procedural lapses, highlighting the constitutional mandate under Article 22(1) that requires the grounds of arrest to be communicated in

The judgment rendered a scathing critique of the way Purkayastha was arrested in October 2023 on charges of



UAPA rulings signal the SC's commitment to protecting liberty

receiving foreign funds through Chinese firms with the alleged intent to compromise India's stability and integrity and was subsequently remanded to police custody under UAPA. It noted that his arrest and remand were carried out in a "clandestine manner". "It was nothing but a blatant attempt to circumvent the due process of law; to confine the accused to police custody without informing him of the grounds on which he has been arrested; deprive the accused of the opportunity to avail the services of the legal practitioner of his choice so as to oppose the prayer for police custody remand, seek bail and also to mislead the court," said the court, maintaining that there can be no exception to constitutional rights, especially when personal liberty is at stake.

Significantly, this judgment also declared that both PMLA and UAPA require that the grounds of arrest be communicated to the accused in writing, stating that this requirement is rooted in Article 22(1) of the Constitution, which protects people's right to know why they are being detained. The declaration was made in response to the Delhi Police's argument that UAPA cases are not covered by the SC's October 3, 2023, ruling in the Pankaj Bansal case, which required ED to provide the accused with documented grounds for arrest. The court emphasised that the requirement of communicating arrest

grounds is a critical constitutional safe guard and must be uniformly applied to ensure transparency and fairness.

This judgment reaffirms the neces sity for transparency and fairness in arrest procedures, particularly under stringent laws like UAPA and PMLA. which grant extensive powers to law enforcement agencies, often raising questions about the balance between national security, financial integrity, and individual rights.

These rulings collectively signal the SC's commitment to protecting personal liberty and ensuring that law enforcement agencies adhere to due process and fairness. By limiting ED's powers post-cognisance, underlining the need for predicate offences and mandating procedural fairness in arrests, the court has set a precedent for upholding constitutional rights even in the context of serious financia crimes and terror charges. These deci sions reinforce the rule of law and ensure that agencies like ED operate within legal boundaries, respecting individual freedoms. This approach protects the people's rights and simultaneously enhances the credibility and accountability of law enforcement agencies that serve critical functions in combating terrorism and financia

The views expressed are personal

{ SIMPLY ECONOMICS }

Pramit Bhattacharya



Three governance tasks that confront new govt

he Lok Sabha elections verdict suggests that the Bharatiya Janata Party's (BJP) governance model requires an upgrade. The new government faces three critical challenges — socioeconomic inequality, unemployment, and federal fault lines. How it addresses them will determine whether the BJP wins back its mojo or cedes

Over the past four decades, rapid economic growth has lifted millions from poverty, and improved living conditions across the country. But as this column has pointed out earlier. the extent of improvement has varied sharply across regions and social groups ('Inequality debate must centre around evidence'. May 20). The first step to address this issue is to collect credible and granular data on socioeconomic inequalities

The BJP has been opposed to the Opposition's demand for a caste census so far. It needs to reconsider its stance. The BJP's opposition stems from three main concerns. First, it fears that any such exercise will antagonise its core upper-caste voter base. Second, it fears that counting castes will end un legitimising the caste divide in the country. Third, it fears that a caste census will be difficult to administer in a diverse country with changing caste profiles and fluid *jati* (subcaste) boundaries

The first two concerns are overdone. Caste will retain salience in modern India regardless of whether the government collects caste data or not. Just listen to any campaign speech — or browse through the matrimonial sections of any newspaper — and you will find numerous references to castes and sub-castes. The absence of caste data can sometimes deepen caste conflicts. Consider Maharashtra. where the lack of credible data on caste-wise deprivation levels has added fuel to the Maratha-OBC divide. The results of a recent You-Gov-Mint-CPR survey suggest that even affluent urban youth are not averse to the Opposition's demand for a caste census. BJP

supporters also view this demand favourably. The third concern is not entirely baseless. One way to address this issue is to follow the 2011 template when the socioeconomic caste census (SECC) followed the main census. This would ensure that the main census (which has already seen an extraordinary delay) can take off soon, and give officials some time to prepare a well-designed SECC. The last SECC failed to provide *jati*-wise details because of

the lack of adequate preparatory work. It is worth noting that despite its limitations, SECC was a vast improvement over the old below-poverty-line (BPL) lists used to

CASTE WILL RETAIN SALIENCE IN MODERN INDIA REGARDLESS OF WHETHER GOVERNMENT COLLECTS CASTE DATA OR NOT. ABSENCE OF CASTE DATA CAN SOMETIMES DEEPEN CASTE CONFLICTS identify welfare beneficiaries. The BJP government's ability to deliver on welfare over the past decade owes a lot to this database. But this database is outdated now and is in urgent need of an upgrade. The government could also take inspiration

from the 1961 Census, when the census office conducted field studies to study caste patthe census office conducted non-statutory surveys of villages and weddings to collect caste details. Detailed case studies and representative state-wise surveys of caste groups could uncover facets of the caste system that a short nationwide census questionnaire may fail to decipher (see 'We need well-designed and nationally accepted tools to measure social inequality', Mint. November 21, 2023).

The second challenge is creating new jobs. India's most competitive businesses are in services and capital-intensive manufacturing, which employ very few people. When it comes to labour-intensive manufacturing such as garments and leather, India fares poorly. Poor job growth has hurt consumption demand in recent years. It also places an undue strain on the farm sector, which tends to absorb most of the unemployed and underemployed in the

"The last decade has been spent repairing the supply side — from the banking system to infrastructure, to housing and bankruptcy, economist Sajjid Chinoy wrote in an article recently. "Now the focus must turn to structurally boosting demand through employment, consumption and exports.

The third big challenge for the new dispensation would be to improve coordination with state governments. While the BJP rode to power in 2014 promising cooperative federal ism, it has had frequent run-ins with state governments on a host of issues: from delayed GST dues to adventurist state governors. With major allies from Bihar and Andhra Pradesh demanding special grants for their states, the Union government now faces a new challenge. It must placate its allies without upsetting its voter base in other states.

One way to address federal tensions would be to revitalise the Inter-State Council (ISC). It was established as a constitutional mechanism for federal coordination. But the BJP has preferred to rely on the NITI Aayog. The Aayog is neither a constitutional body nor does it enjoy trust in state capitals

If the BJP is serious about cooperative federalism, it should refer legislation pertaining to subjects in the concurrent list to the ISC, as recommended by the 2010 Punchhi Commission report. The ISC can set up working groups of state officials to thrash out conten tious issues if needed. On a wide range of issues — from migration to environmental degradation — an empowered ISC could help bring about inter-state coordination.

Since most regulations affecting businesses including land and labour laws — are under the purview of states, the ISC could play a pivotal role in shaping the next generation of economic reforms.

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EMMANUEL MACRON } FRENCH PRESIDENT

We want a lasting peace that respects Ukrainian sovereignty. Until this much-needed peace for the world is achieved, we will continue to work to help Ukraine resist

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China in horizon, G7 eyes the Global South

he grand convergence at the Apulia G7 Summit in Italy between the western democracies and the Global South was facilitated by the G7's sensitivity to the systemic risks it faces from the Bussia-China dvad. Once seen as the sole shepherd to the global economy, the G7 nations along with the European Union (EU) gathered under the Italian presidency for the group's 50th Summit with an agenda to deepen inter-group coordination against Russia as well as enhance their collective outreach to Africa, where China is seen as a dominant investor through its Belt and Road Initiative. Guided by the G7's own stratagem, the Summit's outreach session saw an invitee list dominated by the Global South with leadership presence from Brazil, Argentina, the UAE, Turkey, Jordan, Algeria, Kenya, Tunisia, Mauritania and India.

India's presence at Apulia affirmed the nation's increasing heft within the broader G-summitry. The G7's focus on Africa follows the inclusion of the African Union (AU) in the G20 as a permanent member at the Delhi Summit. Africa taking the centre-stage at the Indian G20 in $\overline{2023}$ and then at the very next G7 Summit concluded recently, signals two dynamics at play.

There is a unified global consciousness that there is no progress without Africa, an integral part of the Global South. Second, this G7 confirmed that the voice raised by India for the Global South, during its G20 presidency last year by facilitating the inclusion of the AU, is instrumental in steering the global multilateral agenda and is bulkier than mere rhetoric.

However, the focus on Africa is also derivative from the fact that Africa remains central to curbing the climate crisis and economically driven migration into Europe, as well as a crucial avenue for Europe to address its own energy insecurities that have a root in the Russia-Ukraine war. Founded on this logic, G7 launched the Energy for Growth in Africa initiative to invest in sustainable industrial and infrastructural development in African countries. To tackle the issue of migration, the group launched the G7 coalition to prevent and counter the smuggling of migrants. G7 also declared that its flagship infrastructure financing initiative, Partnership for Global Infrastructure and Investment (PGII), will particularly focus on G7's outreach to Africa by facilitating investments in energy and climate-friendly infrastructure. PGII is touted as a western competitor to China's BRI. The G7 communiqué also targeted Russia by

highlighting that "sustainable development and democracy are mutually reinforcing" but the Kremlin-backed Wagner Group and other emerging Russia-backed forces are having a destabilising impact on building democracy in

The final communiqué released by the G7 leaders was broadly condemnatory towards China, be it on the issue of Chinese support to Russia by transfer of dual-use materials that become inputs for Russia's defence sector or on China's recent encirclement of Taiwan.

The Summit also saw the group launch a Semiconductors G7 Point of Contact Group which is linked to the fears of a Taiwan contingency-induced disruption of the supply chain in the semiconductor trade. G7 showed no reservation in mentioning Chinese human rights violations in Tibet and in Xinjiang, and also

opposed "China's dangerous use of coast guard and maritime militia in the South China Sea". Accordingly consistent invites to India from a G which remains locked in a strained relationship with China suggests that the western democracies find India as an interoperable partner in the Indo-Pacific. Moreover, Prime Minister Modi's bilateral meetings with France, Italy, Japan and the UK at Apulia were also an apparent signal

to China.

Angad Singh Brar

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The Summit also projected a unified West against the Russian aggression in Ukraine as the G7 launched the Extraordinary Revenue Accelera tion (ERA) loans whereby Ukraine will be provided with \$50 billion by the end of 2024 to finance its military budget and reconstruction needs

This loan is to be serviced by interest revenues generated from Russian sovereign assets seized by the European Union and other G7 partners. Though the exact response from the Kremlin will be visible in the upcoming days, a Russian Yasen class nuclear submarine was seen trail ing along the west coast of Ireland to Scotland the very next day of the G7 summit, seen as

apparent signalling directed towards Europe. While the G7 will remain crucial for the global governance architecture at large, the policy implications of a change in administration at Washington will raise valid concerns on the continuity of policies that came out at

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OUR VIEW



Auto sector investment: A private capex revival?

Large investments lined up by car manufacturers suggest a revival is underway in capital spending by India Inc, although policy reforms still need to join forces with a demand boom

yundai Motor India's upcoming initial public offering (IPO) stands out for more reasons than one. Not only is it slated to be the biggest IPO held in India, with this fund-raiser likely to target ₹25,000 crore and top Life Insurance Corporation of India's ₹21,000 crore, it also speaks of upbeat corporate sentiment that may herald a long-awaited revival in private investment. India's second-largest carmaker has plans to spend ₹32,000 crore over the next 10 years partly on General Motors' Talegaon facility that it acquired, but the bulk of it on its turn towards electric vehicles (EVs), which includes a plan to develop networks for EV charging and component supplies. Hyundai, though, is not the only one. Other manufacturers have also lined up large investments to roll out more vehicles, with a shifting mix of fuel-tanks and batteries to run them as we push for cleaner streets. Tata Motors, for example, plans to spend ₹18,000 crore on its EV thrust by 2029-30, Mahindra and Mahindra upwards of ₹20,000 crore by 2026-27, mostly on EVs, and market leader Maruti Suzuki ₹1.25 trillion by 2030-31 on a mix of technology platforms. While India's transition to clean energy calls for ploughing in fresh capital, these spending plans reflect broader optimism over demand as well. Much money will go into capacity addition. And given that the auto sector accounts for a substantial chunk of India's factory output, it will lift corporate spending overall and could set off ripples of capital expenditure across other sectors too.

Improved business prospects are reflected in the optimism of India Inc. Sanjiv Puri, president of the Confederation of Indian Industry (CII) and chief of ITC Ltd, has observed that private

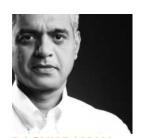
investments are taking off and household consumption in India has not only crossed its prepandemic level, but is steadily growing, unlike in many other countries. And with global trade expected to do better in 2024-25, industrial growth prospects look bright. Private investment in fixed assets such as plant and machinery in nominal terms stood at 23.8% of GDP in 2022-23, up more than 3 percentage points from 2020-21. Money has been invested in various sectors, such as infra-driven cement and steel, apart from fields like electronics, food processing and renewable energy, thanks largely to government incentives. But gross fixed capital formation in the private sector is still below its 27% level of 2011-12. Clearly, it need to rise further. With capacity utilization running at some 75%, a wide swathe of businesses may be ready to invest in new assembly lines, etc. No doubt, demand has been patchy in many product markets, with rural India lagging. Yet, with household incomes on an uptrend, old supply capacities cannot suffice for long.

All through this decade, the heavy lifting of investment to drive the economy forth has been done by the government, which ramped up public capex to put money in the hands of people in the hope of crowding in private investment along the way. With a fiscal pullback now a budget imperative, the Centre needs the private sector to play investor-inchief. A revival in demand, while necessary, may not be all that the economy needs, though. That companies have been reluctant to re-invest much of their recent surge in profits after a sharp cut in corporate tax suggests another kind of confidence gap. Perhaps a renewed focus on factor-market reforms could plug this shortfall and accelerate private capital formation.

MY VIEW | TIGHTROPE WALK

Our national principles need the support of prudent narratives

Contradictory messages on the ideals we're committed to uphold as a nation can prove dangerous



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'Everyman's War'

hree events seized our nation's attention this June. The first was election results whose reverberations ranged from resetting our political and social discourse to massive losses in bourses. More than 640 million Indians voted, cutting across social, educational and financial strata.

The second event was yet another terror attack in Kashmir that left dozens killed and injured. Predictably perfunctory chastisement of terror groups and Pakistan followed. Security forces enhanced operations to hunt for the perpetrators, which means locals are subject to more restrictions, roadblocks, cordon-and-search operations and other associated trauma. (Such heavy-handed treatment in the aftermath of any terror attack is a strategic objective of terrorists aiming to widen the rift between the local population and security forces who are usually from outside the state.) While this attack was less lethal compared to Pulwama in 2019, it barely captured a fraction of our national mind-share. Of course, even without elections, terror attacks in Kashmir are routine and (with the exception of Pulwama) rarely grasp national attention beyond a day or two.

Not just Kashmir, but other nationalsecurity issues like in Manipur, the China standoff, Naxal violence, narcowar in several states or rising crime, especially against women, rarely hold our attention for long. This is also true of looming national crises like inadequate healthcare, severe malnutrition, youth unemployment, corrosive pollution, deforestation, devastating climate change events, water and energy deficiencies, increasing organized crime, polarization of society and alarmingly unequal wealth distribution. None of these seems to galvanize a national consensus towards solving the problem.

But it was the third event, or rather the narrative it played out, that may have been the most foreboding for us as a nation. On 9 June was held a match that was like the final of a T20 World Cup. Nearly 400 million people reportedly watched this India-Pakistan cricket clash. Again, a broad cross-section of the country. But what exactly was the narrative at play?

For decades, the India-Pakistan feud has spawned resources for a wide range of interests, from those of defence suppliers and politicians to those of smugglers, human traffickers and, yes, commercial beneficiaries of cricket. This strange 'convenient war' has also been stifling economic growth in both India and Pakistan, causing tens of thousands of deaths and injuries, and sentencing entire generations of citizens to lives of anxiety. Yet, this underlying feud was likely the main draw for half a billion viewers who invested nearly five hours of their lives watching a corporate funded show conducted in the US between two supposed arch-enemies, one of which had just killed and wounded nearly 40 innocent citizens of the other that very day! The irony of millions of Indians cheering and waving posters of a "cricket army" (yes, these were posters being displayed even by officials), while thousands of innocent citizens and soldiers have been slaugh tered over decades by the same neighbour conveys contradictory narratives to different sections of the population.

Here is another example. The entire telecast was incessantly interspersed

with advertisements for offerings ranging from financial services to automobiles, white goods, aerated beverages, chocolates, sugary processed foods and even some 'mouth fresheners' whose makers also sell tobacco.

Here is how this well watched event created dissonance. Firstly, it was a high decibel endorsement of sugar-rich processed foods consumption by role models (who probably don't touch a morsel of less-than-healthy eats otherwise). True, this is capitalism at its freest, but as a nation that leads the world in diabetes, we might want to remember that it is the nation as a whole whose health suffers for the profits of a few business conglomerates. The extravaganza also encourages surrogate publicity of tobacco in India, which is the world's second biggest consumer of a crop that results in an estimated 1% loss of GDP to illnesses caused by it. Of all the products and services advertised, 'mouth fresheners' and aerated drinks seemed the most affordable to about four-fifths of Indians. It did not matter that expensive products were also advertised that were probably well beyond the reach of most viewers of the India-Pakistan game.

Nations set their national narratives on certain first principles. Regardless of the governance model, be it democracy or dictatorship or anything in between, it is the credibility of these foundational narratives, backed by lived experiences and their alignment on the ground, that creates legitimacy for a small privileged group of powerful 'haves' to govern the vast majority of underprivileged 'havenots.' When the bravery of wealthy cricketers subsumes our thoughts for fallen soldiers, short-term corporate profiteering is professed over long-term national prudence, catastrophic issues are routinely glazed over by gladiatorial distractions, and when the opulence of a few is on tantalizing display for those who can only dream of such lifestyles, the narratives backing those principles will fracture, and with it, any legitimacy they purport to provide.

10 PCARS AGO



JUST A THOUGHT

Without investment there will not be growth, and without growth there will not be employment.

MUHTAR KENT

MY VIEW | MUSING MACRO

Let's reinforce strengths on the external economic front

AJIT RANADE



is a Pune-based economis

rade openness is measured as the ratio of trade to GDP. India's is close to 50%, as per World Bank data. It used to be 7% in 1970, about 15% in 1980 and 1990, and jumped to 26% in 2000 and 49% in 2010. This decadal upward shift shows India's embrace of globalization, especially after 1991. It shows a decisive turn-away from the earlier export pessimism and trade scepticism, and India's acceptance of trade as an enabler of economic growth. For a few years around 2010, the ratio inched up to 55%, before dropping, but has shown a steady rise in recent years. On this measure, India is ahead of China and the US, although one must not jump to any conclusion. The question of what an optimal ratio is and whether higher trade openness is always better is complex. For small economies extremely dependent on foreign trade flows, the ratio can exceed 100%. While India's trade-to-GDP ratio is higher than Indonesia's, Bangladesh's and Sri Lanka's, it is below Thailand's 133% and Singapore's 184%. The latter two's high dependence on foreign trade also implies high vulnerability to global business cycles and recessionary winds. An optimal ratio for any country depends on its stage of development, the structural features of its economy, its resilience and stability, geopolitical considerations and increasingly its desire for strategic autonomy. With India's large size, its optimal ratio cannot be too far from 40-50%, which represents a good combination of domestic orientation and harnessing of global markets.

Free trade is not just flows of goods and services, but is accompanied by flows of investment, know-how, management and skills. It undoubtedly enhances efficiency, but it can also be negative for certain noncompetitive sectors and can wipe out jobs. It could also result in the 'Dutch Disease, wherein the super success of one export sector strengthens the exchange rate and makes all other sectors uncompetitive. It can lead to worsening of income inequality as workers in one sector benefit more than others from globalization. The risk is higher if base conditions of education, infrastructure and innovation are not met, and there is premature exposure to harsh and possibly unfair foreign competition. Diversification of export sectors and destinations is thus vitally important for overall benefits. Also, a programme to compensate the losers of globalization (through skilling support etc).

Traditionally, India has preferred global multilateral arrangements such as the World Trade Organization (WTO) over bilateral or regional trade agreements. But

India should

focus its trade

pacts on job

creation and

prepare to grab

service export

opportunities

the WTO is in a bad shape, even though it is trying to reinvent itself for relevance. The US, especially under President Donald Trump, has been party to undermining the WTO's effectiveness. Its key dispute-resolution mechanism was left headless for far too long. The US has also tried to move the multilateral paradigm to plurilateral, with decisions to be taken by majority rather than consensus. Given the

than consensus. Given the WTO's perceived weaknesses, India has been signing bilateral and regional deals in the past two decades. New Delhi has signed 14 agreements with 26 countries in various formats. This has led to an overlap of multiple relationships with the same partners. For example, India has a bilateral with Thailand,

but also a relationship based on India's ASEAN free trade agreement (FTA). Similarly, India's Comprehensive Economic Cooperation Agreement with Singapore coexists with the ASEAN FTA. While these overlaps can create a jumbled spaghetti, such issues can be resolved. India does not

have any FTA with China and the US, two of its biggest trade partners, but is pursuing pacts with Australia, the UK and EU.

As we sign more treaties, here is a checklist. A trade agreement is no longer only about reducing tariffs and enhancing market access. It is also about harmonizing regulatory and policy standards, especially environmental and labour. We may need to sacrifice some policy autonomy to

get a good deal signed. This also means assuring foreign investors of investment protection. Second, the treaties must be measured only by the metric of job creation and not export dollar earnings. For this reason, India is now much more willing to join global value chains, even if the value addi-

tion within the country is a small fraction. This focus is about jobs of the future, and not necessarily about protecting current jobs. Third, we should be ready to discuss tricky issues like government procurement, data sovereignty, decarbonization and labour standards. These can no longer be called non-trade issues, and hence our preparation for negotiations needs to be much stronger. We need new capabilities built for this.

India is that rare Asian country which runs a consistent trade deficit and has still received almost \$1 trillion as foreign investment since 2000. India's foreign exchange reserves of \$650 billion did not accumulate on the back of a trade surplus, but the confidence of foreigners pouring in investments.

The growth of our service exports is nothing short of spectacular, having grown from \$53 billion to \$338 billion in two decades at twice the global rate. These have moved from just offshoring or 'body shopping' to occupying a much higher place in the value chain in the form of global capability centres (GCCs) in India. Soon, there will be 3,000 such GCC's located in India. In such a scenario, our service exports could touch \$1 trillion in less than a decade, so long as we strengthen the creation of domestic human capital, skills and infrastructure.



India requires a new tech-driven playbook for Viksit Bharat goals

R&D investment, talent development and technology deployment at scale could pave India's way to developed-country status



is president of Nasscom

ndia has been on a remarkable trajectory of economic and technological growth. With a young and vibrant population, a robust tech ecosystem driving innovation and a rapidly evolving digital landscape, India has become a formidable force in the burgeoning digital

economy. Over the past decade, India's total stock market capitalization has surged from \$1.9 trillion to \$5 trillion, and the country has positioned itself as an inevitable partner for global businesses and governments seeking resilient supply chains in an era of geopolitical changes and volatility.

However, achieving the ambitious vision of transforming India into a \$40 trillion economy by 2047 requires a new playbook. Sustaining an 8% annual growth rate is essential to becoming a developed nation—a challenging but attainable goal that requires meticulous planning, appropriate investments, effective risk mitigation and a clear strategy on growth acceleration driven by technology. Further, rapid advancements in frontier tech like artificial intelligence (AI) present India with an unprecedented opportunity to unlock its potential for accelerated growth.

The stage is set for India to reimagine its ambitions and globally become the gold standard for leveraging technology to achieve economic development. Here are three critical priorities to realize

Significant investment in research and development (R&D) as well as intellectual property (IP): India's global reputation in technology services is well established, yet the country struggles with perceptions of inadequate investment in R&D and IP. To shift towards an innovation-driven business model, India needs to allocate 3-4% of its gross domestic product (GDP) to R&D, aligning with developed economies. This is crucial to becoming a global leader in science and technology.

Increased R&D investment drives higher inno vation and IP generation, attracting global investments at the higher end of the value chain and building the narrative of a developed India. As the new government takes charge in New Delhi, prioritizing R&D and IP should be integral to its Viksit Bharat strategy. While boosting government $investment\ is\ vital,\ the\ private\ sector's\ inadequate$ investment poses a significant challenge.

The government can draw from the best practices worldwide, implementing incentive schemes for IPs aligned with national priorities and the Make in India initiative. Tax breaks and grants for companies investing in R&D, streamlined patent application processes and public-private partnerships in high-tech sectors can stimulate private sector involvement. Establishing sector-specific innovation hubs and clusters can provide startups and researchers with resources and mentorship to develop cutting-edge technologies. Also, developing shared R&D infrastructure in key sectors will



VIEWS

enable India to compete with countries like China. Integrating IP education into the curriculum at various levels can cultivate an innovation-oriented mindset from a young age. Collaborating with educational institutions to promote research activities and IP awareness will ensure that the future workforce is well-equipped to contribute to India's innovation landscape.

Lastly, India must reimagine how it measures innovation and R&D. Traditional metrics often reflect an era of physical R&D, while true innovation increasingly occurs in digital services and platforms. As a digital economy, India needs to ensure it measures innovation accurately. By creating a robust ecosystem that supports and rewards innovation and a relevant innovation measurement framework, India can strengthen its global competitive advantage, achieve sustainable economic growth and attain technological self-

Transforming from the largest talent pool to a hub for world-class talent: India's talent pool is one of its greatest assets, but to fully leverage it, a shift in focus from quantity to quality is essential. The government, industry and academia must collaborate to enhance the quality of education and training, ensuring that Indian talent is second to none. In this rapidly evolving world, the true differentiator lies in how effectively our human skills complement our work with machines. Mastery of fundamental principles across fields such as science, mathematics, medicine, psychology and law is essential for crafting innovative, globally competitive solutions. To thrive in such an environment, we must transform our educational approaches, reimagining not only what our children and youth learn, but also how they learn it, fundamentally reshaping the way teachers educate.

Moreover, India is well-positioned to lead in developing global standards for digital talent in

the AI age. Once these standards are established, a unified effort across government, industry and academia is needed to adhere to them. This will require tremendous collaboration and a strong commitment to a shared vision. In a country that developed its own vaccines and immunized over a billion people within a couple of years, achieving this transformation is clearly possible.

Last but not the least, India must demonstrate to the world that the true magic lies not in the technology itself, but in the people who build revolutionary technologies and solve the world's biggest challenges.

India could serve as the world's gold standard for technology deployment at scale: This 'techade' must be about scale. As many countries face an economic slowdown and decline in productivity, large-scale adoption of emerging technologies is essential for fostering economic resilience and growth. It's time to move from theoretical concepts and proofs-of-concept to tangible impact creation with urgency.

India has the potential to become the gold standard for technology deployment at scale, impacting the entire population. This involves leveraging emerging technologies to create large-scale economic and social benefits, driving productivity and efficiency across sectors. The government and private sector must collaborate to implement these technologies effectively, ensuring that their benefits reach all segments of society.

In conclusion, India stands at a pivotal moment in its economic journey. By focusing on R&D investment, transforming its talent pool into a hub for world-class talent and becoming a model for large-scale technology deployment, India can achieve the goal of becoming a \$40 trillion economy by 2047. A Viksit Bharat is within reach, provided there is a strategic and concerted effort across all sectors of society.

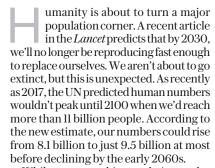
MINT CURATOR

Population shrinkage is not a problem but hungry kids are

A new study expects the human headcount to peak at 9.5 billion



is a Bloomberg Opinion columnist covering



While a catastrophic population explosion once seemed inevitable, women's increasing levels of education and reproductive freedom have staved off some of the worst predictions of the 20th century. That's something to celebrate: We're not about to run out of food, as was predicted in the 1968 book, The Population Bomb.

But the relative number of older people will skyrocket, causing anxiety among some economists and political leaders who want more people to have more kids. On the other side, some environmentalists argue for pushing population to drop faster to slow global warming and loss of habitat for other species (and us). At the core of the debate are big unanswered questions: Is 9.5 billion too many? Will the population subsequently fall to a number that's too low? Is there a right number of humans?

Maybe instead of focusing on the number of children people are having, policymakers should focus on the fact that too many children worldwide aren't getting adequate nutrition, education or medical care. Even now, though humans grow enough food to feed everyone, roughly one person in 10 is chronically undernourished —i.e., hungry all the time—and more than one chila in five is stuntea (too short) because of chronic hunger and infections.

As demographer and mathematician Joel Cohen explains, the "right number of people" question depends on yet more questions, among them: What would be the accepted standard of material wealth? How much inequality is okay? Would it be okay to build cities in areas prone to catastrophic flooding and earthquakes? Do people prefer parking lots or parks?

Cohen calls the Lancet estimate credible. "This is really the most serious piece of work in the business about what has happened and what to expect," he said. "There are lots of connections to climate, religion, economics, politics-but the fact is that fertility has been going down and is likely to continue to go down." Fertility is usually measured by looking at the number of children born each year to women of each age,



Policies should aim to maximize human reproductive liberty

from 15 to 55. But the Lancet model follows cohorts of women born each year—thus counting the babies born to women who turned 15 in 1950, then 16 in 1950, and so on -up until the time they turn 50. "Cohort fertility is a much better summary of the real experience of real women," Cohen said. The new projection also factored in the estimated effects on education and access to contraception, both of which have a big effect on reducing fertility.

Attempts by governments to encourage parenthood with economic incentives or abortion restrictions are failing, Cohen said. He pointed to a paper in the Journal of the American Medical Association showing that in the US, rates of voluntary sterilization rose after the Supreme Court's Dobbs decision revoked national abortion rights. Though cause and effect aren't proven, he said it's possible that restrictive abortion laws are "pushing people out of reproduction... which I don't think is the intended effect." It's impossible to know all the unintended consequences of trying to engineer population growth, or shrinkage, but there's no downside to taking better care of the children we already have.

The focus of future policy should be to help people have the number of kids they want, when they want, with whom they want. In her book Sex and the Planet, University of Utah bioethicist Margaret Pabst Battin starts with a thought experiment: What would happen if everyone had access to reliable, safe, free, foolproof long-term contraception, so that getting pregnant would only happen if a woman or couple opted in? Right now, 45% of pregnancies worldwide (and a higher proportion in the US) are unplanned, and some of those lead to the 73 million abortions that take place every year. With reliable long-term birth control, the rates of abortion would plummet, as would the rates of teen pregnancy. Birth rates in many regions would go down. People would not need to resort to permanent sterilization.

Gloom and doom sells, of course, which is why population trends always tend to be framed as impending disasters—whether they are baby booms or busts. If we can't agree whether we're facing too many or too few people, perhaps it's a good time to help people have the number of children they think is right for them.

MY VIEW | A VISIBLE HAND

Coalitions: A churn of political oceans has gained pace

NARAYAN RAMACHANDRAN



is chairman, InKlude Labs. Read www.livemint.com/ avisiblehand

he year 2024 is notable for the large number of elections being held-in well over 60 countries, representing nearly half of the world's population. Of course, there are myriad systems and we are only halfway through the year, but as a generalization, it is turning out to be a year of strong majorities for presidential forms of government and coalitions for parliamentary democracies. Indonesia and Mexico returned strong majorities for their presidential winners, with Mexico electing its first ever woman to its top office. This happens because presidential systems tend to have tie-breakers, such as a run-off election or legislative vote. Even so, the underlying legislatures in many presidential systems are now very mixed and 'coalition like,' such as those in the US and South Korea. Parliamentary elections in India, South Africa and Pakistan, and for the European Parliament and South Korean legislature, have resulted in surprisingly mixed results, with multi-party coalitions being the only

political way forward in these places. The word 'coalition' traces its etymologi-

cal root to the Latin word 'coalitus,' which means to grow together. It was first used in the political context in the 18th century and has come to mean a coming together of political formations with different backgrounds because they share the same goal.

A coalition government may also be created in times of national crisis, often bringing together rival parties to combat an internal or external threat. These coalitions are called 'grand coalitions' or 'national unity' governments. Israel has had a history of such governance; for instance, during the Six-Day War in 1967, during the covid pandemic in 2020 and most recently after the Hamas attacks of October 2023. There has been no unity government in the US since Abraham Lincoln invited Democrat Andrew Johnson to share power during the US Civil War period in 1864. The UK also has not had a unity government since World War II and the Great Depression. India has never had a unity government since Independence in 1947. South Africa formed its first so-called unity government last week, when the African National Congress aligned with a Caucasian-dominated party, the Democratic Alliance. Only time will tell if this seismic shift in political affiliations will endure.

The idea of coalitions has been well studied in Game Theory under the general title of 'Multi-Agent Games.' The Nash equilibrium, named after Nobel laureate John

The process is

throwing up

new coalitions

but its ultimate

winners are

hard to identify

The Beautiful Mind, is a strategy profile in which no player can improve his payoff by deviating from his prevailing strategy if no other player deviates. Coalitions inherently have a cooperate-or-compete across the world aspect to their very formation. This tension between cooperating and competing and the incentives for either embedded in the partnership agreements define how 'efficient' the formation is. Economists

use the term 'Pareto optimal' to describe effective formulations. To most lay observers, the behaviour of politicians can appear whimsical, capricious and not subject to rational study. However, the rigorous study of coalitions give us outcome scenarios that fit most situations.

It is too early to tell whether the worldwide disenchantment with politics and politicians that gave rise to populist-nationalists (pop-nats), starting about 15 years ago, is reaching its own stage of exhaustion. But recent manifestations of it have meant a Nash, who was immortalized in the movie | yo-yoing of power between opposite sides

in presidential elections (witness Brazil and the US) and more frequent mixed legislatures in parliamentary systems (such as in the European Parliament, India and Pakistan).

Even in Türkiye, where pop-nat poster-child Recep Erdogan returned to power in 2023, the parliamentary seats of his AK party have dipped well below the majority mark for the first time since he first achieved power two

decades ago. In Europe, which has had a long history of coalition politics, the rise of the far right in European parliamentary elections (and to power in Italy earlier) is suggestive of political 'multi-polarity.' Currently, an attempt to attain the centreground is being made by a barbell between parties that pander to a minority and rivals that pamper the majority. The definitions of majorities and minorities vary in each country and context, but confusion reigns over how to drop those extremes.

Large heterogenous democratic countries are best run from the centre. Centrism was in political vogue in countries like the US. UK and India in the 1990s and early 2000s. Beginning about 20 years ago, this centrism has given way to a political churn of the oceans, with political stand-offs on issues of immigration, identity, globalization and alignments.

The recent resurgence of coalitions seems to stem from another big political churn, with no clear winners along different political vectors. The political formations that will arise from the latest churn are still unclear. What's clear is that there is widespread disenchantment with distributive economics and 'wokism' on one side and identitarian authoritarianism on the other. Most democracies are attempting to sort this out.

P.S: "Devas (Gods) and Asuras (demons) churned the primeval ocean at the beginning of time to obtain Amrita, the nectar of immortality," according to the Samudra Manthan story of the Vishnu Purana.

WORDLY WISE

DON'T LIMIT A CHILD TO YOUR OWN LEARNING, FOR HE WAS BORN IN ANOTHER TIME.

— RABINDRANATH TAGORE

The Indian EXPRESS

∽ FOUNDED BY ∽ RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

LESS TAXING

As government looks at cutting rates to boost demand, there is need for a comprehensive review of tax systems

N A FEW weeks from now, Finance Minister Niramala Sitharaman will unveil the Union budget for 2024-25. The budget, the first of the newly sworn in government, will be presented against the backdrop of a continuing slump in household consumption and subdued private sector investments. In what could be an acknowledgement of the extent of this demand slump and the need for policy intervention, officials in the government are reportedly exploring the possibility of rationalising the tax structure, tinkering specifically with the tax rates for lower income segments. There is an expectation that such a proposal would help boost household consumption, thereby pushing private capex in consumer focused sectors, providing a fillip to economic activity. But, alongside such measures, there is also a need for a more comprehensive review of the tax systems in the country.

Examining the existing capital gains tax regime would be one such imperative. Considering that currently the tax rates and the holding periods vary across asset classes, bringing about some alignment could be explored. Then there is the issue of GST rate rationalisation which, unlike changes in particular income tax slabs, affects a wider segment of the population. In its 45th meeting, the GST Council had decided to form a Group of Ministers to look into this issue. One possible option could be to merge some tax slabs. There is also the matter of bringing items such as petroleum products within the ambit of GST. However, any movement on these would require getting the state governments on board. The central government must negotiate with states, ease their anxieties, and push through the necessary measures — the next meeting of the GST Council is scheduled for June 22, only a few weeks before the presentation of the Union budget.

Over the years, the government has taken various steps to increase the tax base, reduce the tax burden, and ease compliance. On the direct tax side, the number of taxpayers (individuals, companies etc) has gone up from 5.26 crore in assessment year 2013-14 to 9.37 crore in assessment year 2022-23, with individual taxpayers increasing from 4.95 crore to 8.9 crore over the same period. On the indirect tax side, there were 1.4 crore active GST taxpayers as on June 30, 2023. In comparison, in June 2018, registrations had stood at 1.12 crore. In 2019, the government had lowered the corporate tax rate to 22 per cent, and in the budget 2020-21, it had introduced a new and simplified income tax regime for individuals who forgo deductions and exemptions. More recently, in the interim budget 2024-25, the finance minister had proposed to withdraw "petty, non-verified, non-reconciled or disputed direct tax demands" up to specified limits, benefiting around one crore tax payers. These are steps in the right direction. The new government must continue on this path.

INFANTILISING LEARNERS

Erasures and silences in NCERT textbooks go against NEP's mandate to enhance critical thinking

OCIAL SCIENTISTS OFTEN refer to an adage: The past lives in the present. The axiom is particularly salient vis a vis the legacies of momentous events of the recent past — they resonate in political debates, influence policy and leave deep imprints on social and cultural landscapes. That's why an understanding of contemporary history, especially uncomfortable facts and fraught moments, should be critical to the National Education Policy's objective of "enhancing critical thinking among students". This imperative seems to have eluded the National Council of Educational Research and Training (NCERT). Director DP Saklani has justified the omission of the Gujarat riots and the violence after the Babri Masjid demolitions from the NCERT Class 12 Political Science textbook on the ground that an "expert committee felt that mentioning a few (riots) selectively is not good". Earlier, Saklani had said to the news agency PTI, "Why should we teach about riots in school textbooks? We want to create positive citizens, not violent and depressed individuals". His statements are troubling.

The NCERT director's statements show an overwhelming anxiety to present a picture of a sanitised society and polity by papering over faultlines and events that are constitutive of a nation's journey and, even, its learning arc. They appear to be of a piece with the premier textbook framing authority's recent outlook on syllabus revision. The Class 12 political science textbook, which hit the market last week, does not mention the Babri Masjid by name, calling it a "three-domed structure". The section on the Ayodhya dispute has expunged the part on the BJP's rath yatra. The role of the kar sevaks and the communal violence that followed the destruction of the Babri Masjid do not find a mention. The parts in the textbook that referred to the President's rule in the BJP-ruled states after December 6, 1992, have been deleted. So has the passage that took note of the party's "regret over the happenings in Ayodhya". Earlier textbook revisions have deleted sections on the poverty and powerlessness of the Scheduled Caste and Scheduled Tribes, left out key passages on Mahatma Gandhi's assassination and omitted parts on the Emergency and protest movements.

Revision of learning material should, of course, be par for the course in a robust education system. Having said that, in times when young minds are exposed to a glut of information on history, society and culture from a variety of sources, including social media, textbooks hold the key to argumentative engagement with the country's seminal events, and its democratic processes. That's why they should keep abreast with the latest research and debates among scholars. Instead of addressing this need, the NCERT's silences and erasures — and its director's justifications — end up infantilising the learner.

ASK STEVE

AI will have a representative on the ballot in Britain's general election next month. But what's the point?

HERE'S A NOTION, summarised best by a Winston Churchill (mis)quote, that democracy is the worst form of government except for all the others". This idea views deliberative democracy as cumbersome, but recognises its necessity. The dream, though, would be mathematical machine-like efficiency married with discussion — in essence, the "trains will run on time" without a dictator. Now, an "AI candidate" hopes to introduce algorithmic computing power to representation,

the human factor be damned. "AI Steve" will have a representative on the ballot in Britain's general election next month, against more conventional candidates in Sussex. Steve, in case he wins, will not sit in the House of Commons. That honour will go to Steve Endacott, who says he will be "controlled by his co-pilot (AI Steve)". In what is rather unlikely to be a coincidence, Endacott owns a business that creates AI voice assistants and avatars for businesses. So, just in case the voters decide to go for more biological candidates, at least Endacott has some publicity for his business. According to Endacott, Steve is not limited like conventional leaders —

he is freely available and can interact with several constituents simultaneously, 24/7. The question, though, is: Who wants a representative that works that much? Is transcending humanity and its limitations really something people need? Remember, algorithms have erred — they have been racist and sexist. Perhaps, being driven by cold logic, without a conscience or human sense of discernment is not the best thing. Representative democracy has its faults — not least that those chosen can reflect the best or worst of the constituents they represent. But that's the point, isn't it? Asking for leaders without human flaws is asking to elect an authoritarian.

Bharat's way in the world



Modi 3.0 must draw on homegrown talent to step into its roles as global mediator, manager, mobiliser

Can India live up to these

heightened expectations?

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Амітавн Маттоо

AFTER PRIME MINISTER Narendra Modi's meetings with the beleaguered "steering committee of the free world" at the G7 outreach summit at Apulia on the Adriatic coast of Italy, it is clear that a fractured and fragile world needs India and its leadership, almost desperately so – much of the West seems to have run out of steam and ideas.

In a precarious international system, the self-declared "enlightened world", including the Holy See, is looking East with trepidation and expectation. While Xi Jinping's China poses the greatest threat to the values, interests and the Western way of living and thinking, in India there is hope for the future. Clearly, this episodic Western romance with India is not new, but this time it is not another New Age Helena Blavatsky's search for spiritual masters. Instead, it is a fresh faith in the promise of India — in almost every sense of the word: As a vishwa mitra, a vishwa bandhu, a vishwa guru and even as a vishwa rakshak (friend, family, guru and protector).

Can India live up to these heightened expectations? Can India build the capacity to take on a new leadership role? Can Bharat draw from the vast reservoir of thinking that existed much before the West was constructed as an idea? Only if India learns to act with a combination of alacrity, audacity, and the flexibility required to deal with an uncertain world and rapidly changing circumstances. These strengths are needed to transform Bharat into a global mediator; a manager of the region; and act as a mobiliser against the looming threat from China. And only if Bharat learns to value the huge pool of wisdom that continues to exist within the country, including in the sacred geographies of the land. Consider this: In the middle of March, at

the height of the violence in Gaza, Israeli's mercurial Prime Minister Benjamin Netanyahu, who seemed to have little time for outside advice, made an exception. He agreed to meet, on March 11, with a special envoy from a trusted friend. The proposal that Ajit Doval, India's National Security Advisor, carried on behalf of Modi was audacious: The Israeli leader should announce a unilateral ceasefire during Ramadan, and to allow Indian humanitarian assistance to reach affected civilians. Contrary to expectations, Netanyahu was not dismissive and surprisingly well dis-

posed, and the proposal almost translated into reality. But it finally broke down because the trust deficit among the principal stakeholders was far too wide to be bridged quickly. Only two weeks later, on March 25, did the United Nations Security Council adopt a resolution demanding a ceasefire to be respected by all parties during Ramadan. The Gaza initiative is one of a series of ex-

traordinary Indian attempts to intervene meaningfully in complicated international situations through a synergy of diplomacy, intelligence and the use or threat of use of force that have characterised some of the "shadowy efforts" during Modi 2.0. The breakthrough with Mohammed bin Salman of Saudi Arabia, the proximity to Sheikh Mohamed bin Zayed Al Nahyan of the UAE, the LoC ceasefire through a back channel with Pakistan's ISI and the Army, the attempts at organising a meeting between Putin and Zelensky all exhibited unprecedented chutzpah. Today, India's strategic autonomy and its unwillingness to take sides

— particularly in a knee-jerk manner — have given it, as the PM has put it, the space, influence and weight to suggest out-of-the-box ideas which have traction at the high table of international relations.

Much, however, will depend now on Modi 3.0, on not just the Prime Minister and his team, but on Modi's ability to tap into thinking beyond Western ideas — particularly from Indian traditions and other voices in the Global South. Let us face it, the stilted bureaucracy is incapable of providing support by way of new ideas, neither are the flyby-night operators who manage think tanks (with neither cerebral energy nor armoured gear), sponsored often by funders of dubious foreign provenance. Reaching out to homegrown talent and scholars with their deep knowledge of *shrutis* and *smritis*, and other

ancient Indian texts should be on top of Modi 3.0's agenda. The Prime Minister's Office must tap into this ocean of wisdom, spread across Bharat, and in multiple institutions that are the natural repositories of Indian knowledge and fresh ideas.

Throughout history, it has also been evident that no country ascends to great-power status without securing stability and influence in its immediate neighbourhood. From the Roman Empire to the United States, from the Mauryan Empire to the Vijayanagara and Chola kingdoms, peace in the neighbourhood has been a critical component of their rise to prominence. India cannot afford to overlook the significance of its neighbourhood as it takes on a global role as a mediator. India's neighbourhood presents, as we know, with great challenges and opportunities, and this too requires fresh ideas and special envoys working in a mission mode, particularly to deal effectively with a troubled and troubling Pakistan, which seems to be resuscitating its terror machinery. Zero tolerance for external interference in South Asia India's neighbourhood — must be the guiding maxim of Modi 3.0, as it seeks to swiftly and effectively integrate the region through a combination of carrots and sticks customised for each country.

The China challenge is one for the entire international system; rarely has the world witnessed, almost helplessly, the rapid rise of a revisionist power determined to build a global empire to advance its narrow interests and increasingly with the means to do so. India's greatest strategic challenge is also from China. India must build its domestic capabilities to address this through an all-ofgovernment approach. In addition, India must establish itself as a "mobiliser" — proactively mobilising regional and international partners to address China's challenge across geographies and addressing, in particular, security concerns.

The writer is dean, School of International Studies, JNU, and former member of National Security Council's Advisory Board



THE SHADOW OF CASTE

Despite affirmative action programmes, it continues to shape inequalities

JYOTI THAKUR AND PRABIR KUMAR GHOSH

A RECENT WORKING paper of the World Inequality Lab has reignited discussion on the widening gap between the rich and poor. Inequality in India, however, transcends the dichotomy between the haves and the havenots, as caste-based inequalities are among the defining features of the country's socioeconomic framework. Metrics like the Gini coefficient and percentile ratio serve as crucial tools for assessing economic inequality. By examining these metrics for the periods of 2017-18 and 2022-23, we explored the changes in consumption inequality both overall and within social groups such as the Scheduled Tribes (ST), Scheduled Castes (SC), Other Backward Classes (OBC), and the General category using the Periodic Labour Force data.

In 2022-23, while STs accounted for 9 per cent of the population, their consumption share stood at only 7 per cent. Similarly, SCs constituted 20 per cent of the population and their consumption share was 16 per cent. The OBCs (43 per cent of the population) aligned closely with their consumption share of 41 per cent — it still indicates a relatively more conservative consumption pattern within this group. Despite constituting 28 per cent of the population, the General category commanded a notably higher consumption share of 36 per cent. These findings underscore the persistent disparities in the distribution of consumption across various social groups. Despite minimal fluctuations over time, SCs and STs consistently lag behind people from the General and OBC categories.

The overall Gini coefficient decreased from 0.359 in 2017-18 to 0.309 in 2022-23, indicat-

INDIAN EXPRESS

India has made remarkable strides in lifting millions out of multidimensional poverty, yet inequality among various caste groups persists. The origins of consumption inequality can be traced back to the deeply entrenched caste system, which historically dictated individuals' social economic, and political standing based on their birth. Despite the Constitution's abolition of caste discrimination and the launch of affirmative action programmes, the shadow of caste continues to shape

ing a reduction in overall income inequality during this period by 0.050. The ST category saw its Gini coefficient decrease from 0.322 to 0.268, a 0.054 point drop, signalling improvement in the equitable distribution of consumption within this community. Similarly, the SC category observed a decrease from 0.312 to 0.273.

The OBC category witnessed a decline in the Gini coefficient from 0.336 to 0.288, a 0.048 point decrease, while the General category saw the most substantial reduction, from 0.379 to 0.306, amounting to a 0.073 point drop. This notable decrease in the latter could be indicative of various socioeconomic changes, including social mobility and effective policy interventions.

Nonetheless, digging deeper into consumption patterns reveals underlying economic disparities among India's social groups, where ST and SC communities endure the most pronounced discrepancies. For ST, SC, and OBC groups, there's a decrease in consumption levels from 2017-18 to 2022-23, albeit marginally for the bottom 20 per cent decile. However, for the General category, the decrease in consumption levels is more pronounced, indicating a relative decline in consumption among the poorest segment of the general population.

Conversely, consumption has slightly increased for all social groups in the top 20 per cent decile, with the General category experiencing a significant 10 percentage points surge between the two periods under analysis. This disproportionate rise among the wealthiest segment of the General category implies a potential concentration of wealth among highcaste elites. Consequently, the disparity between the General category and other social groups remains significant, underscoring persistent discrepancies in consumption patterns.

India has made remarkable strides in lifting millions out of multidimensional poverty, yet inequality among various caste groups persists. Despite the Constitution's abolition of caste discrimination and the launch of affirmative action programmes, the shadow of caste continues to shape economic realities.

The Centre has enacted numerous policies to mitigate these disparities, including reservation, rural development initiatives, and direct benefit transfers. While these measures have yielded some progress in narrowing the gap, substantial challenges remain.

Disparities in consumption patterns among different socioeconomic groups reflect potential disparities in income, access to resources, or purchasing power. Efforts should concentrate on augmenting income generation and consumption abilities among the lower deciles, particularly within the ST and SC communities. This is also essential for fostering social harmony and economic stability across society. Continued monitoring of trends and targeted interventions addressing specific socio-economic challenges faced by different groups are necessary to ensure sustained progress towards greater economic equity.

Thakur is associate fellow and Ghosh is senior fellow at National Council of Applied Economic Research, New Delhi

JUNE 18, 1984, FORTY YEARS AGO

PRESIDENT'S APPEAL

economic realities today.

PRESIDENT ZAIL SINGH appealed to the Sikhs to take a vow that unlawful arms and items not sanctioned by Sikh tradition would never be allowed to enter the gurdwaras. Defending Army action in Golden Temple, the President said that the unfortunate incident could have been avoided had the extremist agreed to surrender even at the last moment. He appealed to people to preserve the nation's unity as embodied by Guru Grant Sahib's message.

memory of those killed during an Army operation at Amritsar was held. In this village, Bhindranwale spent his childhood, was educated and took to farming, innocuous beginnings soon to be overshadowed.

pervades the native village of Jarnail Singh

Bhindranwale, where a Bhog ceremony in

Ardas Divas

THE "ARDAS DIVAS" (prayers day), a call for which had been given by the Akali Dal in protest against the Army action at Amritsar, passed off peacefully in different parts of Punjab. Security arrangements had been tightened two days in advance to check against attempts by miscreants to capitalise on the situation. Security forces patrolled all major towns of Punjab, as well as Chandigarh, to meet any eventuality.

PAK-RAMGARH LINKS?

WAS THERE A Pakistani hand behind mass desertions from the Sikh regimental training centre at Ramgarh in Bihar? This milliondollar question has been baffling the authorities ever since more than 1400 Sikh trainees, after attending a gurdwara function on June 10 shot dead their commandant RS Puri and headed towards Punjab in commandeered trucks with arms.

Mourning Martyrs A SENSE OF disbelief, suspicion and anguish

epaper.indianexpress.com

THE INDIAN EXPRESS, TUESDAY, JUNE 18, 2024

THE IDEAS PAGE

Let's do 1991 without a crisis

If India wishes to situate itself as a 'rule-shaper', not a 'rule-taker', we need to unequivocally demonstrate our embrace of global markets



Rajat Kathuria

EVEN AS THE newly-elected government begins the quest for a Viksit Bharat, here is some trade policy counsel, entirely gratuitous, without provocation and with a dose of abundant humility. The period immediately after a General Election is good for breakthrough policy, and if there is an area that needs one, it is trade. For, without an increase in trade, India will be unable to emulate the successes of its East Asian neighbours and without heightened competitiveness, it will be unable to trade.

The Global Financial Crisis of 2008, the Euro Zone struggles of 2010 and the economic downturn as a result of the Covid-19 pandemic recently, all in close succession, have prompted many governments to rethink global engagements. Protectionism, industrial policy and self-reliance, once anathema for trade policy thinkers in developed countries, are now well and truly embedded in the mainstream discourse. India faces a two-pronged challenge in this regard. One is to promote its ambition of an Atmanirbhar Bharat, to make India self-reliant by being "vocal for local", that is, prioritising domestic goods over imports. This narrative sits uneasily with India's other ambition of attaining \$1 trillion worth of exports. India's export ambition cannot be achieved without integrating with global value chains (GVC), which in turn requires a healthy prescription of openness, foreign direct investment (FDI) and import competition. An import tariff or rise in protection is akin to an export tax. India's hard-earned lesson that export promotion and import substitution are conflicting policies looms large over its trade policy and economic agenda. The country needs to create a balance.

The pandemic showed the world the consequences of import disruptions. While diversifying GVCs is certainly a medium to long-term aim, it is not without costs in the short run. We are banking on the augmentation of local capacity through schemes such as production-linked incentives (PLIs) that provide performance-based financial incentives for local production. Until November 2023, PLI schemes have resulted in the production/sales of Rs 8.61 lakh crore and generated employment (direct and indirect) of over 6.78 lakh. Before that, the government exited negotiations for the Regional Comprehensive Economic Partnership (RCEP). Its existing trade deficit with China emerged as a key reason for this exit, along with the non-consideration of its key demand on cross-border movement of professionals and the influence of the cooperativesintensive farm and dairy sector that feared competition from New Zealand and Australia among others.

India's journey towards free trade and multilateralism has been fraught with challenges. It pursued an aggressive import substitution policy during the 1980s but found import substitution and export promotion to be quite contradictory. So, during and beyond the 1991 crisis, it adopted a liberal trade policy but subsequently remained reluctant to embrace second- or third-generation trade reforms. This has been mainly due to India's experience of trade deficit with countries with which it signed trade agreements. This strong policy narrative slowed down its liberalisation and participation in GVCs.

India's economic isolationism strategy has since changed for the better. We have signed several FTAs including four FTAs since



2021 after nine years of no agreements. These include the India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) in 2021, the India-UAE Comprehensive Economic Partnership Agreement (CEPA), and the India-Australia Economic Cooperation and Trade Agreement (CECTA) in 2022. The latest Trade and Economic Partnership Agreement (TEPA) with EFTA countries (Switzerland, Iceland, Norway, Liechtenstein) was signed on March 10 and secured commitments of \$100 billion and 1 million direct jobs over the next 15 years.

Despite this, we are ambiguous about regional trade agreements (RTAs), mainly the Regional Comprehensive Economic Partnership (RCEP) and Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). Globally, these are the two megaregional trade agreements and India finds itself outside both. We have eternally supported multilateralism in the World Trade Organisation (WTO) and elsewhere. At the same time, we stay away from discussions on services and e-commerce in the WTO, again revealing an ambivalence to more engagement. Even if India disagrees, it is better to be part of the negotiations or in other words "in the tent", than outside it. Non-participation is often interpreted as a sign of weakness for which there is no reason whatsoever at this juncture.

There is no doubt that we now recognise the importance of deepening penetration in global markets, as reflected in flagship programmes like Make in India. Such initiatives could be helped by bilateral trade agreements, but are likely to be adversely affected by India's reluctance to join RTAs, underlining the enduring reluctance to embrace trade for its strategic advantage. The fear of China looms large, but we need to shrug off this

mentality that is of no strategic advantage. Geopolitically, India has attempted to establish itself as an important global player, aided by its hosting of the G20 presidency. It is aiming to position itself as an alternate manufacturing destination to China and

compete with other South Asian economies like Vietnam, Cambodia and Bangladesh. This is a descent — from being compared with China a decade or more ago, we now compete with lesser powers for investment. In April 2024, an RBI bulletin underscored strong investment demand and positive business and consumer sentiments as key drivers of economic growth. We urgently need to recognise that from an economic perspective, we need open global markets more than ever for exports and for creating efficiency and competition in domestic markets. But this is often couched in obscure language. Simply put, even after 25 years of the 1991 reforms, we are humouring protectionist tendencies. Counter to the dominant narrative, openness will also aid labour-intensive manufacturing and speak to one of India's stubborn problems of productive job creation or lack thereof.

In recent years, the concept of digital public infrastructure (DPI) has gained significant attention. DPI is a potentially transformative process that utilises ubiquitous digital technologies to connect people and devices. India has built public digital platforms that have transformed lives. Many countries have shown interest in them and this could be an important marker of India's soft power. It has even been called a "low-cost, software-based version of China's infrastructure-led Belt and Road Initiative." But India needs to tread this line with caution and not be dogmatic about its structure. What's more, if we wish to situate ourselves as a "rule-shaper" as opposed to a "rule-taker", we need to unequivocally demonstrate our embrace of global markets, and to use a colloquialism, "put our money where our mouth is". For a labour-abundant economy, it is far better to subsidise job creation rather than industry. Now is an opportunity to shed inhibitions and do a repeat of 1991 — without waiting for a crisis to do so.

Kathuria is dean, School of Humanities and Social Sciences and professor of Economics at the Shiv Nadar Institution of Eminence. Views are personal

WHAT THE OTHERS SAY

"There should be potential for cooperation between China and the US in the field of new energy production capacity, rather than a relationship of weakening and counter-weakening. As British media lamented, despite tricks of the US, 'root and branch decoupling' will still be difficult to achieve." - GLOBAL TIMES, CHINA

A vote for consensus-building

Prolonged power tainted and weakened ANC in South Africa. Corruption, along with absence of modernising vision, led to poor governance



Sudheendra Kulkarni

POWER CORRUPTS. Prolonged power corrupts debilitatingly. As the proverb goes: Nothing can destroy iron, only its own rust can. Africa provides plenty of proof. KANU (Kenya African National Union) in Kenya, TANU (Tanganyika African National Union, later rechristened as Chama Cha Mapinduzi) in Tanzania, and ZANU-PF (Zimbabwe African National Union-Patriotic Front) in Zimbabwe are examples of political parties that, despite having a glorious past in the national liberation struggles of their respective countries, lost their reputation and popularity later. In our country, the Indian National Congress (INC), once nurtured by great leaders like Mahatma Gandhi and Jawaharlal Nehru, suffered the same fate.

Now, yet another party — the African National Congress (ANC) in South Africa, which ended apartheid under the leadership of Nelson Mandela — has joined the list. After a historic victory, Mandela became the country's first black president in 1994. ANC commanded a parliamentary majority in six consecutive elections in the past thirty years. However, in the just-concluded elections, voters ended its majority rule. In the 400-member parliament, ANC's tally dropped from 230 to 159 and its vote share fell dramatically to 40 per cent from 57 per cent in 2019. And, as has happened to the Narendra Modi-led BJP in India, it has been forced to seek the support of undependable allies with divergent ideologies to form a coalition government.

Cyril Ramaphosa, the incumbent president, will surely get re-elected. However, in the new Government of National Unity (GNU), ANC will, paradoxically, share power with the white-majority Democratic Alliance (DA), the country's main Opposition party. ANC will also be supported by the much smaller Inkatha Freedom Party (IFP).

Why did the ANC suffer this setback? Because prolonged power tainted and weakened it. Corruption, combined with the absence of a modernising vision and requisite implementation capabilities led to poor governance. South Africa may be the continent's strongest and most industrialised economy. Yet, its power crisis, with frequent load-shedding and blackouts, has defied a solution. An Indian diplomat in Pretoria told me, "Almost all the impressive infrastructure you see in South Africa was built during the white rule. The contribution of ANC governments thereafter hasn't been much."

Crime, including political violence, remains alarmingly high. Youth unemployment, mostly affecting the majority black community (81.4 per cent of the country's population) stands at a staggering 32 per cent. Nearly two-thirds of black South Africans live in poverty. In contrast, only 1 per cent of white South Africans (7.3 per cent of the country's population) are poor. The disparity in wealth and ownership of productive resources is stark. Whites own 72 per cent of agricultural land, and their domination over the financial sector and mineral business continues to be unassailable.

In short, the end of apartheid did not result in the fulfilment of the aspirations of black South Africans under black-majority rule. Result: Large-scale voter apathy. Voter turnout in 1994 was 86 per cent.

In 2024, it fell to 58 per cent. "A huge chunk of traditional black supporters of the ANC simply did not come out to vote," Kiru Naidoo, author, an ANC member and a prominent activist of the Indian community in Durban, told me.

Another factor has debilitated Mandela's party. As has happened to the Congress in India, the ANC has suffered several splits due to internal power struggles. Jacob Zuma Ramaphosa's main rival and former South African president, was an ANC leader before he was expelled from the party over charges of corruption and fraud. (The controversial Indian business family of Gupta brothers, using its proximity to Zuma, was accused of state capture.) uMkhonto weSizwe or MK Party, founded only six months ago by Zuma, performed impressively by winning 58 seats and 14 per cent vote share. ANC could have formed a coalition with Zuma, but his condition was: "Replace Ramaphosa as president." This was unacceptable to ANC.

"Ramaphosa is still the best choice for South Africa," Ismail Vadi, an Indian-origin ANC leader and a former minister in a provincial government, whom I had met in Johannesburg, told me. "Ramaphosa has the maturity to bring a fractured nation together. But he has to introspect on why he lost the confidence of so many in the black community.'

Ramaphosa will face stiff opposition from two radical black-majority parties — Zuma's MKP and the far-left Economic Freedom Fighters (EFF), led by Julius Malema, a former ANC Youth League leader. Both want the expropriation of whiteowned land without compensation and nationalisation of industries. DA is firmly opposed to these policies. Yet, neither ANC nor DA in the new government can ignore alienation and anger among blacks caused by economic deprivation. Therefore, introspec tion, leading to moderation, dialogue and consensus-building, is needed by all parties for South Africa to avoid political instability and social turmoil, and realise Mandela's vision of a truly nonracial nation.

and how might the verdict affect it? "Nearly 70 per cent of Indians voted for DA this time due to their fear of black domination," Kiru Naidoo told me. "Indians suffered heavily in the race riots in July 2021, when Zuma's supporters went on a rampage following his imprisonment for contempt of court. Indians once firmly supported the ANC, but their political disempowerment in recent decades is a sad story. Prominent Indian leaders such as Ahmad Kathrada, Mac Maharaj, Jay Naidoo, Essop Pahad and Pravin Gordhan were the leading lights of the anti-apartheid struggle. Some of them even became respected ministers in the cabinets of Mandela and his successors Thabo Mbeki, Zuma and Ramaphosa. Now the number of Indians in South African parliament has come down sharply. Clearly, Indians too need soul-searching.

How did the Indian community vote

Over a century ago, in a prescient speech delivered in Johannesburg on May 18, 1908, Mohandas Gandhi envisioned a harmonious destiny for multi-racial South Africa. "If we look into the future, is it not a heritage we have to leave to posterity, that all the different races commingle and produce a civilisation that perhaps the world has not yet seen?"

Endorsing this vision, my friend Kiru Naidoo said, "I am sure South Africa will step back from the brink by showing the same sagacity and resilience it showed thirty years ago."

The writer was a close aide to India's former Prime Minister Atal Bihari Vajpayee

Against arrogance

2024 verdict is a cautionary tale for BJP — and for others



THE LOFTY SENTIMENTS expressed by Narendra Modi on his air journey from Kanniyakumari to Delhi stand in sharp contrast to the divisive rhetoric deployed by him during the lengthy election campaign. Bharat, for thousands of years, he rightly claims, has been "a cradle of ideas" ('We need to dream new dreams', IE, June 3). What he failed to recognise was that the legendary ruler Bharat, from whom the name of our country is derived, was a rajchakravarti — a sovereign at the centre of a circle of sovereigns - not a despot exercising overcentralised bureaucratic domination. Indian unity can only be of the federal type.

Ten years ago, I had taken a break from my tranquil academic life to make a foray into the rough and tumble of India's parliamentary politics. In early June 2014, I delivered my first speech in the 16th Lok Sabha on the same day as Modi and warned the newly formed Modi sarkar not to confuse majoritarianism with democracy and uniformity with unity. The juggernaut of religious majoritarianism and centralised authoritarianism has at last stumbled in its tracks. Projects such as "One Nation, One Election" will not now achieve fruition.

"We need to dream new dreams," pontificated our Prime Minister on the eve of his third term in office. For a decade, Modi has been a successful seller of dreams. The harsh reality of massive youth unemployment and obscene levels of inequality has finally caught up with him. Even the pomp and ceremony surrounding the inauguration of the Ram temple in Ayodhya did not deflect the voters of Uttar Pradesh from the issues that truly mattered in their lives. The resort by Modi to hate speech in a cynical attempt to galvanise his core base ended up alienating most decent people. Merely invoking Saint Thiruvalluvar and Swami Vivekananda without adherence to their ecumenical ideals impressed neither the Tamils nor the Bengalis.

A modicum of respect for parliamentary convention would have triggered the resignation of a PM who has lost his party's majority. If anything, the NDA should have elected a new leader to stake a claim to form the government. However, a moral defeat is insufficient to get Modi and Amit Shah to relinguish the levers of power. It remains to be seen what terms the two king-makers — Chandrababu Naidu and Nitish Kumar — are prepared to exact from the BIP.

In April 2024, an RBI bulletin

underscored strong

positive business and

that from an economic

perspective, we need open

global markets more than

ever for exports and for

competition in domestic

markets. But this is often

Simply put, even after 25

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We urgently need to recognise

By the same token, the INDIA alliance despite its improved performance, especially in Uttar Pradesh — has not really won a mandate, having failed to present even a common minimum programme before the electorate. Defeats of the BIP in forthcoming state elections in Haryana, Maharashtra and possibly Bihar may lead to the unravelling of Modi's tenuous third term. The Opposition urgently needs to fashion itself as a credible and coherent coalition capable of governance at the national level. The ideological pillars must be samyavada — a commitment to gender, class, and caste equality — and genuine federalism that gives all regions a sense of belonging to the Indian Union.

The delimitation of 2026 will be a moment of reckoning for the NDA and INDIA alike, indeed for the entire political class and leaders of civil society. India, that is Bharat, will need to find a judicious balance between representation based on numbers and representation of our country's myriad diversities at the level of the union. To achieve that aim, it will be necessary to draw upon our country's robust intellectual tradition of anti-colonial federalism

that was not fully accommodated within our political structures in the immediate aftermath of Independence and Partition. This may require, among other reforms, giving smaller states greater weighted representation in a directly elected upper house. Regional parties must realise that federalism is not just about fiscal, financial and cultural rights of the states but, more importantly, requires an equitable sharing of power at the Centre.

There is one other lesson for regional parties in office from the verdict of 2024. Unbridled arrogance of power will be punished by a discerning electorate sooner or later. That message has today been directed towards a regime in Delhi that seemed determined to establish a tyranny of the majority. Victory in 2024 does not obviate the imperative of a course correction by regional parties in states where they will have to face the people in 2026. In offering this word of caution and good advice, I include my own state — Bengal.

The writer is the Gardiner Professor of History at Harvard University and a former TMC MP in the 16th Lok Sabha

LETTERS TO THE EDITOR

BJP's Odisha win

THIS REFERS TO the article, 'Revival after defeat' (IE, June 17). Naveen Patnaik of the BJD, served as Chief Minister for 24 years — securing the post's secondlongest tenure in India. The BJP's recent breakthrough in Odisha was successful through the portrayal of Patnaik's bureaucratic overdependence, which was a tool for political outreach as well as policy implementation. Odisha rewarded Patnaik for ensuring stable governance and peace after communal riots. The BJP should not interpret this mandate as one that endorses Hindutva and supports communal disharmony, but rather focus on

Khokan Das, Kolkata

INDIA'S NEAR-ABROAD

THIS REFERS TO the article, 'A chance to reach out' (IE, June 17). Though a shortterm historical perspective of the subcontinent may appear more fractured, a long-term cultural perspective ex-

developmental projects.

hibits an underlying unity. India's 2024 elections are important for the neighbourhood because of the political continuity and its commitment to democracy. Also, India's material progress can prove beneficial for the neighbourhood, as it has in the past. However, India must not lower its guard on the security front.

Shubhada Bhagwat, Pune

LAWS FOR REFORM

THIS REFERS TO the article, 'Don't put justice on hold' (IE, June 17). The purpose of a criminal justice system in a democracy is not to punish but to rehabilitate and reform. The new criminal justice system laws were brought to the fore with the promise of simplifying the criminal justice system, but it has given rise to more doubts and confusion among citizens and the legal fraternity. The Home Ministry had claimed that these new sets of laws would free India from its colonial mindset but that seems to be far from the truth.

Aishwarya Shetty, Mumbai

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If there are questions of current or contemporary relevance that you would like explained, please write to explained@indianexpress.com

Story of Nikhil Gupta, extradited by Czech to US in Pannun case

DIVYA A

NEW DELHI, JUNE 17

NIKHIL 'NIK' Gupta, an Indian national accused by American investigators of involvement in a contract-killing plot against Sikh separatist Gurpatwant Singh Pannun, was extradited from the Czech Republic to the

United States on June 14. What are the accusations against him, and what happens next?

EXPLAINED GLOBAL Case and allegations

Gupta, 52, was arrested in Prague last year at the request of the US government for alleged involvement in a plot to assassinate Pannun in New York. Pannun has dual American and Canadian citizenship, and

heads the pro-Khalistan organisation Sikhs

for Justice, which has been banned in India. In an indictment filed by the Department

of Justice (DoJ) in New York's Southern District, US federal prosecutors have alleged that Gupta hired a hitman to kill Pannun, making a \$15,000 advance payment in May-June 2023. The allegations were unsealed in November last year.

The indictment does not name Pannun, but

offers details that leave little doubt over his identity. The alleged target of the plot is described as "an attorney and political activist", "a US citizen residing in

New York", "a vocal critic of the Indian government ... [who] leads a US-based organisation that advocates for the secession of Punjab", and says that the Indian government has "banned the Victim and his separatist organisation".

The Ministry of External Affairs has said

that the imputations are unwarranted and unsubstantiated. India has said that a high-level inquiry is looking into the evidence shared by the US in the matter. Gupta, through his attorney, has denied the US accusations, and has claimed he has been "unfairly charged".

The allegations came soon after Canadian Prime Minister Justin Trudeau, in September 2023, accused "agents of the Indian government" of involvement in the fatal shooting of Khalistani sep-

aratist Hardeep Singh Nijjar on Canadian soil on June 18. A Canadian citizen, Nijjar had been a vocal critic of the Indian government. The MEA had described Trudeau's alle-

gations as "absurd". The claims adversely im-

Sullivan, in New Delhi, Monday. PTI ship with Canada. Arrest and extradition

pacted India's bilateral relation-

Czech law enforcement authorities, acting at the behest of the Americans, arrested Gupta on June 30 last year.

On November 23, 2023, the Municipal Court in Prague ruled positively on the admissibility of the US request for his extradition. A similar order was passed by the the High Court in Prague on

January 8, 2024. On January 19, Gupta challenged the decisions of both courts, arguing that they did not properly assess the political nature of the act.

The highest court of the Czech Republic stayed the lower courts' decisions permitharm would be caused to the public interest if this action was delayed. In its interim decision on January 30, the Constitutional Court in Prague said Gupta's extradition to the US for criminal prosecution would result in disproportionately greater harm to him than

ting the extradition, saying no significant

However, on May 22, the Constitutional Court dismissed Gupta's challenge to the decisions of the Municipal Court and the High Court, paving the way for his extradition.

anyone else. This action, it emphasised,

would be irreversible.

A day after Gupta's plea was rejected, a spokesperson for the Czech Ministry of Justice told The Indian Express that his extradition will now be decided "expeditiously, without undue delay".

On June 3, the Czech Minister of Justice authorised the extradition of Gupta to the US. "The extradition was carried out on Friday, June 14, 2024, at Prague-Ruzyne Airport," a spokesperson said.

What happens now?

Reports have said Gupta is currently lodged at the federal Metropolitan Detention Centre in Brooklyn. He will likely be produced in court on Monday.

US National Security Advisor Jake Sullivan is currently visiting New Delhi for the annual initiative on Critical and Emerging Technology (iCET) dialogue with his Indian counterpart Ajit Doval. Gupta's extradition is expected to have come up during the talks.

Sullivan met External Affairs Minister S Jaishankar on Monday, just two days after Prime Minister Narendra Modi had a pullaside with President Joe Biden on the sidelines of the G7 Summit in Italy.

THIS WORD MEANS

MIFEPRISTONE

Commonly available pill, part of a two-drug regimen along with misoprostol, used for medical abortions

THE US Supreme Court on June 13 rejected a petition by anti-abortion groups seeking to undo the Food and Drug Administration's (FDA) approval of mifepristone, a commonly available abortion pill. In a unanimous ruling authored by Justice Brett M Kavanaugh, the court held that the petitioners lacked a direct stake in the dispute, and thus could not sue the FDA.

While this verdict preserves access to mifepristone in the US for the time being, the court has kept the doors open to other attempts to limit the availability of the drug.

This development comes nearly two years after the United States' apex court overturned Roe v. Wade, effectively repealing the federal right to abortion.

The drug

Mifepristone is part of the two-drug regimen used for medical abortion. The patient first takes mifepristone to induce an abortion, and then misoprostol to empty the uterus. Mifepristone blocks progesterone (the hormone that helps maintain a pregnancy), misoprostol triggers uterine contractions, causing the body to expel the foetus as in a miscarriage.

The regimen was approved for use up to 10 weeks of pregnancy by the FDA in 2000. Since then, more than six million people have used mifepristone for abortion. Currently, the pill is used in about two-thirds of abortions in the US. Studies have found the pill to be safe, and years of research have shown that serious complications are rare.

The case

In 2022, four pro-life medical associations, as well as several individual doctors, sued the FDA in the US District Court for the Northern District of Texas. The petitioners challenged the FDA's approval of mifepristone, and the changes the federal agency made in the pill's conditions of use, which allowed the drug's distribution through mail and telemedicine.

In April 2023, federal judge Matthew | Kacsmaryk held that the FDA's approval

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Mifepristone is FDA-approved for **use till 10 weeks of pregnancy.** Reuters

of the drug should be suspended, removing mifepristone from the market.

Subsequently, an appeals court in New Orleans partially overturned this ruling, to the extent that it invalidated the FDA's approval of the pill. The Supreme Court then put the appeals court's ruling on hold, and agreed to hear the case.

Apex court's ruling

To reject the petition by the anti-abortion groups and individual doctors, the Supreme Court cited the "personal stake requirement" laid down in one of its 1982 judgments. The personal stake requirement basically means that the party seeking relief has to have a "personal stake in the outcome of the controversy", i.e. there has to be a causal connection between the appellant's asserted injury and the defendant's challenged action.

The Supreme Court found that the doctors and medical associations challenging the FDA's regulation failed to show an actual injury because the plaintiffs didn't include people actually involved — like doctors prescribing mifepristone, or pregnant women who took it. It said the plaintiffs could not show any harm suffered from mifepristone's availability.

In its judgment, the court said that federal courts do not operate as an open forum for citizens "to press general complaints about the way in which the government goes about its business".

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KHADIJA KHAN

EXPLAINED MIGRATION

Kerala's migration story

The Kerala Migration Survey 2023 report is out. The total number of emigrants has gone up slightly, so has the number of returnees. Student emigrants have doubled since 2018, when the survey was last carried out

SHAJU PHILIP

THIRUVANANTHAPURAM, JUNE 17

THE KERALA Migration Survey (KMS) 2023 report was released last week in Thiruvananthapuram.

Conducted by the International Institute of Migration and Development (IIMD) and Gulati Institute of Finance and Taxation, KMS 2023 is the sixth such survey, conducted every five years since 1998.

Key findings

Kerala boasted an estimated 2.2 million emigrants in 2023, slightly more than in 2018. After showing a steady increase in the first four migration surveys — 1.4 million in 1998, 1.8 million in 2003, 2.2 million in 2008, 2.4 million in 2013), the number of migrants dropped to 2.1 million in 2018. But the number of emigrants to return also went up significantly, from 1.2 million in 2018 to 1.8 million in 2023

DECLINE IN EMIGRATION TO THE GULF: Preference for destinations beyond the Gulf Cooperation Council (GCC) countries has grown from 10.8% in 2018 to 19.5% in 2023. This is in line with the overall trend seen since 1998, when GCC destinations accounted for 93.8% of Kerala's emigrants.

RISING STUDENT EMIGRATION: Rising number of student emigrants could be behind the shift. They constitute 11.3% of total emigrants from Kerala, with overall numbers almost doubling since 2018 – from 129,763 to 250,000. Even as the number of emigrants from other population categories has declined, the rise in the number of student emigrants has stalled the decline in total emigrant population. **MORE WOMEN EMIGRATING:**

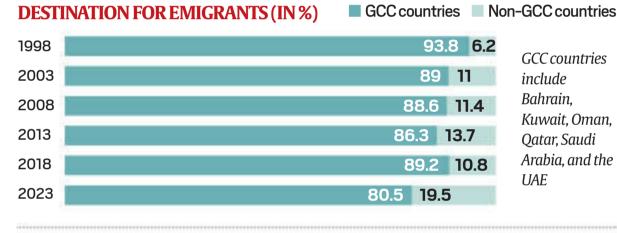
Women emigrants have seen their numbers and proportion rise from 15.8% in 2018 to 19.1% in 2023. They are generally better qualified than their male counterparts, with 71.5% women being graduates as against 34.7% men. Around 51.6% of women emigrants work in the nursing sector. Women also make up 45.6% of Kerala's student migrant population. Around 40.5% of women emigrants are in Western countries, compared to only 14.6% of male emigrants.

NORTH KERALA SENDS MOST EMI-GRANTS: Around 41.8% of emigrants hail from North Kerala. Tirur taluk in the Muslimmajority Malappuram district continues to send the most migrants abroad. Central Kerala contributes to 33.1% of Kerala's emigrant population, whereas South Kerala



Gulf countries still account for over 80% of Kerala's emigration. Wikimedia Commons

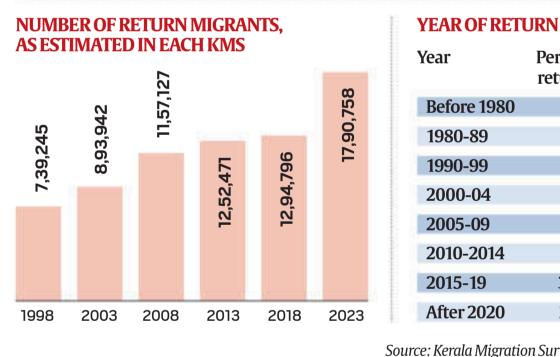
TRENDS IN KERALA'S MIGRATION STORY



GCC countries include Bahrain, Kuwait, Oman Qatar, Saudi Arabia, and the UAE

Percent of

returnees



0.2 1980-89 1.8 1990-99 7.2 2000-04 5.2 2005-09 9.1 18.1 2010-2014 2015-19 30.9 After 2020 27.5

Source: Kerala Migration Survey 2023

sends 25% of the state's emigrants.

OVER 40% EMIGRANTS ARE MUSLIM: Muslims, who make up 26% of Kerala's population (according to the 2011 census), make up 41.9% of the state's emigrants. For comparison, Hindus comprise 35.2% of the migrant population, even as they make up about 54% of the overall population. About 22.3% of Kerala's migrants are Christians, who account for 18% of the state's population.

INCREASE IN REMITTANCES: Total remittances to Kerala saw a significant surge after the pandemic, reaching Rs 216,893 crore

in 2023, up from Rs 85,092 crore in 2018 (a 154.9% increase). This amounts to a per capital remittance of Rs 61,118 for the state's population of 3.55 crore. Average remittance per emigrant household also increased to Rs 2.24 lakh in 2023, compared to Rs 96,185 in 2018. The data show that migrant households spent remittances on a variety of things: renovation of houses/shops (15.8%), paying bank loans (14%), educational expenses (10%), and medical bills (7.7%). Only 6.9% of remittances are used for day-to-day expenditure.

INCREASE IN RETURNEES: The number

of emigrants who have returned home has been growing over the decades. The last five years has seen the largest increase of returnees - 495,962 individuals or 38.3% - in the history of Kerala migration surveys. This is due in no small part to pandemic-induced job loss. Around 18.4% of respondents reported job loss as a reason for return, 13.8% cited low wages, 7.5% poor working conditions, and 11.2% illness or accident. The desire to work in Kerala (16.1%), homesickness (10.2%) and retirement (12.1%) were other key reasons.

The road ahead

The rise in the quantum of student migrants poses policy challenges. The study suggests that the state's education infrastructure needs an urgent upgrade, while also recommending regular monitoring and regulation of language training centres and recruitment agencies to reduce instances of deceit and fraud by agents. To foster a wave of "brain gain", new policies that will encourage those studying abroad to return home after acquiring valuable skills need to be developed.

At the same time, given that 76.9% of Kerala's emigrants are still labour emigrants, mostly to GCC countries, it is essential to improve and strengthen their skills to help them secure better employment opportunities and pay abroad. This approach could also lead to emigrants choosing non-GCC countries, especially in the West, as destinations.

Lastly, the growing number of return migrants necessitates comprehensive rehabilitation and reintegration measures.

Note on methodology, sample

KMS 2023 surveyed 20,000 households in all, making it among the biggest socio-economic surveys ever conducted in Kerala. For comparison, the National Family and Health Survey (NFHS-V) sampled 12,330 households statewide.

The sample was selected via a stratified multi-stage sampling method. Rural and urban areas within each of Kerala's 14 districts were considered distinct strata. Within each stratum, a number of localities (Gram Panchayats or Municipal Wards) were selected proportional to the number of households in that stratum. In total 500 localities were selected statewide. In each of these localities, 40 households were identified using systematic random sampling — meaning each household (in a chosen locality) had an equal chance of being selected.

Three hundred trained investigators were deployed for the survey, which for the first time, used a digital data collection tool.

DSR cultivation needs less water, labour; why is it still not popular in Punjab?

ANJU AGNIHOTRI CHABA JALANDHAR. JUNE 17

English Medium

Admissions Open

DIRECT SEEDING of rice (DSR), the technique of sowing promoted by the Punjab government for the past several years, has not had many takers this season as well. DSR, known as the tar-wattar technique of sowing, started last month, and sowing by the traditional transplantation method on June 11.

Last year, only 1.73 lakh acres of the 79 lakh acres under paddy cultivation in Punjab — only 2% — were sown by DSR.

The government's target is to bring 7 lakh acres under DSR this year, less than 10% of the total rice acreage. It has offered an incentive of Rs 1,500 per acre to encourage DSR.

DSR technique

Traditionally, farmers prepare paddy seedlings in nurseries and, after 25-35 days, replant the young plants in flooded fields. This is a labour- and water-intensive method, but is known to maximise yields and lead to better crop health.

DSR does not require nursery preparation or transplantation. Paddy seeds are directly sown in the field 20-30 days ahead of when they would have been transplanted.

After the field has been irrigated and prepared using a laser leveler, seeding is carried out using a seed drill or lucky seeder machine. It is crucial to treat the seeds — they are soaked in a fungicide solution for eight hours, and dried for half a day before sowing. The first round of irri-

EXPLAINED days after sowing, fol-**AGRICULTURE** lowed by another 14-17 rounds at 7-10 day intervals, depending on the soil type and quality of monsoon rain. The final round of irri-

gation is carried out 21

Benefits of DSR

Tar-wattar can reduce the consumption of water in cultivation by 15% to 20% — the traditional puddling method requires 3,600 to 4,125 litres of water to grow every kilogram of rice. The traditional method also requires 25-27 rounds of irrigation in all. This is extremely important in water-scarce

gation is done 10 days before harvesting.





Direct seeding of rice (DSR) and (right) paddy transplantation. Anju Agnihotri Chaba

Punjab, where rapidly plunging groundwater levels foretell a crisis of desertification. DSR also requires less labour, and the crop

ers more time to manage the paddy straw.

Soil texture is key

Experts underline that for DSR to be successful, it is crucial that the soil should be suitable. There are two aspects of soil suitability. **TEXTURE:** DSR should be avoided in

soils of a light texture; it is more suitable for

heavy or medium-to-heavy-textured soils. This is primarily because light-textured soils do not retain water well.

matures 7-10 days sooner, which leaves farm-A senior officer in the Punjab Agriculture Department told The Indian Express that in a bid to claim government incentives, some farmers end up using DSR in unsuitable soils, which leads to a need for irrigation every second or third day, which turns the watersaving benefits of DSR entirely on its head.

> Heavy-textured soils contain more clay and less sand, whereas light-textured soils

have less clay and more sand. Dr M S Bhullar, Principal Agronomist at Punjab Agriculture University (PAU), Ludhiana, who headed the development of the tar-wattar DSR technique, told *The Indian Express* that only 20% of Punjab's soil is light-textured.

The Majha (northwestern) and Doaba

(northeastern) regions of the state predom-

inantly have heavy- and medium-to-heavytextured soil, whereas Malwa (central and southern Punjab) contains pockets of heavy-textured, medium-textured, and light-textured soils. **IRON CONTENT:** The iron content of

the soil also determines the suitability of DSR. Soils that are severely deficient in iron are not suitable for tar-wattar DSR.

Experts say that in several places, even medium-textured soils are unsuitable only due to the lack of iron. This is likely to be more of a problem in fields where crops such as cotton, maize, and sugarcane have been cultivated earlier.

Experts say that soils with plant-available iron are ideal for DSR. In case iron supplements are being used, farmers should apply ferrous iron, which is green in colour and not oxidised, rather than oxidised iron,

which is brown in colour. Lack of iron content can severely impact

yields. Sometimes, farmers may even have to transplant the crop anyway, after a month or so, leading to DSR losing its labour-saving benefits.

The way forward

Farmers who use DSR in unsuitable soil often do not get the expected yields, and end up developing apprehensions regarding the technique and revert to the traditional method. Negative feedback spreads quickly by word of mouth, dissuading even farmers for whose fields DSR may have been ideal.

Education and awareness of farmers is key to enable the adoption of the new technique, and departure from the older method, experts say. They suggest that extensive training and a ready helpline should be provided to handhold farmers through the entire process from pre-sowing to harvesting. This can instill confidence among farmers regarding DSR's efficacy.

Additionally, if farmers incur losses during the initial years of adoption, adequate compensation should be provided as incentive for them to try again, they say.

epaper.indianexpress.com



TUESDAY, JUNE 18, 2024



PROSECUTING THE GUILTY

Union education minister Dharmendra Pradhan

Even if big officials of NTA are found guilty, they will not be spared. A lot of improvement is required in NTA. The govt is concerned about this, no culprit will be spared, they will get the harshest punishment

Innovation sans boundaries

A strong IPR system is central to India's ambition to be a global R&D hub, its talent pool is the guarantee

ECENTNEWS REPORTS have suggested a rising trend of withdrawal of patent applications in India, and cited instances of the civil courts pulling up the Patent Office for being "extremely arbitrary and whimsical". The narrative is about the authorities being stingy and callous about granting intellectual property right (IPR), and their feckless, rent-seeking behaviour, forcing the frustrated applicants to pull out. It may be true that the spate of withdrawals has something to do with bureaucratic intransigence. However, in many cases, these could well be commercial decisions taken by the patent seekers. At the same time, patent grants in India jumped 8-fold in five years to cross the 100,000 mark in 2023-24, a feat described by the commerce and industry ministry as demonstrative of the country's rising "innovation stock". Just as the withdrawals shouldn't be a big source of worry, the surge in patent filings and grants aren't necessarily because of the coming of age of Indian technology or R&D sector either.

Patents are a legitimate, multilaterally-facilitated avenue for firms to protect the fruits of innovation from third-party piggy-backing or commercial exploitation. Holding such IPR enables firms to increase the (remote) chances of getting exclusive marketing rights for the relevant product/s for a specified period. In the real world, large R&D-oriented firms form "patent thickets" or a dense web of overlapping rights as a preemptive strategy. So, the number of patent applications with a national patent office in the times of "global patents" doesn't as such say much about that country in a world making rapid technological strides. A better indicator would be the share of patents granted to residents. This for India is just a quarter of total grants, compared with 87% for China and over 75% for Korea RP. India's per capita R&D spend is woefully low at \$43. The country's gross expenditure on R&D has stagnated at less than 0.7% of the GDP in the last decade. This explains the huge and fast-rising forex outflows as the royalty and technical fees (as high as \$10.5 billion in FY23). There is a continuing stranglehold of foreign firms in the Indian tech space.

This is not to paint an all-round dismal picture, as the country has indeed come a long way over the last few decades, from an era where IPRs were treated as hostile territory. It's true, however, that though product patents were allowed in pharmaceuticals way back in 2005, barely 6% of India's medicinal formulation market is under patents yet. The deliberately designed Section 3(d) of the Patents Act, which disallows patenting of "the mere discovery of a new form of a known substance.", is one reason for this. The industrial focus on profitable "branded generics", and the policy support to pure generics (via nearly 11,000 Janaushadhi Kendras) too have played a role.

The slow advent of patented medicines is also due to Big Pharma turning more risk-averse, when it comes to hugely expensive basic drug research. The interim Budget FY25 announced a corpus of ₹1 trillion to bolster the innovation ecosystem. The country needs to harness its potential in artificial intelligence, data science, climate research, and drugs/vaccine science of special relevance to the country, by augmenting public and private R&D funding. Its principal advantage is the abundant and low-cost STEM (science, technology, engineering, and mathematics) talent pool, which has already encouraged over 1,800 global firms to set up R&D units here.

TECHPROOF EXPRESS

MID-SIZED ENTERPRISES IN INDIA SHOULD EVALUATE SEVERAL KEY FACTORS BEFORE TAKING A PICK

Choosing the right AI tool

SIDDHARTH PAI

Technology consultant and venture capitalist

ID-SIZED ORGANISA-TIONS in India are waking up to the need to harness the power of artificial intelligence (AI) to stay competitive. OpenAI's enterprise ChatGPT, Microsoft's Co-Pilot, and Google's Gemini offerings are among the leading AI tools available. Each of these tools has distinct features, benefits, and use cases. Deciding which to adopt can involve several factors. I will go through these factors individually in this column.

OpenAI has positioned its Enterprise ChatCPT as a versatile and powerful conversational AI tool. It is designed to handle various tasks, from customer support to content generation and data analysis. It can also help generate computer code. The response quality depends greatly on the prompt given to ChatGPT, so learning how to use the tool effectively is crucial. ChatGPT can integrate with various platforms, making it highly flexible and adaptable. It also offers customisation options to tailor responses to the organisation's specific requirements. According to ChatGPT, its Enterprise version will not use its clients' data in its training models, thereby allowing for a "walled garden" in which an enterprise can build its AI capabilities (bit.ly/3KMFrE0).

Microsoft's Co-Pilot is deeply integrated with Microsoft 365, leveraging the extensive suite of tools that many organisations already use. It enhances productivity by automating tasks within applications like Word, Excel, and Teams. Co-Pilot can generate documents, create data visualisations, and even draft emails, all while integrating seamlessly with Microsoft's ecosystem. This is a boon for most Indian mid-sized enterprises, given that Microsoft Office tools are nearly ubiquitous.

Google's Gemini is also designed for enterprise-level operations, offering excellent data processing capabilities and advanced machine learning models. It stands out for tasks that require complex data analysis, predictive analytics, and automation. Gemini is also known for its robust security features, critical for organisations dealing with sensitive data.

Amid-sized organisation should evaluate several key factors when deciding among these tools. If the primary goal is to enhance customer and supplier support, OpenAI's ChatGPT might be the best option due to its conversational capabilities and ability to handle diverse queries

effectively. For organisations only looking to boost internal productivity (for the present), Microsoft's Co-Pilot offers a significant advantage with its seamless integration into the Microsoft 365 suite. If the focus is on sophisticated data analysis and automation, Google's Gemini could be the most suitable choice due to its

advanced machine-learning models and powerful data processing capabilities. However, not just each tool's strong

suit governs whether it should be chosen. Integration with the existing systems in the enterprise is critical. Many mid-sized organisations already have a sizable set of "legacy" applications, such as SAP or Oracle, in a manufacturing setting and various tools for accounting and finance. Management must assess whether the AI tools fit with the "legacy". For instance, if the company is heavily invested in Microsoft products, Co-Pilot's integration with Microsoft 365 can provide a smooth transition and

leverage existing tools; for organisations using Google Workspace, Gemini's offerings might integrate naturally. OpenAI's ChatGPT is platform-agnostic and can integrate with various systems through application programming interfaces, offering flexibility if the organisation uses a mix of tools.

Further questions arise about how much each tool will lend itself to customisation and how scalable each tool may be in actual use. OpenAI's ChatGPT

offers extensive customisation, allowing compa-Al scares employees. nies to tailor AI to specific A firm adopting any needs. This is particularly of these tools should useful for organisations that require bespoke prepare for the solutions. Microsoft's implementation by Co-Pilot, while highly planning training and within functional Microsoft's ecosystem, familiarity sessions may have limitations in for employees customisation outside its

> Meanwhile, Google's Gemini, with its focus on enterprise-level operations, offers scalable solutions that can grow with the business and handle increasing data loads efficiently.

predefined capabilities.

Banking regulators should pay attention to the

regulatory systems to include such activities

growing risks from private credit and review their

Security is paramount for any technology tool, including of AI. Google's Gemini is known for robust security, making it a good choice for organisations handling sensitive data. Microsoft's Co-Pilot benefits from the already capable security measures of the Microsoft 365 environment, which comply with various international standards. OpenAI's ChatGPT also offers enterprise-grade security. Its

creator, OpenAI, does not use enterprise customer data to train its models, but organisations should still ensure it meets their specific compliance requirements.

Budget constraints are another critical factor. Before a company sets off down the AI path, it needs to evaluate the cost of each tool, including any integration and ongoing maintenance expenses. Notably, the potential return on investment also needs to be assessed by looking at how the AI tool will improve efficiency, reduce costs, or generate additional revenue. Firms must first identify the primary objectives and pain points the tool is expected to address.

One way to test the waters is to implement pilot programmes for each AI tool. These programmes evaluate the tools' performance in real-world scenarios while measuring effectiveness, user satisfaction, and any challenges encountered during the pilot phase. Most mid-sized firms already have IT vendors. Engaging with vendors to understand the full capabilities, support options, and future road maps of each AI tool can be helpful, as can requesting case studies or references from similar organisations to gain insights into their experiences.

AI scares employees. A firm adopting any of these tools should prepare for the implementation by planning training and familiarity sessions for employees to ensure they are comfortable. Developing a change management strategy to facilitate a smooth transition, especially if employee changes are coming, is critical.

factors, organisations can make an informed decision that aligns with their strategic objectives and maximises the benefits of AI technology. Bring on an experienced consultant. It may be a case of a one-eyed man leading the blind, but it's a lot better than jumping in head first.

By carefully evaluating all these

AI whistleblowers are stepping up. It's about time

HERE'S AN AI advancement that should benefit all of us: It's getting easier for builders of artificial intelligence to warn the world about the harms their algorithms can cause. But who can these would-be whistleblowers turn to? An encouraging shift toward better oversight is underway, thanks to changes in compensation policies, renewed momentum to speak out among engineers, and the growing clout of a British government-backed safety group.

The financial changes are the most consequential. AI workers suffer from the ultimate First World problem, in that they can make seven or eight figures in stock options if they stick it out with the right company for several years, and if they also keep quiet about its problems when they leave. Get caught speaking out, according to recent reporting by Vox, and they lose the chance to become millionaires. That has kept many of them silent, according to an open letter published this month by 13 former OpenAI and Google DeepMind employees, six of whom remained anonymous.

OpenAI's response to such complaints has been encouraging. It not only apologised, but said it would free most of its past employees from those non-disparagement requirements. Daniel Kokotajlo, a former OpenAI employee who admirably refused to sign the gag order and stood to lose \$1.7 million (the majority of his net worth, according to the New York Times), will now be able to liquidate his shares and get that money, his lawyer, Lawrence Lessig, tells me. The heartening development here isn't that already-well-paid AI scientists are

getting more money or protecting their lucrative careers, but that a powerful motivator for keeping silent is no more, at least at OpenAI. Lessig, who met with more than half a dozen former OpenAI employees earlier this year to hammer out a

series of pledges that AI-building companies should make, wants at least one AI firm to agree to all of them.

That's probably a tall order. But decoupling non-disparagement agreements from compensation is a promising first step, and one that other Big Tech companies, who employ more than 33,000 AI-focused workers today, should follow if they don't have such a policy in place already. Encouragingly, a spokeswoman for OpenAI-rival Anthropic says the company doesn't have such controversial gag orders in place.

A better set-up would be an online portal through which AI engineers can submit concerns to both their bosses and people outside the company who have the technical expertise to evaluate risks. Absent any official AI regulators, who should be that third party? There's, of course, existing watch-

option is Britain's AI Safety Institute (AISI). Bankrolled by the UK government, it's the world's only state-backed entity that has managed to secure agreements from eight of the world's leading tech companies, including Alphabet Inc.'s Google, Microsoft Corp. and OpenAI, to safety

dogs like the US Federal Trade Commission and Department of Justice, but another

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Bloomberg

test their AI models before and after they're deployed to the public. That makes Britain's AISI the closest equivalent to weapons inspectors in the fast-moving field. So far, it has tested five AI models from several leading firms for national-security risks.

The organisation has 30 staff members and is in the process of setting up an office in San Francisco. It pays some senior researchers around £135,000 (about \$170,000) a year, according to its latest jobs listings, far less than what a roughly equivalent role at Google's headquarters in Mountain View, California would pay (more than \$1 million in total compensation). Even so, the organisation has managed to hire former directors of OpenAI and Google DeepMind.

It might seem awkward for Silicon Valley engineers to reach out to an organisation overseas, but there's no denying that the algorithms they're fashioning have global reach. In the short term, the UK acts as a handy midpoint between the

least a more viable option for the field than it ever was. That is a cause for celebra-

US and Europe, or even the US and China, to mediate concerns. The mechanisms for whistleblowing still have some way to go in AI, but it's at tion, and hopefully greater momentum for others to speak up too.

The rise and risk of private credit

Apart from the RBI,

one is regularly

seeing other central

studying and

regulating private

credit markets



AMOL AGRAWAL

The author teaches at Ahmedabad University Views are personal

FINANCIAL SYSTEMS AROUND the world keep finding ways to create new kinds of financial intermediaries. The latest entrant to this financial intermediaries club is private credit.

What is private credit (PC)? Research by International Monetary Fund (IMF) defines PC as "non-bank corporate credit provided through bilateral agreements or small 'club deals' outside the realm of public securities or commercial banks". Finance aficionados will immediately relate PC to private equity or PE, where similar "club deals" provide equity capital to the corporates. In fact, a nonbank firm specialising in private finance can offer both PE and PC.

The PE and PC business started 30 years ago. However, PE caught on early as equity markets were stable. Postglobal financial crisis (GFC), the regulations started tightening on public banking and equity markets also became unstable. The investors and receivers of funds started gravitating towards private credit. Between 2008 and 2020, the PC market grew five times from \$0.4 trillion to \$2 trillion.

One major lesson from the GFC is to watch out for all such exponential growth in financial market segments, especially in the non-bank category. There is a tendency in financial markets to flock towards the new idea ignoring all the risks. Even more worrisome is how the risks from one segment spread to another in a flash. GFC itself showed how fires

from the housing finance market spread to the entire financial system. There is a straightforward lesson for PC markets. While the public credit (banking) system is designed to disclose information to the regulators, the PC by definition is a private affair. Information asymmetry is at the heart of all financial crises where the regulator and the public do not know what is cooking behind the scenes.

IMF research has cautioned that PC has become the new public risk in the financial town. PC

involves highly leveraged interconnected entities that can pose risks to financial stability. Banking regulators should pay attention to the growing risks from PC and review their regulatory systems to include such activities.

Where does India fit into the discussion? In

India, we have had non-banking finance companies (NBFCs) that have provided a form of PC. However, the Reserve Bank of India (RBI) and other regulators have constantly made efforts to regulate NBFCs. PC, as of now, is seen as a set of unregulated pools of capital that provide credit to firms. In fact, PC exists due to the regulatory arbitrage as it does not require a NBFC licence to give credit to interested entities.

PC has entered Indian economy via

critical. Securing the necessary

financial resources and coordinating

infrastructure development across

varied geographical and regulatory

Overcoming these hurdles through

strong leadership and collaboration

force in Eurasian geopolitics.

—Amarjeet Kumar, Hazaribagh

landscapes will also be complex tasks.

could make the IMEC a transformative

something called alternative investment funds (AIF). AIF is defined as a "privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors".AIFs $come\,under\,the\,purview\,of\,the\,Securities$ and Exchange Board of India (Sebi).

In December 2023, the RBI issued a notification saying that entities regulated by it (banks and NBFCs) were

investing in AIFs. These AIFs in turn are providing private credit to the businesses, which have direct loan exposure to the regulated entities. The RBI banks and regulators asked all its regulated entities to liquidate their holdings in AIFs. The entities that are unable to liquidate shall be required to make 100% provisions

> on any such investments. The case in India shows how regulatory arbitrage works even within regulated entities. The RBI-regulated entities first invested in Sebi-regulated AIFs, which in turn invested the funds in the very companies that had loan exposure to the regulated banks. It is this very complex maze of interconnected transactions between financial entities that worries regulators. One bad transaction has the potential to spill over to the entire financial market. Having said

that, the RBI and other regulators would have to be on a constant vigil to understand new forms of interconnected lending and risks associated with them. Apart from the RBI, one is regularly

seeing other central banks and regulators studying and regulating PC markets. To sum up, PC has emerged as a new

form of financial intermediation which has the potential to threaten financial stability. Even though PC appears new, in reality it is like old wine in a new bottle. Indian financial history has seen many intermediaries, starting from traditional moneylenders and indigenous banks to presidency banks and Indian joint stock banks. Nationalisation converted private banks to public sector banksm which had different objectives. The reforms of 1991 created new private sector banks and local area banks. In 2013, the RBI licensed small finance banks and payment banks. Technology has led to the creation of several fin techs. The RBI classifies nearly 10,000 NBFCs in around 10 categories. Other countries will have their own history of financial intermediaries.

It is extremely fascinating to observe how the financial system resembles a living world that keeps evolving and creating new intermediaries. Despite much finance and many financial intermediaries, there are still cases of financial exclusion and demand for cheaper finance. leading to the creation of new intermediaries. PC is the latest addition to the list.

LETTERS TO THE EDITOR

The IMEC push

The commitment by G7 nations to the India-Middle East-Europe Economic Corridor (IMEC) marks a significant geopolitical shift in Eurasia. By reducing transportation times and costs, the IMEC is expected to boost trade volumes, foster new partnerships, and drive robust economic growth. Despite its potential, the IMEC faces substantial challenges. The project requires

Jobless growth cooperation from a diverse group of countries with differing political agendas, making regional consensus

Apropos "Modi 3.0 and employment" (FE, June 17), while conducting a postmortem on the election results, the frustration of the unemployed youth and farmers have been generally downplayed. It does not seem likely that the Bharatiya Janata Party is going to adopt a different approach towards the problem. The fact that there are people ready to risk their lives to work in war-affected areas is a

New Delhi

of joblessness. A lack of demand for labour and its oversupply has resulted in the capitalist class exploiting it to the maximum. So far, the working class has been docile about accepting their fate, thanks to their religious upbringing, but this situation is not going to last forever. The dam can burst anytime.

indication of the desperate situation

—Anthony Henriques, Maharashtra

•Write to us at feletters@expressindia.com

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INDIAN EXPRESS IS NOT AN INDUSTRY. IT IS A MISSION.

— Ramnath Goenka

KHALISTAN BACK IN FOCUS WITH NIJJAR ANNIV, **NIKHIL EXTRADITION**

HE picture of a frosty handshake Prime Minister Narendra Modi had with his Canadian counterpart Justin Trudeau on the sidelines of the recent G7 summit captured the tense bilateral relations ever since Khalistani radical Hardeep Singh Nijjar was bumped off in Canada on June 18 last year. Modi's bland description on his official X account, "Met Canadian PM @JustinTrudeau at the G7 Summit," had the chill of the Arctic built into it. It garnered about 5 million views. At the other end of the spectrum was Modi's "Long live" India-Italy friendship!" response to an exceptionally glowing selfie along with the host and Italian Prime Minister Giorgia Maloni. Her accompanying audio message, "Hello from the Melodi team," made eyes pop and drew 19 million views.

Trudeau later said both sides agreed to work together to deal with important issues, without elaboration. With the Nijjar death anniversary on Tuesday, more pro-Khalistani noises can be expected in Canada. India repeatedly chastised Canada, saying glorifying violence cannot be part of any civilised society, adding intimidation by radical elements in the name of freedom of expression is unacceptable in a democracy. But Trudeau's liberal lexicon apparently lets vote-bank politics make contortions to define democracy differently. Canada claims to have cracked Nijjar's murder by arresting a few young people. The outcome of the case is awaited. In a related development, Indian national Nikhil Gupta, accused in a murder-for-hire plot against Khalistani separatist Gurpatwant Singh Pannun has been extradited from the Czech Republic to the US. Prosecutors allege Gupta hired a hitman to kill Pannun and his handler was an Indian government official. The extradition came right before the ongoing visit of US National Security Advisor Jake Sullivan to Delhi for talks on emerging technologies.

The extradition and the Nijjar anniversary have brought Khalistani separatism back on the front burner. It has pockets of support in Punjab—radical leader Amritpal Singh recently wrested the Khadoor Sahib Lok Sabha seat from his Assam jail with a margin of 1.97 lakh votes. Sarabjeet Singh Khalsa, son of former PM Indira Gandhi's assassin Beant Singh, won the Faridkot seat as an independent. These are worrying signs. The Pannun case trial will be keenly watched, as it will test the resilience of India's foreign policy under the new government.

PROTECT JOURNALISTS TO BOOST DEMOCRACY

HE attack by four unidentified non-state actors on a young reporter from *The New Indian Express* at an Additional Chief Metropolitan Magistrate's court in Bengaluru on Saturday is a deplorable act that needs to be condemned in the harshest possible manner. The *TNIE* reporter was covering murder-accused Kannada actor Darshan Thoogudeepa being produced before court. The attackers questioned the reporter about what he was doing at the court complex. They beat him up on being informed that he was from the media. It demonstrates the impunity with which the attack was launched.

This is not an isolated case. It must be viewed as part of a string of attacks on media persons and the condition of press freedom across India. According to the India Freedom of Expression Initiative's annual press freedom report, in 2023, five journalists were killed and 226 injured. These were carried out across India by state agencies, non-state political actors and criminals. It's not surprising the World Press Freedom Index published by Reporters Without Borders as an annual ranking based on the level of journalistic freedom on the parameters of political context, legal framework, economic context, sociocultural context and safety—has positioned India at 159 among 180 nations in 2024; it's a fall from 2022's rank of 150.

In many cases, the extent of injuries sustained—or death—is taken into consideration to decide their seriousness. The implications are far more severe than that. Any such attack needs to be viewed as an obstruction to the smooth functioning of Indian democracy, something most Indians are proud of. Press freedom must be viewed and accepted as a fundamental democratic principle. It allows journalists and media organisations to operate without censorship or interference from state or non-state actors. It is a core component of the freedom of expression.

Although not exclusively mentioned in the Constitution, press freedom comes directly under the rights granted by Article 19(1) (a) for freedom of expression and speech. It implies encouraging independent journalism to promote democracy by allowing journalists to freely report and voice their opinions on matters reported from the ground. It is time the Union government brought in laws to protect journalists to help them boost press freedom, without which democracy itself holds no meaning.

QUICK TAKE

A WELL-ROUNDED EDUCATION

HE NCERT director's assertion that minimising the mention of riots that affected modern India would reduce hatred misses the woods for the trees. Clashes that have had a lasting impact on Indian history—of which there have been many, like in any large, heterogeneous country—should not be kept altogether from schoolchildren. They serve as cautionary tales on what not to repeat. Students taken to the Partition Museum in Delhi come away learning about the event's tragic dimensions. Berlin's Holocaust Memorial is designed to unnerve visitors. On this, we would do well to ponder over philosopher George Santayana's words, "Those who cannot remember the past are condemned to repeat it."

N the beginning, we were all alone. And then we came together. First in sets of two. Some committed, some did not. Some committed for a while and moved on when the time came. The bound unit of two became more as we had children. And that became the family. Then we made friends. And we lived close to the ones we liked. We went out together, ate together, and celebrated and mourned together as well. And then came marriage as an institution. Those who committed themselves to it bound themselves to the norms of fidelity and more. Society institutionalised it with

rituals of every kind. Even punish-

ments for those who strayed. And then the governments of the land took over the task of governing society, listing the do's and don'ts, and even creating detailed laws to follow. In came the rule of law. Even as all this happened, families grew, as did societies. Those who lived in close-knit societies gave themselves names that identified themselves as being more homogenous among the heterogeneous. Societies became regions and regions became states. And then the states got together and made the country. The smallest unit of society is the individual and the largest is all of mankind then. Add to it animal-kind and plant-kind as well, if you will. And we are complete as a universe.

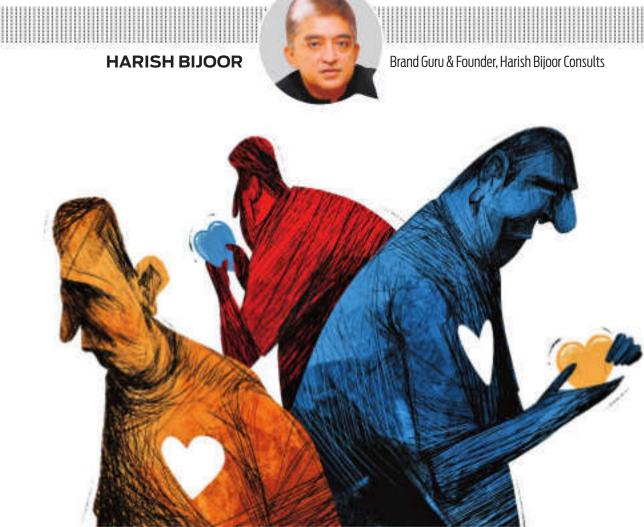
I just visited an uncle of mine after a long while. We sat down over a cup of coffee and chatted. We spent 40 minutes of quality time. In these forty minutes, he told me everything about his side of the family and probed into every little bit that related to mine. Nothing was off-limits. Everything had to be spoken. He then took me across to meet his friends at the club. A motley group of nine quizzed the life out of me. It was not only about what I do, but about literally every aspect of life, money, investments, land, health, friendships, contacts and even my attitudinal disposition to politics, religion and more. Global warming and AI were included as top-up quizzes. The only subject left out of the discussion was sex. I don't know why though. I left that evening exhausted.

Does this sound familiar to you? Has it ever happened to you? Does this happen to you everyday? Are you immune to this? Is this the Indian way? Are we as intrusive as this all the time? And do you do to others what others do to you?

The fight against loneliness leads one to make friends. As society gets more hooked to digital mediums, we need to take interest in others to stay connected

THE NEW INDIAN EXPRESS

THE INTRUSIVE **INDIAN'S PASSION** TO CONNECT



Is the Indian an intrusive character? And is it fun to be like this? Let me discuss this further and do a contrast.

The last few years have seen me traverse quite a few countries and spend some time out there absorbing societies and people post work. At one end is the US. Gone are the days when the jolly and completely inane, "How you doing?" was being thrown about. Today, no one wants to know how I am doing. Everyone wants to be left alone. No one is connecting with their eyes. If on the train, you are not meant to connect with another with your eyes. That is considered intrusive. If you hear someone yelling at another, you are meant to ignore it and just get on with your life. Not stare, leave alone intervene. People are not meant to connect with people in public places without a purpose. That's the unwritten rule of a spanking new modern society. The new rules of civilised behaviour, if you may.

Europe on the other hand is a bit cooler on this count. A smile on the face is all fine. A return of a smile is fine as well, it seems. Again, this is contextual whether you are speaking Eastern Europe or Western. As you move to Asia, things get friendlier. Warmer. Even hotter.

Now the key question is a simple one. Which one is the correct way to be? Must people be cold to one another, warm, or so completely warm that you fry the brains of the receiver with

this extra warmth, as the evening with my uncle and his friends at the club did mine? Must you be the intrusive Indian, the charming Frenchman or the completely private and insular American of today?

My considered view on this one emerges from a crazy fact. The fact remains that we are getting to be more and more mechanical. Data from diverse sets of studies tell us we are getting hooked to the digital medium so much that we don't rise above it. We are so totally steeped into our social media handles that we do not find the need to be social in our real lives at all.

Social media has made us antisocial for sure, at least in the traditional way. We see this with our youngsters all around. Digital dopamine is the new drug going around. It's free, it keeps you occupied, it makes you feel good and makes you want more and more of it all the while. Social media is designed to do just that.

As the days go by, as India emerges and merges into the world order and way of thinking, acting, behaving and living, it is time to sit up, spot and discuss the elephant in the room. Must we really go the way the US has, or must we stop the way we are moving right now? Is there an Indian way we want to reinvent and propitiate for the generation ahead of us? Is the intrusive Indian a great way to be?

I think it is. The reason is simple. The smallest unit of society is the individual. The loneliest unit of society is the individual as well. Man fights loneliness. It is this very fight that leads one to make friends and establish relationships. The ability to connect with one another in society is possibly a great parachute to use for a soft landing when the chips are down. Friends matter. As do acquaintances. As do strangers on a train. I do think society is meant to take care of one another, never mind whether you are related to one another by a family dog-tag or not. Smiling at a depressed stranger on a train could be of therapeutic value for all we know. In return, that connect could be a valuable whiff of dopamine for the self. The intrusive Indian is a great way to be. In many ways we are celebrating life and living it the way it must be. There is a joy in connecting with people everywhere and all the time. Let's preserve the Indian way. Let's get passionately intrusive.

> (Views are personal) (harishbijoor@hotmail.com)

FOR MORE FAIRNESS FROM THE FINANCE COMMISSION

HE Finance Commission is a constitutional body instituted by the Union government once in five years without any transparent discussion on selecting its members and its terms of reference (ToR). The FC's recommendations are not justiciable and not all recommendations are accepted by the government. Hence, apprehension about its neutral role in the distribution of tax revenues between the Union and state govern-

ments and grants-in-aid is not unfounded. Normally, the Union government adds to the constitutionally mandated ToR using the Constitution's Article 280, sub-clause 3(d)—"any other matter referred to the commission by the president in the interests of sound finance". The NDA government gave a long ToR for the 15th FC that was coercive in more than one way. But the ToR for the 16th FC is just a reproduction of relevant provisions in Article 280. The change of mind was surprising.

It would not be a surprise if the new coalition government gives additional ToRs to the 16th FC. New Delhi is known for opacity in governance. The coalition partners from the states should act to bring in a federal spirit in the FC's functions.

Evolving terms of reference

If we peruse additional ToRs to various FCs, we get an idea about the development of fiscal policies and how the Centre coerced states to follow what it believed as fiscal prudence. The ToR of every FC retained almost all items in the previous ToR. This led to increasing ToRs for successive FCs.

A few ToRs added down the years are given here. One, for maintenance expenditure of the assets created by plan schemes, debt servicing expenditures shall be considered (4th FC). Two, while deciding the states' share in tax revenue, the revenue and expenditure commitments of the Union government shall be considered (5thFC). Three, the ToR for the 6th FC specified requirements of backward states to improve their administrative efficiency should be considered. Four, the need for ensuring reasonable returns on investments in irrigation and power projects, transport undertakings, industrial and commercial enterprises and the like was stipulated in the ToR for the 7th FC. It also specified to take 1971 population as a factor for determining taxes, duties and grants-in-aid. Five, the language of the ToR for the 9th FC (1987) reflected the economic reform process of







J JEYARANJAN Vice Chairman, Tamil Nadu State Planning Commission

the government. Many items from the ToRs of previous FCs were abridged and obvious reform phrases were used. Six, the ToR for the 11th FC included specific references to augmenting states' finances to devolve funds to local governments as per the 73rd and 74th Amendments of Constitution.

From the 12th FC to the 15th FC, the ToRs prominently contained the references to suggest measures to reduce public debt and restoring balanced Union and state budgets.



The Finance Commission's evolving terms of reference show how states' fiscal planning has been made more rigid, while the Union govt's options have been kept more flexible. The 9th commission headed by N K P Salve introduced reform language to go with the then govt's agenda

The ToR for the 14th FC specifically asked the FC to consider the demographic change since 1971. The ToR for the 15th FC explicitly stipulated the use of 2011 census instead of 1971, wherever population was a criterion.

The Union government need not accept all the recommendations of an FC. Almost all the FCs since the 1stFC recommended the creation of a permanent administrative establishment for FC to monitor the implementation of the recommendations and to collect real-time data on finances and other issues, and also an independent public-debt management institution. For more than 75 years, the Union government

has not accepted this recommendation. Almost all the recommendations regarding states' debt management were accepted in principle and some were implemented. One such was on the state fiscal responsibility laws. The requests to amend the states' fiscal responsibility laws were not

accommodated, but those for the Union government were taken up several times to change the restrictive deficit ratios. The action taken reports on the recommendations of the 14th and 15thFCs show the Union government had implemented the recommendations regarding tax devolution and grants-in-aid; other recommendations were to be implemented after thorough studies. This leaves the scope to change the recommendations according to the Union

What should states do?

government's preferences.

The states should get together to express their concerns about the ToRs for the 16th FC and compel the Union government not to add any other item. There are possibilities for the Union government to influence the FC to take a particular view or take up an issue that is not referred to it. First, the states should ask the FC to institute a transparent process of decision-making, such as publishing a draft paper on the issues in the ToR. Second, the normative approach to the revenue and expenditure projections of states should be discussed in a democratic manner. Third, a specific path to debt sustainability should be recommended in view of their different fiscal situations. Fourth, the issues to decide on the vertical share of the Union government's tax revenue should be discussed, with the states and the Union government as equal partners in generating and sharing tax revenues. Fifth, the horizontal sharing formula for distributing state share should be discussed because the 2021 census has not yet been conducted. It is equally important to resolve the longpending issue of a trade-off between equity and efficiency in the distribution formula. There is a lot the states have to deliberate with the new government in New Delhi.

(Views are personal)

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Other narratives

Ref: Narratives that changed the poll wind (Jun 17). The author aptly mentioned that the narrative by the opposition about saving democracy was a sham. When the BJP performed well in several states, it is shocking that its overall tally fell far below expectations. While its failure in Maharashtra could be due to wrong coalition strategy, the major shortfall in UP could be due to false narratives. R Kasthurirangan, Bengaluru

Electorate's concerns

The article places too much emphasis on the power of narratives and underestimates the genuine concerns of the electorate. Economic disparity has increased significantly, and the dollar's rupee equivalent has multiplied since 2014, exacerbating inflation. These issues are not just abstract figures, but real challenges that affect daily life. It is crucial to acknowledge that voters are keenly aware of

these problems. Sandeep Kumar Pradhan, Bhubaneswar

Accept verdict

While the author points out that voters fell for the opposition narrative, would it have happened if the BJP had shown results in its two terms? The BJP had its own narrative as well, but voters heard it for too long without any visible outcomes. The BJP should take the verdict in a constructive way. Vishnuvardhan Ravindrakumar, Karur

Political pitfalls

Ref: The burden of hope on Suresh Gopi (Jun 17). Suresh Gopi has to tread carefully as a Union minister. While keeping the image of a good samaritan that helped him win the election, he needs to be wary of pitfalls in politics. Perhaps he should use words extremely carefully. Mohan Kunnakat, Vaniamkulam

Two-wheeler tax

Ref: Coalition dynamics could reflect in GST council meet (Jun 17). The GST council needs to look into various slabs on essential items. It is heartening to know that two-wheelers have been kept in the 28 percent slab. The council is requested to further review the GST structure on two-wheelers and reduce it to 18 percent. N Lakshminarayana, Visakhapatnam

Fuel cost

GST always seems to have a negative impact on people as the rates from the Centre and states shoot double arrows on buyers. If the prices of petrol and diesel are brought under GST, costs may decrease considerably. I hope the TDP will play a significant role in bringing reforms in the rate rationalisation process. Rajakumar Arulanandham, Palayamkottai

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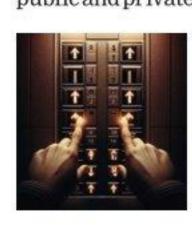
The Edit Page Growth, Consumption

Upcycle powered by public and private sectors

To Investment-Led

Confirmation of revival in private investment is emerging from the dividend payout behaviour of a spectrum of companies last year. The dividend payout ratio of around 1,300 listed companies slid to a nine-year low as they drew down surpluses to fund expansion. This sits well against corroborative evidence of banks sanctioning more loans for private investment. Investment growth in the economy overall is now ahead of income growth. And this is before GoI begins to taper its capex, suggesting the expected crowding in of private investment is gaining momentum. Slow growth of consumption has a mixed impact on investment. On the one hand, it leads to slower increase in capacity utilisation. On the other hand, it frees up capital for productive investment.

The investment upcycle is now being powered by both public and private sectors. There is also a revival in manu-



facturing exports that adds to the tailwind. The economy is now adjusting from consumption- to investment-led growth. And all of it is not cyclical. Some of the demand shift may be permanent. This opens up prospects of India achieving materially more of its growth potential. The commentary on

India is pivoting from the speed of its post-pandemic recovery to the sustainability of its growth trajectory. Trailing pockets of consumption — the worry point — are expected to catch up with investment pushing up real incomes and inflation trending towards target. RBI has already flagged growth in consumer credit and will try to ensure balance in capital flows to households and companies.

Markets are positioning themselves to guide a bigger flow of debt and equity to India, while China tries to stabilise its recovery. Financial markets are aware of China's need to rebalance demand in favour of domestic consumption, a structural deformity that does not afflict India. The investment upsurge has been a long time in the making for India, which may work in favour of it sustaining itself.

Knowledge Economy, Not Silly Conformity

A school or college syllabus is not propaganda. One would have thought that the National Council of Educational Research and Training (NCERT) would know this difference. However, comments by NCERT director DP Saklani on the new Class 12 political science textbook suggest otherwise. His explanation for the removal of sections pertaining to the demolition of Babri Masjid in 1992 and communal violence in the 2002 Gujarat riots is that these 'can create violent and depressed citizens'. This is straight out of the Agitprop 101 manual. Saklani also asked whether studying such 'episodes' is the purpose of education. He justified these latest deletions by pointing out the 'lack' of similar outcry over the absence of any mention of the

1984 anti-Sikh riots in textbooks. And, thus, we have entered the tu-tu mein-mein whataboutery of textbook politics.



That India has plans to be a knowledge economy doesn't sit well with such groupthink. The fact that 'unpleasantness' is perceived as a criterion for textbook excision tells a sad story about NCERT's un-

derstanding of pedagogy and knowledge. If fake facts for our young are to join the trough of fake news to maintain some skewed notion of national 'pleasantness', we'll be entering pamphleteering territory of 'Mao's Little Red Book' variety instead of one that encourages critical thinking and disparate ideas, and prepares our young to engage and navigate the difficult questions of life and society.

Saklani is right when he says syllabi are updated the world over. Indeed, they must — to incorporate new findings, excise mistakes and make them more engaging. Shielding 'unpleasant' facts, especially in this digital age, is a sure way of producing dimwits who are unable to tell facts from fabrications.

Showing sudden, unnecessary toughness can be a good cosmetic strategy

God of Tough Things, A Compensation Tale

Even gentle souls don't like it when they're called 'weak'. As a natural reaction, they make gestures to prove their toughness. For individuals, this can come out as 'out of character' behaviour. For states, it can be taking an old rabbit out of an old hat and then showing the audience it has bravely tackled a pest. For this purpose, some 'unlawful activities' are first defined, then identified, and used to reel in characters who come in handy to ensure that people don't think that the old mojo of 'tough love' has gone. The role model for this kind of show is, of course, America. 'National security' becomes the raison d'être for hunkering down on anything that smells of dissent - to differ in opinion—while showcasing its democratic credentials. More than 200 arrests have been made in four American colleges Washington, Northeastern, Arizona and Indiana Uni-

versities - for pro-Palestine/anti-Israel demonstrations. These arrests and detentions are not dangerous for the existence of the American state. Far from it. But Washington's inability to show that it's still cock of the walk, especially when it comes to restraining ally Israel from genuine bad boy behaviour in Gaza, drives the US state to act tough

— in its own backyard by first making a mountain out of a molehill, and then climbing that hill. Weakness has a way of showing this way.

STATE OF PLAY > Four years since the clashes, India's template to deal with China holds

GALWANFORTHEROAD



Pranab Dhal Samanta

he Galwan shift in the India-China conversation continues to endure four years later. It marks a 'new normal' that resonates across the post-pandemic world.

Last week in Italy, G7 - which until now had been urging China to use its influence to stop Russia's military action in Ukraine-changed tack. It asked Beijing in its communiqué 'to cease the transfer of dual-use materials, including weapons components and equipment, that are inputs for Russia's defence sector'. It also threatened action against Chinese entities.

So, the arc connecting the Indo-Pacific with Ukraine is now complete. That China is the common link was known. But it hadn't been called out so specifically. The compelling alternate view that China will alter course, back-off a bit again will continue to cushion these deliberations in some form. But Xi Jinping hasn't obliged. His domestic political play is all about Chinese assertion.

India was among the first countries to experience the full-blown version of this change in 2020, when China marched up on India's northern frontiers across Ladakh violating border managements pacts. Subsequently, on June 15, 2020, 20 Indian soldiers were killed in a clash with Chinese troops in Galwan amid a tense stand-off.

Chinese military manoeuvres happened at a time when most of the world was coming to grips with Covid. It was the first time in 45 years that a clash had resulted in fatalities on both sides. China conceding much later that it had also lost men in the clash.

The alternate accommodating view, which had deeply influenced India's China policy until then, had to give way to a more pragmatic strategy. Over the next few years, India fashioned a new approach that built on some key decisions taken before Galwan, like not joining the Belt and Road Initiative in 2017, and pulling out of the Regional Compre-



Taking a good, long look

hensive Economic Partnership in 2019. The National Security Directive on Telecom, which placed controls diminishing the presence of Chinese vendors like ZTE and Huawei, followed. This, coupled with Press Note 3 curbing opportunistic takeovers by Chinese companies, and changes in government financial rules to reduce sourcing from China, besides banning of apps, provided a broad new 'Galwan Template'. For the first time, India took the fight beyond the confines of military frontiers.

The template straddled across trade, telecom, government procurement, and physical and digital infrastructure, creating in its wake a much bigger front than what China had imagined when it sought to open the Eastern Ladakh sector. Beijing, of course, didn't let up. And so began a conflict along

new parameters in which India found support from the US and Japan, leading to Quad's formali-

For all the support, it was India that had opened a whole new bunch of issues that had remained muted because of China's dominant economic position. It was networked into major economies and was well situated to take coercive economic measures. Though imminent, most democracies didn't expect that would happen so blatantly — until stories of Chinese debt traps in Sri Lanka and Zambia came to the fore. The situation in Pakistan has been equally alarming, except that China is more sensitive to meeting Islamabad's requirement given its strategic relationship.

China's attempts at taking over assets built through BRI assistance was a direct affront on sovereignty. It deepened fault lines, but compulsions always brought the countries to the negotiating table with China. In the end, the deal was far from fair.

Beijing continued to weaponise trade, despite alerts and warnings. Its political agenda also did not alter as it stepped up military presence across Taiwan, setting up a confrontational posture with the US. The presumed

> That China's the common link in the Indo-Pacific and Ukraine arc was known But it hadn't been called out so specifically till last week by G7



backing down never happened.

European powers with strong economic connections with China sought to draw a distinction between Russian action in Ukraine and the China threat. A false debate on prioritising the Russia threat over China ensued, with efforts to get Beijing to help broker a peace deal by using its influence on Moscow.

Eventually, just like in pre-Galwan India, Europe stood divided on the subject. In many ways, it remains so. EU and its parliament had a clearer approach. But major powers like Germany sought middle ground. Over the past few months, for Xi, it all boiled down to the extent EU will go in imposing duties on Chinese EVs. He even undertook a visit to Europe, while many European leaders visited China, trying to deliberate a way out as US had built tariff walls on Chinese firms.

The result was a mixed outcome. 30% tariffs were imposed. But enough leeway was left to apply them in a flexible manner, sliding the tariff scale on the basis of certain criteria on compliance and transparency. European powers feel this deal should be acceptable enough for China not to take retaliatory action against European automakers in Chinese territory. The wait is still on.

Meanwhile, China didn't show up in Switzerland for the Ukraine talks, disappointing its European interlocutors, conveying its firmness on staying its course with Russia. The connection between threats, which Europe sought to overlook, was made.

The last four years since Galwan have seen many countries experience the coercion of a changing China. No efforts at deal-making or accommodation have succeeded. And, so, the Galwan Template has worked for India. With intelligent, pragmatic tweaks, and some in-built flexibility, there is every opportunity to improve on it, but hardly any reason to doubt its purpose.

pranabdhal.samanta@timesgroup.com

ChatGPT SHAIRI OF THE DAY In Italy, the G7 did meet, Where leaders took selfies so sweet. With the Colosseum in frame,

They played the fame

Making peace talks a

picturesque feat!

State of N-Weapons Although the number of nuclear warheads globally continues to decline,

this is only due to the US and Russia dismantling their retired ones, and the number of operational warheads are rising again, according to SIPRI Yearbook 2024. Another report (from the International Campaign to Abolish Nuclear Weapons) said the world's nine nuclear-armed states spent a combined total of \$91.4 billion on their nuclear arsenals in 2023, which was \$10.8 billion more than in 2022. Here's a snapshot:

N-Weapons: Spending & Numbers

COUNTRY	N-weapon	Total inventory*	
	\$, billion	%^	2023 (change)
US	51.5	17.8	5,044 (-200)
China	11.9	6.7	500 (90)
Russia	8.3	6.1	5,580 (-309)
X°X3 UK	8.1	17.1	225 (0)
France	6.1	5.7	290 (0)
India	2.7	2.5	172 (8)
Israel	1.1	2.4	90 (0)
Pakistan	1.0	12.5	170 (0)
North Korea	0.86	4.7	50 (20)
Total	91.4	13.4	12.121 (-391)

"warhead numbers; "Change from previous yr



The vaccine is ready, sir. We are just waiting for the virus to appear.

For a Few Dolars Less PARANORMAL PARAPPER PARANORMAL Paragraphs From Fiction



Prabal Basu Roy

The quiet burial of the 50-year-old petrodollar agreement between the US and Saudi Arabia is as significant as the Bretton Woods agreement in 1944, introduction of fiat currency after the US ended the gold standard in 1971, and the agreement itself after the 1973 oil crisis. Post-crisis, Riyadh agreed to price oil exclusively in USD and invest surplus revenues in US bonds for security guarantees, creating synthetic demand for the dollar and enabling US overspending.

But why did the markets not react to the scrapping of the agreement? Because it's part of a carefully designed plan unfolding over the last decade. There are multiple interrelated aspects to this unfolding:

▶ Clock's tickin' The US economy is technically insolvent, with its tax revenues by 2031 projected to go towards interest payment and social security, given that its debt-to-GDP ratio is 130%. gross debt breaching \$100 tn soon, and adding about \$3.5 tn in debt a year. No country has exited such a position without hyperinflating or defaulting on its debt obligations.

US banks are overvalued, over-leveraged, undercapitalised and marginally uninsured. Its coercive foreign policy of sanctions, freezing assets and its recent policy post-Ukraine war of confiscating Russian assets have precipitated an environment of diminishing trust in the US and USD.

▶ BRICS is watchin' BRICS is tapping into this anti-US trust deficit to create an ecosystem of countries to push for an alternative to USD as both settlement currency and, ultimately, its reserve

currency status. Diplomatic circles are abuzz with the interest shown by 49 countries in what will create the largest conglomeration of anti-Western grouping with access to oil, natural gas, precious metals and a presence across the value chain — production, shipping and consumption.

It's also significant that Vladimir Putin visited the UAE when it joined BRICSplus to deliver a veiled message to prevent the outcome faced by Saddam Hussein and Muammar Gaddafi when they pushed their views on following an anti-US oil policy.

▶ Digital dividend The BRICS-plus ecosystem has resulted from a structured. focused and well-executed strategy, led by China since 2007, with its BRI, drive towards a blockchain-led digital currency and accumulation of gold reserves. Alternative to a fiat currency by building a blockchain-based digital currency — backed by hard assets like gold and other commodities - is the cornerstone to an alternative order. This will have the transparency of blockchain technology, and without the counterparty risk in a highly fragmented world that gold provides, unlike USD-backed bonds and similar instruments.

Recent trends of central banks of India, Saudi Arabia, Hungary, Austria and Czechia in bringing their sovereign gold



back from the Bank of England and NY Fed reflect the diminishing trust in Western institutions, and imperatives to hold gold reserves domestically to avoid potential counterparty risk.

In the backdrop of these trends, it's hardly surprising that Saudi Arabia is drifting away from the US. That Mohammed bin Salman declined to attend the G7 meet in Italy is significant. As far as the US is concerned, its chosen policy of preferring inflation over austerity funded by the synthetic demand for USD through the petrodollar agreement — is no longer sustainable.

Whether the agreement will finally end in totality is still uncertain. The most likely outcome for now is acceptance of dollar, gold (or its derivatives like the petro yuan) and local currencies (like the rupee, rouble, dinar) for oil trades.

We are moving towards a new alternative world economic order, commen cing with a split global monetary system with a common, non-USD settlement currency. Given the US economy, its banks and stressed commercial real estate markets, the bubble can burst at some point when the reduced global demand for the USD results in higher inflation and higher interest rates led by the dumping of US bonds.

Implications of this will be devastating globally. Central banks recognise this risk and are gearing up for this with gold, reclassified as a tier-1 reserve asset class, now in second place in the reserves portfolio, followed by the euro.

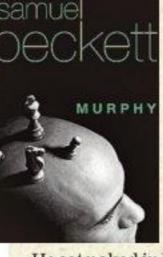
The USD hegemony is unravelling, and the global financial order is moving towards a new era led by BRICS-plus countries. Hard commodities-based blockchain-enabled digital currencies will challenge the dollar's dominance and its power dynamics through transparency and inherent strength. How this will play out in gaining legitimacy and acceptance will determine our lives over the next decade.

The writer is board member and Sloan Fellow, London Business School

Murphy Samuel Beckett

The sun shone, having no alternative, on the nothing new. Murphy sat out of it, as though he were free, in a mew in West Brompton. Here for what might have been six months he had eaten, drunk, slept, and put his clothes on and off, in a medium-sized cage of northwestern aspect commanding an unbroken view of medium-sized cages of south-eastern aspect. Soon, he would have to

make other arrangements, for the mew had been condemned. Soon, he would have to buckle to



eating, drinking, sleeping, and puttinghis clotheson and off, in quite alien surroun-

and start

He sat naked in his rocking-chair of undressed teak, guaranteed not to crack, warp, shrink, corrode or creak at night. It was his own, it never left him. The corner in which he sat was curtained off from the sun, the poor old sun in the Virgin again for the billionth time....

...Somewhere a cuckooclock, having struck between twenty and thirty, became the echo of a street-cry, which now entering the mew gave Quid pro quo! Quid pro quo! directly.



Self-Esteem

That's High

BRAHMA KUMARI ASHA

In any relationship - whether personal or professional — initially, it is a totally positive projection. There is a person who projects on to you all that is positive: you are marvellous, unique, dependable and valuable. This projection generates a state of bliss and well-being. You feel loved, cared for, needed and valued.

However, this positive projection lasts until the negative projection begins to emerge with dependencies and expectations. 'You should have called me, told me, arrived at this time, been more like this, less like that,' and 'done this or that.' Positive projections and a happy state disappear with these expectations, demands and dependencies. The 'other' has started interfering in your personal space, and the harmony that

existed there previously is lost. One needs to learn to have a positive vision of oneself. You are marvellous and unique; don't depend on others telling you so. This does not mean you need to feed your ego with praise, acceptance and appreciation from outside sources.

Think about all your inner creativity, positivity and optimism through regular practice while experiencing spiritual wisdom, universal values, divine meditation, and a healthy and natural lifestyle so that you do not depend on others to project positive things on to you to feel good now and then. By feeling good in an independent way, you will be able to share sustainable inner peace, love, happiness and positivism with others.

Chat Room

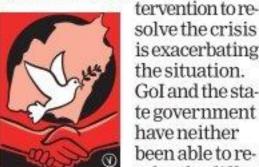
Reserve Currency Is Thicker Than Oil

Apropos the Edit, 'Petrodollar, It's Alive & Flowing' (Jun 17), the historic petrodollar deal that comes to an end after half a century is not going to dent the strength of the defacto global reserve currency. Saudi Arabia maintains a close relationship with the US that sees billions of dollars of trade for its military and economic needs to be fulfilled. It may accept other currencies but transport, insurance and financing costs are solely measured in dollar terms. No other currency has gained a significant value to replace USD as a major reserve currency. The forthcoming US-Saudi Arabia Strategic Alliance Agreement would keep the Chinese interests from hurting the dollar's dominance with yuan deals in the global financial sector.

MILIND AVASARE Mumbai

Solve the Tangle, Salve the Soul

This refers to the Edit, 'Mend Manipur, For India's Sake' (Jun 17). What Manipur is going through today is no ordinary instance of mass violence, which remains unabated and keeps flaring up sporadically. Lack of political in-



GoI and the state government have neither been able to resolve the differences between the warring ma-

solve the crisis

is exacerbating

jority Meitei and minority Kuki communities nor restore peace and normalcy in the region. It's time to make amends for the sake of peace and stability in the beleaguered border state.

KSRAO Thane

Reskiller is the Killer App

Apropos "Time to Reskill the Skilling Plan' by Atul Tiwari (Jun 17), India's skill development initiatives have a fragmented approach and are centralised with government. The skills are highly industry-specific and job-focused and need involvement of the relevant industries. Industry groups and big companies should have their own skill development centres to provide reskilling platforms, for which GoI can provide financial assistance. Foreign companies with global capability centres in India are shining examples of this. Periodical skill mapping too is crucial.

RAJARAO KUMAR Bengaluru

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A thought for today

My poet's heart gives me strength to face political problems, particularly those which have a bearing on my conscience **AB VAJPAYEE**

The Verdict Speaks

Politics is hotting up over speaker, dy speaker posts. BJP not wrong to want the former. Oppn should get the latter

The churn over speaker's and deputy speaker's posts is throwing up more froth than cream. Politicisation of these two constitutional offices is again worth a lament. The process started some time back. Every year, it turns a shade worse. BJP is likely to retain the post. NDA ally TDP had eyed it, which probably prompted INDIA's stand that it would support Chandrababu Naidu's candidate for speaker in the event of an election.

Verdict's message LS election's sobering verdict returned BJP to office with significantly smaller numbers. With 240 seats, it is understandable that BJP wants to bag the speaker's post, though to date it remains noncommittal. We'll know soon if BJP's choice will be a consensus candidate or if elections will be held.

Speaker's role | From allowing questions and debate to disqualifying MPs, from deciding on defections to setting the agenda, the speaker and deputy speaker are Parliament's conscience-keepers,



tasked to run House business in an orderly manner. Essential attributes expected are impartiality, confidence they inspire in minority groups and Opposition, and freedom from party affiliations or bias. Given the hostile political atmosphere, such words sound outdated in the republic's 75th year.

Legal fiction | One need only look to Maharashtra in 2023 to see how a speaker unfamiliar with constitutional law, and seen as a "party man", can cause irrevocable damage to a House. But such is the post's

authority that Supreme Court restricted itself on deciding on defections of Sena and NCP MLAs, lest it interfere in speaker's jurisdiction. But the speaker's delayed and dramatic decisions made everyone a loser in Maharashtra assembly.

Record vacancy | The 17th Lok Sabha from 2019-2024 was the first one ever without a deputy speaker throughout its duration - though Article 93 of the Constitution requires that LS elect a speaker and deputy speaker 'as soon as may be'. BJP allowed the vacancy, doing away with longstanding parliamentary convention of the post given to opposition parties. A CJI-led bench last Feb heard a PIL on the vacancy. Little came of it.

Be parliamentary | When the 18th LS meets for the first time later this month, govt must remember the mandate's enormous message-the vote was for coalition, collaboration. The spirit of the people's mandate and convention would be upheld were the post of deputy speaker to go to Opposition. That is how it should be.

Water's The Problem

Summer rainfall is expected to make a delayed arrival in large parts. This is bad news for depleted reservoirs

MD's forecast of "above normal" rainfall this year had come as a relief. A good kharif season promised a let-up in food inflation **L** and easing of monetary policy to spur growth. Bountiful rains would also mean an end to heatwaves, which have tormented millions this year.

Monsoon ebbs | Unfortunately, the southwest monsoon has lost some momentum in June. Experts say this is just a hiatus. But its late arrival in large parts of the country is going to delay the sowing of summer crop. It would also decrease the interval between kharif and rabi crops, which, among other things, leads to stubble burning



in northwest India. Of particular concern in this context is the low water levels in our reservoirs. According to Central Water Commission, total live storage in 150 reservoirs stood at just 22% of their live storage capacity last week.

This was 79% of last year, which was 92% of the 10-year average. The situation was especially alarming in the south, where the figure was just 14% of total storage capacity.

Reservoirs vital for economy | Low reservoir levels will impact hydro power generation, which peaks in the season. Poor monsoons last year had taken a toll on hydro output, which touched a low last fiscal. It also raises fears of more drinking water crises, something that cities like Bengaluru and Delhi have faced this year. Further, unless reservoir levels go up, there would be less water for the rabi crop, which is critically dependent on irrigation.

If there's a silver lining, it is that the return of La Nina this year is expected to boost rainfall later in the season. While this should ramp up reservoir levels, the issue is sure to surface again in coming years. It calls for long-term solutions.

Daddy's visit

It begins on a high note, then sours, naturally

Bikram Vohra



Daddy is coming home from the Gulf after nearly 18 months. Everyone is excited and happy happy happy. Squeals of glee greet the arrival and the first three days are lashed with laughter and love as relatives and friends cascade into the house. It is gift time and fun is the operative sentiment. Then everyone starts getting back to their own lives and garlands begin to die. Mum goes off to work, kids have exhausted their quota of affection

and attention and returned to their routine and their friends. Dad is now alone and the day stretches gloriously into doing nothing. Glory element shrinks like cheap clothes after a week and loneliness kicks in. It suddenly hits him how redundant he is to everyone, like a stepney when there is no puncture. Resentment begins to bubble like percolating coffee. Here I am working my butt off in a foreign land, taking nonsense from half-a-dozen bosses so all of you can have a good life. And no one cares. So Daddy in his wisdom and nursing a wounded dove of an ego begins to assert himself. After all, he is the man of the house and the lion must roar, not purr like a pussycat.



love him so.

Tells wife: I am doing the bank work from today. She says, but I have a good relationship with the manager, why rock things. He doesn't listen and makes a complete breakfast of the visit by flinging his weight around like he was airport staff flinging baggage. The work does not get done and wife must repair the damage.

At home the kids become targets. Daughter's dress sense, son's sloppy attitude, their school grades, their friends, their drop in discipline and love for wastage all twist into a rope of criticism. The gap gets wider as Daddy needs to assert his man of the house status and all he does is sour the air. What's going on here, is this the mess I am paying for, there is no respect here. Even old friends

begin to shy away, he is just so prickly. Long distance dad was so much better. Money, gifts, Zoom calls, expressions of endearment. This guy is a monster. We had made functional lives without his presence, now he just rocks up and expects us to be on parade. The crippled equations stumble on till finally it is flight day and relief mixes with regret and love limps back like a wounded soccer player. And because that's how it goes the first Zoom call is drenched in emotion because Daddy is still Daddy...and they

Why Modi Must Try & Make Peace

In his third term, he should take a proactive approach to peacemaking, like Norway & Switzerland. This will help India better manage its external environment

Ajay Bisaria



After a bruising election campaign, Modi's tryst in Italy with G7 bigwigs was not just an opportunity to hand out the new calling card of Modi 3.0.

It was also an occasion to discuss global conflicts that are upending the world order. However, Modi wisely gave a miss to the Swiss-Ukrainian Peace Summit that followed soon after. Although India did send a secretary-level delegation to the summit, it did not sign the joint communique. Expectedly, the summit's efforts did not go too far with Russia not at the table. But it would be good for India to study these peace moves carefully.

A challenging world | India has deftly navigated a 21st century world where power dynamics have shifted from bipolarity to unipolarity to the current multipolarity of sorts, where India also

MEA & think tank community need to create teams that can learn from global experiences & craft conflict resolution strategies

aspires to be a pole. But the current decade has frontloaded the shocks: a global pandemic; an economic meltdown; wars in Ukraine and Gaza; and the looming threat of another conflict theatre around Taiwan.

To realise its vision of a developed economy by 2047, India must not just adapt to but also mitigate the rising geopolitical risks these contests pose to the global economy. India's robust growth trajectory – over 8% in 2023-24 and an expected 7% in 2024-25 - could be derailed by eruptions of war. Hence, India would need a foreign policy adept at de-risking the global environment and minimising

impacts of global conflicts. This would involve a proactive strategy to deal with external shocks.

Pressure points | Two major powers -China and Russia – and a middle power, Iran, are challenging the crumbling US-led global order. These geopolitical tussles also pose significant risks to India's ascent. China is asserting itself against US in Asia and beyond, while Russia is pushing back against Nato's

expansion, and reasserting Cold War-era influence. Iran is challenging US both interests directly and through proxies, as it confronts Israel.

These contests manifest in various ways: in Europe, where Russia and Ukraine escalate the but demand peace, each on their own terms; in West Asia where the loss of civilian lives is propelling all parties to press to the negotiating

table, but with little more than token acceptance of the UN-endorsed Biden peace plan for the 'day after'; and in the Indo-Pacific, with China's unending sabre-rattling against Taiwan.

Himalayan danger For India, the most immediate concern is the strategic challenge at its doorstep: a dragon-sized threat from across the high Himalayas, as our troops stand eyeball to eyeball with Chinese soldiers. In this contest, India, as an affected party, can hardly position itself as a neutral peace negotiator. The belligerent rise of China presents a significant, if not existential, challenge

to India. To counter this, India must employ its full diplomatic arsenal, forging partnerships and leveraging multilateral frame-

works like the Quad to curb Chinese assertiveness. Chinese behagives India additional reason to

> strategic competitor US, as also

engage Beij-

ing's primary

its biggest ally Russia. While India is somewhat removed from other theatres of conflict, it's still affected through economic pathways: energy supplies, global supply chains, and investment corridors. India might need to transcend its historically effective but cautious neutrality, to contribute more to peacemaking efforts, alongside like-minded

nations.

Broken UN system | UNSC has traditionally borne the responsibility for global peacemaking. But its credibility has waned, given active involvement in current global contests of the P5. Their veto stymies resolutions that directly censure China, Russia, or even Israel. India has sent peacekeepers under the UN flag, but these efforts kick in once a conflict is stabilised, when negotiated peace is to be maintained. Effective peacemaking will thus require the involvement of other stakeholders with vested interests in global stability. India must step beyond its passive readiness to play a constructive

role and adopt a more proactive stance. It must not remain boxed in a tough South Asian neighbourhood where peace is a scarce commodity. Bringing peace to the neighbourhood and the wider world - would require building internal capacity and embracing the inescapable challenges of complex geopolitical mediation or even the risk of failure.

Time for Indian peace teams | Today, very few global statesmen other than Modi enjoy enough heft and credibility to speak in the same morning with heads of Israel and Palestine, Ukraine and Russia, US and France. But the country has limited experience and capacity in peacebuilding. Ministry of external affairs and the think tank community need to create capacity with peacemaking teams involving diplomats, civil society experts, and activists dedicated to studying conflict, who can learn from global peacemaking experiences and craft conflict resolution strategies.

Norway, for example, has a small but effective peace unit with about a dozen people that boasts a track record that made Oslo synonymous with peace. India can collaborate with like-minded middle powers (like South Africa, Brazil, Indonesia) and traditional Western peacemakers (Switzerland, Norway, US). It's time for India to unleash some proactive peace diplomacy and take calculated risks for global peace.

The writer is a former diplomat

'Religion, caste and reservations are issues where people don't spare those who disturb the balance'

Maharashtra Congress president Nana Patole steered Congress to its position as the state's singlelargest party, having won 13 of the 17 LS seats it contested as part of MVA. Having defeated the BJP-Shinde Sena-Ajit Pawar NCP combine, Patole tells Subodh Ghildiyal that BJP failed in "money politics" and that it instigated caste groups for political gain but instead faced people's anger. Edited excerpts.

Were you expecting the big Maharashtra vote?

Maharashtra results were good because of Rahul Gandhi. Had he not taken out the two Bharat Jodo Yatras and not liberated people from BJP's carefully crafted perception that 'Modi is god', and from fear of agencies, it would have been "400 paar" for sure. One man went out and mobilised people. Of course, allies contributed to this effort, but Rahul's effort was pioneering and decisive. Even Advani said Rahul is this era's 'nayak'. In UP too, where Akhilesh Yadav got the mandate, Rahul played a big role. I'm not praising him because he's a Congress boss, but because he shattered the illusion about Modi.

What worked on the ground for Congress and MVA?

It's no miracle. It's a normal, popular response to the way BJP arrogantly broke political parties and didn't even spare farmers and youth. Maharashtra has a different culture, the Shahu-Phule-Ambedkar ideology that Congress espouses. Here, nobody can be scared into submission. It's different from Madhya Pradesh or any other place. So, our vote, the secular vote, consolidated.

Even where we were losing, we were just about 4% behind BJP. In contrast, BJP's OBC votes

shifted to us because of our leadership. They wanted to indulge in politics of money power but failed. We did well in Vidarbha and Marathwada. We failed in a couple of seats in north Maharashtra because of seat-sharing. I had asked for seats to be given on merit, but

Shiv Sena and NCP thought differently. So, we lost there. Else, even in the north, we'd have decimated BJP. We lost there because of our own mistakes.

Did the agitations over reservations hurt BJP in the state?

BJP's caught in a web of its own making. Religion, caste and reservations are issues where people don't spare those who disturb the balance. BJP told communities seeking quotas -Marathas, Dhangars etc-that "vote for us in the state and at Centre, and we'll put you in the categories you want". So, BJP was rightly asked why it hadn't fulfilled its promise. Who'll trust them now? Our stand is clear - carry out a caste census, remove the 50% ceiling on quotas, but

BJP is against it. Can BJP surprise on policy or political front ahead of assembly polls?

BJP has nothing left to offer. At best, they'll announce a package. That is Modi's style – ₹50,000cr, ₹1L cr. But there's not much time left. You can't give much to farmers, and that's not their intent either. They can't bring down inflation or provide jobs in a day. They'll do some social engineering in ticket distribution, but it'll have no impact. I have all the formulas to counter that. See how I flipped them in Vidarbha, where even Gadkari barely escaped

They may try to disturb MVA, but I can't predict how or what they'll do. BJP cannot digest this defeat easily. So, there must be something up their sleeve. If the three MVA parties stay united, BJP knows it'll be defeated. Let's see what ideas come to their mind. We are sure MVA will stay intact. Congress isn't worried. Maharashtra is known for Shivaji. When Aurangzeb came to rule here, they called Shivaji a "chuha". He had no army, was the son of a sardar. But Shivaji tackled them all. The face of Maharashtra is Shahu-Phule-Ambedkar, and that is the face of Congress.

Did defection of seniors throw you off?

defeat. MVA will win assembly polls with ease.

A family that's peaceful is stable and strong. If there's disturbance, it's weak. The disturbing elements left the party, we're fine now. Rahul Gandhi also said, "don't try to persuade them to stay." He never spoke to any of them, and people taught them a lesson. People stood by the party. It was said Congress had no face in Maharashtra.

I wasn't born with a silver spoon in my mouth, but am connected to the people. We won Nanded, despite Ashok Chavan joining BJP. We won three seats in Marathwada, one in Mumbai. In Bhandara-Gondiya, Praful Patel led the campaign with a team of 25. I was alone. Our candidate was an ordinary doctor. He won. Did the defections hurt us?

How will OBC-Maratha conflicts impact assembly

Maratha leadership has shifted to BJP over the last decade. But look at Manoj Jarange. He was a taluk youth Congress president years ago and went on to fight a social battle. It was BJP's strategy to pit OBCs against Marathas-it lost both.

Do state party seniors respect you as Congress chief? Maharashtra's politicians are born with 'golden' spoons in their mouths. Some have no political ground. And they keep slipping. Tell me, did I slip or rise? It's good if I'm underestimated.

Calvin & Hobbes



THAT WAS HILARIOUS! HA HA HA!

! AH AH AH HA!





Sacredspace



The secret of life is not enjoyment but education through experience. But, alas, we are

called off the moment we begin really to learn...Everywhere, it is better to have a whirlwind over the work. That clears the atmosphere..

Swami Vivekananda

gave us a guided tour of their new facility,

I Wonder Why No One Talks Anymore

Narayani Ganesh

hen we stop using our legs and arms for physical work or exercise, we're told, they could get atrophied. If our limbs could shrink due to lack of use, how about vocal cords and tongue, I wonder. Because we are talking less and less with one another. Well, we do, in a manner of sorts, over text messages, emoticons, social media and emails. But verbal articulation is on the decline, because the other means of communication have gained greater prominence.

"We have social muscles just like we have physical muscles," points out US surgeon general Vivek Murthy. "And those social muscles weaken when we don't use them." Less talking means less social interaction face-to-face; this, say medical experts, could impact brain function and lead to memory loss, for example. This is noticeable, especially

among senior citizens, who are left alone for long, with spouse gone and the children living far away and with no fulfilling activity. Loneliness takes over their lives. At the other end of the spectrum are youth, who too, feel lonely and maybe even depressed, due to their overactive engagement with e-devices that leaves them with little or no time to experience real world interactions There is no touch-and-feel, no external stimuli.

Not conversing in person could also mean there is less opportunity for reading THE SPEAKING TREE the marketplace, restaurants facial expressions, voice modulation and intonation, and these

reflect the emotional and/or intellectual space from which that person is talking to you. These add value to comprehension and understanding, far more than mere texts and emoticons.

Places of worship like temples and

churches, mosques and synagogues were also where people, post prayer or rituals, would meet, greet and chat. So too, at community celebrations and functions related to weddings, births and deaths. With the worldwide decline in the number of people regularly going

to places of worship, that opportunity for real-time conversations has reduced as well. Long periods of lockdowns during the recent Covid-19 pandemic isolated many of us from social interactions at places of work, schools, colleges,

and so on. Online education, purchases, communication and work-from-home became a necessity, but it also meant more isolation and loneliness in real-time.

I recently visited my father's alma mater, Madras Christian College in Chennal. The principal, Prof Wilson,

the MCC-MRF Innovation Park, where research students' cubicles in classrooms were open-ended. "Oh that," explained Prof Wilson, observing my puzzled expression. "All our lives, we've told students not to talk, and to just listen to the teacher. Here, the idea is to have them talk lots to each other as they work on their computers, so that ideas are exchanged and even newer ideas germinate in a synergetic way."

For those on the spiritual path, satsangs are a good way to interact with like-minded people. Realised sages say that there is no loneliness if you are connected to the Divine, and you live a life of selfless service, staying active in the community, extending a helping hand, with enough room for self-exploration. That is, you don't have to look for companionship in a person once you make the connection with higher consciousness.

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-PAPER WITH PASSION-

The menace of terrorism

The recent terror attacks in Jammu have underscored the persistent security challenges faced by the country

The recent terror attacks in Jammu once again highlight the fact that terrorism is far from over. They may be down but not out for sure. Indeed, Jammu serial attacks are a wake-up call for the Modi administration which is settling for the third time in office. Jammu, a region perennially at the forefront of geopolitical tensions and security concerns, has recently become the focal point of a series of terror attacks that have jolted the local populace and security apparatus alike. Over the past few weeks, a surge in terrorist activities, including targeted attacks on both civilians and security forces, has painted a grim picture of the region's fragile peace. The most recent and severe incident involved an assault on an Indian Air Force convoy in the Poonch district of Jammu and Kashmir One airman was killed and four injured. These violent episodes have not only led to the tragic loss of life but also sowed seeds of fear and uncertainty among the residents. The attacks underscore the persistent and evolving threat posed by ter-



rorism in Jammu and Kashmir, necessitating urgent and comprehensive security measures. In the wake of these escalating threats, Union Home Minister Amit Shah convened a high-level security review meeting in New Delhi. Shah's review underscored the gravity of the situation and highlighted the need for a multifaceted and proactive approach to counter the burgeoning terror threat.

Let us face it, something is lacking on our part that emboldens the terrorists and gives them daring to carry out such operations. One of the biggest loopholes in combating terrorism is that there is little intelligence sharing among different security agencies. Effective

coordination between local police forces, the Indian Army and intelligence agencies is deemed vital for timely intervention and the prevention of further attacks. Besides local communities must be taken into confidence to take on the menace of terrorism as residents are often the first to notice unusual activities and their cooperation is essential for pre-emptive actions against potential threats. Besides, there is a need to address the root causes of terrorism, such as the radicalisation of vulnerable sections on the lower rung of the socioeconomic ladder. These factors are often exploited by terrorist organizations to recruit individuals and perpetuate violence. However, it is a welcome step to induct more troops in the Jammu sector so that the local population can feel safe and secure. Within Jammu, troops will be deployed in both urban centres and rural areas to ensure a comprehensive and pervasive security presence. However, these security enhancements come with their own set of challenges. There is a need to ensure that the increased military presence does not exacerbate tensions or alienate the local populace. The Government must strike a delicate balance between maintaining robust security and fostering trust and cooperation with the communities affected by these security measures.



ople take part in a yoga session at Juhu, in Mumbai

Unleashing AI for social justice



By prioritising ethical deployment, AI stands poised to become a powerful tool for driving meaningful social change



he integration of Artificial Intelligence (AI) has become ubiquitous, permeating various facets of our lives. While AI has made crucial inroads into fields such as medical science, space exploration, financial inclusion, cyber security, manufacturing and transportation, its true potential lies in addressing complex everyday societal challenges and easing human struggles at the grassroots level. In simple terms, we need AI to

uplift the marginalised, improve social equity and bring about meaningful and measurable change in society. Not drive our cars, switch on our air conditioners, write our essays, or enhance our art. Therefore, while navigating our technological landscape and priorities, it is essential to reimagine AI's role, directing its capabilities towards issues that uphold human dignity and promote social progress.

In the realm of primary education, AI can play a crucial role in overcoming fundamental barriers faced by children of migrant labourers and displaced civilians, thereby breakalimetron. tion, automating waste management processes and eliminating the need for manual intervention. ing the cycle of disadvantage Access to justice is another

and bridging gaps. Lack of access, resources, language, quality of instruction and personalised support are barriers that can be effectively addressed through AI. Adaptive learning platforms and customised educational content can cater to individual needs, enabling children to seamlessly integrate into the mainstream education system at a later date. This gives equitable access to educational opportunities for all, regardless of their background or circumstances and ensures that no one lags behind.

Another pressing issue that demands AI intervention is the eradication of manual scavenging in countries like India. Despite legislative bans, manual scavenging persists, subjecting individuals to hazardous conditions and robbing them of their basic dignity. AI-powered sanitation systems and robotics deployed on a rapid scale can offer a viable solu-

BY HARNESSING AI

FOR SOCIAL JUSTICE

INITIATIVES, ONE CAN ALSO STRIVE TO COMBAT SYSTEMIC **BIASES AND** PROMOTE **INCLUSIVITY BY** ANALYSING LARGE DATASETS AND **IDENTIFYING** PATTERNS OF **DISCRIMINATION IN** VARIOUS DOMAINS

area where AI intervention can make a significant difference and lead to faster resolutions and improved outcomes. From managing databases to providing legal assistance, support services and information resources to underserved communities, AI can assist individuals in navigating the legal system, understanding their rights and accessing legal representation, particularly in cases of war crimes, civil rights violations, discrimination, or social injustice.

By harnessing AI for social justice initiatives, one can also strive to combat systemic biases and promote inclusivity by analysing large datasets and identifying patterns of discrimination in various domains - from education to criminal justice. AI-driven decision-making can help mitigate biases in hiring processes and law enforcement, fostering fair and equitable treatment for all. These are just a few of the many areas where Al intervention can be transformative. It is important to prioritise a ground-up approach rather than a topdown one. Safeguards, however, must be in place to prevent biases in algorithms and mitigate the risks of misuse or manipulation. This makes it crucial for interdisciplinary collaboration to exist between technologists and policymakers in order to navigate the ethical complexities inherent to AI development and implementation.

Let's remember that AI is a tool, not a solution. We can only deem AI transformational if it is deployed to eradicate dehumanising practices, build social equity and improve the lives of grassroots communities. So let us harness it as a force for positive change, ensuring that it remains a tool for empowerment and progress. Let us direct its capabilities towards endeavours that empower humanity and promote social progress. Everything else can be temporarily set aside.

(The writer is the Founding Partner at Civic Spectrum LLP and also the Founder at SSARMA Consults. Views expressed are personal)

HE EDITOR

India champions inclusive use of technology

step in India's diplomatic engagements and technological ambitions

Modi's recent visit to Italy for the G7 summit marked a significant

n June 14, 2024, Prime Minister Narendra Modi and Italian Prime Minister Giorgia Meloni met in Italy for their fifth meeting. This encounter followed their previous meetings at the G20 India Summit and COP28 in Dubai, making it a significant continuation of their diplomatic engagements. Expressing his satisfaction, PM Modi highlighted that this visit to Italy was his first foreign trip in his third consecutive term as Prime Minister.

At the G7 summit, PM Modi emphasized India's recent Lok Sabha election results, framing them as a victory for democracy worldwide. Addressing the G7 leaders, he asserted India's commitment to representing the priorities and concerns of Global South countries on the global stage. Additionally, PM Modi had separate meetings with US President Joe Biden and Canadian Prime Minister Justin Trudeau. In a post on social media platform X, he expressed his pleasure in meeting President Biden and emphasized the continued collaboration between India

and the US for global good.



He also shared a photo with PM Trudeau, reinforcing the friendly relations between the two leaders.

PM Modi emphasized that India is committed to representing the priorities of the Global South, highlighting two upcoming Global South summits in Delhi in 2023. PM Modi also stressed the importance of collaboration with G7 countries to address global challenges.

Discussing the role of artificial intelligence (AI), a key theme of the G7 outreach session led by Prime Minister Meloni, PM Modi stressed the need for technology to be used constructively. He underscored India's emphasis on international governance of AI during the G20 summit, advocating for AI to be transparent, fair, safe, accessible President Emmanuel Macron praised PM Modi's initiatives on AI and digital public infrastructure as significant contributions during India's G20 presidency.

Reflecting on the magnitude of India's Lok Sabha elections, PM Modi drew comparisons with upcoming elections in Europe and the US, emphasizing the unique scale and swift results of Indian elections. He described them as the largest celebration of democracy and highlighted India's ancient values as the "mother of democracy." PM Modi articulated India's vision of becoming a developed nation by 2047, stressing the importance of inclusive development that leaves no segment of society behind. He reiterated India's commitment to addressing the concerns of Global South countries, which are disproportionately affected by global uncertainties.

Addressing technology's transformative role, PM Modi noted that it touches all aspects of human life, from space exploration to cyber security challenges. He emphasized the collective and responsible. French responsibility to ensure that

technological benefits reach all societal segments, eliminate inequalities and empower individuals. He advocated for transforming technological monopolies into widespread use, promoting a human-centric approach that enhances human potential. PM Modi highlighted India's proactive approach to AI, launching the AI Mission this year under the mantra "AI for All" and leading the Global Partnership for AI to foster international cooperation.On the energy front, another focal point of the outreach session, PM Modi outlined India's four principles: availability, accessibility, affordability and acceptability. He highlighted India's leadership in fulfilling COP commitments ahead of schedule and its efforts to achieve net zero emissions by

He acknowledged the dual nature of technology as both an enabler of human achievement and a source of challenges like cyber security, advocating for its benefits to be shared equitably across

(The writer is a senior journalist; views are personal)

CLOSER CONNECTIVITY FOR KASHMIR

Madam — Apropos the news story "World's highest steel arch rail bridge nears completion in J&K," published on June 17, this is my response. The world's highest steel arch rail bridge over the Chenab River is set to transform connectivity to the Kashmir Valley. At 1,315 metres long and taller than the Eiffel Tower, this engineering marvel is part of the ambitious Udhampur-Srinagar-Baramulla Rail Link (USBRL). The 46km Sangaldan-Reasi section, expected to open by month's end, marks a significant milestone. Prime Minister Narendra Modi is slated to be the first passenger on this route, emphasising its national importance.

This bridge, alongside India's first cablestayed rail bridge at Anji Khad, highlights remarkable engineering feats. The project has been progressively commissioned, with the final phase between Reasi and Katra anticipated by year-end. The community eagerly awaits the inaugural train on June 30, a historic moment reflecting India's infrastructural prowess and enhancing the valley's integration with the rest of the country. This development signifies not just improved transportation but also a symbol of national pride and unity.

Khirabdi | Noida **LONG-TERM RELATIONSHIP SUCCESS**

Madam — Apropos the news story "Reimagining Success in Long-Term Relationships," published on June 17, this is my response. Fairytales and romantic comedies paint idyllic pictures of love, but

real-life relationships are far more dynamic and challenging. The notion of "hap-pily ever after" is often impractical; instead, we should aim for a realistic understanding of success and fulfilment in lasting partnerships. Healthy relationships are dynamic ecosystems, thriving on personal growth and strong communication. Openness, acceptance and a shared sense of purpose are crucial for a

Raging row over NEET



demands probe by SC-appointed officials, published on June 16, this is my response. As a regular newspaper reader, I find the controversy surrounding the NEET exam deeply troubling. Former HRD Minister Kapil Sibal's call for a Supreme Court-appointed probe into alleged irregularities is crucial. Sibal criticises Prime

Minister Modi's silence on the issue, highlighting the gravity of corruption in the testing sys-

The allegations of paper leaks and rigging, particularly in states like Gujarat, point to a broader problem within the National Testing Agency (NTA). Sibal's concerns about NEET's favouritism towards CBSE students and his call for a consensus-driven approach to medical admissions reflect the complexity of India's educational landscape. Sibal's emphasis on a thorough, independent inquiry, ideally by the CBI under Supreme Court supervision, is vital for restoring trust. His urge for political parties to address this in Parliament underscores the need for accountability and reform in an exam that affects millions of aspiring medical students. The Government's response will be pivotal in shaping the future integrity of NEET.

Abhinay Delhi

Maintaining intimacy requires effort, focusing on quality time and physical affection while resisting social media pressures for perfection. Couples must prioritise self-love and may seek professional support when needed. The key to a successful relationship is not about perpetual bliss but embracing the journey's twists and turns. By valuing communication, shared goals and individual interests, partners can build a resilient connection. Real love supports each other through challenges and celebrates joy, making the journey deeply enriching.

Pankaj Jain | Faridabad

PRIORITISE BREAKS FOR PRODUCTIVITY

Madam — Apropos the news story "Importance of Breaks in Work Life," published on June 17, this is my response. Are you someone who makes yourself available 24/7? Or the one who prefers clearing all work emails over a family gettogether? If yes, then it might be time to set healthy boundaries at work. Pausing amidst busy days allows the mind and body to recharge and refocus. Studies

suggest that the most productive employees work for 52 minutes, followed by a 17-minute break. Our minds aren't designed for nonstop work, making regular breaks essential for sustaining high performance and avoiding mental

Regardless of your job profile, taking regular breaks enhances your overall work performance and well-being. Continuous work without breaks can lead to burnout, which is characterised by exhaustion and decreased productivity. By integrating breaks into your work routine, you can maintain high productivity, reduce stress and improve your physical and mental health. Prioritising breaks is an investment in your long-term career success and personal happiness, fostering creativity and innovation. In a post-COVID-19 world where work-life boundaries are blurred, taking breaks is more crucial

Sakshi Sharma | Meerut

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FIRST COLUMN OVERCOMING CHALLENGING SITUATIONS

To stop worrying, we have to learn to make a clean break from our past actions



nce an accomplished and legendary Sufi Master was invited by a management institute in the USA to explicate the nuances of Sufism and its relevance to contemporary society. Erudite scholars were packed inside the auditorium like sardines. At the appointed hour that the discourse was to begin, a disciple of the Sufi Master walked onto the stage and announced that the venerable Master had woken up and would be in their midst shortly.

As noon turned to late afternoon, scholars, professors and neophytes alike began trooping out of the auditorium in sheer disgust. The clock struck three; and another attendant of the Sufi Master appeared onstage and declared to the thinly populated audience that the venerable Master would shortly commence the lecture, soon after he finished his conversation with a prepossessing woman that he had met at the gates of the institute. This proved to be the last straw and in a state of pique a majority of the audience staged a walkout, cursing the Sufi Master.

It was by now evening time and shadows were lengthening across the institute. The Sufi suzerain appeared in an inebriated state and addressed the miniscule numbers in the audience. "My dear friends, with all humility at my command let me congratulate you! For you have already passed the first test on the path towards a deeper understanding of the tenets of Sufism," said the Master, now ceasing to act drunk. "It is cardinal and mandatory for those desirous of traversing this path, that they overcome early mortification and dismay in life."

Patience, the key

The Sufi Master was primarily testing their patience to delineate various schools of Sufism and the underlying concepts. Patience, he believed is the bedrock for the progress.



Worry and stress: An unhealthy equilibrium

Quite often we are cannonaded by a constant haze of nagging thoughts. 'Did I act correctly?' 'Was there something more I could have done?' 'Was it the correct choice?' Stress is a more often than not the cause of a lot of our worries, real or imaginary. Management of stressors can alleviate our mood swings and humans can live natural lives with smiling faces bereft of scowls and ill-health.

Kinds of stressors

Stressors could be environmental, social or psychological; varying in intensity, duration and complexity. The amount of strain it generates in an individual also depends on various facets of the individual's coping mechanism. This, in turn, would depend on the resources available to the individual; in terms of finances, family and societal support, access to medical and/or professional help.

Overcoming stressors

To stop worrying and remove stress out of the equation, we have to learn to make a clean break from our past actions. What is done is done! Sure, there would be consequences, but accept them and try best to live with them. Another very effective way to deal with stress is to actively take responsibility of one's life. Realise that no one but you are responsible for what happens in your life. One thing at a time and the art of letting go. 'When walking, walk. While eating, eat!' This popular Zen aphorism can be bewildering in its simplicity. As one ponders upon it and reads between the lines, one realises all that it leaves unsaid.

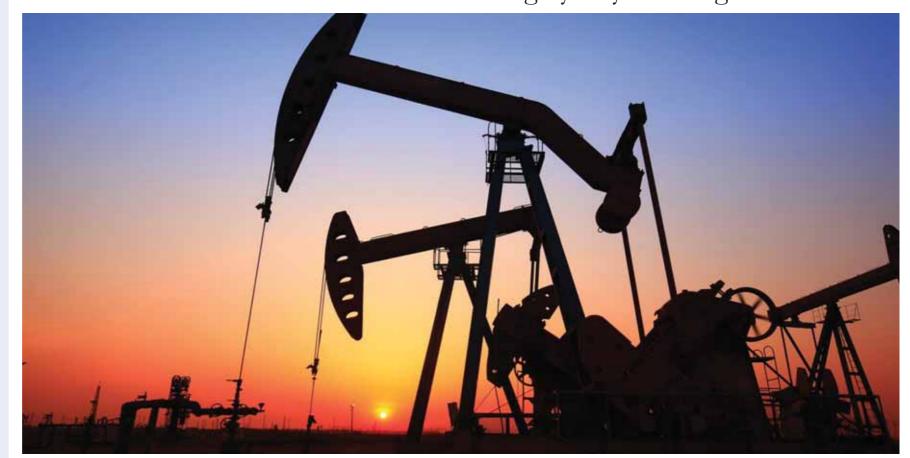
"Over thinking, I guess is the unwanted gift of our urban lifestyle to a great extent. We believe all answers can come through analysis and we have to solve everything... Perhaps letting go of that belief, just a bit is the answer," says Sadia Sayeed Rawal, chief psychologist of Inner Space

(The writer is the CEO of Chhattisgarh East Railway Ltd.and Chhattisgarh East West Railway Ltd. He is a faculty of the Art of

Saudi's petrodollar shift offers little relief to India



India's significant reliance on Saudi oil imports suggests that the status quo in its trade deficit and forex outflows will largely stay unchanged



ndians are hopeful of a new petro-leum pricing regime with Saudi Arabia refusing to renew the 50year-old US-Saudi Petrodollar Agreement that expired early June. Indeed, there may be a new agreement with Saudi Arabia, but expecting a cheaper deal is to remain a dream as the Rial is pegged to the dollar.

It may gradually open up new avenues in the global economy. The petrodollar sys-tem replaced gold as the standard of value which enabled the US to maintain dominance over international trade and allowed the US govt to control the world's energy market. The Saudi decision marks a significant departure from the longstanding financial arrangement between the two nations that was established in 1974. The arrangement to recycle petrodollars positioned the US dollar as the primary currency for international oil transactions.

The crucial decision to not renew the contract enables Saudi Arabia to sell oil and other goods in multiple currencies, including the Chinese RMB, Euros, Yen and Yuan, instead of exclusively in US dollars. Additionally, the potential use of digital currencies like Bitcoin may also be considered. It is more theoretical. Despite scrapping of the agreement, the ties to

Benefit to India could be minimal. The Saudis want a deal in Rial or dollar and not so much in rupee. Even a rupee deal if hypothetically agreed would not help India as the outgo would remain the same. A better option available to India is trading with Iran in rupee. The Iranian crude is supposed to be one of the best. The US has forced India to scuttle its ties with Iran. The original petrodollar agreement was signed on June 8, 1974 by US Secretary of State Henry Kissinger and Prince Fand Ibn Abdel Aziz of Saudi Arabia. It was a period marked by the aftermath of the Arab oil embargo and a notable spike in international oil prices.



BENEFIT TO INDIA **COULD BE** MINIMAL. THE SAUDIS WANT A DEAL IN RIAL OR DOLLAR AND NOT SO MUCH IN

RUPEE. EVEN A RUPEE DEAL IF **HYPOTHETICALLY** AGREED WOULD NOT HELP INDIA AS THE OUTGO **WOULD REMAIN** THE SAME

Under the agreement, Saudi Arabia agreed to price its oil exports exclusively in US dollars and invest its surplus oil revenues in US Treasury bonds and it was promised US military, security and economic development assistance in return. This system replaced gold as the standard of value which enabled the US to maintain dominance over international trade and allowed the US govt to control the world's energy market. Although the agreement was signed by the Saudi govt, almost all OPEC countries use the US Dollar to sell their oil in the international market. The agreement was meant to stabilise the oil

pened.
The petro-dollar influenced the global economic dynamics. It was a ciever US pioy to create a constant demand for US dollars as the currency was required for oil transactions. The value of the US dollar increased significantly and it reinforced the currency's status as the primary reserve currency of the world. It allowed the US to run larger trade deficits and maintain lower interest rates than would otherwise be possible.

market. In reality, it never hap-

In the changed situation it would be interesting to watch how the value of the dollar changes or not. In the immediate context, India cannot expect lower value of the dollar. That is why Reserve Bank of India is gradually shifting to gold as a parallel currency for international trading. The gold despite appreciating has less market cost than the dollar. If the dollar falls, which at present looks improbable, gold would provide

According to data from the Centre

for Monitoring Indian Economy and the Bank of Baroda, Saudi Arabia accounted for about 16.6 percent of India's crude oil imports. Îndia imported \$170B crude petroleum in 2022, becoming the third largest importer in the world. At the same year, crude was the first most imported product in India. India's trade with Saudi Arabia in 2022-23 amounted to \$52.76 billion, with exports at \$10.73 billion and imports at \$42.04 billion. As such, India had a trade deficit of \$31.31 billion with Saudi Arabia in the last financial year. India imports crude petroleum

primarily from Iraq (\$37.1 billion), Saudi Árabia (\$32.7B), Russia (\$25.5B), United Arab Emirates (\$14.8B) and United States (\$10.8B). The fastest growing import markets in crude for India between 2021 and 2022 were Russia (\$24.6B), Saudi Arabia (\$14.8B) and Iraq (\$12B). India also exports crude petrole-

um. In 2022, \$2.3 million worth crude were exported, making it the 99th largest exporter of crude in the world. The main destination of crude exports from India are South Korea (\$2.19M), El Salvador (\$86.8k), New Zealand (\$19.1k), Tanzania (\$1.41k) and Spain (\$227). Primarily, India is an importer. The benefit of refined Russian crude to Europe is pocketed by two private refineries. Now as the new Saudi system unfolds, India's import bills are not likely to come down.

Major commodities of export from India to Saudi Arabia include engineering goods, rice, petroleum products, chemicals, textiles, food products, ceramic tiles. Whereas, major commodities of import for India from Saudi Arabia are crude

oil, LPG, fertilizers, chemicals and plastic. India and Saudi Arabia have begun discussions on settling their trade in local currencies. Over the last year, India has pushed the use of the rupee globally, with the RBI announcing the

setting up of a mechanism to settle global trade in rupees in July 2022. Early use of this system was seemingly for the purchase of discounted oil from sanction-hit Russia following its invasion of Ukraine in February 2022. However, the mechanism has not taken off, with reports emerging that negotiations over the settlement of bilateral trade in rupees between India and Russia had been suspended after Russia had accumulated billions of rupees in Indian banks which it could not use. In recent months, India has entered into bilateral agreements to settle trade in local currencies, with a Memorandum of Understanding (MoU) to set up a Local Currency Settlement System being signed with the United Arab

Discussions with Indonesia to settle cross-border transactions in local currencies have also begun. It is trying to have talks with Brazil, Argentina, South Africa, Senegal and Tanzania. Not much progress is made.

Emirates in July, 2023.

India would have to continue with the present system and may have little relief in terms of global trade. International petroleum prices are unlike to soften. The forex outgo would continue at the present level till rupee attains an international status and Indian consumers would have to pay domestically a higher price.

(The writer is a policy analyst; views are personal)

Sri Lanka on the path to revival through tourism initiatives

As it embraces sustainable tourism and innovative growth, the island nation stands poised to reclaim its place as a top global destination

estled in the azure embrace of the Indian Ocean, Sri Lanka is a gem that gleams with an unparalleled blend of natural beauty and cultural richness. This teardrop-shaped island, often referred to as the Pearl of the Indian Ocean, boasts a mesmerizing landscape ranging from golden sandy beach es to lush tea plantations and from tranquil lagoons to majestic mountains. Its verdant rainforests and national parks teem with diverse wildlife, making it a haven for nature enthusiasts. Beyond its stunning scenery, Sri Lanka's true treasure lies in the warmth and hospitality of its people, who greet every visitor with a heartfelt smile and an open heart. Rich in history, vibrant in tradition and bustling with life, Sri



Lanka offers an unforgettable journey through both tranquil and thrilling experiences. For the avid traveller seeking an authentic and captivating destination, Sri Lanka is a mustvisit paradise that promises to leave an indelible mark on the

Sri Lanka, an island nation known for its rich cultural heritage and breathtaking landscapes, has been undergoing a remarkable resurgence in The feat has been incredible, India that go back to ancient

recent years. After facing significant economic challenges and political instability, the country is now bouncing back with vigour, propelled by a series of strategic initiatives aimed at revitalising its economy and positioning itself as a premier global destination. One of the cornerstones of this revival is the booming MICE (Meetings, Incentives, Conferences and Exhibitions) sector, highlighted by the successful MICE Expo. In tandem with these initiatives, Sri Lanka's renowned tourist attractions continue to captivate and draw in visitors from around the world, making it a compelling destination for both business and leisure. Economic revival and booming tourism sector

the country which went through 30-year war and saw almost all its resources and faced political and economic instability is on the fast track to recovery. The signs of revival are all over the place. It is one of the safest places to travel and has welcoming people all across. Indeed, Sri Lanka is a tourism friendly country and has ties with

times. No wonder maximum tourism arrival in Sri Lanka is from India Sri Lanka's focus on the MICE

sector has been a significant driver in its economic resurgence. Sri Lanka is betting big on MICE as it has world class infrastructure to host events at large scale. It shows the country's resolve and renewed vigour and commitment to becoming a hub for business

events and tourism. Indeed, the island nation has a lot to showcase in hosting world-class events --- Plush venues with worldclass facilities. Sri Lanka's MICE drive has received positive responses from the global business community, highlighting the country's potential as a leading MICE destination in South Asia

The Government's proactive stance in developing the necessary infrastructure has played a crucial role in this success. State-of-the-art conference facilities, along with improved connectivity and hospitality services, have made Sri Lanka an attractive venue for international conferences and exhibitions. The MICE sector is expected to generate significant revenue, create jobs

and contribute to the overall economic growth of the coun-

Embracing a New Era

Beyond the MICE sector, Sri Lanka has embarked on various other initiatives to stimulate economic growth and enhance its global standing. Key among these is the emphasis on sustainable tourism, digital innovation and the development of new tourism products. The country is leveraging its natural and cultural assets to create unique and immersive experiences for visitors. The Government has also launched the "Sri Lanka Tourism Alliance," a collaborative platform aimed at promoting sustainable tourism practices and ensuring the long-term health of the tourism sector. This initiative

encourages private-public partnerships to develop new attractions, improve existing ones and market Sri Lanka as a year-round destination.

Sri Lanka's resurgence is a testament to its resilience and determination to overcome challenges and embrace opportunities for growth. The successful hosting of the MICE Expo and the country's proactive approach in enhancing its tourism offerings reflect a bright future for the island nation. As it continues to build on its rich cultural heritage and natural beauty, Sri Lanka is poised to reclaim its place as a top destination for travellers and business professionals alike.

(The writer is a columnist and documentary filmmaker; views are personal)

OPINION

The Tribune

ESTABLISHED IN 1881

Bengal train tragedy

No lessons learnt from 2023 Odisha mishap

year after India witnessed one of its worst rail disasters — a collision involving Coromandel Express and two other trains in Odisha's Balasore district had claimed over 290 lives nine persons were killed and over 40 were injured after a goods train rammed into the stationary Sealdah-bound Kanchanjunga Express in West Bengal's Darjeeling district. The deceased included the pilot and co-pilot of the goods train. According to reports, the automatic signalling system between the Ranipatra railway station and the Chattar Hat junction had been defective since 5.50 am — around three hours before the mishap happened. Railway Board chairperson Jaya Varma Sinha has stated that the collision happened because the goods train disregarded the signal. As usual, an inquiry is underway to identify the lapses and fix accountability, while the Centre has announced Rs 10 lakh each for the kin of the deceased.

The Balasore tragedy had raised hopes that lessons would be learnt in order to prevent or minimise rail mishaps. However, the situation on the ground doesn't seem to have changed. In October last year, a collision between two passenger trains on the Howrah-Chennai line in Andhra Pradesh's Vizianagaram district had claimed 14 lives; in February this year, a freight train ran driverless for about 70 km from Kathua (Jammu) to Dasuya (Punjab) — it was just a stroke of luck that no major accident happened.

The spotlight is back on Kavach, the 'train collision avoidance' system aimed at preventing accidents due to human error. It is being implemented in a phased manner, but the pace of route coverage is rather slow in stark contrast to the government's emphasis on speed on the rail tracks. Prime Minister Narendra Modi and his Japanese counterpart Fumio Kishida have pledged to expedite the bullet train project, but the Bengal mishap has shown that safety must take precedence over the glitz and glamour of ultra-fast trains.

Nature of things

Familiar water crisis story plays out in Shimla

CUTEwater scarcity in summer months has a familiar ring to it for Shimla's residents. It's the least of concerns though for the thousands of tourists who flock to the hills in sheer desperation to escape the scorching heat of the plains. In 2018, the scarcity in Shimla was aggravated to a full-blown crisis as taps ran dry for weeks. Elaborate remedial measures were taken. The century-old water storage and distribution network was refurbished. Restoration initiatives were put in place. Improving the quality of water was prioritised. Things did look up for some time. This year, the crisis is slowly inching back toward the dreaded 2018 levels. Rationing has been announced. Water will be supplied after a gap of two days. Residents of some localities, mainly on the periphery, claim they are getting supply after three or four days. Much like in Delhi, the alarm bells are ringing.

An expert analysis of the 2018 crisis focused on the man-made factors. In the popular narrative, however, a repeat is being played out six years down the line. The prolonged dry spell is being blamed for the reduction in the water level at all sources of supply schemes. Several are on the verge of drying up due to excessive heat and less snowfall during the winter season. Any hope of relief has been pinned on a spell of rainfall. In short, since nature did us in, nature will bail us out. We pretend that none of it is our doing: neither climate change, nor man-made folly like reckless concretisation or the encroachment of catchment areas. So unabashedly self-destructive are our ways.

Native wisdom says respect nature and it will reciprocate. The construct of collective responsibility and accountability escapes even routine political and policy-making conversations. Each of us is a stakeholder — it's that simple.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, JUNE 18, 1924

Unity of organisation

THERE can no longer be any doubt that on the important question of Congress organisation as on several other equally important questions, the Swarajya party and its leaders differ radically, if not fundamentally, from Mahatma Gandhi. Mahatmaji, as our readers are aware, has made the definite suggestion that the Swarajists should either resign their seats on the Congress Executive or, after having made the necessary change in the Congress programme, should take over the entire executive work of the Congress and leave it to the No-Changers to form their own organisations to carry on their work. This was never the Swarajist view, while in actual practice, the party has all these months been proceeding on a plan which is the negation of this view. It has also been subjected to more or less severe criticism by individual leaders of the party during the last fortnight. And now the foremost leader of the party has definitely and in the very name of his party asked the public not to follow the Gandhian lead, but to maintain the unity of Congress organisations. In an appeal published in his own organ Forward, Mr CR Das writes:-"It is clear from the resolutions passed at Serajgunj that Bengal wants unity of organisation and an all-round fight with the bureaucracy. Bengal has expressed heropinion definitely against separate organisations either of the Swarajya party or of the No-Change party regarding work about which there is complete agreement. Indeed, there is no earthly reason why these two parties should not work together within the Congress, inasmuch as they are all united regarding constructive work."

Why G7 needs allies like India

New Delhi occupies a unique place as an oasis of political and economic stability



MANOJ JOSHI

DISTINGUISHED FELLOW, OBSERVER RESEARCH FOUNDATION, NEW DELHI

RIME Minister Narendra Modi's presence as an outreach guest at the G7 summit in Italy is a useful backdrop for the launch of the new government's foreign and security policy.

The G7 meeting has brought out just how fragile the world order is these days. India occupies a unique position here as an oasis of political and economic stability, but it cannot but take into account the turbulent waters that are washing its shores.

The political situation in four of the G7 nations appears brittle the US and the UK are going to the polls amid uncertainty, while Germany and France are witnessing the rise of right-wing forces. Two of the big world powers are, of course, entirely out of the G7 process, which purports to promote democracy. But those two, China and Russia, are making major efforts separately and collectively to challenge the G7's purported global hegemony.

The presence of India, Turkey, Brazil and some other countries is an acknowledgement that the G7 needs allies to manage issues relating to migration, climate change, economic competition with China and the wars in Ukraine and Gaza. In turn, these countries are seeking to persuade the G7 nations, which are increasingly economically and demographically challenged, on the need for more equity and balance in global decision-making.

In all this, Modi's central challenge and opportunities are in India's neighbourhood and



FORUM: Prime Minister Narendra Modi attended the G7 summit in Italy as the leader of an 'outreach country'. AN

beyond. While continuity has been the central message that the BJP-led NDA government has sent out, there will be inevitable changes arising from the very fact that the General Election has shifted the national political paradigm.

The presence of leaders from Bangladesh, Bhutan, Nepal, Sri Lanka, Maldives, Mauritius and Sevchelles at the swearing-in of the new government speaks for itself, as does the fact that the leaders of Myanmar, Pakistan and Afghanistan were not invited. India's relations with those invited are fairly even, even though we face challenges in Nepal, Sri Lanka and the Maldives. The participation of Maldives President Mohamed Muizzu was significant because of our strained relations with the island republic.

The Indian strategy of riding out the Chinese challenge in the neighbourhood was most visible last year when Sri Lanka faced a financial crisis. China played hard to get, but New Delimmediately provided humanitarian and financial assistance of \$4 billion, surpassing even the International Monetary Fund's (IMF's) 48-month

India is not yet the world power it wants to be. What we need to guard against are hubris and overreach.

bailout package of \$3 billion. By providing financial assurances, New Delhi also shored up Sri Lanka's IMF process.

The absence of Pakistan, whose then Prime Minister Nawaz Sharif had attended PM Modi's 2014 swearing-in, has its own story of just how sharply India-Pakistan relations have deteriorated, even though the government in power is that of the Pakistan Muslim League (Nawaz), albeit in a coalition.

India says it emphasises its Neighbourhood First policy as well as SAGAR (Security and Growth for all in the Region) for the Indian Ocean Region (IOR). It has China very much on its mind. Whatever may be the military challenge India confronts along the disputed border, the one it faces from China in South Asia and the IOR is equally significant and has implications for the geopolitical future of the region.

China, too, is a neighbour and, it too, was not present. In an interview to Newsweek on the eve of the General Election, Prime Minister Modi had noted that there was a need to "urgently address the prolonged situation on our borders so that the abnormality in our bilateral interactions can be put behind us." Last week, speaking in Mumbai aftertaking charge of the Ministry of External Affairs for a second term, S Jaishankar said India would focus on finding solutions to the border issues that had bedevilled their relationship.

American ties with New Delhi are on a high after Modi's Washington visit last June. While US elections could disrupt some of the bonhomie, they are unlikely to lead to any major change. But managing ties in a potential

Trump presidency will definitely be a strain, though the Gurpatwant Singh Pannun issue is unlikely to create major problems. The American focus, regardless of who wins, is likely to be China, though there is a danger that another US-China tariff war could affect us in the form of collateral damage.

India's ties with Russia are definitely being tested by the Ukraine war. India may be gaining from its oil purchases, but it is alienating its Western allies. As the situation in Ukraine remains serious, pressure on the West to step up its support to Ukraine brings pressure on India indirectly. Having told Put in that this was not the era of war in 2022, Modi is now hard put to come up with some initiative which will lend credibility to India's proposition that the issue could be settled through dialogue and diplomacy. In the meantime, New Delhi continues to walk a tightrope - it attended the Swiss peace conference, but not at the Prime Ministerial level.

Another area which may require attention is West Asia, where Modi deserves credit for building solid ties with the UAE, Israel, Saudi Arabia, Qatar and Egypt. These were not just about the nine million-strong diaspora or energy security but also aimed at tapping the region for investment and buying into their plans for a post-oil future. At present, however, new initiatives like the Israel-India-US-UAE grouping and the India-Middle East-Europe Economic Corridor (IMEC) have sought to link Indian ports to Europe via the Israeli port of Haifa. Significantly, the G-7 communique pledged support to the IMEC.

India is not yet the world power it wants to be. As a leading power, however, there are opportunities for taking initiatives and shaping policies both in the neighbourhood and beyond. What we need to guard against are hubris and overreach.

"

THOUGHT FOR THE DAY

The whole world is one neighbourhood. - Franklin D Roosevelt

Of truths and half-truths

USHA BANDE

99

HE word 'Zohnerism' came to mind when I read the report that the Indian Council of Medical Research had taken umbrage at the misleading nutrition claims on food packages and advised companies to avoid deceptive expressions.

Zohnerism is an eponym born in a classroom. It is not about falsehood, nor is it about advertisements. It is basically about our gullibility and failure to recognise misleading half-truths. It is about the use of facts twisted deftly to lead the public to false conclusions.

In 1997, Nathan Zohner, a student of Junior High School, Ohio (US), presented his science project on dihydrogen monoxide as a dangerously toxic chemical that is present in acid rain. When vaporous, it can cause burns; it corrodes iron and kills thousands of people annually. He proposed that it should be banned. His classmates readily agreed with him and 43 out of 50 students raised hands in favour of the ban.

Nathan then surprised his classmates with another revelation — di-hydrogen monoxide is nothing but water (H₂O) and he was not advocating a ban on it. He narrated the truth by means of a palpable untruth - water causes burns, acid rain, floods and so on — to show how proven facts can be warped to persuade people into believing false statements. Journalist James K Glassman coined the word Zohnerism in recognition of Zohner's innovative experiment.

Zohnerism is a pointer towards our naivety. We gullibly accept the selectively packaged narratives transmitted to us through print and electronic media as well as social media. With self-serving falsehood and disinformation, a new kind of reality is created which appears genuine. Based on it, we frame our perspectives on almost everything as a nation — religion, violence, harmony, progress, development and the like. The 'convenient' truths are presented subtly to shape our opinions and assessments.

The Mahabharata epsiode in which Ashwatthama dies and Yudhishtir confirms it with the line 'Naro-va, kunjaro-va' (it could be a man or an elephant) is a glaring example of Zohnerism. Likewise, Mark Antony, in his famous speech that begins with 'Friends, Romans, countrymen', twists the language to his advantage and successfully manipulates public opinion in his favour in Shakespeare's play Julius Caesar.

Zohnerism is an eccentric word but it bristles with ingenuity and holds a mirror to our ignorance; it offers us a powerful reminder to detect the invisible ploy that may take us for a ride. It chuckles at our naivety and awakens us to our power to discern and not accept things at face value.

LETTERS TO THE EDITOR

Galwan shadow on India-China ties

As we mark four years of the Galwan clash, the chasm of trust between India and China deepens, casting long shadows over bilateral relations. The loss of Indian soldiers and disputed Chinese casualties under score unresolved border tensions that challenge diplomatic efforts. Despite numerous talks, the military standoff persists, with both nations fortifying their borders, signalling a new normal of heightened vigilance. India's unwavering stance demands a return to pre-April 2020 conditions for normalcy, while China's rhetoric remains unyielding. The impasse hinders dialogue on pressing regional and global matters, leaving India to bolster its defences, curtail Chinese imports and safeguard digital sovereignty. The appointment of China's ambassador to New Delhi hints at a potential thaw. Yet, history cautions India against complacency.

GURDEV SINGH, MOHALI

Ensure safety of passengers Multiple people were killed and several

others were injured as an express train collided with a goods one in Darjeeling district of West Bengal on Monday morning. This is not the first major rail mishap in recent years, which gives people the impression that the government has not done enough to prevent such tragedies. The announcement of ex-gratia for the kin of the deceased or those who sustained injuries is not a solution. It is high time that the powers that be took steps to ensure the safety and security of the passengers. WG CDR JS MINHAS (RETD), MOHALI

Drug menace plagues Punjab

Apropos of the report 'Alarming: Opposition jabs Punjab CM Bhagwant Mann over 14 drug abuse deaths'; every loss of life due to the consumption of drugs is tragic. But such issues must not be politicised. The Congress state president has called out the ruling party in the state for not having a roadmap to save the Punjabi youth. But when the grand old party was in power in Punjab, did it ever come up with a roadmap to tackle the issue? Over the years, the government has remained focused on disrupting the

supply of drugs. The need of the hour is to edu-

cate the youth about the harms of taking drugs. LT COL PRADEEP JAWANDA (RETD), BY MAIL

Don't let terrorism hinder polls

With reference to the article 'Go ahead with J&K Assembly polls despite terror

attacks'; it was a thought-provoking read. The encouraging turnout in the recently held Lok Sabha polls in the state-turned-UT must pave the way for a smooth conduct of Assembly elections. In line with the Supreme Court's direction, the polls must be held before September 30. It is good to know that the process for undertaking the electoral process has been initiated. Some anti-national elements will continue to create unrest in the region. But it must not deter the Election Commission of India from holding the polls,

which are due in three months. SUBHASH C TANEJA, GURUGRAM

Future of NEET aspirants at stake NEET has been making headlines for all the wrong reasons. But this is not an isolated incident of paper leak. Such malpractices have long been common in states like UP and Bihar. Paper leaks threaten the academic and professional prospects of deserving candidates. The failure of the authorities concerned to prevent the use of unfair means is to blame for the fiasco. The government must accord the matter the seriousness it deserves, and those behind the leak must be brought to book. The future of lakhs of students is at stake.

Role of Opposition in democracy

RSS chief Mohan Bhagwat has rightly recognised the significance of the Opposition, stressing, "It (the Opposition) should not be seen as an adversary. The Opposition presents an alternative perspective. Their views must also be acknowledged." Opposition leaders, regardless of their views, must be respected, as they represent a certain section of Indian opinion. The moot question here is: Will the newly formed PM Narendra Modi-led government at the Centre listen to the Opposition and strive for consensus? Besides, aggressive Hindutva must not take precedence over the everyday problems facing the country.

HARIDASAN RAJAN, KOZHIKODE (KERALA)

Letters to the Editor, typed in double space, should not exceed the 200-word limit. These should be cogently written and can be sent by e-mail to: Letters@tribunemail.com

Clean up NEET to restore public confidence



KK TALWAR FORMER DIRECTOR, PGI

N an article published in The Tribune (August 5, 2023), I had argued that the NEET (National Eligibility-cum-Entrance Test) system was a desirable and essential piece of reform, but it required fine-tuning. The recent controversy surrounding NEET-UG 2024 underscores the urgency for improvement, though it points only towards the mishandling of the NEET exam and not the redundancy of the system itself. The issue is now before the Supreme Court.

We must realise that an exercise that borders on the sacred for our students and their parents must be executed flawlessly and in a manner that inspires the highest measure of confidence in the system. Events such as those that have transpired this year erode confidence in the sys-

temand demoralise students. NEET was introduced to bring about transparency and meritocracy in the admission system. Genuine concerns had been raised about the earlieradmission system adopted by some private medical institutions being opaque and disfees had tainted the system. Besides, candidates were forced to undergo multiple entrance examinations across the country to maximise their chances of getting admission to one medical college or another. A single nationwide examination like NEET was necessary to address this.

Unsurprisingly, this much-

needed measure of reform was resisted by some. NEET, though initially planned in 2010, could not be implemented for a year or so on account of perceived flaws in its initial notification. It was only in 2012 that the Medical Council of India, in consultation with the Union Government, properly notified it. The exam could not be conducted that year since students did not have enough time to prepare. Before it could be rolled out from the next year onwards, the apex court intervened. The notification of the exam was set aside by a three-judge Bench with a 2:1 verdict. The court was approached to reviewand reconsiderits decision. Ultimately, it reversed the decision and allowed NEET to be implemented.

This landmark ruling paved the way for a major overhaul of the medical admission system in India. The NEET system could finally be put in place. Wider consultations with stakeholders and state governments had also brought out the need to hold NEET in local languages in addition to English. This was important to



PREREQUISITES: Honesty, transparency and accountability in the admission process are a must. ANI

The National

Testing Agency

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Centre, take

immediate

remedial measures

that reassure

all stakeholders.

from different coming regions. Of course, it was visualised by the policymakers that once NEET was rolled out, improvements would be made whenever necessary.

Over the years, the conduct of NEET has, more or less, been free from controversy. In this backdrop, this year's events are unfortunate. It is vital that all issues that have arisen be resolved as soon as possible. The National Testing Agency must live up to expectations and, together with the Central Government, take immediate remedial measures that reassure all stakeholders. Honesty, transparency and accountability in the admission process must be seen and felt as having been restored.

If there are any systemic issues that call for change, honest. Evils like capitation ensure equity among students those must not be swept under the carpet. They must be urgently and constructively addressed.

One oft-debated area of concern is whether a multiplechoice question (MCQ)-based examination is the best method of selecting medical students. A related and valid criticism is that this format of examination has resulted in the mushrooming of private coaching academiesto prepare students for the high-level competition. These academies are prohibitively expensive and concentrated in tier I and tier II cities and towns. As a result, students whose families cannot afford to pay such high fees are deprived of this valuable training tool. Urban students are able to gain an unfair advantage over their rural counterparts, who may lack easy access to coaching acadebelief that without the benefit of coaching in these expensive academies, it is very difficult to compete for admission to medical colleges. Many meritorious students from a poor or rural background thus feel handicapped.

mies. There is a widespread

Additionally, students begin to ignore their Class XII board exams, where a 50 per cent score is sufficient to be eligible for taking NEET. Consequently, students do not take their Class XI and XII studies or exams seriously, losing out on the development of analytical and scientific skills. I am shocked to learn from some students that many of their classmates join such academies and don't attend classes at school. It appears that some schools are keen to certify them as regular students so as to allow them to sit in the Class XII board examination.

Some alterations to the current system must be considered. The NEET question papers could include questions framed on the basis of the state board syllabi, so that an equal opportunity is available to students from all regions. Well-designed MCQs, which can assess the intellectual capacity of our students and not merely their rote learning, must be introduced. The emphasis needs to be on evaluating the mental ability, quality of reasoning, depth of knowledge and analytical thinking.

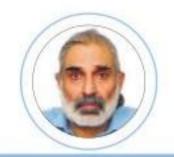
attach some weightage in the zens is at stake.

medical admission process to the Class XII board examination score. This may motivate students to undertake a more broad-based approach and reduce the importance of coaching institutes focusing only on rote learning and mastering multiple-choice questions.

Policymakers should examine the possibility of a hybrid system for undergraduate medical admissions, with weightage for the NEET score (say 50 per cent) and the balance weightage for the score in the Class XII board examination or other similar (objective and transparent) performance criteria. This approach may not be met with much objection as far as the state quota seats are concerned. However, in view of the differing standards and the evaluation process across different states, it may be less than ideal for the all-India quota seats and Central institutes like AIIMS unless some system of equalisation or normalisation is put in place to be applied to various education boards.

NEET was an essential step in the right direction. The present controversy has impacted its credibility. Necessary action must be taken immediately to restore public confidence. Politicisation of the issue must be avoided at all costs. We cannot afford to return to the old ways of doing things. The very It will also be helpful to future of our young citi-

Agnipath, other questionable schemes under scrutiny



RAHUL BEDI SENIOR JOURNALIST

HE advent of a genuine coalition government has kindled hope among a crosssection of defence veterans security analysts and salutary regarding a makeover of some questionable schemes and directives imposed upon the military by the political leadership over the past decade.

The foremost among these is the Agnipath scheme, launched in mid-2022, to recruit personnel below officer rank (PBOR), known as Agniveers, for a limited tour of duty (ToD). The Janata Dal (United), a critical constituent of the National Democratic Alliance, has demanded a review of the scheme amid public disaffection with it in Bihar and other states. According to reports, the govemment has tasked a group of secretaries from 10 ministries to review Agnipath and suggest ways to make the programme recruitment more attractive.

Under Agnipath, PBOR are being recruited for all three services for a four-year

ToD, following which just 25 per cent of them would be retained to complete 15 years of military service. The remaining 75 per cent — the demobilised Agniveers would reportedly be provided employment in the paramilitary, state or railway police forces or other attendant security agencies. Public sector banks and insurance companies and other associated state-run financial organisations, too, would be called upon by the government to absorb these disbanded soldiers, airmen and sailors, each of whom would receive around Rs 12 lakh, tax-exempt, as their severance pay.

Meanwhile, a series of directives from the Ministry of Defence (MoD) to the armed forces, which triggered unease within the services as well as among veterans, are likely to be reassessed or quietly abandoned.

One such was the mandate issued last May by the Army headquarters at the MoD's behest, requiring all soldiers on home leave to promote 'nation-building' endeavours in their respective village, town and city neighbourhood communities by publicising the merits of government welfare schemes like Swachh Bharat Abhiyan and Sarva Shiksha Abhiyan. The scheme was to be monitored by the soldiers' individual units through a quarterly feedback, supported by pho-



FRESH BLOOD: Under Agnipath, personnel below officer rank are being recruited for all three services for a four-year tour of duty. AN

literally by the ruling

party to boost its

political prospects

and force-multiply

its message via the

country's soldiery.

tographs and video clips. Additionally, these 'soldier ambassadors' were directed by the Army's Ceremonials and Welfare Directorate, which functions under the Adjutant General's office responsible for the forces' overall administration — to instil patriotism and nationalism in their respective circles, motivate and mentor the youth and organise sports events for them.

Senior military officials said the Army Training Command in Shimla had issued guidelines for these soldiers to follow with regard to these 'educative' tasks with the aim of 'leveraging' their skills and innate discipline towards augmenting nationbuilding. Senior veterans had estimated that at any given

engaged in this governmentled mega publicity drive. All soldiers are entitled to two months' leave annually, in addition to 30 days of casual leave, but for now it remains unclear how successful this scheme has proved to be. The adage that a soldier is never off dutywas applied

At that time, many veterans had said that this scheme had been foisted upon the services, its instructions framed by the MoD to make it appear voluntary to ward off protests and court cases. In short, the adage that a soldier is never off duty was applied literally by the ruling party in a bid to boost its political prospects and forcemultiply its message via the country's soldiery.

time, the armed forces would

have 3,50,000 'social warriors'

Concomitantly, the MoD had also directed the instal-

lation of geo-tagged 'selfie points' by its various departments and related organisations to showcase the achievements of the government in the military realm. The proposed 820odd selfie points, in most instances carrying PM Modi's picture, were focused on defence public sector undertakings, the Border Roads Organisation, the Coast Guard, the Defence Research and Development Organisation, schools and the National Cadet Corps, among other associated bodies.

In its directive, the MoD had declared that these 'selfie points' would also be located at prominent locations with the "maximum footfall and the potential of attracting public attention", like war memorials, rail and Metro stations, bus terminals, airports, malls, schools and colleges and even festival gatherings. The ministry had also suggested a 'feedback mechanism', including a dedicated app which would enable people to upload selfies and post them on social media platforms to further transmit the ruling party's message in the election season.

A bunch of veterans, all of whom requested anonymity, criticised Project Udbhav (genesis), launched late last year to "synthesise ancient wisdom with contemporary military practices to forge a unique and holistic approach to address modern security challenges". This joint venture between the Army and the United Services Institution think tank, aimed at capitalising on India's 5,000year-old civilisational legacy to "comprehend its enduring connect, relevance and applicability in modern times" is in consonance with the BJP's penchant for invoking India's ancient glory.

This included studying, examining and analysing the writings of Chanakya (Arthashastra), post-Mauryan Kamandaka (Nitisara) and Tamil saint-poet Thiruvalluvar (Thirukkural), all of which the Press Information Bureau (PIB) declared "aligned with modern military codes of ethics or just war and principles of the Geneva Convention".

The PIB went on to state that Udbhav was a "visionary initiative by the Army seeking to integrate age-old wisdom with contemporary military pedagogy", in addition to enhancing "strategic thinking, statecraft and warfare". In short, Udbhav, according to the govemment, was poised to "foster deeper understanding of military matters and contribute to enriching military curricula".

Regrettably, it was left to veterans, albeit sotto voce, to flag these political and contentious enterprises, and to those still in service to implement this publicity blitzkrieg. Perhaps after the recent electoral verdict, both domains will breathe somewhat easier.

QUICK CROSSWORD ACROSS

- Confused struggle (7)
- Unspoken (5) 8 Offer tentative proposal
- (3,3,1,6)
- 9 Played a part (5) 10 Soften the mood
- of (7)
- 11 Verse (6) 12 The Milky Way, for
- instance (6)
- 15 Time at one's disposal (7)
- 17 Brashly self-confident (5 19 Utterly amazed (13)
- 20 Distinct (5) 21 Detailed

DOWN

- 1 A fine brown (5)
- 2 Having very latest news (2-2-3-6)
- 3 Come to grief (7)
- 4 Pass by (6) 5 Subject of discourse (5)
- 6 Require explanation
- from (4,2,7) 7 Oppressive rule (7)
- 11 Shrewdly tactful (7) 13 Severely self-denying (7)
- 14 A porter (6) 16 Subordinate to (5) 18 An unsophisticated

rustic (5)

account (7) Yesterday's solution

Across: 1 Holst, 8 Ring true, 9 Venal, 10 Once-over, 11 Impel, 12 Fat, 16 Injure, 17 Renown, 18 Wry, 23 Taunt, 24 Live up to, 25 Canon, 26 By rights, 27 Dingy.

Down: 2 Open mind, 3 Share out, 4 Vienna, 5 Egret, 6 Grave, 7 Weird, 12 Few, 13 Try, 14 On safari, 15 Swansong, 19 Rotate, 20 Clubs, 21 Avert, 22 Judge.

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Amritsar	44	31	
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Jalandhar	42	30	
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Dharamsala	36	25	
Manali	30	16	
Shimla	30	20	
Srinagar	32	16	
Jammu	44	28	
Kargil	28	15	
Leh	25	09	
Dehradun	41	28	
Mussoorie	29	21	

FORECAST