



RAHUL GANDHI  
Leader Of Opposition in Lok Sabha

“If you have money, you can buy the Indian exam system. There is a serious problem in exam system. Millions of students are convinced the exam system is a fraud



PRIYANKA CHATURVEDI  
Shiv Sena (UBT) leader

With this order, ED, I-T, CBI, ECI and other sarkari officers can officially prove their Sanghi credentials. It is such a shame...BJP is leading them towards keeping ideological interests first



AKHILESH YADAV  
Samajwadi Party chief

How is it possible that so many students with high scores passed the exam from one place, or centre? It puts a question mark on the credibility of the govt and the institution”

## Hope for undertrials

In a country where inordinate delays in the justice delivery system force undertrials to languish in jails for years and even those granted bail must wait till the court order reaches the jail authorities by post, the urgency of reforms need not be overemphasised. A key component of reforms concerns changes in bail provisions. The Supreme Court's latest ruling granting bail to a person who was booked under the Unlawful Activities Prevention Act (UAPA) and languishing in jail for nine years offers a ray of hope to thousands of undertrials facing a similar plight. The apex court has rightly observed that “bail, not jail, is the basic rule” and that should be the guiding judicial principle. The landmark ruling comes as a relief in a legal landscape where the reluctance on the part of courts to grant bail has led to prolonged incarceration and raised serious human rights concerns. The higher judiciary has been grappling with an overwhelming number of bail applications, highlighting a troubling trend of reluctance at lower judicial levels to grant bail. Prolonged detention often infringes on the personal liberties of the accused, even as their trials progress at an excruciatingly slow pace. The SC decision clarifies that no statute, including the UAPA, inherently precludes the granting of bail. This distinction is crucial as it reinforces that legal principles must not be overshadowed by rigid interpretations that compromise individual freedoms. The matter of bail should not be complicated or politically charged. It is a straightforward judicial procedure intended to balance the rights of the accused with the interests of justice.

Legal principles must not be overshadowed by rigid interpretations that compromise individual freedoms

Unfortunately, the provisions of the sedition law and the UAPA are being grossly misused across the country, often with impunity. Time has come for reforming the law which was enacted in 1967 for application only in rare instances. However, the experience has shown that it is being indiscriminately used by the governments — both Centre and States — to varying degrees. A very low conviction rate of less than 3% indicates that the UAPA is indiscriminately used by the police to harass and intimidate. By the time the judges get to apply themselves to the allegations made in the charge sheets, the accused would have already spent years in custody. Judicial experts view the UAPA as part of the police's efforts to stifle peaceful dissent. The tendency among the police has been to frequently use the anti-terrorism law as it enables them to detain the accused for longer periods without a trial. Though social media posts, per se, cannot be said to constitute an unlawful or terrorist activity, there has been a growing trend of investigating agencies labelling them as unlawful. However, intervention by higher courts ensured justice in some cases. The latest SC order will, hopefully, drive the process of rectifying the imbalance and ensuring that justice is not only done but seen to have been done.

## The curious case of non-West

By dismantling the narratives of anti-West, New Delhi seems to be operationalising its balancing act



MONISH TOURANGBAM

India's Foreign Minister S Jaishankar, earlier this year, speaking at the Munich Security Conference, sitting beside his co-panelist and American counterpart, Antony Blinken called India “non-West” and not “anti-West”. On the other hand, the China-Russia alliance has categorically taken an anti-West front.

After his inauguration for a fifth term as President of Russia, Vladimir Putin made his first foreign trip to China to solidify their “no limits” partnership. In the joint statement released with his Chinese counterpart Xi Jinping, Moscow and Beijing declared “their opposition to the creation of closed associations and bloc structures in the Asia-Pacific region, in particular, military alliances and coalitions directed against any third party” particularly noting “the negative impact on regional peace and stability of the US “Indo-Pacific” strategy.”

Recently, at its 75th Anniversary Summit, the North Atlantic Treaty Organization (NATO) contended, “The deepening strategic partnership between Russia and the PRC and their mutually reinforcing attempts to undercut and reshape the rules-based international order, are a cause for profound concern.” Around the same time, much to the dismay of the West, Prime Minister Narendra Modi and President Vladimir Putin displayed bromance in Moscow at the 22nd India-Russia Annual Summit.

### Non-West and its Avatars

Despite the optics of Prime Minister Modi's visit to Russia, New Delhi is keen on emphasising that its bilateral and multilateral engagements are not directed against the West. Besides continuing to find value in groupings like the BRICS (Brazil, Russia, India, China,



South Africa) plus its new members and the SCO (Shanghai Cooperation Organisation), India's strategic embrace of the West and the United States in particular has grown spectacularly. India has stayed out of the China-initiated Regional Comprehensive Economic Partnership (RCEP) and joined the US-initiated Indo-Pacific Economic Framework (IPEF).

Moreover, in the evolving architecture of the Indo-Pacific region, India is squarely in the Quadrilateral Security Dialogue (Quad) and stands in unison with the US, Japan and Australia for a “free, open, inclusive and rules-based” Indo-Pacific. Japan and Australia are also interesting candidates in the West and non-West dichotomy.

At the dawn of the 20th century during 1904-05, when the Japanese empire defeated the Russian empire, many heralded the rise of an Eastern power against a Western power, but by then, Japan had fully embraced Western technologies and development models under the Meiji restoration. Since the end of World War II, it has strategically remained much closer to the West. Australia, although a continent by itself, through history and geopolitics, has remained a steadfast ally of the West.

However, two of the strongest pillars of the non-West are at odds with each other. China's border aggression has pushed India-China relations downhill, to one of its lowest points in recent times; and more importantly, making it all the more prudent for New Delhi to strike a strong strategic bargain with Washington to prevent Beijing's unchecked rise.

However, the non-West is not entirely new to the practice and study of international relations, although the material deficit of countries like India and China in their early years of independence and post-colonial experience did not allow such narratives to take off. In the call for developing an Asia for Asians, the New International Economic Order (NIEO), the broader core-periphery question, the early optimism for an Asian century predicated on the economic rise of India and China and through the latest Global South imperative, the non-West has echoed itself in many avatars.

### Pressing Problems

However, a divided Asia and China's excessive ambitions to shape a unipolar Asia in a multipolar world have erected Great Walls against the chances of any cohesive Asian century or a viable non-West at least in the real world of policies and strategies, if not in academic discourse. The West and non-West dichotomy also clearly permeates the North-South dialogue, and the rise of the Global South as a region in need of sustainable growth and development.

A divided Asia and China's excessive ambitions to shape a unipolar Asia have erected Great Walls against a viable non-West

The high point of India's G20 presidency was in championing the concerns and needs of the Global South, but the Sustainable Development Goals' (SDGs) targets are to be achieved through North-South cooperation and not by pushing antagonisms further. The case for reformed multilateralism and the imperative to shape multilateral institutions for a multipolar world means that the erstwhile domination of the West in global and regional platforms of governance is giving way to the search for more inclusive solutions. The most pressing problems of the future, including climate change and green economy, global food and health security, resilient value supply chains and managing new technologies will require a more concerted effort to build synergies between the non-West and the West, amid the widening geopolitical schisms of new great power rivalries.

India's rise as a material and normative power in the non-West comes at a time when it finds it pragmatic to embrace the West to manage its security challenges in the non-West, most primarily coming from China. To counter Beijing parading an anti-West narrative, New Delhi has found more resonance in working with partners in the West. Hence, juggling these seemingly contrasting paths and simultaneously promoting its strategic interest will remain the task for India's planners and doers.

### Civilisational Powers

The rise of India and China has also given more currency to the notion of civilisational powers in the lexicon of international relations and the search for non-West experiences to inform the future of global governance. However, all civilisational powers do not necessarily follow the same path to rise. The kind of characteristics civilisational powers acquire and exhibit in contemporary inter-state dynamics and their role in shaping the multipolar world is, hence, a matter of critical inquiry.

Such an infusion of diverse and inclusive assertion in policymaking also coincides with a broader call in the academic discipline of International Relations for non-western theories and perspectives. While the non-West in International Relations discipline and academic debates largely reflect an imperative for inclusiveness and diversity in teaching and research, it seems to serve a very distinct purpose in the policy world.

By championing the non-West and dismantling the narratives of anti-West, New Delhi seems to be operationalising its balancing act, and the practice of strategic autonomy to manage its rise amid partnerships straddling the West and the non-West.

(The author is Director at the Kalinga Institute of Indo-Pacific Studies. He is a regular commentator on International Affairs and India's Foreign Policy)

## Letters to the Editor

### At standstill

Since the foundation stone was laid for the old city metro rail, nothing has moved. No leader, no official talks about the project. Has the metro project been cancelled?

M A RAHMAN, Hyderabad

### NEET

This year's NEET unusual high cut-off scores will have a significant impact on MBBS admission. Due to the high cut-off marks, there will be increased competition for spots at the top of the merit lists. Also there will be more demand for spots in private medical colleges and

deemed universities. The high cut-off will certainly highlight the coaching facilities for NEET preparation, putting rural students at a disadvantage.

P VICTOR SELVARAJ,  
Palayamkottai (TN)

### Robust agri

To mitigate the impact of climate shocks and K-shaped inflation, the government can invest in climate-resilient agriculture, improve infrastructure and implement targeted social safety net programmes. The RBI and the government must ensure that measures to control inflation do not affect vulnerable populations. Long-term solutions are crucial, including sustainable farming practices.

AMARJEET KUMAR,  
Hazariabagh

## Cartoon Today



## India in the hotspot

■ Newsweek

### Modi summit hollow victory for Putin

Indian Prime Minister Narendra Modi chalked up a big win during his state visit to Russia earlier this month, but his Moscow counterpart Vladimir Putin failed to secure co-operation in a key area of concern.

■ Washington Times

### India needs to store wind, solar energy

India's lithium ion battery storage industry — which can store electricity generated by turbines or solar panels for when the sun isn't shining or the wind isn't blowing — makes up just 0.1% of global battery storage systems.

■ The Japan Times

### Suzuki sees automobile mkt growing

India's car market is on track to reach 20 million units by 2047, helped by promising growth in battery electric vehicles (EVs), Suzuki Executive Vice President Kenichi Ayukawa said.

The Statesman

Incorporating and directly descended  
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## Economic Reckoning

The country is at a critical juncture ahead of today's Union Budget, grappling with significant economic challenges. Despite being an accounting document, the Union Budget is more than just a ledger of expenditures and revenues – it is a powerful signal of the government's priorities and policy direction. This year's budget comes amid pressing issues like unemployment, inflation, and growing income inequality, which demand urgent attention. Recent data from surveys such as the Annual Survey on Unincorporated Sector Enterprises (ASUSE) and the Household Consumption Expenditure Survey (HCES) reveal a stark reality: a large portion of the Indian population continues to earn very low incomes. Economic growth over the past few years has predominantly benefited a small number of the elite, with real wages stagnating for the majority. Despite electoral promises from the ruling Bharatiya Janata Party to uplift the poor, youth, and women, their policies have largely maintained the status quo. The informal sector, which forms the backbone of India's economy, has been particularly hard hit by policies like demonetisation and the abrupt implementation of the Goods and Services Tax, further exacerbated by the Covid-19 pandemic. While India's GDP is growing faster than most countries, growth in domestic private consumption remains sluggish, and household indebtedness is rising. Moreover, private investment has not picked up significantly despite various incentives. The government's strategy has heavily relied on increasing public investment in capital expenditure, which rose from 1.6 per cent of GDP in 2014-15 to 4.3 per cent in 2023-24. The rationale is that such investments in infrastructure and other projects would create jobs and stimulate private investment. However, these anticipated returns have yet to materialise, casting doubt on the effectiveness of this approach.

Additionally, the government's neoliberal agenda, emphasising market-based solutions and the role of "wealth creators," has led to a regressive taxation system favouring large corporations. Concurrently, social sector spending has been cut, with significant reductions in health and education budgets, and decreased allocations for welfare schemes like the Anganwadi programme and the National Social Assistance Programme (NSAP). Reports indicate that the share of health spending in the Union budget has halved since 2014-15, while the education budget has also seen a decline. As the Finance Minister prepares to present Budget 2024, the need for a paradigm shift in policy is evident. The recent crises, such as the failures of the National Testing Agency and desperate job seekers crowding for interviews, highlight systemic issues in employment and education that require immediate and substantial policy responses. Budget 2024 has the potential to be a turning point. While it cannot solve all economic problems, it can reflect a commitment to addressing the nation's pressing issues. Whether the government will seize this opportunity to make bold changes or continue on its current path remains to be seen. The upcoming budget presentation will reveal if there is a genuine effort to address unemployment, inflation, and inequality, or if it will be business as usual.

## Food Inflation

The Indian economy faces a multifaceted challenge as food prices continue to rise, exerting significant pressure on households and policymakers alike. With food accounting for nearly 40 per cent of the Consumer Price Index (CPI) basket, addressing food inflation is not merely an economic necessity but a socio-political imperative. The recent spike in food inflation, driven by escalating prices of vegetables, cereals, and fruits, underscores the urgency for comprehensive and sustained interventions. Historical data reveals that India's most sustained period of low inflation, between 2000 and 2006, was characterised by stable food prices. During this period, headline CPI averaged 3.9 per cent and food inflation was at a modest 2.5 per cent. However, this stability has been increasingly elusive in recent years. In June 2024, food inflation surged to a six-month high of 9.4 per cent, exacerbated by extreme heat waves that devastated vegetable yields. This trend is particularly concerning as it highlights the vulnerability of the Indian economy to climatic variations and supply chain disruptions. The Covid-19 pandemic has further complicated the inflation landscape, with food inflation averaging 6.4 per cent between 2020-21 and 2023-24, outpacing the overall CPI inflation of 5.9 per cent. Projections that retail inflation would stabilise below 5 per cent have been upended by recent data, indicating that the fight against inflation is far from over. This persistent high inflation, especially in the food sector, demands urgent and strategic responses. One of the most pressing issues is the impact of weather conditions on agricultural productivity. The heat wave this year serves as a stark reminder of the need for climate-resilient agricultural practices. Investments in advanced technologies such as precision farming and drip irrigation can significantly enhance crop yields and reduce dependence on erratic monsoon patterns. Educating farmers on modern agricultural techniques is equally crucial in mitigating the effects of adverse weather conditions. Improving supply chain efficiency is another critical area. Enhancements in cold storage facilities and transportation networks can drastically reduce post-harvest losses, ensuring that food reaches consumers in a timely and cost-effective manner. Additionally, promoting crop diversification and supporting allied sectors like dairy and poultry can provide farmers with alternative income sources, thereby reducing the impact of single crop failures on overall food prices. Market reforms that streamline regulations and promote digital marketplaces are essential for ensuring fair prices for both farmers and consumers. Enabling farmers to sell directly to consumers through digital platforms can reduce intermediary costs and enhance price transparency. Strengthening subsidised food programmes like the Public Distribution System (PDS) and implementing stricter measures to prevent hoarding can protect vulnerable populations from the adverse effects of inflation. The budget today presents a critical opportunity for the government to address the immediate issue of rising food prices and establish long-term measures for inflation stability. Policymakers must tailor solutions to the specific needs of different demographic segments.

# R.I.P. Panchsheel

In 1954 under Prime Minister Jawaharlal Nehru's leadership, Panchsheel was codified in international relations in the treaty between India and China; it also figured in the Preamble to the Constitution of China



When after a year, India's external affairs minister S. Jaishankar met his Chinese counterpart Wang Yi on 4 July 2024 for a formal discussion on the sidelines of the Shanghai Cooperation Organisation (SCO) summit, he said there is a "need to redouble efforts to achieve complete disengagement" in eastern Ladakh. While the Indian minister underlined the border issue as a singular focus, wanting resolution to issues along the Line of Actual Control, ensuring peace and stability, his emphasis was on the newly-minted principles of "mutual respect, mutual sensitivity, and mutual interests".

Not to be outdone foreign minister Wang Yi, and a high-ranking member of the Communist Party of China (CPC) Political Bureau, brought to centre-stage the 70th anniversary of the Panchsheel principles of peaceful coexistence, acknowledging the historic principles formulated in 1954. It was India's first Prime Minister Jawaharlal Nehru's vision of the world which was rooted in the term 'Panchsheel', five virtues or principles. At the SCO Summit, India made no mention of the 70th anniversary of Panchsheel.

While the Chinese commune did not contradict the Indian statement, it indicated that there was no common meeting ground with Beijing. China reaffirmed that the border issue should proceed on a parallel track to the resumption of ties. "We must adhere to positive thinking, on the one hand properly handle and control the situation in the border area, on the other hand actively resume normal exchanges, promote each other, and move towards each other," it stated.

Readers may not be aware of the Buddhist origins of Panchsheel which found mention in China's statement: the virtues it refers to are good conduct, abstinence from killing living beings, good character, behaviour and adherence to truth.

For Nehru it denoted sovereignty, non-aggression, non-interference, equality, and peaceful coexistence of every kind, political, ideological, military and economic between nation-states. He acknowledged the Buddhist roots of Panchsheel, especially in the post-World War II era when the disasters of war and atomic age were rampant. Seventy years ago, in 1954 Panchsheel was codified in international relations in the treaty between India and China; it also

figured in the Preamble to the Constitution of China.

Foreign minister Wang can now be credited with bringing Panchsheel once again to the global diplomacy chessboard. Even though Nehru's relations with China and its Communist leadership were fraught with paradoxes, controversies and the brutality of invasion, there is no doubt that Indo-Chinese relations in times of peace and war, through the 1950s and 1960s, were the centre-point of the entire world.

Observed Dr S Gopal, Nehru's finest biographer in Volume 2 of the three-volume biography, "Nehru, as a committed socialist, had expressed his faith, admiration and friendship with China. At the same time, he had advocated an attitude of 'cautious friendliness' towards China."

The diplomatic evolution of Panchsheel may be traced in Nehru's words: "It should be made manifestly a friendly approach, and there should be no support of the enemies of China or formation of any bloc which could be regarded as anti-Chinese or anti-communist."

On 25 October 1950, Nehru wrote to KM Panikkar, Ambassador to China, that he did not expect armed attack on India by China from Tibet, but he did not rule out infiltration by groups or even occupation of disputed areas. Nehru's attitude from the outset was that the frontier was firm, well-known and beyond dispute.

In Parliamentary debates on 20 November 1950, Prime Minister Nehru said, "Tibet is contiguous to India from the region of Ladakh to the boundary of Nepal and from Bhutan to the Irrawaddy/Salween divide in Assam. The frontier from Bhutan eastwards has been clearly defined by the McMahon Line which was fixed by the Simla Convention of 1914. The frontier from Ladakh to Nepal is defined chiefly by long usage and custom... Our maps show that the McMahon Line is our boundary and that is our boundary – map or no map. That fact remains and we stand by that boundary, and we will not allow anybody to come across that boundary."

The issue of frontier modification and intrusions became

dominant in 1953 and on 5 March 1953, Nehru noted, "China should be in no doubt that any modification of or intrusion across the frontiers would be unacceptable to India and India should be strong enough to prevent this... No major challenge to these frontiers is likely in the near future. If we are alert, no challenge will take place within a reasonable time and possibly even later."

At the height of the Korean crisis on 23 January 1951, Prime Minister Nehru wrote to Chou En-lai (later written as Zhou Enlai), "... nor is it wise to try to humiliate other countries. We in India and China have suffered enough humiliation in the past and have resented it and fought against it. We should follow a different course and try to secure a stable peace through a peaceful and cooperative approach. This would be no sign of weakness but of strength and confidence in ourselves." Now seven decades later, the world of diplomacy is acknowledging

the India-China treaty, signed in April 1954, a historic milestone in Prime Minister Nehru's international relations.

It provided for the withdrawal of all Indian influence from Tibet. Nehru had no regret about this, for it embarrassed him to lay claim to the succession of an imperial power which had pushed its way into Tibet. Anxious to make the agreement purely non-political, the Chinese at first resisted mention of the Five Principles or Panchsheel, which they themselves had elaborated, but ultimately agreed to it as a concession.

A map in People's China, on too small a scale to permit precision, showed the boundary with India as a settled one, and roughly followed the alignment as depicted on Indian maps from Kashmir to Bhutan. Even in the eastern sector, while the delineation was unclear, no large territorial claims were made. Nehru saw in this map further justification for not raising the border issue with China.

Through June-July 1954, India and China continued to raise high the platforms of their friendship. On 25 June 1954, Chou En-lai, the Chinese Premier, arrived in New Delhi for talks with Nehru. Three days later on 28 June, a communiqué

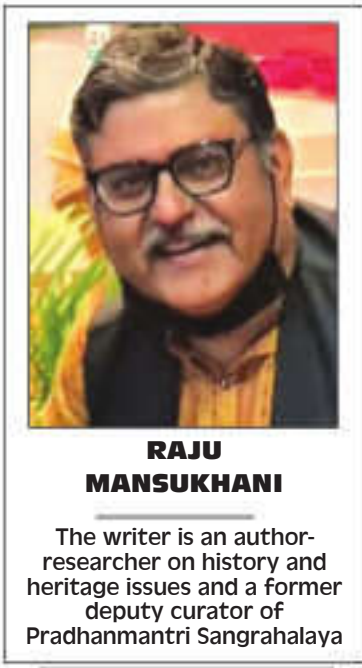
was issued by the Prime Ministers of India and China, outlining Five Principles or Panchsheel for the regulation of relations between nations. It was on 13 July that Prime Minister Nehru urged the inclusion of China in the United Nations, a sign of his growing solidarity and friendship with China.

In the years 1953 to 1955, Nehru's faith and loyalty towards the Chinese seemed unshakable. These were the 'Hindi Chini bhai bhai' years. On 31 July 1954, the Indo-China Truce Commission met in New Delhi. On 14 October a two-year trade agreement between India and China was signed. Under the trade agreement signed in Delhi, India would export 19 lakh pounds of Virginia tobacco to China and import 90 tons of raw silk from the latter annually. Speaking in the Lok Sabha on 31 March 1955, Nehru described Panchsheel as Asia's challenge to the world: "The Asian-African conference at Bandung would throw this challenge, in all its baldness and straightness, and every country."

While the Non-Alignment Movement remains Nehru's major contribution to global politics and international relations, the philosophy behind the movement was Panchsheel. It was evident in the Bandung Conference from 22–23 April 1955 when Nehru demonstrated the importance of Asia and Africa in the world. He initiated NAM along President Kwame Nkrumah of Ghana, President Sukarno of Indonesia, President Gamal Abdel Nasser of Egypt and President Josip Broz Tito of Yugoslavia.

In his speech, Nehru elaborated with some impatience on the meaning and virtues of non-alignment for the countries of Asia and Africa. "Nato might have advantages for Western Europe, but to the rest of the world it assumed the face of colonialism... For the newly free and underdeveloped countries, potential strength lay not in piling up arms, but in industrial progress and the fostering of a spirit of self-reliance. Peace might well come through strength, but not, for the Bandung countries, through military strength or alliances."

From the India-China treaty of 1954 to the Bandung Conference when Prime Minister Nehru held forth to the comity of nations, to the Shanghai Cooperation Organisation (SCO) summit in 2024, global diplomacy has indeed come a long way. Panchsheel principles, whether hailed, ignored or buried, remain a credible part of India's contemporary history.



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## LETTERS TO THE EDITOR

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## Allies must speak up

SIR, This refers to the report, "Union MoS opposes UP govt's order for name display of Kanwar Yatra route" (22 July).

Though maintaining the sanctity of the pilgrims' faith and ensuring peaceful movement of kanwariyas have been officially cited as reasons for the move, there is an unmistakable intention to single out the minority

Muslim community.

The onus is on the state government concerned to deploy an adequate number of police personnel along the route so that clashes or disturbances can be averted.

Marking out shops run by Muslims will only fuel communal disharmony and no way guarantee that there will be no con-

frontation between kanwariyas and vendors/passersby.

The polarisation playbook did not do the trick for the BJP in the recent Lok Sabha polls in UP. Finding itself on a weak wicket after the electoral reversal, the BJP seems desperate to win over disenchanted Hindu voters.

Among the allies of the NDA, the JD (U), the RLD and the LJP have made protesting noises. But they, given their numbers are critical to the NDA's survival, need to do more and take up the cudgels on behalf of harmony.

The role of NDA's allies, after all, is paramount in keeping the BJP's signature majoritarian instincts in check. But will they stand up and be counted?

Yours, etc., S S Paul, Nadia, 22 July.



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## ASIAN VOICES

## Farming Sector Distress: Alarm Bells Are Ringing

Food security is a central element development agenda across the world, whose importance cannot be understated and underemphasized. Traditionally, agriculture has two primary responsibilities in the growth process – supply food, raw materials and earn foreign exchange through exports. Due to its dependence on highly volatile natural factors, like weather conditions, and very complex institutional factors, the agriculture sector operates under a higher degree of uncertainty and consequently in a high risk environment. In this context, it requires greater support from the government for its advancement. Main objective of this article is to communicate that the agriculture sector in Bhutan is faced with a serious existential crisis, which in turn, will adversely affect food security, and will exacerbate pressure on already scarce foreign exchange reserves.

The agriculture sector in Bhutan started to recover and grow faster since 2009 after a long term deceleration starting from early 1990s. This growth story lost its momentum since 2017 and the sector receded into a very steep decline. Total sown area declined by 57% from 204,728 acres in 2017 to 89,490 acres in 2023, which translates into a loss of about 11,500 acres of the sown area each year. Increasingly a larger portion of cultivable land is left fallow. Without a parallel productivity growth, decline in the sown area leads to fall in production. This is exactly what happened in the agriculture sec-



tor. Output of all the cereals has declined steeply since 2017. Paddy production has declined by 53%, while the production of maize, wheat, barley, buckwheat, and millet has declined by 70-80% each. Further, the yield (measured as production kg per acre) of all the cereals has declined since 2017. This means that technological breakthroughs have not been successful in supporting productivity growth. Fall in the production of cereals has not been accompanied by rise in production of cash crops, this is a major source of worry. Production of vegetables declined by 61%, potato declined by 34%, spices, pulses and oilseeds declined within the range of 50-70%. Production of fruits also declined by 22% (refer table 1). Decline in the agricultural production across the range of products is a cause of serious concern and it should not be neglected. There are some small projects related to high value crops which have been sighted as success stories, yet they have little relevance unless their success is replicated on a larger scale.

To add to the woes, production of all the major livestock products (milk, butter, cheese, honey and eggs), except meat, has also declined since 2017. An issue, which has a long term implication, is the declining population of livestock in Bhutan (refer table 2). Declining population of livestock will adversely affect mixed farming and will have adverse effect on the availability of food. Declining agricultural production has also exacerbated pressure on foreign exchange reserves. Agriculture exports have declined from Nu 2.85 billion in 2017 to Nu 2.5 billion 2023, while agricultural imports have increased from Nu 7.8 billion in 2017 to Nu 13.3 billion in 2023. Clearly, the sector is not performing any of its role-supply food and raw materials and generate net export revenue.

The sector has not received adequate investment despite efforts to scale up the investment through public investment and priority lending. Agricultural infrastructure, especially irrigation, is not sufficient. According to the National Irrigation Master Plan 2016, only 64,000 acres of 200,000 acres of arable land was under assured irrigation. Stories of water shortage faced by farmers are aplenty in BBS news bulletins. I also heard that water has started to become a source of discord among the farmers.

## IN THE BLACK

SIR, Reliance is a past master in the art of advertising. Its Jio secured IPL broadcasting rights for five years at roughly Rs 5000 crore per year. It recoups the entire investment through advertising for its clients, at nearly Rs 2 lacs per second of TV time. By airing it free on its own channel, it has been securing an embedded viewership and to boot, adds revenue via the ensuing data demand.

Now, Reliance has done even better by turning into an advertiser. Of all the things, it has leveraged a family wedding. For a reported spread of Rs 5000 crore on the episodes of this gala, it could assemble a bevy of top-racket cricketers, sportsmen, super star cast and politicians around the globe, at no cost. TV studios were happy to air it for their TRPs, to cover free of cost, the pre-wedding celebration, the main event and perhaps the post wedding show as well. The return from this advertising blitzkrieg was a \$10 billion boost to the family fortunes and 8 per cent jump in stock price, just in the past one month. The icing on the cake, Jio has upped the subscription for its 48 crore users. Even a modest Rs 50 per month raise can neutralise this wedding cost, in just two months. This is an object lesson even for the best marketing gurus.

Yours, etc., R.Narayanan, Navi Mumbai, 21 July.



# Dealing with Imran keeps Pakistan busy

HARSHA KAKAR

Pakistan's information minister, Atta Tarar, recently announced that the government planned to permanently ban Imran Khan's political party, PTI, claiming it was "a direct threat to the fabric of our nation." He also announced that the government would "seek Article 6 (high treason) proceedings against its founder Imran Khan, ex-president Dr Arif Alvi, and former National Assembly deputy speaker Qasim Suri."

Though, subsequently deputy Prime Minister Ishaq Dar mentioned that this is still under consideration, the government appears intent on taking these steps. It is feared that initiating such an action would result in large scale riots, as Imran remains the most popular leader within Pakistan.

Official reasons for this decision include foreign funding for the PTI, rioting by his supporters post Imran's arrest in May last year, the cipher case (breaking the Official Secrets Act) as also lobbying in the US to block IMF loans and push anti-election resolutions. Imran has already been acquitted on some of these issues.

If processed, it would divide political parties and initiate a confrontation between the government and the Supreme Court, as the final judgement would be delivered by the courts. Interestingly, this step appears to have been initiated once the military-politico leadership realized that its attempts of tying Imran in knots through multiple legal cases are failing. Support of political allies will remain crucial throughout the process.

A similar discussion occurred in July 2022, involving Imran Khan, then president Arif Alvi, speaker as also deputy speaker of the Senate for their attempts to thwart the no-confidence motion. It was subsequently dropped.

Every time the politico-military leadership has attempted to sideline



Imran, it has failed. Imran's party's symbol was withdrawn just prior to elections, compelling his candidates to fight as independents, yet they won maximum seats, resulting in rigging of elections to reduce their numbers. Their victorious candidates were compelled to ally with a small inconsequential political group (Sunni Ittehad Council).

There is outright animosity between the current army and political leadership, on the one hand, and Imran Khan on the other. The army chief, General Asim Munir, was removed from his appointment as Director General of the ISI (Pakistan's famed military intelligence agency) on the orders of Imran Khan, as he had unearthed corruption on the part of Imran's current wife. Imran denies these allegations.

Munir's was the shortest tenure, in Pakistan's history, of just eight months, as DG ISI. It was his anti-Imran stance which ensured his elevation as chief. He has faced Imran's outbursts during his anti-army rantings in public rallies. The insult to the

army during the riots last year was a blot on his leadership.

The Sharifs have their own grudge against Imran. His treatment of Nawaz when he was in prison as also accusing the family of corruption, during his Prime Ministership and after his removal has made them wary of his return. His popularity is another cause for concern.

Imran's refusal to follow Nawaz's footsteps and leave the country has added to his persona. Further, there is his determination not to commence talks with either the political or military hierarchy. For the current politico-military leadership, there is a fear that in case Imran returns to power, he would seek revenge.

Further, his popularity would enable him to clip the wings of the army, reducing its ability to dominate internal politics, a major concern. Imran's image as an honest leader has not been dented even by the magnitude of court cases he currently faces. On the contrary, it has grown. With judgements slowly turning in his favour, there appear to be limited

options, except taking the extreme step.

Pro-Imran court judgements are the result of growing differences between the judiciary and the army. The latest was the apex court's decision to overrule the election commission and allocate reserved seats to Imran's PTI. The government will appeal but is unlikely to succeed.

This decision conveys that despite its symbol being blocked and members aligning with another political party, the court recognizes the PTI as a legitimate group. Fearing Imran's public support, he is re-arrested in a new case every time the courts dismiss a case or grant him bail.

There have been reports of the army-controlled ISI attempting to pressurize the judiciary for favourable judgements. These are now in public domain as also officially reported by high court judges to the Supreme Court, but to no avail. Current pro-Imran decisions by courts is the judiciary hitting back at the establishment and projecting an independent streak.

The US too has criticized the gov-

ernment's announcement with its spokesperson mentioning, "banning of a political party is something that would be of great concern to us." The Pakistan establishment is considering this option out of fear and at a very crucial time in the country's history.

Its western provinces are on fire, impacting its investments from China, while critical discussions are in progress with the IMF for a fresh loan of USD 7 billion. One major demand of the IMF has been internal political stability. Resurgence of internal violence and instability could add to difficulties and even delay disbursement of funds.

However, for the current Pakistani military-political leadership it is a matter of survival. Despite being behind bars for almost a year, Imran has refused to bend. He remains openly defiant, posing a challenge. Charges of treason, which are being considered, carry a death or at best a life sentence. The fact is that a ban, and treason charges, will have to be ratified by the Supreme Court, which is currently displaying an independent streak, for which the army is responsible.

One major benefit for the establishment is that once these charges are brought, release on bail is unlikely. In case this alone leads to violence, it could open doors for another period of justified martial law. In case it does not, it enables moving on to the next stage, which is Imran's trial.

For India, nothing could be better. The current military-politico leadership is jointly pushing the country towards anarchy and turmoil only due to fear of Imran. The battle within the establishment, judiciary and executive, is bound to intensify. Pakistan will be too busy fighting public disturbances and insurgencies to be bothered about anything else. It being mired in its own mess is the best India can desire.

(The writer is a retired Major-General of the Indian Army.)

## OCCASIONAL NOTE

GONDOLAS have held their own on the canals of Vanice since time immemorial. Written references to these picturesque conveyances have been traced as far back as 1094, but it is evident that boats must have furnished the sole means of local communication since the days when the first fishcr-folk or refugees settled on the lagoon islands. The city would be unthinkable without its gondolas, but although it is not likely that they will ever be entirely supplanted, they are now menaced with formidable competition from motor-launches. The gondoliers have protested against the innovation and have carried their demonstration to the length of wrecking a landing-stage. Had they been content with the procession of three hundred gondolas which went down the Grand Canal to the Venetian Town Hall, there need have been no qualification to public sympathy with their cause, for the idea of "tuff-tuffs" on the romantic water-ways is enough to make the very stones of Venice cry out. Still, the gondoliers survived the introduction of "omnibus steamers" more than forty years ago, and even if they cannot vie with motor-launches in speed, they may be able to win on their merits in other respects. For who with any sense of the fitness of things would be seen in a motor-launch in Venice?

## NEWS ITEMS

### NATIONALIST SONGS

## PROPOSED INTRODUCTION IN MUNICIPAL SCHOOLS

(FROM A CORRESPONDENT)

AT the last meeting of the Coimbatore Municipal Council the question of introducing Tamil Nationalist songs by Subramania Bharati into the elementary schools controlled by the municipality again came up for discussion.

In the early part of this year one of the councillors proposed that the teaching of these songs should be made compulsory in municipal elementary schools for boys. The District Educational Officer, whose advice was sought, was distinctly of opinion that the songs were of a "highly nationalist type" and should not be introduced into elementary schools, the pupils of which were all of a tender age.

Against the considered opinion of the Educational Officer the council have resolved to ask the Municipal Educational Sub-committee to select portions of the Tamil poet's songs to be taught in schools under the municipality.

### FILM ARRESTS

## GERMAN ANTI-FRENCH PROPAGANDA?

("TIMES SPECIAL SERVICE.")

MEMBERS of a German film company who were directing yesterday the taking of a film in a park at Versailles were arrested by the French police.

It is believed, says the Times Paris correspondent, that the French police seized the film because they considered that it was intended for the purpose of anti-french propaganda.

### BOOK-MARKERS

## NOVEL, FASTENER AND NEEDS NO ADJUSTMENT

A VERY useful book-marker is made in silver, with a clip which fastens on to the back cover of the book. Once fixed, it works right though the pages and needs no further adjustment. Another book-marker is designed to fit on the corner of any sized page. This marker is also a paper cutter, and is made in silver with, a raised-initial at the top.

Book-markers and letter-openers combined are seen in several styles. Some have shamrock, white heather, or a lady-bird worked in coloured enamel; others have a reading glass at the top in place of any decoration; and others again have an initial. Reading glasses, both round and square, are also seen in tortoiseshell. A library table set, comprising a full-sized paper knife, scissors, and letter-opener is shown in tortoiseshell with silver mounts, enclosed in a morocco case.

Blotting dabbers and letter scales of tortoiseshell mounted in silver are now to be seen in the shops, as are silver blotting dabbers and paperweights combined. The latest luxury is a little silver and glass bottle for damping envelopes and stamps.

# A return to 'smoke-filled' rooms?

PHILIP KLINKNER

Now that Joe Biden has dropped out of the 2024 presidential race and endorsed Vice President Kamala Harris to be the nominee, it will ultimately be up to Democratic National Convention delegates to formally select a new nominee for their party. This will mark the first time in over 50 years that a major party nominee was selected outside of the democratic process of primaries and caucuses.

Many Democrats had already begun discussing how to replace Biden. They worried that having the convention delegates, the majority of whom were pledged at first to Biden, select the nominee would appear undemocratic and illegitimate.

The Republican Speaker of the House has claimed that having the convention replace Biden would be "wrong" and "unlawful." Others have conjured up the image of the return of the "smoke-filled room." This term was coined in 1920 when Republican party leaders gathered in secret in Chicago's Blackstone Hotel and agreed to nominate Warren G. Harding, a previously obscure and undistinguished U.S. senator from Ohio, for the presidency. He won that year, becoming a terrible president.

The tradition of picking a nominee through primaries and caucuses – and not through what is called the "convention system" – is relatively recent. In 1968, after President Lyn-



don B. Johnson announced he would not run for re-election, his vice president, Hubert Humphrey, was able to secure the Democratic nomination despite not entering any primaries or caucuses. Humphrey won because he had the backing of party leaders like Chicago Mayor Richard Daley, and these party leaders controlled the vast majority of the delegates.

Many Democrats saw this process as fundamentally undemocratic, so the party instituted a series of reforms that opened up the process by requiring delegates to be selected in primaries or caucuses that gave ordinary party members the opportunity to make that choice. The Republican Party quickly followed suit, and since 1972 both parties have nominated candidates in this way.

Some Democrats are worried that a new nominee, selected by the

convention, will, like Humphrey, lack legitimacy since she or he will have secured the nomination without direct input from Democratic voters around the country.

In response, they've suggested what's being called a "blitz primary" in which Democratic voters will decide on a nominee after a series of televised candidate town halls hosted by politicians and celebrities like Barack and Michelle Obama, Bill and Hillary Clinton, Oprah Winfrey and Taylor Swift.

From the perspective of a scholar who studies political parties and elections, this proposal seems like wishful thinking since there's no mechanism for setting up a workable election process in such a short period of time. The usual process of primaries and caucuses takes months, if not years, of preparation.

While many associate the convention system with less than impressive nominees, like Harding, the record isn't that bad.

At the very first convention, held by the National Republicans – ancestors of today's Republican Party – party leaders and insiders nominated Henry Clay for president. Although Clay lost to Andrew Jackson the following year, he is considered one of the greatest politicians of the 19th century.

The convention system in both parties went on to nominate Abraham Lincoln, Ulysses S. Grant, Woodrow Wilson, Franklin D. Roosevelt, Dwight D. Eisenhower and John F. Kennedy, all of whom were elected president. Of course, conventions also nominated lesser figures like Horatio Seymour, Alton Parker and John W. Davis.

But who's to say that the current system has done any better to produce electable candidates?

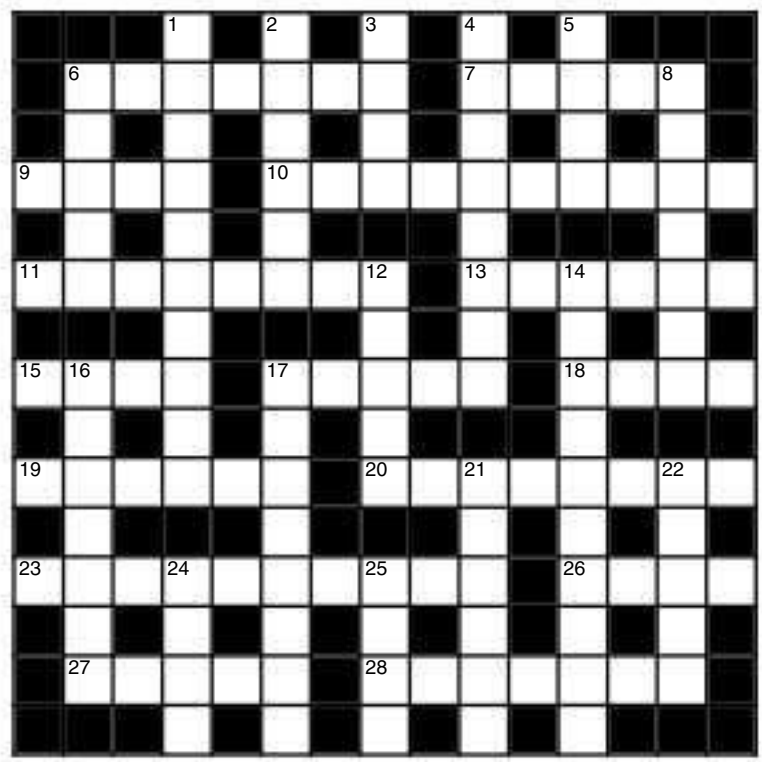
Yes, there's Ronald Reagan and Barack Obama, but there have also been less successful candidates like George McGovern, and weaker presidents like Jimmy Carter and George W. Bush.

Furthermore, had the old system been in place this year, there's a chance that the Democrats might have avoided their current predicament.

To the extent that Democratic Party leaders were aware of Biden's decline, they might have been able to ease him out in favour of a better candidate – if they had been in control of the nominating process. In fact, party

## CROSSWORD

NO-292852



### YESTERDAY'S SOLUTION

DISCUS INCENSED  
O T I R G O U C E  
VENUSIANS CLIMB  
E G A U H H F U  
CRAW OCCUPATION  
O P U H P R I T K  
TROUNCE SHINTO  
E R D C S H E B  
METEOR CATSEYE  
A R R O A S X T  
CHAIR TISSING AFAR  
I L A W C I T I A  
DRINK ETERNALLY  
I E E L L C E A  
CONTROLIS VIASSIAL

### ACROSS

- 6 Take in Indian spices and wine (7)  
7 Landowner involved in tactical air defence (5)  
9 American poet has time to pen final letter (4)  
10 River creature with weapon creates unnecessary panic (5,5)  
11 Underwear thief in Kansas (8)  
13 Used to be part of the LGBT community, which is quite spicy (6)

- 15 Furniture store with department covering Kelvin's proposal (5)  
17 Religious measure accepted by artist leaving America (5)  
18 Air defence space in port (4)  
19 The French native set exercise (6)  
20 Presumably released from incarceration and did very well (8)  
23 Lear boasts about old navigational aids (10)  
26 Heartlessly declaims traitors (4)  
27 Periodically admits actor into dance (5)

- 28 Intern in NI town welcoming English rector (7)

### Down

- 1 Get Castro in a tizzy introducing American items of clothing (10)  
2 Fliers briefly split lottery (6)  
3 Elkie's singer quietly leaves nobleman (4)  
4 Type of marble style in corridor (8)  
5 Register for work (4)  
6 Look to incorporate zone for mast (5)

- 8 Hardy expert supports Durham (7)  
12 Special border plant (5)  
14 Details of money everyone found in career (5,5)  
16 Spoken to without notice to be prepared (7)  
17 Courageous person follows criminal group into nerve centre (8)  
21 Graduate invested in funds for African fortress (6)  
22 Go in with some Aberdeen Terriers (5)  
24 Busy bee ignored hazard (4)  
25 Report of grain in island (4)

NOTE: Figures in parentheses denote the number of letters in the words required. (By arrangement with The Independent, London)

## Biden bows out

Joe Biden opts out of the race to US presidential elections, endorses Kamala Harris to take on Trump

Amid speculations about his health, Joe Biden has finally decided to withdraw his candidature from the US Presidential elections. In his place Kamala Harris, the US Vice President is likely to be the Democrat Candidate. It would be now Kamala vs Trump who is seeking re-election after he lost to Joe Biden in the previous election. President Biden, who will be 82 years old by the time of the election, cited personal reflection and a desire to pave the way for new leadership as the primary reasons for his decision. In his address from the White House he expressed confidence in Vice President Kamala's ability to continue the administration's agenda and lead the nation forward. President Biden stated that, after much thought and consideration, he and his wife believed it was time to pass the torch to a new generation of leadership. He mentioned that Vice President Harris had been by his side through the most challenging times of his presidency and that he had seen firsthand her dedication, intelligence, and unwavering commitment to the American people. Kamala's candidacy is historic in many ways. If elected, she would become the first female president, as well as the first Black and South Asian American to hold the office. Harris, who has served as Vice President, has been a prominent figure in the administration, particularly in areas such as criminal justice reform, immigration, and climate change. However, Harris will face significant challenges as she navigates the primary race and potential general election campaign. She will need to address concerns from both progressive and moderate factions within the Democratic Party and present a compelling vision for the future to win over undecided voters. Her



campaign is expected to highlight the achievements of the current administration, including economic recovery efforts, the handling of the COVID-19 pandemic, and initiatives aimed at promoting social justice and equality. Joe Biden's decision is unprecedented as no presidential candidate have ever opted out so late. Two significant events might have influenced his decision. First, his lacklustre performance in the presidential debate led opponents to question his credentials to lead the country. Second, the assassination attempt on Trump has put him in the limelight and drawn widespread sympathy. These two incidents, though unrelated, may have compelled Democrats to consider other options. On the Republican side, the announcement has prompted a reassessment of strategies. With Biden out of the race, potential Republican candidates will now focus their efforts on countering Kamala's policies. Donald Trump, and Florida Governor Ron DeSantis are among those expected to vie for the Republican nomination. The coming months will reveal how Kamala positions her campaign, addresses the pressing issues facing the country, and seeks to build a broad coalition of support. Her candidacy opens a new chapter in American politics, one that could redefine the future of the Democratic Party and the nation.

### PICTALK



Artists decorate a wall for the 46th Session of UNESCO's World Heritage Committee, in New Delhi

PTI

## A silent revolution in mica mines of Jharkhand

The mica mines in Jharkhand's Koderma district are now free from child labour. This is a significant milestone in the region where child exploitation is rampant

On the 5th of July, the Chairperson of the National Commission for Protection of Child Rights (NCPCR), Priyank Kanoongo, declared that the mica mines in Jharkhand's Koderma district were free from child labour. NCPCR's announcement holds immense significance given that child labour in Koderma's mica mines has been an open secret for decades. Despite the International Labour Organization considering mining and quarrying as hazardous work and one of the worst forms of child labour child labour continues to persist throughout the world, especially in the marginalised sector. Children's small size makes them ideal for navigating the narrow caves and tunnels of mica extraction. In the wake of stringent environmental regulations including the 1980 Forest Conservation Act, legal mica mining paved the way for illegal trade thriving in Koderma and the rest of the mica belt looping through the dense forests of northern Jharkhand and southern Bihar. I've witnessed this journey up close. I've seen



Koderma transform from a district where every family's children were engaged in mica mining and collection to a district with all children from these mines enrolled in, and going to schools. Back in 2005, while searching for the children involved in mica mining and collection, I was in for a rude shock. The place resembled a parallel universe—schools shut down for months, CRPF battalions camping in schools, curfew-like atmosphere post 5 pm, no roads, mobile towers, electricity or tap water. I realised that the mica, which gave shimmer to our cars, cosmetics and electronic appliances, was coming from a place, which was oblivious to development and rights. Over the last 20 years, over 32,000 children identified as working in mica mining and

collection, withdrawn from work, enrolled and retained in schools through the efforts of NGOs under the Child Labour Free Mica banner. And over 22,000 in the last two years alone. This monumental change was achieved by applying a multipronged strategy at a scale in the targeted geography: Research: Data was gathered to assess the problem and plan their solutions. In 2019, over 20,000 children, a majority of them school dropouts, were found working in mica mines. Participation: Children's councils were formed to allow the participation of children in decision-making on issues they were facing. This model broke the systemic barriers of oppression in access to rights and injustice. Hundreds of awareness programs were organised in mica mining villages to prevent child labour. Protection: Based on information received from credible sources, children were rescued from mines from time to time. Additionally, in 2019, the findings of a study conducted on out-of-school children were submitted to

NCPCR. As a result, the stakeholders were able to monitor the school attendance of children to ensure that rescued children were retained in schools and no child was leaving school to work in mica mines. Partnerships: MoU with the Jharkhand state government, partnership with the NITI Aayog, local NGOs and NCPCR enabled the Child Labour Free Mica program to reach the farthest corners of the mica mining areas in Koderma. Enhancing social security: People in mica mining-dependent villages were connected to social security schemes. Labour cards were made for daily wage labourers; and people were linked with the public distribution system and pension schemes. The above interventions, had following impact: 20,584 children withdrawn from labour and 30,364 children were enrolled in schools- Change is possible, the child labour-free mica program has proved this.

(The author is a child rights activist and founder of Just Rights for Children; views are personal)



BHUWAN RIBHU

make hideous for terrorists during winter for them to come there and stay during summer. Once the men move out, there are a lot of women in the Doda area who help terrorists. These women give food and information to the terrorists. The terrorists generally hide in Guwardi (resting place Gujjars make) and hideouts made during winters in higher reaches of Doda and these women provide them food there. They also provide them with information about force movement and then help them go to the other side of the ridge. Many women work for money yet others get physically involved with these terrorists. The army is not allowed to interrogate these women or to search them. Even after the AFSPA the rules to interact with women are very strict. If the soldiers try to check the movement details of these women, false FIRs are sometimes lodged against them. It would be prudent to provide Special Women Officers in army posts who could search these women and also interro-

There has been a spate of terror attacks in the Jammu Region in the last few months. These terror attacks clearly show that the enemy has changed its tactics to strike into regions that had otherwise become peaceful. After the revocation of Article 370, China and Pakistan felt rattled about the new dynamics. China then tried to capture territory in Leh and Galwan took place. We all know Galwan was a well-planned operation by the PLA. This led to the movement of Indian Army Troops from the hinterland particularly from the Jammu region. The void of boots on the ground in near peace regions of Jammu has led to a vacuum as far as the intelligence network is concerned. Normalcy has to be maintained for some time, also with fewer boots in the Jammu Region the human intelligence that gets developed over some time gets depleted. Most of the army posts in Jammu and Kashmir have an administrative setup based on locals. These locals provide fresh food, logistic support and other admirative material. Even in winter cut-off posts locals provide wood, and admirative backup in both Jammu and Kashmir. Now when troops are depleted all of a sudden, the intelligence gathering in the area dries up. It also leads to a shortage of earning opportunities for the locals making them more vulnerable to the lure of money to facilitate enemy design. This vacuum of this intelligence is being exploited by the enemy and make no mistake China is fully involved in helping Pakistan in this. The attacks are well-planned and deliberate. Pakistan has started refuelling its Over Ground Workers in the Jammu region specifically. There have been a lot of FIRs registered by the army against these OGWs over the years but little or no action has been taken on them. It's about time we took action against these FIRs. Special courts must be set up to fast-track cases filed by the army against underground workers. Many of the men move to Himachal in search of work from Doda during summers. Some of them also



gate them. Also, a lot of dog squads could come in handy to chase away these women after smelling them. Till 2003 special women police officers used to stay at far-off army posts in Doda, however as comparative normalcy returned the practice was let go. Special women units in city centres like Doda, Jammu, Udhampur etc could also help. Doda has also had a history of women moving as guides of terrorists. They provide them with local SIM cards which terrorists keep disposing of. The movement of forces from one place to another is also communicated by these OGWs. However, rape of these women by terrorists is not uncommon. One odd local terrorist generally accompanies these Pakistani terrorists to act as a physical guide. Security forces in Jammu and Kashmir work together and police and army share information and intelligence, however when two different organisations share intelligence chances of overlap and double cross increase. It will be prudent to share intel-

THE ENCOUNTERS IN JAMMU REGION IS AN EFFORT BY THE ENEMY TO SHOWCASE THAT THERE IS NO REGION IN JAMMU AND KASHMIR THAT IS PEACEFUL. THEY WANT TO ALSO SHOW THAT THE REVOCATION OF ARTICLE 370 HAS MADE NO DIFFERENCE

## LETTERS TO THE EDITOR

### STUDENT UNREST IN BANGLADESH

Madam — The unrest in Bangladesh due to student protests is a matter of concern for India. Students from Dhaka University are outraged about the government's quota system in education. The dissatisfaction among locals from the Awami League is evident, with reports of killings in the Chittagong district. Quotas and reservations were initially tools to promote equity in society, but their continued existence raises questions about government accountability. This issue is not unique to Bangladesh; India also has a complex reservation and quota system that makes it difficult for average students to access good education and job opportunities. Brilliant students succeed on their own merits, while others rely on quotas, leaving average students frustrated. The governments of India and Bangladesh, along with other countries that adhere to quotas and reservations, need to address this critical issue to prevent future unrest among students. A number of Indian students are still to be evacuated. Their families are anxiously waiting any news about them as most communication channels are blocked. This situation not only highlights the immediate need for safety and support for the students by the Indian government. The international community, including neighboring countries like India, is closely monitoring the situation, recognizing the potential for wider regional implications. It is imperative that the Bangladeshi government takes swift and decisive action to address the students' concerns and restore normalcy to ensure the well-being and future of its young population.

Kirti Wadhawan| Kanpur

### POLITICAL AGENDAS: A REFLECTIONS

Madam — The All-Party meeting called by the ruling dispensation seems intended to push through its agenda for this

### Mumbai's monsoon mayhem



Despite the BMC's tall claims of rain readiness, waterlogging has been a persistent issue at focal points in Mumbai.

Initial rains inundate low-lying areas and block vehicular traffic, creating chaos on the roads. The widespread presence of potholes on Mumbai roads and highways exacerbates the problem, keeping road users on edge. Subways suffer from poor lighting and potholes, adding to the fears of road users. Waterlogging, traffic snarls, train delays, and fallen trees worsen the situation. The lethargy of BMC workers is evident, and public miseries go unaddressed. It is so unfortunate that the authorities take people for granted and despite enormous resources at their disposal do not act in time. It is now up to the people to take precautions during the rains and help others to avoid mishaps. Helping each other during floods is a practical solution to the pressing problems faced by the people of Mumbai.

C K Subramaniam | Mumbai

session of Parliament without opposition hurdles. Every party, state, and individual leader has a wish list. The former Chief Minister of Andhra Pradesh, who previously demanded Special Category Status for the state before assuming office, was expected to achieve this goal with an absolute majority. However, to everyone's surprise, he never addressed this issue and focused instead on implementing Union government programs. Now, having lost power, he has again raised the issue of Special Category Status for Andhra Pradesh. People have come to understand the leaders and their parties; it is now up to the leaders to understand the people and their demands.

A G Rajmohan | Anantapur

### CELEBRATING INDIAN TENNIS LEGENDS

Madam — It was a significant day at Newport, Rhode Island, as Indian tennis legends Leander Adrian Paes and Vijay Amritraj were inducted into the prestigious International Hall of Fame. Leander Paes, a Padma Bhushan and

Padma Shri awardee, is renowned as one of the all-time great doubles players, holding the record for the most doubles wins in Davis Cup. His illustrious career includes eight men's doubles and ten mixed doubles Grand Slam titles. In 1999, he, along with Mahesh Bhupathi, became the first pair in the Open era to reach the finals of all four Grand Slams in men's doubles in the same calendar year. Vijay Amritraj, a Padma Shri awardee, was inducted in the contributor category, recognizing his visionary leadership and transcendent impact on the sport. In 2022, Amritraj was honored in London by the International Tennis Hall of Fame and the International Tennis Federation for his lifetime contributions to tennis. Their achievements continue to inspire and shape the future of tennis. Kudos to both Paes and Amritraj for making India proud.

Bidyut Kumar Chatterjee | Faridabad

Send your feedback to: letterstopioneer@gmail.com



UMANG KOHLI

# Tackling new wave of terror in Jammu

As administrative setups suffer, urgent and coordinated action is imperative to counteract these well-orchestrated threats and restore stability

FIRST COLUMN

THE POWER OF FORGIVENESS

It can liberate the mind from perpetual conflict and lead to inner peace




RAVI VALLURI

Recall the iconic lines, of Amitabh Bachchan in the movie Deewar — looks intently at the idol of Lord Shiva and says, “Bahut khush hoge tum!” Bachchan, in the movie, essayed the role of an atheist smuggler. However, eventually, in the final stages of his life, he surrenders to the Supreme Power and seeks forgiveness. True enlightenment is the art of living compassionately. The human mind and heart reach a point of inflexion where an act of pardon remains an inescapable reality.

A prosaic individual might not be able to separate the chaff from the grain. His mind is full of antipathetic thoughts that he cannot transcend the barrier and is unable to exonerate anyone who has inflicted pain or hardship on him. The mind, full of gloom-ridden and obstructive thoughts cannot perceive the divinity in others. It remains perpetually in a state of conflict. Such an emotionally distraught person would castigate even angelic and divine figures out of callowness. Several organised and structured religions lay prominence on the art of forgiveness. If an individual does not rise to the sublime spheres of compassion and forgiveness, then he gets trapped in the whirlpool of cause and effect. The unabated Karmic cycle continues without any resolution.

The pivot is to fortify and protect the human mind to make it robust and compassionate. It attempts to extricate the self from the cause and effect of actions and even non-actions. Action and non-actions of humans indeed leave an indelible impression on the human mind. It would be perspicacious to pose as to how non-actions are also a kind of Karmic activity and in what manner it impacts the human mind and consciousness. Non-action in a way represents not taking up the gauntlet. Sage Ashtavakra, who authored the treatise, Ashtavakra Gita, posits a theory that an individual should break the bondage of guilt and anger to invoke the grace of remission. There is a poignant Zen story that explains the exemplary tenets of compassion and forgiveness. Aeons ago a Zen Master summoned his tutees in a Temple of Knowledge and asked them if they harboured the antipathetic emotion of hatred in their minds. “Yes!” exclaimed the disciples. The Master directed his disciples to place a potato each



in their bag and always travel with it as a reminder that despite the practice of meditation and breathing exercises their prana level was not high enough to expatriate hatred and inculcate compassion. The number of potatoes was to increase depending on the quantum of anger and would be directly proportional to the antipathy in their minds. Some young monks ended up carrying a bagful of potatoes, which over a period became malodorous. In sheer exasperation, the harried disciples sought refuge in the grace of the master to dispense away with the bag. The Zen Master guffawed and chided his students to abandon the negative trait of abhorrence from their minds, lest the malodour of these traits become a burden all through their lives. To lead a warm and healthy life, individuals should embark upon the path of forgiveness and compassion. This suffuses the mind with immense strength and courage of conviction. It would be insightful for any individual to make positive affirmations, reinforcing love for every animate and inanimate object to build a divine society. Such affirmations would train the mind to remain unruffled and spread the quintessential gospel of forgiveness. Thereby humans would truly embrace fellow beings. If we construe the human mind to be the hardware, compassionate thoughts and forgiveness are part of non-negotiable software.

*(The writer is the CEO of Chhattisgarh East Railway Ltd. and Chhattisgarh East West Railway Ltd. He is a faculty of the Art of Living; views expressed are personal)*

# A blueprint for boosting rural economic growth



MONICA B SOOD

## India’s rural sector stands at a pivotal juncture, poised for transformation through small-scale and green enterprises. It has potential to become India’s growth engine



“

THE ESTABLISHMENT OF GREEN INDUSTRIES IN THE RURAL REGION TARGETS TO SOLVE SOCIAL PROBLEMS LIKE CLIMATE CHANGE AND ENVIRONMENTAL DEGRADATION AND AT THE SAME TIME CREATE A SUSTAINABLE MEANS OF LIVING

India’s rural sector must be transformed for inclusive growth and sustainable development. This change relies on small-scale and green enterprises to boost the rural economy, empower women, and employ unskilled workers. By channelling resources such as the extra Rs 1 lakh crore RBI dividends into capital projects and innovative schemes, India can foster self-sustainability in rural areas, mitigate youth distress, and rejuvenate the demand side of the economy. This comprehensive approach not only addresses immediate employment needs but also lays the foundation for long-term capital formation and environmental preservation.

**Incorporation of small-scale and green industries as the engine of growth**

Micro enterprises have always been the backbone of the Indian agriculture-based economy. These labour-intensive enterprises perfectly capture the unskilled and semi-skilled manpower from the farming communities, therefore, creating employment and improving existence standards without much training. The development of these industries generates a massive multiplier effect on the creation of other business lines that support them and the general economy. Green industries are therefore leading this change. Encompassing renewable energy, organic farming, and sustainable manufacturing, these sectors offer dual benefits: employment opportunities for production and environmental management.

The establishment of green industries in the rural region targets to solve social problems like climate change and environmental degradation and at the same time create a sustainable means of living. This was done by allowing biogas and biofuel plants, solar energy farms, Ayurvedic and Unani medicine industries, and cooperative organic farming. These measures create employment, lessen the dependency on fossil energy and foster the preservation of the environment.

**Women empowerment** Out of the total rural population of India, the female population is about 30 % which is a great unexplored talent pool. It is shown the pro-

motion of employment and entrepreneurship in these women brings substantial socio-economic returns. Micro and sustainable industries remain essential in empowering women since they create employment, skills development, and business opportunities for women. Self-help groups, women-based cooperatives and micro enterprises are the best way to ensure women’s productive participation in the rural economy. These initiatives exist in areas where women dominate including handcrafting, production in textiles, manufacturing of alternative/Ayurvedic products, processing of raw materials, farming organically, milk production, and food processing. Credit, training, and market linkages also enable women to set up and expand their businesses besides improving on household incomes and community development.

**Public private partnerships**

A Channel for Facilitating PPP for Rural Development PPP is a powerful platform for pooling resources and skills to promote rural development. Thus, PPP models can initiate the development of small and green industries in rural areas with the support of the government and private investors. The government can provide policy support and an environment for development and financial backing while the private players bring in funds, technical expertise, and managerial skills. As per this model, to encourage rural development, a part of ?1 lakh crore RBI dividends can be spent to co-finance with private entities. It can be used to fund the development of industrial clusters, renewable energy projects, and training institutions with efficient implementation and compliance with social and environmental responsibility.

**Capital formation and rural employment**

These are two basic objectives of

the growth process that need to be understood and analysed. To sum up, the provision of ?1 lakh crore RBI dividends for capital investments in the form of sustainable rural development plans provides a strong base. Construction of infrastructure such as roads, bridges, renewable energy facilities, and development of industrial estates can offer employment in the short run as well as in the long run spur economic development. A targeted investment can engage millions annually, thus erasing rural unemployment and distress to a large extent. In this way, employment of non-skilled and semi-skilled people from rural areas is possible, and thus future generations are protected from unemployment migration to urban areas, and rural-urban disparity. The placement of rural youth through placement in local schools, hospitals, and government offices helps in the tackling of manpower issues leading to improved service delivery and welfare of the populace.

**Funding rural transformation**

Funding the strategic rural development agenda calls for out-of-the-box funding acquisition strategies to tap several sources of funds. To the Rs 1 lakh crore RBI dividends, contributions from CSR, and own finances of panchayats and municipalities, and specific cess on fuel, income tax, and GST can be added. For example, the mandatory 25% contribution from CSR funds can be used to direct corporate money into rural development causes. While a 0.5% cess on luxury items, cars, aeroplane fares and GST can fetch a huge additional amount. However, it revealed that additional resources can be mobilized from the Skill Development Schemes (SKS) and hospital’s SKS funds for support of wages in essential sectors. The introduction of a small cess on share trading can also produce a fairly good revenue for such

a scheme in turn funding the rural employment programme permanently.

**Addressing rural unemployment**

At the moment, unemployment has touched the figure of 8% in India. 1 per cent of the nation’s unemployed populace is comprised of rural youth. If PM wants to bring the unemployment rate down to 6% and this is considered nearly equal to the employment rate observed in the developed countries, the scheme should ensure employment generation for at least 1 crore rural youth. The scheme should aim at offering low-wage employment to the increase in unemployment among the rural youthful population while at the same time ensuring that such employment offers incentives to make the youth stay in their given community without competing for skilled employment opportunities. This way the scheme means setting wages at ? 10,000 per month with 80:20 work distribution will sustain rural households’ income and at the same time does not hinder organised labour employers markets.

**A Roadmap to rural rejuvenation**

Additional Rs1 lakh crore of RBI dividends coupled with idea capitalisms as sources of funding open the doors of a scheme that has the potential of providing a road map for rural rejuvenation. As a result, the small-scale industries, green industries, women and unskilled rural labour can make the scheme self-sustainable, reduce unemployment and bring a long-lasting impact on the environment. PPP and the focus on capital development will help the scheme to be sustainable and grow in scale, thus painting a better picture for rural India.

*(The writer is Chairperson of the National Unity & Security Council; views are personal)*

# Bihar again misses out on Olympic representation

## Bihar’s chronic issues in sports infrastructure, funding mismanagement, and administrative neglect continue to hinder its representation on the global stage


Bihar is bereft of a berth in the Olympics again. By Gyan Bhadra The last week of this month is going to witness the glistening inaugural ceremony of the Olympic games of 17-days duration in Paris. In its wake sports pundits in India are preempting and counting on their fingers the medal tally Indian athletes will bag for the country. However, at the time of writing this piece, the Ministry of Sports and Youth Affairs had put its imprimatur on the list of 117 athletes along with 140 supporting Staff. Now the question crops up: Is there any athlete from Bihar representing India in the Paris Olympics? The answer is a resounding “no”. As in the Tokyo Olympics; so in the



GYAN BHADRA

Paris Olympics, there is no representation of Bihar’s sportsmen. The reasons behind it are threefold. One, as far as sports infrastructure in Bihar is concerned, there is a lack of an adequate number of stadiums, sports-related training centres and the ablest guidance of coaches. The reasons could be attributed to the fact that government investment in the sports sector is abysmally low. Even central financial

assistance given to the Bihar government to the tune of 50.83 crores as part of the “Khelo India” scheme was seemingly not utilised for either the development of infrastructure or the honing of skills of athletes in the state. The patterns of allocation of funds to the sports sector are depressingly alarming. It has been observed that money meant for the overall growth of the sports sector is diverted as per the whims and fancies of politicians. This invariably puts a toll on the sports industry which finds itself in a quandary and struggling always. Two, it goes without saying that the association of politicians with prominent sports bodies is an age-old pastime.



Every politician worth its salt desires to be a member of sports bodies. Whether it be BCCI or sports bodies at the state level, every political leader wants to usurp icing on the cake of huge funds invested in the sports bodies then how could Bihar be left behind? Instead of being deeds heroes, espousing the

cause of sports development in Bihar, politicians, once getting a coveted position in sports bodies, exploit available resources to serve their ends. Public memory is short. But not so painfully short that it will forget the fact that former Chief Minister Lalu Yadav, when, at the helms of Bihar Cricket Association as President, did not do enough in the realm of training budding talents of Bihar. The lack of Lalu’s political will to promote cricket could be gauged by the fact that during his tenure as BCA president, no cricket player from Bihar had got a berth even in the Ranji Trophy squad; what to talk of big league matches at an international level. Now

sports pundits may arguably put a contention that during Lalu’s tenure as BCA president, Bihar did not have a State Ranji Team as partition of Bihar caused losses to Bihar concerning sports facilities. Jharkhand carried takeaways of a major chunk of sports facilities with itself. However, taking refuge in this excuse by sports pundits held no water for scores of young cricket players then. This is more so because, during that period, RJD was led by Rabri Devi at the helm of state affairs; and Lalu could have done a lot about setting up a proper state Ranji Team and appointing the ablest coaches to train state’s cricket players. Three, the role of the Bihar

Olympic Association (BOA) in preparing athletes for the Olympic games leaves much to be desired. Going by records, BOA officials do not take the trouble to organise events and trials for grooming athletes to the level of world-level Olympic games. So it springs no surprise that no athlete from Bihar had figured in the list of 117 athlete-member teams for the Paris Olympics. What is worse, there is a blame game between BOA and the state government over this sorry state of sports affairs. BOA puts the onus on the state government for sheer negligence about the lack of infrastructure and trained coaches. This results in BOA finding itself unable to organise events at regular intervals. On the other hand, the state government absolves itself of essential responsibilities about BOA by saying that BOA is an independent entity and the government cannot interfere with its functioning. In this ongoing war of attrition, budding talented athletes are the losers. Eventually, it could be summed up that the scheme “Medal Lao, Naukri Pao” may seem to be alluring to a large number of youth at first glance. However, due to the lack of necessary sports wherewithals in Bihar, the scheme would not cut much ice with scores of young talents.

*(The author is a columnist, views are personal)*

# Hopes for a historic budget as FM makes history today

NIRMALA Sitharaman will make history on Tuesday, as she presents the seventh consecutive Union Budget, surpassing the earlier record set by Morarjee Desai who had tabled six budgets. It is ardently wished that Sitharaman will also present a historic budget. A billion plus nation is waiting with bated breath for boost to key sectors in the first Budget of the Modi 3.0 era.

On the eve of Budget, speaking of the Economic Survey 2024, she assured the nation that the Indian economy is on a strong wicket, witnessing an estimated growth of 8.2% in FY24. She said the economy would grow at 6.5% to 7% in FY25 as well. The GDP which was \$2.04 trillion when Narendra Modi took over the reins of the nation kept accelerating, and is estimated to have grown

to nearly \$4 trillion in last financial year, a growth of 9.1% over the previous FY i.e., 2022-23. This is despite volatile geopolitical conditions hard-pressing most economies for the past few years.

What imparted such a resilience to the economy? The political stability for the past 10 years has served well to ensure the continuity of economic policy and reforms by the Modi government, be it the Goods and Services Tax, which replaced a complex and fragmented tax structure with a unified tax system; the Insolvency and Bankruptcy Code, a one-stop solution for resolving insolvencies, doing away with existing long, cumbersome procedures; ease of doing business; or, the Jan Dhan Yojana or Direct Benefit Transfer.

It is but natural that a fast-growing

economy has raised personal growth aspirations of the citizenry in the most populous country in the world (1.428 billion versus China's 1.425 bn). As such, after wide-ranging talks with key stakeholders, Sitharaman must have a fair view of the goings-on in key sectors viz., industry, trade and services, capital markets, and last but not the least, agriculture (whose share in GDP decelerated from 35% in nineties to around 15% in FY23. It employs about 46% of total workforce). The immediate demands on FM are to raise capital expenditure, expand infrastructure, address the burgeoning issue of unemployment, both urban and rural, and give a push to the green energy investments. Climate change is the elephant in the room. India has vowed to reduce emissions intensity of its GDP by

45% by 2030, and net-zero emissions by 2070. Thus, the FM has to skillfully overcome challenges, while persisting with means to reduce fiscal deficit – in order to reduce inflationary pressures and avoid lending rate hike. According to global healthcare security index 2021, India ranked 66 out of 195 countries. The country has been ranked 111 among 125 countries by the Global Hunger Index. 'Lancet' ranked India at 154 out of 195 countries in terms of access to healthcare, which is worse than Bangladesh, Nepal, Ghana and Liberia. Undernutrition, diseases burden etc., are also concerning. A higher health outlay is definitely needed.

Though the Economic Survey claims that the unemployment rate dropped to 10% from 17.8% between 2017 and 2022, the issue is still

troubling millions. Skills deficiency has emerged a major concern for employers and hence the need for thrust to skills development programmes.

Buzz in the market is Sitharaman may pay heed to the cry of the middle class for reduction of tax rates for salaried individuals in the Rs 9 lakh to Rs 12 lakh bracket. It would give an impetus to the urban consumption which is trailing that in rural areas. Rationalising GST would, particularly, boost real estate which shares 7% of GDP and is the second largest employer. Facilitating the growth of MSMEs is another imperative as the sector contributes around 29 per cent to GDP and accounts of 60% of employment. Break a leg, FM. We're sure you will do great!

## LETTERS

### FM Sitharaman's record feat today

IT is highly commendable that Finance Minister Nirmala Liji will be presenting her seventh budget 2024-25 today. In this regard, the people have high expectations on the first budget of NDA-3. It is hoped that focus would be on creation of jobs, reduction of prices and tax relief to employees, pensioners, and commoners. On the other hand, the rejuvenated I.N.D.I.A bloc is expected to raise national issues like Manipur, terrorism in J&K, China incursions, NEET exam, jobs, soaring food and fuel prices and Special Category Status to the NDA ruled states of AP, Bihar & Odisha. Finally, the treasury benches and opposition are requested to set aside politics, avoid disruptions and focus solely on quality debates in the national interest.

P H Hema Sagar, Secunderabad

### JD-U, TDP want funds more than SCS

THIS has reference to edit "AP-TG issues may go unheard in Parliament" (July 22). At the all-party meeting before the budget session, the representatives of Telangana and Andhra Pradesh failed to raise their specific and important issues which have been pending since Telugu States are bifurcated. Telugu Desam-Jana Sena parties are constituents of NDA and are playing vital role as king makers. Hence, they have surely an upper hand in demanding redressal of issues pending since 2014. BJP is still wielding power as if it has an absolute majority. The Centre should think and act wisely before dissent sprouts in its allies.

Dr NSR Murthy, Secunderabad \*\*\*

AGAINST the backdrop of opposition deciding to bring up NEET paper leak issue, Agniveer scheme, security situation in Manipur and J&K besides post of Deputy leader of Lok Sabha, the focal points of discussion in Parliament are clear. As the chances of Special Category Status may not crop up, NDA partners JD-U and TDP appear to insist on packages to meet specific requirements of their respective states; as such, issues pertaining to AP-Telangana may be skipped in the parliament. Debates on any issue with an open heart during the entire budget period are unlikely, reminding sadly of the sordid affairs of earlier parliament sessions.

K R Srinivasan, Secunderabad

### Act before Nipah spirals out of control

THE Nipah nightmare is taking the country by storm and youngsters below 15 years are also suffering this health problem in Kerala. Even though the state suffered such an epidemic during the flood three years back, health minister Shaileja managed the disease very well but was shown the door by CM Pinari Vijayan in a surprise move. Contact tracing in the case of the 14-year-old boy, who died recently, caused worry. The virus is transmitted to people from animals and can also be passed on through contaminated food or directly from person-to-person.

C K Subramaniam, Mumbai

### HYDRA can put paid to Hyd rain woes

TG Chief Minister's guidance to the HYDRA (Hyderabad Disaster Response and Assets Monitoring and Protection) is most welcome. HYDRA is very well aware of the damaged roads, neglected drainages, nalas, blocked and leaking manholes etc., as they have been troubling one and all throughout. As and when rains occur in Hyderabad, the roads get flooded with rainwater. This rainwater flow creates heavy impact on the buildings, trees, vehicles and living beings. The problem has been recurring every year. HYDRA needs to create totally a new underground drainage system and open rainwater tanks to avoid several subsequent damages. All these tanks shall be connected to the proposed beautification of Musi river. In fact, our Telangana needs all such modifications to avoid damages due to heavy rains.

Gudipati Anirudh, Secunderabad

### No ethics in any field, leave alone politics

REF: "A travesty of ethics in Indian politics" discussed by Vanam Jwala Narasimha Rao, a prolific writer on many matters. Putting an end to defections from elected party to ruling party is an incurable pandemic in Indian politics. These turncoats have never bothered to feel shy for their jumpings. We have witnessed that many big business politicians shifted to BJP shore to escape from probe agencies who are picking holes in their illegal and unlawful earnings. Safe are they who embrace the power wings. This unholy practice is widely prevalent in our said-to-be a pious nation.

N Ramalakshmi, Secunderabad

thehansreader@gmail.com

## BENGALURU ONLINE

### New plan by government hospitals to control dengue

BENGALURU: Dengue fever is taking lives of people in Karnataka this year beyond imagination. Compared to last year, a record number of dengue cases have been reported this year. 486 positive cases have been registered in the state within 24 hours and the total number of active cases has increased to 486. Even on Sunday, 296 dengue positive cases were found in the BBMP area, raising the concern.

Government hospitals have made a master plan for dengue control. Mosquito nets are used to control dengue. Dengue patients are using mosquito nets to prevent the severity of the infection.

If a person suffering from dengue fever gets bitten again while recovering from dengue fever, there is a possibility that the infection will become more severe and the risk is increased. Thus, the Jayanagar Public Hospital has put mosquito nets on the dengue wards and the beds of patients admitted with fever cases.

Besides, mosquito control repellant has been installed to protect other patients and people coming to the hospital from dengue. Jayanagar Hospital has taken steps to prevent the spread of dengue and mosquitoes from hospitals. Jayanagar Public Hospital Medical Superintendent Dr. Nagamoorthy has given information about this.

Read more at <https://epaper.thehansindia.com>

# SELF-RELIANT & ECO-FRIENDLY INDIA

INDIA is effectively managing the delicate balance between increasing its coal mining output and strategically phasing down the polluting processes associated with coal mining. This approach aims to boost energy production while mitigating environmental impacts.

Chhattisgarh-based Coal India subsidiary Southeastern Coalfields Limited's (SECL) Gevra and Kusmunda coal mines have secured the 2nd and the 4th spot in the list of the world's 10 largest coal mines released by WorldAtlas.com.

These two mines, each producing over 100 million tons of coal annually and accounting for around 10% of India's total coal production, utilize some of the world's largest and most advanced mining machines. Notably, they employ the "Surface Miner", a cutting-edge technology that extracts and processes coal without blasting, promoting eco-friendly mining operations.

#### Big booster to growth

Through ongoing investment and a strong focus on modern technologies, India's coal production reached 893.19 million tonnes in 2022-23. For 2023-24, production increased to 997.25 million tonnes, achieving an 11.65% growth. It is anticipated through comprehensive studies that coal demand in 2030 will likely reach 1462 MT and 1755 MT by 2047.

Coal mining sector has proved to be a big booster for economic growth of the coal producing States in the Country. State Governments are entitled to receive 14% of Royalty on sale price of coal. In case of captive/ commercial mines State Government are also enti-

### Balancing coal mining with phase-down of polluting processes

ted to receive the revenue share offered by the auction holder in transparent bidding process.

Apart from this, State governments also benefit from increased employment, land compensation, increased investment in allied infrastructure like railways, roads and several other economic benefits. The focus of the Central government for enhancing coal production to meet the growing economy has directly helped the State governments in realisation of additional revenue, which in turn has infused capital expenditure in the coal producing regions thereby bringing in development, both in infrastructure and social sector.

#### Sustainability in coal mines

The mining industry has long been associated with significant environmental degradation and resource depletion. However, in recent years, the concept of green mining has emerged as a beacon of hope for a sustainable future. Green mining refers to the implementation of eco-friendly practices and technologies in the mining industry to reduce its environmental impact. It involves using renewable energy sources, recycling mine waste, minimizing water consumption, and employing sustainable extraction techniques. The goal of adopting green mining is to mitigate the industry's carbon footprint and promote responsible mining.

#### Management of air quality

Green mining refers to the implementation of eco-friendly practices and technologies in the mining industry to reduce its environmental impact.

It involves using renewable energy sources, recycling mine waste, minimizing water consumption, and employing sustainable extraction techniques. The goal of adopting green mining is to mitigate the industry's carbon footprint and promote responsible mining



Effective air quality management in coal mines is essential for safeguarding the health of workers, protecting the environment, and ensuring sustainable mining operations. Coal mining activities often generate dust and emissions that can impact air quality both within the mine and in surrounding areas.

Implementing robust air quality management practices helps mitigate these impacts by controlling dust levels, monitoring emissions, and employing technologies to minimize pollution.

Wet drilling is used to reduce dust generation. Dust suppression systems are also included with drill machines. Surface miners and BWEs are being used more frequently, which reduces the need for drilling and blasting and, thus, the pollution load. Vehicles get routine maintenance in accordance with the manufacturer's specifications.

Mine closure, bio-reclamation, and land use management are critical components of responsible coal mining practices aimed at minimizing environmental impacts and promoting sustainable land use. When a coal mine reaches

the end of its operational life, a systematic approach to closure ensures that the site is safely and effectively rehabilitated.

Bio-reclamation involves restoring the ecological balance by reintroducing native flora and fauna, while land use management focuses on repurposing the land for beneficial uses, such as agriculture or recreational areas. Together, these practices help mitigate the environmental footprint of mining activities, support ecosystem recovery, and enhance the long-term usability of former mining sites.

**Single largest contributor to Railway Freight:** Coal stands as the single largest contributor to railway freight, with an average share of nearly 49% of total freight income amounting to Rs. 82,275 Crore in the fiscal year 2022-23 alone. This revenue contribution has surpassed 33% of total railway earnings, showcasing the sector's substantial influence on India's transportation network.

**Government Revenue:** The coal sector contributes over Rs. 70,000 Crore annually to the central and state governments through royalties, GST, and other levies. These

funds play a crucial role in fostering socio-economic development and infrastructure enhancement in coal-producing regions. Coal production generates substantial revenue for both Central and State Governments, with royalty collections reaching Rs. 23,184.86 Crore in the fiscal year 2022-23.

**Employment:** The coal sector provides enormous employment opportunities, particularly in coal-producing districts of Eastern States. With over 239,210 employees in Coal India Ltd and its subsidiaries, supplemented by contractual workers and outsourcing engagements, the sector sustains livelihoods for thousands of families. Additionally, over 65,000 contractual workers are engaged in mining operations with CIL and 37,000 workers are engaged through outsourcing for security, driver and house-keeping. With an average 24,000 trucks are engaged in coal transportation supporting 50,000 people and 30000, workers are engaged in captive/commercial coal mining companies contributing to job creation.

**Dividend Payments:** Coal India Ltd consistently contributes substantial dividends to the Central Government and has paid an average of Rs. 6,487 Crore annually over the past five years. The FY 2022-23 has seen a significant dividend payment of Rs. 9,475.85 Crore, highlighting the sector's financial stability and contribution to government revenues.

**Corporate Social Responsibility (CSR):** Coal sector PSUs prioritize CSR initiatives, with an average annual expenditure of Rs. 608 Crore over the past

five years. Notably, Coal India Ltd alone has allocated an average of Rs. 517 Crore annually for CSR activities. Over 90% of the expenditure has been incurred on, socio-economic development focusing on healthcare, education, water supply and skill development in coal-producing regions. **Capital Expenditure:** Substantial investments in capital expenditure, averaging Rs. 18,255 Crore annually over the past five years, have facilitated infrastructure development and resource optimization within coal sector PSUs. This capital infusion stimulates economic growth and fosters a conducive environment for sustainable development.

As India continues its trajectory of growth and development, the coal sector remains a cornerstone of the nation's progress, driving economic prosperity, employment generation, and social well-being.

#### Conclusion

India's approach to balancing increased coal mining output with a strategic phase-down of pollution reflects a commitment to both economic growth and environmental stewardship. By enhancing coal production to meet rising energy demands while simultaneously implementing measures to reduce pollution, India is working towards a more sustainable and responsible mining industry. This dual focus on maximizing output and minimizing environmental impact demonstrates a forward-thinking strategy that aims to support economic development, improve air quality, and contribute to long-term sustainability in the coal sector. (ANI)

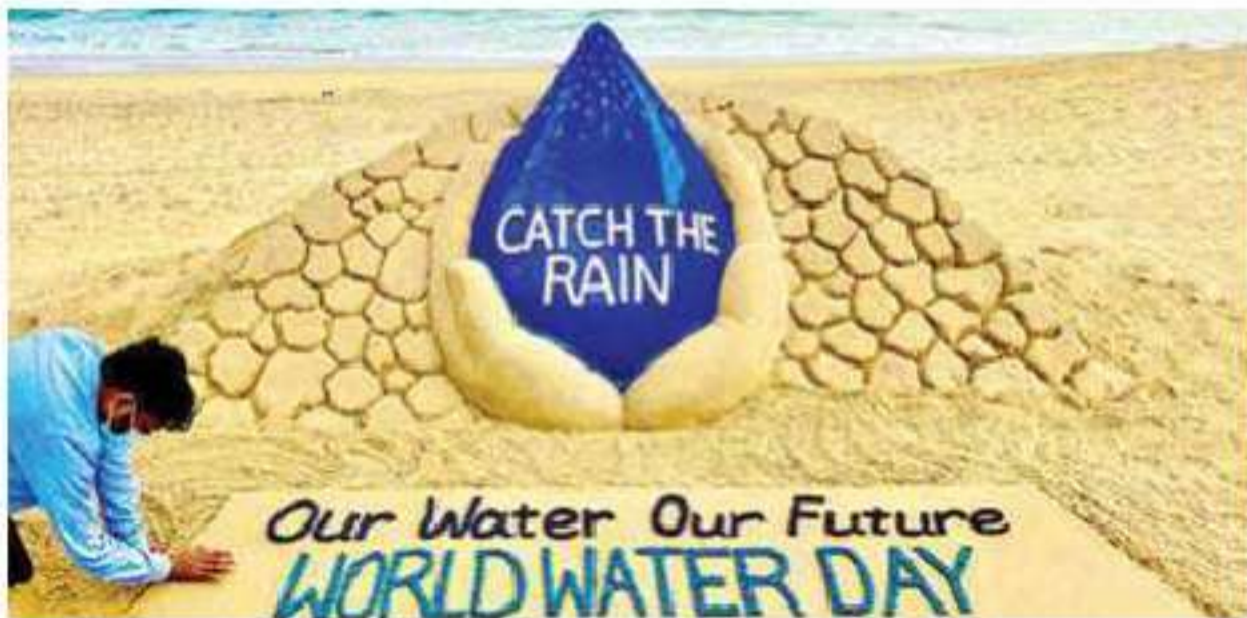
# Major drive to ease water stress

WATER conservation through rainwater harvesting is one of the foremost priorities of the Government, stated Union Minister of State for Jal Shakti, Rajbhashan Choudhary, while giving a written reply to a question in Rajya Sabha on Monday.

Major steps taken by the Government for water conservation and rainwater harvesting to reduce water stress in the country are as follows: Government of India has been implementing a scheme namely Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) which inter-alia includes water conservation and water harvesting structures.

Financial assistance is given to various States under 15th Finance Commission tied grants which can be inter-alia utilized for rainwater harvesting.

The Ministry of Jal Shakti has been implementing Jal Shakti Abhiyan (JSA) since 2019 on an annual basis. In the current year, Ministry of Jal Shakti is implementing Jal Shakti Abhiyan: Catch the Rain (JSA: CTR) 2024, 5th in the series of JSAs, in all the districts (rural as well as urban) of the country. JSA: CTR is a convergence of various Central Government schemes and funds like MGNREGS,



Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Per Drop More Crop, Repair, Renovation and Restoration Components under the Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Compensatory Afforestation Fund Management and Planning Authority (CAMPA), Finance Commission grants, State Government schemes, Corporate Social Responsibility (CSR) funds etc.

One of the major interventions undertaken under the campaign includes constructions and repair or rainwater harvesting structures including rooftop and water harvesting structures. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0 has provisions for harvesting the rainwater through storm water drains into water body (which is not receiving sewage/effluent). Through preparation of 'Aquifer Management Plan' cities target to strategise groundwater recharge aug-

mentation by developing a roadmap for improving rain water harvesting within city limits. Through IEC campaign, awareness is created about practices for water conservation like rainwater harvesting.

Ministry of Housing & Urban Affairs has formulated guidelines for the States to adopt measures suitable to local conditions, such as Unified Building Bye Laws (UBBL) of Delhi, 2016, Model Building Bye Laws (MBBL), 2016 and Urban and Regional Development Plan Formulation and Implementation (URDPFI) Guidelines, 2014 with adequate focus on requirement of rainwater harvesting and water conservation measures.

The Government of India is implementing Atal Bhujal Yojana, in 8,213 water stressed Gram Panchayats (GPs) in 80 districts of 7 States, viz., Haryana, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. The scheme marks a paradigm

shift from groundwater development to groundwater management. The Central government has been implementing "Pradhan Mantri Krishi Sinchai Yojana (PMKSY)" with an aim to enhance physical access of water on farm and expand cultivable area under assured irrigation, improve on farm water use efficiency, introduce sustainable water conservation practices etc. PMKSY has three components/ schemes namely Har Khet Ko Pani (HKKP), Repair, Renovation & Restoration (RRR) Scheme of Water Bodies and Surface Minor irrigation (SMI) Scheme.

The Ministry of Jal Shakti has set up the Bureau of Water Use Efficiency (BWUE) under the National Water Mission on 20.10.2022, to act as a facilitator for promotion of improving water use efficiency across various sectors namely irrigation, drinking water supply, power generation, industries, etc. in the country. Mission Amrit Sarovar was implemented in the recent times

with provisions for creation/ rejuvenation of at least 75 Amrit Sarovars in every district of the country with the purpose to harvest and conserve water.

Central Ground Water Board (CGWB) has completed the National Aquifer Mapping (NAQUIM) Project in the entire mappable area of about 25 lakh sq. km. which has been shared with the respective State agencies for implementation. The management plans include various water conservation measures through recharge structures.

CGWB has also prepared a Master Plan for Artificial Recharge to Groundwater- 2020 in consultation with States/ UTs which is a macro level plan indicating various structures for the different terrain conditions of the country including estimated cost. The Master Plan has provisions for construction of about 1.42 crore Rain water harvesting and artificial recharge structures in the country to harness 185 Billion Cubic Metre (BCM) of monsoon rainfall.



DECCAN

Chronicle

23 JULY 2024

# Will Biden’s exit make it easier for Trump to win?

US President Joe Biden withdrawal from the presidential polls may not help his Democratic Party, but in acknowledging that his chances of reelection were diminishing by the minute he has done the right thing in stepping away though he may have erred in leaving it till late. Biden ended weeks of speculation with a deeply personal decision that he took while in isolation for a recurrence of the Covid infection. Informing aides in his closest inner circle only minutes before putting it out on social media, he accepted that what he has done is in the best interests of his party and the US.

There were two events that defined this slide into agonising uncertainty as his fellow Democrats fretted over his advanced age of 81 and his increasingly poor polling numbers. The first was his faltering performance in the televised debate that brought on the worst concerns over possible deterioration in cognitive functions. Biden tried various things to mitigate his situation including a disastrous meeting with world leaders during which he addressed Ukraine President Volodymyr Zelenskyy as Russia’s Vladimir Putin and thought Donald Trump was his vice-president. The second, and probably more decisive event that shaped the presidential polls of November was the assassination attempt on former president Donald Trump, which he escaped by a hair’s breadth and at once transformed into a martyr in the eyes of not only his most ardent Republican Party supporters.

Biden may have been pushed to a corner from where he was condemned to defeat if he stayed on in the contest, but his party was doomed anyway in the polls because he withdrew when only 105 days were left for November 5. And yet he did the noble thing in placing the priorities of others ahead of his own desire to try and stay on in the world’s most powerful job. The political pundits, savvy bookmakers and vast sections of the US people may have convinced themselves already that the race is over, and that Trump is a shoo-in for the job in a second term that is inevitable now, regardless of how chaotic his first term to 2020 as a maverick president may have been. Biden’s support of his deputy, Kamala Harris, born to a black Jamaican and Tamil parents, was a given considering how faithful the Vice-President has been — a loyalist who never nursed a vaulting ambition of going for the boss’s chair. It would be interesting to see if the Democratic Party thinks like Biden. The advantage as the Democrats scramble now to pick their two candidates for the ticket, at the party convention slated for August 19-22 in Chicago when the voices of 4,600 delegates with the power to determine who will run for President would have to be heard is with the Republicans. It is in the realm of speculation whether Biden has done too little too late in withdrawing at this hour, but it is apparent that a relatively quiet campaign in Trump’s corner is coming with renewed hostility against those who may be on the Democratic ticket, be it Kamala in the lead now and a State Governor as her pick for vice-president, or two candidates not too well known beyond the US. As Trump is never short of the bombastic in putting down opponents with withering throwaway lines, it may be America’s burden to prepare for the second coming of the realtor and reality show protagonist, aged 78, whose faith in God has gone up several notches since the bullet hit an ear but missed his head. It does appear now that every Republican’s choice for President is a tearaway front runner in the race to the White House.

# Bottom-up reforms to boost jobs

Union finance minister Nirmala Sitharaman has tabled the National Democratic Alliance 3.0 government’s first Economic Survey in the Lok Sabha. While the Survey takes stock of the Indian economy as customary, it also indicates the government’s economic policy preferences a day ahead of the minister’s Union Budget speech. Hinting at the government’s future economic policy in “Chapter 5, Medium Term Outlook — A Growth Strategy for New India”, the Economic Survey laid emphasis on bottom-up reforms, which appears to be a U-turn on trickle-down policy by successive governments. Under the trickle-down policy, the government aimed at creating wealthy businesses, expecting that the prosperity would trickle down to others.

As the bottom-up reforms are aimed at balanced and inclusive growth, the government appears to be keen on creating wealth for the poor and middle classes, expecting that prosperity at the bottom of the pyramid would create business opportunities for the rich. If the government is serious on this front, it would be a monumental course correction since the 1990s Liberalisation.

Another policy preference identified in the Economic Survey is the development of Micro, Small and Medium Enterprises (MSMEs). Ever since India gained independence, small and medium scale businesses have been the largest employer. However, the rollout of Goods and Services Tax, which created a single market, gave a great advantage to big businesses over MSMEs, which reflected in soaring revenues and market capitalisation. However, with GST still in place, it is to be seen how the government plans to support the small entrepreneurs, who could create jobs for people.

The Survey also states that the government needs to recognise the potential of agriculture as an engine of future growth. It means the government will take steps to boost agricultural productivity and encourage rural entrepreneurs to set up food processing industries, which could create employment in rural areas.

Another goal explained in the Economic Survey is bridging the education-employment gap — one of the most important tasks for the government and the society. Its focus on financing green transition in India seeks to help people in their transition to non-fossil mode of transport, thereby securing energy independence for the country.

The goals seek to address criticism levelled against the BJP government during the Lok Sabha elections. If the government could achieve the desired results, it could help the country achieve a sustainable economic and social growth.

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# Storm over quotas: Hasina needs to tread with caution



Monideepa Banerjee

The last time Bangladesh experienced the full force of student rage was 11 years ago during a movement that took its name from an intersection of two major roads in capital city Dhaka called Shahbag. The Shahbag uprising was called the Bangla Spring, in a nod to the Arab Spring that swept across Egypt and half a dozen other countries, including Tunisia, Libya, Yemen, Syria and Bahrain, which saw many leaders toppled from 2010 to 2012 in what came to be known as the Arab Spring. Shahbag did not dethrone Prime Minister Sheikh Hasina. Nor will the quota agitation that has been rocking Bangladesh over the last 10 days, especially since the Supreme Court stepped in on Sunday. But the wrath of the students on the warpath against a brutal government crackdown that left at least 100 youth dead, according to news agency reports, should come as a warning to Sheikh Hasina, a red flag that she needs to tread with care if she wants to run the full course of her fourth five-year term in power.

Her neighbours, too, must sit up and take notice or one day be confronted with a nasty surprise next door. Especially India, which is also a part of the problem that is pushing Bangladesh to the brink.

The quota problem was brewing forever, specifically since 2018. But it need not have ended up as a confrontation at all between the students and the Prime Minister. Because both were of the same mind — that the quota system needed to be done away with, they believed.

The government of newly-independent

Bangladesh introduced the quota system in 1972 for freedom fighters who sacrificed much to wrest freedom from Pakistan in 1971. The system envisaged that 30 per cent of jobs in the civil services would be reserved for the children of the “mukti joddhas”, or freedom fighters, 10 per cent for women, 10 per cent for people from backward districts and around five per cent for ethnic minorities and people with disabilities. That is 56 per cent reservation.

By 2018, students started protesting against the quota system and calls for its withdrawal grew so intense that Sheikh Hasina, in one fell swoop, did away with it by government order. All was well till 2021 when some people petitioned the Dhaka high court to restore the quotas. The high court on June 5 this year ordered the reinstallation of the quota system. The government went to the Supreme Court, which was to hear the matter on August 7. It was compelled to take up the issue ahead of time on July 21 due to the widespread violence, and it ordered exactly what both the agitating students and the government wanted: to do away with the quota system.

But on July 14, all hell had already broken loose.

On that day, a press conference was held by Sheikh Hasina on her return from China, where she had one-on-one meetings with President Xi Jinping. The headline came from a question on the Teesta water dispute between Dhaka and Delhi. Asked if China offered to help out with a project to solve the problem, Sheikh Hasina said yes, but since the river originated in India and since India would decide how much water it was willing to give, it would be better if

The system envisaged that 30 per cent of jobs in the civil services would be reserved for the children of the “mukti joddhas”, or freedom fighters, 10 per cent for women, 10 per cent for people from backward districts and around five per cent for ethnic minorities and people with disabilities.

India handled the project.

The excitement over Sheikh Hasina’s tilt to India instead of China drowned out the question asked much earlier on the quota agitation. It was Sheikh Hasina’s response to this question that triggered the conflagration of the past 10 days. She said: “Why so much anger at the mukti joddhas? They are saying the progeny of mukti joddhas should not get jobs on quota. Then, do they want only children of razakars to enjoy the benefits? What is the fault of people who risked their lives and families, who braved rain and shine and fought for freedom of this country?”

Now, “razakar” is a dirty word in Bangladesh, an insult much worse than anti-national in India, and equivalent, broadly, to traitor. It was the name of an East Pakistan paramilitary force set up by an ordinance in May 1971 by one Gen. Tikka Khan of the Pakistan Army just before the Bangladesh liberation war and known to be brutal and indulging in what Bangladesh calls “war crimes”.

No wonder the students, already sore from the long wait for justice over quotas, took umbrage at Sheikh Hasina’s words and went ballistic. They marched down Dhaka’s streets, shouting: “Who are you? Who am I? Razakar. Razakar. Who says so? Who says so? The autocrat. The autocrat.” The battlelines were breached.

There was another alleged blunder by the government widely reported in the news on the violence.

Instead of leaving the police to tackle the students, the ruling Awami League allegedly unleashed its students’ wing Chhatra League, who then proceeded to execute the party’s orders to break up the students’ agitations in the most ghastly fashion. At last count, as many as 130 people are reported dead. The Supreme Court has now scaled down the quota for freedom fighters’ families from 30 per cent to five per cent and two per cent for other minority groups. Does that mean the storm has blown over for Bangladesh?

Most unlikely. The students have demanded the release of all arrested colleagues before they get off the streets. Opposition parties BNP and Jamaat-e-Islami have reportedly joined the agitation and will not allow the disturbance to die down in a hurry as the situation is an embarrassment for their political rival Sheikh Hasina. Finally, there is the really serious problem of millions of young men and women who have no jobs. Quota or no quota, till that problem is addressed, Bangladesh’s students will remain restive and periodically rear their head in rebellion.

Sheikh Hasina has her hands full and her work cut out. India’s big worry is how to keep the neighbourhood undisturbed. In its book, Sheikh Hasina has done a great job in the last 15 years keeping fundamentalist troublemakers at bay and wants her to remain in charge. That rules out India winning a popularity contest in Bangladesh anytime soon. For large sections of that country, India is not a friendly neighbour but a big brother, backing Sheikh Hasina despite her flawed election wins. But dogged by trouble with its northern and western neighbours, India is determined to ensure that, quota or no, all remains quiet on the eastern front at least.

Monideepa Banerjee is a senior journalist based in Kolkata and has travelled in and reported from Bangladesh

## LETTERS

### BIDEN BOWS OUT

Better sense has dawned, at last, on Joe Biden, 81, to step aside and pave the way for Kamala Harris, 59, to contest for American presidency (*Biden out of Prez race, backs Harris, July 22*). Biden saw the writing on the wall clearly and paved the way for a woman with Indian and African-American lineage who to face Donald Trump who, buoyed by the recent escape from a sniper’s bullet, is gaining in popularity.

Parthasarathy Mandadi  
Tirupati

Joe Biden has bowed out under Democrats’ appeal in the best interests of the country yielding place to Kamala Harris. Now the time is very short and Donald Trump is a formidable opponent.

K. Nehru Patnaik  
Visakhapatnam

The decision by US President Joe Biden not to contest for another term and to nominate Vice-President Kamala Harris as the Democratic Party’s new nominee is sagacious and sensible.

Dr C. Ghanshyam  
Visakhapatnam

### ROLE MODEL MLA

The first-time elected woman MLA deserves appreciation for her humble way of reaching out to people to address their grievances (*Woman MLA rides scooter to meet people in her constituency, July 22*). All the newly-elected legislators must emulate the woman MLA in meeting their constituents.

Udatha Rama Chandra Rao  
Kakinada

Email your letters to  
info@deccanmail.com,  
editor@deccanmail.com.

50 YEARS AGO IN

DECCAN

Chronicle

### Pak warned against border violations

NEW DELHI, July 22. Defence Minister Jagjivan Ram today warned Pakistan that India would be compelled to take action to maintain the security of its borders if Pakistan did anything on the borders. He assured the members of the Rajya Sabha that “our armed forces” were vigilant and fully prepared to meet any eventualities.

Aakar Patel

Trouble for BJP as extremists taking advantage with top leaders weakened

The weakened leaders of ideological parties are always vulnerable to those willing to be more extreme than them. This is something to consider when understanding what is going on in Uttar Pradesh and it will serve as an example of what we can expect in the future in a minority government. The BJP’s allies in New Delhi have all opposed the idea that UP’s shopkeepers be compelled to advertise their names (and by extension their religion).

From the outside there seems no apparent reason for asking shopkeepers to do this except to generate controversy. No demand for this was made and this has not been an issue in the past. The manner in which it has been done, at first without an official order, and pretending that it is voluntary further strengthens the impression that the action was taken only to stir the pot.

Consider then that the issue has become larger than the news of just a day before it happened, which was that UP’s Chief Minister was in trouble for delivering defeat in the Lok Sabha polls. All the TV news channels were full of speculation about what would happen next. That is no longer the story, and the Chief Minister has managed with one action to change the narrative.

Observe that few Union ministers are defending this or promoting the idea. This is not of

course because they disagree with it but because it doesn’t serve the government in Delhi. Why give your allies the opportunity to show rifts and dissent? It doesn’t help with the illusion that nothing has changed after June 4, 2024. But everyone understands that and it why this is being done.

The action in UP cannot be openly opposed either, and this is the problem of ideological parties. The Chief Minister is doing only what the BJP has been doing against the minorities through its entire history because that is its ideology. The same thing done six months ago or last year would have been a different matter, but this is a new time. We have seen glimpses of this same situation before. The challenger who is more extreme than the weakened leader was first seen over 20 years ago.

In April 2002, only a month after the violence after Godhra had led to the death of about 1,000 people in Gujarat, the BJP national executive met in Goa. There was talk in the media that Prime Minister Atal Behari Vajpayee was going to get chief minister Narendra Modi to step down.

A magazine reported under the headline “How Vajpayee ended up as the Hindutva choir boy” on what happened next: “No sooner had party president Jana Krishnamurthy completed his ‘taken as read’ presidential address than Modi got up and said in his sombre, chaste

Hindi: ‘Adhyakshji, I want to speak on Gujarat ... From the party’s point of view, this is a grave issue. There is a need for a free and frank discussion. To enable this, I wish to place my resignation before this body. It is time we decided what direction the party and the country should take from this point onward’.”

“He didn’t need to say more. With one stroke, the Gujarat chief minister had seized the initiative. He galvanised his supporters who now stood up to be counted. Food minister Shanta Kumar, who had spoken out against Modi and the VHP’s extremes, found himself being rebuked and facing a disciplinary committee. He was forced to apologise.

“Even if the Prime Minister may have thought Modi’s resignation prudent for the sake of both his personal image and the unity of the coalition, there was absolutely no way he could go against the ferocity of the pro-Modi sentiment. He tried shelving the issue for a day but even this was resisted.”

Vajpayee’s inability to wrestle Modi down was predictable. Having been raised on ideology, the cadre was not interested in moderation. As noted earlier, leaders in extremist parties are always vulnerable to charismatic persons further to their right, willing and eager to push harder and risk more and are better able to express the cadre’s zealotry.

Modi was able to build a nationwide and real-

ly a global notoriety and fame because of the BJP’s refusal or inability to change its leadership in Gujarat. The apogetic Hindutva of the decade following the fall of the Babri Masjid was about to end. The BJP cadre and the Sangh had a real hero who spoke and felt and did as they really wanted their leaders to.

That gloss has now gone because of the events of June 4. If the Prime Minister wishes to see smooth functioning inside the government he will have to avoid issues that needlessly agitate allies, such as this one. Remember that the allies will always be looking out for issues on which they can press to extract what they really want.

As the 240-seater Prime Minister attempts to moderate his image of hardline hero, he has made room for others to elbow in, and that is what is happening. And that is what will continue to happen from inside the BJP.

Those in the party who feel threatened, or are about the lose their position, or feel that they need to assert themselves over others in some way, will consider using this formula. Many will actually deploy it, as we are seeing. This is the problem with all ideological parties.

It is going to be a different third term for him and an interesting one for observers.

The writer is the chair of Amnesty International India. Twitter: @aakar\_patel

OUR VIEW



# Economic Survey: Viksit path can be smoothened

*Its straight talk on a private-investment revival and India's climate challenge is refreshing. Although it underplays the job anxiety, it's a crisp attempt at laying out a development path*

The *Economic Survey* for 2023-24 placed before Parliament on Monday is forthright on some aspects. Its straight talk on the need for private companies to use the profits they've piled up, thanks partly to a tax cut, to invest in India is an example. The hypocrisy of the rich world in expecting us to start phasing out fossil fuels at this juncture of the economy's emergence is also squarely dealt with, especially the "Alice in Wonderland" air around some global plans. Of near-term relevance is its pointed reminder that job generation is a task for India's private sector, which must take up the investment baton from the government. While corporate profits have multiplied since the 2019 tax rate cut, private money has been invested too slowly, especially in machinery, intellectual property and the like. Although the survey paints a stable and bright picture of the economy overall, and spies signs of a revival in private capex, it also seems to bear some anxiety over the Centre having to prematurely rein back capital spending to reduce its fiscal deficit.

Written by the Centre's chief economic adviser V. Anantha Nageswaran and his team, the survey's macro outline of India's economy is along expected lines. Growth is projected at 6.5-7% in 2024-25 on the high base of an 8.2% expansion logged in 2023-24. In the context of a troubled global economy, this pace is impressive. Yet, unless rapid growth also creates good jobs in large volumes, it could lose popular appeal as a tracker of success. By the survey's estimates, almost 7.9 million new non-farm jobs are needed each year. The survey blames the past deficiency on shocks that played havoc with the labour market, citing both the earlier banking crisis and the covid pandemic. Contro-

versially, it denies any structural ailment a role. While trends were disrupted by those shocks, evidence exists of job creation being a problem in need of durable solutions, even if official data that classifies employment widely can be cited to contest it. As for that other pain, inflation, though it's not yet down to our 4% target, it seems to be easing. There is space to quibble over the survey's take on the economy's external position, but with the current account deficit under 1% of GDP and foreign debt low, it is broadly stable despite global difficulties.

Expectedly, too, the survey calls for farm reforms and lighter regulation of businesses. Less predictably, it flags artificial intelligence (AI) as a significant concern. What it stands out for, though, is its chapters on climate action in the quest for a Viksit Bharat. It takes a good hard look at what the world may be getting wrong and makes a case for India not to over-prioritize carbon control in a way that would sacrifice the imperative of growth. It minces no words in calling out the West on its unfair expectations of burden sharing. "It would be a comedy if it were not real and tragic," it notes of developing countries facing carbon barriers even as AI amps up energy-use hugely in the West. Still, while pointing out that India has been reducing the carbon intensity of its GDP growth, the survey offers a detailed analysis of India's energy flow and a brief note on carbon markets to go with a broad framework for a green transition. This part of the survey also bats for autonomy in India's approach to carbon neutrality by 2070. "That market economics must not follow a universally-designed golden mean and must adapt to local conditions," the survey observes, is now well accepted. The details, though, as its climate analysis suggests, still need plenty of debate.

GUEST VIEW

# A rebuilt path to take a company private could favour all investors

*Businesses need a delisting route that's fair to all and can't be held to ransom by extractive groups*



**VIVEK GUPTA**  
is partner and leader of M&A, FS Tax, Deloitte.

Much conversation in the world of business is about listing companies for public trading on the stock market, not about delisting or taking them private. And yet, if value creation is the overarching aim, the delisting framework is a vital element. The history of delisting in India has been chequered. The basic framework revolves around the principle of reverse book building. Via this process, a firm can exit if public shareholders agree to tender shares at a price that would take the acquirer's shareholding to at least 90%. In case such a price is found, the delisting succeeds. If not, it fails. The only exception to this mechanism is via a court-approved scheme of arrangement, with attendant conditions.

Reverse book-building has evident advantages. In a country where the regulatory framework has evolved to protect minority investors from excesses of the powerful, giving the former a direct say is an obvious choice. Under this regime, public shareholders state the price at which they would be willing to tender their shares. And unless the 90% threshold is reached at that offer price, the company cannot go private. Conceptually, therefore, the interests of the minority seems fully protected.

The experience of taking businesses off the stock market, however, tells an entirely different story. Compared with developed markets such as the US and

UK, the failure rate of delisting has been high in India. Typically, it takes a premium of 25-40% over the stock's market price globally, but investors here are seen to demand about twice the ticker price. Multinationals and Indian founders have thus had little success in going private, leaving all shareholders worse off, as delisting in these cases could create more value for principals and also give public owners a better deal than they would get otherwise.

The core reason for this is the fact that the current mechanism lets a small group of shareholders to effectively hold unreasonable sway over the final outcome. In many situations, retail investors would be happy to exit, voting in favour of it and making a reasonable offer, only to find the process stymied by a special interest group bent on an extractive price. In terms of impact, therefore, a mechanism that ostensibly protects minority shareholders often ends up compromising their interests.

That apart, this is also a time when India is competing with virtually every developed market in the world to attract businesses to its capital markets. Deal data over the years presents a story of value-driving delisting attempts having hit a pricing wall. A 2018 report by the Securities and Exchange Board of India (Sebi) analysing data from 2015 to 2018 revealed that 53% of companies that voluntarily delisted through reverse book-building were delisted at an average premium of 125%. Examples abound of discovered prices being at odds with the company's fundamentals, with some of them even at three times the guidance price, which itself is at a premium to the prevailing market price.

In August 2023, a sub-group of Sebi's Primary Market Advisory Committee recommended some critical amendments to the delisting framework, one of which was the introduction of a fixed price framework as an alternative to the reverse book-building route. Of course, this approach would come with reasonable rule-based protections, with rules

on the pricing methodology, minimum float, levels of trading, a majority vote among minority shareholders and more. This is on the lines of regimes that exist in most other markets.

At present, Regulation 37 of India's delisting rulebook allows a fixed price exit only in specific circumstances. It is perhaps time for regulators to evaluate whether we need a more balanced framework that is less susceptible to misuse and allows businesses to go private in line with global norms.

For one, it will assure all investors greater predictability of outcomes. Second, it will offer public shareholders a better shot at equity monetization. Third, in the long run, it will encourage businesses to enlist on Indian bourses. Remember, India is competing with several other markets. Fourth, it will send a message to shareholders seeking to misuse legal provisions that the law frowns upon *mala fide* behaviour.

It is heartening to note that at its recent Board meeting, Sebi formally brought fixed price delistings into its regulations. This is in line with the thinking enunciated above.

Historically, reverse book building may have been considered a regulatory safety valve designed to protect the rights of minority shareholders, but India has evolved since then. Evolution has occurred in governance norms and protective devices across various laws.

The principle that the voices of minority shareholders need to be well represented when corporate decisions of this nature are taken is well accepted. It is heartening to see Sebi consider a more predictable regime for the process by which a company can be taken private without minority interests being compromised. Effecting such a reform would show the world that India is a jurisdiction that effectively balances the rights and responsibilities of various stakeholders in the ecosystem, and in a fair and transparent manner, without compromising its competitiveness or the ease of doing business.



JUST A THOUGHT

Economic growth without investment in human development is unsustainable—and unethical.

AMARTYA SEN

GUEST VIEW

# Sebi should create a special code for corrupt journalists

TRISHA SHREYASHI & AKARSH TRIPATHI



are, respectively, an advocate and columnist, and a lawyer specializing in securities litigation.

Rises in global banking, markets and economies remind us of the value of responsible financial and business journalism. Market efficiency relies on the quality, veracity and fairness of reporting. The importance of it was underscored by an order issued on 11 June by the Securities and Exchange Board of India (Sebi).

Reiterating 'informational symmetry' as a fundamental working principle behind the fair functioning of markets, Sebi banned a television anchor Pradeep Pandya, formerly associated with *CNBC Awaaz*, from the securities markets for five years and fined him ₹1 crore. This penalty was imposed for his alleged involvement in front-running. The anchor allegedly used material non-public information to benefit from stock trades before it was broadcast. Sebi found that wrongful gains were made by a few who had advance access to that information.

"When TV anchors engage in sharing material non-public information, as noted in this case, it not only breaches ethical stan-

dards but also distorts market dynamics... This erosion of trust can lead to a significant loss of confidence among investors, who may feel that the markets are rigged against them," Sebi's order stated.

The market regulator's crackdown on unethical financial reporting practices is not the first of its kind. In 2022, it had passed an order against another *CNBC Awaaz* news anchor, Hemant Ghai, and his wife for wrongfully profiting from information that was not yet in the public domain. In this case, he allegedly bought stocks in his wife's and mother's names before airing the news so as to profit from an anticipated rise in prices.

These cases highlight glaring ethical and legal issues in the realm of Indian financial journalism.

*We need specific regulations:* The current framework governing financial journalists comprises Sebi (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations of 2003, or PFUTPR for short, and the Sebi (Research Analysts) Regulations of 2014 (RA regulations). As these two sets of rules were primarily designed to govern market intermediaries and research analysts, they did not take into account the nuanced roles and potential conflicts-of-interest of others like financial

reporters/journalists. This lack of specificity has given rise to regulatory gaps and enforcement challenges.

The scope of PFUTPR's prohibition of front-running by financial journalists and other non-intermediaries was broadened by the Supreme Court's pronouncement in *Sebi vs Shri Kanaiyalal Baldevbhai Patel and Ors*, and a Sebi report of 8 August 2018 on 'fair market conduct.' The provisions of personal trading and compensation under RA regulations, although applicable, do not encompass all scenarios unique to the position and influence of financial journalists. Biased reporting that stems from vested interests or indirect favours extended to journalists in the form of gifts and privileged access cannot be said to be covered by the existing framework, which is restricted to financial *quid pro quo* deals.

Even though Sebi in the past has used the PFUTPR to address similar instances, these measures are often reactive and fail to withstand questions of law at the time of enforce-

ment. Many such orders have been overturned by the Securities Appellate Tribunal (SAT), as witnessed in Hemant Ghai's case.

We need more than a stop-gap solution to prevent non-market intermediaries from indulging in practices that violate market norms. We need a dedicated framework that will comprehensively address the ethical and legal challenges posed by cases of journalists making use of privileged data.

*Balance transparency and journalistic freedom:* Drafting a new set of rules will also present its own challenges. For instance, Sebi's conventional approach of 'disclose or abstain,' which requires journalists to either refrain from covering companies in which they have a financial interest or disclose it to their audience, may not be pragmatic. Imagine a scenario where a journalist is required to disclose his positions and personal financial interests, including those of family members, within the constraints of a live one-hour broadcast. It is essentially unfeasible.

Sebi's effort to create a dedicated framework should align with its ongoing efforts to tackle challenges posed by 'finfluencers' who operate online. Inspiration may be drawn from established codes such as the Editors' Code of Practice by the UK's press self-regulatory panel, as well as anti-fraud provisions like Section 10(b) of the US Securities Exchange Act of 1934. Principles established in US cases such as *David Carpenter vs US* (1987) and *Zweig vs Hearst Corp* (1979) also offer valuable insights.

A mandatory internal disclosure system could be established, for instance, under which financial journalists must report their and their family's personal interests to their editors or an internal compliance officer. Journalists could also be prohibited from trading in securities they cover within a specified 'blackout period,' such as 30 before and five days after reports go public.

To address operational challenges, the framework could allow for exceptions where full disclosure is impractical, provided there are clear justifications and prior approval from a regulatory body. A journalist might be permitted to disclose a conflict of interest after a broadcast if immediate disclosure is not feasible. Such flexibility would ensure that a journalist's work is not hindered.

Front-running and other such violations would be kept under a better vigil by a dedicated set of rules

THEIR VIEW

MINT CURATOR

# IMF reform: Time for the US and China to bridge their differences

What should be done to fix the Fund is clear but real progress will depend on cooperation between Washington and Beijing



**BARRY EICHENGREEN**

is professor of economics at the University of California, Berkeley, and the author, most recently, of 'In Defense of Public Debt'

In July 1944, exactly 80 years ago, representatives of 44 countries met in an obscure New Hampshire village to negotiate the Bretton Woods Agreement that established the International Monetary Fund (IMF). For many, reaching the ripe old age of 80 would be cause for celebration. For the IMF, the anniversary only highlights the urgency of reform.

Some necessary reforms are straightforward and widely agreed, raising the question of why they haven't been adopted. First, the IMF should provide its members with regular annual allocations of its in-house financial instrument, special drawing rights (SDRs). This would provide an alternative to the US dollar as a source of global liquidity, while also addressing the problem of chronic global imbalances.

Second, the IMF needs to do better at organizing debt restructurings for low-income countries. Its latest attempt, the rather grandly named Common Framework for Debt Treatments, has fallen short. The Fund needs to push harder for cooperation from China's government and financial institutions, which are unfamiliar with the responsibilities of a sovereign creditor. It should support reforms to speed up restructurings and endorse initiatives to crack down on holdout creditors.

In terms of its surveillance of countries' policies, the IMF needs to address its perceived lack of even-handedness; whereas emerging and developing countries are held to demanding standards, high-income countries like the US are let off the hook. It needs to reinvigorate its analysis of the cross-border spillovers of large-country policies, a process the US has managed to squelch.

As for its lending policies, the IMF needs to decouple loan size from an anachronistic quota system and reduce the punitive interest rates charged middle-income countries.

To ensure the best possible leadership, the managing director should be selected through a competitive process, where candidates submit statements and sit for interviews, after which shareholder governments vote. The victor should be the most qualified individual and not just the most qualified European, as has historically been the case.

Most of all, the IMF must acknowledge that it can't be everything for everyone. Under recent managing directors, it has broadened its agenda from its core mandate, preserving economic and financial stability, to encompass gender equity, climate change, and other non-traditional issues. These are not topics about which the IMF's macro-economists have expertise. The IMF's own internal watchdog, the Independent Evaluation Office, has rightly warned that venturing into these areas can overstretch the Fund's human and management resources.



REUTERS

Admittedly, the IMF can't ignore climate change, since climate events affect economic and financial stability. Women's education, labour force participation and childcare arrangements belong on its agenda insofar as they have implications for economic growth and hence for debt sustainability. Fundamentally, however, gender-related policies and climate-change adaptation are economic-development issues. They require long-term investments. As such, they fall mainly within the bailiwick of the World Bank, the IMF's sister institution across 19th Street in Washington.

An advantage of an agenda focused on the IMF's core mandate is that national governments are more likely to give the Fund's management and staff the freedom of action needed to move quickly in response to developments threatening economic and financial stability.

The IMF lacks the independence of national central banks. Currently, decision-making is slow by the standards of financial crises, which move fast. Decisions must be approved by an executive board of political appointees who in turn answer to their governments.

But central-bank independence is viable only because central bankers have a narrow mandate focused on price stability, against which their actions can be judged. For a quarter-century, observers have argued that a more independent,

fleet-footed IMF would be better. But the more the institution dilutes its agenda, the more such independence resembles a pipe-dream.

The other factor underpinning the viability of central-bank independence is that monetary policymakers at the national level are accountable to legitimate political actors, generally parliaments and ministers. The legitimacy of IMF accountability is more dubious, given the institution's governance structure.

For antiquated reasons, the US (and only the US) possesses a veto over consequential IMF decisions. Europe is over-represented in the institution, while China is underrepresented. Until these imbalances are corrected, the Fund's governance will remain under a shadow. This not only makes the prospect of operational independence even more remote; it also stands in the way of virtually all meaningful reforms, including the straightforward changes listed above.

Sketching a reform agenda for the IMF is easy. Implementing it is hard. Real reform will require the US to give up its veto in the institution. It will require China to assume more responsibility for global stability and the problems of other economies. And it will require the US and China to work together. For two countries that haven't shown much ability to cooperate, IMF reform would be a good place to start.

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GUEST VIEW

## Let's usher in an Amrit Kaal for trade and investment

MEGHA ARORA & MEERA UNNIKRISHNAN



are respectively, an officer of the Indian Economic Service and a consultant with the Office of Chief Economic Advisor.

Trade was a major feeder of growth for several emerging market economies in East Asia when they clocked 7-8% annual growth rates in the 90s and 2000s. Similarly, as India charts its Amrit Kaal ambitions, trade will be a crucial key to unlocking growth, albeit in the changed geopolitical context of our times. Several encouraging trends in India's external sector are likely to buffer the country in a possibly volatile global environment.

First, India's services exports continue to carve new niches, offering a promising outlook for the country's economic future. The growth of global capability centres (GCCs), Indian arms of foreign firms employing specialists across STEM fields who provide back-end but high-value-added services, is a significant indicator of India's technological advancement. The number of GCCs operating in India has increased from 1,000 in 2016 to 1,600 in 2023 and is expected to reach around 2,100 by 2028, according to some estimates. India's service exports have

always maintained a steady record of 14% growth annually (between 1993 and 2022), more than double the world services export growth of 6.8% over the same period. The robust growth is now accompanied by a change in the quality of services export growth as well (from business process outsourcing or BPOs in the early 1990s to the GCCs of the day). The growth of GCCs also bodes well for productivity growth in the country through the diffusion of processes and technology.

Second, India's strong external position with adequate reserves (covering more than 10 months of imports) and low levels of external debt (at 18.7% of gross domestic product) provide a solid foundation for India's economic stability. This robust position reduces our susceptibility to external shocks. Further, as the *Economic Survey 2023-24* points out, a competitive rupee continues to work in favour of India's balance of payments. In this context, comfortable reserves and low external debt provide adequate backing for trade to grow under a competitive currency.

Third, there is a concerted push for trade diversification. For instance, after a gap of a decade, the new wave of India's trade engagements now focuses on gaining access

to Western and African markets, with the latest editions to our free trade agreement (FTA) basket being the India-Mauritius and India-European Free Trade Association agreements. Further, the share of the top 10 countries in India's merchandise exports has been declining, from a high of 56.6% in 1999-00 to 48.4% in 2023-24, reducing the risk of over-dependence on a few destinations and signalling enhanced regional diversification of exports.

Factors such as a fall in demand from major trade partners, a rise in trade costs, commodity price volatility and trade policy changes by India's partners could pose risks to our external sector. To address these weaknesses, the government has kept a sustained policy focus on trade facilitation, so as to stabilize trade costs. Various initiatives, such as the National Logistics Policy, PM GatiShakti, goods and services tax (GST) implementation, and digital reforms such as the Unified Logistics Interface Platform and Logistics Data Bank, have helped improve

India's rank on the World Bank's Logistics Performance Index (LPI) by six places from No. 44 in 2018 to No. 38 in 2023 out of 139 countries. With regard to sea trade, Indian ports' 'median turn around time' ([tinyurl.com/yzy5p5s2](https://tinyurl.com/yzy5p5s2)) has reached 0.9 days, lower than that for the US (1.5 days), Australia (1.7 days) and Singapore (1.0 day).

Similarly, after the roll-out of GST, trucks do not have to wait for hours at state borders, and they benefit from reduced travel time by up to 30%. Trucks now travel on average 300-325km daily, compared to 225km before GST.

The government has also taken a multipronged approach to developing competencies in merchandise trade. For instance, while schemes such as District as Export Hubs provide an impetus to labour-intensive exports from rural regions, the production-linked incentive (PLI) scheme aids growth in niche and technology-intensive sectors. These schemes also help catalyse India's participation in global value chains

(GVCs). As the survey notes, India's sectoral composition of GVC-related trade has been changing, with medium and high-tech manufacturing and higher value-added services driving participation.

Another area of policy focus is investment facilitation through deregulation and liberalization. The government has established a liberal and transparent policy for foreign direct investment (FDI), with most sectors open to FDI through the automatic route.

The story of India's stable external sector is one of competitive services, strong fundamentals (by way of reserves, minimal external debt and a relatively stable rupee) and diversified trade. Simultaneously, policy levers aim to bridge weaknesses by facilitating trade and investment and incentivising competence-creation in merchandise trade. That our export ambitions are set in a world fraught with political and economic fault-lines, however, can't be overlooked. Rising protectionism and GVC Re-alignment have been the norm since the start of a US-China trade war in 2018. India's trade policies, therefore, must respond to geopolitical changes by eliminating measures and procedures that hinder Indian producers from enhancing their competitiveness.

*These are the authors' personal views.*

## India needs to reverse the rise in recent years of its tariff walls

Import barriers risk the loss of a rare global value chain opportunity



**ANDY MUKHERJEE**

is a Bloomberg Opinion columnist covering industrial companies and financial services in Asia.



India Inc should take a clear stance against creeping protectionism

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Now that a jobs crisis is weakening its hold on power in India, how serious is the BJP government about reviving Indian factories? We will know in the budget, which offers it a chance to remedy a disastrous lurch toward protectionism. Without fixing that folly, the country could miss an opportunity to join key global supply chains. A large home market will keep assembly lines busy—but crucial parts will be made by Chinese and Vietnamese labour. What could easily be a \$100 billion-plus boost to annual factory production by the end of the decade might fail to materialize.

Trouble began in 2018 with New Delhi's "calibrated departure" from more than two decades of greater trade openness, and an increase in import duties on mobile phones to 20% from 15%. Soon it was the turn of components: In 2020, the tariff on printed circuit board assembly and display units was raised by 11 percentage points. A downward spiral in China-India relations didn't help. The administration made it mandatory for Chinese firms to obtain permission before investing in India. Visas for Chinese engineers started taking four to five months to process. On paper, the idea was to prevent opportunistic acquisitions of vulnerable firms during the pandemic and promote local industry. However, the measures haven't had the intended effect. Quite the opposite, in fact.

Yes, India manufactured \$102 billion of electronics last year, led by mobile phones, up from \$60 billion in 2018. But that's mostly just putting together the finished goods. From lithium batteries to the precision machine work needed in phone casings and the fabrication required for display units, most actual value is being added in China, South Korea, Japan or Vietnam.

According to a recent report by the Confederation of Indian Industry (CII), it would be 8% to 10% more expensive to make flexible printed circuit boards—the kind that can fit into tight spots—locally. No wonder then that even with booming smartphone exports, India is becoming a larger net importer of electronics. The government's answer to this cost disadvantage has been to offer a 4% to 6% subsidy on domestic production. But as CII noted in its report, the fiscal support is "grossly inadequate" to offset the gap with China and Vietnam. "Industry players are seeking a low tariff regime," it said.

There has been talk about becoming self-reliant in semiconductors. What Indian policymakers should pay more attention to is less capital-intensive production. Taken together, circuit boards, cameras, displays,

batteries and enclosures account for more than two-fifths of a smartphone's production cost. Yet, little domestic capacity has come up to make these at home because of a faulty trade policy.

Most of the stuff that goes into making electronic components can be imported duty-free into China and Vietnam from free-trade partners, whereas a 10% to 15% tariff is India's norm. Expecting import barriers to encourage domestic production is an outdated idea. All it does is keep the country out of global supply chains that require free movement of goods—and people—across a seamless international network of factories. Make it too onerous for Chinese firms to invest (or their engineers to visit), and the production base they could help move from China would stay where it is. Which is why India had an \$83 billion goods trade deficit with China last year, up from \$55 billion in 2018.

India's jobs crisis has assumed alarming proportions. Young graduates are nine times more likely to be unemployed than those who can't read or write. Even outside New Delhi, politicians are panicking and pandering to populist causes. Karnataka invited a huge backlash by trying to introduce a law to reserve half or more of private-sector jobs in the state for locals.

Just as India Inc is now raising its voice to keep internal markets free, it should also have insisted on more external openness when autarky crept back into trade policy years ago. Back then, however, captains of industry joined the chorus around the slogan of self-reliance even as the promised revival in manufacturing and factory jobs continued to elude.

An unexpected loss of parliamentary majority for the ruling party has come as a wake-up call. According to media reports, the budget could tweak the government's industrial policy. Its five-year, \$24 billion production-linked incentive scheme might be supplemented with subsidies for firms that hit employment targets. Yet, no amount of additional fiscal resources will help in the presence of high tariff walls. The ongoing shift in global supply chains, triggered by covid disruptions and the estrangement between Beijing and Washington, is a once-in-a-generation opportunity. But it won't last forever. It's time for a course correction.

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While the final tally of delegates at the Democratic Convention will determine which candidate ultimately wins the party's nomination for the election, the odds look increasingly strong for Ms. Harris to make history as the U.S.'s first ever Indian-origin and person(woman)-of-colour nominee for President, and the second woman, following Hillary Clinton's run against Mr. Trump in 2016. In terms of the factors favouring Ms. Harris, she is anyway next in line under the U.S. Constitution in terms of official succession; and she would likely gain access to close to \$100 million in campaign funds. On the flip side, she is a relatively less known figure nationally, and Republicans have been quick to label her the custodian of left-wing political values, such as her espousal of reproductive freedom in the face of the Supreme Court ruling against the constitutional right to abortion. Further, surveys suggest that public opinion places her approval at roughly the same level as Mr. Biden's and that would put her a few rungs below Mr. Trump. Nevertheless, the expected response from the Democratic quarter – if they wish to avoid the risky scenario of factional infighting at the Convention – would be for them to unite around Ms. Harris and her running mate – frontrunners include Michigan Governor Gretchen Whitmer, California Governor Gavin Newsom and Transportation Secretary Pete Buttigieg. Even in this best-case scenario for Democrats, the Republicans under Mr. Trump appear to be on a far firmer footing to win over independent voters in swing States, the key to overall victory in any U.S. presidential election.

## Bangladesh needs to address its booming unemployment crisis

The quota system, established in 1972, has been a sensitive issue for years. In 2018, after violent protests, Ms. Hasina scrapped all reservations through an executive order. The protesters' opposition now is driven by both the economic realities of the South Asian nation of 170 million and political concerns. Despite rapid economic growth under Ms. Hasina's leadership, Bangladesh remains a poor country where youth unemployment stands at around 20%. Government jobs are seen as more stable and highly sought after. Growing frustration among the youth has been a social time bomb. The protesters and opposition parties also say the quota system mostly benefits the Awami League, which fought for independence, and helps the ruling party tighten its grip over the bureaucracy. The Supreme Court's order has come as a relief for both sides. Ms. Hasina should be willing to talk to the protesters and opposition leaders to find a lasting solution by reforming the reservation system. The Prime Minister's high-handed style and the persistent hostility between the government and the opposition are also hurting the country's institutions and weakening its political system. Ms. Hasina should show accountability by ordering an independent investigation into the high numbers of deaths of protesters. And in the long run, her government should address the booming unemployment crisis, which, if left unchecked, will come back to haunt her one way or the other.

Asia and the Pacific exhibit exceptional diversity in terms of climate and the varying levels of economic development among various countries. The geographical distribution of heat stress impact is not uniform. It is projected that

The Asia and Pacific regions could experience significant economic losses due to heat stress affecting labour productivity

Informal workers may continue working despite the risk to their health from extreme climate events due to financial constraints. Thus, there is a need to strengthen adaptation and mitigation measures at the global, national, and workplace levels to reduce the detrimental

Additionally, there should be a focus on improving the implementation of international labour standards that are related to occupational safety and health. This will ensure that those affected by heat stress are provided with suitable working conditions. Further, effective communication between workers and employers is essential to facilitate the adjustment of working hours, guarantee adequate rest breaks, provide access to drinking water, and offer training on the identification and management of heat stress. This can help alleviate the adverse effects of heat stress.

The government may implement adequate regulatory and legislative measures in occupations that are susceptible to heat waves in order to ensure the safety and well-being of workers. Additionally, infrastructure-related measures, such as implementing construction standards, should safeguard indoor workers. Considering the current climate change scenario, decent and green employment emerges as a promising solution for the future of work. Green jobs are employment opportunities that help protect or restore the environment while also supporting economic and social well-being.

*The views expressed are personal*

extremist group and have acted in a more partisan than ideological manner. For instance, in 2011, an Arizona Democrat, Gabby Giffords and 11 others were shot by a gunman outside a supermarket for inciting intense backlash against Republicans for encouraging hatred. In 2017, a lone gunman who was a 'supporter' of Bernie Sanders opened fire on Republican whip, Steve Scalise and Congressional Republican baseball team. And, in 2022, a man attempted to murder Justice Brett Kavanaugh for his views on gun control and reproductive rights.

Factors that have contributed to the increasing pervasiveness of political violence in America include the highly competitive nature of elections since 2010, in which the uncertainty of outcomes has precipitated the use of force. During this time, America has also seen the crystallisation of the partisan division of the American citizenry into Democrats and Republicans with little to no cross-cutting ties. This has led to the creation of

The highly competitive nature of elections since 2010 is a key factor

## Breach in fortress UPSC

The Union Public Service Commission (UPSC), hailed and respected for its

robustness in ensuring that the best were selected for many tall services, no longer seems impregnable and is fast losing its sheen and the immense trust in its systems. This is due to the actions of one Indian Administrative Service probationer. What a shame.

**Buddha Jagdish Rao,**  
Visakhapatnam, Andhra Pradesh

**Medal hunt**  
The Olympic Games are considered to be the pinnacle of sporting excellence. So, a contingent of 117 members, which will be duly assisted by support staff and officials, ought to be cognisant of the fact that it should do very well.

**Deepak Taak,**  
Panchkula, Haryana

**R. Sivakumar,**  
Chennai

Mr. Biden's decision is a blunder. First, he ought to have fought tooth and nail against his formidable foe,

## *The cap on auto rickshaws is unjustified*

# Text & Context

THE HINDU

## NEWS IN NUMBERS

**The Bangladeshi expatriates jailed for protests in the UAE**

**57** An Emirati court has sentenced Bangladeshi expatriates to lengthy prison terms for protesting against their government in the Gulf country. At least 163 people died in Bangladesh last week. AFP

**Number of flights cancelled by domestic carriers till May, 2024**

**7,030** As per the civil aviation ministry, 7,427 flights were cancelled in 2023. Till May 31 this year, domestic airlines have cancelled at least 7, 000 scheduled flights. PTI

**Exams postponed by the National Testing Agency since 2018**

**16** According to the Education Ministry in Lok Sabha, the National Testing Agency postponed at least 16 exams since its inception in 2018. The reasons included the pandemic and logistical issues. PTI

**The decrease in China's refined lead exports**

**91** In per cent. The country exported 1,362 metric tonnes of refined lead compared to 15,215 tonnes exported last June. At the same time, imports of the metal rose to its highest since August 2023. REUTERS

**The deal struck by Ukraine to restructure its government debt**

**20** In billion. Kyiv has struck a preliminary deal with international creditors to restructure government debt worth more than \$20 billion. AFP

COMPILED BY THE HINDU DATA TEAM

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## A case for regulating gig-based work

Karnataka's draft Bill introduces provisions that mandate fair contracts and income security for platform workers. These provisions strengthen the position of workers who are at the same time not considered employees, nor do they enjoy the freedom and flexibility of being independent contractors

### ECONOMIC NOTES

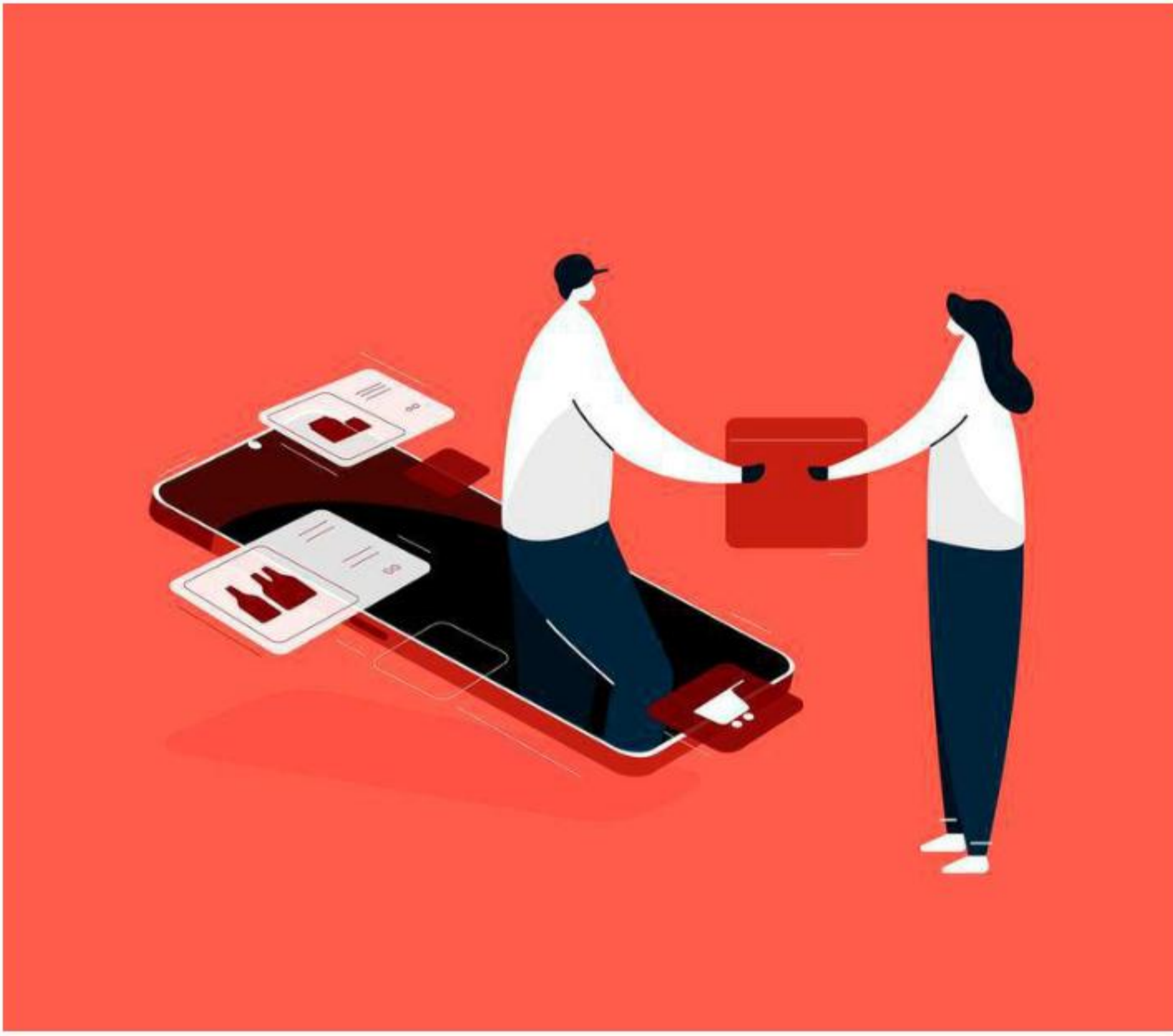
Rakshita Swamy  
Biju Mathew

**T**he Karnataka government's intent to introduce a legislation for the welfare of gig workers is a welcome and necessary step.

It squarely addresses the three big myths propagated by the gig and platform industry. The first myth that aggregators sell to promote platform work is that they would have "no boss" and would be "partners" and "captains" – anything but workers. This drew in many people, particularly the young, to join platform-based gigs. However, it soon became clear that this was not the case. There was a big boss – the algorithm and a network of team managers deployed at the local level to enforce the algorithm.

Algorithms dictate the number of hours the worker needs to put in on weekends, the orders to be delivered, cancellations and rating scores that ought to be maintained in order for tasks to be continually allocated to the worker, and finally when a worker is deactivated or fired. Shaikh Salauddin from the Indian Federation of App-based Transport Workers put it succinctly when he said that "Gig workers spend hours trying to guess what the algorithm is doing and it feels like they are a rat in a maze". This is totally opposite to the idea of being one's own boss. A plain reading of the digitally generated terms and conditions that the worker has to invariably agree on to commence work dispels any notion of being an independent contractor. Every aspect of the work is monitored and dictated, with workers facing the consequences if they do not comply.

The Karnataka Bill recognises the pervasive role played by such algorithms and makes the aggregator responsible for sharing the parameters that are used by the algorithm to determine allocation of work, grounds for denial of work, the categorisation of workers and how



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personal data of workers is being used to determine their ability to work and earn through the aggregator. The Bill breaks the algorithmic control the companies have and allows workers to take back control for at least some part of their work lives.

#### The myth of flexibility

The second myth that is perpetuated is that persons engaged in platform work enjoy flexible work arrangements. This assertion has enabled platforms to keep gig-based workers away from protections under labour laws. Multiple studies have shown how the term flexibility is abused in the industry. All flexibility in truth rests only with the employer and none with the worker. The payment structure consisting of a number of incentive schemes which enable workers to earn the minimum

surplus required to cover costs, in effect, leaves no flexibility with the workers. For instance, workers have to comply with mandatory login hours to be eligible for incentives. If they log in after gaps of being 'inactive', they have to make peace with disadvantaged rate cards and incentive schemes. Karnataka's draft Bill introduces provisions that mandate fair contracts, income security and the right of platform workers to refuse work without being slapped with sanctions. The above provisions strengthen the position of these workers who are at the same time not considered employees, nor do they enjoy the freedom and flexibility of being independent contractors.

The third myth is that these are 'part time' workers, who engage in platform-based gig work for additional income. According to a study of the

platform economy in India by PAIGHAM and the University of Pennsylvania, 96% of the cab drivers surveyed, secured 100% of their daily income from gigs. The corresponding figure for delivery workers was 90.7%. Average daily work hours for taxi drivers was in excess of 11 hours, and 10 hours for delivery workers. By making social security a mandatory requirement, the Karnataka Law takes a necessary step towards acknowledging this fact and makes room for an umbrella of schemes that can assist workers through events such as old age, death, health shocks etc.

#### India's stand

Even though the Government of India endorsed a progressive statement on the rights of platform workers at the G-20 last year, it's Code on Social Security, which is the only legislation that makes a passing reference to gig workers, has been detrimental as it delinks workers from minimum labour protections of wages, occupational safety and health. Significantly, it is the State Governments that are showing the way forward. Rajasthan is the first State to pass a legislation on the issue, closely followed by Karnataka, Jharkhand, Tamil Nadu, Haryana, Telangana are following suit.

In the political context of guarantees funded purely by the state exchequer, this law is an important development. It shows how social security for workers ought to also be financed from the market and that private actors should no longer be abdicated from their primary economic accountability towards workers. There are many things that could be improved in the Bill. These include the Bill's silence on critical issues such as minimum wage, occupational safety and health, working hours, and rights on collective bargaining. However, it is also true that this law allows workers to mobilise and assert for more.

Rakshita Swamy is Director, Social Accountability Forum for Action and Research and Biju Mathew is President, International Alliance of App Based Transport Workers.

### THE GIST

▼ The first myth that aggregators sell to entice people towards platform work is that they would have "no boss" and would be "partners" and "captains" – anything but workers.

▼ The second myth that is perpetuated is that persons engaged in platform work enjoy flexible work arrangements. This assertion has enabled platforms to keep gig-based workers away from protections under labour laws.

▼ The third myth is that these are 'part time' workers, who engage in platform-based gig work for additional income.

#### Text & Context

■ Text & Context pages will not be available on July 24, 2024

## How and when can a bill be defined as a money Bill?

Why do money Bills have a special procedure for approval? What is the way forward?

Rangarajan.R

#### The story so far:

**T**he Chief Justice of India (CJI) has agreed to list before Constitution Benches, the petitions challenging the money Bill route taken by the Centre to pass contentious laws/amendments.

#### What are money and financial Bills?

The Constitution defines certain categories of bills that deal with financial matters as money Bills and financial Bills. Article 110(1)(a) to (f) defines a money Bill as a bill that contains 'only' provisions dealing with one or more of six specific matters. They relate to taxation; borrowing by government; custody of consolidated fund or contingency fund and payment/withdrawal of money from such fund; appropriation out of consolidated fund; expenditure charged on consolidated fund; receipt on account of consolidated fund or public account or the audit of accounts of Union or States.

Clause (g) of Article 110 (1) provides that any matter incidental to these six matters can also be classified as a money Bill. Classic examples of money Bills include the Finance Act and the Appropriation Act that deal primarily 'only' with taxation and spending out of the consolidated fund respectively. Article 117 provides for two different categories of financial Bills. Category I contains any of the six matters mentioned in Article 110(1)(a) to (f) along with any other matter. Category II Bills do not contain any of those six matters but would involve expenditures from the consolidated fund.

#### What is procedure for a money Bill?

As per Article 109, a money Bill shall be introduced only in the Lok Sabha. After it is passed in the Lok Sabha, the Rajya Sabha has only 14 days to provide its recommendations on such a Bill which may or may not be accepted by the Lok Sabha. Money Bills deal 'only' with financial matters that are crucial for the administration of the country. Hence, the

Constitution provides for this special procedure that effectively requires only the approval of Lok Sabha where the ruling government enjoys a majority. It has its origin in the U.K., where in 1911 the powers of the unelected House of Lords over the Budget were curtailed. The Budget was required to be passed only by the House of Commons that reflected the will of the people. However, it must be noted that the operative word of the definition of a money Bill is the word 'only.' It is the Speaker of Lok Sabha who certifies a Bill to be a money Bill.

Financial Bills of Category I and II do not enjoy this special procedure.

#### What are the issues?

Certification of a Bill as a 'money Bill' by the Speaker came under judicial review during the scrutiny of the Aadhaar Act passed in 2016. This law contains provisions with respect to process for enrolment and authentication, establishment of authority for Aadhaar, mechanism for safeguards, and penalties

for offences under the Act. Section 7 of the Act provides that the Central or State government may require Aadhaar authentication of an individual as a condition for providing subsidy, benefit or service, for which expenditure is incurred from the consolidated fund. Stating the withdrawal of funds from the consolidated fund as the primary purpose of the Act, with all other provisions being incidental to it, this law was passed as a 'money Bill'. While this was a debatable classification, the Supreme Court upheld this with a majority of 4:1. The current CJI was the lone dissenting judge who held that the Aadhaar Act did not fulfil the definition of a 'money Bill'.

The Finance Act, 2017 was even more controversial, in passing amendments to various Acts for reorganisation of tribunals such as the National Green Tribunal, as a money Bill. These amendments were struck down in *Rojer Mathew versus South Indian Bank* (2019) wherein a five-judge Bench opined that the Aadhaar case judgment did not substantially discuss the effect of the word 'only' in the definition of money Bill. It referred the matter to a larger Bench for consideration. A seven-judge Bench should be constituted for an authoritative judgment on the definition of money Bills. The Speakers should also uphold the spirit of the definition while certifying a 'money Bill.'

Rangarajan. R is a former IAS officer and author of 'Polity Simplified'. Views expressed are personal.

### THE GIST

▼ The Constitution defines certain categories of bills that deal with financial matters as money Bills and financial Bills. Article 110(1)(a) to (f) defines a money Bill as a bill that contains 'only' provisions dealing with one or more of six specific matters.

▼ Certification of a Bill as a 'money Bill' by the Speaker came under judicial review during the scrutiny of the Aadhaar Act passed in 2016.

▼ A seven-judge Bench should be constituted for an authoritative judgment on the definition of money Bills.



## Candid appraisal

Big-bang reforms now need to give way to grunt work

**E**conomic Surveys, being documents authored by advisors appointed by the Centre, often struggle to find the right balance between celebrating the achievements of the government and flagging areas where more work needs to be done. The Economic Survey for 2023-24 manages this tightrope walk quite well.



While noting that India's real GDP in FY24 is 20 per cent higher than pre-pandemic levels, the Survey projects growth for FY25 at 6.5 to 7 per cent, lower than estimates from Reserve Bank of India (7.2 per cent) and most private forecasters (7 per cent plus). The Survey stands some popular narratives on their head. It says a private capex surge is already underway citing 19.8 per cent growth in fixed investments by private corporations in FY23. It dismisses the notion that households are in distress, pointing to their savings flooding into housing and capital markets. It glosses over sluggish private consumption, terming it as steady. In a later chapter, it subtly points out that India Inc has not expanded its worker compensation at the same pace as its manifold growth in profits since Covid.

Rising trade protectionism and de-globalisation, geopolitical tensions, climate transition and Artificial Intelligence are all challenges that India will need to contend with. It advises, sanely, that policy choices for India need to be driven more by pragmatism than ideology and warns that a blind aping of the West will not serve. On energy transition, it makes the sensible point that chasing the Western idea of net-zero may be unwise, as it raises resource dependence on hostile nations (read China), ties up land in unproductive uses and saddles the fisc with subsidies. It offers workable ideas to overcome these challenges too. Agriculture and allied sectors can be a potent engine for growth and employment, if only we can consolidate fragmented land holdings, improve market intelligence and have a vibrant derivatives market. It shows that repealing draconian laws on land use can double the space available to Indian factories, boosting manufacturing and employment. That bridging the skill gap is key to boosting industry is well-known, but the idea of deregulating State-level laws that bar women workers from several industries, is novel. Perhaps with an eye on the election outcome, a chapter is devoted to inflation. After patting the Centre for administrative measures and fuel price cuts that have lowered non-core inflation, the Survey calls for a relook at the inflation-targeting framework.

A recurring theme is that the big-bang reforms that were propelling India's growth story are now done, and that it is now time for grunt work on the individual factors of production. There's also sub-text that the Centre cannot achieve this alone, but will need participation from States, local governments and the private sector. However, excellent ideas from Economic Surveys seldom make it to implementation. One hopes that this ideas-rich Survey turns out to be an exception.

## POCKET

RAVIKANTH



"No, I am not watching the Budget. I will catch up with the highlights later on my banking app!"



SAUGATA BHATTACHARYA

**T**he Budget exercise is a complex intertwining of political-economy compulsions with multiple policy trade-offs required to achieve often conflicting economic objectives, while constrained by limited revenues. Despite these difficulties, a hallmark of the Budgets of the past few years has been stability and predictability in approach and outcomes, and we believe this Budget too will largely adhere to the contours expected by stakeholders.

Key to this continuity will be further progress on the path of fiscal consolidation. The fiscal deficit (FD) has been steadily reduced from 9.2 per cent of the GDP in FY21 (this was due both to higher expenditures and nominal GDP having shrunk that year) to a budgeted 5.1 per cent for FY25 in the Interim Budget (IB). The earlier FY24 FD had also been scaled back from the 5.8 per cent budget estimate to 5.6 per cent (and is likely to be further reduced owing to the robust tax collections in FY24 and lower spends on subsidies). The *Economic Survey* forecasts FY25 GDP growth at 6.5-7 per cent.

Even assuming additional expenditures of 0.4-0.5 per cent of GDP in FY25 and some scaling back of tax revenue growth, there might be a further cut in the FD. This will enable a further reduction in the FY26 FD from the target terminal rate of 4.5 per cent of GDP to an aspirational 4.2-4.3 per cent. Together with a projected State governments' aggregate FD of 2.7-2.8 per cent, this will bring the aggregate government FD tantalisingly close to the 7 per cent goal set by a global ratings agency as a precursor to a sovereign ratings upgrade.

A ratings upgrade will be a big achievement, the first since 2007 by this agency. A continued focus on capital spending will reinforce this by improving the quality of expenditure.

The Budget will also be keenly watched for the government's plans and roadmaps to tackle some of the structural concerns which will impede the goal of sustaining a 7 per cent-plus growth for the next 25 years. The *Survey* lays out a medium-term growth strategy focusing on six key areas: boosting private investment, expansion of MSMEs, agriculture, financing of the green transition, education-employment gap and building state capacity.

Building state capacity and facilitating last mile implementation of projects will be the most critical enabler for these focus areas.

# Budget must promote sustained growth

**FOCUS AREAS.** Setting the fiscal priorities for structural reforms, boosting consumption and expanding social safety net are among steps that will help



**DEMAND DIPS.** Lagging rural consumption has been a worry for some years pti

First, despite the current debates on the numbers, a shortage of well-paying jobs looms large, and is likely to worsen unless corrective policy steps and adequate resources are deployed. Unfortunately, while fiscal policy (for instance, corporate tax relief for jobs) and budget outlays (for apprentice programmes) will help mitigate this by providing the right incentives, the real fixes will need much deeper structural and regulatory reforms, particularly in the most employment intensive sectors.

The second, and more immediate, ask of the Budget is to boost private sector consumption, whose growth has remained low at an average 4.6 per cent

**A shortage of well-paying jobs looms large, and is likely to worsen unless corrective policy steps and adequate resources are deployed.**

since FY21, versus 7.2 over FY14-FY19.

While higher exemption limits for personal income tax slabs (as is widely expected) will boost sentiment, the heavy lifting in the short term will be judicious increases in outlays on specific expenditure heads. Visibility on robust consumption is a powerful incentive for private investment.

Lagging rural consumption, in particular, has been a worry for some years. While higher inflation might be one factor, higher budget spends on some key programmes will more effectively increase disposable incomes for low-income beneficiaries. Some of these heads include PM-KISAN, MNREGA, PM-AWAS, Gram Sadak and rural drinking water. Increasing the annual transfers for PM-KISAN beneficiaries will augment incomes of the poorest farmers.

Third, a more powerful intervention at a micro, household level is to deploy expanded social safety nets by increasing the scope of insurance programmes to low-income households

## Services sector can power up the job engine

Targeted initiatives in tourism, aviation, retail, logistics, and financial sectors will help generate broad-based employment

**Antony Cyriac  
Esha Swaroop  
Radhika Goyal**

**T**he services sector drives 55 per cent of India's GDP, contributes 44 per cent of exports, and employs a third of the workforce. From brewing coffee to balancing spreadsheets, the services sector embraces many skills. In a diverse country like India, it can transform the employment gap into a canvas for innovation and growth.

The tourism sector, which accounted for about 13 per cent of India's employment in 2020-21, stands out as a major potential source of job creation. Covering hospitality, travel, cultural, heritage, and religious tourism, it offers diverse roles for tour guides, travel agents, and local artisans, providing significant opportunities for low to medium-skilled workers. Success in these roles depends on strong interpersonal, management, and experiential abilities.

Government initiatives like 'Hunar Se Rozgar Tak' and the Incredible India Tourism Facilitator Certificate Programme aim to enhance these skills. Tourism infrastructure is being ramped up with increased funding for tourism projects, and the launch of Swadesh Darshan and PRASHAD schemes. The

government envisions creating around 140 million jobs in tourism by 2030, focusing on inclusive growth, cruise tourism, ecotourism, and adventure tourism. Future efforts should prioritise infrastructure enhancements, expanding skill programmes, and capitalising on regional tourism opportunities.

### AVIATION FLYING HIGH

Another sector soaring new heights is aviation, driven by expansive airport projects and increased capacity. India's aviation industry is making strides in gender diversity, with women comprising 15 per cent of pilots — about three times the global average. Establishing new flying training organisations at airports supports this growth by broadening pilot training opportunities and raising awareness among potential pilots. As the aviation industry continues to expand, more crew members, ground staff, and flight attendants will be needed to support the growing fleet, making continued investment in training and recruitment crucial for the sector's future.

The retail sector is undergoing a digital revolution, with platforms like the Open Network for Digital Commerce transforming how small retailers connect with consumers. Representing over 10 per cent of the economy and about 8 per cent of the workforce, retail stands to gain immensely from this shift.



**TOURISM.** A major job creator

By joining e-commerce platforms, small retailers can expand their market reach, enhance efficiency, and create new job opportunities in logistics, customer service, and technology. However, many of these retailers struggle with the technicalities of online selling, cataloguing, and data privacy, leaving them on the sidelines of the digital economy. To address this, support systems like 'Vyapaar Gyan Kendras' — similar to Krishi Vigyan Kendras for agriculture — could provide guidance, simplify on-boarding, and offer ongoing assistance.

The logistics sector offers substantial employment opportunities for medium-skilled workers. Embracing innovative strategies across transportation networks can significantly transform logistics infrastructure. This includes harnessing inland waterways and using digital

platforms to optimise route planning for roadways, enable dynamic freight bookings for railways, automate cargo management for shipping, and streamline passenger scheduling for airways. Enhanced capacity optimisation will support larger operational scales and generate new job opportunities in logistics coordination and support services.

Finally, the financial, business, and tech services sectors showcase high-skill employment, brimming with opportunities for innovation and start-ups. Over the past decade, employment in business services has nearly doubled, driven by digitisation, technological advancements, and supportive government initiatives. By advancing tech capabilities and digital infrastructure, India can solidify its position as a global leader in high-tech services.

Ultimately, if tapped well, the services sector presents a solution for broad-based employment generation, where innovation meets opportunity and every skill finds its place in the economic growth mosaic. This calls for seamless and continuous interaction and coordination between industry, academic and skilling institutions and governments at different tiers.

The writers are from the Indian Economic Service. Views are personal

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

### Digital ecosystem

Apropos 'Crowd strike, indeed' (July 22), we are used to small outages here and there but not something of the magnitude which affected banks, aviation, media outlets and other businesses severely for hours. It is clear that Microsoft could not detect the bug but it is good that there was no report of data breach as such from anywhere. But since the world is dependent on these giant companies remotely managing millions of devices to boost economic activity, such cyber attacks are a strong wakeup call for them to keep their house in order. Mac and Linux hosts remained

unaffected but they also face potential risks and efforts should be made to minimise them.

**Bal Govind**  
Noida

### Revisit ITR filing regime

Social media is currently rife with reports on deep rooted disenchantment of various stakeholders owing to the abrupt failure of the income tax portal to deliver, even as the last date of filing the ITRs by individuals (July 31) is fast approaching. Also, why can't the government do away with the mandatory filing of ITRs by July 31 each year and make it an 'ongoing'

process till March 31 of the following financial year — that is, till the end of the relevant assessment year. Since the government of the day so proudly talks about 'Ease of doing business', let it also facilitate 'Ease of filing ITRs' by all concerned.

**SK Gupta**  
New Delhi

### Longer working hours

When the rest of the Western democracies are reducing working hours, here in India there is a proposal to make employees in the IT sector work for 14 hours in Karnataka. If one considers the travelling time in urban centres of India, an employee would

be going home just to sleep. Long working hours are bound to affect the health of employees. And who benefits by this move? In the industrial sector workers are paid double if they are made to work more than the stipulated eight hours. Lack of jobs makes the IT employees vulnerable to this kind of pressure exerted by the companies.

**Anthony Henriques**  
Mumbai

### FM's good innings

This refers to 'Why some FMs go on and on' (July 22). Nirmala Sitharaman's upcoming presentation of her Budget for a record sixth time

underscores her adeptness at navigating today's power politics. Sitharaman's skill in managing relationships with various stakeholders, including political colleagues, bureaucrats, and top corporate leaders, as well as understanding the Prime Minister's priorities, ensures her longevity as Finance Minister. Given the BJP's lack of majority in the current NDA structure, her ability to meet the financial demands of coalition partners will be crucial in determining whether she can sustain her position at the highest level.

**Srinivasan Velamuri**  
Chennai

## Democrats in disarray

Biden’s exit has put the Democratic party in a spot

Sridhar Krishnaswami

It had to happen. With top flight Democrats deserting him in droves and advice from a close knit group making his position increasingly untenable, US President Joe Biden took to social media to announce that he was stepping down for the sake of party and country.

This was an announcement that Democrats of various hues were hoping for immediately after June 27, the day of the disastrous first debate with his challenger Donald Trump in Atlanta. But an adamant incumbent who really believed that he had it in him to weather the storm hung on till reality dawned.

Stepping down and endorsing Vice-President Kamala Harris did not come in the same breadth, but in two separate announcements, the latter quick to say that she would earn and win.

In walking back on the race barely three weeks before the Party Convention in Chicago and 106 days to the November 5 showdown, Biden has put the Democrats in a spot. Rallying behind Harris or challenging the Vice President are both difficult propositions, the two scenarios opening up divisions in the Democratic Party besides handing the Grand Old Party unexpected ammunition to fire.

In politics what is not said is more important. Cutting across ideological lines, Democrats have welcomed the decision of Biden, even quietly excusing him for the delay. But the same enthusiasm has not been seen in endorsing Vice-President Harris. Former President Bill Clinton has thrown his weight behind Harris and so has his wife Hillary; but Barack Obama under whom Biden served for eight years as Vice-President has maintained that party leaders will create a process “from which an outstanding nominee emerges”. Obama also warned of “unchartered waters in the days ahead”.

### OMINOUS SILENCE

Only the Governors of California and Pennsylvania have openly endorsed Harris; and the stoic silence from the Senate Majority Leader Chuck Schumer, former Speaker Nancy Pelosi and House Democratic leader Hakeem Jeffries seem ominous and point in the direction of the Chicago Convention being turned into a noisy “competitive” process with the floor opened up to those who may want to challenge Harris. There is an opinion within



PASSING THE BATON. Joe Biden with Kamala Harris REUTERS

Democrats that the 4,600-odd delegates, including the Super Delegates, should not be automatically handed to Harris and in the process open up charges of elitism and back room deals by a few within the Democratic National Committee, something that the Trump Campaign has already started alluding to. The Democrats have a choice: either they could settle the issue virtually in the first week of August or wait till the Convention begins on August 19.

Amidst all the hoopla, Democrats have two more issues to deal with: the Republican contention that President Biden would have to step down now. “If Joe Biden is not fit to run for President, he is not fit to serve as President. He must resign the office immediately. November 5 cannot arrive soon enough,” Republican House Speaker Mike Johnson said. And the rants of former President Trump were along expected lines including the one that Biden was “never fit” to be President.

The other political decision Democrats will have to make is on the make up of the complete ticket, assuming for now that Harris will be leading it. The choice of a Vice Presidential candidate has to factor in many things including race and gender and in the context of the search for a white male, if Democrats will be fine with fielding openly gay persons like Transportation Secretary Pete Buttigieg.

In running the clock out, Biden has disadvantaged Democrats by giving the party barely three and a half months to an election where the White House and Capitol Hill are at stake. Also between now and through the elections Biden will continue to be in the limelight for his fitness to continue in office and if the 25<sup>th</sup> Amendment should be invoked.

The writer is a senior journalist who has reported from Washington DC on North America and UN

# Stubborn domestic food prices

Despite global food prices falling since July 2022, domestic food prices have continued to rise in low income nations

### MACROSCAN.



CP CHANDRASHEKHAR, JAYATI GHOSH

In the past three years, global food prices have been on a roller coaster, rising rapidly especially in the first half of 2022 due to a speculative bubble and then falling from July 2022 onwards (Figure 1). The phase of rising food prices led to increasing food prices around the world, especially in lower income countries — and this was obviously associated with growing hunger. According to the FAO, 122 million more people faced hunger in 2022 than in 2019, before the global pandemic. Around 42 per cent of the world’s population — more than 3.1 billion people — were unable to afford a healthy diet in 2021.

The dramatic rise in global food prices (especially for wheat) in the first half of 2022 was largely attributed to the Ukraine War, which was supposed to have affected supply because of Russia and Ukraine being major wheat exporters.

But it is now clear that global supply was largely unaffected in this period, because of increased production in other countries.

Instead, the rise in prices can be attributed to the combination of profiteering by large agribusinesses in the oligopolistic international food trade, and financial speculation in food commodity futures (see UNCTAD’s Trade and Development Report 2023 for details).

Some observers have argued that, even if this is true, it should not be such a big concern because the prices came down quite rapidly thereafter — indeed, by early 2024 the FAO’s food price index was back to the level of two years earlier.

### DOMESTIC PRICE SPIKE

Unfortunately, however, the transmission of global food prices to domestic prices tends to be uneven: domestic prices rise when the global prices rise, but they do not necessarily come down, and may even continue to increase, as international prices fall.

This is evident from Figure 2, which shows the behaviour of domestic food price changes during the recent period of global food price decline. The FAO’s global food price index fell by 11.5 per cent in the year up to Sept-Oct 2023, but domestic prices across all groups of countries continued to rise.

Significantly, the food price inflation was higher, the lower the per capita income of the country.

For the Low Income Countries, food prices increased on average by just under 30 per cent in this period.

Note that this came on the back of earlier food price increases when global trade prices increased, together



INFLATION HURTS. Low income countries have faced the brunt of high food prices

providing real and continued blows to food security.

In lower income countries, between 30 and 60 per cent of consumer spending is devoted to food (compared to 10-20 per cent in higher income countries), and the proportion rises for the lower income categories within each country.

This ratchet effect in domestic food prices means that even temporary spikes can be dangerous and reduce food security over time. So we cannot afford to be complacent about short-term price increases, since they continue to have medium-term effects.

To address this, both price volatility in the global food markets and the transmission of price changes to domestic markets must be addressed.

### REASONS FOR RISE

So why do domestic food prices continue to increase? There are several reasons, which reflect the interplay between physical supplies of food and market behaviour. The domestic availability of food is determined by local and national production (in which weather and climate shocks, agroecology, and conflicts all play a part) as well as a country’s ability to import food (which can be affected by transport shocks as well as foreign exchange constraints). It is clear that, while both have been important, external shocks have been the major drivers in the recent period, particularly through factors that have caused currencies to devalue in lower income countries.

Table 1 shows that countries that experienced particularly high food inflation in the year up to September 2023 (that is, more than 20 per cent) also suffered very large nominal currency depreciations (here shown relative to the IMF’s SDR, which is a basket of five major currencies).

Apart from the impact of agroecology on food production, external factors such as currency devaluation and debt stress have also been factors behind the price spike

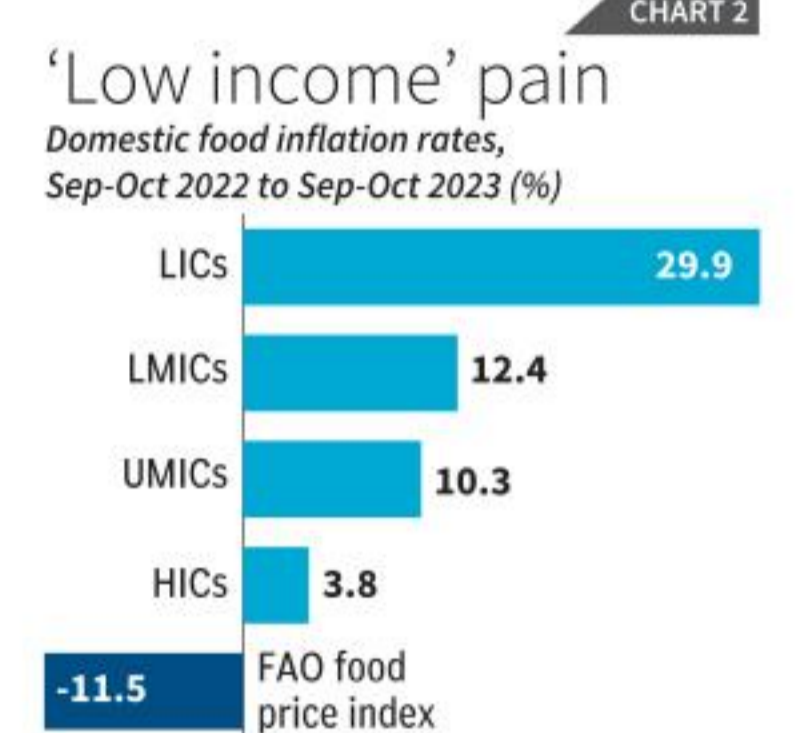
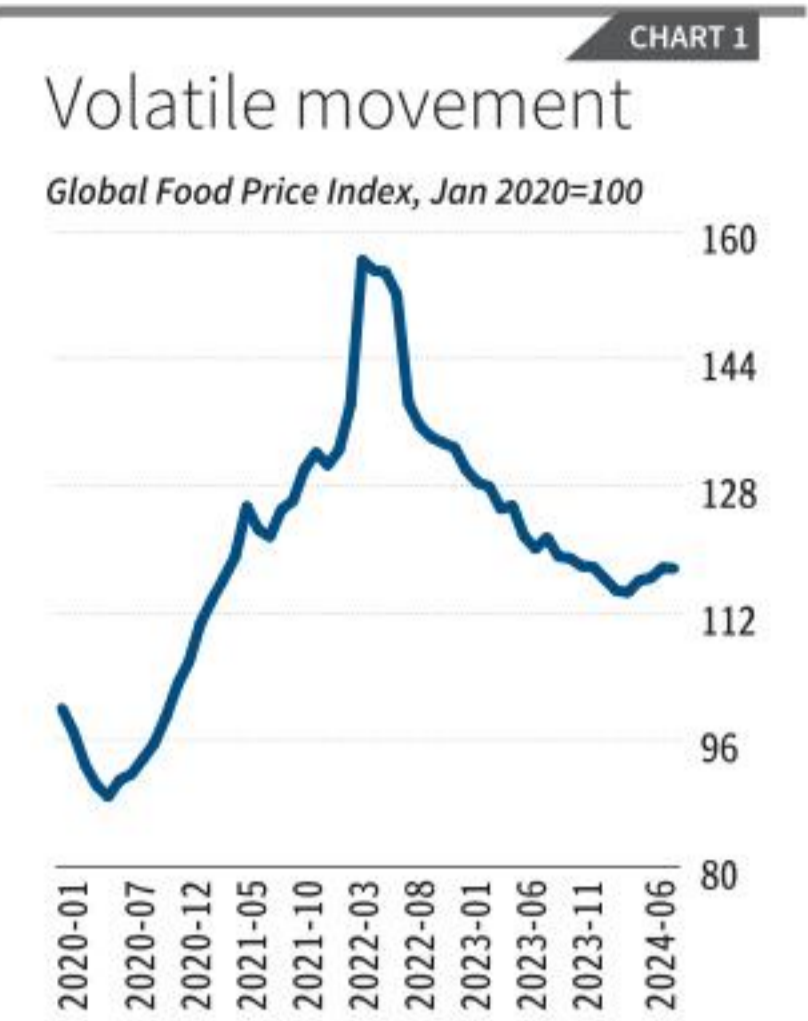


TABLE 1

Countries with high food inflation (>20%) up to Sep 2023

Country	Food inflation	Nominal depreciation
Venezuela	318.1	NA
Argentina	150.1	143.9
Turkey	75.1	52.0
Egypt	73.6	62.4
Sierra Leone	64.7	45.7
Syria	60.3	NA
Suriname	59.6	48.2
Ghana	49.6	22.9
Iran	37.7	2.7
Nigeria	30.6	81.6
Ethiopia	27.1	8.4
Pakistan	26.8	29.7
Zimbabwe	23.5	803.6

Iran, Syria. The worst impacts of sanctions are felt by the poor, who are hungry because of domestic food (and medicine) shortages.

But beyond these extreme cases, many other lower income and middle income countries face similar problems. Reliance on global markets for both food and finance is proving to be extremely problematic.

For minimal resilience in the face of such shocks, it is now important for countries to protect themselves by striving for domestic food sovereignty, regional arrangements to ensure supply, and capital controls to reduce currency volatility.

## thehindubusinessline.

### TWENTY YEARS AGO TODAY.

July 23, 2004

#### Govt sounds Left parties on dumping insurance FDI hike

The proposal to hike foreign direct investment (FDI) cap for the insurance sector could be the first casualty in the ongoing political battle over FDI with the Government understood to have expressed its willingness to the Left parties to put the move on the backburner.

#### SEBI amends norms for employee stock options

The SEBI has amended the Employee Stock Option Scheme (ESOS) and Employee Stock Purchase Scheme (ESPS) guidelines to include provisions of mandatory disclosures of employee compensation cost using fair value of employee stock option and purchase schemes.

#### ‘Birlas willing to consider out-of-court settlement’

The Birlas have finally broken their silence and appear to have extended the olive branch by announcing that they are willing to go ahead with an out-of-court settlement with Mr R.S. Lodha. A formal announcement to this effect was made by Mr N.G. Khaitan of Khaitan & Co, the legal firm hired by the Birlas to fight Mr Lodha’s claim of inheriting the Rs 5,580-crore assets of Priyamvada Birla.

## G20 FMs meet to seek consensus before US election

Reuters

Finance ministers and central bankers from the Group of 20 meet this week to renew efforts to reach consensus on economic policy ahead of the US election, and will avoid discussing the wars in Ukraine and Gaza to try to prevent them dominating the talks.

Negotiators from the G20 major economies have agreed to leave discussion of the conflicts out of a joint statement by the finance leaders gathering on July 25-26 in Rio de Janeiro, Brazilian diplomats said last week.

A meeting of the same ministers and

central bankers in Sao Paulo in February failed to issue a joint statement, after Russia and major Western nations were unable to agree how to describe the war in Ukraine and Israel’s shelling of Gaza.

The new approach may help to shift the focus to economic cooperation on issues such as climate change and poverty. Two Brazilian government officials said the hosts also hoped to achieve an increase in support for a proposed global tax on the super-rich that Brazil has made a priority of its G20 presidency.

Pressure has mounted to make progress before the next finance track meeting in October – the last before a G20 summit gathering heads of state in



G20. Economic agenda SUSHIL KUMAR VERMA

November, the month when US elections take place.

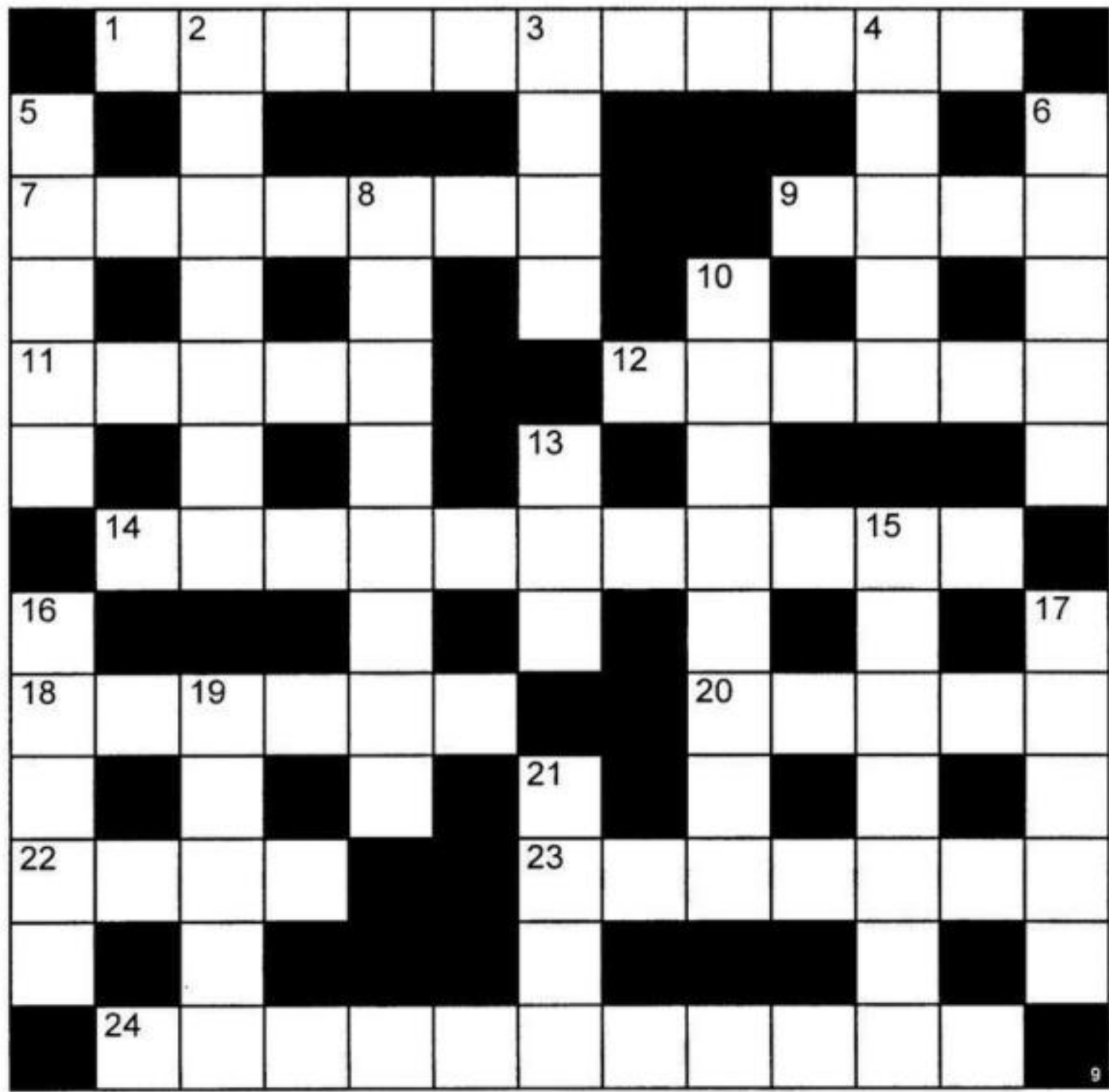
“We’re arriving in July aware that we need to close deals. October will be completely overshadowed by the US election,” said one of the Brazilian

officials, who requested anonymity so he could speak openly. The strong polling of former U.S. president Donald Trump, who has called for massive tax cuts for individuals, could undermine the idea of a global billionaires tax. Brazil is still prioritising a joint declaration on international tax cooperation during its G20 presidency.

Another Brazilian official who asked not to be named said tax was “a central theme in the finance track this year, regardless of the US election”.

Brazil has won backing for the idea from Belgium, Colombia, France and Spain, as well as the African Union and South Africa, which will assume the G20 presidency next year.

## BL TWO-WAY CROSSWORD 2488



### EASY

#### ACROSS

1. A joining word (11)
07. Unyoke, unharness from vehicle (7)
09. To osculate (4)
11. Infection, pollution (5)
12. Fish highly valued for food (6)
14. Last refuge, chief support (5-6)
18. To keep (6)
20. Particular publication (5)
22. Repast (4)
23. Substance used for colouring (7)
24. Amount paid to go in for exam, etc (8,3)

#### DOWN

02. Flightless bird (7)
03. Not any (4)
04. Drug (5)
05. ‘Crazy’ (5)
06. Employing (5)
08. Derisory; touching (8)
10. Moving in step (8)
13. Month (3)
15. Rude, filthy (7)
16. Picture surround (5)
17. Whacks (5)
19. Get into condition (5)
21. Make a yarn (4)

### NOT SO EASY

#### ACROSS

01. And study the T! (11)
07. Take the animals off the wagon, being perhaps sat-upon (7)
09. A touch on the snooker table signified by an ‘X’? (4)
11. Infection by high-explosive with first-class content (5)
12. Fish for charity, the last first to get on (6)
14. Mainstay has a line at sea with what holds one to bed (5-6)
18. Keep a check that includes the weekend soldiers (6)
20. Publish the last of the books I use for distribution (5)
22. Dinner may perhaps consist of ground grain (4)
23. It provides colouring for hog-minders at end of August (7)
24. What one must pay for a sitting, perhaps (8,3)

#### DOWN

02. With extra-large clothing, start talking to opulent bird (7)
03. How many increased to unit quantity by removing the top? (4)
04. Illegal smoking of pot in university muddles beginners (5)
05. It is crazy to try to lose heart after taking marihuana (5)
06. Availing oneself of gun is potentially upsetting (5)
08. Deplorable, the way it will call one up (8)
10. Month in Spring finally gets one going (8)
13. A month that is permissive (3)
15. Dirty boy endlessly had up on a bit of play (7)
16. Some snooker, all that’s needed to complete the picture? (5)
17. Bette’s bone on leaving wartime army girls (5)
19. Prepare one for what may follow the bride (5)
21. A jaunt in the car may produce a good yarn (4)

### SOLUTION: BL TWO-WAY CROSSWORD 2487

ACROSS 1. Disdain 5. About 8. Release 9. Value 10. Come clean 12. See 13. Umbra 17. Hit 19. Temperate 21. Fresh 22. Startle 24. Sleep 25. Culprit

DOWN 1. Direct 2. Solomon 3. Ada 4. Niece 5. Advantage 6. Ogles 7. Themes 11. Courtship 14. Starter 15. Thefts 16. Defect 18. There 20. Music 23. Ail

# Let's Not Put All Eggs In One Basket

Focus on global, not just domestic, consumption

The Economic Survey's cautious projection that GDP growth could slow to 6.5-7% in 2024-25 will rekindle the debate on whether the monetary and fiscal policies are unduly restrictive. Dissenting views have emerged in the interest rate-setting committee of RBI over the real repo rate that does not sacrifice growth. But Shaktikanta Das has argued inflation is the central bank's main priority, and interest rates will remain high to ensure inflation reaches its target. The Union budget to be presented today faces a trade-off between fiscal consolidation and propping up domestic consumption. GoI may be averse to undoing previous efforts that have gone into combating supply-side shocks, and stay on its fiscal glide path.

The survey points to heightened caution regarding private investment, resulting from subdued domestic consumption growth. It sees exports of merchandise and services as a key driver of growth during the fiscal year. That calls for some restraint in monetary and fiscal expansion while keeping gov's capex on track to crowd in private investment when consumption revives. India has a small window of opportunity to plug into emerging global supply chains to increase its manufacturing footprint. It will need the policy headroom offered by prioritising inflation over growth.

India benefits if its growth over the medium term becomes more reliant on exports. This requires, alongside a ramp-up in infra, competitive macroeconomic variables. As of now, its growth is class-leading. Eyeballs will switch to inflation control once the global economy revives. The growth sacrifice, such as it is, maybe a risk worth taking to shore up manufacturing for consumption at home and overseas. India's export orientation is occurring during global trade fragmentation, so it must be handled with extra care. The long-term growth potential of an outward-facing economy is substantial and has built-in resilience against over-dependence on domestic consumption.

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# Kamala Harris, Biden Without the Baggage

Joe Biden's decision on Sunday to 'tune in, turn on, drop out' of the US presidential race puts him in a select club of American presidents who didn't seek re-election. Except, perhaps, Biden didn't really seek to drop out. The decision, 140-odd days ahead of election day, came as associates, supporters and donors called on him to withdraw. He has endorsed his veep Kamala Harris as the party's nominee. But it's still far from a done deal. A clean and quick decision on the top of the ballot would help Democrats as they prepare to retain the White House, and improve their down ballot tally.

Harris, who has been endorsed by the likes of Bill and Hillary Clinton — Barack Obama's silence on this front has been loud — could convince all quarters that she can defeat Trump. Many point to her poor performance in the 2020 primaries. But that shouldn't matter in 2024. Her age, 59, to Trump's 78 works to her advantage, especially as Republicans have made heavy weather of Biden's 81 years. Her choice of running mate will help addressing concerns.

But Harris has a couple of special arrows in her quiver. As veep to Biden, she can legitimately lay claim to the Biden administration's achievements, particularly in essaying a robust post-pandemic economic recovery, making healthcare affordable by lowering the prices of meds, laying the foundation of an industrial renewal by mobilising investments in infra, clean and green energy, and industries through the Inflation Reduction Act, and working closely with partners on the CHIPS Act.

But Biden's departure also represents the flip side to America's personality cult: a commitment to institutions — party and country — bigger than the person. In a way, Harris can be Biden without the baggage.

### JUST IN JEST

And here we go again — how it's the best thing since sliced bread

# Budget's 'Visionary', 'Game-Changer'...

Ah, Budget Day. When India Inc puts its game face on singing hosannas to government policy, lauding GoI's fiscal wizardry with the enthusiasm of a Spanish football commentator describing a goal. Regardless of its contents, the budget will be a 'masterstroke', 'game-changer', 'visionary', and 'perfect balance' between growth and inclusion. Well, for public — and government — consumption, anyway.

CEOs will give sound bites that have more bark than last year's sound bites, the online thesaurus being dragged out to find fresh synonyms to applaud the budget in new ways. It's not easy — making the schmoozefest fresh. 'This budget is a landmark in India's economic history,' will have to be uttered with a smile as wide as the fiscal deficit. A bold and transformative step' will be uttered as if the secret to eternal youth has just been discovered. The budget could well have proposed a tax on oxygen, and you'd still hear the same chorus of approval. 'A necessary measure to curb pollution,' the pundits of profit would say, while discreetly checking their air purifiers. Everyone knows their part and plays it to perfection. Barring maybe that bearded academic prof who'll channel the contrarian spirit of the late Rahul Bajaj to extend his position at Yale. But for the titans of industry, it's sticking to the 'We commend you, you recommend us' script.

US ELECTIONS The promise, and risks, the Democratic Party holds in turning to Kamala Harris

# Indian Takes on the Cowboy



Shane Goldmacher

Kamala Harris swiftly established herself as the Democratic frontrunner to take on Donald Trump within hours of Joe Biden's exit on Sunday, fundamentally rewiring the presidential contest at warp speed. Now, the race has been transformed into an abbreviated 106-day sprint that more closely resembles the snapecrunches of Europe than the drawn-out American contests. The tight timeline will magnify any missteps Harris might make, but also minimise the chances for a stumble.

In a race that Trump has been on a trajectory to win, Harris becomes the ultimate X-factor. Biden quickly endorsed Harris, who would be a barrier-breaking nominee as the first woman, the first Black woman and the first person of South Asian descent to serve as president. As the Democratic Party rallies behind her — the loudest voices of dissent were simply those not publicly endorsing her — here are six ways her candidacy holds both promise and peril.

**● Flipping the age argument** Unlike 81-yr-old Biden, Harris, 59, isn't old. Just that fact neutralises what has been one of the most potent Trump lines of attack. Within minutes of Biden's quitting, Democrats and anti-Trump Republicans were questioning Trump's capacity to govern into his 80s, a daring attempt to reframe an age debate that has been so damaging to Democrats. Polls have consistently shown that voters have not been overly concerned with the 78-yr-old Trump's age. But simply taking the issue off the table may be enough of a victory for Democrats.

Harris is also expected to give Democrats a far more vigorous campaigner. Her day job is not nearly as demanding as Biden's, and she can barnstorm the



You gotta hand it to her

country at a pace far faster than Trump has undertaken.

**● Former prosecutor vs convicted felon** Harris has often been at her best politically when she has taken on the role of prosecutor-in-chief, whether on the debate stage when she first bore in to Biden in June 2019 where her intense cross-examinations went viral. When she ran for president, among her taglines was that she was best positioned to 'prosecute the case' against Trump.

Now, she will have the chance to do so in the same year in which an actual prosecutor in New York scored 34 felony convictions against him, and Trump still faces more than one future criminal trial. Polls have shown, though, a noteworthy share of voters think Trump has committed crimes yet were still planning to vote for him.

**● Mod Joe vs Cali-beral Kam** Biden has long been viewed as a more moderate Democrat who pushed back against

the more extreme elements of his party. It helped him appeal to the political middle. Harris does not have that advantage.

Instead, she got her start in politics as the district attorney of one of the nation's most famously liberal cities, San Francisco, before winning statewide in one of the nation's most famously liberal states, California. (Trump, notably, was among her donors then.)

And while Harris did not carve out a reputation in California as an outspoken progressive when she ran for president in 2020, she regularly staked out positions to Biden's left, including embracing a 'Medicare for All' system that he had avoided. As Biden's partner for the last 3½ years, Harris faces the added burden of supporting the agenda of a president who has become deeply unpopular. The Trump team has already signalled they plan to attack her on immigration in particular.

**● Joit of momentum** Trump and his

advisers weren't looking to shake up a race he was winning by almost every metric. Now, his team must shift to run a very different race against a very different candidate. Harris has the ability to potentially energise the Democratic base in ways Biden no longer seemed capable of. The president had struggled, relative to his 2020 performance, among Black voters and younger voters in particular; constituencies that Harris' historic potential candidacy would seem poised to improve upon.

**● Her gender could galvanise Democrats — and Republicans** For much of the Trump presidency and beyond, Democrats have benefited from a gender gap. Women voted for Democrats by a bigger margin than men favoured Republicans. But Trump has swelled his advantage so much among men of late that the gender gap has been suddenly favouring GOP. Harris has a chance to reverse that. Biden rarely would say the word 'abortion'. Harris visited an abortion clinic.

Harris faces other distinctive challenges as a candidate of colour and a woman, in a country and a political system where both groups are often held to different standards. And, in Trump, she faces an opponent with a history of exploiting stereotypes for his own advantage.

**● Transcendent, but also tentative** A notable fact of Harris' speedy rise to the pinnacle of Democratic politics is how few loyalists have been along for the full ride. If Biden surrounded himself with a small, sometimes insular, coterie of advisers, Harris has relatively few similarly long-standing aides. Early on as veep, her staff turned over significantly.

Those who have worked both for and against her say she has few equivalents when she nails a big speech, or delivers an acerbic line on the debate stage or a committee hearing. But they also say she can get in her own head, retreat back to canned comments, and make tentative, self-inflicted mistakes.

Now she's inheriting Biden's enormous campaign apparatus. And she has little more than 100 days to capture the Democratic nomination, and presidency.

The New York Times

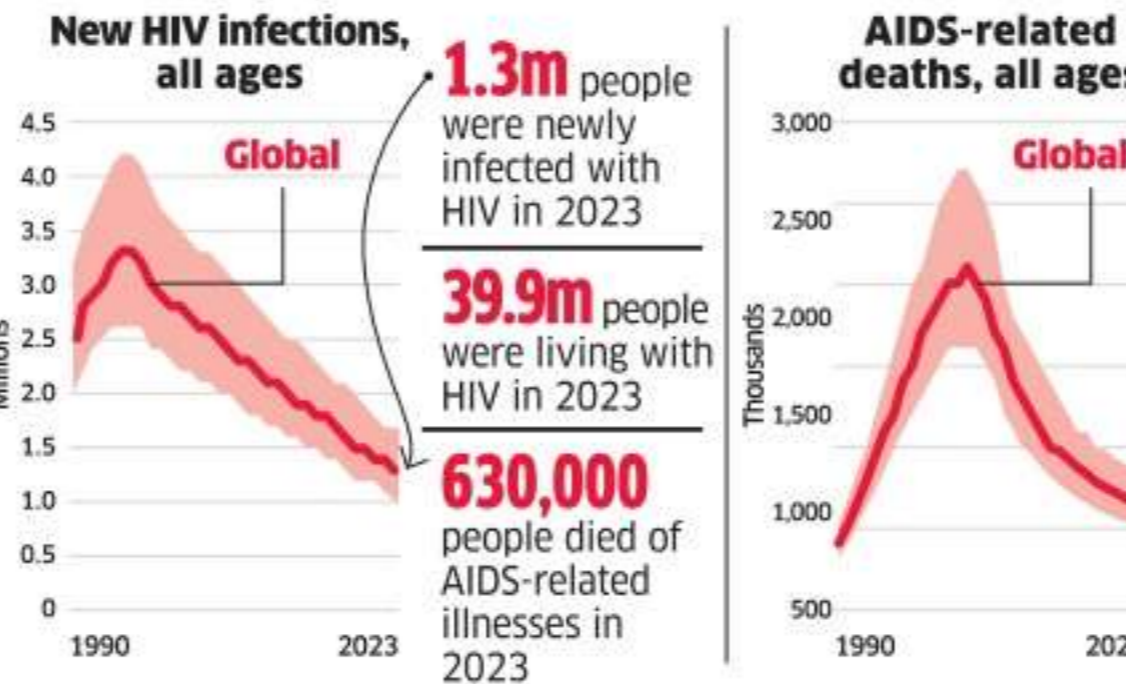
### ChatGPT SHAIRI OF THE DAY

There once was a man with a pledge,  
To watch speeches on budget and hedge.  
While others cheered cricket,  
He found quite the ticket,  
In budget speech and fiscal knowledge!

...

## Fighting AIDS

Globally, about 39% fewer people acquired HIV in 2023 compared with 2010, with sub-Saharan Africa achieving the steepest reduction (~56%), according to latest data from UNAIDS. Nonetheless, an estimated 1.3 million people acquired HIV in 2023 — over three times more than the target of 370,000 or fewer new infections in 2025. Three regions are experiencing rising numbers of new HIV infections: eastern Europe and central Asia, Latin America, and West Asia and North Africa...



## Bell Curves ■ R Prasad



# Relook at Reforms Time



V Anantha Nageswaran & Anoo Nair

India's growth story in the last decade has been one of resilience. Despite the global economic environment being fraught with risks and uncertainties stemming from multifaceted challenges, including pandemic and geopolitical tensions, India's growth trajectory has emerged as a ray of hope amid an otherwise increasingly gloomy global scenario.

In its July 2024 World Economic Outlook update, IMF raised India's growth forecast for 2024-25 to 7% from 6.8% in April on the back of strong domestic demand and a rising working-age population, making India the fastest-growing G20 economy.

During 2014-24, GoI pursued big-ticket reforms focused on restoring the economy's health and relieving several supply-side constraints. With its vision of making India a developed nation by 2047, GoI is set to turn its focus to bottom-up reforms in its third term. The goal now should be to strengthen the plumbing of governance so that the structural reforms of the last decade yield strong, sustainable, balanced and inclusive growth.

Against this backdrop, Chapter 5 of the Economic Survey 2024 elucidates the critical areas of focus for the country — and not just GoI — going forward. These include:

- Generation of productive employment.
- Addressing the skill gap challenge.
- Easing compliance requirements and financing bottlenecks confronting MSMEs.
- Managing India's green transition, deepening the corporate bond market, tackling inequality and improving the quality of health of India's young population.

These areas will determine the scope, scale and speed of India's growth in the upcoming decades. Building on these key policy focus areas, the survey proposes a 6-pronged growth strategy to facilitate India's transformation into a

developed nation. **● Private capital** Ensure that capital formation in the private sector grows steadily, delivering endogenous growth in jobs and a fair share of income for workers.

**● PPP for green growth** Financing green transition is an area where public-private partnerships will be critical. Innovative financing instruments are needed to help mobilise private capital for India's transition efforts.

**● MSME focus** While bridging the credit gap remains a crucial element, the focus also needs to be on deregulation. They lack the financial and human resource bandwidth to meet the onerous compliance requirements imposed by all levels of government.

**● Stress on farms** Potential of agriculture as an engine of growth, development and equity must be exploited. Any growth strategy can achieve success if and only if we can exploit the potential of agriculture to contribute to economic growth and employment generation.

A farmer-friendly policy framework is the need of the hour. Specifically, markets should be allowed to function in the interests of farmers. These include letting the agriculture futures and options market function without arbitrary bans, invoking export bans only under exceptional circumstances, allowing farmers to benefit from a rise in terms of trade in their favour, facilitating an increase in net irrigated area and incentivising



Keep chipping and shaving away

cultivation of diverse crops to become consistent with climate and water security considerations.

**● Learning & skilling** Education and skill policies must have a laser-like focus on learning and skilling outcomes and must be aligned with each other.

**● Re-energise state machinery** Enhancing state capacity and capability is critical to ensure that the growth strategy suggested in this chapter stands a chance of succeeding. Sustaining and accelerating India's progress in the face of evolving challenges requires dedicated investment in state machinery to reinvent and reinvigorate itself.

Raising the manufacturing share of the economy is intrinsic to GoI's economic growth and employment goals. Success in that endeavour requires a clear understanding of the strengths and limitations of India's current policy of engagement with China.

The overcapacity in China's manufacturing sector; the country's domination over the global supply chains across product categories, and its near-monopoly over the production and processing of critical and rare earth minerals have significant repercussions for India.

India's policy needs to be clear-eyed about how much the country will be able to plug into the global supply chain without plugging itself into the Chinese supply chain and the right balance between importing goods and importing capital from China.

Economic Survey 2024 is of the view that, in the medium term, the economy has considerable scope to grow at or above 7% on a sustained basis if structural reforms undertaken since 2014 are supplemented by reforms at state and district levels. India doesn't have the advantage of global tailwinds that other countries in Asia enjoyed in their development journey. Hence, all domestic sources of growth must be harnessed in the coming years.

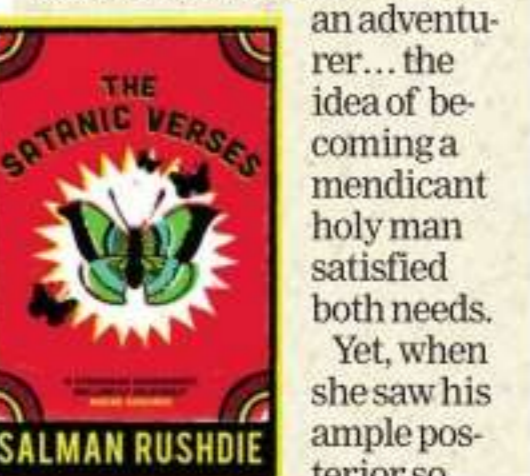
Business as usual won't cut it. Our knowledge and attitudes must continually evolve to keep up with evolving circumstances. Open minds are a good place to start.

Nageswaran is chief economic adviser, GoI, and Nair is an Indian Economic Service officer



## The Satanic Verses Salman Rushdie

It had been the habit of Srinivas the toy merchant to threaten his wife and children, from time to time, that one day, when the material world had lost its savour; he would drop everything, including his name, and turn sanyasi, wandering from village to village with a begging bowl and a stick. Mrs Srinivas treated these threats tolerantly, knowing that her gelatinous and good-humoured husband liked to be thought of as a devout man, but also a bit of an adventurer...



comfortably ensconced in an armchair on their front porch, looking out at the world through stout wire netting — or when she watched him playing with their youngest daughter, five-year-old Minoo — or when she observed that his appetite, far from diminishing to begging-bowl proportions, was increasing contentedly with the passing years — then Mrs Srinivas puckered up her lips, adopted the insouciant expression of a film beauty (though she was a pundit and wobbling as her spouse) and went whistling indoors.

As a result, when she found his chair empty, with his glass of lime-juice unfinished on one of its arms, it took her completely by surprise.



THE SPEAKING TREE

# Freedom is True Wealth

DARIUS FORUOX

Money is essential for happiness, not because it buys happiness directly but because it allows us the freedom to pursue activities that bring us joy. Many people work hard to earn more, frequently at the cost of their time. This results in sacrificing valuable moments with loved ones.

True wealth means freedom in various aspects of one's life. That's the difference between being 'rich' and 'wealthy'. Many rich people have this insatiable drive to chase after something, whether it's a promotion, business deal, luxury or fame. Meanwhile, wealthy people are at peace because they are satisfied with what they have.

The Stoics taught that the key to a wealthy life is cultivating indifference to things outside our control. Epictetus, a Stoic philosopher, explained, 'We cannot control the external events around us, but we can control our reactions to them.'

When you set a goal like, 'I'm going to earn six figures in three years,' you're thinking about outcome-based plans. However, outcomes are not entirely within your control. For example, you can work hard, but you might get passed over for promotion because of office politics. When that happens, you might get discouraged because you want to earn more money.

Nowadays, it's easy to get caught up in constantly wanting more and comparing ourselves to others. By acknowledging that things like money and external circumstances are outside our control, we can free ourselves from the constant need to chase after them. Having this mindset is the first step towards achieving a wealthy life.

## Chat Room

# Pop the Health Supplement

Apropos 'Job Creation, Other Booster Shots likely for Fitter Economy' by Deepshikha Sikarwar (Jul 22), the first budget of the new government aims to energise the economy through targeted interventions in job creation, rural development, MSMEs and technology. By investing in rural areas and empowering farmers, the budget would boost agricultural productivity and rural incomes. Support for MSMEs will drive innovation, entrepreneurship and employment, fostering a robust business environment. Technological advancements and digital infrastructure investments will enhance efficiency and global competitiveness. These combined efforts are designed to stimulate economic growth, positioning India on the path to becoming a \$5 trillion economy.

RAJPAL SINGH CHOUHAN Pune

Capital gains arising out of sale of house property are exempted from capital gains tax if a specified part of the proceeds are invested in specific government bonds or reinvested in another house property.



above benefit under Section 54 of the Income-Tax Act. The finance ministry is requested to make an amendment for this benefit in the upcoming budget.

NARESH DESRAJ GROVER Nagpur

# Playing With Agni on Agnipath

Apropos 'Let's Go Down Agnipath' by Somnath Mukherjee (Jul 22), the photo caption, 'So, who's paying for his patriotism?', obscures a compelling and sombre thought that the soldier gives his life so that we can have our tomorrow. Capex is moot but a separate point. It's the man behind the machine that matters, as demonstrated by our men in the 1965 war; in the face-off against the Sabre jets and Patton tanks, and the recent derring-do of the pilot when he confronted an F-16 jet. Economies are needed in every sector; let not our defence be the first on the chopping block.

PARVEEN CHHIBBER Bhopal

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



## The Free Press Journal

Founder Editor: S Sadanand

# Presidential race heats up in the US

US president Joe Biden dropping out of the Presidential race just 106 days before Election Day has left American politics in a flux. Though there was immense pressure on the 81-year-old Biden to step down after his disastrous performance in the televised debate with former President Donald Trump in June, the President had stood firm and said only “Lord Almighty” himself could persuade him to drop out of the race. Biden’s debate fiasco was followed by more flubs at the NATO summit where he mixed up the names of his vice president Kamala Harris and his Republican rival and also addressed Ukraine’s President Zelensky as President Putin. At the same time he refused to undergo cognitive tests to assess his suitability for running for office. The last straw was the assassination attempt on Trump at a Pennsylvania rally that virtually sealed the deal for the former US President. As top donors pulled out of the Biden campaign and senior Democrats urged him to withdraw, the US President, self-isolating after a bout of Covid, was pushed into a corner and forced to end his presidential bid. With Biden endorsing her as the Democratic nominee for the presidential race, Kamala Harris is best placed to succeed him on the ticket which will make her the first non-white female and first Indian American candidate for the US presidency. However, her nomination is not a done deal. The process of nominating Biden’s replacement will culminate in the Democratic Party convention in Chicago in August. While Harris leads the race, other contenders for the Democratic nomination are Illinois Governor J B Pritzker, heir to the Hyatt hotel fortune; Michigan Governor Gretchen Whitner, who has risen in prominence in the Democratic Party; California Governor Gavin Newsom, who has been pushing a progressive agenda; rising political star Pennsylvania Governor Josh Shapiro; North Carolina Governor Roy Cooper; Kentucky Governor Andy Beshear; and Arizona Senator Mark Kelly.

Whoever the nominee is, they will be at a disadvantage because of the limited time at their disposal to raise funds for their campaign. The uncertainty in the Democratic camp offers a big advantage to Trump, who — apart from his hardcore supporters — hopes to lure floating voters too. His pet rants on immigration, the economy and US foreign policy have a captive audience. His Make America Great Again (MAGA) slogan has caught on with a large section of the electorate. However, Trump’s overconfidence may well lead to his downfall. Underestimating his Democratic rival, whoever that may be, could prove costly. The groundswell of support for the Democrats among the African American and Hispanic communities should not be overlooked. Whatever happens in November, the USA is in for interesting times as it gets ready to elect its 47th President.

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## Turmoil in Dhaka

The Bangladesh Supreme Court scaling back most of the quotas reserved for the descendants of the 1971 Liberation war veterans will hopefully bring back some peace to the country, which has been rocked by violent protests that have claimed 150 lives. A High Court order reinstating the quotas that had been scrapped in 2018 was the trigger for the agitation by youth in a country facing a serious jobs crisis and economic uncertainty. The Sheikh Hasina government’s violent crackdown on the protesters did not help because instead of bringing the situation under control it only exacerbated it, leading to the tragic loss of so many lives. The Prime Minister’s sarcastic comments, asking whether quotas should be given to Razakars’ descendants instead, only complicated matters as in the context of Bangladesh the term is a pejorative one. The Razakars were the militia who supported the Pakistani establishment during the 1971 liberation war and were essentially seen as traitors. Shoot-at-sight orders, curfew and the Army being brought in can be seen as measures to bring a violent rebellion under control, but here the agitators were youth worried about their futures. There was no attempt to hold talks with the agitators and arrive at a peaceful settlement.

No doubt, there is some truth in Sheikh Hasina’s allegation that the protesters were fuelled by the Opposition. However, the heavy-handed approach to the protests has not endeared the government to the people. Voters are aware that the election process in Bangladesh is hardly free and fair. Hasina’s uninterrupted reign in the country is more due to electoral malpractices than any overwhelming support of the people. With the top court virtually nullifying the quotas for successors of war veterans, it is to be hoped that the Bangladesh government will try to bring down the political temperature and genuinely reach out to the protesters. India is watching the situation very carefully and already many Indian students have returned. Mamata Banerjee too has thrown her hat in the ring saying she is duty bound to welcome any refugees fleeing Bangladesh as per the UN convention. Dhaka’s next moves are crucial.



### Heart Of The Matter

S N M ABDI

Hats off to comrade Dipankar Bhattacharya, general secretary of the CPI (ML) Liberation, for taking up cudgels on behalf of hapless Indian Muslims arrested for waving Palestinian flags at public gatherings. So far, I haven’t come across any other major politician condemning the police force in Bharatiya Janata Party-ruled states like Bihar, Uttar Pradesh and Madhya Pradesh for lodging cases against poor Muslims for raising the flag of Palestine, as if it is a cognisable crime in the eyes of Indian laws.

Besides these BJP-run states where anti-Muslim prejudice is rampant, the men in khaki in Jammu & Kashmir too are targeting mourners for displaying the Palestinian flag in Muharram processions in Srinagar and elsewhere in the centrally-governed, Muslim majority union territory.

But the leaders of so-called secular parties, which Muslims voted for unconditionally in the parliamentary elections, are not sticking their neck out to defend the minority community as they should as recipients of en masse Muslim votes if not for anything else.

The spunky Bhattacharya helms the CPI (ML) Liberation which is a constituent of the

INDIA alliance since its inception last year. The communist party not only has a legislative presence in Bihar and Jharkhand but has also wrested key two Lok Sabha seats, Arrah and Karakat, this year. It has 12 MLAs in Bihar and 1 in Jharkhand and is expected to do very well in the coming assembly elections in both states. By some estimates, CPI (ML) is stronger in Bihar than the Congress Party.

So it was heart-warming and reassuring to hear Bhattacharya, who is often seen on INDIA platforms in the company of Sonia and Rahul Gandhi, Mamata Banerjee and other top Opposition leaders, demand withdrawal of all police cases against those who waved Palestinian flags in Bihar and other parts of the country.

“India recognises Palestine and our policy has not changed under Prime Minister Narendra Modi. There is a Palestinian embassy in New Delhi. Hence those raising the Palestinian flag can’t be accused of committing a crime. The flags are being waved as a sign of solidarity with the people of Gaza, where close to two lakh lives have been lost in the military action by Israel”, Bhattacharya declared unequivocally in Patna after four instances of Palestinian flag waving in Bihar resulted in lightning action by a partisan police.

The complainants are invariably BJP, Bajrang Dal and Vishwa Hindu Parishad members and criminal cases are registered under Bharatiya Nyaya Sanhita (BNS), the Unlawful Activities (Prevention) Act and under sections 223 and 152 (endangering sovereignty, unity and integrity of India) of Indian Penal Code, resulting in arrests.

But the police action is bizarre because the Government’s own website says that “India’s support for the Palestinian cause is an integral part of the nation’s foreign policy”. In 1974, India became the first non-Arab state to recognise the Palestine Liberation Organisation and in 1988, India became one of the first countries in the whole world to recognise the Palestinian state. In 1981, India even released a commemorative stamp on the International Day of Solidarity with Palestinian People.

According to Vrinda Grover, waving the flag of Palestine, a country India has friendly relations with, or shouting pro-Palestine slogans, is certainly not an offence. The eminent lawyer and human rights activist said that “such cases are registered to create a chilling effect, and the arrests are an assault on the freedom of expression”. In short, all such arrests are illegal and a misuse of police powers in BJP-ruled states which deliberately

push the Hindutva agenda by targeting Muslims. But there is no outcry against what’s going on in several states. Bhattacharya’s lone voice is not enough. There must be a chorus of emphatic protests but secular parties are intriguingly inhibited when it comes to speaking out for Muslims.

But evidently, all is not lost. At a time when even displaying the Palestinian flag or shouting a pro-Palestine slogan is being treated as a criminal offence in India and most politicians are proving to be spineless by refusing to back Indian Muslims expressing solidarity with Palestinians, an IIT Madras student, Dhananjay Balakrishnan, has done India proud. I doff my hat to the young man!

Cocking a snook at India’s bigoted pro-Israel and anti-Muslim BJP regime which wants to snuff out all pro-Palestine protests, young Dhananjay delivered a no-holds-barred pro-Palestine speech slamming Israeli’s genocide — and how the biggest technological companies are complicit in Israel’s attack on Palestine — at the IIT Madras convocation after receiving the Governor’s coveted gold medal.

Without mincing his words, Dhananjay said and I quote: “There is a mass genocide going on in Palestine. People are dying

in large numbers and there is no end in sight. Why should all this bother us, you may ask. Because science has been used to advance the ulterior motives of imperial powers such as Israel. We engineering students work hard to land jobs at tech giants which offer lucrative salaries and great benefits. However these tech giants control various aspects of our life today. Many of these prestigious companies are also directly and indirectly implicated in the war against Palestinian people by providing the state of Israel with technology — technology that is used to kill citizens. As engineers graduating into the real world, it is our job to be aware of the consequences of the work we do. We need to question our own position in these complex systems of power imbalance. We should attempt to understand what we can do to liberate the oppressed along caste, class, creed and gender lines. I believe this is the first step to curb the never-ending cycle of suffering.”

Will these righteous words of a very bright IIT graduate open the eyes of the Indian government which is blindly backing the Zionist regime?

The author is an independent, Pegasused reporter and commentator on foreign policy and domestic politics

# Education in the modern world – is it a double-edged sword?

Is education worthy of nurturing the individual, allowing them to cultivate healthy relationships with others and with themselves?



### Viewpoint

NINUPTA SRINATH

In a modern world where social media addiction, ignorance-driven terrorism and identity thefts are common, fingers are almost always pointed towards the lack of education or exposure of the perpetrator. Truly, is enough consideration given to the quality of education, whether the individual is equipped with skillsets ready to face the dark web world and professional front, and if the education is worthy of nurturing that individual, allowing them to foster and cultivate healthy relationships with others and with themselves?

This brings to the forefront of the discussion what exactly is implied by the term ‘education’. We all are guilty of throwing the word around, without understanding its meaning. The Oxford Learner’s Dictionary defines education as “a process of teaching, training and learning, especially in schools, colleges or universities, to improve knowledge and develop skills.” Thus, as a stark contrast from the real-world scenario, education is a double-edged sword according to this definition. The endeavour to

both improve knowledge and develop skills may be perceived as mutually exclusive. While a focus on rote memorisation improves bookish knowledge, it often neglects life skills. Conversely, prioritising skill-building and capacity training may hinder the student’s ability to apply their theoretical knowledge to competitive examinations.

A historical touch to this discussion may enhance the criticality of the subject. Tracing back to 5000 BC, the Gurukul system prevalent in the Indian subcontinent required the student (or shishya) to reside permanently in their teacher’s (Guru’s) house to complete their formative education. This process included a mastery of the Vedic scriptures, and also complemented the very personality of the student by teaching them life skills such as sewing, swimming, cooking, cleaning, farming, and the like. It is understandable that since land was in abundance and population was scarce compared to today’s metropolitan-stricken nations, this system was doable. Over the years, however, with the introduction of Liberalisation, Privatisa-

tion, and Globalisation (“LPG”), an essence of commercialisation kicked in and education was never to be the same again.

Fast forward to the twenty-first century, no road or by-lane in India is devoid of tuitions, coaching and crash-course classes, and no tourist or local passes by without the sight of students hustling and bustling in such areas after their regular school classes. Further, no newspaper is sans tall promises about getting a perfect score on a tough competitive exam by attending an institute’s classes for merely twenty days. Mere lip service, is it not? Well, today, there are approximately 65 school boards in our nation. Thanks to westernisation, a pressing concern lies in meeting both the objectives of education effectively: knowledge-development and skill-building.

In light of the same, another topic of discussion erupts: does the impending need of preferring flexibility, particularly in higher education, vis-à-vis a stringent stream-based system (ie Arts/Humanities, Commerce and Science) — blatantly, in order of ‘distaste’ to ‘status’ in the In-

dian societal mindset — imply contributing to the growing trend of migration to other developed countries in pursuit of better education and standard of living, among other facilitators? The answer lies at the bedrock of education, in both the Indian subcontinent and overseas.

Basis a plethora of growing trends in the schemes of education and parenting today, a lot of parents are increasingly turning towards contemporary teaching-learning methods such as ‘home schooling’, ‘road schooling’ and even ‘world schooling’. While, on paper, a lot of these methods are known to be highly effective for the upbringing and overall development of the student — and there are numerous ongoing scientific studies to substantiate their efficacy — the inherent restraining forces just cannot seem to be overlooked.

The National Education Policy (“NEP”), 2020 aimed at bringing about a metamorphosis in the structure of Indian education towards a more holistic and multi-disciplinary form of education that is imparted to the student. Formidable pointers

were put across the table, which include — but are not limited to — internationalisation of education curricula, student participation, financial support, improvement of faculty, equity and inclusion, expanding of vocational education, improving the quality of research facilities, transforming higher education and very aptly, curbing the commercialisation of education in India. A plethora of other commendable policies and ideas were also jotted down in the much-anticipated policy.

The real test lies here. If we — the society — truly believe that lack of education is the evil in society, leading to so many contemporary issues such as poor health, unemployment, lower social security and standing, each of which have a plethora of their own ramifications, then surely, it is high time for all of us to step up. The time is ripe for change, and this is most definitely not the time to be languid.

**(Read full article at freepress-journal.in/analysis)**

Ninupta Srinath is a policy researcher and law student

### LETTERS TO THE EDITOR

#### Will the bullet win the ballot?

This refers to the edit ‘Is Lady Luck favouring Trump?’ (Jul17). It is indeed an irony that Donald Trump, who injected physical violence into recent American politics, now has a chance to play the victim card. The bullet that kissed Trump’s ear might soon prove to be his lucky

charm in winning him the ballot. **Avinash Godbole, Dewas**

It is unfortunate that America, still considered the promised land for many, should fall a victim to gun culture resulting in every Tom, Dick and Harry carrying a gun as a status symbol. It is tragic to find

the younger generation including students and even children having access to loaded guns. It is time a conscientious decision is taken by the American authorities to control issuance of gun licences, keeping in mind the safety of the public. The responsibility to contain this menace lies not only in the government and the political

leaders but also in all law-abiding citizens of the US who want their country to remain in lasting peace and tranquility. **Tharcus S Fernando, Chennai**

The gun culture in the US is axiomatic. The successive Presidents have done precious little to arrest the trend despite vehement criticism from all quarters. Unfortunately, it was Donald Trump who had to pay dearly for turning a deaf ear! **PG Menon, Chennai**

When violence enters political discourse, it indicates a probable end to the bipartisan dialogue which is the core of democracy. The security detail on the spot shot dead the shooter in seconds, all right, but the question will linger as to how the shooter could go so close to Trump. **Yash Pal Raihan, Jalandhar**

#### Flawed selection

The country that has given the best of brains to the world for its developments in various fields now stands abjectly exposed for its utter inability to even conduct examinations properly. It speaks volumes about the situation that calls for total revamp of the system. **AG Rajmohan, Anantapur**



#### Reels become unreal

The tragic death of Instagram influencer and travel vlogger Aarvi, after falling into a gorge in Kumbhe waterfall near Maharashtra’s Raigad, while shooting a video for an Instagram reel once again sadly reminds us how today’s youth ignore all precautions in their craziness for publicity through social media. A study conducted on selfie and reel deaths globally revealed that India is one among the nations with the highest number of selfie and reel deaths and most of the victims are just in their teens and twenties! It is shocking to see that in their quest to leave an imprint they have gone crazy about reels and selfies (or “killfiles” as they are called now) and that too most often risking their lives. **M Pradyu, Kannur**



A thought for today

To do the useful thing, to say the  
courageous thing, to contemplate the beautiful  
thing; that is enough for one man's life

TS ELIOT

# Biden/Caesar

How an American president has played out a  
classical tragedy, palace coup included

Every tragedy falls into two parts, a complication is followed by an unraveling or a denouement. Aristotle said this 23 centuries ago. The 46th American president is living this now. The Biden-Trump debate was watched by 51mn Americans on TV alone. In Biden's telling, he just had a bad night. For too many others, it meant that he would for sure have a super bad election day. And it isn't just Americans who have been weighing in on the matter. First, because of how consequential this election is for the world. Second, because its theatricality is riveting. Global interest has only intensified after the failed assassination of Trump. So, when Biden stepped down from his re-election bid this weekend, the denouement of the political crisis triggered by his debate performance, it sure vibed like classical tragedy: Beware the Ides of July.

The classical tragic hero, "highly renowned and prosperous", is not downed by vice or depravity, but by some error or frailty. This, too, describes Biden's situation well – he was brought down by nothing but "biological dynamics". A sitting American president dropping out of the race so late in the election cycle, is historic. It's really an unprecedented offering for "party and the country".



Republicans, of course, have a darker spin on his fate. That it is something like a palace coup. But talk of Biden being Julius Caesared is actually bipartisan. There are Democratic voices that are uncomfortable with the way in which long-time supporters and donors stepped away from Biden in recent weeks. When Shakespeare's Caesar went down with, "Et tu, Brute?", Antony called it "the most unkindest cut of all". This is echoed by some Democrats, who accuse Obama and Pelosi, who did not stage their disaffection publicly, of brutal betrayal. The theatre was all the more riveting because Biden didn't move towards denouement meekly. He resisted for days. So did his loyalists. There was no better demonstration of this than his continuing to claim until hours before he quit the race that, Hollywoodised American style, "I'm the guy."

So, yes, Biden has walked into what he and his cohort see as early, unwanted and unwarranted retirement. His critics in America's liberal establishment, in and outside the Democratic party, reckon he left it too late. But even if those critics are right, in this epic political drama, Biden is a bit of a tragic hero.

# Cooking It Just Right

SC order banning display of names at eateries  
along Kanwar route removes a govt-created blot

The Supreme Court's interim order putting a pause on UP, Uttarakhand and MP govt directives – for food stalls, shacks and eateries along the route of Shiv bhakts' annual trek, 'kanwar yatra', to display their names and their staff's – is a relief for both proprietor and pilgrim. States were wrong to enforce, with gusto and precision, such a measure. As SC said, food laws require that menus be displayed, and food be correctly labelled. People, petitioners argued, visit restaurants basis the menu, not who's serving or cooking – which directly feeds into politics of "untouchability". Thus, the case stood on the trinity of, SC said, "safety, standard and secularism".



**Livelihood hit** | The measure had a chilling effect with restaurants forced to ask Muslim employees to stand down during the yatra. The workers, largely pasmanda, would thus lose wages, and proprietors, their workers. The kanwar yatra has been the busiest season for decades for these eateries, fruit sellers and food stalls on the 240km odd route with multiple paths, catering to hungry, thirsty, exhausted walkers. The non-compliant would have had to cough up fines. The choice then was between a fine and the possibility of economic boycott. It was unconscionable for states to roll out such a targeted measure that hits livelihoods of certain sections during a certain festival along a certain route – Muslims along UP's districts, and OBC/Dalit-concentrated pockets in districts from UP into Uttarakhand.

**Introducing a fault** | Any rationale was missing from the word go. Unsurprisingly, directives drew new fault lines. Several kanwars too criticised the directive. There's, after all, also the matter of choice. Peer pressure is big in community activity such as this. If a kanwar were to patronise a restaurant against his group's choice, it might destroy camaraderie within kanwar groups. SC's order rightly brings pause. But these govt directives should be altogether nixed. They speak to poor governance, and poorer politics.

# Attention recession

We now read tweets not books, watch reels not movies

Arnab Ray



What's going to kill humanity, even before rising oceans and climate change, is our collective inability to concentrate. Tests became ODIs, ODIs became T20s, long-form magazine articles became blogs, which became tweets, movies became videos became reels, news became debates, and debates devolved into 10-second verbal volleys that became background noise at dinner.

Politics, all over the world, has been drained clean of nuance to be replaced by hype and emotion that target one at the moment and no more. People no longer read books – that's why bookshops now sell more computer games and greeting cards. The collective reservoirs of human dopamine have been depleted, our focus gone, thanks to user-interface designs of social media companies that make us go back to our phones every few seconds, like rats on a wheel, in search of a reward that will never come.

And if I have to see the destruction of civilisation, I only need to look in the mirror: Where once I could consume one massive tome after another, curled up in my bed, I now struggle to make it past two pages without taking a look at my phone. Once upon a time, watching a movie instead of reading a book made me feel as if I had cheated on the world. Now, I cannot watch a film either in one go. I have to pause every now and then and watch a reel, and then one reel leads to another. At some point, I cannot even concentrate on that. Diversion needs a diversion, and I get back to my movie. But not for long. I sleep. And then I wake up and start doom-scrolling through my phone.

It's even worse that I am an author. Every hundred words I write, I need to go to another tab to listen to another song, change my playlist, read a tweet, and write a few before I come back to writing the following sentence. A live conversation with a person sitting opposite me is not enough; I need to look down at my phone, prioritise the message of a college friend I never even liked, and exchange a stream of texts till I forget that thread, too. The worst of all is that I do not know why I do this while being conscious that I am doing it. I guess I am possessed, just like the rest of you.

# LOTUS FIGHTS TO BE POTUS

The battle for America's soul will be fought between Kamala Harris, who represents  
a changing country, and Donald Trump, who pushes a quasi-isolationist agenda

Chidanand Rajghatta



A week is a long time in politics, a British politician once said, but he was speaking well before the arrival of the internet and the age of social media, when even 24 hours is now an eternity. How things have changed in the hours after Biden bowed out – or was hustled out – of the US presidential election race, endorsing his VP Kamala Harris as the Democratic nominee.

Suddenly, she is poised to fight the oldest nominee for president in US history. It's not Biden's senility or infirmity in question now. It's Trump's age (78), fitness, and mental acuity. The tables have turned.

Trump and his MAGA constituency's immediate response to the development has been to resume and ramp up attacks on a person they see as an interloper. The crazies are crawling out of the woodwork, over-running moderate Republicans legitimately opposing Kamala on political and ideological grounds.

Birther conspiracies have taken on new life. Far-right maggots festering with resentment at a black-brown woman taking on white supremacy among other issues are questioning her eligibility to run for White House because she is an "anchor baby" – born to parents when they were foreign students in US. Typical of their ignorance, they're unaware that parental status is irrelevant; she was born in America and that's what matters.

Expect more such attacks and vilification in the coming days in a deeply polarised country, including edited mishmash of her word salads (still not a patch on Trump's actual blather) and sexist denigration of the way she dresses, moves and laughs. Patriarchy and misogyny still rule in conservative America, illustrated by the continuing

efforts by old white men to regulate the uterus of women, but who resist regulation of deadly assault weapons.

Kamala may or may not be the right answer to America's problems, but she has every right to have a fair shot at White House.



They will make it hard for her. A country that hasn't elected a woman to Oval Office in 248 years, and whose old white guard denied the presidency to a white woman (Hillary Clinton) through electoral college caprice (even though she won 3mn more popular votes than the winner in 2016) is hardly likely to entertain the prospect of a black-brown woman in White House. Her getting within a heartbeat of the presidency was enough to trigger them.

How does all this matter to the world and specifically to India? For all its flaws, US still remains the shining city on the hill, a political, social, and economic trendsetter. The fallout of what happens in America will affect not just the global order, but domestic politics everywhere. Any diminution of democracy and move

towards authoritarianism will delight demagogues and dictators all over the world.

Indians tend to see Kamala, or any other foreign leader of Indian origin for that matter, mainly through diasporic lens, expecting their ethnicity to supersede their nationality. By now it's reasonably established that any "desi-ness" in such leaders – be it Rishi Sunak or Kamala – is secondary and subservient to their national loyalty, as it should be.

Simply put, or oversimplified, Trump may be an existential threat to US and its democracy, but he is, in one sense, good for India because he is transactional, and lately, New Delhi is good at this *dhandu* (business). He is easily won over by flattery. There will be no pious lectures on human rights and his anti-minority majoritarianism sits well with the current dominant mood in India.

In his first term, someone suggested that all New Delhi had to do to appease him was buy for its police forces plenty of Harley-Davidson motorcycles, of which he was a big votary. India did better; it hosted a public rally that massaged his ego. His jettisoning of an Atlanticist outlook, his prospective diminution of Nato, and his more agreeable engagement with Russia (at the risk of being branded Putin's puppet) while seeking to counter China, will also be pleasing to New Delhi. Trump sees India in favourable terms, much more than Kamala. Small wonder he has growing support in India.

In any case, even an improbable Kamala victory will be questioned, challenged, and possibly overturned. A preview of the methods was demonstrated on



# Why La Roja Shines, In White, Black & Brown

That Spain's a major sporting power goes back to 1992 Barcelona Olympics. But immigration  
is changing the country. Its stars are not all white, whether the far-right likes it or not

Javier Dale



Columnist based  
in Barcelona

July 14, 2024 will be a date to remember in Spain. Carlos Alcaraz's victory in Wimbledon and the unexpected success of the Spanish squad at the Euros were something more than a breath of fresh air. They also had a message for the world and to Spain itself as a nation.

"I'm Spanish, what do you want me to win?", a successful catchphrase of the early 2010s, got back into circulation on social media. The two victories have also shown Spain as a changing country finding its way to be, while the far-right rises in the Western world.

The two wins' accurate comparison is neither with the 2010 Fifa World Cup, nor Nadal's long run in tennis. Instead, we have to go back 32 years to the 1992 Barcelona Olympics. That was not only a sports success. It was a public demonstration that Spain isn't only about bulls and paella, and that Spaniards aren't short, big-bellied, lazy people, but modern, free, arty and talented citizens of a likeable country.

How did that happen? Was there a sudden explosion of talent? If anything, there was a sudden explosion of method.

Before 1992, sports success in Spain was the result of individual effort. But in 1987, after Barcelona was nominated to host the Olympics, a plan was put in place. Program ADO, a non-profit govt-based institution, gave young sports talents the opportunity to worry about nothing but their careers. Funded with public and private resources, it gave amateur athletes the tools for success: from scholarships that, de facto, equalised their economic situation to that of professional athletes, to medical, psychological and structural aides like CARs (high performance centres). Alcaraz

was trained in former tennis player Juan Carlos Ferrero's academy shaped as a CAR.

Plus, the end of Cold War also brought unexpected assets. Coaches and trainers of the former red bloc could move to Spain to add a key element: technique and expertise.

Those were the facts behind Spain's 1992 success. Not just effort, but method; not just talent, but hard work; not just individuals, but a national goal birthed



by public-private joint ventures. Since 1992 until the 2022 Beijing Winter Games, Spanish sportsmen and sportswomen have won 144 summer and winter Olympic medals. From 1896 to 1988, they had won just 27 medals, a number that was almost equalled during the Barcelona Games alone, with 22 medals.

While sports grew in Spain, the country was growing too. During the 1990s and early 2000s, its economy and quality of life saw unprecedented growth. Just before the 2010 debt crisis, it had the 3rd highest GDP

per capita in the Eurozone. But the debt crisis broke some basic rules of the welfare state: public expenses for those in need had to be cut. A suddenly impoverished country became the breeding ground for a new kind of far-right, not based in Franco's fascist dictatorship nostalgia, but in a nationalistic, racist endeavour that has seduced thousands of youngsters.

The far-right rise clashed with an undeniable fact – that Spaniards were moving to other countries, fertility (1.16 child per woman) and birth (6.7%) rates were falling, and immigration had become a need. For Spain, and much of Europe, rise of nationalism is based on the vote of a frightened middle class that fears impoverishment without being poor. This comes with the usual fake news that sets crimes as a consequence of immigrants and illegal aliens, a lie that's been repeatedly debunked by official data.

Although the sports method remains unchanged, immigration is changing the skin of Spain. Success has made Spanish sportsmen and sportswomen a valuable – though not always affordable – good for Spanish professional teams. Only three of the 23 players (13%) that won the World Cup in 2010 played for foreign teams. In 2024, this percentage has risen to 26.9%. And some of them, such as Rodri, Fabian and Dani Olmo, have short or no experience in Spanish domestic tournaments; they're migrants themselves.

As it happened in 1992, the response to the existential debate of what we Spaniards are comes from the pitch. Young footballers Lamine Yamal (17) and Nico Williams (22) set the bar; a 17-year-old minor son of migrants and the son of an illegal alien now represent the possibility of a future against racism and warped nostalgia. Spanish society has to choose now. Between its past and its future. Between its angels and its demons.

# Calvin & Hobbes



# Absence Of Doership Promotes Inner Peace

Vijay Vancheswar

The core teaching of Ramana Maharshi focuses on dissolving one's sense of individual volition or doership, *karitva* in Sanskrit. The sage mentions that the biggest mental tapas is to subsume one's sense of control and doership. This can be sought either through the path of bhakti, an unconditional acceptance of the will of a higher power, or through the path of jnan, a persistent inquiry into the source of one's thoughts to identify who we are – the query 'Who am I?' According to the sage, all other spiritual paths lead and end only in this quest. The saying 'Not a leaf moves except by His will' expresses this and finds resonance in all faiths. 'Thy Will Be Done' in Christianity and the Urdu phrase 'Manzur-e-Khuda' in Islam imply that acceptance of the will of the

Divine is an essential prerequisite for one's peace and spiritual progress.

What we all unconsciously seek in life is peace. Conflict arises from not meeting our expected outcomes. The singular cause of this distress is our sense of control and volition. The Bhagwad Gita provides a solution: we have the right to actions but not the results. Outcomes are never in our control. Sometimes, great efforts do not produce expected outcomes; at other times, surprisingly pleasing outcomes are attained unexpectedly. However, our persistent and innate nature triggers us to ascribe all our successes primarily to our efforts. In his book *The Tyranny of Merit*, Michael Sandel points out that for all our striving, we are not self-made and self-sufficient. A lively sense of the

contingency of our lot can inspire a certain humility, enabling us to accept that, 'There, but for the grace of God, or the accident of birth, or the mystery of fate, go I'. The wisdom of this understanding humbles us and changes our attitude to life for the better.

Far from advocating inaction, an absence of doership promotes non-action, a positive trait that focuses on being in the moment. Ramana Maharshi explains this by distinguishing freedom from free will and ego from egoism. Freedom, as Ramana says, is our birthright. We are ever free, more so as we persevere to associate with our true nature or Self. Our sense of illusory free will provokes disharmony, more so when outcomes and expectations are not met. Ramana also distinguishes ego and egoism. A

### Sacredspace

Be not the slave  
of your own past  
– plunge into the  
sublime seas,  
dive deep, and  
swim far, so  
you shall come back with new  
self-respect, with new power, and  
with an advanced experience...

Ralph Waldo Emerson



## Building blocks

Survey shows the way for sustained growth

The Economic Survey, prepared by Chief Economic Advisor V Anantha Nageswaran and his team of economists at the finance ministry, has a clear message. The Indian economy has recovered strongly from the pandemic but sustaining growth to attain Viksit Bharat's goal will require sustained interventions and dealing with several emerging economic and policy challenges. India has achieved higher growth in the post-pandemic period without compromising on financial stability. All eyes will now be on Union Finance Minister Nirmala Sitharaman, who will present the first Budget of the third Narendra Modi government on Tuesday. This is expected to provide a medium-term road map of the Indian economy, among other things.

In terms of growth performance, India's gross domestic product (GDP) in 2023-24 (FY24) was about 20 per cent higher than the pre-Covid level in FY20. This translated into a compound annual growth rate of 4.6 per cent since FY20, accounting for the contraction of 5.8 per cent during the pandemic year. The Survey notes that India's current GDP was close to the pre-pandemic path in the fourth quarter of FY24. It expects the Indian economy to grow at 6.5-7 per cent this financial year, lower than the Reserve Bank of India's (RBI's) projection of 7.2 per cent. The fiscal position has also improved significantly from the pandemic year. The Union government's fiscal deficit declined to 5.6 per cent of GDP in FY24 compared to 6.4 per cent in the previous year. While growth in tax collection and a higher than expected transfer from the RBI will provide comfort in managing the fiscal position this financial year, the elevated level of public debt remains a concern and will need policy attention.

Growth in the post-pandemic period has been driven significantly by government capital expenditure (capex). Government capex in FY24 went up by 28.2 per cent over the previous year, and was nearly thrice the level recorded in FY20. However, the Survey rightly highlighted, it is now for the private sector to take the momentum forward with the government. Although there are initial signs of recovery in private-sector investment, the trend will need to be sustained. As the Survey underscored, future growth will depend on a variety of factors such as geo-economic fragmentation and an increasing trust deficit between countries. For instance, about 3,000 trade restrictions are reported to have been introduced in 2023. Additionally, emerging technologies as a differentiator and integrating climate strategy into policy planning will have implications for growth and development.

Among the key areas that will need policy focus in the short to medium term include generating productive employment, bridging the skill gap, easing bottlenecks affecting small and medium businesses, tackling inequality, and managing the green transition. However, it's worth noting that some of these issues are well known but the problem is India has not been able to adequately address them, which has affected growth and development outcomes over time. The Survey also highlighted strategies for the long term such as removing impediments in the agriculture sector, boosting private investment, and building state capacity. The beginning of a new term of the government is the best time to adjust medium- to long-term growth strategies. It remains to be seen how the government responds to these suggestions. The Survey has also raised some important questions in the context of China, which must be debated to inform policymaking.

## Can Kamala bloom?

Mr Biden may have stepped aside too late

United States President Joe Biden may have done right by his party by withdrawing from the presidential race but whether his gesture will significantly improve the Democrats' chances of retaining the White House in November is still an open question. Visibly frail, he finally heeded growing calls to step down after dallying for 25 days following a disastrous performance against Republican rival Donald Trump in the first presidential debate on June 27, and multiple gaffes at the North Atlantic Treaty Organization's 75th anniversary summit less than a month later. But he leaves his nominee, Kamala Harris, 59, just 107 days to convince the Democratic Party, donors, and voters of her fitness for office.

Ms Harris made waves by becoming the first woman of African-American and South Asian descent to serve as vice-president. She brought to the office her experience as California's attorney general and, since 2016, that state's junior senator, where she attracted attention for her sharp questioning of Mr Trump's executive nominees. Since then, her political accomplishments have been underwhelming. She withdrew from the 2020 presidential race following lacklustre performances in the intra-party debates, and her record as vice-president has done little to sharpen her political persona. Ms Harris begins her campaign just as Mr Trump's favourability ratings rose to their highest in four years following the failed assassination attempt and a ringing endorsement at the Republican National Convention last week. His choice of a former liberal as vice-president may draw undecided voters, come November. Ms Harris' head-to-head performance in the polls against Mr Trump is discouraging. The latest poll averages show Mr Trump leading Ms Harris by two percentage points (47 per cent to 45 per cent), just marginally less than the 2.5 percentage point gap over Mr Biden. If the maverick independent candidate, Robert F Kennedy Jr, is added to the fray, the gap between Mr Trump and Ms Harris expands to six percentage points.

Before she can take on a formidable opponent, Ms Harris has work to do within her party. Several challengers have withdrawn and telethons by her campaign through Sunday suggest that she has locked in a fair number of the 4,000 delegates to back her candidacy at the Chicago convention on August 19 and 20. Although she has positioned herself as a progressive, she has not noticeably developed a rapport with this constituency beyond her vocal opposition to anti-abortion laws. Her backing for Mr Biden's implacable support for Israel in the war against Hamas, which progressives oppose, could remain a sticking point. She has secured endorsement from the Congressional Black Caucus and Congressional Hispanic Caucus as well as the Clintons. Meanwhile, big donors such as LinkedIn's Reid Hoffman, George and Alex Soros, and some Wall Street donors have rallied to her, enabling her to stump up \$41 million within hours after her candidacy was announced. These developments suggest that Ms Harris is a shoo-in for the Democratic nomination. As for voters, her challenge lies in mobilising the traditional base of African-American and Hispanic voters to come to the hustings, and convincing undecided voters in swing states, now leaning towards Mr Trump, to vote for a non-white woman. In that respect, her vice-presidential choice for the ticket will be critical.



ILLUSTRATION: BINAY SINHA

## Survey links growth to ongoing reforms

While services exports may continue to have a competitive advantage, future growth will hinge on domestic consumption and investment demand

The Economic Survey 2023-24 profiles past economic performance, linking it to policy reforms and global conditions. It outlines India's potential to grow in the medium to long term.

## Growth prospects

While India's economic performance was beset by Covid in 2020-21, it has shown the healthiest recovery among major global economies since then, witnessing an average growth of 8.3 per cent during 2021-22 to 2023-24. India may aim for a long-term growth of 7 per cent-plus. Achieving this would require sustaining a real investment rate of 35 per cent, assuming an incremental capital-to-output ratio (ICOR) of 5. With a net inflow of capital of about 2 per cent of gross domestic product (GDP), which may be considered sustainable, real domestic saving rate needs to be about 33 per cent. This appears feasible since in 2023-24, the real and nominal saving rates are estimated at 35.5 per cent and 32.7 per cent. For the Union Budget, it is the nominal GDP growth that is critical since tax revenue growth is dependent on it. Given the Survey's average real growth of 6.75 per cent (6.5 per cent to 7 per cent) for 2024-25, it is likely that the underlying nominal growth for the Union Budget for 2024-25 may be 10.5 per cent, implying an implicit price deflator (IPD)-based inflation of 3.5 per cent.

In the context of inflation management, the Survey calls for a review of the present inflation targeting regime, broadly arguing in favour of recasting the target to focus on non-food consumer price index (CPI) inflation. Since recent pressure on CPI inflation was largely driven by food inflation, this modification in inflation management might facilitate the easing of interest rates and thereby

make monetary policy more growth-oriented.

## Fiscal consolidation

Assuming a buoyancy of 1.1 for the Government of India's (GoI's) gross tax revenues (GTR), along with a nominal growth of 10.5 per cent, the expected tax revenues would amount to ₹38.7 trillion in 2024-25, and a net tax revenue to the GoI of ₹26.3 trillion. This would facilitate the task of fiscal consolidation for the next Budget as well as for the medium term. The fiscal deficit-to-GDP ratio may be brought down to close to 5 per cent in 2024-25, and in four equal increments of 50 basis points each, it may be brought down to 3 per cent by 2028-29. It should then be maintained at this level in the long term, supplemented by a similar magnitude of fiscal deficit for the state governments. In fact, the Survey highlights that the fiscal deficit-to-GDP ratio for states has remained below 3 per cent during the last three years, from 2021-22 to 2023-24. The Survey highlights the increasing investment orientation of the fiscal deficit, implying a progressive reduction in the share of revenue deficit within the fiscal deficit. If and when the revenue deficit is eliminated, the entire 6 per cent of the fiscal deficit relative to GDP would add to the combined government's contribution to capital formation, which would mostly be devoted to infrastructure expansion. The Survey emphasises the role of infrastructure, both physical and digital, in sustaining India's growth momentum. The Survey calls for an increasing role of the private sector in building infrastructure, alongside the central and state governments.



D K SRIVASTAVA

A critical challenge for policymakers focusing on the long term is to deliver an employment-intensive

## Demographic challenges and employment

A critical challenge for policymakers focusing on the long term is to deliver an employment-intensive

## A new PSU isn't the answer

A lot has been written about India's burgeoning freight costs and what must be done about them. Experts warn that the country, which incurred freight costs of \$85 billion in 2019-20, will see that figure rise to about \$400 billion by 2047. What rankles even more is that all this money is being paid out to foreign shipping companies. So now, public sector undertakings (PSUs) in the fields of gas, oil, coal and fertiliser are being asked to leap into the (for them) uncharted waters of shipping by floating their own shipping company. Once more policymakers seem to be going back to the old and tested remedy for any financial or managerial problem: Start another PSU.

The first point to be considered is whether a new company, whether government or private, will actually result in the reduction of freight costs. The plain answer seems to be a resounding no. Freight is a function of the market and freight rates are determined by the forces of supply and demand. It is true that you will be offered different freight rates depending on whether you access the spot market or go in for a long-term charter. There are pros and cons attached to both. But in either case, a government company is unlikely to offer a lower rate than that dictated by the market.

What upsets most people is that we pay freight to foreign companies in foreign exchange. Critics argue that this money should instead go to home-grown companies flying the Indian flag. These companies too will be paid in foreign exchange but the exchange so earned will come back to the country. With foreign exchange reserves now standing in excess of \$650 billion, it seems a little odd to form a new government company simply because you want to save foreign exchange. It would be more sensible to ask for greater efficiency, lower freight rates, and quicker turnaround time.



MICHAEL PINTO

Uni-directional traffic is, by very definition, uneconomical and would seriously affect the company's bottom line.

The problem really is that, with about 1,500 large vessels, the Indian fleet is still very small. In niche areas like containers, for example, it is almost non-existent. Experts agree that a country with a sufficiently large tonnage under its belt is usually able to secure lower freight costs. The very size of the fleet ensures that market forces work in its favour. The only question is whether the larger fleet should come solely through state investment.

One largely forgotten initiative that the government took to grow the fleet as far back as in 1959

growth that can cater not only to the new entrants to the workforce, but also absorb the existing stock of unemployed individuals that has been growing in recent years. The Survey points to a decline in the unemployment rate from 6 per cent in 2017-18 to 3.2 per cent in 2022-23. Going forward, emphasis has to be placed on skill building. The Survey indicates that only 4.4 per cent of the young workforce is formally skilled. There is a need to accelerate skill building and technological upgrade of India's workforce. The impact of artificial intelligence (AI) would be both productivity-enhancing and labour-saving. The Survey advocates policy support to those sectors that can strike a balance between deploying technology and labour.

The Survey recognises the role of the strategy for financial inclusion, which has been a target-based approach facilitating the direct delivery of benefit transfers through digital payments. A vast digital infrastructure has already been put in place for financial inclusion and expansion in the country, which will come in handy in supporting welfare and employment-oriented long-term growth.

## India's path towards long-term growth

The Survey highlights the direction the Indian economy should take while building its long-term future. This path should be characterised by six desirable features: (1) an emphasis on employment-oriented private sector investment, (2) a focus on the greening of growth, (3) supporting the growth of micro, small and medium enterprises, especially through improved access to credit, enhanced physical and digital connectivity, and a better regulatory environment, (4) continuing to rely on agricultural growth supported by better technology and climate-friendly policies, (5) a continued emphasis on education and skill building, and (6) increased productivity of the state governments.

The Survey points out that as of May 21, 2024, the share of non-fossil sources in the installed electricity generation capacity has reached 45.4 per cent. Further, the country has reduced the emission intensity of its GDP by 33 per cent from 2005 levels as of 2019. The Survey highlights that energy needs in India are expected to grow 2-2.5 times by 2047. It advocates an energy transition that should factor in alternative demands on the resources for improving resilience to climate change and for sustained social and economic development.

India's medium- to long-term growth, according to the Survey, will be facilitated by keeping the general government debt within sustainable limits, which, under the Fiscal Responsibility and Budget Management Act, is specified at 60 per cent of GDP. This calls for a steady reduction in government debt to sustainable levels. Global economic conditions will not be conducive to an export-based growth strategy. India's future growth will be a unique experience in itself, largely based on domestic consumption and investment demand. However, going forward, India's services exports are expected to continue having a competitive advantage.

The writer is chief policy advisor, EY India, and member, advisory council to the Sixteenth Finance Commission. The views expressed are personal

was the establishment of the Shipping Development Fund (SDF). The SDF extended loans at highly concessional rates to shipowners to help them acquire ships. From its inception until it was wound up in 1987, the SDF extended loans to the tune of ₹1,452 crore to the shipping industry, of which nearly half went to the private sector. The effect of the loans provided by the SDF was almost magical. From a size of 0.75 GRT in 1959, the Indian fleet reached close to 6 million GRT by the end of the 1970s.

With a little fine-tuning, this method could be tried again. This time, lending for this scheme should come from banks, while the government's contribution should only be to defray the interest costs to the shipowner. Not only does this ensure a much lower budgetary outlay, but project appraisal is now with the bank that has the necessary expertise to do this rather than the government that does not. This should greatly reduce the incidence of bad loans.

Other reforms could include scrapping the preference given to small enterprises owning only one ship. During industry downturns, these single-ship companies often become the first casualties, and their lack of other assets makes recovery difficult. The policy should prioritise those most likely to succeed regardless of their size. It should also ensure that the choice of which yard to buy from must be left entirely to the shipowner. It must not insist on ships built only in Indian yards or with Indian raw material like steel or electronics or engines. The objective of the scheme is to grow the flag and not to support local shipyards or suppliers.

The Golden Age of Indian fleet expansion has never been repeated, and subsequent growth has been tepid. Of course, there are also other reasons at play, but for policymakers the moral of the story is that starting a new PSU is not necessary to expand the fleet. A sound financial policy that supports all owners, private and public, is likely to be more effective.

The writer is former shipping secretary, Government of India

## The Pareto principle in wealth creation



## BOOK REVIEW

SANJAY KUMAR SINGH

My investment journey began around 2005-06. I committed all the typical mistakes a rookie makes. I chose funds displaying very high returns over the past one or three years. After I bought them, their performance dipped within a year or so. I switched funds only to witness the pattern being repeated. Not knowing why this happens—the market favours different investment styles at various points—I came to believe the fault lay in my stars.

Fortunately, the news organisation I worked for then had a few veteran personal finance journalists. They

constantly extolled the virtues of exchange-traded funds (ETFs). Without fully understanding their pros and cons, I latched on to a couple of these passive funds because my in-house gurus said doing so would rid me of the problem of selecting funds.

Those funds, which very few invested in then, served me well. Since one can't run a systematic investment plan (SIP) in ETFs, I was inconsistent. Some months I didn't have any money to invest. And whenever the markets crashed, I was too scared to put in more money. But my love for inaction—laziness, in plain English—proved a blessing in the equity markets. Simply staying invested for over a decade and a half has allowed me to reap the benefit of compounding.

Meanwhile, many people around me crashed and burned. A cousin bought seven unit-linked investment plans (Ulips) around 2001-02. These newly introduced products were then touted

by the insurance industry as a more transparent alternative to traditional plans. What was not revealed was that they came with very high fees. Seven years later, when he exited, he barely recovered the premiums he had paid.

Some friends and colleagues caught the real estate bug between 2003 and 2007, when prices were soaring, and invested in flats in the Noida-Greater Noida region. Many of them fell prey to the great heist developers in the National Capital Region (NCR) orchestrated against buyers. A few are still awaiting delivery.

In recent years, mutual funds have gained immense popularity with their assets under management (AUM) reaching ₹61.3 trillion in June 2024. While people are flocking to them (especially on the equity side) and using the SIP route, many don't seem to be investing wisely. Financial planners report seeing numerous portfolios stuffed entirely with small and midcap

funds—market segments that have done well recently. The high collection figures of new fund offers—basically, funds with no track record—tell their own story. The monthly data from the Association of Mutual Funds in India (Amfi) reveals

significant flows into sector and thematic funds. Do the individuals investing in them fully appreciate their risks?

Many do-it-yourself (DIY) investors do not understand the concept of asset allocation and the need to construct portfolios diversified across equity, debt and gold. Fewer still are aware of the need to rebalance their portfolios at least once annually to curb risk.

So long as equities are scaling new

highs, these bull-market excesses will remain hidden from view. But one shudders to think what will happen when the market corrects.

New investors must make a prudent start in the equity markets and avoid losses that could leave them scarred. They should ideally pay a financial advisor a fee to build suitable portfolios for them. If they are unwilling or unable

to do so, they should read a book like Arun Kumar's recently published *The 80:20 Money Makeover*.

Mr Kumar, head of research at FundsIndia.com, begins with advice on how to put the basics in place. The reader learns how to automate saving and investing, set up an emergency fund and buy adequate life and health insurance.

Next follows a chapter on investing for short- to medium-term term goals of six months to five years. Here, Mr Kumar



## THE 80-20 MONEY MAKEOVER

Author: Arun Kumar

Publisher: Harper Business

Pages: 338

Price: ₹499

offers a primer on selecting the right fixed deposits and debt mutual funds.

Having laid the groundwork, the author then explains how to embark on the path of wealth creation. This journey is again divided into three stages: Early wealth creation (up to 5 times annual expenses); advanced wealth creation (5 to 25 times annual expenses); and financial freedom (more than 25 times annual expenses). The book concludes with advice on avoiding the behavioural pitfalls that prevent investors from reaching their financial goals.

As the book's title indicates, Mr Kumar has focused on offering readers the key tricks of the trade that can help them create wealth. The effort that has gone into weeding out all complexity from this project is commendable. He has successfully put himself in retail investors' shoes and offered detailed answers to the questions they typically ask. The advice on portfolio construction and management at various stages is invaluable. Use this book as a step-by-step guide and companion during your journey of wealth creation.

## The Tribune

ESTABLISHED IN 1881

### Reaching out to RSS

BJP lifts ban in a bid to placate Sangh

THE BJP-led Centre's decision to lift the ban on government employees from participating in activities of the Rashtriya Swayamsevak Sangh (RSS) is an attempt by the ruling party to reach out to the Hindutva organisation and convey the impression that everything is hunky-dory within the Sangh Parivar. Asserting that the move would strengthen the country's democratic system, the RSS has accused erstwhile (read Congress) governments of furthering their political interests by imposing the ban. Attacking the Centre, the Congress has said that the new order would test the neutrality of public servants.

Relations between the BJP and the RSS are going through a rough patch, particularly after the saffron party fell short of a majority in the Lok Sabha. The BJP's below-par performance in the parliamentary elections has given ample fodder to the Sangh top brass to fire no-holds-barred salvos. RSS leader Indresh Kumar said Lord Ram had stopped an 'arrogant' party that claimed to be 'Ram Bhakt' from attaining a majority, while Sangh mouthpiece *Organiser* observed that the electoral outcome was a 'reality check' for overconfident BJP workers. Last week, RSS chief Mohan Bhagwat apparently alluded to Prime Minister Narendra Modi when he talked about the human ambition to become a superman and a god. Moreover, Sangh leaders have sent out a message that their organisation will not play second fiddle to the BJP.

Dependent on allies for the first time in a decade, the BJP seems keen to make concessions for the sake of staying in power. With the RSS centenary coming up next year, the ruling party is expected to go all out to appease Bhagwat and Co. Lifting of the ban will help in ironing out some of the differences, even as the onus is on the government to address concerns and allay fears over the contentious decision's impact on governance.

### India Inc lags in jobs

Economic Survey for more FDI from China

THE Economic Survey for 2023-24 highlights a concerning disparity within India's corporate sector. While companies have enjoyed unprecedented profits, hiring and salary growth have not kept pace. The government has rightly emphasised that job creation predominantly occurs in the private sector, urging companies to increase hiring and worker compensation. Between FY20 and FY23, the profit before taxes for over 33,000 companies nearly quadrupled. Yet, this financial boon has not translated into corresponding growth in employment or wages. This imbalance poses a risk to India's long-term economic stability and growth. For sustainable development, it is crucial that corporate profits benefit a broader spectrum of society.

The Economic Survey also underscores a collaborative approach between the Centre, state governments and the private sector, which is essential to meet the rising aspirations of Indians and achieve the vision of Viksit Bharat by 2047. It reveals that the road ahead is challenging, with geopolitical shifts, climate change concerns and the advent of artificial intelligence adding layers of complexity to the job market. Finance Minister Nirmala Sitharaman, presenting the survey, noted the Indian economy's resilience and strong post-Covid recovery. However, she acknowledged that maintaining this trajectory required concerted efforts from all stakeholders.

An intriguing recommendation in the survey is for India to seek more foreign direct investment (FDI) from China to boost local manufacturing and tap into export markets. Despite strained ties and ongoing border tensions, greater FDI from China could integrate India into global supply chains and enhance export capabilities. This strategy, as the survey suggests, might be more beneficial than relying solely on trade, given the growing trade deficit with China.

#### ON THIS DAY...100 YEARS AGO

## The Tribune.

LAHORE, WEDNESDAY, JULY 23, 1924

#### Congress presidency

EVEN since the appearance of Mahatma Gandhi on the scene, the Presidency of the Congress has been shorn of some of its old importance. The President no longer leads the Congress as he used to do in the old days. He either meekly follows a more forceful personality as more than one President have done since 1920, or drives his lonely furrow as C Vijayaraghavachariar did at Nagpur, or is but the leader of a section of the Congress as Lala Lajpat Rai was at the Special Congress in Calcutta, or CR Das at Gaya. Heaven forbid that this should be said by way of censure or reproach. It is a peculiar good fortune of a nation to have a man like Mahatma Gandhi to lead it at time of crisis such as India has been passing through. When such a man is there, he naturally takes his rightful place at the head of the nation, no matter who else may or may not fill places of nominal authority and control. The thing was not altogether unknown even in the old Congress. Who that is old enough does not remember that almost dictatorial authority exercised by the great Sir Pherozeshah Mehta for some years in the early days of the Congress? Whosoever might be the President, it was Sir Pherozeshah who wielded the real authority. Mahatma Gandhi's case is more conspicuous, only because of his stronger hold on the Congress and the country, more particularly on the country, which in the days of Sir Pherozeshah was yet to be evolved as a political entity. It is partly, perhaps principally, for this very reason that nobody ever seriously thought of electing the Mahatma to the Presidential Chair.

# Hasina must learn from Rajapaksa ouster

Recent bloodshed has laid bare Bangladesh Prime Minister's fragile bubble



NIRUPAMA SUBRAMANIAN  
SENIOR JOURNALIST

POLITICAL street violence in Bangladesh has been a recurring event for nearly three decades. But even by these standards, the killing of over 100 people, many of them student protesters shot dead by the police, is a new low in the five-decade history of the country. With this, Prime Minister Sheikh Hasina, who in January won a fourth consecutive term in office in an election boycotted by the Opposition, on a barely 40 per cent turnout, has entered politically hazardous territory.

The Bangladesh Supreme Court's order slashing the quota of 30 per cent of government jobs for descendants of freedom fighters, and bringing down all reservation to a total of 7 per cent from the previous 56 per cent, may not end the Bangladesh leader's troubles.

The protests against the quota for freedom fighters are just one manifestation of deep anger against a Prime Minister who was once hailed as a model of democracy and secularism in the Islamic world, but who has since consolidated her hold on power in the manner of an authoritarian – describing the Opposition as 'terrorists', jailing its leaders, lashing out at critics as 'traitors' to the nation, muzzling the media, and being accused by rights activists of using enforced disappearances and extra-judicial killings to silence them. Hasina, who has survived more than one assassination attempt, would like the world to see her as the last woman standing between Islamist extremism and her fragile country. But even her supporters are finding it hard to justify her methods.

Writing in these columns recently on the 75th anniversary of the Awami League, the party



FUROR: The student protests are just one manifestation of deep anger against PM Sheikh Hasina. REUTERS

of Bangladesh's liberation that Hasina has led for four decades, Mahfuz Anam, editor of *The Daily Star*, described how it had lost its way badly. The Awami League, he wrote, "today is its own judge and jury. It is a typical example of a political party living in its own bubble. And since it has monopoly control on all the levers of power, the bubble, as fragile as it is, can also be dangerous. This is so because the reality presented by the bubble can form the basis of decisions that can fatally harm us all."

Hasina has been in office continuously since January 2009. Her landslide victory in the December 2008 elections came after a tumultuous period for the country and was hailed internationally as a win for progressive forces in Bangladesh. But a mutiny by officers of the Bangladesh Rifles in February 2009, a month after she was sworn in, shook her government.

Hasina survived that crisis, with Delhi holding her hand. In the 15 years since then, Bangladesh's economic turnaround and its solid progress on human development indicators – the country is set to graduate from the Least Developed Category in 2026 – won her much international admiration, at the same time as her increasingly authoritarian political style drew criticism and made her unpopular at home.

The 2012-13 fast-tracking of a

For Delhi, which has placed all its Bangladesh bets on Hasina, her political actions and clear unpopularity are bound to put increasing pressures on bilateral ties.

process to punish Pakistan's Islamist collaborators during the 1971 Liberation War, which led to the execution of six Jamaat-e-Islami leaders and one of the opposition Bangladesh Nationalist Party (BNP) after a quick trial and conviction by a special court, fuelled polarisation in the polity. The Jamaat-e-Islami was banned, and the BNP has since boycotted two elections – in 2013 and 2023 – over its unmet demand for a caretaker government to oversee the electoral process. The party contested the 2018 election, but its leader, Khaleda Zia, was convicted and jailed, and not allowed to run.

The Hasina government's counter-terrorism response after a wave of Islamist-linked killings of secular activists culminating in the 2016 terrorist attack on a cafe

in Dhaka, is seen to have been effective. But Hasina's one-party rule and the government's single-minded focus on wiping out the political opposition have led to a vacuum in the polity that is being filled by a yearning in large sections of the public for Islamic governance. This is especially so as Bangladesh's economic dream run has now run out of gas, literally. Russia's Ukraine war slowed down the country's post-pandemic recovery, with a direct impact on the citizens. Food inflation is high. An acute unemployment crisis has worsened people's lives. And a young population is demanding political accountability from an unresponsive government. This is why the quota in jobs brought students out on the streets, resulting in last week's bloodshed.

For Delhi, which has placed all its Bangladesh bets on Hasina, her political actions and clear unpopularity are bound to put increasing pressures on bilateral ties. On the one hand, Hasina's crackdown on Islamist groups, which Indian security agencies link to Pakistan, as well as against northeastern insurgency groups with safe havens across the border, is exactly what Delhi wants. In this respect, the Khaleda-led BNP coalition government was a nightmare that India has no desire to relive. Like all other countries in South Asia except Bhutan, Bangladesh has signed on to China's Belt and

Road Initiative. Hasina wants Beijing to invest more money in Bangladesh's infrastructure development. This was her objective during a recent visit to Beijing. Other than Pakistan, Bangladesh is the only country in the neighbourhood that buys weapons and other military equipment from China. So far, this has put no apparent strain on ties with India, though Beijing's interest in developing the Teesta reservoir rang alarm bells in Delhi, and sent the Foreign Secretary rushing to Dhaka with a matching offer, reiterated during her visit to Delhi in June.

On the other hand, Hasina's detractors and opponents see her using her proximity to Delhi to claim political legitimacy at home, which feeds directly into her unpopularity. More so as it has failed to deliver Bangladesh's most important demand, a share of the Teesta waters. Instead, what Bangladesh got was an unintended power purchase deal with an Adani power plant in Jharkhand, which ran into a storm of criticism for the high coal price written into the agreement. In the event, an 'India Out' campaign, following on a similar agitation in the Maldives, was hardly a surprise. Hasina's pushback ensured it was shortlived, but it showed the sentiment exists. How long Hasina, with her depleted political capital, can stand as a buffer is a valid question.

July 2024 in Dhaka is not July 2022 in Colombo. Bangladesh's condition is not as precarious as the dire straits in Sri Lanka that triggered a people's movement and the ouster of Gotabaya and Mahinda Rajapaksa from the leadership of the country. But Sri Lanka should be a cautionary tale for Hasina. Her description of protesting students as 'razakar', a term of abuse for collaborators with the Pakistan army in 1971, lays bare Hasina's fragile bubble. If she does not break out of it, something may give soon in Bangladesh. At a point when India's neighbours are all politically and economically unstable, Delhi's Neighbourhood First policy seems more important than ever.

#### THOUGHT FOR THE DAY

Authoritarian political ideologies have a vested interest in promoting fear. — Susan Sontag

## Reminiscences of the Kargil War

COL HP SINGH

THERE hasn't been a more tearful goodbye than the one I received as a newlywed that morning from my wife, who was unaware of the perils of soldiering. Our flight had been mobilised to provide aviation support to our troops fighting in Ladakh. Kargil, a little-known town till then, had suddenly emerged on the world map.

With just a year of flying experience and no hill flying background, I underwent on-the-job training. Operating at those unforgiving altitudes with reduced oxygen levels tested both human and machine endurance. The helipads were barely wide enough to land, leaving no room for error. Flying in pairs offered some solace; at least our location would be known in an emergency. Each sortie was a new experience and every landing back at base felt like a homecoming.

With the Line of Control losing its relevance, we had to determine whether landing sites were in friendly or hostile territory. Those who returned with splinter marks on their helicopters deserved their gallantry awards. For the wounded, we were 'angels of mercy'. Sadly, some would not survive or be maimed for life, raising questions about the worth of living in a vegetative state. The smell of death was nauseating.

Stress and anxiety were writ large on the faces of flying commanders on reconnaissance missions. Heavily lies the head that wears the crown and many lives depended on their decisions. We also flew journalists who covered the war, including Vishnu Som and Baikha Dutt. Bollywood stars Vinod Khanna, Nana Patekar and Salman Khan visited us, providing a colourful interlude to the otherwise grey battle zone. For a change, these celebrities asked for photos with us.

Each day was an emotional seesaw. When one of our helicopters crashed, there was a stunning silence in the crew room. Hearing about the wellbeing of pilots was a cause for celebration. Capt Vikram Batra's legendary words on TV, 'Yeh dil maange more', cheered us up; his death just days later was a rude shock. There was joy when we won back Tololing Ridge and Tiger Hill, but it was dampened by the task of carrying the mortal remains of those who achieved this victory.

For my parents, it was a harrowing time, with both their sons in the war zone. We returned to Jalandhar with mixed emotions after the guns fell silent. We had won the war, but one of us had not made it back, falling prey to the fickleness of fortune.

Otto von Bismarck said: 'Anyone who has looked into the glazed eyes of a soldier dying on the battlefield will think hard before starting a war.' Thankfully, there hasn't been a war since then. But who can predict a soldier's fate or the enemy's mind?

#### LETTERS TO THE EDITOR

##### Kamala's moment of truth

Joe Biden finally gave in to pressure from the Democratic Party and dropped his re-election bid, paving the way for Vice-President Kamala Harris to take on Donald Trump in the November 5 elections. Now, it is on Kamala to win over the American voters. Notably, Donald Trump's popularity has soared in view of the attempt on his life during a recent Pennsylvania rally. So, she faces the tough challenge of mobilising voters behind her by convincing them that she is the better candidate. From gun violence to social unrest, there are a lot of issues that will weigh heavily on the American electorate. If Kamala does win over the voters and prevail over Trump in the race to the White House, India will have a reason to celebrate.

KIRTI WADHAWAN, KANPUR

##### Biden read the writing on the wall

Apropos of the front-page news report 'Joe, Bye-den'; it is a relief that good sense has finally prevailed. President Joe Biden read the writing on the wall and decided to step aside. Not only has he dropped out of the presidential race, but he has also endorsed Vice-President Kamala Harris, who is replacing him at the top of the ticket. His decision, though belated, will probably save his party an ignominious defeat in the elections later this year. Kamala has already created history by becoming the first non-White woman presidential nominee. Hopefully, she will use up the time left until the polls wisely to defeat Donald Trump.

UPENDRA SHARMA, BY MAIL

##### It's over for President Biden

With reference to the story 'Joe, Bye-den'; the incumbent US President caved to growing pressure from some of his closest allies to bow out of the race amid deep concerns about his advanced age, his ability to lead the country for another four years and his viability as a candidate to take on the Republican contender. Several prominent Democrats wasted no time in throwing their weight behind Vice-President Kamala Harris after it

was announced that she would seek the Democratic presidential nomination.

RUKMA SHARMA, JALANDHAR

##### A debate cost Biden dear

Joe Biden's decision to not seek re-election has been welcomed by other Democrats, and understandably so. His shaky performance during the debate with Donald Trump last month had magnified his age and frailty. It is laudable that the incumbent pulled out of the contest well in time, giving Kamala sufficient time to build her campaign and raise funds. Kamala has long been seen as a much younger but well-experienced and popular alternative to Biden. Hopefully, she will give Trump a tough fight.

NPS SOHAL, CHANDIGARH

##### A lesson for India

Refer to 'Bangladesh in turmoil'; the violent protests that have erupted in the neighbouring country are a reminder of the perils of a de-facto one-party system. Since Bangladesh's apex court has slashed the quota that reserved 30 per cent of government jobs for relatives of veterans who fought in the 1971 war of independence to 5 per cent, the students have called off the stir. But the episode carries an important lesson – when the citizens of a country have no real alternatives to their leaders, unrest and violence are more likely to break out. The spell of violence in the neighbouring country should serve as a warning for other South Asian nations.

GREGORY FERNANDES, MUMBAI

##### Communal harmony at stake

Incidents of violence during the Kanwar Yatra mar the jollity and sanctity of the pilgrimage. Authorities must take steps to avoid a clash between *kamwariyas* and Muslim shopkeepers. It is important to note that even a minor altercation over the sale of meat can lead to vandalism or murder. The BJP-led UP government must not take any decision that could further inflame tensions. The diktat mandating food and beverage shops to display the name and identity of the owner or operator will only stoke more division. Such moves aimed at electoral gains threaten public safety and disturb communal harmony.

SAHLEEN KAUR, LUDHIANA



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

— Ramnath Goenka

## SURVEY'S ADVICE ON ALL-SECTOR APPROACH AND JOBS SPOT ON

THE Economic Survey 2024, like its previous editions, may convey more over time than it does in the moment. At first blush, it seems to have prudence and conservatism written all over as it pegs GDP growth for 2024-25 at a modest 6.5-7 percent. Chief Economic Adviser V Anantha Nageswaran even suggested that we do not need big-ticket reforms, but must fix the nuts and bolts to keep the economy humming. His six-pronged growth strategy is to shift away from structural reforms of the last decade that focused on supply-side interventions. Instead, he urged the government to target next-gen reforms that are bottom-up, encouraging private investments that will create jobs and increase incomes.

Over the past 30 years, India's nominal GDP grew 35 times in rupee terms, while it saw a 12-fold rise in output from \$300 billion in 1993 to \$3.6 trillion in 2024. According to Nageswaran, the country's medium-term growth rate is pegged at above 7 percent. But first, he suggested an all-hands-on-the-table approach focusing on all sectors including agriculture, industry and services, rather than cherry-picking manufacturing or services. As for unemployment, which the opposition claims is hovering at a 45-year high, the Survey noted that India must create 8 million jobs a year. Nearly half the 56.6-crore workforce is employed in agriculture. In other words, industry and services have a country mile to cover. The informal sector and smaller enterprises—the lifeblood of the Indian economy—need a helping hand, be it via credit support or deregulation.

Public investment has been playing the role of a relief pitcher for quite some time now, and it's high time India Inc weighed in. It's not that corporates are bleeding—far from it, they are raking in the dough. Yet, private investment growth continues to be squat in single-digits, waiting for household consumption to show a proof of life. But domestic demand is a product of quality jobs and rising incomes, for which the Survey squarely puts the onus on the private sector and the states. While companies are tasked to create jobs, it wants the states to address issues that influence growth, jobs and productivity. While they do have a role to play, it's also true that growth and jobs are equally among the Centre's key responsibilities. So, the reforms process at that level should not stop.

## NEW CRICKET ERA WITH GAMBHIR AT THE HELM

LESS than a fortnight ago, cricket held India to a standstill. The India team ended the ICC trophy drought and had the grandest of welcomes when they arrived in Mumbai, the country's cricket capital. As the hoopla ended, a new dawn quietly broke on the horizon. The T20 World Cup ended the international chapters of two of India's most illustrious cricketers—Rohit Sharma and Virat Kohli—in the shortest format. Along with them, Rahul Dravid also ended his successful tenure as head coach.

To herald the new era, Gautam Gambhir has taken Dravid's place. He will be under immense scrutiny as well. However, right at the beginning, he has made a statement with the appointment of Suryakumar Yadav as the new T20I captain. It was a curveball not many saw coming, especially after Hardik Pandya, who largely led the T20I team between the 2022 and 2024 T20 World Cups, was tipped to take the reins from Rohit. Instead, Gambhir and the selection committee led by Ajit Agarkar decided to go the other way.

Both of them said on Monday that they wanted a captain who could be on the field without injury concerns; they also made it clear it was a decision based on feedback from the players. What this means for Pandya, who will feature in the T20I series against Sri Lanka, only time will tell. Gambhir and Agarkar also made it clear who they are looking at as a potential all-format successor to Rohit—Shubman Gill. The Punjab batter captained India in Zimbabwe and has been named vice-captain for the entire Sri Lanka tour. That he has already cemented his place in the ODI and Test sides only adds to the argument. Gill has the ability to up his game in the shortest format too.

The Sri Lanka series would be a fresh start for a new-look team. No one knows yet how Gambhir will handle coaching. He has brought in coaches he has worked with earlier—there are a lot of expectations riding on his team. One bright thing is that he has another ICC event in February. When the fight for the Champions Trophy comes around, Gambhir will have a chance to etch his name in gold in the history of Indian cricket.

### QUICK TAKE

#### GUARD PILGRIMS' HEALTH

THE Supreme Court's decision to stay the directives issued by some states for shop owners to prominently display their names during an annual pilgrimage season is welcome. Justices Hrishikesh Roy and S V N Bhatti issued notices to the effect to the Uttar Pradesh, Madhya Pradesh, Uttarakhand and other state governments where kanwar yatra takes place. Also welcome is the bench's order for shopkeepers to be clear and upfront about the food being served to kanwariyas. India's strength is its diversity. Rather than making it easier to play up differences, the state administrations should ensure the pilgrims' health and hygiene during this troublesome rainy season.

HERE are two views about the annual Union Budget. One says it is inconsequential, since nothing much can be done in a budget. Most expenditures are committed, leaving little freedom for policy change. The other view is that it is the single largest item in the economic calendar and has a substantial impact. Since it is the largest item, whether there is continuity or change, its impacts the economy either way.

Most analysts giving opinion on the budget are spokespersons for some business or the other. They take a narrow view of it. Namely, whether their business would benefit or not. Seldom do they take a wider view of the economy and analyse the impact of the budget provisions on the economy as a whole and on the big issues confronting the country. This view by definition is a macro view. It does not balance out various urgent and long-term requirements.

The macro view can help the country focus on major current issues like unemployment, price rise, poverty, inequality, investment, trade and nature of growth. These impact all economic activity, not just specific businesses. If the former is buoyant, so will the latter. This is a positive-sum game where everyone together benefits and India becomes a developed nation. In a zero-sum game, some benefit at the expense of the others.

Since demonetisation in 2016, the organised sector has grown at the expense of the unorganised one, which employs 94 percent of the workforce, in a zero-sum game. It is the cause of rising unemployment and inequality in the country, with consequent social and political strife and instability. Do we need to learn from the current happenings in the neighbourhood?

A budget is not meant only for the year for which it is prepared. It can set the direction of the economy for subsequent years also. Thus, it must be viewed from the standpoint of the next few years, if not the long term. Further, most major problems plaguing an economy cannot be resolved within the span of a year. For instance, unemployment, poverty, inequality, better education and health cannot be taken care of in one year. Only a roadmap can be drawn for addressing these challenges.

#### Generating jobs

Unemployment is the most critical issue facing the nation. This was also in evidence during the recently concluded elections, especially for the educated

A budget is not meant only for the ensuing year. Also, most major economic problems can't be resolved in a year. That's why a longer macroeconomic view is needed

## MACRO TASKS IN THIS BUDGET AND BEYOND

ARUN KUMAR

Former professor of economics, JNU and author of *Indian Economy's Greatest Crisis: Impact of the Coronavirus and the Road Ahead*



SOURAV ROY

youth. Thus, the Budget needs to move towards creating work on a large scale. This is only possible if the unorganised sector regains its dynamism that was dented since demonetisation. It faced three more shocks subsequently in quick succession—a faulty GST, the non-banking financial crisis and the pandemic. The government's promotion of the organised sector and digitisation further impacted it.

The budget needs to reprioritise from its focus on capital-intensive to labour-intensive areas. Capital expenditures presently are focused on infrastructure like highways, railroads and power. While earlier, these projects used to offer a lot of direct employment, now they do not since they are highly mechanised with use of

big tractors, bulldozers and cranes.

Substantial employment could be generated if allocations to education, health, rural development, MGNREGA etc are raised significantly. Unfortunately, these heads have faced budget cuts not only in real terms but nominal terms as well. According to reports, MGNREGA is hardly offering 50 days of work on average, while 100 days should be made available for a family desirous of taking on such work. Not that infrastructure is not needed, a reprioritisation of budgetary expenditures is required.

#### Boosting farm income, micro units

The unorganised sector consists of agriculture, and small and micro sectors. At a rough estimate, there are 11 crore farm-

## HOW GUESSING CAN NEGATE THE PLUSES OF MCQ EXAMS

COMPETITIVE exams in India, particularly entrance tests for pursuing higher education, are mostly based on computer-based multiple-choice questions (MCQs). These tests have some advantages in terms of transparency and quicker evaluation. However, what ability these tests are intended to assess needs an understanding.

In recent times, performance in the 10+2 schooling has been used as a mere eligibility criterion. Only these entrance exam scores hold the golden keys to the higher education citadel. As these exams gain prominence and are projected to assess merit of the younger generation, they need critical scrutiny. We are going to examine these exams only from an academic perspective.

Mathematically, a multiple-choice question with n choices will have one correct answer and n-1 wrong answers. So every choice has an equal probability of 1/n to be the correct answer. For example, in an exam consisting of 100 questions with four choices, picking any one choice (called 'guessing' in the literature) for all the questions will fetch 25 marks. This guessing can be prevented by giving negative marks for wrong answers. According to formula scoring, the negative mark should be equal to the ratio of the mark given for the correct answer and n-1. If the mark for the right answer is 1 with 4 choices, then the negative mark should equal 1/3. The logic is that even if the remaining 75 questions are marked wrongly, the 25 marks gained by guessing would be negated. Two situations can still benefit guessing: if the negative mark is less than 1/3, and when a particular choice among the 4 has more occurrences than the theoretical probability of 1/4.

Other intelligent guessing can also get a better score with negative marks. Consider a situation where a candidate is not able to choose the correct option but can identify one wrong option in every question; discarding it improves the probability of a choice being right to 1/3. After deducing the wrong choice, the same guessing can fetch a positive score even with negative marks. On the other hand, exams with no negative marks are simply flat, as no one can distinguish a score equal to the probability (1/n) times the number of questions as an outcome of guessing or factual knowledge.

The National Eligibility cum Entrance Test or NEET has 180 questions with 4 choices, where the correct answer gets 4 marks and a wrong one gets a negative 1

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mark. Since the negative mark is less than 1/3, it cannot entirely negate the effect of guessing. Consider the recent NEET conducted in May, for which the answer key is available in the public domain. We observed that each of the four options renders a correct answer ranging between 21 and 30 percent, with a mean of 25 percent as predicted. If a candidate blindly chooses an option that is correct for 30 percent of the ques-



The marking system used in multiple-choice tests like NEET and CUET allow students to get pass marks with mere guessing. Some global exams have moved on to a statistical approach using item response theory, which takes into account guessing and difficulty levels

tions, she gets 54 correct and 126 wrong. So she can score 90 by mere guessing.

Apart from choosing one option for all the questions, finding different patterns to pick can also result in better scores. For example, a candidate who selects a pattern of one option for the first 90 questions and another for the remaining 90, gets a possibility of 56 questions being correct with a score of 100. In this scheme, there is another possibility for a candidate who prepares and knows the answer for only 25 percent of the questions and guesses for the rest. It can result in a score of 216 with a negative mark. It gives the opportunity to achieve the passing minimum merely by guessing, or by effectively preparing 25 percent of the syllabus and combining it with guessing.

The Common University Entrance Test or CUET for undergraduate admissions is in the same format, with 125 to 130 questions. A correct answer fetches 5 marks, and a wrong one gets negative 1. Since the negative mark is not optimal to negate guessing, the associated problems persist. As CUET is conducted across a broad spectrum of subjects for a vast number of candidates, it is conducted in multiple shifts and slots. So there is a need to normalise the scores for equivalence between the shifts and slots, assuming that the difference in the distribution of marks solely depends on the difficulty level of the papers in a slot and shift.

A statistical method called equi-percentile is used for normalisation. Any such statistical method suffers a severe drawback while interpolating a normalised score when there are outliers. In a slot and shift, a small group of brilliant candidates and a large number of average candidates write the exam, and the marked difference in their scores will definitely bring a considerable variation in the normalised score.

The very idea of exams like NEET and CUET is to set a minimum benchmark for entering the university system, as there is a problem with normalising the multiple boards' school leaving exams. With the problem associated with multiple-choice exams, the purpose isn't served.

One can counter that computer-based MCQ exams are the global standard, but there is a key difference. These international exams use a statistical approach to assess the student's ability using the item response theory, taking into account the guessing parameter, item difficulty, and item discrimination.

One can also argue that a simple solution to the guessing problem in NEET and CUET is to increase the negative mark. But a much better solution would be to rethink the drawbacks of these tests and consider returning to the time-tested system of admission either with only the final school marks or a combination of them with entrance exam scores.

(Views are personal)

ers and 6 crore micro units. They offer a bulk of the 94 percent employment in the unorganised sector. If these sectors are boosted, employment would dramatically rise and family poverty would decline as more working hands in the family would earn an income. Inequality too would decline.

Currently, due to unemployment and low incomes in the unorganised sectors, there is a shortage of purchasing power and that slows down the economy. This was the case even before the pandemic, when the rate of growth dropped from 8 percent in Q4 2017-18 to 3.1 percent in Q4 2019-20, just before the pandemic. The capacity utilisation of the organised sector has been hovering between 70 percent and 75 percent as per RBI data. This is not conducive to private investment

Refocusing towards the unorganised sector would benefit the organised sector; even if it does not get the concessions it is demanding. As demand picks up, it would invest more. It has the capital to do so. Investments are being held back due to inadequacy of demand. Thus, boosting demand from the unorganised sector would be a win-win situation.

#### Reprioritising taxes

Taxation reform is crucial for reprioritisation. GST is an indirect tax that is stagflationary. Its reform, as suggested by this author, is urgent. That would help check inflation and benefit the unorganised sector.

The decline in revenues has to be made up via direct taxes. Checking the black economy would get the government substantial resources. For this, changes in corporate taxation would be required. Taxation of wealth and inheritance would be important to not only raise resources from the top 3 percent of the population but for reducing inequality.

Checking cronyism rather than tax concessions for businesses would boost the business environment more effectively and lead to increased investment. Checking black economy would lead to better governance and achieving policy goals. The direct tax GDP ratio needs to rise from its current level of around 6.2 percent to 12 percent

The challenges for the coming years are all macro—employment, poverty, inequality, prices and environmental sustainability. The ground for these needs to be laid in the Union Budget 2024-25 through a holistic perspective that will iron out contradictions among policies. To achieve the goals, a reprioritisation is needed.

(Views are personal)

### MAILBAG

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#### People's pulse

Ref: *Tall order for Hasina to regain people's trust in Bangladesh* (Jul 22). The Bangladesh government should have sensed the pulse of the people in the country before announcing its job reservation policy. Now the nation's Supreme Court has ruled on the issue, which is a rap on the knuckles of the ruling party. How many precious lives have been lost in the violence? **S Ramakrishnasayee, Chennai**

#### Quiet charity

Ref: *Focusing on the good inside all of us* (Jul 22). The author's point on making charity a quiet affair is valuable and well-taken. Charity is also supposed to be for only those who genuinely need it. Here lies the practical difficulty of finding the genuinely deserving, hungry or helpless. **P Mangalachandran, Kannur**

#### Man-made disaster

Ref: *Kerala tragedy that could have been avoided* (Jul 22). Whatever happened in the case of Amayizhanjan canal is absolutely a man-made disaster. There is no doubt that the stand-off between those responsible for the timely removal of the garbage pile led to the disaster. Joy has ended up as a victim of official apathy. **V K Kumar, Thiruvananthapuram**

#### Woman president?

Ref: *Biden quits US presidential race* (Jul 22). US President Joe Biden endorsed Vice-President Kamala Harris as the presidential nominee of the Democratic party, ending his re-election bid. Kamala, if nominated, would be the second woman after Hillary Clinton to run for president and, if successful, would make history as the first woman to become president of the US. **Srinivas Madhav, Hyderabad**

#### Biden's decision

Joe Biden's move to pull out from the presidential elections is surprising. His sudden withdrawal is acceptable on health grounds, though his exit is hard to digest. His June 27 debate was a total failure. How far Harris's agenda on abortion, immigration, an end to the Israel-Gaza war, and racial justice could pay her in the elections is to be seen. **Sravana Ramachandran, Chennai**

#### Immigration policy

There seems to be no coherence between the INDI Alliance partners. On one side, the TMC is welcoming Bangladeshis with open arms, while the JMM is blaming the Centre for not stopping immigrants from crossing over to India. What policy should the Centre adopt? The TMC must not indulge in petty politics. It is an internal matter of Bangladesh. **Jaikishan N, Kengeri**



OPINION

The  
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{ OUR TAKE }

Urging stability and pragmatism

Eco Survey rightly assumes the role of voice of caution on medium-term growth challenges

The 2023-24 Economic Survey comes in a very different political backdrop for the current government. After all, the BJP couldn't win a majority in the Lok Sabha on its own — despite the Indian economy continuing to be a rare sweet spot of high growth, moderate inflation and macroeconomic stability among major economies.

The survey has left the task of preserving and replenishing the political capital of the government to the Budget. It has rightly assumed the role of being the voice of caution on the medium-term challenge of boosting India's economic prospects. The survey specifically raises three issues.

It correctly flags the fact that the world will be very different going forward with both technological and geopolitical risks adding to headwinds for India's goal of achieving a just and sustainable economic transformation. The former will predominantly be in the realm of constrains from developments such as Artificial Intelligence (AI) squeezing service sector jobs. The latter are likely to emerge from the world, especially developed countries, becoming more and more inward looking and protectionist. Difficult as these challenges are, they will become even more crippling if macroeconomic stability were to come under strain, is the survey's clear message.

This underlines the importance of paying attention to the opportunities in the domestic market while doing all it takes to exploit opportunities abroad. It is here that the survey is critical of the government's policies on the question of exploiting the China-plus-One moment in global value chains. India must encourage FDI from China rather than relying on the trade route to boost export-oriented domestic manufacturing, the survey argues in the backdrop of multiple Chinese companies facing punitive actions from the government's many enforcement agencies over the past few years. This is a call for pragmatism, separating the geopolitical from the geo-economic. To be fair, this is easier said than done.

The most important caution from the survey is on the growing risk from what could be a vicious cycle of speculation and asset bubble creation in the financial markets. It flags India's elevated market capitalisation to GDP ratio, growing retail participation in riskier forms of equity market activity such as derivative trading, and financial sector players indulging in mis-selling and speculative gains. Can the Centre and the regulators undertake a pre-emptive strike on this potentially hazardous exuberance without extracting a cost on market sentiment?

It remains to be seen whether the Budget and subsequent government policy do justice to these rightful concerns.

Democrats not back in the game just yet

There are two ways to read Joe Biden's exit from the US presidential race. The more optimistic reading is that it gives his party, the Democrats, a fighting chance against Donald Trump. Biden's popularity had been on the wane long before his campaign kicked off, largely thanks to his reluctance to confront Israel meaningfully over its genocidal war on Gaza. Whatever support remained took a beating after his disastrous showing in the debate with Trump on June 27, with doubts over his mental and physical capacity to serve as president deepening. After much handwringing, the Democrats now have a chance to rally behind a consensus candidate.

The other, sobering reading is that the exit comes too late. The Trump campaign, despite the former president's several legal tangles, wasn't all that weak from the start — his core MAGA crowd and the Tea Party loyalists were beginning to forge a truce. The quantum boost to its momentum, though, came from the assassination attempt on Trump on July 13 and his defiant stand just seconds later, and a surprising push for reconciliation in his speech accepting the Republican nomination. This is likely to have resonated with undecided voters as well.

Biden has announced support for vice president Kamala Harris as the Democrats' challenge to Trump. There are signs of the party pivoting, with many senior leaders willing to back her. It also may be pragmatic for the party, avoiding a "blitz primary" before its upcoming national convention — a proposition that would have only injected further chaos. What remains to be seen though is whether Harris is able to mount a strong enough bid against Trump or the damage to the Democrats is already irreversible this time.

Structural issues afflict UPSC selection process

The Puja Khedkar saga shows the problem has as much to do with the processes of picking our civil servants as with unscrupulous candidates gaming the system

The controversy surrounding IAS probationer Puja Khedkar — her alleged muscling into the service and *ghoda, gaadi, ghar* tantrums at the Pune collectorate where she had been posted as a trainee — should have people wondering if all is well with our famed Steel Frame. Today, the spotlight is on Khedkar, but soon, the Union Public Service Commission (UPSC) itself will have to do some explaining once the report of the additional secretary of the department of personnel and training (DoPT) is made public.

To start with Khedkar, what did she have in mind while applying for disability certification under two different names? For which category of disability did she apply in the first instance, and did she actually switch to another/add another midway as some of the media reporting seems to suggest? How was the non-creamy layer Other Backward Classes (OBC) certification obtained by her when her father's declared annual income is far beyond the maximum limit of ₹8 lakh per annum? The *tehsildar*, too, seems to have done his fair share of creative

writing at the behest of the Khedkar father-daughter duo.

The Rights of Persons with Disabilities (RPwD) Act 2016 defines a person with a "benchmark disability" as someone with a disability of at least 40% in a specific category on a long-term basis, as certified by a medical authority. The minimum percentage of disability accepted for employment in the "mentally handicapped" category is 35%. In Khedkar's instance, most will vouch that she is nowhere near a 35% mental disability, one of the two disabilities she cited to push her case.

The Khedkar case may be the tip of the iceberg, though. The civil services selection process is, without doubt, cut-throat with a million-plus annual applicants for a few hundred posts. Candidates, of course, are heavily invested in terms of money and time. On average, they spend two-three years of their prime in mere preparation. Despite the best efforts, making it is not guaranteed even for the brightest. In such a high-stakes set-up, many may be tempted to use the various quotas, including disability, fair or foul, as insurance. The DoPT would do well to enlarge the scope of inquiry and look at all disability cases from this point of view.

The reasons why people would go to any length to get into the civil services are quite clear. It promises pres-

tigious and challenging career options, not only while in service but also after retirement. Many former civil servants are appointed to tribunals, commissions, regulatory authorities, and even gubernatorial positions by the government. Many others receive plum private sector appointments — marquee consulting firms are a new trend — in the hope of leveraging their networks within the government.

While in service, they hold key positions in the central and state governments as well as the public sector undertakings. The civil services are also massively fast-tracked. Where else in the world can a person in their mid-to-late-twenties head a district often the size of smaller European countries?

While the DoPT must explain the rationale for allowing mental disability within the disability quota for civil services, which need critical mental capabilities at all junctures, the other key question is about the efficacy of the UPSC exam itself. Is it the best way to select candidates, where the emphasis is on rote learning and half-an-hour interviews? Qualities such as integrity, empathy, positive leadership, and problem-solving are not gauged at all. Unlike, say, in the case of the defence services, there is no aptitude test. As a result, we have people with low emotional quotient, as



Ashok Thakur



SS Mantha



The system is open to those who prioritise the hollow trappings of office ANI

the case seems to be in the present instance, manning our civil services. The system is open to self-seekers who prioritise the hollow trappings of office, such as the red beacon, and official accommodation.

One way to lower the stakes for applicants and thereby reduce the chances of fraud and rigging would be to bring down the duration of the selection process, perhaps with the use of technology. Another step needed is increasing transparency by publicly disclosing evaluation criteria, marking criteria, and other relevant information at every stage so that challenges can be mounted and resolved. Of course, lateral entry of highly qualified professionals and domain experts into administrative positions should not merely be in name. A strong lateral entry process will keep civil services on its toes.

The Lal Bahadur Shastri National Academy of Administration (LBSNAA), where the country's civil servants are trained for their jobs after clearing the UPSC exam, has a huge role to play. The two years of training lay the foundation for an officer's future and the way she/he deals

with situations. The case studies by Harsh Mander on a poor tribal farmer, Jaktu Gond, remain etched in the minds of many even today, influencing a generation of officers in dealing with poverty-related issues.

We need to fix broken systems rather than fight them. If we have faith in a process and its fairness, we can live with the results. That said, reforming any system requires a multifaceted approach that addresses both structural and procedural issues. With each passing day, an eerie similarity between the lapses that have resulted in the induction of officers who defrauded the selection process and the recent NEET fiasco gets underscored. The result will be the erosion of the public's trust in these nationwide exams — unfortunate for a vast country like ours that cannot do without these. It is hoped that the DoPT and UPSC do a good job of setting right the system and restoring confidence in it.

Ashok Thakur is former education secretary, and SS Mantha is former chairman, AICTE. The views expressed are personal

NDA's job-growth focus in Budget, and beyond

The National Democratic Alliance (NDA) government under Prime Minister (PM) Narendra Modi presenting its 11th consecutive full Budget would be an opportune moment to analyse the role of the Budget in addressing the aspirations of the youth by creating an enabling framework for job creation and fostering an environment for employment opportunities. This has been supported by the latest KLEMS data released by the Reserve Bank of India that measures Capital (K), Labour (L), Energy (E), Material (M) and Service (S). The data underlines the NDA government's success in driving economic transformation and creating jobs.

The data reveals that from 2017-18 to 2021-22, over eight crore new jobs were created, defying the global headwinds. When the world was reeling under economic turbulence, an unprecedented global health calamity and political upsurges, India was scripting a story of growth and productivity. The plummeting unemployment rate is driven by opportunities in the manufacturing sector due to various Production Linked Incentive (PLI) schemes to create an Atmanirbhar Bharat and promote Make in India, an expanding service sector, and increased wages and employment arising from the large capital expenditure made towards infrastructure growth. This isn't just employment data — it is a testament to India's economic resilience and growth.

This surge in job creation — approximately 18 crore jobs in the last 10 years — starkly contrasts with the underwhelming performance during the United Progressive Alliance (UPA) era. This was over ten times the number of jobs created compared to the preceding decade under the UPA, clearly highlighting "job-less growth" as a significant feature of that era. The gross economic mismanagement, skyrocketing inflation, and rampant corruption pushed India to the league of the global 'Fragile-5'. The Modi government's approach has shattered this status quo, turning the tide from a decade of stagnation to an era of unprecedented employment opportunities. Ten years since, India is back on track, and the effects are for everyone to see.

The NDA government has not looked at employment as merely numbers but is inculcating a culture of productivity and providing sustainable income to a large group of youth, women, and disempowered entering the workforce. Over the last decade, several policy initiatives, both within the framework of the Budget and outside, have worked well to create an ecosystem of productivity within each

sector. By making the private sector an active partner in job creation, junking the adversarial relationship of the past, and acknowledging the role of the private sector in fuelling innovation at breakneck speed, the last ten years have spurred job-oriented growth. Rather than solely relying on job creation within the government, the NDA government has focused on nudging individuals towards employment opportunities through private sector jobs and entrepreneurship. The skill development programmes, entrepreneurship training, and financial incentives have empowered individuals to enter and thrive in the workforce. A major shot in the arm for the job market has been the unprecedented focus on capital creation and investments in HIRA — highways, info-ways, railways, and airways. With over ₹43.5 lakh crore invested in infrastructure — almost a 3.72-fold increase compared to 2004-2014 — this move has not only sparked economic growth but stimulated a multiplier effect in the economy. As a result, the capital expenditure, as a share of total expenditure under NDA, rose to over 21% in 2023-24, compared to just 12% in 2013-14.

The government has continuously nurtured a culture of entrepreneurship and empowered individuals through skill development and financial support with the aim of diversifying the economy and enhancing sustainable employment opportunities at grassroots levels. Programmes such as Stand-Up India and Mudra Yojana provide financial support and mentoring to aspiring entrepreneurs, particularly targeting women and the marginalised communities. The fact that India is now the world's third-largest start-up ecosystem, with more than one lakh registered start-ups, exemplifies the substantial gains resulting from these strategic efforts. India's transformation is underpinned by this productive public-private synergy.

While harnessing the power and vitality of the private sector, the NDA government has filled over eight lakh public sector and government jobs, ensuring the state has the necessary capacity and manpower to efficiently provide critical public services. The public sector has continued to play a key role in strategic sectors and has unleashed employment opportunities across the nation. Data from various platforms reveals that, in 2023-24, EPFO gained over 1.3 crore new subscribers, more than double the 2018-19 intake, totalling 6.2 crore net additions since September 2017. The National Pension System also saw a 30% rise in government sector joiners, with over 7.75 lakh new subscribers in 2023-24 compared to the previous year. Some of this can be ascribed to formalisation of existing jobs, but, in most cases, the age groups for new subscribers point to them being first-time job holders.

While much has been achieved, the government will not rest on its past laurels and will continue to focus on growth and employment generation to harness our demographic dividend. The immense skill, indigenous talent, and innovation will sculpt a vivid vision of Viksit Bharat, and this year's Budget is a continuation of this process.

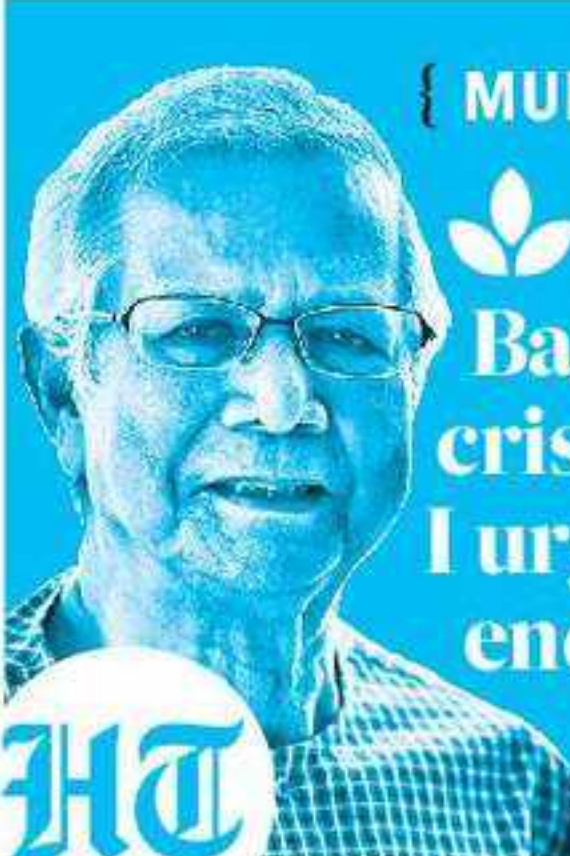


G Kishan Reddy



The government has partnered the private sector effectively to generate jobs PTI

G Kishan Reddy is Union minister of coal and mines, and represents the Secunderabad Lok Sabha constituency. The views expressed are personal



{ MUHAMMAD YUNUS } NOBEL PEACE PRIZE WINNER

Bangladesh has been engulfed in a crisis that only seems to get worse. I urgently call on world leaders to end the violence against protesters

Without Census, Budget is policymaking sans data

The full Budget for FY25 would be the fifth presented without the decennial Census. Essentially, the government doesn't know how many people to plan for, the state of human resources, demography, culture, and economic structure at the local, regional and national levels, which are enumerated by the Census. The Census provides crucial data on various socio-economic aspects, including housing, urbanisation, fertility, mortality, migration, disability and more, serving as a foundation for evidence-based policymaking and resource allocation in the Budget.

Despite the BJP-led government's claims that the pandemic forced the postponement of Census 2021, India has failed to conduct this three years after, unlike 143 out of 189 countries that successfully did so after March 2020. For the first time in over 150 years of Census history, dating back to 1872, India has failed to conduct this as per schedule. Data-driven governance enables planning and assessment of social welfare programmes, allowing for evaluation of their impact, and informed policymaking in Parliament.

The Public Accounts Committee (PAC) has stressed the need for updated data for flagship schemes of the government. For instance, the PAC report for FY24, questions the identification of beneficiaries for National Social Assistance Programme (NSAP), "based on outdated data from the census for 2001 and poverty ratios from 2004-05 which may not accurately reflect current demographic and economic circumstances of states." Another PAC Report (FY24) on agriculture, revealed "that coverage of farmers in the country... was very low compared to the population of farmers as per Census 2011" for the Pradhan Mantri Fasal Bima Yojana. Similar scathing observations have been made for schemes such as Tribal Sub Plan, Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan, Pradhan Mantri Awas Yojana, and Ayushman Bharat. Several economists have pointed out that the National Food Security Act, rolled out based on 2011 Census data, has excluded 10 crore beneficiaries.

Government acolytes may point to the fact that policymaking hasn't stopped without a Census since India conducts government surveys from time to time. They are wrong. No survey could be as wide as the Census. Sample this. The latest National Health Family Survey (NHFS-5) has a sample size of just 8.25 lakh people. The Periodic Labour Force Survey (PLFS) surveyed only 4.19 lakh people, while the NSS 78th Round Multiple Indicator Survey had a sample size of 11.63 lakh people. These surveys have an importance of their own, but none can match the Census, which is the most comprehensive and credible source of information

on India's demographic and socio-economic conditions, enumerating all 140 crore Indians, making it unparalleled in scope and accuracy compared to other surveys.

The absence of a decennial Census has far-reaching implications for the states. For the devolution of funds by the Finance Commission under Article 270, whereby tax revenue collected by the Centre is shared between the states and the Centre, the population of a state has always been a criterion, as has been the human development indices for deciding the share between the states in horizontal devolution. Without the Census, these data are, at best, dated. The delayed 2021 Census has disrupted the usual cycle, impacting fiscal federalism. The 16th Finance Commission, starting in 2026, will not have access to updated Census data, unlike the 15th Commission, which used 2011 data instead of 1971 data, highlighting the importance of timely Census data for informed decision-making.

So, why is the NDA government shifting the Census year from 2021? There are two plausible, purely political reasons. First, the Census data could reveal the true state of India's development, potentially contradicting the government's claims of "Amrit Kaal" and "Viksit Bharat" by providing facts on job quality, health, gender justice, access to water supply, and housing. Second, delaying the 2021 Census enables the BJP to implement delimitation before the 2029 general elections. Delimitation aims to redraw the boundaries of the Lok Sabha seats based on population increase, but the 84th Constitutional Amendment allows it only after the first Census after 2026. This would ordinarily be after the decennial Census in 2031. Delaying the Census till after 2026 would meet the criteria of the 84th Amendment and catch the 2029 election.

Delimitation before 2029 is critical for the BJP's victory. One look at Assam, which has become a laboratory for the BJP, will show us how. The recent delimitation there redraw the boundaries, adjusting population and seats in a way where lines were drawn to ensure that the BJP vote bank dominates the majority of the seats. What is blasphemous is that the exercise was done based on the 23-year-old 2001 Census and with no increase in the total number of seats of 126. Only boundaries were changed to help the BJP's electoral ambitions.

As the nation waits with bated breath for the Budget, know that it is one without a basis or a yardstick in the absence of the Census, and the reasons for this are purely political.



Sushmita Dev

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The Indian EXPRESS

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RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

No adults left in the room



PRATAP BHANU MEHTA

Israel has authorised an endless war and converted a serious crisis into an existential one

SPELLING IT OUT

Economic Survey is forthright in its assessments. Issues raised and prescriptions given need to translate into policy

THE ECONOMIC SURVEY 2023-24, the annual flagship document of the finance ministry, is remarkably realistic and forthright in its assessment of the state of the Indian economy and its growth prospects. The Survey has carefully documented economic progress over the years, especially the rebound from the depths of the pandemic, and analysed in detail the challenges that lie ahead. It captures the paradox of the Indian corporate sector “swimming in excess profits” and banks interest margins rising to a “multi-year high”, while the economy witnesses subdued private sector investments, limited growth in more productive employment opportunities, and private consumption grows at just 4 per cent.

The Survey acknowledges that public sector investment has “sustained” capital formation in the country and says that the private sector now has to take the baton. The latter has invested more in “dwellings, other buildings and structures” but not in “machinery and equipment and intellectual property”. This needs to change. There are some encouraging trends too. The corporate sector data indicates that capital formation continues to expand, even though “at a slower rate”. The jobs crisis, which formed the backdrop of the national elections, and was seen to have shaped, in part, the electoral outcome, has also been explored in great detail. The challenge confronting the country has been captured succinctly by a single statistic — 78.5 lakh jobs in the non-farm sector need to be created each year to not only absorb those entering the labour market each year, but also those exiting agriculture. Existing schemes such as the production linked incentive scheme (PLI) and Mudra are unlikely to be sufficient to facilitate employment generation at this scale and therefore need to be supplemented. There is also the skill challenge to contend with — roughly half of the youth straight out of college are “deemed employable”.

It is difficult to miss the Survey’s pessimism on the external front. It notes that India’s journey to become Viksit Bharat by 2047 will be more challenging than that of China. China benefited from a benign geopolitical environment and the high noon of globalisation. Both conditions no longer exist. Alongside, there is the threat from climate change and global warming and the advent of Artificial Intelligence. The Survey notes that these forces “will create barriers and hurdles” for India to sustain high growth rates “in the coming years and decades”. It says that “overcoming these requires a grand alliance of Union and state governments and the private sector”, underlining the criticality of states in India’s development trajectory. The Survey puts forth a host of policy measures and strategies to tackle pressing issues. But the question is whether the issues raised and the policy prescriptions given will translate into actual policy making in the Union Budget that will be presented by the finance minister today.

BIDEN BOWS OUT

He does the right thing by his party. Democrats will need to rally behind new ticket, Republicans face new challenge

EVER SINCE HIS underwhelming performance in the presidential debate, it was a question of when, not whether, US President Joe Biden would be persuaded to quit the race for a second term in the White House. With his age-related frailties on show in the debate, pressures from the Democratic Party had steadily mounted for Biden to step down and avoid a spectacular defeat in the polls. With Biden on the ticket, Democrats feared that they might not only lose the White House but also fare terribly in the full range of contests to the US Congress, state assemblies and governorships. It’s never easy for leaders to give up positions of power, at the highest or lowest levels. But the elders of the Democratic Party eventually prevailed over Biden.

Notwithstanding his initial hesitations, however, Biden gets full credit for not letting his ego come in the way of doing the right thing by the party that he has served, in various capacities, for more than half a century. By stepping aside, Biden has also scrambled an election that was tilting decisively in favour of the Republicans. By producing a new ticket, the Democrats hope to rejuvenate a campaign that has been reeling under attacks from the Republicans energised and united under Trump. With the Democratic Party convention set for the third week of August in Chicago, time is of the essence for Democrats in rallying around a new ticket. Thanks to Biden’s endorsement of her candidature, Vice President Kamala Harris is the front-runner with many advantages. Her multiple identities — a woman, a Black and a South Asian — are of exceptional value to the Democratic Party that privileges diversity. It is also easier to campaign around Harris, whose name is recognised, than spending time, money, and effort on a new candidate.

However, her failed campaign for the presidential nomination in 2020, a less than impressive performance as Vice President, and considerable opposition to her in the party suggest there will be wrinkles to be sorted out before Harris becomes the presidential nominee. But if Democrats have a problem with Harris, the Trump campaign will also face new challenges. The age argument now turns against Trump, who is 78 years old. He will face a vigorous rival — Harris is 59. If Harris focuses on women’s issues — including the right to abortion — she could wean away many female voters to the Democratic side. By challenging Trump on a range of other wedge issues and widening their appeal beyond traditional liberal constituencies, the Democrats could sharpen internal divisions within the Republican Party. If the Democrats become organised, they could turn this election into a meaningful contest and restore fading faith in US democracy.

AFFRA, NOT CAFFRA

Move to change racist plant names is part of a larger, sometimes controversial, reckoning with scars of colonialism

TO THE AVERAGE admirer of the African coral tree, with its spreading crown and scarlet flowers, it might not matter much that scientists will now refer to it as *Erythrina affra* and not *Erythrina caffra*. Yet, the decision to switch from “caffra” — drawn from the slur “kaffir” which was used to describe people of African descent — to the inoffensive “affra” in over 200 species of plants, fungi and algae marks a remarkable shift, an acknowledgment that far too many species bear names that recall, and honour, a brutal past and unsavoury deeds. The resolution was passed ahead of the International Botanical Congress, which began in Madrid on Sunday, giving fresh life to a controversy over nomenclature that has long split the world of biological sciences.

For critics of any wholesale move to rename species — whether plant, mammal, amphibian or fungi — such attempts are impractical, and smack of historical revisionism and illiberalism. Those pushing for new nomenclature, however, argue that to continue using the old names would be to honour figures such as the imperialist Cecil Rhodes or George Hibbert, a slave owner, at the cost of people and histories that they sought to erase. For example, an estimated 1,500 land vertebrates in Africa are named after white European men. In some places, like New Zealand, there is even a move to revert to names used by indigenous populations long before colonisers “discovered” them.

Following the Black Lives Matter movement calls to reevaluate the place of honour still occupied by oppressive figures from the past have only grown louder. The proposals to divest species of names with a heavy colonial and racial baggage may form only a small part of this larger reckoning, but they’re a reminder that even the seemingly dispassionate realms of the sciences bear the scars of wounds inflicted long ago.

EVEN AMIDST A relentless news cycle, the war in Gaza ought not to fade from consciousness. The population of Gaza is still facing a politically-sanctioned brutality and a humanitarian crisis of unprecedented proportions. Houthi rebels have used missiles and drones against Israel and attacked international shipping routes. Iran and Israel have used missiles at each other, though the fact that this exchange was not more catastrophic is now being bandied about as an example of restraint. The risks of the war spreading more intensely to Lebanon and Syria still exist. With a possible transition to a new administration in the United States, the chances of one or another party interested in this war engaging in price discovery to see what they can get away with will only increase.

This war has convulsed the politics of democratic countries in the West. The protests on college campuses have dissipated, their lingering effects diverted to a debate over the extent of anti-Semitism on campuses. The debate may have merit. But it has also become a pretext to not deal with the moral horror of this war.

It is in this context that the International Court of Justice has issued a very significant advisory opinion on Israel’s occupation. There is near unanimity that Israel is in breach of its obligations under international law in every respect, whether it be respecting the Palestinians’ right of self-determination, human rights or humanitarian concerns. Even the dissenting opinion of Justice Julia Sebutinde does not quite dispute the illegality of Israel’s occupation. The more elaborate joint explanation by Sarah Cleveland and Georg Nolte concedes that Israel has a right to self-defence but such a right cannot be used for the purposes of annexation and suppression of the right of self-determination of Palestinians. While concurring with the majority opinion in the substance of its findings, Cleveland’s single-authored explanation registers two cautionary notes: First, that the opinion does not address threats to Israel’s security and that it has no implications specific to the current war in Gaza (as opposed to Israeli occupation in general). But it rightly argues that this conflict will not be solved unless the right of self-determination

An authoritative pronouncement by the ICJ on the scale of the illegality of Israel’s occupation and humanitarian violations weakens its standing. It lost the global sympathy it had gained after the October 7 attacks that a more measured response would have preserved. As the drone attack launched by the Houthis shows, Israel’s security has not been enhanced. If the objective was to weaken and undermine radicalism directed against Israel, the opposite has occurred.

of both Israel and Palestine is satisfied, a solution that has eluded the international system since 1948.

The order has several technicalities. But the bottom line is that Israel’s practices in the West Bank and East Jerusalem clearly violate the prohibition on the use of force, and the forcible acquisition of territory. The Court finds the Israeli regime’s practices systematically discriminatory. “The Court observes that Israel’s legislation and measures impose and serve to maintain a near-complete separation in the West Bank and East Jerusalem between the settler and Palestinian communities.”

International law has provided little protection against the sheer barbarity of this war. But those of us who wish Israel well should also be shocked by the sheer self-defeating irrationality of its response. What Israel has done cannot, by any measure, be described as a strong response to Hamas’ barbaric attack. The purpose of a strong response would have been to make Israel more secure, not less. Yet, on almost every dimension, this war will make Israel less secure.

An authoritative pronouncement by the ICJ on the scale of the illegality of Israel’s occupation and humanitarian violations weakens its standing. It lost the global sympathy it had gained after the October 7 attacks that a more measured response would have preserved. As the drone attack launched by the Houthis shows, Israel’s security has not been enhanced. If the objective was to weaken and undermine radicalism directed against Israel, the opposite has occurred. To bring utter ruin upon a whole people as Israel is currently doing in Gaza, creating a population not just without hope, but increasingly without means of dignified survival, subjecting children to carnage, is almost certain to create conditions for an even greater radicalism, in the region and outside. Israel authorised an endless war without an exit strategy, and converted a serious crisis into an existential one. Groups like Hamas and Houthis also have a violent will and almost revel in inviting total war. But it is a measure of the irrationality of Israel’s response that it has managed to legitimise the thought that only violence can provide any leverage on Israel.

The United States’ strategic irrationality here also raises serious questions. As a supporter of Israel, it is not acting in Israel’s interest. It has destroyed whatever slivers of moral authority it had left, cementing its place as the leading obstacle to the institutionalisation of international law. Even its bumbling humanitarian efforts would be considered a parody, if the context were not so profoundly tragic. The grotesque spectacle of an authoritarian figure like Benjamin Netanyahu being invited to address both houses of the Congress at a moment when the role of the United States ought to be to defuse the crisis rather than deepen it, defies logic. In its dealings with Netanyahu, the United States comes across as either weak or duplicitous towards the world. Biden’s remark in an interview that “I am the guy that did more for the Palestinian community than anybody” is exactly the kind of mendaciousness that makes any other politician’s lies or self-delusions look good.

There are other conflicts in the world as well. But the festering legacy of this conflict has global ramifications. A new administration in the United States, a new “moderate” leader in Iran, might be an opportune moment for a reset. But there are grounds for pessimism. The progressive destruction of normal political life in Palestine makes finding a workable *modus vivendi* on this issue harder. The temptation of politicians in the West to use the spectre of Hamas to avoid confronting the underlying problem, the now bipartisan delusion in the US that peace can come to the Middle East by sidelining Iran, and the Gulf states’ attempts to repress discussions of this problem in the hope that it will go away and not rebound on their regimes, make it likely that the politics of avoidance will continue. There are no adults left in the international system on this issue. But one thing we know: Each attempt to resolve this issue by force, whatever short-term benefits it might bring, creates an even deeper longer-term problem. The cries buried under the rubble of Gaza will come back to haunt the global system and humanity like a curse.

The writer is contributing editor, The Indian Express



DAMINI RALLEIGH

WHY THE BEAR SPEAKS TO US

It opens up the world of professional kitchens — and struggles to make dreams work

THE BEAR FIRST lumbered onto our screens two years into the pandemic, when the hospitality industry was still recovering from the harsh blows of the years past — global lockdowns, travel restrictions and social distancing. These had, it seemed at the time, rung the death knell for restaurants as we’d known them. It was at this unlikely moment that the show captivated audiences across the globe, with an immensely lovable albeit dysfunctional kitchen crew.

The first two seasons of the show balanced aesthetic flourishes with a grounded reality. Season one introduced us to the award-winning chef, Carmy (Jeremy Allen White), who, reeling from his brother’s suicide, returned to Chicago to revitalise the family’s struggling sandwich shop, “The Beef”. Season two explored under-utilised story arcs, chronicling the chaotic metamorphosis of “The Beef” into “The Bear” and the money and might it takes to open and run a restaurant. The latest season clocked 5.4 million views within its first four days on streaming platforms as reported by Disney. It has garnered a record number of Emmy nominations.

What *The Bear* excels in is its exploration and portrayal of the spectrum of experiences within the high-pressure environment of professional kitchens: The elation of triumphs juxtaposed with the sting of defeat, the flashes of creativity amidst rigid hierarchies, the deep admiration for chefs interwoven with the perils of hero worship.

We’re witnessing a shift where celebrated restaurants face scrutiny for their treatment of staff, a pendulum swing from the days of media glorification. But haven’t these issues always simmered beneath the surface — the toxicity, abusive chefs, punishing hours, gruelling conditions? And isn’t Carmy, in a way, yet another iteration of the tortured prodigy trope, a White male saviour? Is ‘The Bear’ glamourising the very problems it portrays?

The show resonates deeply, particularly in a cultural climate where the harsh realities of restaurant work are finally coming to light. We’re witnessing a shift where celebrated restaurants face scrutiny for their treatment of staff, a pendulum swing from the days of media glorification. But haven’t these issues always simmered beneath the surface — the toxicity, abusive chefs, punishing hours, gruelling conditions? And isn’t Carmy, in a way, yet another iteration of the tortured prodigy trope, a White male saviour? Is *The Bear* glamourising the very problems it portrays?

Having embarked on my own journey towards opening an F&B venture, I’m acutely aware of the human cost hidden behind every exquisitely-plated dish. Fine dining exemplifies this even more. Even in the most positive environments, there’s the line cook toiling under relentless heat, the potwasher nearing exhaustion after hours on their feet, the server masking their struggles with a practiced smile, and the chef missing their child’s milestones. In the worst cases, the scars run far deeper than the burns and cuts of a demanding kitchen.

This isn’t a call to dismantle fine dining. Great, ambitious restaurants serve a purpose, offering an alternative to the soulless convenience of fast food and delivery apps. There might exist, however, a better way, a model that prioritises the well-being of the staff alongside the artistry on the plate. *The Bear* hints at Carmy’s evolution into a different kind of leader who has learned from his past and

seeks to create a more positive work environment. However, the show’s inclusion of celebrities with chequered pasts casts a shadow on this message. Accusations of a harsh environment plague Thomas Keller’s Per Se restaurant, and chef Kwame Onwuachi’s 2019 memoir, *Notes from a Young Black Chef*, details racism and the anger he faced while working there. Rene Redzepi, once known for abusive behaviour at Noma, has acknowledged seeking therapy to address it.

The show’s true impact, though, lies in its ability to resonate with a diverse audience, captivating both industry professionals and casual viewers. Even those unfamiliar with the vocabulary and ecosystems of the kitchen find themselves engrossed in the story. Beyond industry slang and celebrity cameos, *The Bear* captures a universal truth: The bittersweet struggle of pouring yourself into something that is both immensely demanding and often unrewarding. Carmy’s journey mirrors the experiences of many of us, as we navigate the challenges of failure, grief, and the process of picking ourselves back up, a little wiser, a little tougher, maybe even with a new scar or two. So next time you belly up to a bar or a restaurant, take a moment to appreciate the unseen cacophony behind the scenes. Maybe then, the next experience you have will not just be delicious, but a little human too.

The writer is co-founder Indica, centre for gastronomy

JULY 23, 1984, FORTY YEARS AGO

MITIGATING DANGER

PRIME MINISTER INDIRA Gandhi on July 21 sought the cooperation of those opposed to her, to pay heed to the “deliberate” dangers posed to the country. She did not specify who she was referring to. Gandhi’s move comes after substantial evidence has been brought to the government’s notice suggesting external forces are working against India.

SANTA SINGH REMOVED

THE SIKH HIGH priests through an edict issued, excommunicated Santa Singh, chief Nihang of the Budha Dal, from the Sikh Panth.

The decision was taken after Singh defied priests’ directives which didn’t permit the continuation of *kar seva* in the Golden Temple complex. Santa Singh claimed that the priests had no authority over the Dal.

GURDWARA AGITATION

THE AKALI DAL will shortly launch an agitation in consultation with all Sikh priests and other party jathedars in Punjab for “freeing” gurdwaras from the control of security forces and other “government-supported agencies.” The agitation is said to continue till the Army is removed from Golden Temple and control is handed over to the SGPC.

SHIFTS IN ASSAM

THE ASSAM AGITATION leaders indicated that they may stand for general elections in the state if they were held based on 1971 electoral rolls, and the foreigners’ names were deleted. This is a swift shift in narrative. The All-Assam Students Union (AASU) and All-Assam Gana Sangram Parishad (AAGSP) have been spearheading the movement against foreign nationals in the state. They have suggested revising the voters’ list with reference to the 1952 list. They had reiterated their determination to oppose elections held based on the 1979 electoral lists.



# THE IDEAS PAGE

## Who's the greenest of all?

Climate debate has warmed up more than the climate itself, and developing countries like India are at its forefront. Economic Survey examines the issues



V ANANTHA NAGESWARAN AND APARAJITA TRIPATHI

IN THE POPULAR children's fairy tale, Snow White, the evil queen often asks her magical mirror, "Mirror, Mirror on the wall, who's the fairest of them all?". The mirror tells the queen that she is, until one day when she isn't, and Snow White is. In its painful recreation in the modern world, the metaphorical mirror is often asked who's the "greenest", and the answer has to be "You — my developed world", until some day, when it says, "Eh, sorry, that's not green."

From the looks of it, the climate debate has warmed up more than the climate itself, and developing countries like India are at its forefront. Global plans and strategies are in place. Some pledges have been made by developed countries, while developing countries have been implored to reduce carbon emissions "to limit the global temperature increase to 1.5 degrees C above pre-industrial levels" through Nationally Determined Contribution commitments. Yet, the climate idealists, who advocate for ambitious and immediate action to combat climate change, seem to have met their match with climate realists, who prioritise practical and achievable solutions.

In the middle of these, developing countries like India stand on precarious ground. Sustainable in ethos, we find ourselves surprised at the crossroads of having to address economically what we have always believed and practised philosophically. As the fifth-largest economy in the world, expected to become the third largest before 2030, our energy needs are expected to grow about 1.5 times faster than the global average in the next 30 years. Therefore, our developmental requirements stand head-to-head with our climate commitments, and we have to continually resist being swayed by the characterisation of being one of the largest polluters. It's a delicate balance that we must strike.

The accepted pathways for achieving the target, popularly called "climate adaptation" and "climate mitigation", are a bouquet of strategies primarily centred on shifting energy sources, regenerative and environmental practices, and protecting natural ecosystems. Climate adaptation involves adjusting to the effects of climate change, while climate mitigation focuses on reducing the causes of climate change. However, the interesting point about the climate debate has been that before pledging billions of dollars, no one seems to have asked a fundamental question: Is the adopted strategy optimal and in everyone's interest?

In this context, Chapter 13 of the Economic Survey — a Special Essay on Climate and Mission LiFE — examines threadbare the issues hidden in the chosen Goldilocks mean. The chapter contrives to understand the flaws hidden in the accepted pathways, the lack of logical thought processes in the opposing strategies adopted by the developed world, and the inadequacy of consensus on the ideas around climate



C R Sasikumar

change. India has, time and again, stood firm on the principle of historical emissions. The developed world used global resources in the most destructive ways possible to usher in a capitalist's dream and get the world to the point it is at now. But it refuses to accept any responsibility for this. The so-called Climate Pledges are fraught with issues — insufficient in quantum, in the form of loans than grants, riddled with conditions, and aimed at profit maximisation rather than green intensification. Plus, of course, there's a hidden "no" behind all the "yeses" as recently evidenced by the discussions in the run-up to COP29. The US and other Western countries have reportedly pushed to make the New Collective Quantified Goal (NCQG) contributions "voluntary" for those who "choose to pay".

However, the best-kept secret in all this is what the Mirror knows: To correct wrongs done to nature, one must go back to it. This means adopting a life strategy that is in accordance with nature instead of only focusing on a few industrial pathways. Strategies that are inherently sustainable — such as plant-based consumption, efficient agricultural and livestock production, not using toilet paper, consuming less, and questioning our energy-guzzling technologies — are not what the climate advocates advocate. In fact, it's ironic that the same developed world that evaluates progress on a per-capita basis on almost all fronts does not acknowledge emissions comparison on the same metric. India's per-capita carbon emissions are significantly low at ~2.5 tons compared to the global average of 6.3 tons. Chapter 13 in the Economic Survey assesses the overall and per-capita comparison of countries considered high on the green index.

This is where India must step back and reevaluate its options because, if it were to change the lifestyle of its large population and mimic the energy-consuming unsustainable patterns of the developed world, it

Developing countries like India stand on precarious ground. Sustainable in ethos, we find ourselves surprised at the crossroads of having to address economically what we have always believed and practised philosophically. As the fifth largest economy in the world, expected to become the third largest before 2030, our energy needs are expected to grow about 1.5 times faster than the global average in the next 30 years. Therefore, our developmental requirements stand head-to-head with our climate commitments, and we have to continually resist being swayed by the characterisation of being one of the largest polluters. It's a delicate balance that we must strike.

would soon run into a massive problem. This means countries must undertake a cost-benefit analysis of consumption choices. Producing one kg of beef requires 25 kg of feed crop, while one kg of lamb requires 15 kg of feed crop. So, the question of utilising a limited resource like land becomes an economic and sustainable choice rather than a moral one. The essay in the Economic Survey examines this in greater detail.

Hence, accepted climate-suitable pathways need to account for a variety of approaches with optimality at their core. Sustainability is embedded in the Indian traditional ethos and in our belief in the power of small individual actions to make a great difference. India has a great many individual-led sustainable behaviours — using cloth for kitchen cleaning instead of tissue paper, plates made of leaves instead of plastic, water-based toilet cleaning systems, and reusing and upcycling household items. This thought process was at the core of Mission LiFE, announced by Prime Minister Narendra Modi at the 2021 UN Climate Change Conference (UNFCCC COP2026), which seeks to bring individual responsibility to the forefront of the global climate narrative.

The Economic Survey 2024 discusses five ways Mission LiFE can be effected in everyday life through voluntary and policy actions. However, we must go over and above, deeper and inwards — questioning the root of over-consumption and the desire for profligacy that thinks not a second before disposing of perfectly usable things. For this, there is a need for equanimity — a human's ability to have the confidence and the power to opt for internal stability and prepare for and accept outside change. Let's start by reading Chapter 13 of the Economic Survey.

Nageswaran is Chief Economic Advisor, Government of India. Tripathi is consultant, Ministry of Finance. Views are personal

## WHAT THE OTHERS SAY

"Mr Biden has played his part, but the democratic project is never complete. That work now passes to the next generation of political leaders and to the American people."

— THE NEW YORK TIMES

## Survey signals for Budget

Economic Survey calls for continuing reforms with an eye on geopolitical uncertainties, climate change challenges and need to boost employment



DHARMAKIRTI JOSHI AND DIPTI DESHPANDE

AT 8.2 PER cent, India's GDP growth in fiscal 2024 was 170 basis points higher than what last year's Economic Survey had projected. A subdued agricultural sector and a host of global risks failed to dent the growth momentum. The higher growth, together with improved tax collections and extra dividend payout from the Reserve Bank of India (RBI), has increased the fiscal space. External buffers are also strong owing to a low current account deficit and ample forex reserves. Moreover, high-frequency data for the first quarter of this fiscal reflects a healthy growth trajectory. The S&P Global Purchasing Managers' Index (PMI) was in a healthy expansion zone, at 57.3 and 58.1 for manufacturing and services, respectively. Balance sheets of corporates and banks are also well-placed to support growth.

All these point to a Goldilocks setting for the upcoming budget.

That said, some nuances of macroeconomic performance indicate all is not hunky-dory. Heightened global uncertainty, elevated food inflation amid climate risks and slow recovery in private investment are a few issues the Economic Survey highlights, and rightly so. These are also signals for the budget to make amendments to policy.

At the surface, global growth has remained surprisingly resilient. The IMF forecasts global growth at 3.2 per cent in 2024. But such optimism can be derailed by geopolitical uncertainties, increased indebtedness and escalating tariff friction. If these risks play out, their effects could spill over to India. Over the years, India has become more integrated with the global economy in terms of trade and capital flows. The Survey acknowledges these risks and bats for strong external and fiscal buffers.

For this fiscal, the Survey projects GDP growth to moderate to 6.5-7 per cent, in line with CRISIL's forecast of 6.8 per cent and a tad below the RBI's forecast of 7.2 per cent. Elevated interest rates and regulatory actions to curb retail credit growth will temper GDP growth. And, fiscal consolidation will imply a lower stimulus to overall growth.

Although the government has slightly greater fiscal elbow room than it had when it presented the interim budget, it is unlikely to splurge all of it on boosting the economy. Some of it may be utilised to prune the fiscal deficit and gradually dial down debt. Over its last two terms, the government has broadly maintained fiscal discipline, and this stance is unlikely to change.

The Survey notes that investments are largely government and household-driven and the private corporate sector is yet to decisively take the baton. That is despite healthy corporate and bank balance sheets, stepped-up public investment in infrastructure, a competitive tax regime, and a more supportive policy environment aided by the Production Linked Incentive scheme. In the

private sector, hiring and compensation growth will need to keep up with the high profitability growth seen in the last few years, the Survey points out. This will be required to shore up demand visibility.

We believe the government also needs to focus relentlessly on improving infrastructure and logistics and incentivising research and development spending to catch up with India's Asian competitors. Indian corporates fear the ongoing tariff wars could accentuate overcapacity and lead to dumping of goods into India. In this environment, incentives may be needed in key strategic manufacturing sectors to attract private corporate investments. Private consumption is punching much below its weight in GDP. Last fiscal, private consumption grew 4 per cent — half of GDP growth. This was the slowest growth in two decades, except during the pandemic year 2020-21.

Some transitory factors that slowed private consumption, particularly in rural areas, such as the hit to agricultural GDP and high food inflation could reverse this year with a normal monsoon. That said, urban consumer sentiment is weakening as the impact of rate hikes and softening growth in services (a dominant share of which is in urban parts) plays out. The RBI's consumer survey reflects this trend.

The budget, therefore, may need to support employment-intensive activities such as construction, which can augment income and demand in the short term.

The medium- to long-term policy focus should be on enhancing growth prospects and augmenting the ability of people to participate in it. Employment creation and bridging the skills gap at the entry level — especially in manufacturing and in anticipation of the likely disruption from generative artificial intelligence — should be a priority. The Economic Survey points out that employment generation in the IT sector slowed considerably in the last two years.

The stubbornly high food inflation has emerged as a key concern for the government and RBI. Food has significant weight in the consumer basket and is exposed to the vagaries of the weather, including climate change. Heatwaves and changing monsoon patterns as a result of climate change have made Indian agriculture more vulnerable. This has created upside risks to headline inflation on account of high food prices and is holding the RBI from cutting rates. The Survey calls for stronger price-monitoring mechanisms and higher production of essential crops such as pulses and edible oils.

We believe strengthening storage and transport infrastructure, fast-tracking efforts in food processing and development of climate resistant crops are imperative for an enduring reduction in food inflation.

The government needs to kick off the next level of reforms in land, labour and agriculture. Since they fall under the Concurrent List, central and state governments must move in tandem — this requires deft consensus-building.

That said, sustainable high growth requires acceleration of reform efforts whose payoffs may not be immediate. The Survey believes the economy can grow at 7 per cent per year if "we can build on the structural reforms undertaken over the last decade"

Joshi is Chief Economist and Deshpande is Principal Economist, CRISIL Limited



PRAVEEN CHAKRAVARTY

ON JULY 13 in Mumbai, an hour before Prime Minister Narendra Modi attended the wedding reception of the richest Indian's son, he addressed the public at another event saying, "the Reserve Bank of India (RBI) has released a report stating eight crore (80 million) new jobs have been created in the last 3-4 years. There is no jobs problem in the country". The significant part about this is not Modi's false bravado, which is now routine politics, but the crutch of credibility provided by the RBI for this astonishing claim.

When five million youth line up for 60,000 job vacancies in Uttar Pradesh or when thousands of jobless youth queue up to risk their lives fighting a war for Israel, surely even Modi doesn't believe his own claim. Should one then construe from Modi's statement, a sense of despondency and lack of new ideas to resolve the prevailing jobs catastrophe? Perhaps, instead, he is resorting to brushing matters under a carpet of dubious reports by institutions like the RBI.

The shoddiness of the RBI report is staggering. Apparently, India created more manufacturing and services jobs in the last five years than in the previous 13 combined. Citing the RBI report, Modi could have even made a case for a Nobel prize in Economics for pioneering a new economic model in which growth can halve while productive jobs triple. The RBI report shows that 50 million high-quality jobs in manufacturing and

## The jobs benchmark

Labour-focused solutions to India's dire employment crisis are needed

services were created in FY 2019-23 when Covid-ravaged GDP growth was a meagre 5 per cent. But when growth was at 11 per cent in the previous five-year period, only 20 million such jobs were created. "Modinomics" has proved many eminent economists wrong about capital-labour theory and has demonstrated that the slower the growth, the faster the job creation. I am being deliberately facetious only to highlight the extent of the government's desperation to use the RBI to bury India's jobs crisis.

There have been several policy attempts by the Modi government to spur job creation. "Make in India", launched in 2015, was supposed to create jobs by boosting manufacturing activity. Instead, manufacturing fell from 17 per cent of the GDP in 2014 to 14 per cent in 2023. In 2019, the government announced sudden corporate tax cuts to incentivise the private sector to invest and create jobs. Instead, private investment as a share of the GDP remained flat. This only led to loss of corporate tax revenues for the government and to offset the loss, the middle class and the poor were taxed more.

In 2020, the government launched a Production Linked Incentive (PLI) scheme with the idea that higher production will trickle down to greater jobs. There is no accurate measure of the number of jobs created under PLI.

Incentivising production does not yield commensurate jobs any longer due to enormous technology-aided productivity gains. For example, the hullabaloo about semicon-

ductor and iPhone manufacturing aside, the sobering fact is that the world's largest electronics manufacturer, Foxconn, doubled production and revenues between 2010-2020 but did not add more workers. It is then prudent to shift to direct policy interventions for job creation than rely on indirect trickle-down economics. Employment Linked Incentive (ELI) is one such powerful idea.

ELI will incentivise corporates based on the number of new payroll jobs created rather than the number of goods they produce. Under PLI, the government decides the sectors that will be incentivised, which leads to attendant issues of picking the wrong sectors or cronyism. ELI should be sector agnostic and simply pay corporations for the number of jobs they create, regardless of the industry. This will ensure that productivity decisions — such as investment in machinery versus workers — are left to individual firms without any government involvement. A PLI targeted at labour-intensive sectors such as apparel or leather goods is not the same as ELI. The future of work is perhaps about to undergo its most disruptive phase with artificial intelligence, gig work, etc. It is foolhardy to believe that governments can keep up with such rapid changes and pick sectors and firms in a top-down manner based on their current labour intensity. It is best for governments to keep the focus on the number of new jobs created in the economy on aggregate.

ELI can be implemented using the Aadhaar-based payroll and bank-account-in-

frastructure. This would prevent duplication and ghost employee reporting to claim incentives. Further, it is recommended that the ELI incentive amount be standard for every employee hired rather than be tied to wages of the worker to ensure that there is no adverse government intervention in the wages and every employee is treated the same regardless of their pay or skill.

There are bound to be fears of misuse in the early years of the scheme where corporates could ask their existing employees to resign and rehire them under ELI to claim incentives. These can be handled through efficient administration and supervision. There is also some legitimate apprehension over ELI's potential impact on overall productivity of India's economy with the shift from incentivising labour to production. But the current trend of jobless growth is unsustainable. Tilting the balance more towards labour is not just desirable but a precondition to maintain social harmony. The US, UK, Germany, Australia and some other nations have some form of employment incentive programmes for corporations; it is not an untested idea.

India's jobs crisis is dire. Several well-intended policy measures to fix this have failed. But hiding behind the reputational "pall" of institutions like the RBI and giving up on potential solutions is a double blow. India is ready for ELI, regardless of whose idea it is.

The writer is chairman, All India Professionals' Congress

## LETTERS TO THE EDITOR

### A DIVISIVE ORDER

THIS REFERS TO the article, 'The Kanwar's journey,' (IE, July 22). The diktat by the UP government ordering eateries and vendors along the Delhi-Haridwar route to display the owner's name is meant to create communal divisions. This move will ultimately lead to the economic boycott of a section of Indian citizens based on religion. It will embolden others to level baseless allegations against any community they bear hatred towards — to target its livelihood and have the authorities harass them unreasonably. It has rightly been criticised by both the Opposition and BJP's allies like the JD(U) and RLD. Damocles' sword hangs over Muslim employees of the Hindu-owned eateries along the yatra route. Such decisions are solely for electoral gains and to distract from core issues. They go against the spirit of our society.

SH Quadri, Bikaner

### LOOK WITHIN

THIS REFERS TO the article, 'Healing a fractured people' (IE, July 22). George Orwell aptly said, "Political chaos is connected with the decay of language." Acts of assassination have no place in society and must be condemned.

However, we must consider the root causes of such actions, for which we may be partly responsible. Politicians often manipulate the people for power, exacerbating inequality and polarisation. Politicians must understand that their quest for power leads to lasting destruction. We must refrain from divisive politics and prioritise humanity.

Ajay Corriea, Vasai

### GAZA SUFFERS

THIS REFERS TO the article, 'Death and desolation in Gaza' (IE, July 22). Despite repeated efforts, there is little prospect of the war in Gaza ending soon. Adding fuel to the fire, the scenario may expand into a larger regional conflict, with Houthi and Hezbollah forces operational in Yemen and Lebanon, also battling Israel. The death toll of roughly 40,000 Palestinians in Gaza may be understated, as there is no account of those buried under rubble across its territory. The number of fatalities from malnutrition and other diseases is also unknown. Even UN agencies providing scant aid to those suffering in war-ravaged Gaza are facing setbacks, with hundreds of humanitarian workers killed in the crossfire. Diplomatic efforts must continue with a sense of urgency.

Kamal Laddha, Bengaluru

# Govt servants and RSS activities: what Rules say

SHYAMLAL YADAV  
NEW DELHI, JULY 22

THE CENTRE has decided that the “mention of Rashtriya Swayamsevak Sangh (RSS)” as an organisation that government officials cannot be part of, should be “removed”. This bar on officials participating in activities of the RSS first came into effect almost six decades ago.

Following a directive issued by the Department of Personnel and Training (DoPT) earlier this month, employees can now participate in the activities of the RSS without attracting disciplinary action under the rules of conduct applicable to them.

## What is the DoPT's directive?

On July 9, the DoPT, which manages the central government's human resources, said the government has “reviewed” instructions issued in 1966, 1970, and 1980, “and it has been decided to remove the mention of Rashtriya Swayamsevak Sangh (RSS) from the impugned OMs (Official Memorandums) dated 30.11.1966, 25.07.1970 and 28.10.1980”.

## What did these circulars say?

■ On November 30, 1966, the Ministry of Home Affairs (of which DoPT was part until 1998) issued a circular: “Certain doubts have been raised about Government's policy with respect to the membership or any participation in the activities of the Rashtriya Swayamsevak Sangh and the Jamaat-e-Islami by Government servants... Government have always held the activities of these two organisations to be of such nature that participation in them by Government servants would attract the provisions of sub-rule (1) of Rule 5” of the Central Civil Services (Conduct) Rules, 1964.

“Any government servant, who is a member of or otherwise associated with the aforesaid organisations or with their activities, is liable to disciplinary action,” the circular said.

Rule 5 of the 1964 Rules is about “Taking part in politics and elections”. Rule 5(1) says: “No Government servant shall be a member of, or be otherwise associated with, any po-

litical party or any organisation which takes part in politics nor shall he take part in, subscribe in aid of, or assist in any other manner, any political movement or activity.”

The All India Services (Conduct) Rules, 1968, which apply to officers of the IAS, IPS, and Indian Forest Service, has a similar Rule 5(1).

■ On July 25, 1970, the MHA said, “Action should invariably be initiated against any Government servant who comes to notice for violation of the instructions [of November 30, 1966].” During the Emergency (1975-77), orders were issued to take action against workers of the RSS, Jamaat-e-Islami, Ananda Marg and CPI-M, whose activities had been banned.

■ On October 28, 1980, the government of Indira Gandhi issued a circular underlining “the need to ensure a secular outlook on the part of Government servants”, and stressed that “the need to eradicate communal feelings and communal bias cannot be over-emphasised”.

This circular reiterated the 1966 and 1970 orders: “No notice should be taken by Government and its officers, local bodies, state-aided institutions of petitions or representations on communal basis, and no patronage whatsoever should be extended to any communal organisation... Any disregard of these instructions should be considered as a serious act of indiscipline and suitable action initiated against the erring employees.”

## What was the position prior to 1966?

Before the notification of the Central Civil Services (Conduct) Rules, 1964, and the All India Services (Conduct) Rules, 1968, there was the Government Servants' Conduct Rules, which were framed in 1949, when Sardar Vallabhbhai Patel was home minister.

Rule 23 of 1949 was the same as Rule 5 of 1964 and 1968. Thus, participating in political activities was always prohibited for government employees. The nature of the organisations in question was clarified from time to time as per requests and representations.

## What can happen in case of violations of

## these Rules?

Rule 5(3) of the 1964 Rules says: “If any question arises whether a party is a political party or whether any organisation takes part in politics...the decision of the Government thereon shall be final.”

Rule 5(3) of the All India Services (Conduct) Rules, 1968, says: “If any question arises whether any movement or activity falls within the scope of this rule, the question shall be referred to the Government for its decision.”

In the most serious cases, violations could lead to the official concerned being dismissed from service. However, since the RSS does not have a system of formal membership, it is difficult to establish an individual's association with it.

## So what does the July 9 circular mean?

It essentially means that the RSS is not a “political” organisation, and that central government employees can now take part in RSS activities without fear of attracting action under Rule 5(1) of the Conduct Rules.

Crucially, however, while the 1966, 1970, and 1980 circulars also mentioned the Jamaat-e-Islami as an organisation of a “political” nature, the July 9 circular removes that tag from only the RSS. This means that the Jamaat-e-Islami still remains an organisation whose activities are categorised as “political”, and government officials cannot take part in them.

## Is this the first time that a government

has removed the RSS's “political” tag?

All three circulars were issued when Indira was PM. However, all governments have had the same approach towards the RSS.

Through the 1980s and 90s, when Rajiv Gandhi, P V Narasimha Rao, and the National Front and United Front governments were in power, the circulars of 1966, 1970, and 1980 remained applicable.

This situation did not change when Atal Bihari Vajpayee, a *swayamsevak* himself, was PM from 1998 to 2004. The same policy continued for 10 years of the Narendra Modi gov-

ernment from 2014 onward — until July 9. On January 5, 2016, in response to a question asked by *The Indian Express* under the Right to Information (RTI) Act, 2005, the DoPT reiterated: “No such orders withdrawing the OM/s dated 1966, 1980 has been issued.”

## What has been the RSS's attitude towards these Rules?

The RSS, which describes itself as a non-political, cultural organisation, has repeatedly said that its activities are not affected by such restrictions.

On December 1, 2014, Sarsanghchalak Mohan Bhagwat, when asked whether he would ask the Modi government to lift these restrictions on government employees, said: “*Hum sarkar se koi maang nahin karne jaa rahe. Hum apna kaam kar rahe hain. Hamara kaam aise kisi avrodhon se nahin rukta* (We are not going to demand anything from the government. We are doing our work. Our work is not affected by such restrictions).”

## Does the July 9 circular apply to state government employees as well?

This circular is only for central government employees. State governments have their own Conduct Rules for their employees, and issue such instructions from time to time. Views of some state governments have changed depending on which party is in power.

■ P K Dhumal's BJP government in Himachal Pradesh withdrew the restriction on its employees from participating in RSS activities on January 24, 2008.

■ In Madhya Pradesh, Digvijaya Singh's Congress government imposed restrictions on employees in 2003; however, Shivraj Singh Chouhan's BJP government issued a clarification on August 21, 2006, saying the “restrictions are not applicable on RSS”.

■ In February 2015, the BJP government of Raman Singh in Chhattisgarh issued a circular saying there were no restrictions on government employees taking part in RSS activities.

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EXPLAINED  
POLICY

## EXPLAINED ECONOMICS

# Why today's Budget matters

A Budget is the exercise where the government tells Parliament — and through it, the country — about the health of its finances. This includes three main things: income, expenditure, and borrowing

UDIT MISRA  
NEW DELHI, JULY 22

ON TUESDAY, Finance Minister Nirmala Sitharaman will present the first Budget of the third Narendra Modi government, and the second of this year.

Typically once every five years, the Union Budget is presented twice — first as an Interim Budget (in February) by the outgoing government, and then as a full Budget by the newly-elected government. Sitharaman had presented the Interim Budget for 2024-25 on February 1.

Between the time Sitharaman presented the Interim Budget and now, the composition of Parliament has changed significantly. The BJP no longer enjoys a majority on its own in Lok Sabha. It will be interesting to watch how the changed political mandate impacts the Finance Minister's Budget speech.

## What is the Union Budget?

Budget time is one for jargon — capital expenditure, tax buoyancy, non-debt capital receipts, fiscal deficit, revenue deficit, effective revenue deficit, etc.

But a Budget is essentially an exercise where the government tells Parliament — and through it, the country — about the health of its finances. This means telling the public three main things: income (how much money the government raised in the previous year), expenditure (where this money was spent), and borrowing (how much the government had to borrow to meet the gap between income and expenditure).

But since a Budget typically comes at the end of one financial year and the start of another, it also gives an estimate of what the government expects to earn in the next financial year (in the present case, the current financial year), how much and where it plans to spend, and how much it would likely have to borrow to bridge the gap between its income and expenditure.

## Why does the Budget matter?

For most people, interest in the Budget is limited to either seeking some tax relief or receiving some kind of cash handout from the government. After all, the state of the government's finances does not immediately appear as a pressing issue for the average citizen.

However, there is no such thing as government money — it is all the taxpayers' money. The former British Prime Minister Margaret Thatcher once told the House of Commons: “Let us never forget this fundamental truth. The state (government) has no source of money other than the money people earn themselves. If the state (government) wishes to spend more, it can do so only by borrowing your savings or by taxing you more. It is no good thinking that someone else will pay. That someone else is you.”

In other words, the Budget essentially discusses the citizens' money. The government's borrowing (the fiscal deficit) is, in no uncer-



(left) Then Finance Minister Arun Jaitley before presenting the first Modi government Budget in 2014, with then MoS Commerce Nirmala Sitharaman to his right; (right) Sitharaman holding a *bahi-khata* with the 2019 Budget. PIB

## 5 THINGS TO LOOK OUT FOR IN THE UNION BUDGET

**Tax revenues:** Government's tax revenues have become progressively more responsive to increases in total GDP. Better “tax buoyancy” can provide higher than anticipated income to the government.

**Expenditure towards rural India, small businesses:** These are the segments that are still struggling with economic distress. How the Budget addresses their situation will be crucial for the country's overall

economic health.

**Subsidy outgo:** There is only so much that a government can spend in the form of direct benefits to different sectors of the economy. How much the government is willing to spend — and where — will be an indicator of its economic and political priorities.

**Fiscal deficit:** Each year's fiscal deficit adds to the existing mountain of government debt. In the last ten years,

the government has never achieved the prudential norm of a fiscal deficit being 3% of GDP (it was 5.1% for 2024-25, as per the interim budget).

**Overall philosophy:** The first budget of a new government enunciates the broader approach it hopes to follow towards managing the economy. With a weaker mandate in 2024, it will be interesting to see how the government responds.

*and how much.* While the Budget is only for a year, the Budget at the beginning of a new government's term (as is the case this time) can often signal the broader direction of how the government wants to spend money. For instance, arguably the biggest macroeconomic policy shift of the previous government (2019-2024) was the focus on incentivising investments by the private sector. To this end, the government gave a historic break in corporate tax while boosting its own spending in infrastructure.

However, this strategy has been met with a muted response, with businesses themselves not making the kind of fresh investments that the government had hoped for due to overall demand for goods and services from people being less than encouraging. Widespread economic distress, coupled with employment-related stress, were key concerns in the minds of the voters who have reduced the BJP's seat tally by more than 60 in the Lok Sabha election.

In such a scenario, the government could, if it wants to, pivot and tweak its spending in a manner that boosts consumption by common people, instead of further incentivising businesses to invest. As consumption recovers over time, firms may find it worthwhile to make fresh investments.

# Key takeaways from Economic Survey

UDIT MISRA  
NEW DELHI, JULY 22

THE ECONOMIC Survey for 2023-24 stands out from previous economic surveys in that it provides a more realistic picture of the challenges before India's economic growth. As such, despite India's GDP growing at more than 8% in FY 2023-24, the survey pegs the GDP growth rate for the current financial year (FY 2024-25) between 6.5% and 7%.

Here are some key challenges that the survey flags, and the recommendations it makes to address these.

## The Survey's diagnosis

**Global headwinds:** The environment for foreign direct investment (FDI) to grow in the coming years is not highly favourable. High interest rates in developed countries have not only raised the cost of funding, but also increased the opportunity cost to invest in developing countries like India. Moreover, economies such as India have to compete with industrial policies in the developed world involving considerable subsidies that encourage domestic investment. Geopolitical uncertainties also continue to play spoilsport.

**China challenge:** The Chief Economic Advisor (CEA) underscored how India continues to be overly dependent on China for imports, especially for renewable energy. He also stated that China has not let go of the low-skills manufacturing space that India wanted to occupy.

**AI threat:** The Survey notes that while there has been a boom in telecommunications and Internet facilitated business process outsourcing (BPO), the next wave of technological evolution might bring the curtains down on it.

**Tepid private investment:** The Survey emphasised that the corporate sector had not responded, despite the Union government cutting taxes in September 2019 to facilitate capital formation. “...Between FY20 and FY23, the profit before taxes of the Indian corporate sector nearly quadrupled...Hiring and compensation growth hardly kept up with it,” the CEA stated in the Survey.

**Employment imperative:** The Indian economy needs to generate an average of nearly 78.5 lakh jobs annually until 2030 in the non-farm sector to cater to the rising workforce.

**Data deficiency:** A constant refrain against the government has been the lack of good quality and timely data especially related to employment. In the Survey, the CEA accepted that this was indeed a gap that was holding back a proper analysis. “The lack of availability of timely data on the absolute number of (formal and informal) jobs created even at annual intervals, let alone at higher frequencies, in various sectors — agriculture, industry including manufacturing and services —

precludes an objective analysis of the labour market situation in the country,” it stated.

**Lifestyle disadvantages:** The Survey notes that “social media, screen time, sedentary habits, and unhealthy food are a lethal mix that can undermine public health and productivity and diminish India's economic potential.”

## Recommended solutions

### Job creation by the private sector:

One of the central pillars of the past two Narendra Modi governments has been the determination to reduce the role of government in the economy and incentivise the private sector to take over the dominant position. In doing so, the government had hoped that the private sector would create jobs. The Survey reiterated that hope: “...It is in the enlightened self-interest of the Indian corporate sector, swimming in excess profits, to take its responsibility to create jobs seriously.”

### Lifestyle changes by private sector:

“India's traditional lifestyle, food and recipes have shown how to live healthily and in harmony with nature and the environment for centuries. It makes commercial sense for Indian businesses to learn about and embrace them, for they have a global market waiting to be led rather than tapped,” writes the CEA.

### Farm sector as the saviour:

Traditional economic theories suggest that as economies develop they make a structural transition from agriculture to manufacturing and services. But the Survey states that “trade protectionism, resource-hoarding, excess capacity and dumping, onshoring production and the advent of AI are narrowing the scope for countries to squeeze out growth from manufacturing and services” and “forcing us” to turn conventional wisdom on its head. In other words, the CEA states, “A return to roots, as it were, in terms of farming practices and policy making, can generate higher value addition from agriculture, boost farmers' income, create opportunities for food processing and exports and make the farm sector both fashionable and productive for India's urban youth”.

### Removing regulatory bottlenecks:

“The Licensing, Inspection and Compliance requirements that all levels of the government continue to impose on businesses is an onerous burden. Relative to history, the burden has lightened. Relative to where it ought to be, it is still a lot heavier,” stated the CEA. He singled out the Medium, Small and Micro Enterprises (MSMEs) as one sector that required to be relieved of regulatory burden the most.

**Building state capacity:** The CEA noted that what was needed in the economy now was not big reforms but the grunt work. To this end it advocated building up state capacity for sustaining and accelerating India's progress.