The Tribune
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## No NEET re-test

### SC rightly prioritises admission schedule

MANY weeks of student trauma later, the Supreme Court verdict on Tuesday finally shut the door on the NEET controversy with a firm rejection of the demand for a re-exam. While the SC decision to avoid a re-test, considering the disruption it would cause to 24 lakh aspirants, is pragmatic, it also highlights deeper issues within our educational and testing systems. Chief Justice DY Chandrachud's observation that the leaks did not constitute a 'systemic breach' provides temporary relief but does little to address the underlying vulnerabilities. The leaks in Hazaribagh and Patna, as per the evidence presented by the National Testing Agency (NTA) and IIT-Delhi question the integrity of an exam critical for aspiring medical professionals. The court's reliance on the NTA to address the affected students' cases reflects a stopgap approach rather than a long-term solution.

The UGC-NET's cancellation in June further amplifies concerns. The Ministry of Education's suo motu action based on undisclosed inputs from the Union Home Ministry, while protecting students' interests, exposes the fragility of our examination infrastructure. The lack of transparency regarding the exact nature of the compromise fuels distrust and anxiety among the student community.

These incidents demand a comprehensive overhaul of the examination and testing framework. The establishment of a high-level committee to review the NTA's structure, as suggested by Education Minister Dharmendra Pradhan, is a step in the right direction. However, this must be coupled with robust measures to enhance security, transparency and accountability. The recurrent examination scandals not only undermine the credibility of educational institutions but also affect the future of young candidates. In a country striving to harness its demographic dividend, ensuring the sanctity of examinations is non-negotiable. The government must prioritise reforms to restore faith in the system and fulfil the aspirations of the youth.

## SAD at a crossroads

### Party needs to win over Panthic voters, farmers

THE Shiromani Akali Dal (SAD), one of India's oldest political parties, is struggling to put its house in order after a series of electoral debacles over the past seven years. Party chief Sukhbir Singh Badal is not only facing rebellion from senior leaders but has also been summoned by the Akal Takht — the highest temporal seat of the Sikhs — to submit a written reply regarding the alleged 'mistakes' committed during the 10-year SAD-BJP rule (2007-17) in Punjab. The clamour for a leadership change is growing, even as the party top brass is presenting a united front and accusing ex-ally BJP of attempts to break up the SAD.

Things have only worsened since the death of five-time CM Parkash Singh Badal in April last year. Badal was a towering leader under whom the SAD became a force to reckon with; his son Sukhbir has found it tough to step into those big shoes. Moreover, Sukhbir has been unable to shake off the 'one-family party' tag. The ghosts of 2015 — a series of sacrilege incidents, the Takht's flip-flop on pardon to Dera Sacha Sauda chief Gurmeet Ram Rahim in a blasphemy case, and police action against protesters at Kotkapura and Behbal Kalan — continue to haunt the Badals.

Grave lapses on the SAD's part have disillusioned and angered Panthic voters. No wonder the party has ceded considerable ground to Sikh radicals, exemplified by the victory of Amritpal Singh and Sarabjeet Singh Khalsa in the recent Lok Sabha elections. The farming community is no longer the SAD's dependable vote bank, even though the party pulled out of the NDA in 2020 in protest against the contentious farm laws (after having initially endorsed them). The exit of capable leaders like Manpreet Singh Badal and Adesh Partap Singh Kairon has left the party poorer. The SAD's resurgence is possible only if it goes all out to regain the lost ground and win over farmers.

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

The Tribune.

LAHORE, FRIDAY, JULY 25, 1924

#### Lord Olivier's statement

To us in this country, the only important thing in the debate which took place in the House of Lords on Monday with regard to the Indian situation is the speech of the Secretary of State. That speech was unhappily neither very strong nor very definite in regard to certain vital issues, but it was the only contribution to the debate that had any real value. It dealt with four outstanding and concrete problems and in regard to each of them it has something to say which might or might not be satisfactory to those vitally affected by it, but which, at any rate, was worthy of serious notice. The first of these questions was the Lee Commission's report. The two speakers who had preceded Lord Olivier in the debate, Lord Peel himself as well as Lord Lee, had both not only urged the claims of the Services to consideration, but the necessity and desirability of taking immediate action on the report. Lord Olivier defended with warmth the statement already made by the Government of India with his full concurrence, namely, that no decision with regard to the Commission's recommendations would be taken till after a discussion in the Assembly in September. The Commission itself, he said, had expressed the opinion that its report should be treated as a whole. That view had been accepted by himself, his Council and the Government of India, and it was just because they had accepted it that they had been unable to take immediate action. The reason is quite clear. It was thus put by himself: "Nobody knowing the magnitude of the issues involved could expect that a Secretary of State who took the report at all seriously could possibly be in a position to pass final orders on it as a whole within two or three months."

# R&D needs firm commitment from govt

## India must invest in developing critical technologies for nuclear and other energy sources

DINESH C SHARMA
SCIENCE COMMENTATOR

TRANSITION: Fuel availability, safety and waste disposal are major challenges for nuclear power generation. FILE PHOTO

IN her 2024-25 Budget speech, Finance Minister Nirmala Sitharaman made a bunch of announcements relating to the future course of India's energy mix in the light of the need to move towards the target of achieving 'net zero' carbon emissions by 2070. While continuing the thrust on renewable sources of energy, the government wants to give a push to nuclear power as well. "Nuclear energy is expected to form a very significant part of the energy mix for Viksit Bharat," Sitharaman said. She did not elaborate on any time frame to make nuclear power a significant player in the energy mix but talked of some ideas to promote nuclear power: the setting up of small reactors — Bharat Small Reactors (BSRs); research and development to develop the Bharat Small Modular Reactor (BSMR); and a role for the private sector in this regard.

At present, nuclear power constitutes a minuscule part of India's energy mix. Per the data shared in the Economic Survey a day before the Budget, the total installed capacity of power in India stands at 494,000 MW (megawatt). Of this, nuclear power contributes a mere 6,800 MW, while renewable sources of energy account for 125,000 MW (which is almost a quarter of the total installed capacity). The rest comes from hydro and thermal power. The production of nuclear power has remained stagnant since 2016. Not a single megawatt of nuclear power has been added to the grid for nearly a decade. The promise of massive additions to the installed capacity has eluded the Department of Atomic Energy since the 1980s when it first set the target of 20,000 MW by 2000.

The reasons for the return of nuclear energy on the table are many. The most obvious is the need for energy transition necessitated due to climate change. Nuclear power is considered a clean, carbon-free source of energy. A study on India's energy options towards 'net zero' done by the Indian Institute of Management (IIM-Ahmedabad) came up with some projections. While coal would continue as the backbone of the Indian energy system for the next two decades, renewable sources and nuclear power would be the predominant sources then on, according to the study. Countries are also realising that the energy transition requires certain critical technologies (battery storage, carbon capture, etc.) which are not readily available. China has become the main source of several critical materials and rare earths needed for batteries, electric vehicles, etc.

If Sitharaman wants nuclear energy to reach a 'very significant' level in the energy mix from the minuscule role it plays currently, a new policy direction and investment are necessary. The Budget does not provide any of this. Pinning all hopes on the private sector to achieve this is misplaced. The doors for non-government players in the nuclear sector have been open since the much-touted Indo-US nuclear deal. The deal promised a piece of the nuclear supplies pie for Indian companies. But not a rupee has been invested by any Indian or foreign investor nor have Indian companies got supply contracts from elsewhere, as hoped by then UPA government.

> In her Budget speech, the Finance Minister said nuclear energy was expected to form a very significant part of the energy mix for Viksit Bharat.

The Atomic Energy Act, 1962, was amended to let the Nuclear Power Corporation form joint venture companies with other public sector entities like the National Thermal Power Corporation. Till recently, the Modi government has maintained that it does not propose to allow the private sector to enter the nuclear power domain. It is not clear if Sitharaman's statement about the collaboration with the private sector reverses this position.

Coming to technology, the Finance Minister has spoken about BSRs and BMSRs. The International Atomic Energy Agency defines reactors under 300 MW capacity as 'small' and those up to 700 MW as 'medium'. Most of the two dozen nuclear reactors in India are below 300 MW and so are small, the only exception being the two Kudankulam reactors which are 1,000 MW each and Kakrapar which has 700-MW reactors. The pressurised heavy water reactors operational in Tarapur (Maharashtra), Narora (UP), Rawatbhata (Rajasthan) and Kaiga (Karnataka) range between 160 MW and 220 MW. We don't know if the government wants BSRs to be even smaller than the internationally accepted definition of 'small' or if it is going to rechristen existing reactors as BSRs because they are already small.

The idea of modular nuclear reactors, too, has been around for some years now. A modular reactor refers to using modules fabricated in factories and already available parts to assemble a small nuclear plant (below 300 MW) to speed up construction. The idea is that many such reactors can be planned at one site, and manufacturers can achieve 'economies of scale'. However, nuclear suppliers have seen low demand for modular reactors because the regulatory requirements for design certification, construction and operation licences are similar to those for large reactors. The core issues of fuel availability, safety and nuclear waste disposal remain major challenges for nuclear power generation — be it through small, modular or large reactors.

The elephant in the room is R&D, be it any source of energy — nuclear, hydrogen, wind or solar. Unless we invest in developing critical technologies for each of these energy sources, the road to 'net zero' is going to be painful. Many technologies and critical materials needed for the energy transition are not available commercially or have to be sourced from monopoly suppliers. The Modi government has been stingy when it comes to spending on R&D. Sitharaman announced a new funding mechanism for R&D — the National Research Fund (NRF) — in 2019. On Tuesday, she said: "We will operationalise" the NRF, but still did not commit when. Her Budget speeches in the past have talked about funding to the tune of Rs 50,000 crore over five years for NRF. No such funding has materialised. Now, she is talking of "a financing pool of Rs 1 lakh crore" for R&D. What India needs is a firm commitment from the government to R&D in general and critical areas like energy in particular.

### THOUGHT FOR THE DAY

"The course of unbalanced budgets is the road to ruin. — Herbert Hoover"

## Many marvels of the English language

SRIPRIYA SATISH

The English language is nobody's special property. It is the property of the imagination; it is the property of the language itself. — **Derek Walcott**

MY school had a strict policy of speaking only in English on the campus. Students flouting this rule were either made to stand outside the classroom for a period of time or pay a fine. This rule was an irritant as speaking the mother tongue was an easier option. But now I think that it was a good strategy to make us speak English fluently.

A few days ago, I chanced upon a popular YouTube video in which an autorickshaw driver was speaking English flawlessly. He was conversing with a foreign tourist with such ease and confidence that the tripper was awestruck. Learning a foreign language, especially an international one such as English, can go a long way in helping us gain confidence when we travel or deal with foreigners.

Here are some interesting facts about this language: It is spoken by about 1.5 billion people worldwide, making it the most spoken language. Did you know that a new word is being added to the dictionary every two hours? More than 1,70,000 English words are currently in use. English has borrowed words from over 350 languages, making it the most evolving one. It is a member of the Germanic family of languages. The legendary William Shakespeare is believed to have contributed more than 1,700 words to the language — and they are still being used. English is the main medium of instruction in most of the top universities in the world.

Every year, English Language Day is celebrated on April 23 as a mark of respect to Shakespeare, whose birth and death anniversaries fall on that day. The day promotes the significance of the role of the English language in international relations, business and education. It also highlights the importance of learning the language and gaining proficiency in it as it opens doors for individuals in various ventures.

Why is English such an acclaimed language? Once upon a time, the British declared that the sun never set on their empire. This tremendous global expansion may have led to the popularity of English. Also, it might be due to the fact that the global economy has long treated it as its universal language of business.

Being one of the most versatile languages, what makes it a living language is that it has the ability to evolve and adapt itself. American poet and essayist Walt Whitman said: 'The English language is the accretion and growth of every dialect, race, and range of time, and is both the free and compacted composition of all.' Hail the English language!

## LETTERS TO THE EDITOR

### Welcome focus on job creation

It is commendable that the first Budget of the newly formed government is a step towards addressing widespread unemployment in the country. Proposing a Rs 2 lakh crore package for job creation over the next five years and allocating Rs 2.66 lakh crore for rural programmes are welcome. The focus on employment, skilling, small businesses and the middle class will help revive the economy. The tax changes, including a higher levy on equity investments and lower taxes for foreign firms, will also boost investment. However, implementing land and labour reforms will be crucial to sustaining strong economic growth. Amid an urban unemployment rate of 6.7 per cent, the Budget comes as a relief.

AMANJOT KAUR, BY MAIL

### A boost for employment

The Indian economy has long been beset with unemployment. The problem was compounded by demonetisation and the Covid-19 pandemic. The government's emphasis on employment and employability is well illustrated by the significant allocation in the Budget to education, skilling and employment as well as special employment-linked incentive schemes for employees and employers. The Budget's special focus on skilling two million young people over the next five years through a Centrally sponsored scheme will go a long way towards checking unemployment.

GAURAV BADHWAR, ROHTAK

### Transformative step for farming

The 2024-25 Budget marks a transformative step towards sustainable agriculture and improved farmer income. The plan to engage one crore farmers in natural farming, supported by 10,000 bio-input resource centres, is laudable. This initiative, along with the promotion of Farmer Producer Organisations, cooperatives and startups, is aimed at enhancing vegetable production and streamlining supply chains, ensuring better prices and reduced post-harvest losses. Moreover, introducing 109 high-yielding, climate-resilient crop varieties will help address climate challenges and stabilise production. The move to reduce dependence on imported edible oils by boosting domestic cultivation is also significant. Digital Public Infrastructure promises to revolutionise agriculture. However, the success of these initiatives heavily depends on effective implementation. Overcoming these challenges is crucial for achieving the Budget's ambitious vision.

SARGUNPREET KAUR, MOHALI

### Unfair allocation due to politics

With reference to the front-page news report 'Bihar, AP get lion's share; "bribe," says Oppn'; the Opposition is right to call out the largesse being showered on Andhra Pradesh and Bihar. It is unfortunate that Finance Minister Nirmala Sitharaman has failed to consider any of Punjab's demands. It shows that stepmotherly treatment is being meted out to the AAP-led state. The allocation of funds in the Budget to the states, regardless of politics, must be fair. If the Centre wants India to progress, it must not let politics affect the development goals.

FAQIR SINGH, DASUYA

### 'Lotus' likely to be next POTUS

Apropos of the report 'Kamala makes presidential campaign debut in Wisconsin'; Kamala Harris has already secured the support of a majority of Democratic delegates — which will help her clinch the presidential nomination — even though it has just been a couple of days since President Joe Biden abandoned his re-election bid. She has even won the endorsement of former House Speaker Nancy Pelosi and the Clintons. President Biden has also expressed support for her candidacy. She has proved her mettle as the Vice-President. So, it is safe to say that Kamala, who has finally entered the campaign mode, will win the presidential race.

VIJAYA SHARMA, BY MAIL

### Trump has clear path to victory

Refer to the article 'Biden out, but Trump may still win'; the author has rightly observed that Donald Trump has made much political capital out of the failed attempt on his life during a recent Pennsylvania rally. In another victory for Trump, a Florida judge dismissed the US Justice Department's classified documents case against the former President just days after the gunman had tried to take his life. Trump's path to victory in November is clear. He enjoys high popularity in the Republican voter base, especially among White people.

RAMESH GUPTA, NARWANA

Letters to the Editor, typed in double space, should not exceed the 200-word limit.
These should be cogently written and can be sent by **e-mail to: Letters@tribunemail.com**

# Opinion

THURSDAY, JULY 25, 2024

**BUDGET FOR THE FUTURE**

Union trade & commerce minister Piyush Goyal

I think this is a budget for new India. It is taking India in the Amrit Kaal rapidly, progressing towards a developed nation by 2047

## Beyond politics

Budget package for Purvodaya addresses wider stakeholders; unfair to see it as being persuaded by coalition compulsions

**ASIDE FROM WHAT** it had on offer on the taxation rejig, much attention of the Budget presented on Tuesday was directed on its promises for two critical allies — Janata Dal (United) and Telugu Desam Party (TDP), which are in power in Bihar and Andhra Pradesh respectively. This is because the Bharatiya Janata Party (BJP) government is in a coalition this time, and the two parties have been seeking special category status for their states for a while. A day prior to the Budget was unveiled, the finance ministry ruled out a special status for Bihar. On its part, the TDP, which had walked out of the BJP-led National Democratic Alliance in 2018 over denial of the status, refrained from reiterating the demand this time. In this context, the government's decision to announce a special package for the entire eastern region including three other states — Jharkhand, West Bengal, and Odisha — sends a positive signal of addressing wider stakeholders and not being persuaded by coalition compulsions alone.

Going by purely geographic definitions, among the five states, Andhra Pradesh is an outlier as it is a part of the southern region. Nevertheless, these states have been promised all-round development under the scheme termed as Purvodaya. It would be formulated to encompass human resource development, infrastructure, and generation of economic opportunities, according to finance minister Nirmala Sitharaman. For Bihar, the minister announced to sanction ₹58,000 crore in the Budget, of which a sizeable allocation is for road projects, including a bridge over the Ganga, apart from flood control structures, and a new power plant. On the other hand, in Andhra Pradesh, the government has promised financial support of ₹15,000 crore for the capital, Amaravati, and funds for promoting industrial development and projects and assisting industrial corridors linking with neighbouring Karnataka and Tamil Nadu.

Modi had spoken about the idea of "Purvodaya" way back in 2015 while dedicating a refinery in Odisha. And in January 2020, Union minister Dharmendra Pradhan inaugurated the Purvodaya: Accelerated Development of Eastern Region in Kolkata, which was centred around the creation of an integrated steel hub covering northern Andhra Pradesh and the other four states in question. The concept, therefore, is not new. Pradhan has earlier identified petroleum, apart from steel, as a critical sector to drive the mission. As Sitharaman mentioned in her Budget speech on Tuesday, the region is rich in natural resources. It also includes a majority of the states, particularly long neglected tribal heartlands, hit by left-wing extremism. So it is vital to design and implement plans that can drive socioeconomic development of a backward belt.

Taken together, the projects planned earlier for Purvodaya and the promises for Bihar and Andhra Pradesh in this Budget represent a larger region and the potential benefits would accrue to beneficiaries beyond the five states. Modi, whose vision of development is influenced to a great extent by the East Asian miracle economies such as Japan and South Korea, has focused on infrastructure creation and this has been reflected in the policies of the government in the past decade. It is also true for the special package announced for the eastern states. The government should now map out a plan that caters to the specific needs of every state. The states, in turn, must see to their implementation to ensure the promises do not remain on paper or get reduced to sops.

## Musk may swing right, but Tesla's profit leans left

**TESLA INC.'S LATEST** results, released Tuesday evening, seem almost humdrum now that chief executive Elon Musk has finally unveiled the least surprising endorsement of a presidential candidate ever. They do remind us, though, that while he may swing with the right, he relies on the left.

Tesla typically generates a few hundred million dollars of revenue per quarter from the sale of greenhouse gas credits. These are the product of state and federal programmes to encourage the uptake of electric vehicles, as championed mostly by the left and as denounced mostly by the right. Essentially, other automakers who are struggling to meet regulatory requirements on fleet emissions buy offsetting credits from Tesla which, with its all electric line-up, accumulates a lot of them. It just so happens that such revenue had a notable jump in the second quarter, to its highest level ever.

While these may seem like paltry amounts for a company doing $25.5 billion of quarterly revenue — also a record — they carry an effective gross margin of 100%. So they punch above their weight, accounting for almost a fifth of Tesla's gross profit in the second quarter, the highest proportion in more than three years.

This proved a big help because, despite the record top line, profits weren't feeling it. Indeed, Tesla's underlying automotive gross profit margin, excluding regulatory credits — one of its most closely watched metrics — slipped beneath 15%, roughly half the levels of two years ago. Tax-adjusted, those regulatory credits equate to almost half of Tesla's earnings per share — which still missed the consensus forecast for the fourth quarter in a row.

**LIAM DENNING**

Bloomberg

The reliance on revenue from the sort of subsidy programmes that former President Donald Trump rails against serves to highlight the main problem facing Tesla's core automotive business. It sold more vehicles than expected in the second quarter, albeit only after those expectations had collapsed. This cleared some of Tesla's growing pile of unsold vehicles; notably, a $1.8 billion inventory decline accounted for all of Tesla's free cash flow and then some. But it was achieved via the oldest of Detroit tactics, discounting and cheap financing, which had the predictable effect on average selling prices and, therefore, margins.

Unlike Detroit's incumbents, however, Tesla trades at a stratospheric multiple. General Motors Co., which reported another healthy beat-and-raise quarter on Tuesday, is priced at less than five times forward adjusted earnings, compared with Tesla's 85 times.

Given the weakness in Tesla's main electric vehicle business, the company is keener than ever to talk up the visionary stuff. The robotaxi theme was front-and-centre, of course. Indeed, asked on Tuesday evening's call if any Republican rollback of the Inflation Reduction Act (and its accompanying incentives for EV adoption) would hurt Tesla, Musk answered, improbably, that the impact would be "slight" and then pivoted immediately to saying Tesla's value related "overwhelmingly" to autonomy anyway. Curious, then, that he declined to answer questions about what might be coming at the company's delayed "robotaxi reveal" and the chief financial officer brushed off a question asking how many Tesla buyers were taking the Full Self Driving upsell.

There was a bright spot in the form of Tesla's energy business, which reported its highest installations of batteries and revenue ever. Inevitably, some bulls have jumped on the datacentres-will-eat-the-grid bandwagon to argue that Tesla is not only an AI giant in waiting but also an AI-juicing giant in waiting, too. Besides the layering of hypes there, keep in mind that even at this record level, energy accounted for just 12% and 16% of Tesla's revenue and gross profit, respectively, and that Tesla's own announcement cautioned that battery deployments "would continue to fluctuate".

By the time Tesla reports numbers again, in October, Musk's public politicking may have reached even greater ... heights? Judging from these numbers, though, and the continuing lack of a clear pipeline of new vehicles, any distraction will probably be useful.

**POST-BUDGET RUMINATIONS**

WHILE THE MARKET UNDERESTIMATES THE IMPACT OF SITHARAMAN'S BUDGET, THE ECONOMY DOES NOT

# Modest yet momentous

**DEEPAK MISHRA**

Director and chief executive, ICRIER

**IF ONE WERE** to formulate a "Sitharaman's Law of Budget", it might be: "The impact of her budget tends to be modest on the market but meaningful on the economy."

Data from the past seven years supports this hypothesis.

Nirmala Sitharaman is the first finance minister in India to present seven consecutive Budgets. On the previous six occasions, the BSE Sensex closed on the Budget day at -0.2%, 0.2%, 0.01%, -1.3%, 1.4%, and 0.01%, respectively, yielding a meagre average daily return of 0.02%. This year's Budget was no different, with the Sensex ending the day down 73 points, translating to a return of -0.09%. Even the day after the Budget, the Sensex continued to languish in negative territory.

While the market has repeatedly underestimated the impact of her Budget, the economy has not. The 2023-24 Economic Survey points out that "the Indian economy is on a strong wicket and a stable footing". During her tenure, the Indian economy has been characterised as a "Goldilocks economy" — a term describing the ideal state for an economy — with rapid growth, low and falling inflation, a declining fiscal deficit, a modest external deficit, a stable currency, and a positive and strong economic outlook.

Even though the stock market seems to go sour on Budget day, it has soared in the medium term. During Sitharaman's time as finance minister, the BSE Sensex has more than doubled from 36,000 to 80,000, yielding an average annual return of nearly 15%.

Will her seventh Budget continue the tradition of being modest on the market (in the short term), but momentous for the economy (in the medium term)? The answer is yes, for the following four reasons.

One, it keeps advisors close, and voters closer. The FY25 Budget acknowledges that despite rapid growth and macro-stability, there are serious structural challenges in the economy. The agriculture sector is in distress, the labour market is not creating adequate jobs for the youth and women, micro, small, and medium enterprises and the informal sector have stagnated, and foreign investors remain hesitant. These insights did not come from government advisors but from voters. Full marks to the North Block mandarins for recognising these inconvenient truths about the economy. Identifying the problem is the first critical step in solving it, so the Budget should be praised for focusing on the areas that need the most attention.

> **Raising the competitiveness of India's industry through drastic deregulation measures, as argued by the Economic Survey, is conspicuously absent. Unlike in the past, this year's budget pays lip service to digital economy issues and leveraging AI for public goods**

Two, it stays the course on macro-stability. The Budget avoids the temptation of spending the dividends received from the Reserve Bank of India (RBI) and growing tax revenues on populist schemes. Instead, it aims to expand the tax base, maintain investment momentum, reduce fiscal deficits, and commit to lowering the government debt-to-GDP ratio in the medium term. These measures should further contribute to macro-stability, encourage greater foreign investment, strengthen the case for rating upgrades, and possibly convince the RBI to cut interest rates earlier than expected, all of which will bode well for economic growth.

Three, it is better to try and fail, than to never try. It is rare to see a Budget putting "job creation" at its centre. Economists are good at recommending policies to boost growth but struggle to suggest policies that create jobs. The task was made more difficult as some experts continued to insist that the economy is creating adequate jobs, denying the existence of any employment problem in the country. The government, to its credit, went against such advice to announce six new schemes with a two-lakh-crore outlay to create jobs and upgrade skills. Given the complicated design structure, these schemes are bound to face teething problems and significant implementation challenges. But it's better to at least attempt a solution, even if it doesn't work. So, kudos to the government for exploring heterodox solutions to India's job problem.

Four, there is a pivot on trade and investment policies. After several years of mixed signalling, this year's Budget tries to pivot to the path of gradual liberalisation of trade and investment regimes. Customs duties have been reduced, albeit selectively. The corporate tax rate on foreign companies has been lowered, the additional equalisation levy has been removed, and the angel tax for start-ups has been abolished. These measures will help both domestic founders and their mostly foreign backers. One hopes these are the start of steady reforms to continue opening the Indian economy to global competition and aligning its trade and investment policies with its successful foreign policy regime.

However, there are plenty of missed opportunities in the Budget as well. Raising the competitiveness of India's industry through drastic deregulation measures, as argued by the Economic Survey, is conspicuously absent. Unlike in the past, this year's Budget pays lip service to digital economy issues and leveraging artificial intelligence for public goods. There was hardly any mention of improving public service delivery in the education, health, and social sectors. The elaborate and overly complicated nature of the employment and skilling schemes indicates that officials formulating the policies continue to be divorced from the reality of the state's capacity to implement them.

But overall, and like many of her previous Budgets, the finance minister has struck a fine balance between macro-level reforms and micro-level concessions. The market may have shrugged off its impact on Budget day, but it should rebound once the full effect is understood.

# Framework for job creation

The Budget aims not just to get the youth enrolled in factories, but also to create a future-ready workforce

**HARSH GOENKA**

Chairman, RPG Group

**FINANCE MINISTER NIRMALA** Sitharaman's Budget for 2024-25 stands out as a bold and forward-thinking plan, evolving significantly from her earlier Budgets which focused on economic stabilisation and recovery after the pandemic. While her previous Budgets laid the foundation with infrastructure boost, social spending, and ease of doing business, this year's Budget elevates the vision to a comprehensive road map for a Viksit Bharat, emphasising not just growth, but inclusive, sustainable development across various sectors.

At the heart of this Budget is a comprehensive framework for job creation. The comprehensive package, comprising five schemes, aims to benefit 4 crore youth over the next five years. The purpose is not just to get the youth enrolled in factories, but it is also about creating a future-ready workforce with necessary skills and exposure to best-in-class practices.

Micro, small, and medium enterprises (MSMEs), often regarded as the backbone of the Indian economy, are also given due prominence. The credit guarantee scheme for term loans, new credit assessment model, and mechanisms to support credit availability during stress periods are well-thought out and address the needs of MSMEs at various stages of growth.

The government has taken a holistic approach on sustainability, also covering agriculture in this ambit. Rather than increasing the subsidy, it tries to address areas which can have a meaningful long-term impact like research, natural farming, and improvements in supply chain. The Budget also fine-tunes the renewable energy infrastructure, with advanced ultra supercritical power plants, pumped storage, and solar rooftop scheme.

Recognition of cities as growth hubs through transit-oriented development and creative redevelopment is a forward-thinking move. The PM Awas Yojana Urban 2.0 aims to address the housing needs of millions, ensuring affordable and quality living spaces. Policies to foster efficient rental housing markets will further enhance urban liveability.

Energy security is another crucial area addressed in the Budget. The solar rooftop scheme, development of small and modular nuclear reactors, and indigenous technology for new-age thermal power plants mark a significant step towards a cleaner and more reliable energy future.

Infrastructure investment remains a key focus. The continued substantial allocation for infrastructure spends, programmes to improve rural connectivity, additional support to infrastructure in eastern India, and addressing long-standing issues like flood management highlight a commitment to all-round development.

Despite ambitious spending plans, the Budget maintains a commitment to fiscal prudence. By aiming to reduce the fiscal deficit and implementing comprehensive tax reforms, the government strikes a balance between growth and stability. Simplifying capital gains tax, increasing the thresholds for appeals, reducing the window for reopening of assessments and rationalising goods and services tax are steps that promise to make tax compliance easier for citizens and businesses alike, reducing litigation, and enhancing revenue.

The only surprise was the increase in capital gains tax rates for equities. While the initial reaction was negative, the markets have digested this move taking a more balanced and holistic view.

Overall, FM Sitharaman's seventh Budget is a road map for a brighter, more prosperous India. Every initiative, from job creation to energy security, from MSME support to infrastructure development, is a step towards realising the dream of a developed nation. This Budget listens, learns, and leads, setting the stage for sustainable growth and inclusive development.

# A road map for inclusive growth

Budget 2024 reflects India's steadfast commitment to inclusive and sustainable growth

**PAWAN MUNJAL**

Executive chairman, Hero MotoCorp

**AS PRIME MINISTER** Narendra Modi embarks on his third consecutive term, he reaffirms his commitment to continuity and stability. The inaugural Union Budget of the Modi 3.0 government, presented by our finance minister Nirmala Sitharaman, epitomises this promise. This Budget reinforces India's ambitious journey towards becoming Viksit Bharat—a developed nation.

In this Amrit Kaal, India stands on a strong and robust economic growth trajectory, with a projected GDP growth of ~6.5-7% for the current fiscal year. Despite global economic adversities, India has successfully shielded itself from adverse impacts. Budget 2024 is meticulously designed to address key areas crucial for propelling India to the next echelon of growth.

To advance India's growth, Budget 2024 focuses on crucial areas: women-led development, advanced skilling, job creation, rural empowerment, energy sector transformation, and ease of doing business. This Budget not only addresses these pivotal areas but also establishes a solid foundation to sustain the government's growth trajectory for the next five years. Such strategic alignment ensures a comprehensive and inclusive framework, positioning India for continued ascendancy on the global stage.

India's youthful demographic provides a significant advantage in addressing the global skill gap. The employment-linked incentive scheme, initiated by the finance minister, is a decisive step in this direction, aiming to benefit 20 lakh youth over the next five years. Additionally, upgrading 1,000 industrial training institutes will catalyse the creation of skilled workforce, aligning with the industry demands.

Prime Minister Modi's unwavering belief in the power of nari shakti (women power) is evident in Budget 2024's emphasis on enhancing women's participation in the workforce. The announcement of establishing hostels and forming partnerships to conduct women-specific skilling programmes is not only praiseworthy, but also underscores the government's commitment to all-encompassing, inclusive development.

India's commitment to green energy has reached a pivotal juncture. The Budget extends its energy security initiatives by introducing a policy document on energy transition pathways that harmonises employment, growth, and environmental sustainability imperatives.

The government's commitment to bolstering rural development is evident in the substantial budget allocation for capital expenditure, aimed at strengthening infrastructure and enhancing connectivity in rural areas. These connectivity projects will facilitate greater accessibility and mobility within rural communities, fostering inclusive growth.

The announcement of releasing 109 high-yielding, resilient, and climate-adaptive varieties of 32 field and horticultural crops coupled with the plan to initiate one crore farmers into natural farming holds the potential to boost agricultural sector growth, advancing India's journey towards becoming aatmanirbhar (self-reliant).

Recognising micro, small and medium Enterprises (MSMEs) as the backbone of our nation, it is encouraging to see an increase in the Mudra loan limit from ₹10 lakh to ₹20 lakh. This move will ensure enhanced capital availability, drive innovation, and spur employment generation opportunities.

Budget 2024 reflects India's steadfast commitment to inclusive and sustainable growth. By prioritising advanced skilling, robust employment initiatives, green energy transformation, and comprehensive support to MSMEs, this Budget lays the foundation for a resilient and innovative future. These decisive measures will not only address current challenges, but also create employment opportunities, driving the nation towards unparalleled prosperity. With this visionary blueprint, India is set to emerge stronger, more self-reliant, and ready to lead on the global stage.

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# Cleansing NEET

## Next year, the test must have safeguards against malpractice and inefficiency

What comes undone is best redone. The latest development in the prolonged National Eligibility cum Entrance Test (NEET) 2024 saga has played out in the court, and will answer the question raised initially – the unusually high number of toppers this year. The Supreme Court of India's ruling on the right answer to a particular physics question in the NEET paper, based on the expert opinion of IIT Delhi professionals, has brought down the number of toppers from 61 to a more reasonable number – 17. The wrong answer for the disputed question was chosen reportedly by four lakh students, including 44 in the list of toppers. As a result, all these students will lose five marks each. Ruling that there could be only one correct answer, the Court directed the National Testing Agency (NTA) to revise the scores based on the correct answer. It also emerged during the hearing that the wrong answer for the question was actually present in the older (until 2021) NCERT textbooks. The Court had earlier refused to cancel the entire NEET, which over 23 lakh applicants took. While the scheduled date of counselling, July 24, is past already, and with the NTA having to re-tally the marks with the revised answer, the counselling has been delayed again, but will take place as soon as possible.

While the scenario, as it stands today, seems ostensibly resolved sufficiently to let the process move forward, the truth is that an unprecedented number of violations have occurred in a manner that vitiated, possibly for good, the faith in NEET as a fail-safe entrance route. From charges of paper leaks, giving out the wrong question papers, damaged answer keys, impersonation by students, and an analysis of marks that showed an unusually high number of toppers from certain centres in the country, NEET-UG 2024 has been a string of bad news this year. Notably, the interventions to right the course have come mostly from the judiciary, with the executive stopping short of initiating significant or decisive action required to clean its Augean stables. For starters, the extraordinary emphasis that has come to be placed on medicine as a career choice, with over 23 lakh students hoping to compete for over one lakh MBBS seats, will have to be dialled down, with a healthy promotion of other scientific streams as viable career options. The government also has no option but to unwind the entire spool, and cast it out if it must, reorienting all systems so that the next NEET can be conducted professionally, and with adequate safeguards in place to prevent malpractice or inefficiency.

# Not in order

## The directives on display of names on Kanwar Yatra route must be withdrawn

The Supreme Court of India on Monday stopped the enforcement of directives issued by the Uttar Pradesh and Uttarakhand governments that required food stalls on the route of the *Kanwar Yatra* – an increasingly popular pilgrimage that Shiva devotees undertake – to prominently exhibit the names and other identity details of their owners and employees. Petitioners argued that the directives would result in discriminatory outcomes, besides negating the secular character of the country. The Court accepted the need for urgent judicial intervention in the matter and issued notices to the States that fall in the route – Uttar Pradesh, Uttarakhand, Delhi and Madhya Pradesh. The case will come up for hearing again on Friday. The *yatra* takes place during the Hindu month of Shravan when those who worship Shiva – popularly known as *Kanwariyas* or *Bhole* – walk hundreds of kilometres carrying pots of Ganga *jal*, known as *kanwar* (a structure made of bamboo that has containers suspended on both sides of a pole), to the temples in their home town. The *yatra* is increasingly popular, particularly among the Dalit and Other Backward Classes in the Hindi heartland. The police in Muzaffarnagar, western U.P., were the first to issue the controversial directive last week, which they said was done to 'prevent any untoward incident'.

The discriminatory nature of this move became clear soon, and was criticised by the Opposition and National Democratic Alliance allies. Amid the criticism, U.P. Chief Minister Yogi Adityanath extended the requirement across the entire route of the pilgrimage in the State. The Bharatiya Janata Party (BJP) government in neighbouring Uttarakhand followed suit. Reports emerged of Hindu hotel owners being asked by the administration to remove their Muslim workers; there were also accounts of harassment of meat shop owners. BJP allies, the Rashtriya Lok Dal (RLD) and the Janata Dal (United), joined the Opposition Congress and the Samajwadi Party in calling out the brazenly communal move of the BJP governments. Many pilgrimages in India are undertaken and organised jointly by people of different faiths, and as it turns out, there are Muslims too who trek with Hindus to take part in this unique form of Shiva worship. All along the route, they have, for years, been served by Muslim shop owners and even volunteers. Muslim artisans make a living by making the *kanwar* in some parts. The economic, cultural and social aspects of the *Kanwar Yatra* – as with any other pilgrimage – are shared by people of various sects and religions. The government directive was unreasonable and achieved nothing other than promoting communal enmity. U.P. and Uttarakhand should withdraw their directives without waiting for the decision of the Court.

# *Budget 2024 — long on intent, short on details*

**M. Suresh Babu**
Director, Madras Institute of Development Studies

The short Budget speech by the Union Finance Minister is marked by clarity on three aspects. First, the intentions and vision for Vikisit Bharat@2047 are spelt out through the nine priority areas, a long-term vision, to which we expect that subsequent Budgets would adhere, to accomplish these goals. Second, there is an explicit recognition of the problem of unemployment in the economy. Addressing this has been a challenge and the Budget devotes considerable space in listing out initiatives towards generating employment. Third, the compulsions of a coalition government surface in parts, but are hidden in some of the specificities. These three have guided the strategy and the approach of the Budget. On the face of it, the policy slant reveals good intentions, but the ways and the means to accomplish the ambitious goals set out are not divulged, casting a shadow on the possibility of realising the targets set.

**A signal of continuity**

The fiscal arithmetic and the macro-policy stance in the Budget signal continuity and a carrying on with fiscal consolidation efforts. The overall fiscal deficit has been lowered to 4.9% compared to 5.1% targeted in the interim Budget. A large part of the surplus received from the Reserve Bank of India has been used to buttress fiscal prudence. The anticipated reiteration of the reduction in the fiscal deficit to below 4.5% of GDP in FY2026 is welcome. The new medium-term fiscal consolidation path has been linked to a reduction in the debt/GDP ratio instead of continued compression of the fiscal deficit/GDP ratio. This will allow the government flexibility to chart an appropriate fiscal course that builds in higher capital spending as well as support to meeting climate goals in an uncertain global environment.

The size of the Budget has gone up only marginally. This also means that the overall borrowing programme of the government is almost unchanged – in fact, it has come down marginally though the cut in borrowings is smaller than what could have been possible with the buoyant revenue collections.

While there has been a slight increase in overall expenditure, capital expenditure remains more or less unchanged. There are two discomforting trends on the expenditure side. First, the Budget estimates for 2024-25 show only marginal increase in allocation in most of the items of expenditure compared to that of 2023-24. In fact in some of the key items, it shows a decrease. In the case of commerce, industry and energy, we find a decline in Budget estimates for 2024-25. Second, in many items of expenditure, the revised estimates for 2023-24 are lower than the Budget estimates for the same year. Social welfare and scientific departments are notable in this context.

Effective capital expenditure, which is capital expenditure plus the grant in aid for creation of capital assets, have come down when we compare revised estimates and provisional actuals for 2023-24. The decline in revised estimates compared to Budget estimates is an indication of the lack of capacity of the government to spend, which is likely to undermine the expected multiplier effects of such expenditures. Thus, we need to wait and watch as to how much of the proposed outlays are utilised. Further, the same levels of capital expenditure imply that the government would bank more on private investments, as indicated in the Economic Survey, which has not yet registered a significant increase in recent years.

> The policy slant highlights good intentions, but the ways and the means to accomplish the ambitious goals set out are hazy

**Consumption and employment**

The Budget relies on two measures to bolster demand and increase private consumption. It takes the route of tinkering with the new income-tax regime to leave slightly more disposable incomes for a section of taxpayers, which is expected to stimulate demand. Given the growth in indirect tax collections, there was more room for income-tax reliefs, which could have been useful to not only stimulate demand but also increase dwindling household savings. This is an opportunity missed. Second, the Budget expects employment growth to take place, imparting more incomes, and, hence, higher demand in the economy.

The internship scheme, the direct thrust on channelling funds to first-time employees with commensurate benefits to companies to incentivise a hiring of more people and providing salary top up for first time employed are unlikely to create more jobs as they do not address the questions of social aspirations and technological changes which directly impinge labour market outcomes. Moreover, implementing these schemes is not straightforward. The internship scheme has the additional risk of becoming a short-term urban employment programme, which only creates a pool of the unemployed in the future.

Employment growth is also expected to take place with the revival of the Micro, Small and Medium Enterprises (MSME) sector through the credit route with a guarantee scheme being launched, besides asking banks to have their own models for lending that is not linked with collateral. Assistance to States such as Andhra Pradesh, Bihar, Odisha and Jharkhand is also expected to give an indirect push to investment and employment along with the thrust to housing in urban and rural areas.

It needs to be noted that MSMEs need to have not only credit but also a conducive environment to operate for their growth. Hence, the efficacy of providing only credit and leaving the rest to market forces might not generate the desired results.

**The omissions**

Barring the announcement of tax benefits for Indian start-ups and their investors, including scrapping the contentious angel tax for all classes of investors and aligning capital gains rates between listed and unlisted equity and the increased limit of Micro Units Development and Refinance Agency Ltd. (MUDRA) loans from ₹10 lakh to ₹20 lakh, the big push for the industrial sector is conspicuously absent in the Budget. Neither was there any mention of the Railways, PLI Scheme, Gati Sakthi and the Census. The list of omissions could be longer, but a lack of clear initiatives towards the education and health sectors to tap demographic dividend might not augur well with the vision of 2047. Equally important is to strike a balance between cities and rural economy and to make a distinction between jobs and internships. With the macroeconomy well poised at the moment, some bold steps and details of the journey to 2047 could have been outlined.

*The views expressed are personal*

# *An outlining of urban transformation strategies*

**Sudhir Krishna**
former Secretary, Urban Development, Government of India

Cities are home to about 50 crore people, accounting for about 36% of India's population. The urban population has been growing at a steady pace of 2% to 2.5% annually. The ever-growing pace of urbanisation in India calls for sustained investments, with a vision and determination. The maiden Budget of the new government has recognised cities as the growth hubs and offered many options and opportunities for the planned development and the growth of cities.

**The issue of housing**

The Pradhan Mantri Awas Yojana (Urban) has been under implementation since 2015 and has provided as many as 85 lakh housing units for the Economically Weaker Sections (EWS)-Middle Income Groups (MIG) categories of population, with an investment of about ₹8 lakh crore. Of this, a quarter has been provided by the central government and the remaining by the beneficiaries and State governments. The Budget has proposed to give a further push to the scheme by announcing support for the construction of another one crore such units in urban areas with an investment of ₹10 lakh crore, which will include central assistance of ₹2.2 lakh crore in the next five years, against which ₹30,171 crore has been provided in the Budget for the current year. A part of this allocation will be available to provide interest subsidy to facilitate loans at affordable rates.

The migrant population working in industries has been surviving in general in slums and yearning for a roof over their heads and a functional housing unit close to their workplaces. The Budget has announced new rental housing with dormitory-type accommodation for industrial workers. This is envisaged to be developed in public-private partnership (PPP) mode with upfront financial support under the Viability Gap Funding (VGF) scheme. This is to the extent of 20% from the central government, with the possibility of similar support from the State government.

The core infrastructure requirement for cities includes water supply, sanitation, roads and sewerage systems. Specific to the cities, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) provides ₹8,000 crore, which, by itself, may not appear to be very substantial. However, the Finance Minister has announced the availability of the VGF window, provided that the project is taken up as a commercial venture in PPP Mode. Most cities have, over the years, got exposed to the PPP model, and it should be possible to speed up the development of such core infrastructure, where it is unavailable and upgrade it where it exists but is inadequate.

The Budget Speech also mentions a huge investment of ₹11.11 lakh crore for capex in infrastructure. While this would include highways and many other sectors, cities can also make efforts to partake a share in it. Similarly, a provision of ₹1.50 lakh crore is made available to States as an interest-free loan for infrastructure development. States could use this window also, for cities.

The Smart Cities Mission, that was launched in 2015, was provided budgetary support of ₹8,000 crore in 2023-24, which has been scaled down to ₹2,400 crore in 2024-25, to take care of the remnant commitments. However, a new window, the National Urban Digital Mission (NUDM), has been opened in this Budget, with a provision of ₹1,150 crore, with a focus on the digitisation of property and tax records and their management, with GIS mapping. These will help urban local bodies in managing their finances better, and also help property owners.

> State governments, their municipalities and also citizens will have to take forward the provisions outlined in the Budget

**On city planning**

The Budget has declared the intention of focusing on the planned development of cities. Municipalities would get the normal 'Finance Commission Grant' of ₹25,653 crore. In addition, a provision of ₹500 crore has been made for the incubation of new cities. With the development of mass rapid transit systems, cities can embark on transit-oriented development, wherein transit hubs can be surrounded by denser development without creating a traffic overload on roads. Moreover, a well-designed mobility plan can conveniently connect cities with their peri-urban areas and 'new cities'. Accordingly, the Budget has announced an enhanced focus on economic and transit planning, with the orderly development of peri-urban areas utilising town planning schemes. The Budget has also proposed encouraging electric bus systems for cities and has provided ₹1,300 crore for it. E-buses offer an economical and eco-friendly operating system, but the main challenge is their higher upfront cost. However, with this budgetary support, it should get going.

**Solid waste management**

Solid waste management (SWM) is perhaps the biggest challenge that most cities face today. The Budget has announced a special thrust to introduce bankable projects for SWM in collaboration with State government and financial institutions. States and municipalities can also make use of the VGF for this purpose. Cities such as Indore, Madhya Pradesh, have shown the way in making SWM a financially viable proposition.

The Street Vendors Act, 2014, was enacted by Parliament to regulate street vendors in public areas and protect their rights. It also envisaged the preparation of street-vending plans and the creation of street-vending zones, with a view to make street-vending a healthy and safe option for consumers and vendors. The Budget has proposed to develop 100 weekly '*haats*' or street food hubs in select cities. Perhaps States need not feel constrained with the number and can facilitate all cities in preparing street-vending plans and developing street vending '*haats*' in various parts of the city, according to felt needs.

While the Budget has made a slew of provisions, financial as well as procedural, to push for planned urbanisation, cities, represented by the municipalities, and guided by the respective State governments, will have to show the vision and the determination to incorporate all the resources coming not only from the Union Budget but also augmented by their own resources.

Above all, the participation of citizens would remain the bedrock for the success of any city's development strategy.

*The views expressed are personal*

## LETTERS TO THE EDITOR

**Union Budget**

The Budget does have some trace of political optics. Though the tax regime does give some relief to the tax-payer, the question remains whether the new tax regime encourages the 'saving tendency', as in the old regime where savings did occupy a good space. It is an undeniable fact that savings are a must for a robust economy.

**S. Seshadri,**
Chennai

**In a visual nutshell**

The Budget issue (July 23) was a treat with its detailed analysis on the pros and cons of the Union Budget. But the one thing that caught my attention on opening *The Hindu* in the morning was the lead cartoon. In his uncanny whimsical manner in depicting political characters, the visualiser has brought out the feelings of the common man on the Union Budget.

**Saravanan Krubapuri,**
Chennai

In the jungle of write-ups and dry statistics, peppered with reactions from industry leaders showering praises on the Budget, most of which are presumptuous anyway, it were the cartoons that came as a breath of fresh air. While each one of these cartoons deserves praise for its message and artistry, the pocket cartoon ('Social sector' page, Page 7) deserves special mention.

**P.S. Lourdenadhan,**
Bengaluru

Despite all the analyses, it was the pocket cartoons that succeeded in effectively conveying the concerns of the general public and the youth. The cartoonist deserves much praise.

**Jiji Panicker K.,**
Angadickal, Alappuzha, Kerala

More than the write-ups, your cartoons conveyed the pith and the substance of the Budget. You proved that a picture is worth a thousand words.

**K. Pradeep,**
Chennai

**C.T. Kurien**

Professor C.T. Kurien was a legend who was productively invested in so many students, especially the poor and the marginalised from rural India. Though an alumni of the Madras Christian College (MCC), but not his student, I am one of many who admired him. Alumni, even today, shower praise on him for his contributions to the cause of India's speedy development. It was the first Indian Principal of MCC, Chandran Devanesan, hailing from then rustic Palayamkottai in Tamil Nadu, who recognised the spark in this great intellectual — as one eager to improve the lot of the toiling masses.

**Albert Devakaram,**
Chennai

**Corrections & Clarifications**

The last paragraph of a report, "Urban, rural land reforms by Centre; land records to be digitised with GIS mapping" (Budget 2024, 'Infrastructure', July 24, 2024), mentioned the expert's name as Deepa Jha. It should have been Deepika Jha.

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Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

# A Budget that places health on the margins

K. Srinath Reddy

honorary distinguished professor at the Public Health Foundation of India

With the worst of the COVID-19 pandemic behind us (though the World Health Organization warns that the virus has still not vanished), the Union Budget expectedly shifted focus to levers of economic growth such as infrastructure and employment. It was also hoped that the recognition of population health as a vital investment for accelerating as well as protecting economic growth would see continued investment in strengthening our health systems. In the Interim Budget, the Finance Minister had announced the government's plans to "encourage" HPV vaccination to girls (to prevent cervical cancer), create a U-WIN programme for improving coverage of the routine immunisation programme, and include ASHA workers and Anganwadi workers as beneficiaries of the Pradhan Mantri Jan Arogya Yojana (PMJAY) health insurance programme. These have not been elaborated or presented as line items in the main Budget presented on June 23.

### Comparisons

An increase in programme allocations from Budget to Budget must be calculated by comparing the budgetary estimate (BE) of this year with the BE of last year and not with the revised estimate (RE) for last year, which also features in the Budget. RE is the money actually spent, and indicates inability of the programme to efficiently spend the money, and not the actual need. A comparison of the BE for health in this year's Budget with the RE of last year suggests that there was an increase of nearly 12%, which is an erroneous estimate of what the programme will actually get as a raise.

A hospital in Alluri Sitarama Raju district, Andhra SPECIAL ARRANGEMENT

By comparing only the BEs of 2023-24 and 2025-25, we note an increase of only 1.98% for the overall Health Ministry budget, 1.16% for the National Health Mission (NHM), and 1.4% for PMJAY. Given the need to expand coverage and enhance the impact of these two flagship programmes of Ayushman Bharat, these increases are disappointingly modest. Many of our national programmes are steered by NHM, which is also responsible for strengthening rural and urban primary care as well as the district hospitals. Apart from the need to make child immunisation universal, the danger of tuberculosis (for which India has set an aspirational elimination date of 2025) and the rapidly rising rates of non-communicable diseases require a better resourced and structurally strengthened NHM.

The goal of having every Indian protected by universal health coverage (our target for 2030) cannot be realised if even the government-funded PMJAY programme is unable to become more inclusive. The recent announcement that it will be extended to cover all elderly persons appears untenable if the programme has a minimal budgetary increase.

**The goal of having every Indian protected by universal health coverage cannot be realised if even PMJAY is unable to become more inclusive**

### A missed opportunity

While an increase in new medical colleges was mentioned, the need to invest in building a large multi-layered, multi-skilled workforce was not acknowledged. The energetic thrust for employment generation and skill-building must recognise that the health sector represents an area of great need and opportunity, especially for young persons.

It is laudable that customs duties have been waived on three anti-cancer drugs. Price controls are also needed for many other drugs. Pooled procurement, with monopsonic power of price negotiation, can markedly reduce the prices of drugs procured not only by public sector institutions, but also by private healthcare institutions which are accredited to government-funded health insurance schemes. The Budget missed an opportunity to establish such mechanisms.

Investment in climate-resilient agriculture is a welcome budgetary commitment, at a juncture where the quantity and quality of staple crops are likely to be severely affected by global warming. Diversification of agriculture to climate-resilient crops will not only provide nutrition security, but will also be climate smart in reducing the use of water, pesticide, energy and release of greenhouse gases.

# The government's focus is on ease of paying taxes

Chandrajit Banerjee

Director General, CII

While providing primacy to growth with inclusion, the Budget attempts to infuse a new momentum to the economy and strengthen India's resilient ecosystem so that the country emerges as a growth engine of the world.

### An overarching theme

An important focus of the Budget is simplification and rationalisation of the tax structure. The document has spelled out the contours to achieve this, while trying to minimise disputes and expand the tax net. 'Ease of doing business' is an overarching theme behind the Budget tax proposals.

In the interest of moving towards a common understanding on the OECD BEPS (Base Erosion and Profit Shifting) Action Plan, the government has withdrawn the equalisation levy of 2% on e-commerce transactions. This demonstrates the government's participation in the initiative to create an international framework to combat tax avoidance. The proposals to expand the scope of safe harbour rules, streamline transfer pricing assessment procedure, and reduce the corporate tax rate on foreign companies from 40% to 35%, as suggested by CII, are expected to promote ease of international taxation, improve investor sentiment, and further attract foreign investments in the economy.

The angel tax has outlived its utility and has rightly been abolished. This move will ensure the orderly growth of the Indian startup ecosystem, resolve the problem of dip in funding, and give confidence to investors and entrepreneurs to invest and build from India, as suggested by CII to the government before the Budget.

Gold jewellery at a shop in Kolkata. AFP

CII has been advocating the rationalisation and simplification of the Withholding Tax regime under the Income Tax Act. Decriminalisation of some TDS (tax deducted at source) offences; the SOPs (standard operating procedures) and compounding guidelines for TDS defaults; and rejig in the existing TDS rates under certain categories are welcome moves in this direction, thereby enhancing ease of doing business.

The changes in the capital gains tax regime have been brought in the interest of rationalisation. So far as the removal of indexation benefit in the calculation of long-term capital gains tax is concerned, industry would look forward to seeing this move help the agenda of tax certainty and simplification.

Raising the standard deduction and increasing the tax slabs under the new regime, while increasing the deduction for family pension and the new pension scheme are positive steps towards providing tax relief to middle-class individuals, thereby pushing consumption and demand in the economy.

As a push towards the government's agenda for simplification and rationalisation, the new scheme of block assessment for search cases and reducing the time limit for which reassessment can be done are pertinent. The proposal to introduce the 'Vivad se Vishwas Scheme, 2024' for settlement of pending appeals would go a long way in reducing litigation and releasing amounts stuck under tax disputes. Digitisation of major taxpayer services is a welcome move, in light of the increased need for digitisation and ease of doing business.

**'Ease of doing business' is the overarching theme behind the tax proposals in the Budget**

### Customs duty rates

On the customs front, the government continues to focus on promoting domestic manufacturing and helping India get onto the global value chain, thereby boosting exports. Continuation of rationalisation of customs duty rates and simplification of compliance would enhance ease of doing business, removal of duty inversion, and reduction of disputes.

CII applauds the government for accepting industry's call for waiver of interest and penalty on late payment of GST (Goods and Services Tax) and exclusion of cash balance lying in the cash register of the taxpayers for calculation of interest.

The Budget ticks all the boxes for boosting competitiveness, growth, and promoting tax reforms. Overall, the Budget has delivered beyond expectations, while keeping an eye on much-warranted realism.

# A big step towards the transformation of various sectors

Suneeta Reddy

Managing Director, Apollo Hospitals Group

The 2024-25 Budget is a forward-thinking proposal with several commendable initiatives aimed at driving India's economic growth and social progress.

Against the backdrop of 8% GDP growth in FY24, the Budget allocated ₹1.48 lakh crore towards job creation, employment and skilling. While the focus of earlier Budgets was on manufacturing, it is heartening to see that skilling took centre stage this time. This shows a decisive step towards creating an economy that is built strongly around the service sector.

The past success of strong services and the highly successful Global Capability Centres have shown that the service sector can not only drive GDP growth, but also elevate per capita income. Importantly, it can enhance employees' health and well being.

The Budget also paved the way for India's energy transformation. It focused on a range of initiatives – from solar panel manufacturing and installation to a strong push for nuclear energy. As it allocates ₹89,287 crore towards crucial sectors, this Budget represents a significant step towards the transformation of various sectors, and thereby towards the creation of an inclusive and dynamic economy.

### Accessibility and affordability

We applaud the government's decision to exempt certain goods from customs duty. Three life-saving cancer medications have been exempted from customs duty. This will make essential treatments and technologies more accessible and affordable. It will greatly aid the patient and reduce for them the barrier of cost in accessing time-bound, life-saving solutions.

An X-ray. GETTY IMAGES

Customs duty has also been exempted for components of X-ray tubes and digital detectors for advanced medical equipment. This move is expected to make these technologies more affordable and accessible, while also enhancing domestic capabilities and keeping pace with global advancements. The emphasis on aligning customs duty with domestic capacity addition under the phased manufacturing programme will further create a more conducive environment for startups, fostering growth and innovation.

The Budget introduced a framework with nine priorities focusing on leveraging advanced technology and fostering collaboration between the government and private sector to promote growth and innovation. A crucial element of these reforms is the incorporation of state-of-the-art technology and the creation of databases to enhance efficiency and accessibility. By staying current with technological developments, these measures are poised to bring substantial benefits to providers and consumers alike. Effective collaboration between private organisations will be essential for realising the full potential of these reforms. India spends just 0.7% of its GDP on research. The private sector needs to see that as a huge space and collaborate with the government to co-create the future.

**Internships and research are important to develop a highly skilled workforce**

### Women's participation

According to a report by McKinsey, India can increase its 2025 GDP, estimated at $4.83 trillion, by 16%-60% simply by enabling women to participate in the economy on par with men. The government's focus this Budget on boosting women's participation in the workforce with targeted initiatives such as hostels, creches, and skilling programmes is an encouraging and right step in that direction.

The focus on skilling is particularly noteworthy. Internships and research are important to develop a highly skilled workforce. By fostering a culture of continuous learning and hands-on experience, the Budget aims to bridge the gap between academic learning and practical application.

This Budget reflects the government's commitment towards building a healthier and stronger economy. By prioritising our demographic dividend, encouraging public-private partnerships, and investing in research and development, the government is laying the foundation for sustainable economic growth.

# Prioritising inclusivity and fiscal prudence

Subhrakant Panda

Immediate Past President, FICCI

There was a lot of anticipation before this Budget. As the first major public policy announcement of the new government, it was expected that the Budget would lay down a plan of action for the following five years of the government's approach towards the larger national vision of Viksit Bharat@2047. Further, while the economy is performing well, there were admittedly a few areas that merited attention, employment being the foremost.

The Finance Minister announced that the Budget would focus on employment, skilling, MSMEs, and the middle class. With the nine priority areas that followed, she articulated the economic policy framework through which the government wishes to bring in the transformation that would accelerate the journey towards Viksit Bharat@2047. By addressing the near-term challenges while keeping an eye on the long term, the government has ensured that this Budget is growth-oriented, inclusive, and will create opportunities for all sections.

### Areas of focus

The first is the focus on agriculture. The world over, the impact of climate change is seen the most in the farm sector. With rise in inflation of agri-products being linked to adverse climate events, it was pertinent that India double up efforts on developing climate-resilient seed varieties. The Budget brings in this focus with a comprehensive review of agri-research set up in the country to increase productivity and introduce climate-resilient seed varieties. Additionally, national missions for pulses and oilseeds will be strengthened and greater impetus would be given to set up large-scale clusters for vegetable production near major consumption centres. These steps would help in building self-reliance, bring in stability in the incomes of farmers, and also benefit consumers by arresting the occasional price spikes due to import dependence and fragmented supply chains domestically.

The second is the priority accorded to employment and skilling. The government has announced a comprehensive package of three schemes that offer employment-linked incentives. These will boost employment generation both in the manufacturing and services sectors and benefit lakhs of youth.

National missions for pulses and oilseeds are to be strengthened THE HINDU

Additionally, the initiative to set up many more working women hostels in the country and creches for care support in partnership with the private sector will facilitate greater participation of women in the workforce. An increase in female labour force participation rate can be an additional lever for our country's growth, and FICCI had suggested strengthening of the care economy ecosystem in the country in its economic agenda for the new government.

The third is the comprehensive set of measures outlined for the MSME sector. Finance is the lifeblood for any industrial unit, and this is more so for the MSMEs. In a national survey that FICCI undertook last year amongst MSMEs, availability of credit on reasonable terms and without collateral were the keys asks. By announcing a new credit guarantee scheme for MSMEs in the manufacturing sector, guiding public sector banks to develop internal assessment models for credit evaluation of MSMEs basis their digital footprints, and having a mechanism in place that would ensure flow of credit to MSMEs even during periods of stress will provide a lot of comfort to MSME units. FICCI is of the view that with these changes, underwriting models will improve and the cost of credit to MSMEs will come down. Another notable inclusion, which is also a FICCI suggestion, was the lowering of annual turnover threshold for registration on TreDS platform from ₹500 crore to ₹250 crore.

**The Budget shows the government's approach towards the larger national vision of Viksit Bharat@2047**

The fourth area includes proposals that focus on sustainability. Promotion of small modular reactors for nuclear energy, continuous support to the national roof top solar programme, dedicated projects for water supply, sewage treatment and solid waste management in large cities are all welcome measures. Additionally, the setting up of a Critical Minerals Mission will ensure that we are able to access with certainty these minerals which are important for meeting our sustainability goals.

The fifth is the partnership with state to broaden and deepen factor market reforms. FICCI has ardently advocated the need to work closely with States for ushering in reforms in areas like land, labour, and power. These have a bearing on the overall cost of production in the country and we are encouraged by the government's indication to pursue the next generation reforms with State governments as partners for promoting overall national development.

### Deftness on fiscal side

Finally, the government needs to be congratulated for the deftness displayed on the fiscal side. The downward revision in projected fiscal deficit for 2024-25 to 4.9% from 5.1% announced in the Interim Budget reflects the government's commitment to fiscal consoli. This will bode well for India's external ratings.

The Budget has articulated a clear vision and identified priorities which will be the foundation for India's continued growth and development. The focus must now shift to implementation.

The Hindustan Times
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{ OUR TAKE }

# NEET verdict is not a clean chit

The apex court may have stopped short of ordering a retest, but the gaps highlighted in the hearing should force a review of NEET

Authorities in the central government and the National Testing Agency (NTA) might be tempted to rest easy after the Supreme Court refrained from ordering a retest of the undergraduate edition of this year's National Eligibility cum Entrance Test (NEET). The court rejected multiple petitions demanding a NEET-UG 2024 retest because of alleged paper leaks and other malpractices, underlining that the material on record did not show any "systemic breach" that vitiated the exam's sanctity. "At this stage, there is an absence of material on record to lead to the conclusion that the result of the exam is vitiated or that there is a systemic breach of the sanctity of the exam... Data on record is not indicative of a systemic leak of the question paper, which would indicate a disruption of the sanctity of the exam," held the bench, headed by Chief Justice of India Dhananjaya Y Chandrachud and comprising justices JB Pardiwala and Manoj Misra.

This would be a mistake. The futures of 2.4 million NEET candidates may have weighed on the minds of the judges who found no conclusive proof of a widespread leak. But the hearings in the court and a string of revelations by the media, Bihar Police and the Central Bureau of Investigation have underscored a pattern of malpractice and flouting of norms that allowed several localised leaks, benefitting scores of students. In addition, NTA and the ministry faced further embarrassment when their decision to award marks to two options for a physics question was reversed by an expert panel — set up by the court — which found that contrary to NTA's finding, only one option was correct.

The conclusion of the case only indicates that there is no conclusive proof of a widespread leak, but after confirmed leaks at least two places, and the unearthing of organised groups called solvers, there is enough to suggest that the system needs a complete overhaul.

The top court's decision draws the curtain on this year's NEET imbroglio. The authorities have got off lightly. But they must refine the process before the next edition of the exam, conduct a thorough and transparent review to plug the gaps, and implement fixes as quickly as possible, including in other upcoming examinations such as UGC-NET. It cannot be business as usual.

# Need for pragmatism, not ad hocism, on GM

A two-judge bench of the Supreme Court delivered a split decision on the environmental release of indigenously developed genetically modified (GM) mustard but was unanimous on India's need for a national policy on bio-safety protocols for genetically modified organisms. This should serve as yet another reminder to the government of the need for well-considered pragmatism on GM crops. A deep suspicion of GM crops has thrived in India alongside the rising need to turn to technological solutions, including genetic modification, to ensure agricultural productivity and nutrition security as the climate crisis unfolds. The government's — present and past dispensations alike — hesitations have contributed the most to this.

To be sure, GM crops must be assessed for bio-safety and other impacts, and each prospect must reviewed carefully before being permitted. But this shouldn't mean ad hocism in the overall approach towards the technology. To illustrate, even as Bt brinjal and other edible GM crops have not been approved in India, the country's food safety regulator, in its reply to an RTI query last year, was unable to give a definitive answer on whether imported fresh produce sold in India was GM-free or not. A similar situation likely prevails for processed foods despite the regulator's labelling norms, since establishing the provenance of ingredients such as plant-origin oils remains difficult.

The country needs a scientific approach to GM crops and food products, with a robust policy focussed on the rigour of monitoring and bio-safety assessment. The court has set a four-month timeline for the Union government to consult stakeholders including scientists, farmers, and state governments, and draft a national GM safety policy. It would serve the nation better to have the needed framework to ascertain safety rather than continuing with an on-paper GM-sceptic approach.

# Labour's FTA zeal may hit India's labour wall

India has insisted labour standards can't be enforced on it through FTA whereas the UK's Labour Party government won't likely deviate from the country's historical condition that partner nations must ratify ILO standards

Given the UK and India's entrenched positions, it is clear that no less than an intervention from the top leadership will be required to settle differences PTI

Biswajit Dhar

The electoral shift in the United Kingdom (UK), which brought the Labour Party back to power after 14 years, has triggered intense speculation about the likely trajectory of the India-UK economic ties under the Keir Starmer government. Attention, in particular, has been focused on the future of the free trade agreement (FTA) that India and the UK have been negotiating since 2021. So far, there have been encouraging signs of the Labour Party siding with continuity in the policies initiated by the Conservative government it succeeded. Labour gave these signals in its election manifesto, stating that it was committed to "seek a new strategic partnership with India, including a free trade agreement". While this seems to suggest that the Starmer government would be keen to ink the trade deal with India at the earliest, it is important to pay some attention to the details in the Labour Party's election manifesto, as well as the legacy issues to understand the reality and be able to visualise the larger backdrop that would govern progress here.

India-UK economic relations reached a high during Boris Johnson's premiership, which culminated in the agreement between the leaders of the two countries in 2021, to launch an Enhanced Trade Partnership (ETP). An important component of the ETP was the intent to negotiate a comprehensive FTA that would help double bilateral trade by 2030. The leaders of both countries agreed to remove trade barriers "through a balanced and beneficial market access package under the ETP" that would include "agriculture, health care, education, legal services, seafarers, marine, health care, and social security".

One of the key priorities for India in its bilateral FTAs thus far has been temporary movement of people — short-duration migration to the partner countries for taking up jobs, which in WTO-speak is known as "Mode 4". On the other hand, the UK, in all the FTAs it has signed thus far, has insisted that its partner countries must ratify and enforce fully all the Fundamental Conventions of the International Labour Organization (ILO). The relevant provisions are included in a standalone chapter on "labour".

On the labour question, two important developments had taken place even before the FTA negotiations commenced. In what was a decidedly positive augury for India, the two countries agreed to "implement the comprehensive Migration and Mobility Partnership covering movement of students and professionals as well as irregular migration keeping in view the UK's new skills based immigration policy". This agreement included a young professionals scheme that would allow 3,000 young Indians to travel to the UK every year.

The second development posed several piquant questions to India. These emerged through the process of consultations that the UK's department of international trade had initiated with a wide range of domestic stakeholders, seeking help to "craft a deal that boosts economic growth creating high-value jobs across the country". The issue of labour standards figured prominently with the stakeholders insisting on the need to ensure that the "labour chapter [in the FTA] does not weaken or reduce the level of protection afforded by labour laws in order to encourage trade or investment". Stakeholders were concerned over the differences between the two countries in labour standards in domestic laws as well as on the enforcement mechanisms, and the potential impact that these differences could have on "workers and business, particularly with regards to open and fair competition". Importantly, the UK government supported the high priority that the stakeholders had accorded to safeguarding labour rights, pledging not only to not compromise on its position but also to ensure that its trade partner reaffirms its "commitment to international labour protections".

The UK and India have long differed on this issue on two counts. First, India has always insisted that labour standards cannot be enforced through trade agreements — in other words, trade agreements cannot be given the authority to dictate to it the ideals of labour laws. Secondly, and following from the above, India has insisted that it would continue to exercise independence while defining labour rights. In keeping with this stand, India had chosen not to ratify the ILO Fundamental Conventions on Freedom of Association and Protection of the Right to Organise Convention, 1948 (C087) and Right to Organise and Collective Bargaining Convention, 1949 (C098). India has consistently argued that the ratification of these Conventions would imply granting of certain rights that are prohibited under the statutory rules for government employees, namely, to strike work, to openly criticise government policies, to freely accept financial contribution and to freely join foreign organisations, among others. With the Starmer government insisting on continuity, it would have to be seen how these existing differences between the two governments on the question of India ratifying ILO Conventions C087 and C098 are addressed.

As mentioned earlier, India's interest in enabling temporary movement (temporary) of its people through the FTA seemed to have resonated well with the UK's Conservative government while it was in power, especially through the MoU on Migration and Mobility Partnership. In contrast, the Labour Party seems to have sounded a discordant note on this issue in its election manifesto. The Party argued that "under the Conservatives, [the UK] economy" had become overly dependent on workers from abroad to fill skills shortages as the level of net migration was more than three times higher than that in 2019. The Party emphasised that the overall level of migration must be properly controlled and managed since failure to do so reduces the incentives for businesses to train locally and it would therefore strive to reduce net migration. Given their entrenched positions, it is clear that no less than an intervention from the top leadership will be required to settle the differences between the two countries on labour rights in India or the movement of labour from India to the UK.

*Biswajit Dhar is distinguished professor, Council for Social Development, and retired professor, JNU. The views expressed are personal*

# What it takes to build a lasting university brand

At the heart of every institution lies a profound responsibility — to shape minds and the futures of generations. A university brand is not merely a logo and a tagline on a brochure. It is about crafting a legacy, creating a sense of belonging, and instilling a culture of excellence. It is a promise to a multitude of stakeholders. Students and parents prioritise career outcomes. Faculty need an environment that fosters intellectual freedom and research opportunities while staff seek a workplace that values their contributions. Recruiters seek graduates with the right skill set. Donors and grant-makers need reassurance that their resources are being used efficiently and effectively to create positive change.

Pramath Raj Sinha

A strong university brand speaks to the specific needs and aspirations of all these stakeholders. "You can trust us with your future" is what it tells students and their parents. "You can trust us with your resources," it tells its donors. "You can trust us with your time, talent and future," it tells its faculty, staff and recruiters.

These are not empty promises. So, building a strong university must start by defining "Who are we?" And this goes beyond brick-and-mortar facilities and historical anecdotes. A strong university brand is built on the very essence of the institution, its core values and the educational philosophy that guides it. Is the university a bastion of rigorous liberal arts, or does it champion professional specialisation? Does it prioritise ground-breaking research or immersive experiential learning? The brand clearly articulates the tenets on which the university has built its reputation.

Both students and faculty need a guarantee of quality education. A valued brand ensures that the university has passionate educators who are leaders in their fields, actively engaged in research and committed to nurturing young minds. There is evidence of strong peer-reviewed research outputs that demonstrate the institution's intellectual rigour and its contribution to global knowledge. Beyond these metrics, it ensures a relentless pursuit of academic excellence fostering a culture of inquiry and discovery that benefits all stakeholders.

A university brand must also reflect the outcomes it generates. What kind of graduates does it produce? Are they critical thinkers, adaptable and well-rounded individuals equipped to tackle the challenges of the 21st century? Do they possess the communication skills and global perspective coveted by employers? Measuring and highlighting successful alumni careers, post-graduation fellowships and innovative student initiatives become testaments to the institution's transformative effect.

Universities have a responsibility to be inclusive and equitable. The opportunities are endless: Commitments of merit and need-based scholarship programmes catering to learners from diverse socio-economic backgrounds, investment in accessibility that promises a safe, nurturing environment — ranging from infrastructure for different mobilities, assistive technologies addressing diverse learning styles and needs, tailored tutoring, counselling services and even peer support networks.

The truth is prioritising all of these opportunities plays an important role in building the brand. Building a university on these standards with the promise of a learning environment rich in diverse perspectives only strengthens the institutional identity.

Trust in a university brand extends beyond the present. Students and parents want to know that their investment is secure and that the institution they choose will be a force for good for years to come. A sound financial footing, strategic planning and a commitment to continuous improvement demonstrate the university's long-term vision. Alumni, too, want to be associated with a brand that continues to break new ground and uphold its values. A flourishing alumni network speaks volumes about the enduring impact that the university has on the lives of its students.

Ashoka University, for example, recognises the increasing need for interdisciplinary learning so it is actively fostering collaborations across departments and centres, encouraging students to tackle complex problems through diverse lenses. This commitment to continuous improvement ensures that the brand remains relevant and attractive to future generations. It also wants to build a community of leaders who can foster excellence across all walks of life — from the corporate sector to academia to the social sector and the creative arts.

Rankings and accolades hold value, but a university brand cannot solely rely on external validation. Success also lies in showcasing a unique learning environment that empowers students to become lifelong learners and responsible citizens.

Universities have a wealth of stories waiting to be told. The narrative of passionate faculty members inspiring the next generation of thinkers, the journey of a student from shy freshman to confident leader, and the pioneering research that tackles a global challenge — these are the lifeblood of a university brand.

By proactively crafting a compelling narrative and then actively sharing these stories through various platforms, universities can connect with diverse audiences, fostering trust and a sense of community. These stories become living endorsements, showcasing the unique value proposition a university offers.

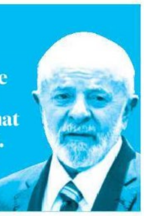
Ultimately, a strong university brand is an embodiment of the pledges made to all its stakeholders. It includes the promise of quality education to students, the assurance offered to parents, the vision shared with faculty and staff, the value proposition presented to recruiters, the legacy it offers to alumni and the commitment demonstrated to donors.

Universities with well-defined brands become magnets for talent, catalysts for innovation, and beacons of hope for a better future.

*Pramath Raj Sinha is founder and trustee at Ashoka University. He is also the founder and managing director of the 9.9 Group. The views expressed are personal*

{ LULA DA SILVA } BRAZIL'S PRESIDENT

**The fight against inequality, the fight against hunger, the fight against poverty are all fights that cannot be done by one country. It has to be done by all the countries**



# Budget leans on resilience, paves path for Viksit Bharat

Budget 2024 is a significant milestone in India's journey towards becoming a developed nation, or Viksit Bharat, by 2047. It builds on the resilience established over the last two terms of the government led by Prime Minister (PM) Narendra Modi. The Economic Survey clearly laid out how the economy is on a strong footing while identifying challenges. Finance minister (FM) Nirmala Sitharaman has skilfully navigated these important aspects of the economy. Despite the Opposition's political reservations, it is evident that the provisions in this budget are far-reaching and transformative. The primary focus is on employment generation, support to the middle class, agriculture growth, MSMEs and urban infrastructure development. The budget also talks about next-generation reforms and improving factors of production.

Gopal Krishna Agarwal

We have to keep in mind that budget announcements are based on the demand of the Union ministries and the states and the assessment of their requirements by the finance ministry. These allocations can be increased during the year. Also, states not mentioned in the speech still get their due under the schemes.

Employment generation is a critical area. The budget ensures that job creation is directly and indirectly supported. The introduction of an internship programme for 10 million youth at 500 top corporations, financed and supported by the government, is a notable initiative. It is designed to bridge the gap between education and industry requirements. Support for first-time employees through the first month's salary being paid by the government and Provident Fund (PF) and National Pension System (NPS) contributions are welcome steps. Upgrading of the Industrial Training Institutes (ITIs) and training two million youth will further empower the workforce, including women workers.

The FM has also focused on the MSME sector with enhanced credit guarantees, reworking the Non-Performing Assets (NPA) identification process, and raising the Mudra loan limit to ₹20 lakh. Most importantly, the credit assessment model has been improved to ensure that deserving enterprises receive the necessary financial support. The manufacturing sector will benefit significantly from the allocation of ₹1 lakh crore for innovation and research, as well as funds for start-ups. The abolition of the angel tax, a major demand of start-ups, will bring a new line of capital investment, fostering a culture of innovation and entrepreneurship.

The budget also provides much-needed tax relief to the middle class. The increase in the standard deduction limit and reduced tax rates across all slabs will provide respite to millions of households. This demography will also benefit from infrastructure development, with an impressive allocation of ₹11.11 lakh crore aimed at enhancing the ease of living.

Agriculture and the rural population have received special attention. The government has allocated funds for the construction of 30 million new houses under the Pradhan Mantri Awas Yojana. These initiatives aim to improve living conditions and provide much-needed relief to rural communities. The government's exemplary work in delivering social welfare through digital infrastructure is evident in this budget. The Viksit Bharat vision entails welfare schemes reaching every section of the population. The allocation to the Mahatma Gandhi National Rural Employment Guarantee Scheme and the initiation of the Janjatiya Unnat Abhiyan are steps towards achieving saturation in tribal villages.

The budget also emphasises sectors such as tourism, energy, urban development, manufacturing and support for women and youth empowerment. Each of these areas has found a place in the budget, with targeted initiatives aimed at boosting growth and improving the standard of living. The comprehensive approach ensures that every segment of society benefits from the nation's progress.

Innovation and research are key components of this budget, with substantial funds allocated to foster a culture of creativity and technological advancement. Next-generation reforms, including a new economic policy framework, new tax levies, and easing of tax compliance, have been thoughtfully implemented. These measures aim to improve overall productivity, creating a more efficient and competitive economy.

In conclusion, the budget is a significant step towards building Viksit Bharat. It lays a solid foundation for a prosperous and resilient economy where all segments of society are taken care of. The government's focus on employment generation, infrastructure development, and social welfare is commendable. Together, we will build a prosperous and resilient India, ensuring that every citizen benefits from the nation's progress.

*Gopal Krishna Agarwal is national spokesperson of the Bharatiya Janata Party on economic affairs. The views expressed are personal*

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**WORDLY WISE**

A BUDGET SHOULD REFLECT THE VALUES AND PRIORITIES OF OUR NATION AND ITS PEOPLE.

— MARY LANDRIEU

**The Indian EXPRESS**

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

## NUMBERS UP CLOSE

**Assumptions underpinning budget math are reasonable. Greater clarity is needed on medium term debt-deficit trajectory**

IN 2020-21, THE first year of the pandemic, the central government's fiscal deficit had surged to a staggering 9.2 per cent of GDP. Since then, Finance Minister Nirmala Sitharaman has been steadfast in her commitment to fiscal consolidation, while at the same time, managing to ramp up allocations for capital expenditure. By 2023-24, Sitharaman had managed to bring down the deficit to 5.6 per cent. In the latest budget, she has continued on that path, targeting a further reduction to 4.9 per cent this year, and restating her intent to bring it below 4.5 per cent by 2025-26. However, last year, the Union Budget was conservative in its revenue assessment — actual collections exceeded expectations by around Rs 1 lakh crore. This year, too, the assumptions underpinning the budget numbers appear to be restrained.

The budget has pegged gross taxes to grow at 10.8 per cent. This is in line with the 10.5 per cent nominal GDP growth it has assumed. But, this implies a tax buoyancy of one, which is considerably lower than what was witnessed last year. Under the broad rubric of gross taxes, the budget has projected direct taxes to grow at a faster pace than indirect taxes, and within direct taxes, personal income taxes to outpace corporate taxes. In fact, collections from personal income taxes, which were earlier lower than corporate taxes, are now considerably higher. Alongside, the government's non-tax revenue is up, driven by a higher transfer from the RBI and receipts from other communication services. The latter includes licence fees for telcos and spectrum-usage charges. Tax devolution to states works out to around 32.5 per cent of gross tax collections as a sizeable share of revenue flows through the levy of cesses and surcharges.

On the expenditure side, the budget has pegged the Centre's spending to grow at 8.5 per cent this year, less than the growth assumed for the year. However, capital spending is expected to continue to outpace revenue expenditure, indicating the policy inclination of the government. The capex to GDP ratio has been maintained at 3.4 per cent, with the Ministry of Road Transport and Highways and Railways garnering a sizable share of the allocations. Alongside, the government's subsidy bill on food, fertiliser, petroleum and others is expected to decline further to 1.31 per cent of GDP this year, from 1.49 per cent last year. Allocations towards subsidies had peaked at 3.82 per cent in 2020-21. The medium-term fiscal policy cum fiscal policy strategy statement accompanying the budget has not provided the rolling targets for the next two years as was the practice in the past. While the budget does state that from 2026-27 it will try to keep the fiscal deficit at levels that ensure that government debt is on a declining path, it should provide greater clarity.

## JUSTICE FOR FAIZAN

**Delhi High Court ruling in 2020 riots case, taking Delhi Police to task for a 'hate crime', is significant — and reassuring**

IN FEBRUARY 2020, more than 50 people died, many more were injured and hundreds affected in one of the worst communal riots in India's national capital in decades. The Delhi Police invited criticism, not just for lacking the will to stem the violence — the brunt of which was borne by the minorities — but some cops were also accused of abetting mobs that had a free run of the city for at least four days. A Fact-Finding Committee of the Delhi Minorities Commission found "that victims themselves were arrested, especially when they filed or attempted to file complaints". Now, the Delhi High Court has called out some of the custodians of law for being "driven by bigoted mindsets". The Court took note of two online videos that had gone viral when the riots were raging. They show policemen raining blows on Faizan, a resident of northeast Delhi, humiliating him and forcing him to sing Vande Mataram and the national anthem.

The Court was responding to a petition by Faizan's mother, who had alleged that the cops detained the 23-year old illegally, denied him medical care, resulting in his death at a hospital. Its 38-page order is a stinging indictment of the Delhi Police's "tardy" probe into allegations against its own personnel. Particularly resonant are its words of outrage: "The element of abomination gets aggravated if a hate crime is committed by a person in uniform". This observation is of a piece with several studies, including those by the police itself. For instance, a 2014 report by the then DGs of Maharashtra, Uttar Pradesh and Tamil Nadu noted that minorities view police as partisan to the majority community. It pointed out that "the demeanour of some police officers and men in several serious communal riots... has served to strengthen such beliefs". By "conveniently sparing the persons involved in the brutal attack" against Faizan, as the Delhi HC has said, the Delhi Police may have reinforced such distrust.

On being told that the Court has directed the CBI to investigate Faizan's case and bring the guilty to book, his mother expressed the hope that justice may finally be served. In March 2020, about a week after the riots, Home Minister Amit Shah had told the Rajya Sabha that "the government will not spare anyone from any side". However, as the HC observed, "even after four-and-a-half years, the perpetrators of the crime" are at large. After its verdict, the Home Minister's promise will again be tested by the quality of justice that is served to Faizan's mother — and others like her.

## Rs 17,500

**How will the taxpayer spend this unexpected amount the budget has handed her?**

YEAR AFTER YEAR, Union budget after Union budget, finance ministers have buried the lede. The salaried middle class wait with bated breath as schemes and packages are announced and figures in the thousands of crore bandied about in Part I of the speech. The majority of taxpayers have to pretend to be deeply interested in the fiscal deficit or the outlay for infrastructure, as they scroll through live blogs or remain glued to their television sets. Then, just before the end, the FM finally gets to income taxes. This year, the taxpayer will get to keep up to Rs 17,500 more of their yearly income. As windfalls go, it's not quite a life-changing lottery — but it's not nothing. How will people spend it?

In households across India, discussions will turn into debates and fights. Should the bratty teenager get the smart phone he has been demanding? Should the kitchen or bathroom, practically falling apart, finally be renovated? Or, perhaps, a quick family holiday at a domestic destination? The point of the tax break, after all, is to boost the economy through consumption. Hapless young couples may want to pay off their debt, realising, as too many people do too late, that being boring is being responsible. Then, there are the ones that are the envy of all those who have settled down. The yuppy without responsibility may just eat out at a chic restaurant where a "modern" Indian meal costs more than Rs 17,500 for two. And post photos, with YOLO tags and an appropriate filter.

Many people may already have spent the windfall in their heads, not realising that only the upper crust of taxpayers will get the maximum benefit. Even for them, there's always inflation and unexpected expenses. Fridges and TVs conk off, air conditioner compressors mysteriously run out of gas. But whatever else goes wrong, they at least had a moment of sudden joy, after listening to facts, figures and policy statements for 86 minutes.

# Budget's political choices

**Budget 2024 misses the mark on reviving demand, fails to address rural distress**

HIMANSHU

THE FIRST BUDGET of the third term of the National Democratic Alliance reflected the changed political reality of the government but was far from the economic reality of the country. The change in political circumstances after the elections meant that the allies crucial for the government's survival (read Bihar and Andhra Pradesh) found the necessary mention, but it was still short of what they expected. But a post-election budget was also an opportunity for the government to reset the fiscal paradigm to usher in a process of reforms for the economy still recovering from the slowdown of the first term and the pandemic-induced shocks of the second term. There is a consensus that despite the recovery, the economy is suffering from deficient demand, contributing to a slowdown in consumption growth, tepid private investment and precarious exports. In effect, all three sources of demand — private consumption, investment and exports — require a serious push for growth to be sustainable.

The reasons behind deficient demand are well-known. Most indicators of income and earnings in the last decade suggest either stagnation in real earnings or, worse, decline. According to the Periodic Labour Force Surveys (PLFS), real earnings of regular workers have been declining since 2011-12. Labour Bureau data on wages shows a decline in real wages in non-farm occupations, with agricultural wages almost stagnant. Recent reports on the unorganised sector also suggest a decline in real earnings. Cultivation incomes have barely increased by 1 per cent per annum in the last decade. Together, these account for almost three-fourths of workers in the economy. The only remit for this budget should have been to find ways to raise the earnings of these workers. In reality, there is not even a recognition of the crisis of earnings in the economy. The rural economy has been in distress for almost a decade. It has now spilled over to urban areas. Depleting household savings and non-collateralised retail loans are fuelling whatever little consumption growth is visible.

The Finance Minister did not have to look for solutions. Its own Economic Survey argues for the necessity of agricultural growth for sustained economic revival. The budget has announced a wish list without allocating anything additional for agriculture. The idea of encouraging natural farming was announced first in the 2019-20 Budget. The actual spending on National Mission on Natural Farming last year was Rs 100 crore even though the allocation was Rs 459 crore. This year, even this has been reduced to Rs 366 crore. The total budget allocated for all agricultural research institutes, including ICAR and NAAS, and agricultural universities has declined compared to last year. Of the eight schemes as part of the first priority of 'Productivity and Resilience in Agriculture', none has seen an increase in budgetary allocation. While fertiliser and food subsidies have seen lower allocations, even the PM-KISAN has not seen any increase in yearly transfers since 2019. For the broader rural economy too, there is hardly any increase in allocations. The lifeline during the COVID pandemic and the slowdown, MGNREGA, has seen a decline, compared to the actual spending in 2022-23, and the same as last year's revised spending. Given the important role it plays in raising rural wages, it could have been the instrument to improve incomes in rural areas.

Perhaps, as punishment, now the private sector has also been asked to shoulder the burden of creating jobs in the economy. With the lack of decent employment becoming a political issue, this budget has proposed a plan of Rs 2 lakh crore to be spent in six years to create 41 million jobs. However, the outgo in the current year is only Rs 28,000 crore for the employment incentive schemes and even this is unlikely to be spent given the onerous conditions set out for getting the benefit. All three incentive schemes require workers and enterprises to be part of EPFO. The total number of workers registered in EPFO was 13 million in 2023-24, one million less than in 2022-23, despite several schemes on similar lines already in place since the pandemic.

While the Economic Survey has blamed the private sector for being ungrateful for not contributing to raising private investment, the budget has done little to enthuse them. The flawed approach of a supply-side response with massive corporate tax cuts in 2019 has not led to a private-sector investment revival. However, the private sector used the subsidy to clean its balance sheet without contributing to increasing investment or generating employment. But blaming the private sector is hardly the solution. The real elephant in the room is a lack of demand with no corporations willing to invest so long as demand remains subdued. The solution does not lie in incentives and subsidies to the corporate sector but in creating demand in the economy.

Perhaps, as punishment, now the private sector has also been asked to shoulder the burden of creating jobs in the economy. With the lack of decent employment becoming a political issue, this budget has proposed a plan of Rs 2 lakh crore to be spent in six years to create 41 million jobs. However, the outgo in the current year is only Rs 28,000 crore for the employment incentive schemes and even this is unlikely to be spent given the onerous conditions set out for getting the benefit. All three incentive schemes require workers and enterprises to be part of EPFO. The total number of workers registered in EPFO was 13 million in 2023-24, one million less than in 2022-23, despite several schemes on similar lines already in place since the pandemic. The government now intends to create 16 million EPFO-enrolled jobs this year with a government cost of Rs 17,500 per employee. The rest of the employee cost is to be borne by the private sector. Even with an average salary of Rs 25,000 per month (the schemes are for employees earning less than 1 lakh per month), the private sector will bear 94 per cent of the new employee cost.

The reality of how much was actually spent and how many jobs created will be known only next year when a new set of announcements comes. With actual spending in most departments remaining below-budgeted expenditure every year, budget announcements look more like political manifestos than actual action plans. But any concrete action to revive demand and investment in the economy requires changing the political-economy paradigm, which still favours supply-side incentives when the problem is a lack of demand due to stagnant or declining incomes. It is a political-economy approach that prefers large subsidies to corporates as essential even if it is at the cost of pruning investment in agriculture, rural development and human capital. The problem is also not of fiscal prudence but of political priorities — of where to spend. In the end, a budget is a political choice not just an accounting exercise.

*The writer is associate professor, Centre for Economic Studies and Planning, School of Social Sciences, JNU, New Delhi*

# THE LOST GEOMETRY BOX

*In pre-liberalisation era, Camlin promised a homegrown dependability*

SANDIP ROY

A GEOMETRY BOX has become the unlikely repository of nostalgia these days.

One compass, one protractor, two set squares, one pencil, one eraser, one ruler, one sharpener. All neatly tucked into a yellow-and-orange metal box, a place for everything and everything in place. In pre-liberalisation India, the Camlin "geometry box" was a rite of passage. Children studied arithmetic. But the Camlin box of "mathematical writing instruments" meant we had graduated to geometry (and algebra). It didn't just open up a world of magical shapes. Now we could also painstakingly inscribe our name on wooden desks at school with the compass. It was a brief interregnum sadly. Soon, trigonometry would descend and the days of the "geometry box" would end.

The death of Subhash Dandekar, chairman emeritus of Kokuyo Camlin, prompted a flood of nostalgia about Camlin products. Many remembered their "geometry box" as the ultimate schooldays flex of pre-liberalisation India. But if flex means to show-off, the Camlin "geometry box" was hardly a classroom flex because everyone had it. We took it for granted, like our Camel paints and pastels. As a boy, I went to endless sit-and-draw competitions where I more often than not drew "A Day at the Zoo" with my Camel pastels, pack of 24 shades.

It's only with Dandekar's death that I discovered the story behind the camel. Camlin began as Dandekar & Co., a writing ink manufacturing company started in 1931 by D P Dandekar and his brother Govind. The company went through a lean period and almost shut down, but decided to stick it out and chose the camel as its mascot because it was a symbol of endurance. Subhash Dandekar studied colour chemistry in Glasgow and diversified into pastels, crayons, water colours and pencils with floral patterns. The "Camel" and "Ink" eventually fused into Camlin. In 2012, the Japanese company Kokuyo acquired a majority stake and it's still going strong as Kokuyo Camlin.

Often, our fond remembrance for the products of a pre-liberalisation India is a strange nostalgia for deprivation. Recently, the re-introduction of Campa Cola provoked a gush of made-in-India nostalgia as if we had forgotten Indians really wanted to feel good and have fun with the banished Coca Cola. Instead they had to make do with the wannabe. There's something odd about fetishising deprivation as nostalgia.

There's something odd about fetishising deprivation as nostalgia. But our nostalgia for Camel/Camlin is different. It's affection for certain brands that defined us without even realising it. Boroline ointments, Binaca toothpaste, Kissan squashes, Britannia biscuits, HMT watches, Camlin geometry boxes were all the gold standards of what it meant to grow up Indian.

But our nostalgia for Camel/Camlin is different. It's affection for certain brands that defined us without even realising it. Boroline ointments, Binaca toothpaste, Kissan squashes, Britannia biscuits, HMT watches, Camlin geometry boxes were all the gold standards of what it meant to grow up Indian. This was not about any manufactured made-in-India nationalism. The allure of the foreign still ran strong. Visiting aunts and uncles from abroad were much in demand for all the exciting foreign things they could bring — Dove soaps, Danish butter cookies and Toblerone chocolate bars. But products like Camlin delivered a quiet reassurance about India's own capability as well. There was something solid about them like the Ambassador cars. They may not have been flashy but they were utterly dependable. They were stalwarts.

In a more fickle age, we are learning that dependability also has value. No one wants to roll the clock back to a licence raj where we had few choices but we are also realising that a plethora of choices does not necessarily buy happiness. In fact, in a world of multinational mega companies who own almost everything, what we are often really served is merely the illusion of choice in snazzy packaging. I grew up with Camlin geometry boxes and Camel paints as did my sister before me, as did my niece and nephew after us. We didn't feel deprived. Rather, there was comfort in knowing we were part of the same caravan, like a line of camels marching through time.

As India modernises rapidly, there is a growing market for nostalgia. One of the busiest stalls at the Kolkata Book Fair was one selling Sulekha inks and fountain pens. Campa Cola wants to cash in on the nostalgia as well with its relaunch. Camlin, however, never went away. So the nostalgia here is not for a lost geometry box. It is for the orderly simplicity it represented — no frills, no fuss, no excess yet utterly functional.

As we come out of the biggest blingiest wedding the country has ever seen, even the most obtuse will admit there's something acutely reassuring about a geometry box that was always quietly at the right angle.

*Roy is a novelist and the author of* Don't Let Him Know

## JULY 25, 1984, FORTY YEARS AGO

INDIAN EXPRESS

### EXCISE DUTY RAISED

THE GOVERNMENT HAS accepted the recommendation of the Eighth Finance Commission to provide for the enhancement of the state's share in the Union excise duties to 45 per cent from 40 per cent and the retention of the state's share of income tax at the present level of 85 per cent. For the current financial year, the government will continue with the recommendations made by the commission in its interim report.

### AKALIS END ISOLATION

THE AKALI DAL has planned a two-pronged move to free gurdwaras from the control of security forces. The party leadership decided to seek the cooperation of the national opposition parties for its demand. The move to attain opposition support is seen as an attempt to end the Akali Dal's isolation from the national mainstream.

### DOCTORS' STRIKE

JUNIOR DOCTORS ALL over the country went on a day's strike in support of the striking Maharashtra resident doctors. The Delhi junior doctors wore black bands in protest. The resident doctors of Maharashtra have been on an indefinite strike against the sanction of capitation fee in medical colleges in Kharad, Loni and Amravati.

### EXTREMISTS ATTACK

TRIPURA ASSEMBLY DEPUTY Speaker Bimal Sinha had a miraculous escape when extremists of the Tribal National Volunteers (TNV) fired four rounds at his car. Almost simultaneously, another extremist group attacked the nearby outpost of the district armed police at the Baramura Oil and Natural Gas Commission complex, injuring one policeman and three labourers. Massive combing operations are underway to apprehend the TNV extremists.

## WHAT THE OTHERS SAY

"The government needs to be more aware of the ground realities and sufferings that the general public are having to endure, and pursue a path of de-escalation."

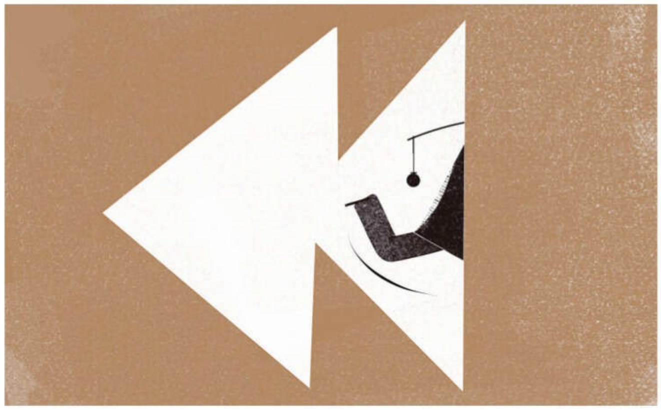
— THE DAILY STAR, BANGLADESH

# A sepia Hinduism

### Its current reinvention — in terms of purity and impurity — owes a great deal to transformations in the cultures of nostalgia

IN GOOD FAITH

BY SANJAY SRIVATASVA



C R Sasikumar

HINDUISM IS A religion with an impressive textual tradition but the religion that is practised rarely draws upon its holy books. Unlike the Bible and the Quran, the Ramayana and the Mahabharata are not instructions on proper ways of being devout. They are expansive stories about the multiple possibilities of being good and the frequently blurred distinctions between good and evil. Depending on their behaviour, demons can become saints and saintly persons can be brought down. Just as caste in India does not follow a pan-Indian template — Brahmins in Punjab and Haryana do not enjoy social and cultural dominance — Hinduism, too, does not derive — or earlier sought to derive — legitimacy from a set of written rules.

In a society where the Hindu *jajman* (patron) was just as happy to extract services from Hindu as well as Muslim service providers, there could be no way of strictly adhering to a self-contained Hindu world. Muslim barbers (*nais*), tailors (*darzis*) and drummers (*dholis*) constituted and completed the worlds of Hindu rituals and festivities. The recent edict by the Uttar Pradesh police — stayed by the Supreme Court — that restaurants along the *kanwar* route across the state must carry the name of the owner so that the "purity" of the pilgrims' faith remains intact is little more than a reinvention of Hinduism. It has nothing to do with its everyday life and actual history. Either that, or a religion that for hundreds of years has been in robust health even though Muslims have been integral to its key ritual and worship practices has suddenly become fragile and in need of protection.

Historians report that in the early parts of the 19th century, Christian missionaries travelling the countryside would ask peasant families about their familiarity with events in the Vedas and other religious books. Their inquiries were met with bemusement and confusion — how to tally the worship of ancestors in Haryana and household gods in the Kumaon region with what was written in the Vedas? The flummoxed missionaries would frequently bemoan the fact that "Hindus did not know their own religion". The UP government's commandment regarding nameplates on eateries and restaurants along the *kanwar* route is, actually, an extension of the missionary attitude. It suggests that the everyday practice of Hinduism is not what the religion is all about and that Hindus don't know their own religion. Like so much that has happened in the name of Hinduism over the past decade, the nameplate episode has little to do with the core — everyday — aspects of the religion.

Under modern conditions of life — and the *kanwar yatra* is a quintessential modern phenomenon in its staging — all projects of seeking "purity" are, at best, flawed and, at worst, comical. They invent pure ways of life through recourse to a method of tracing identity — history — that is itself nothing but an account of the mixing of cultures and people. The *lived* history of Hinduism is nothing but an account of how people learnt to live in the middle of a river of different ideas, practices, foods and beliefs. Standing in the middle of the flow, they don't drown or shout out nostalgic cries, yearning for a time when the river wasn't there. There is a difference between propagandists of culture and those who live it. The current reinvention of Hinduism — in terms of purity and impurity — owes a great deal to transformation in the cultures of nostalgia.

Over the past decade, there has been a definitive shift in cultures of nostalgia. Earlier, proclamations of "glorious and pure" past tended to be limited to the anti-colonial and pro-Hindutva campaigns. They primarily sought to show that Indians were no less than Europeans in the realm of ideas and had the same capacity for thought. The current shift relates to the emergence of *lifestyle nostalgia* where *everyday* aspects of the past are presented as lost worlds of a better time. Lifestyle nostalgia is a middle-class invention and preoccupation. Ironically, though the *kanwariya* phenomenon is not, primarily, a middle-class religious event, the nameplates episode derives from the rise of lifestyle nostalgia.

There are three aspects to lifestyle nostalgia. First, it refers mainly to an apparent Golden Age that existed from the 1960s to the 1990s. Second, it imagines this age as an unsullied world of pure relationships between humans. Think of the wide circulation of social media memes and short videos — usually in evocative black and white or sepia — that tell us of unconditional parental love; joyful family togetherness; the "simple pleasures" of train travel; and the delights of frolicking in monsoonal downpours with cousins and friends. The third aspect of lifestyle nostalgia is the striking ways in which goods and commodities from the 1960s to the 1990s have now become markers of a sentimentalised past. There is now an unending supply of social media messaging with images of cassette tapes (with scribbled notes); metal pencil boxes; black-coloured dial telephones; spinning tops; Ambassador cars; and rooftop TV aerials.

> The lived history of Hinduism is nothing but an account of how people learnt to live in the middle of a river of different ideas, practices, foods and beliefs. Standing in the middle of the flow, they don't drown or shout out nostalgic cries, yearning for a time when the river wasn't there. There is a difference between propagandists of culture and those who live it.

Lifestyle nostalgia serves to break the connection between actual conditions of life and its romanticised version. Never mind that parent-child relations could be authoritarian with little scope for personal decision-making and forget that in most parts of the city, lack of attention to infrastructure meant annual monsoon misery. Why, also, bother with the reality that the black telephone and Ambassador cars symbolised the hierarchy of access to means of communication and mobility respectively? But the point behind lifestyle nostalgia is, precisely, the great middle-class capacity for self-absorption and the symbolism of the nameplates diktat is addressed to it, rather than those who participate in it. The latter — the mostly non-middle class pilgrims — are fully aware of how their lives are entangled with those of Muslims. Indeed, it is striking that there has been no concerted demand for nameplates from the *kanwariyas* themselves *and* many have pointed out that they are met with the same hospitality in "Muslim" areas as in "Hindu" ones.

There are two particular dangers of proliferation of lifestyle nostalgia. The first is that actual life is expected to adhere to an entirely fictional template. And second, that those who are expected to take part in lifestyle nostalgia have had no role in its propagation. But, this is in keeping with the broader trend within movements of religious mobilisation: Those who suffer its consequences are rarely those who dreamt it up. Sepia — though now a template for thinking about it — is never the colour of everyday life. And sepia Hinduism benefits just a tiny minority.

*The writer is British Academy Global Professor, Department of Anthropology and Sociology, SOAS University of London*

# Modest yet momentous

### While the market has repeatedly underestimated the impact of Nirmala Sitharaman's budget, the economy has not

DEEPAK MISHRA

IF ONE WERE to formulate a "Sitharaman's Law of Budget", it might be: "The impact of her budget tends to be modest on the market but meaningful on the economy."

Data from the past seven years supports this hypothesis.

Nirmala Sitharaman is the first finance minister in India to present seven consecutive budgets. On the previous six occasions, the BSE Sensex closed on the budget day at -0.2 per cent, 0.2 per cent, 0.01 per cent, -1.3 per cent, 1.4 per cent, and 0.01 per cent, respectively, yielding a meagre average daily return of 0.02 per cent. This year's budget was no different, with the Sensex ending the day down 73 points, translating to a return of -0.09 per cent. Even the day after the budget, the Sensex continued to languish in negative territory.

While the market has repeatedly underestimated the impact of her budget, the economy has not. The 2023-24 Economic Survey points out that "the Indian economy is on a strong wicket and a stable footing." During her tenure, the Indian economy has been characterised as a "Goldilocks economy" — a term describing the ideal state for an economy — with rapid growth, low and falling inflation, a declining fiscal deficit, a modest external deficit, a stable currency, and a positive and strong economic outlook.

Even though the stock market seems to go sour on budget day, it has soared in the medium term. During Sitharaman's time as finance minister, the BSE Sensex has more than doubled from 36,000 to 80,000, yielding an average annual return of nearly 15 per cent.

Will her seventh budget continue the tradition of being modest on the market (in the short term), but momentous for the economy (in the medium term)? The answer is yes, for the following four reasons.

One, it keeps advisors close, and voters closer. The 2024-25 Budget acknowledges that despite rapid growth and macro-stability, there are serious structural challenges in the economy. The agriculture sector is in distress, the labour market is not creating adequate jobs for the youth and women, MSMEs and the informal sector have stagnated, and foreign investors remain hesitant. These insights did not come from government advisors but from voters. Full marks to the North Block mandarins for recognising these inconvenient truths about the economy. Identifying the problem is the first critical step in solving it, so the budget should be praised for focusing on the areas that need the most attention.

Two, it stays the course on macro-stability. The budget avoids the temptation of spending the dividends received from the RBI and growing tax revenues on populist schemes. Instead, it aims to expand the tax base, maintain investment momentum, reduce fiscal deficits, and commit to lowering the government debt-to-GDP ratio in the medium term. These measures should further contribute to macro-stability, encourage greater foreign investment, strengthen the case for rating upgrades, and possibly convince the RBI to cut interest rates earlier than expected, all of which will bode well for economic growth.

Three, it is better to try and fail, than to never try. It is rare to see a budget putting "job creation" at its centre. Economists are good at recommending policies to boost growth but struggle to suggest policies that create jobs. The task was made more difficult as some experts continued to insist that the economy is creating adequate jobs, denying the existence of any employment problem in the country. The government, to its credit, went against such advice to announce six new schemes with a two-lakh-crore outlay to create jobs and upgrade skills. Given the complicated design structure, these schemes are bound to face teething problems and significant implementation challenges. But it's better to at least attempt a solution, even if it doesn't work. So, kudos to the government for exploring heterodox solutions to India's job problem.

Four, there is a pivot on trade and investment policies. After years of mixed signalling, this year's budget tries to pivot towards gradual liberalisation of trade and investment regimes. Customs duties have been reduced, albeit selectively. The corporate tax rate on foreign companies has been lowered, the additional equalisation levy has been removed, and the angel tax for startups has been abolished. These measures will help domestic founders and their mostly foreign backers. One hopes these are the start of steady reforms to continue opening the Indian economy to global competition and aligning its trade and investment policies with its successful foreign policy regime.

However, there are plenty of missed opportunities in the budget as well. Raising the competitiveness of India's industry through drastic deregulation measures, as argued by the Economic Survey, is conspicuously absent. Unlike in the past, this year's budget pays lip service to digital economy issues and leveraging AI for public goods. There was hardly any mention of improving public service delivery in the education, health, and social sectors. The elaborate and overly complicated nature of the employment and skilling schemes indicates that officials formulating the policies continue to be divorced from the reality of the state's capacity to implement them.

But overall, and like many of her previous budgets, the Finance Minister has struck a fine balance between macro-level reforms and micro-level concessions. The market may have shrugged off its impact on budget day, but it should rebound once the full effect is understood.

*The writer is director and chief executive, ICRIER*

# The thinning of Kannada

### Behind Karnataka's quota row, a larger and longer showdown

JANAKI NAIR

YOU CAN'T BE too much of a "local" in Karnataka these days. A farmer dressed in a *panche* (dhoti) was turfed out of a mall, even though he had the money to spend. Capitalism's "sumptuary laws" were soon called to account: Discrimination apart, there was much that the glittering mall had brushed under the carpet, quite literally, in unpaid property taxes amounting to over Rs 3 crore, which the mall once more brushed away as "only" Rs 1.7 crore. Beneath its pretty clothes and its petty policy was the dirty petticoat of illegality.

Meanwhile, the government's attempt to make the "local" more visible in the realm of work has also exploded. The vexed relationship of Kannada to the world of modern technology, industry, science, or indeed critical humanities, long lamented, has once more erupted, this time as a showdown between one of India's classical languages and capitalism itself. The Karnataka government's decision to draft a bill reserving jobs in the private sector for locals (to fulfil an election promise) — now postponed — had sent great shivers down the spines of industry heads, educational entrepreneurs, and real estate barons, who all fear an immediate plunge of their economic fortunes, should such a "restrictive" policy come into place.

The cat among the pigeons was the proposed Karnataka State Employment of Local Candidates in the Industries, Factories, and Other Establishments Bill, 2024, which would mandate 70 per cent of non-management jobs and 50 per cent of management jobs to those who are "locals".

How is the local defined? For one, this requires a domicile in Karnataka for a period of 15 years. That's easy; there are those from other states who have been domiciled in Karnataka for up to three generations. Fifteen years of domicile in the balmy environs of Bengaluru is a piece of cake many have shared.

The part of the bill that caused the explosion insists that "migrants" to Karnataka learn the local language. For long, Karnataka and especially Bengaluru, the "Dubai of India", has been considered a "cosmopolitan" place. This merely means that people who have lived here for decades have no obligation to wrap their heads around the local language. Karnataka must be the only state in India where journalists, writers, artists, filmmakers, techies, and scientists can operate and hold jobs without any knowledge of the regional language.

So what is this "devious political stunt" that places the majority of non-Kannada speakers under pressure? Suddenly, the world has been divided between those who are "skilled" and those who are not. Industry chiefs have raised fears that their skilled workers will dry up. The fear of the "great unskilled" son-of-the-soil is ironical, all things considered.

First, speaking, reading, and writing Kannada are considered skills that are not worth acquiring. Those who flock to Karnataka for work or education have gone to court, fought it out in editorials, or simply insisted that they need not learn Kannada; instead, they demand that the people of Karnataka respond to their needs in English, Hindi and Anything But Kannada (in many schools, the preferred language is French).

Whether the suited and booted mall rats or their less well-endowed retail assistants who wear ill-fitting "uniforms", the non-local shows scant interest in the local language. Equipped with English, they may accost anyone who may actually be able to read a Kannada newspaper or book with the shaming accusation "you can actually read Kannada". In short, it is not a language that "people like us know" — is the "lingue" of only the *panche* wearer.

Second, for all those who are airing their views on the more important role the state should play in skilling/reskilling locals, the unwritten assumption is that it cannot be in the Kannada language. If the Kannadiga has not made the cut, it is because she is unskilled in the language capitalism had already made its own, namely English.

Kannada's beleaguered existence has furrowed the brows of every government. It enjoys neither official hegemony nor a robust cultural presence. Despite its long lineage, (since the sixth century at least), its long list of Jnanpith awardees (as testimony to its literary brilliance), it remains in the shadow of English, and increasingly, Hindi. No wonder Kannada's latest skirmish with capitalism was over nameboards in the state capital. It is a language that relies on the state to propel its existence, as large numbers desert Kannada-medium schools for the preposterous privately-run hoax that passes in the name of English-medium schools.

This extraordinary thinning of language (all languages) is something that should worry those who are worried about real estate, profits, and quick returns on investments. It should worry the state, if its efforts to promote Kannada learning have not succeeded despite establishing a Kannada Development Authority, periodically passing rules regarding the teaching of Kannada in schools and colleges, and supporting billboards in Kannada. It should equally worry those speaking in the name of the economy since the "functional" English among those who staff the vast economic machine is by no means a cultural achievement.

Is this a case of politics versus the economy? Has the battle already been lost? Can the citizens of Karnataka, local and migrant, give up being "cosmopolitan" in its most emaciated form, in order to become cosmopolitical? This will require not only the will of the state, but also the support of the bourgeoisie. But above all, it requires reorienting the desire of the people. Karnataka still has the chance to build a robust bilingual policy, which will enable the local to participate, not only in the economy but as an equal partner in a culture of self-respect, civility and self-worth.

*The Bengaluru-based writer is former professor of History, JNU, Delhi*

## LETTERS TO THE EDITOR

### CHANGING COURSE

THIS REFERS TO the editorial, 'Hope deferred: A holding operation' (IE, July 24). The budget does not cover investment, employment, and consumption adequately. There is a lack of a systems approach to tackle inflation. Income tax relief is marginal and government pensions to those aged 90 and above are not exempted. The public distribution system and high government expenditure are trouble spots that need action. However, the budget was influenced by the election results and the NDA's reduced majority. The BJP has realised that its communal outlook should be kept away from politics. Election results have pressured the NDA to be more careful.

**A L Agarwal,** *New Delhi*

THIS REFERS TO the editorial, 'Hope deferred: A holding operation' (IE, July 24). The BJP rode the wave of public disenchantment in 2014 and promised the people "*achche din*". This promise cannot be deferred anymore. Did the major problems of investment, employment, and consumption not exist in 2014? The question is what has been done to address these issues in the last 10 years amidst the tall claims of Viksit Bharat. Intriguingly, in the interim budget before the election, employment did not figure, but the post-election budget has made efforts to address the jobs crisis. The election results reflect the failure of the trickle-down effect in equitably distributing wealth and contributing to the development of society at large.

**L R Murmu,** *New Delhi*

### NEGLECTING FARMERS

THIS REFERS TO the article, 'A setback for the farm' (IE, July 24). The Union budget "ignored" the farming sector. There is neither anything about giving a legal guarantee of MSP nor any farm loan waivers. Apart from this, there is no scheme in the budget for the long-term development of the agriculture sector. The government allocated Rs 1.52 lakh crore to the sector which was just 3 per cent of the total budget size. The overall rate of inflation is more than 3 per cent and for the agriculture sector, the rate is 6-7 per cent. The production of pulses and oilseeds has been stressed but there is no mechanism for assured purchase. By all accounts, the Union budget offers little relief to the farmers.

**S S Paul,** *Nadia*

THIS REFERS TO the article, 'A setback for the farm' (IE, July 24). The budget introduces significant provisions to transform the agricultural sector with a focus on sustainability, productivity, and economic growth. One crore farmers are envisaged to be brought into natural farming within two years. This is to be accompanied by the establishment of 10,000 bio-input resource centres for sustainable farming practices. To enhance vegetable production and streamline the supply chain, the budget emphasises promotion of cooperatives and startups. However, these provisions face implementation challenges. The widespread adoption of natural farming practices requires substantial support.

**Khokan Das,** *Kolkata*

## OUR VIEW

ISTOCKPHOTO

# Capital gains: Why deny an inflation adjustment?

*The budget snatches away a benefit that property owners deserve by deploying an arbitrary cut-off that has left many cursing their luck. Time-barred indexation is a bad idea. Drop it*

In life, nothing comes for free. After Tuesday's budget, add taxation relief. Take the changes in India's tax regime for capital gains. While investors now have rules that are somewhat easier to recall, thanks to greater uniformity in rates across asset classes and the time limit beyond which assets qualify as having been held 'long-term,' the government has extracted a pound of flesh in exchange. Both short- and long-term capital gains (LTCG) tax rates on financial assets have been raised—the former to 20% from 15% and the latter to 12.5% from 10%. As with dividends, income-tax slab rates apply to some classes, but the general burden has increased. Now, since asset owners have seen the value of their holdings swell quite a bit in recent years, these hikes could be justified on the ideal of progressive taxation: Those who can most afford to pay, ought to be taxed more. But is this really about tax principles? The removal of a crucial indexation benefit for non-financial assets like property suggests not. It existed for a valid purpose, letting taxpayers offset the cumulative effect of inflation on the gains made on the sale of an asset. The real gain made on selling a house, for example, is the difference between what one gets for it and its purchase price inflated at an annual rate to reflect an inflation-updated value. Indexation does that, reducing one's tax liability in line with market reality. Although LTCG on property sales has been slashed to 12.5% from 20%, to align it with other assets, indexation has been retained only for property acquired before 2001.

That cut-off is arbitrary, but it acknowledges the huge difference that indexation makes over long periods. A home bought half a century ago could be saddled with a scary tax bill if inflation were overlooked. But this is also true of property acquired after the 2001 time-bar. Remember, inflation compounds over time, eating away what the rupee is really worth. If we assume average inflation of 6.5% every year over the past two decades, ₹1 crore today would be equivalent to about one-third of this figure 20 years ago. Real estate calculations can't ignore this difference, even if it looks less dramatic as one's holding period shortens. Can a harsh inflation penalty count as a pragmatic idea? The move has been defended by some observers on the argument that it will contain speculation in this field. It could drive away those who invest in houses only to keep them locked, which keeps supply down and prices up in both rental and property markets. Our access to homes could be eased if investors put money into assets like equity instead, letting supply respond better to actual housing needs. Admittedly, this could be one positive effect of dropping indexation. But practical solutions can still be unfair. What does the Centre say to people who bought property on the expectation of a stable policy on something as sensible as taking inflation out of the profit calculus? They have a right to feel let down.

Is there a way to escape a hefty tax bill? One could reinvest the proceeds of a sale in a transit house, since this attracts no tax, and then pay LTCG tax on smaller gains by selling it off after two years. This involves a rigmarole, though, and shows our tax rules in a bad light. Cash deals could plausibly also rise under the new rule, which would encourage the use of black money. On balance, time-barred indexation is a bad idea. The benefit should be reinstated for all. Evenly applied levies within a class, let's not forget, are a cardinal principle of taxation.

## GUEST VIEW

# The budget's promotion of job creation is crucial to our dreams

*Along with fiscal discipline and infrastructure, let employment pave India's path to developed status*

ASHISHKUMAR CHAUHAN
is managing director and chief executive officer, NSE.

The Union budget for financial year 2024-25, presented by finance minister Nirmala Sitharaman on Tuesday, charts a strategic course for India, emphasizing job creation, fiscal consolidation and infrastructure development. It underscores the government's commitment to fostering a robust economic environment that facilitates growth across various sectors, ensuring India remains resilient amid global uncertainties. It also provides a detailed road-map that highlights nine major priorities over the next five years, focusing on the poor, women, youth and farmers. These priorities aim to uplift all sections of society while promoting economic growth.

A significant highlight of the budget is its focus on job creation. Recognizing the critical role of the private sector, the budget encourages its participation alongside the government in creating employment opportunities. Measures such as a one-month wage grant (up to ₹15,000) on a recruit's first salary, internships offered at India's top 500 companies, reimbursements of provident fund contributions and other measures aimed at higher participation of women in the workforce are expected to drive job creation substantially.

The budget also aims to establish India as a leading startup nation. Key provisions include relief on the 'angel tax' and increasing the Mudra loan scheme's limit from ₹10 lakh to ₹20 lakh per borrower. These initiatives are designed to spur entrepreneurship and support startups, fostering an environment conducive to innovation and economic growth.

Skill development emerges as a cornerstone of the budget, viewed as essential for job creation. Innovative approaches are employed to ensure skill enhancement at all levels, including the entry-level, of the workforce and for special groups. This focus on skill development is complemented by sustained infrastructure investment.

In order to leverage India's demographic dividend, the budget places a strong emphasis on increasing female participation in the labour force. The measures outlined include establishing working women's hostels, creches, etc. These initiatives are expected to further enhance the economic contribution of young women, aiding in the overall development of the country.

The budget prioritizes infrastructure development, which has been a core aim of the Narendra Modi government over the past 10 years and is crucial for sustained economic growth. It includes a comprehensive plan for urban and rural development, aiming to turn cities into growth hubs and ensure the all-round development of rural areas. Major infrastructure projects span various sectors, including roads, railways and other forms of transport, as well as housing, water supply and sewage treatment.

The government's capital expenditure outlay is retained at a record-high level of ₹11.1 trillion, which is 3.4% of GDP—the highest in 26 years. This investment underscores the government's commitment to infrastructure development.

Fiscal consolidation has been a central theme of the budget over the last 10 years and remains so this year. The fiscal deficit target for 2024-25 has been brought down to 4.9%, a notable improvement from the 5.1% target of the interim budget, with a projected glide path to under 4.5% in 2025-26. This disciplined approach aligns with a broader strategy to reduce the Centre's debt-to-GDP ratio over the coming years. This fiscal discipline has been achieved without altering India's direct or indirect tax structures much, thereby providing a relatively stable tax environment that could improve India's long-term credit rating.

Several steps have been taken to streamline taxation further, both direct and indirect. Incremental benefits have been provided under the new tax regime via a higher standard deduction and wider slabs with lower rates. Changes in indirect taxes have been proposed to promote domestic production, remove rate inversions and simplify taxation. The capital gains tax structure has been revised.

The budget emphasizes sustainability and climate financing, recognizing the importance of addressing environmental challenges. Initiatives in these areas are seen as vital steps forward, ensuring that economic growth does not come at the expense of environmental sustainability. Technology continues to be the underlying driver for all major government initiatives, highlighting the role of innovation in achieving sustainable development goals.

The 2024-25 budget places India on a strong footing, balancing economic growth with fiscal prudence and social welfare. The budget's comprehensive approach and commitment to policy continuity offer us a solid foundation for sustained economic development.

The initiatives outlined are poised to play a crucial role in shaping India's economic landscape in the years to come, ensuring resilience and growth amid global uncertainties. By fostering job creation, enhancing infrastructure and maintaining fiscal discipline, the budget aims to steer India towards achieving the objective of Viksit Bharat, a developed India, by 2047.

*These are the author's personal views.*

## 10 YEARS AGO


mint
CCEA raises FDI cap in insurance
FINALLY, INDIA GETS A WEEK OF EXCESS RAINS

## JUST A THOUGHT

The only thing that hurts more than paying an income tax is not having to pay an income tax.

THOMAS DEWAR

## THEIR VIEW

# *The climate discourse should take on an Indian accent*

ADITYA SINHA

is officer on special duty, research, at the Economic Advisory Council to the Prime Minister.

It's quite the paradox: the developed world, with all its technological prowess and financial muscle, has yet to crack the climate-change conundrum for itself, let alone for developing nations. According to Fekte *et al* (2023), the US would need to store almost three months' of electricity annually to achieve 100% renewable energy with adequate backup. Currently, it manages to store just seven minutes' worth—an impressive feat of underachievement. Bjorn Lomborg's analysis further adds to the bleak picture, revealing that the US must invest five times its current GDP to reach this storage goal. Now, picture the cost and feasibility for developing countries—if you dare. Frequent battery replacements and the environmental toll of disposing of used renewable equipment only add to this formidable challenge.

The developed world often criticizes countries like India for not doing enough to combat climate change. The 13th chapter of this year's *Economic Survey* calls out this hypocrisy of the West. The survey flags five important aspects. First, the developed world blatantly disregards historical emissions and the principle of equity. Industrialized nations have historically contributed the majority of greenhouse gas emissions, enjoying economic growth and development at the expense of the planet. According to the World Resources Institute, the US and EU have contributed about half of all global carbon emissions since 1850. Yet, these nations demand that developing countries with significantly lower per capita emissions shoulder equal responsibility for emission reductions. This hypocritical stance overlooks the foundational principle of "common but differentiated responsibilities" and burdens developing nations with an unrealistic dual mandate of advancing their economies while meeting stiff emission targets.

Second, current climate strategies myopically focus on shifting from fossil fuels to renewable energy without considering the broader environmental impacts. Solar panels and wind turbines, though promoted as clean-energy solutions, require the extraction of minerals such as lithium, cobalt and rare earth elements, causing environmental degradation. In the Democratic Republic of Congo, which supplies over 60% of the world's cobalt, mining has resulted in catastrophic environmental and human rights abuses. These overlooked impacts reveal a fundamental flaw in the lifecycle assessments of renewable technologies.

Third, today's strategy disproportionately emphasizes technological solutions while neglecting necessary lifestyle changes, particularly in high-consumption countries. Despite evidence of the impact of over-consumption, policies rarely address the need for behavioural changes. For example, livestock production, responsible for 14.5% of global greenhouse gas emissions according to the FAO, remains largely unchallenged in climate policies. Plus, the growth of AI and cryptocurrency mining, which guzzle much energy, continues unabated. A 2020 study by the International Energy Agency found that data centres, driven by AI and cloud services, could consume up to 8% of global electricity by 2030.

> The Economic Survey explains what the world should learn from India about getting eco-friendly

The financial commitments of developed nations to support developing countries in their climate efforts are grossly inadequate. At CoP-15 in 2009, developed countries pledged to mobilize $100 billion annually by 2020, but this target was only met in 2022, and the funds fell short of needs, with much of the funding in the form of loans, adding to debt burdens. This undermines global climate efforts and exposes the developed world's unwillingness to take full responsibility for their historical emissions. According to the G20 Independent Expert Group on Strengthening MDBs, an additional $3 trillion annually is required to meet climate goals and sustainable development targets by 2030, with $1.8 trillion needed for climate action alone. Sadly, even the Loss and Damages fund announced at CoP-27 is yet to be operationalized.

Fifth, developed nations' climate strategies need to address over-consumption. High-income countries use six times more resources and generate ten times larger climate impacts than low-income countries. Yet, reducing consumption is hardly on the policy agenda. Instead, technological fixes are sought. The survey pushes a climate action approach that merges ancient wisdom with modern sustainability practices. It upholds Mission LiFE (Lifestyle for Environment), which promotes 75 steps to reduce our environmental impact, like minimizing single-use plastics, conserving water, adopting sustainable food systems and enhancing energy efficiency. This approach aligns with India's cultural practices of minimalism, reuse and respect for nature.

This would help mitigate climate change. However, one should also acknowledge that it might not be enough. The survey calls for integrating these individual efforts with broader policy reforms and systemic changes. We should keep pushing multilateral development bank reforms. Investment in renewable technology, especially nuclear energy, is crucial. Nuclear energy addresses the inherent intermittency problems of other renewable sources.

The budget rightly advocates a greater role for nuclear energy in India's energy mix, the setting up of Bharat small reactors, R&D of Bharat small modular reactors and newer technologies. It also promotes the development of indigenous technology for advanced ultra-supercritical thermal power plants. These are welcome moves.

THEIR VIEW

# A holistic budget with measures for inclusive economic growth

*It takes a comprehensive approach with outcome-oriented and sector-specific steps aimed at sustainable output expansion*

**CHANDRAJIT BANERJEE**
is director general, Confederation of Indian Industry (CII).

REUTERS

The Union Budget 2024-25 presents comprehensive, outcome-based and sector-specific measures that will accelerate India's growth trajectory in an inclusive and sustainable manner. Moreover, this has been done with attention to macroeconomic stability and fiscal prudence, adhering to a path of fiscal consolidation, with the fiscal deficit pegged at 4.9% for 2024-25, in contrast with 5.6% of GDP in 2023-24. This will open up space for private-sector participation.

Focused on all-round development measures that would generate economic opportunities for all, the budget rightly centres around nine major priority areas, including promotion of agricultural productivity, employment and skilling, inclusive human resource development and social justice, manufacturing and services, urban development, energy security, infrastructure, innovation and R&D, and next-gen reforms. These are critical growth drivers and addressing these diverse areas through a holistic approach holds great potential for furthering India's economic growth and development prospects.

The budget has a clear focus on fostering inclusivity, with specific measures aimed at enhancing opportunities for women, the youth, the poor and farmers. The adoption of a 'saturation approach' through the implementation of various schemes across sectors will empower and facilitate livelihood creation for many, including Indian artisans, craftsmen, self-help groups, Scheduled Tribes and Castes, and street vendors.

CII appreciates measures like the establishment of women hostels and creches with industry collaboration, which are in line with CII recommendations and will greatly encourage women's participation in the workforce. The new initiative to provide internship opportunities to 10 million youth over the next five years with placements in 500 leading companies is expected to strengthen skill development and boost employability.

Announcements such as the promotion of farmer producer organizations (FPOs), cooperatives and startups for vegetable supply chains and the implementation of Digital Public Infrastructure (DPI) in partnership with states should promote sustainable development of the agricultural sector by enhancing productivity and building resilience. The budgeted outlay on agriculture and allied activities increased from ₹1.4 trillion in the previous budget (revised estimate) to an estimated ₹1.47 trillion.

Boosting employment and employability was rightly given utmost priority in this year's budget. The announcement of three employment-linked incentive (ELI) schemes for first-time workers, job creation in manufacturing and support for employers are in line with CII recommendations. These three schemes, together with a new centrally sponsored scheme and internship opportunity for youth, are expected to support 41 million beneficiaries. Measures to boost tourism with a focus on spiritual and cultural heritage are also expected to spur jobs growth.

The strategic focus on MSMEs would strengthen the sector and is welcome. Tech and financial support to this vital sector are imperatives, as it has significant potential to step up innovation and support inclusive development. The decision to reduce the turnover threshold of buyers for mandatory onboarding on the TReDS (Trade Receivables Discounting System) platform from ₹500 crore to ₹250 crore is laudable.

Further, the introduction of an assessment model for credit based on one's digital footprint, a new mechanism to provide financial support during stress periods and the enhancement of the loan limit under the Mudra scheme, along with a slew of other measures, will stimulate the MSME sector. The setting up of e-commerce export hubs through the public-private partnership approach will enable internationalization of MSMEs.

Infrastructure continued to be a core budget focus. The government's announcement to provide long-term interest-free loans to states to the tune of ₹1.5 lakh crore for developing infrastructure will attract investments and boost job creation. The financial package includes infrastructure projects in Bihar as well as financial assistance for reconstruction in disaster-affected states. The emphasis on creating economic opportunities and all-round development of eastern India under the Purvodaya initiative could play a catalytic role in realizing India's vision of a Viksit Bharat by 2047.

This year's budget also saw major tax announcements. The simplification and rationalization of the tax-deducted-at source (TDS) structure is expected to reduce litigation and ease the administrative burden. Decriminalization of TDS-payment delays is a business-friendly move and also in line with CII recommendations. The increase in income-tax standard deduction and revision of tax slabs under the new regime will boost disposable incomes and could drive higher consumption and demand in the economy.

The abolition of 'angel tax' has been a long-standing CII ask and this move will encourage startups and entrepreneurship in the country, while fostering an innovation ecosystem.

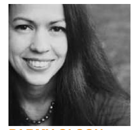
Measures such as installation of rooftop solar plants, promotion of pumped storage projects and the focus on R&D in nuclear energy, etc, will enhance energy security and enable a just energy transition. These are steps in the right direction which will help India achieve its Sustainable Development Goal targets.

Overall, this year's budget focuses on comprehensive measures that are expected to benefit diverse sectors of the economy and help India chart an inclusive and sustainable growth path. Its focus on critical growth drivers such as infrastructure, employment, MSMEs, the rural economy, urban development, women and youth will catalyse all-round economic development, while helping realize India's goal of becoming 'Viksit Bharat' or a developed nation by 2047.

MINT CURATOR

# Google's $23 billion snub from Wiz will sting both companies

*It's audacious of Wiz not to accept Alphabet's big acquisition offer*



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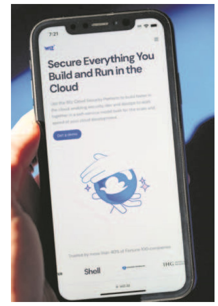


Wiz founders appear to believe the firm can do better on its own BLOOMBERG

Money talks, as they say, but even $23 billion of it did not convince the founders of Wiz Inc to sell the business to Alphabet Inc, parent of Google. Wiz, a New York-headquartered cybersecurity company that until recently would have been confused with a Hungarian low-cost airline or the name of a rapper, has apparently made the mother of all jiujitsu moves against the acquisitive tech giant. It has walked away from what would have been Google's biggest-ever purchase two months after the start of talks.

In a memo to Wiz employees, Wiz's co-founder Assaf Rappaport said Google's offer was "humbling," but the company wanted to focus on growing its recurring revenue to $1 billion (it is currently at $550 million) and pursue an initial public offer at some point.

Cue frustration among Wiz employees who likely aren't thrilled about missing out on a big payday. The fallout may be worse for Google, which is floundering in its efforts to bolster its cloud business and catch up with Amazon.com and Microsoft Corp, its principal rivals in this market.

This is the second time in a month that Google has lost out on such an acquisition. Earlier in July, the company ended its efforts to acquire HubSpot Inc, a customer-relationship management software maker that would have helped it compete with Microsoft, Oracle Corp and Salesforce Inc, in another mega deal. Though its unclear why that deal fell apart, it likely would have attracted antitrust scrutiny at a time when Google already faces a lawsuit from the US Justice Department over its dominance in search and advertising.

Wiz's rejection, combined with the testy regulatory environment, puts Google in an even more awkward position in its effort to grow its cloud business, which has 11% of the market behind Microsoft's Azure (with 25%) and Amazon's AWS (the leading player with 31%), according to Synergy Research Group, a market intelligence firm. But grow it must, as the company's longtime reliance on advertising leaves it exposed to slowing growth or interest-rate hikes.

Acquisitions are the way to go, since Google has a spotty history in turning its own innovations into lucrative products. Remember, Google researchers invented the Transformer, for instance, but it was OpenAI that first commercialized it successfully. 'Transformer' is the T in ChatGPT. Two years ago, Google managed to buy cybersecurity firm Mandiant for $5.4 billion. The addition of Wiz, which specializes in cybersecurity for cloud-based applications, could have rounded out that security offering and given Google Cloud a strong selling point against its bigger competitors. Google didn't respond to requests for comment.

Wiz will have its own price to pay for the snub. According to people close to the company, its founders haven't walked away from Google as a negotiating tactic, but genuinely want to become as big as rival Palo Alto Networks Inc, which similarly has Israeli founders, went public in 2012 and has a market cap of $100 billion. Wiz's founders previously sold a security company to Microsoft for $320 million and are already multi-millionaires who aren't lured by the prospect of a sudden jump in personal wealth, or keen on being plugged into a legacy tech giant, two people close to the company tell me.

Fine, but in the meantime, many of Wiz's engineers will be disgruntled at having lost out on a windfall. Snubbing an acquirer isn't unheard of in Silicon Valley. Mark Zuckerberg said 'no' to $1 billion from Yahoo in 2006, and the founders of Snap Inc declined $3 billion in 2013 from Zuckerberg. But $23 billion is an entirely different conversation.

A founder of WhatsApp once explained to me that when Zuckerberg came to him with a $19 billion takeover offer in 2014, the Facebook billionaire "made us an offer we couldn't refuse." The WhatsApp founders surmised that if they rejected the offer, they'd face a revolt from their staff. Of course, WhatsApp's tiny workforce of 50 stood to become multi-millionaires, and Wiz has a larger staff of 1,200—but they are still missing a life-changing payout.

Appeasing Wiz's employees in Israel will be especially tricky, given that many local tech-sector workers have been leaving the country, and Israel is where some of the world's best hackers reside, thanks to the country's mandatory military service that often involves cybersecurity training.

It's hard to overstate how audacious Wiz appears by leaving $23 billion on the table, but it does leave both companies in a something of a bind.

Google must find another route to augmenting its lagging cloud business. Wiz must also live up to the high expectations it has set for itself.



MY VIEW | EX MACHINA

# *Businesses should adapt quickly to India's privacy law*

RAHUL MATTHAN

is a partner at Trilegal and the author of 'The Third Way: India's Revolutionary Approach to Data Governance'. His X (formerly Twitter) handle is @matthan.

Whenever I speak to my clients about how India's new Digital Personal Data Protection law will affect their operations, it is almost always their sales teams that express the most consternation. "How are we expected to do our jobs if this new law comes into effect?" they ask me, "What are we supposed to do if we can't call people to see if they want to buy our products?"

For almost as long as I can remember, commercial organizations have oriented their sales teams to acquire massive datasets of personal data—from names and email addresses to mobile numbers—so that they can be converted into leads. They have put in place massive call centres to use this information to reach out to as many people as possible, treating everyone as a potential customer who can be convinced to buy whatever they have to offer, whether they need it or not.

We have all been interrupted at odd hours of the day and night by calls from banks we don't know selling us loans we don't want. We cannot spend a minute online without being shown some product or the other that an algorithm has determined we need to see when in fact these messages just get in the way of what we want to do. Organizations today know of no other way to market their products to us. And so they find dubious means to acquire personal information that they can use for their sales pitches. Which is why, when I break it to them that this spray-and-pray approach is no longer on the table, they seem completely lost.

Under the Digital Personal Data Protection Act (DPDP Act) of 2023, no one can process personal data unless they have a legitimate ground to do so. This, in most instances, will have to be the consent of the data principal to whom that data pertains. Which means that unless all the organizations that plague us with sales calls can show they have our consent to do this, their actions will be against the letter and spirit of the law. What's more, since the law requires consent to be specific, referring precisely to the purpose for which data is being collected, even if a bank has our consent to process our personal data to provide us a loan, it cannot re-use that consent to upsell any other service to us—or share our personal data with anyone else.

As data principals, we will all have rights to ensure that companies comply with the law. Foremost among these is the right to access—the ability to ask any data fiduciary what personal data about us they are processing and who they have transferred it to. This means that organizations will not only have to know what personal data is under their control, they will also have to keep track of each and every purpose to which that data is put. If it happens to get into the hands of someone else, the organization that processed it will have to demonstrate that this transfer had our consent.

> **Organizations that haven't fixed their sales outreach and other processes are living on borrowed time**

For sales teams that know no other way to market products and services other than by getting their call centre agents to work the phones calling every last person on a list of names purchased on the black market, the bottom has fallen out of that outreach model. Not only will these data-sets be increasingly unavailable, businesses that acquire and sell them will be forced to shut down. What's more, without a legitimate ground, even the act of continuing to store such data obtained before the DPDP Act came into force will be a violation of the law. When I have explained this to sales teams in the many organizations I have addressed, they have been gobsmacked.

There are a number of other workflows and processes that companies will have to revisit in the light of the new law.

A couple of days ago, I tried to update my KYC details on my mobile phone. I was told by my telecom provider that I could either allow it to scan my Aadhaar card or provide any other form of identity that I chose. If I opted for the latter, I had to also supply an alternate phone number to which an OTP could be sent.

Now, as it happens, I have no other mobile number. Which means that in order to complete the KYC re-verification of my mobile number (one that I have held without change for 24 years), I had to provide the telecom operator with someone else's phone number. As a data protection lawyer, I was loath to offer up another person's personal data without their consent, but, as the lady at the store was at pains to warn me, if I did not comply, my phone number could be cancelled for want of an updated KYC.

It is insidious business processes such as these that companies will have to immediately redesign. If they require the mobile number of any person, they need that person's consent, even if all they intend doing with it is to send an OTP in order to confirm a KYC update. They should not be asking me to provide them with the mobile number of a family member or colleague because the very act of sending an OTP to it without the consent of the recipient will be a violation of the law.

Each breach of the provisions of the new law will be liable to a penalty of up to ₹250 crore. This is not a sum to be trifled with and organizations around the country have already begun to re-order their operations to ensure compliance.

Given that the government has confirmed that the notification of rules and implementation of the DPDP Act are among the top priorities of the ministry of electronics and information technology, businesses that have not revised their processes accordingly are living on borrowed time.

NEW DELHI | THURSDAY | JULY 25, 2024

# the pioneer

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PAPER WITH PASSION

## Balancing growth with populism

**Though the budget 2024 is growth-centric, it has populist overtones and addresses concerns of NDA allies**

Finance Minister Nirmala Sitharaman presented the first Union Budget for Modi 3.0 government on July 23, 2024, aiming to bolster India's economic growth while addressing social equity and the interests of the NDA allies. This budget is an exercise in balancing economic growth with political dividends. This budget outlines allocations for infrastructure, green energy initiatives, and the digital economy, reflecting a comprehensive approach to development. The Union Budget 2024-25 focuses on macroeconomic growth and fiscal stability but offers limited welfare for the poor, relying on effective policy implementation for success. While the fiscal deficit has improved to 4.9% of GDP, significant disparities persist, with increased capital expenditure intended to boost private investment but widening rural-urban and income divides. The budget maintains a similar outlay as the interim budget, prioritising agriculture, rural development, housing, and MSMEs to create jobs. New measures include direct payments for first-time employees and incentives for employers to increase hiring. The budget does not adequately address rising inflation, which stands at 5.08%. To support manufacturing, the government has introduced initiatives like the Credit Guarantee Scheme for MSMEs and increased Mudra Loan limits, along with developing industrial parks enhancing agricultural practices through Digital Public Infrastructure (DPI) and increasing support for natural farming. Despite these efforts, the success of the budget depends on effective implementation and addressing broader economic challenges.

The Union Budget 2024 outlines a comprehensive plan to deal with the rising unemployment by increasing the skill set of the youth. It plans to provide skills to 20 lakh youth over five years. As part of this initiative, 1,000 Industrial Training Institutes will be upgraded into hub and spoke arrangements with a focus on outcome orientation. The course content and design will be aligned with the skill needs of the industry. The budget's positives include the significant investment in infrastructure, expected to create jobs and stimulate economic growth. However, the budget also presents challenges. The ambitious spending plans may widen the fiscal deficit, posing challenges to macroeconomic stability and inflation control. Effective implementation of the proposed schemes and projects remains a critical concern, given historical delays and inefficiencies. The 2024 budget reflects a populist approach, aimed at addressing the concerns of its allies — Nitish Kumar and Chandrababu Naidu and has generously allocated funds for their states. The BJP has learned from its performance in the recent Lok Sabha elections, where it faced criticism for not adequately addressing issues like rural distress, job creation, and social equity. By focusing on infrastructure development, rural welfare, and social sector spending, the budget seeks to win back the support of these crucial demographics.

### PICTALK

Pigeons fly past the new sculpture 'Natya Shastra' installed at Mandi House, New Delhi RANJAN DIMRI

# The unfulfilled promise of Ram Rajya

SIDHARTH **MISHRA**

**The BJP's electoral setback in Ayodhya and UP, despite the grand Ram Temple inauguration, necessitates introspection on the foundations of cultural nationalism**

Covenanting for deity, indifferent to the movementSidharth Mishra In Hindu tradition, Lord Shiva is the symbol of faith, always speaks the truth, and is Trikaldarshi(knows the past, present and future). In Goswami Tulsidas' Ramcharitramanas, there is a reference to Shiva telling his wife Sati, "Hohi Soi Jo Ram Rachi Rakha," meaning what happens has been designed by Ram himself. Shiva explains to his wife that Ram is Param Brahma (ultimate creator), and writes the fate of a person based on his or her deeds.To the followers of Ram, this couplet forms the essence of Ram's divinity and majesty. The starting lines of the couplet are followed by Tulsidas saying, "Ko Kari Tark Badhave Sakha" that is why disputes his decision with inane discussions and then completes the couplet saying "As Kahi Lage Japan Harinama; Gai Sati Jahan Prabhu Sukhdhama," the essence of this being that in seeking refuge in Ram one attains solace as did Sati, Shiva's wife.

Though Tulsidas demands faith in Ram nowhere he mentions that a human being's own 'karma' (deeds) would not have a bearing on Ram's 'rachna' (creation). To those for whom Ram is the symbol of the revival of cultural nationalism, it's time to retrospect on their 'karma' which led to Ram's 'rachna' of the setback that they received in the just concluded Lok Sabha polls. Defeat in Ayodhya is indeed the symbol of the setback, which is spread across Ram's territory of Awadh and beyond it.Ramjanambhoomi movement played an important role in the revival and strengthening of the concept of cultural nationalism.

The consecration of the statue of Lord Ram at the much-awaited temple should have proved to be the culmination of people's faith in Ram and its natural expression in the electoral gains for the Bharatiya Janata Party (BJP). It did not happen.Celebrated English poet TS Eliot writes in his epochal poem, Hollow Men, "This is the way the world ends/Not with a bang but with a whimper." Earlier in the same poem, Eliot writes, "Between the conception/ And the creation/Between the emotion/ And the response/Falls the Shadow." The question is why the Ramjanambhoomi movement culminated electorally the way it did, not with a bang but with a whimper.

The inauguration of the Ram temple in January this year was the event of the century. The fluttering flags bearing Ram symbols across the states, and the cultural build-up through popular Bollywood renditions had even the sceptics once believed in the movement bearing the soul of our culture and nature. It was complete with immaculate camera coverage, with itinerary being unveiled with clockwise precision, weather at its shining best in generally a gloomy climate and a massive build-up of expectation of dawning of Ram Rajya (the rule of Ram, the ideal form of governance).The event, however, surprisingly did not bring good electoral tidings for the BJP. The party strategists were left befuddled at the morally demoralising electoral setback.

For the pontiffs of cultural nationalism, the reason for 'shadows between the conception and creation, between the emotion and the response' will not be known until they decide to come out of the echo chamber of the 'VIP route' and have a 'darshan' of Ram Lalla by joining the milieu of the masses. Rama Rajya has been defined as the ideal state of society as intended by Lord Ram, comprising perfect harmony, justice, dharma and prosperity, where people live in peace and happiness. Gandhi took the interpretation forward, saying that true Ram Rajya would be to ensure equal rights to both prince and pauper.

> TO THOSE FOR WHOM RAM IS THE SYMBOL OF THE REVIVAL OF CULTURAL NATIONALISM, IT'S TIME TO RETROSPECT ON THEIR 'KARMA' WHICH LED TO RAM'S 'RACHNA' OF THE SETBACK THAT THEY RECEIVED IN THE JUST CONCLUDED LOK SABHA POLLS

Ask the Ram Bhakts standing in the line of the paupers, for the darshan of Ram Lalla, if an ideal state had dawned. The management of the whole 'darshan' process at the Ramjanambhoomi temple today is a prototype of how it's a case study of not being the Ram Rajya model. The uncarpeted red sandstone floor of the pathway from the temple entry to the sanctum sanctorum in the heat of the summer leaves the Bhakts with blisters, cursing the temple management for their scorn.

Providing carpets to cover the hot stone floor, functional air coolers on the pathway to beat the sultry weather or water coolers to quench the thirst from standing in a queue is something that should not be beyond the command of 'caring' temple management. But then that care is lacking.

The whole environment at the temple grapples with the attitude of Suraksha (security) rather than sewa (service). The teeming throng of untrained private security guards stands out as a sore thumb. The curt replies by these guards to the simple queries of the devout worshipper are all adding to the dwindling goodwill about the temple movement, though not for the temple deity.

Ram lives in all humans, as notable lyrist Sahir Ludhianvi penned *(mere rom rom mein basne wale ram)* for Bollywood super hit Neel Kamal.

This song over the years has become the anthem for all the Ram worshippers. If the attitude of disdain at the Ram temple is not replaced with that of service, Ram Bhakts would continue to vow for their deity albeit without much goodwill for those associated with the temple movement.

*(Sidharth Mishra is the author and President of, Centre for Reforms, Development & Justice; views expressed are personal)*

# Indian education system: Building a vibrant nation

UMANG **BAJAJ**

**By integrating knowledge and skill development with modern practices, we can nurture youth who are proficient and emotionally and physically resilient**

Bharat's educational policies are geared towards fostering a balanced approach that integrates learning with modern skills, reduces unnecessary burdens, and nurtures the unique potential of every child. These efforts are crucial for building a future-ready youth capable of seizing new opportunities in a rapidly evolving world. Prime Minister Narendra Modi has been a vocal advocate for educational reforms and skill development.

One of the landmark steps taken by the government is the introduction of the New National Education Policy (NEP) 2020, established after almost four decades. The introduction of the New Education Policy (NEP) 2020 has started giving positive dividends. Being a transformative policy, it formalises skill training by integrating it into the education system from Class VI onwards. This policy underpins the importance of combining schooling with skilling, and teaching-learning materials for classes III rd onwardare also being made available now.

The government's plan to incorporate emerging and applied areas, such as semiconductor technology, into the school curriculum is a promising step towards meeting the skilling needs of the diverse and talented Yuva Shakti.

Additionally, the School Bag Policy aims to enhance student well-being by addressing the physical burden of school bags. This policy focuses on streamlining educational materials, promoting digital resources, and encouraging ergonomic designs. States like Assam and Madhya Pradesh have taken significant steps to alleviate the burden on students, with new notifications set to take effect from the academic session 2024-25.'Pariksha Pe Charcha' (PPC) outlines the vision and priorities of the government. During the 7th edition of Pariksha Pe Charcha (PPC), Prime Minister Modi interacted with students, teachers, and parents, emphasizing the need to create an educational ecosystem where each child's unique individuality is encouraged and fully expressed. The government has been making concerted efforts to achieve this goal, recognizing that cultural and societal expectations often add undue pressure on students.

Modi advocates for healthy competition, reminding us that "Teachers are not in a job role but they shoulder the responsibility of grooming the lives of students."With the rapid pace of technological advancements, its adoption in the process of learning is very crucial and technology should be harnessed as a tool for learning, reminding us that "one cannot run away from technology," as the Prime Minister remarked. Reforms are necessary as they can lead Bharat to a higher stage of advancement. The holistic approach involves aligning educational practices with principles that promote mindfulness and resilience.

Education should encompass a broad spectrum of human development, not just intellectual growth. Proper methodologies should be used to assess and nurture various aspects of a child's development. The new education system is all set to enhance individual potential and it also contributes to the nation's economic growth. It is widely admitted that a well-educated population is better equipped to drive economic progress and social mobility, reducing disparities and fostering a more equitable society.

Moreover, education contributes to better health, increased civic engagement, and enhanced personal satisfaction. Bharat's examination system needs further reforms. Hence, going forward, the nation is bound to have a more fair, transparent, stress-free, flexible and robust examination system. The holes are being plugged on an urgent basis at all levels. Bharat is on the right path to building a stronger, more vibrant nation where talent, knowledge, and skills thrive.

*(The author is the BJP Councillor from Narayana, New Delhi; views are personal)*

## LETTERS TO THE EDITOR

### BUDGET REACTIONS

Madam — It is not unusual for mixed opinions to arise on budgets presented by Central or State Governments. While ruling parties typically praise the budget, opposition parties are quick to criticize it. Congress leader Pawan Khera claims that the job-related schemes are merely copied from the Nyay Patra. If this is true, Congress might feel validated for having their scheme adopted. However, this could simply be Khera's personal view. What the opposition says often has little impact on the central government. Opposition parties have labeled the budget as specific to Bihar and Andhra Pradesh. It is natural for the opposition to be disappointed with the budget, especially since it does not upset the Chief Ministers of Bihar and Andhra Pradesh. They had hoped that by denying special status to these states, discontent would grow, possibly leading to a withdrawal of support from Nitish Kumar and Chandrababu Naidu.

The budget allocates Rs. 15,000 crore for the development of Andhra Pradesh's capital and grants for its backward regions. Bihar receives Rs. 26,000 crore for various road projects and Rs. 21,000 crore for power.

An industrial center is planned for Gaya, and there is a welcome initiative to revive Nalanda University. On the fiscal front, the current budget lacks encouragement for savings. The government seems to believe people have no choice but to deposit their money in nationalized banks, thus avoiding tax deductions for savings. It would have been fair if the Finance Minister had emphasized savings as well.

**KV Seetharamaiah**|*Bengaluru*

## Kamala is the right choice

This would seem to have come about a little late, a mere four months before the decisive election. For Democrats there are two options. One, go for Kamala by nomination, thereby making her a very probable scape goat in lieu of Biden, given Trump's stamped and vivid image of a clenched fist, post the shooting, or stage a grand show where their candidates at the upcoming convention mount the podium and vigorously debate as to how they intend to run the nation rather than run for office. The party convention must set exemplary tenor and substance by navigating through issues on hand than throwing mud on a Teflon coated Trump, on whom nothing will stick.

Under extreme pressure and for want of time on its hands, the party could find great sense in gathering both its wits and resolve to have Kamala as their candidate. Kamala is one person who is most suited to take on Trump. Remember Trump carries a heavy baggage of his own and the recent episode can but blur some of his glaring negatives, not all.

**R.Narayanan**| *Mumbai*

### AN HORRIFIC INCIDENT

Madam — A horrifying incident in Rewa(Madhya Pradesh). I am deeply concerned about the recent incident in Rewa district, Madhya Pradesh, where Mamta Pandey and Asha Pandey were partially buried while protesting against road construction on private land. This inhumane action raises serious questions about women's safety under the current government.On one hand, we hear slogans like "Nari Shakti" and "Beti Bachao, Beti Padhao," but on the other hand, women are being harassed and buried alive. Is this what we call women's safety, freedom, and security? How long will such incidents continue to occur? The nation cannot tolerate such atrocities.

Authorities must address this matter urgently and find a solution to prevent such incidents from happening again. I urge the government to prioritize women's safety and take immediate action to address this issue.

**Masood Ahmad** |*Barabanki*

### A BOOST TO THE GDP

Madam — This refers to the front page article, "India's GDP to surge 6.5 - 7% in 2024-25 : Economic Survey", (July 23) this is my response. The economic survey of the year 2024 revealed the positive growth figures of India's GDP surge of 6.5 to 7 % in the year 2024-25. The evangelist numbers are welcoming for speeding up the growth trajectory of India, to make it a 5 trillion dollar economy as soon as possible.

Although the inflation figures are stressing, as it burdened the pockets of the locals. But the growth figures are surely welcoming for each one of us. This will also help India to target 'Vikshit Bharat' vision, and help ensure balanced regional development for all together. Sectoral growth with equality from agriculture to export will power boost India to practically visualize these figures in real life. There are provisions in the budget which will definitely lead to the spurt in economic activity, especially the push for employment and skill development is likely to create more jobs and give boost to manufacturing sector. However, it will all depend upon the execution of these schmes.

**Kirti Wadhawan** | *Kanpur*

Send your feedback to:
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The Statesman

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## Tax Imbalance

This year's Union Budget has once again highlighted the growing disparity between the contributions of individual income taxpayers and corporates to the government's coffers. This imbalance, a result of the corporate tax cuts introduced five years ago, has led to a situation where individuals are shouldering a disproportionate share of the tax burden. In 2019, the government slashed corporate tax rates from 30 per cent to 22 per cent, a move aimed at stimulating private investment and job creation. This tax cut, however, came at a significant cost: an annual revenue loss of Rs 1.45 lakh crore. Over five years, the total revenue foregone amounts to a staggering Rs 8.7 lakh crore. The rationale behind this decision was clear – to boost economic activity and employment. However, the anticipated benefits have not materialised. Instead, the corporate sector appears to have absorbed these savings, either retaining them or distributing them as dividends, contributing to a stock market surge that contrasts sharply with the economic realities faced by the broader population.

The current budget reveals a troubling trend: the share of government revenue from individual income tax stands at 19 per cent, while corporate tax contributes just 17 per cent. This shift indicates that the tax burden on individuals has increased significantly, with income taxes going up from Rs 2.5 lakh crore in 2014-15 to Rs 11.8 lakh crore in the current budget estimates. In contrast, corporate taxes have grown at a much slower pace, from Rs 4.28 lakh crore to Rs 10.2 lakh crore over the same period. The data also underscores a growing income inequality in India. According to the World Inequality Lab, income and wealth concentration among the top 1 per cent in India has reached historic highs, with the top 1 per cent holding 22.6 per cent of income and 40.1 per cent of wealth as of 2022-23. This is a stark reminder that the benefits of economic policies over the past decade have been disproportionately skewed towards the wealthy, exacerbating the income divide.

The country is grappling with the implications of K-shaped growth, where the wealthy experience substantial gains while the majority of the population struggle with stagnant or declining incomes. The budget's figures reveal that corporate tax as a percentage of GDP has decreased from 3.4 per cent to 3.1 per cent over the past decade, while income tax contributions have increased from 2.1 per cent to 3.5 per cent. This trend indicates a deliberate shift in the tax burden towards individuals, further straining the middle class and working population. The budget fails to address this skewed tax burden. It does not rectify the disproportionate contributions of individual taxpayers compared to corporates, nor does it tackle the underlying issues of income inequality. The government must reconsider its fiscal policies and strive for a more equitable tax structure that ensures fair contributions from both individuals and corporations.

## Security Failure

The assassination attempt on former President Donald Trump at a campaign rally in Pennsylvania is a stark reminder of the evolving threats facing public figures in an increasingly polarised political landscape. This incident, which resulted in Mr Trump being wounded and left one rally attendee dead, has unveiled critical vulnerabilities within the US Secret Service's operational framework, prompting a necessary discourse on security and accountability. As the head of the US Secret Service, Ms Kimberly Cheatle's admission of failure and acceptance of responsibility for the security lapse by resigning is a significant step. However, it also raises questions about the agency's preparedness and resource allocation. The Secret Service is tasked with protecting a vast array of individuals, including current and former presidents, visiting dignitaries, and other high-profile figures.

The sheer scale of this responsibility necessitates a robust and adaptable security apparatus, capable of responding to dynamic threat environments. The fact that the suspected shooter, Thomas Crooks, was able to position himself on a rooftop within range of Mr Trump indicates a significant breakdown in security measures. This incident highlights the critical need for the Secret Service to re-evaluate its protocols, especially in light of the heightened political tensions and the potential for similar threats in the future. The agency's effectiveness hinges not only on its ability to respond to threats but also on its capacity to anticipate and mitigate them proactively. Criticism from lawmakers, particularly from those who called for Ms Cheatle's resignation, underscores the urgency of addressing these security failures. While accountability at the leadership level is essential, it is equally important to consider the systemic issues that may have contributed to this lapse. The Secret Service's resource constraints, exacerbated by concurrent high-profile events, point to a need for strategic reassessment of resource distribution and prioritisation.

Moreover, this incident serves as a sobering reminder of the toxic political climate that currently pervades the United States. The polarisation and vitriol that have become commonplace in political discourse create a fertile ground for violence. Protecting public figures in such an environment requires not only enhanced security measures but also a collective effort to tone down the rhetoric and foster a more respectful and civil political dialogue. The broader implications of this security failure are profound. The Secret Service must undertake a comprehensive review of its operational strategies, including staffing levels, training protocols, and technological capabilities. This review should aim to identify and address any gaps that could be exploited by those intent on causing harm. In addition, there should be a focus on improving inter-agency coordination and communication to ensure a seamless and unified response to potential threats. Accountability, strategic reassessment, and a commitment to reducing political polarisation are essential components of an effort to reduce security threats on the likes of Mr Trump. By addressing these challenges head-on, the Secret Service can better fulfil its mission of protecting those it is required to.

# Pacific Outreach ~ II

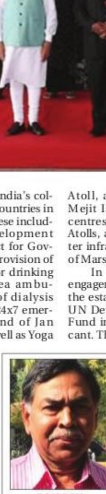
**India's development partnership with Pacific Island countries encompasses various areas, including infrastructure development, with a particular emphasis on education, health, and culture. Additionally, community development projects have involved initiatives such as refurbishing libraries and school buildings, renovating colleges, providing IT infrastructure to educational institutions, and establishing digital libraries**


India is cognizant of the fact that Pacific Island nations are strategically located in the Pacific Ocean, connecting Asia with the Americas. Indeed, the Pacific has been an area of geostrategic interest for countries such as the United States, Japan, China, Russia and others. In view of its aspiration of being a global player, India cannot afford to overlook the region where great powers play politics for their own influence. India considers the region as part of its Indo-Pacific vision, which emphasises a free, open and inclusive order.

India is aware that its economic footprint in this region is low. Its total annual trade with the Pacific Island countries hovers around only $300 million. This needs to be expanded. The largest country for bilateral trade in this regard is the PNG because of its oil and gas reserves. But India is aware that these nations also possess vast maritime resources, including fisheries, minerals, and energy reserves. Being aware that ensuring maritime security in the Indo-Pacific is a shared interest for India and Pacific Island Nations, India has activated engagement with them.

Two meetings of the Forum for India-Pacific Islands Cooperation (FIPIC) had been held – in November 2014 in Fiji and August 2015 in Jaipur. The third FIPIC summit was to be held in early 2020 but was postponed because of the Covid-19 pandemic. Finally the third FIPIC summit was held in Papua New Guinea in May 2023. Attended by Prime Minister Modi, it aligned these 14 nations with India's Act East policy and engaged with the leaders of the Pacific Island nations with a view to foster India's relationship with them through developmental aid as part of South-South cooperation.

Mr Modi unveiled a comprehensive 12-step initiative aimed at advancing India's collaborations with the countries in the Pacific region. These included FIPIC SME Development Project, Solar project for Government buildings, provision of desalination units for drinking water, supply of sea ambulances, setting up of dialysis units, setting up of 24x7 emergency helplines, and of Jan Aushadi Kendras as well as Yoga centres.



RAJARAM PANDA

The writer is a former Senior Fellow at the Pradhanmantri Memorial Museum and Library (PMML), Ministry of Culture, Government of India

Thus it transpires that India's development partnership with Pacific Island countries encompasses various areas, including infrastructure development, with a particular emphasis on education, health, and culture. Additionally, community development projects have involved initiatives such as refurbishing libraries and school buildings, renovating colleges, providing IT infrastructure to educational institutions, and establishing digital libraries.

India has supported Fiji and PNG by providing indelible ink for their general elections. Notably, an important healthcare initiative, the Jaipur Foot Camp, was organized in Fiji in collaboration with the Fijian Ministry of Health and Medical Services, and was fully funded by the Indian government. During the camp, approximately 600 Fijians received customized prosthetic limbs.

India has also extended Humanitarian Assistance and Disaster Relief (HADR) to Pacific Island countries on several occasions. Additionally, India has aided various countries during the Covid-19 pandemic by supplying vaccines and medical supplies. India has also supported other projects such as a community sports centre in Ailuk Atoll, an airport terminal on Mejit Island, and community centres at the Arno and Wotje Atolls, all of which provide better infrastructure to the people of Marshall Islands.

In addition to bilateral engagements through the FIPIC, the establishment of the India-UN Development Partnership Fund in 2017 has been significant. The fund's primary objective is to provide assistance to developing countries, with a specific focus on Least Developed Countries (LDCs) and Small Island developing states, by supporting sustainable development projects that are based on their specific needs and demands. Since India recognises the importance of Pacific Island countries because of their increasing significance in the Indo-Pacific region, it has prioritised supporting them. This initiative has garnered considerable attention from countries such as China, Japan, the US, Russia, and others.

But there is more. India's development assistance includes setting up a special $1 million fund for adapting to climate change and clean energy. These relate to focus on e-networks to improve digital connectivity, extending visa on arrival at Indian airports for all the 14 Pacific Island countries, cooperation in space technology applications for improving the quality of life of the islands, and training to diplomats from Pacific Island countries. India has already trained many rural women from eight island countries as solar engineers.

During the third FIPIC summit meeting, PM Modi underlined the strategic significance of the region, saying that the small Island nations of the Pacific Ocean are in fact large ocean states, which are connected with India through the ocean. He highlighted some of the development works done by India in the region. These include a Convention Centre in Palau, a waste management project in Nauru, seeds for cyclone-affected farmers in Fiji, and solar light project in Kiribati. The Sustainable Coastal and Ocean Research Institute (SCORI) has also been established at the University of the South Pacific in Fiji with the help of India.

SCORI entails building up a network of marine biology research stations in various island nations in the Pacific Ocean to collaborate on research and capacity building with institutions in India.

There was also something in the realm of space cooperation. A website for space technology was launched for national and human development. Through this, respective PICs can download remote sensing data of their countries from the Indian satellite network. These can be utilised for the preparation of respective national development plans.

These engagement strategies by India need to be understood against the background and as a counter to China's expanding influence in the region. India is aware that Beijing has been actively engaging with Pacific nations through loans, grants, and investments and wants these nations to join with its Belt and Road Initiative. After successfully getting some of the Pacific Island nations to switch allegiance from Taiwan to Beijing through economic inducements, Beijing has also pursued military engagements, including security agreements with countries like the Solomon Islands. India's outreach to the Pacific Islands nations is in response to that.

*(Concluded)*

A MEMBER OF THE ANN ASIA NEWS NETWORK

ASIAN VOICES

## Using biometrics is the most advanced solution currently in money transfers

The Decision 2345 represents significant progress and addresses fundamental existing issues. Right from the initial stage, identity verification and clearing customer information are required to ensure that the person opening the account is a citizen with verified identity cards, matched with data from the National Population Data Centre of the Ministry of Public Security. This guarantees that the person opening the bank account is using legitimate documents with accurate information.

As a result, banks will be able to ensure that the account belongs to the rightful owner before facilitating the transactions. On the other hands, when scammers conduct money transfer transactions using their face or fingerprint, or other biometric characteristics, there are clear signs for authorities to check and handle.

As soon as the new policy was implemented, some individuals abroad contacted people in Viet Nam, impersonating bank employees to call customers and assist in updating their biometrics. Whenever there is a new policy, fraudsters continue to devise scenarios to lure victims into traps, sometimes more sophisticated, such as exploiting digital transformation policies or information update policies to get users to install malware-laden applications or accessing malicious links, thereby taking control of phones and devices. Therefore, the banking sector needs to effectively implement Decision 2345 as a fundamental solution to eliminate non-authentic accounts used by fraudsters. Banks should continue to educate customers and protect them across multiple channels and electronic applications. We can see that to implement this solution, banks have to invest in infrastructure and technology to ensure that when conducting face scans for transactions, it is a live face, so it minimises the risk of forgery. However, it must be acknowledged that with the development of science and technology, nothing can be guaranteed. At this time, we cannot confirm whether biometric authentication can be bypassed or not. Nonetheless, it must be affirmed that using biometric authentication when transferring money is the most advanced measure available today. Viet Nam is also one of the pioneering countries in the world to implement such measures.

Việt Nam News

It is true that people need to be cautious about scammers exploiting new policies to deceive, such as calling to collect biometric data. There is still a risk that criminals could use deepfake technology to bypass biometric authentication. Therefore, banks and relevant agencies must be ready with solutions and plans to respond. In fact, deepfake technology has been around for quite some time and there are already anti-deepfake solutions being implemented. If there are criminal groups that can find ways to bypass these solutions, we must continue to research and strengthen measures to prevent and combat new types of crime before they become widespread.

However, we believe that not all criminal groups have the capability to execute such advanced technical measures. Additionally, we will have timely upgraded solutions in place to prevent widespread misuse.



LETTERS TO THE EDITOR

editor@thestatesman.com

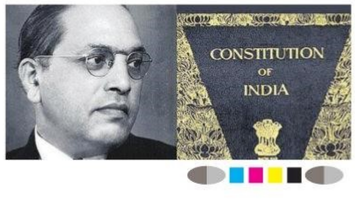
## Diverse India

**SIR**, This refers to the article 'Constitution in Focus' by Bhopinder Singh published today. The Indian Constitution is deeply connected to the identity politics of today, especially among the followers of Dr B R Ambedkar. His supporters see the Constitution as a symbol of their rights and progress.

Any changes to it are viewed as attacks on their identity and achievements, leading to strong reactions and impacting elections. This shows how important the Constitution is to these communities and how any attempt to alter it can provoke a significant backlash. The results of the 18th Lok Sabha elections have shown the limits of a simplistic approach to majoritarian politics.

The idea that a single religious identity can unite all voters under one political banner has proven to be flawed. India's religious communities are not uniform; they are divided by caste, region, language, and economic status.

These internal divisions mean that voters do not always




support a single political party, even if they share the same religion. This diversity within religious groups makes it difficult for majoritarian strategies to succeed.

In conclusion, the close link between the Constitution and identity politics highlights the complexity of Indian democracy. Protecting the Constitution is seen as protecting the rights of marginalized communities, making any changes a sensitive issue. The Lok Sabha elections also demonstrate that political strategies must consider the diverse and layered identities of the population. A more inclusive approach is needed to truly represent and address the needs of all citizens.

Yours, etc.,
Narayanan Kizhumundayur,
Thrissur, 17 July.

### KATHAMRITA

**SIR**, This refers to AK Merchant's article, "Tackling prejudices in this fractured world" (21 July). The deep-seated racial prejudices afflicting Indian society owe their origin to the shame and guilt, and a sense of inferiority we feel as a nation, thrust upon us by thousand years of foreign rule, cutting us away from the rich, hoary traditions of India.

The Macaulay-indoctrinated intelligentsia have gone a step further than their colonial masters to deride our glorious past with a sense of apology.

To have an Indian society free from prejudices we need to rediscover our glorious past, especially in the domain of intellectual efforts and knowledge production.

The key to the rediscovery of our glorious past lies in the reestablishment of supremacy of spiritual ideals, harmony of religions and spiritualisation of humanistic impulses.

And it is no other religion but Sri Ramakrishna's which rediscovers man's faith in spirituality and revalidates the authenticity and practicability of the spiritual tradition of India through the principle of harmony of religions.

We find in Ramakrishna a teacher who assimilated in his wisdom the finest things in man's spiritual tradition, absorbing the teachings of all the major religions of the world, and asking for a harmony of religions in a stable, contented spiritual commonwealth of man.

And the canonical text I strongly advocate for the inclusion in the school curriculum is Kathamrita which teaches the unity of different religions, not through theories alone – but by steadfastly practicing the different spiritual disciplines.

Yours, etc., Sudipta Ghosh,
Jangipur, 22 July.