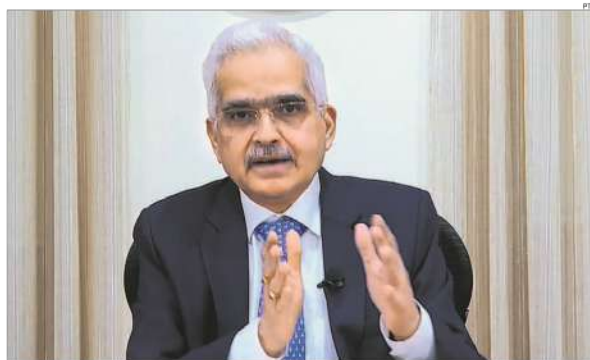


## OUR VIEW

## MY VIEW | FARM TRUTHS



## How come RBI's policy stance has not budged?

*Its focus on price stability even as exchange rate volatility risks loom is fine, but it still hasn't shifted its policy stance to 'neutral.' Has the economy's savings-investment fulcrum changed?*

Even as the US central bank seems set to pivot to monetary easing soon, the Reserve Bank of India (RBI) appears in no hurry to do likewise. Its Monetary Policy Committee's (MPC) decision on Thursday showed no sign of softening its inflation focus. Not only did it leave the central bank's repo rate—through which it modulates short-term lending to regular banks—unchanged for the ninth successive time at 6.5%, it hasn't budged on its long-held "withdrawal of accommodation" stance. The anxiety revealed stems from high food inflation, which puts its headline inflation outlook at risk. According to official data, the rate of food inflation climbed to 8.4% in May, mainly due to a sharp increase in the prices of vegetables and edible oils, and it has now averaged 8% since November. With nearly half of India's retail inflation basket made up of food items, this meant that the overall consumer-price reading took a U-turn. Its year-on-year incline was 5.1% in June after averaging 4.8% over the previous two months. So far, so clear.

"The MPC may look through high food inflation if it is transitory; but in an environment of persisting high food inflation, as we are experiencing now, the MPC cannot afford to do so," Governor Shaktikanta Das said. Various factors suggest that food-price pressures might be here to stay. Were RBI to ignore these and seek price stability without taking food and fuel into account (core inflation is just above 3%), it would risk spillovers and second-round effects, only to achieve a Pyrrhic victory against our rising cost of living, a battle it has waged since 2022. Therefore, RBI is likely to stay hawkish until retail inflation is durably squashed to its

4% target. How soon that happens may hinge on the rest of the monsoon season's rains and farm supplies. Thankfully, the economy's growth is not a worry, which means RBI is under no pressure to take its eyes off inflation. The central bank sees economic expansion at 7.2% in 2024-25 amid steady urban consumption and improving rural demand, even as investment is strong. The latter two have been concerns, but its broad optimism is backed by a spiffy services-sector performance, high GST collections and other supportive data. That said, global conditions could yet turn adverse.

While RBI's domestic focus is justified, its course could soon diverge from that of the US Federal Reserve, which is widely expected to ease rates next month. That could shake the external stability of the Indian rupee, should it impact capital flows. A wider rate gap with the US may draw more debt money into our assets, while equity zest in the West sparked by a Fed rate cut could see stock-market outflows, unless US recession fears dampen it. Though these drivers might balance out evenly, RBI could find the rupee's "managed float" being tested and its liquidity control stretched. What seems odd in all this is RBI's stance. Since it's not yet neutral, despite its 4.5% inflation forecast for 2024-25, it signals a negligible chance of a quick pivot. Could RBI's sticky stance imply credence being given to a post-pandemic upward shift in the real rate of interest (adjusted for inflation) that optimizes growth and price stability? A recent RBI research report lays out such a possibility. In theory, broad neutrality is achieved by a rate that balances investments with savings in an economy. The actual picture is usually more complex. Whatever RBI's view, a pivot in line with America's looks unlikely.

## The government's job creation plans reveal a flawed approach

*Public expenditure should aim to lift incomes more directly instead of relying on private employers*



**HIMANSHU**  
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The budget presented last month rightly seeks to address the issue of job creation, given the crisis on hand. Its grand announcements are the first sign of the government recognizing its severity. But the approach and measures proposed fail to address the issue.

The budget announced a ₹2 trillion package for employment and skill, with the aim of creating 41 million jobs in the next five years. Under it, there are three schemes for job creation and one each for internship and upgradation of ITIs. The employment-linked scheme for first-timers promises to pay ₹15,000 to every new employee in three instalments. The second scheme is primarily for the manufacturing sector and proposes incentives for employers and employees with graded payments for four years. The third scheme is a subsidy to the employer, with the government contributing ₹3,000 per month as part of the employer's provident fund contribution.

While all three schemes are for enterprises registered with the Employees' Provident Fund Organization (EPFO), thus catering only to the organized sector, the conditions for availing the scheme are onerous and likely to work as a disincentive. The first scheme makes it conditional on the employee to attend an online financial literacy programme to get the subsidy for the second month. There is no rationale for

such a requirement. It also stipulates that the employer must return the subsidy if the employee leaves the job within a year. Similarly, for the second scheme, the enterprise has to hire a minimum of 50 workers or 25% of its existing workforce to get the benefit. Further, this scheme is not for new enterprises, but only those with a three-year track record of EPFO contributions. Similar criteria are imposed on the third scheme. Some of these may have been designed for monitoring purposes, but they look set to place a financial and administrative burden on employers and thus defeat the purpose.

The scheme for internship in India's top 500 companies is no better. It is applicable to youth in the age group of 21-24 years currently unemployed and not pursuing education. It excludes meritorious students from premier institutions (or with professional qualifications). It also bars any youth whose family member is a taxpayer or working with the government at any level.

Except for very low-skill roles, it is hard to imagine too many youth who would meet this stiff checklist. While the overall budgetary allocation for the package is ₹2 trillion over five years, the pro-rata estimate of expenditure for the first year is only ₹28,000 crore. The actual budget esti-

mate is only ₹12,000 crore for creating 16 million jobs in the first year.

The real problem, however, is not the implementation design or meagre allocation, but the budget's over-reliance on the private sector for employment. Faced with a slowdown in the economy after 2016-17, the budget in 2019 had announced a massive tax subsidy to the private sector. As the *Economic Survey* points out, much of this was utilized by the corporate sector to increase profits and clean up balance sheets without any significant increase in their wage bill or employment creation.

The second problem is in the belief that employment creation is a stand-alone objective, independent of growth. In any economy, jobs are created in the process of growth as national output increases and/or investment takes place. At a time when the economy is going through a period of deficient demand amid income stagnation, it is unfair to blame private businesses for not generating employment or investing enough. Incentives for job creation are unlikely to be useful in the absence of economic stimulus to produce more.

The primary responsibility of greater employment has to rest with the government. The jobs crisis in India is not just about providing employment, but also decent employment with a basic living wage. These require the government to use public expenditure to raise the incomes of workers.

This process is faster when the income multiplier effect of such public expenditure is higher. An increase in spending in rural areas and the informal sector not only raises incomes, but also creates jobs, as these are labour intensive fields. Also, given India's large deficiencies in education, health and other public services, creating public employment in these sectors would help bridge these gaps and improve worker productivity. It would also aid a large proportion of the marginalized and vulnerable population who may not benefit from schemes announced in the budget.

## QUICK READ

The budget's employment-linked and other job creation proposals acknowledge a severe crisis but are too onerous to work and err by looking at job creation in isolation of economic growth.

India needs public expenditure in rural areas and the informal sector to boost incomes and thus demand. Outsourcing the task to the private sector with unrealistic schemes won't help.

## 10 YEARS AGO



## JUST A THOUGHT

A leader's lasting value is measured by succession.

JOHN C. MAXWELL

## MY VIEW | THE CORPORATE OUTSIDER

## Shared leadership casts a shadow over conglomerates

SUNDEEP KHANNA



**SUNDEEP KHANNA**  
is a columnist and author of 'Cryptostorm: How India Became Ground Zero of a Financial Revolution.'

India's three largest conglomerates have a question mark hanging over them, one that dominates private conversations but is pointedly ignored in public utterances. Simply put, who will succeed Mukesh Ambani, Ratan Tata and Gautam Adani at the Reliance, Tata and Adani groups, respectively? None of the three has a clearly designated successor, with Adani being the latest to talk about shared leadership of the group going forward.

Over the last few years, the issue of succession has been brushed under the carpet of family councils, executive committees and other such formations. This lack of a central authority assumes a coalitional co-leadership that presupposes a perfectly rational collective mind, which is a denial of basic human nature. With family businesses in India extending their sway over the country's economy, any number of consultants and gurus can be found to dish out such seemingly pat solutions.

But evidence—aneecdotal as well as

empirical—suggests that while ownership can be shared, when it comes to running multibillion-dollar groups with multiple businesses of high complexity, leadership-by-committee rarely works.

At the Hinduja group, the four brothers, Srishand, Gopichand, Prakash and Ashok Hinduja, signed a perfectly cordial agreement—that any asset belonging to any one of them belongs to them all. The fragility of the sentiment was tested soon enough, as the brothers' successors questioned its validity, leading to a bitter family feud. In November 2022, the family decided to smoke the peace pipe and settle its affairs out of court, but this came only after a lengthy and wasteful legal battle.

Similarly, at the erstwhile Ranbaxy group, Parvinder Singh's two sons, who were running the business jointly after his father's death, ended up engaged in a bitter and highly public blame-game once the unravelling of their fortunes started. The late Parvinder Singh himself had a running battle with his brothers, besides of course his infamous courtroom clash with his father Bhai Mohan Singh.

As Leo Tolstoy wrote in his novel *Anna Karenina*: "All happy families are alike; each unhappy family is unhappy in its own way."

Joint leadership is somewhat like that: when things are going well, no one has a problem. But the moment there's a bone of contention, rifts surface. Strangely, two of the three large Indian groups in question have had first-hand experience of the perils of contested leadership.

At Reliance, Dhirubhai Ambani would have thought the house he was leaving behind was in order, with his two sons running the business together. After all, there had never been any sign of discord between the brothers during his lifetime. It was only after his death that differences surfaced.

At Tata, it was even worse. While J.R.D. Tata clearly named Ratan Tata, a family member, as his successor, the various satraps of the group refused to accept his decision and Tata had to fight an attritional battle to assert his supremacy. Both Reliance and Tata hit stable paths only after an undisputed leader took charge and stamped his singular

authority over the entire business group. That the problem runs deep can be seen from how a similar dilemma dogs other successful groups like Bharti Airtel, where again it isn't clear who among Sunil Mittal's two sons Shrawin and Kavin and daughter Eisha will succeed him.

Some experts have floated the idea of a Walmart-like structure for Indian family groups. The Walton family plays no operating role in the company and exercises its rights merely as a shareholder, while retaining only board-level oversight of the business.

While it is possible for India's business families to emulate that model, given the outsized roles of incumbents, it will be a tall order for their inheritors to detach themselves completely.

Tata, for instance, had already stepped aside as chairman of his group when he led the decision to oust his handpicked successor Cyrus Mistry. Even the latest development at Tata Trusts,

which owns 66% of Tata Sons and through it controls the various group companies, leaves scope for confusion. A high-powered four-member executive committee set up to oversee the Trusts includes Venu Srinivasan of the TVS group, Vijay Singh and Cyrus Mistry's first cousin Mehli Mistry, who is close to Ratan Tata. But with Tata as its chair, the key question still remains: Who will be his successor as the head of the all-powerful trusts?

At Reliance Industries, Mukesh Ambani's three children—Anant, Akash and Isha—have been given clear operating roles in the different businesses of the group, which would be fine if the three businesses they manage were independently listed companies with no cross-holdings. That's unlikely to happen, which means that there will always be the question of who takes the final decision when a group-level issue comes up.

Family businesses by their very nature need a clearly identified successor. The alternative is to fully professionalize such groups, leaving even the topmost roles to professional managers, with no intervention in how they run them. But that calls for the kind of distancing from the business that most Indian owners find difficult to achieve.



## THEIR VIEW

# RBI has wisely charted a course that's unique to India's economy

Amid divergent action from major central banks around the world, the Monetary Policy Committee wisely kept rates steady



**MYTHILI BHUSHURMATA**  
is a senior journalist and a former central banker.

A week is a long time in politics," said former British prime minister Harold Wilson, briefing journalists at the time of a sterling crisis. It was in the mid-1960s and Wilson was referring to the far-reaching fallout of the crisis.

Close to 60 years later, I could perhaps be pardoned for tweaking Wilson's quote to suit the world of macroeconomics. Going by the events of the past few days, a week could have been a long time in monetary policy. Except that, to its credit, the Reserve Bank of India (RBI) chose to stay the course. Contrary to what many, especially market aficionados, were hoping.

Consider. Till just about a week ago, it was a given that RBI's rate-setting Monetary Policy Committee (MPC) would settle for a relatively pedestrian monetary policy statement. Sure, the six-member MPC already had two dissenters, Jayanthi Varna and Ashima Goyal, both of whom had argued (at the last meeting in June) for a reduction in the policy (repo) rate and a change in stance from "focused on withdrawal of accommodation" to "neutral."

But the composition of the Committee—three members from RBI and three external members, combined with a casting vote given to RBI Governor Shaktikanta Das in the event of a tie—means the Governor's word usually prevails. And with Governor Das already on record that "it is too early to talk about an interest rate cut," given an "uncertain global economic environment and persistently high home consumer inflation," and reiterating that monetary policy has to be "clearly and unambiguously" focused on inflation, it was taken for granted that RBI would stay put.

But that was before US employment data came in last Friday showing significantly slower hiring and unemployment at its highest in nearly three years. When markets opened the following Monday, stocks fell not only in the US, but around the world, as investors zeroed in on signs of a slowing American economy, fuelling fears that the US Fed might have waited too long to cut rates.

Talk of the US heading into recession gained currency soon after. As did talk of a new Sahm rule, wherein a 3-month moving average of unemployment of 50 basis points higher than the lowest in the previous 12 months is taken as signalling the onset of a recession. That a Fed rate cut would come sooner than anticipated was the general view.

With that, market expectations of a *status quo* policy from our own MPC were suddenly upended. Market expectations (hopes?), as distinct from those of economists, shifted to a change in stance, or, at the very least, more dovish commentary.

In the event, the governor showed that RBI would not be held hostage by market expectations. On the contrary, he walked his oft-repeated talk that RBI's policy decisions are driven by domestic



considerations. Sure, no central bank, least of all an emerging economy's, can ignore the ramifications of Fed action. But apart from a passing mention of "global financial markets exhibiting volatility," Governor Das chose to focus on domestic factors: the strength of our macro-economic fundamentals that gives RBI the necessary policy space to focus on its primary responsibility: getting headline inflation to India's 4% target.

When pressed to comment on the conspicuous silence about last week's market turmoil in the Monetary Policy Resolution at the press conference later in the day, Governor Das was candid. "It would be premature to talk about a recession in the US," he said, refusing to be drawn any further, other than reiterating that RBI is "watchful of all incoming data from domestic and external sources."

He made it clear that RBI was not going to be deflected either by the fact that core (CPI excluding food and fuel) inflation at 3.1% in May-June touched a new low. Or by the debate triggered by the recent *Economic Survey's* suggestion that monetary policy should consider targeting inflation excluding food.

His caution is not misplaced. Apart from the fact that RBI's target is 'headline' and not 'core' inflation, there has been a pick-up in retail inflation to

5.1% in June, with the likelihood of a reversal in the expected moderation in the pace of disinflation (the second-quarter projection was revised upward from 3.8% in the June MPC note to 4.4%). Inflation is moderating, but, as Governor Das put it, the pace of disinflation is uneven and slow and there is still some distance before it aligns with the 4% target.

Second, high food inflation (food has a weight of 46% in the consumption basket) holds the possibility that it could spill over—economists call this

## QUICK READ

Markets shaken by fears of a US recession may have expected a more dovish approach by RBI but Governor Das made it clear that domestic considerations would drive Indian policy.

A price was paid for treating high inflation as "transitory" in the aftermath of monetary policy easing during the covid pandemic and we cannot afford to repeat that mistake.

ent high food inflation, as at present, it cannot afford to do so. We paid the price (in common with other central banks, including the mighty Fed) for believing high inflation was 'transitory' in the aftermath of monetary policy easing during covid.

We cannot afford to repeat that mistake.

## MINT CURATOR

# The US Fed must act to reduce rates swiftly—recession or not

The case for policy easing is clear even if the US economy holds up



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Fed chair Jerome Powell's Jackson Hole speech is awaited keenly

America's weaker-than-expected jobs report last week has sparked a debate about whether its economy is sliding into recession or whether the rise in the unemployment rate in July was due to a continuing post-pandemic normalization of the labour market. Whichever camp you're in, the right move for the US Federal Reserve is to act with urgency, cutting its policy rate by a percentage point to 4.25%-4.5% by the end of 2024 in the name of risk management.

It's a level of easing that the Fed is likely to undertake even if the rise in unemployment ends up being somewhat benign, since we no longer need such restrictive rates to tame inflation. It makes sense to front-load those rate cuts rather than run the risk of being too slow to act to forestall worse economic outcomes.

If we really are heading into recession, there's not much disagreement on what the Fed should do: Cut interest rates a lot and fast. That's where market pricing has shifted after a rocky week of economic data. Interest rate futures suggest the Fed will cut its policy rate by over 200 basis points by the end of 2025, taking the Fed funds rate down near 3%. This seems reasonable, based on what we've seen in prior recessions.

It's the second scenario that is more challenging. The US joblessness rate has climbed this year from 3.7% to 4.3%, but the percentage of people between the ages of 25 and 54 who are employed has also risen, from 80.4% to 80.9%. That's an unusual dynamic with the unemployment rate reflecting, in part, rising labour force participation.

It's possible that the explanation of a gradual normalization is the correct one, that there's little risk of a rapid increase in unemployment, and that the Fed has time to be patient. But putting all of one's eggs in that basket is risky. The rate of layoffs is currently low, but waiting for job cuts to increase means waiting until it's too late to avoid a recession. During the financial crisis, for instance, layoffs didn't start to spike until the middle of 2008 once a recession was well underway. The hiring rate has already slumped to levels that suggest employers feel no compulsion to add to their payrolls.

In general, it's best not to overthink the unemployment rate. Inflation points in the economy are messy and uncertain by nature, and leaning too much into optimistic scenarios can cause severe policy errors. Former Fed Chair Ben Bernanke gave his "subprime is contained" speech in May

2007 when the housing market was already in the process of collapsing.

The central bank's job is risk management. It's why policymakers continued to increase interest rates in the first half of 2023 well over a year after their preferred measure of inflation had peaked and begun to decline. In June, the Fed's 'dot plot'—an anonymous collection of policymakers' rate expectations—showed a median projection for a 25-basis-point cut in 2024, followed by four more reductions in 2025, or 1.25 percentage points of easing overall. Both American labour market and inflation data have weakened since then. A revised dot-plot today would likely show more aggressive cuts, and we know from Chair Jerome Powell's comments on Wednesday that policymakers are prepared to lower rates in September.

So why wait? Inflation risks have moderated sufficiently, so the main argument against cutting more aggressively than they've previously signalled would be the risk that markets are alarmed by what that says about the economic outlook.

Fortunately, Jerome Powell can use his upcoming speech at the Kansas City Fed's conference in Jackson Hole, Wyoming, to shape the narrative. Swift rate cuts would relieve pressure for Americans struggling to make payments on floating-rate credit card debt or to get financing for a new car. It would help the millions of homeowners who bought when mortgage rates were high, with refinancing at lower rates freeing up household budgets for other types of consumption. The main headwind for the economy right now is high borrowing costs.

Foot dragging among policymakers harkens back to the economic situation and Fed debate from early 2022. At the time, the dispute was over whether inflation was transitory, and whether raising interest rates by 25 basis points once a quarter would be too fast. Ultimately, inflation got worse and the Fed had to respond aggressively. Many economists now believe that delay in raising rates was a mistake. Now, we're in the opposite situation with a cooling labour market. The Fed has already signalled a likelihood of cutting rates at the September meeting. Policymakers lose little and have much to gain by moving quickly. **BLUENBERG**

## MY VIEW | PEN DRIVE

# Altman's \$7 trillion AI ask: How else to save the world?

SAMIRAN GHOSH



is a technology advisor and podcast host.

In a world where billionaires launch into space for fun, Sam Altman of OpenAI fame has upped the game of one-upmanship by throwing a number into the universe that has made economists and mathematicians do a collective face-palm: \$7 trillion. That is not a typo. It is seven trillion US dollars, a number so large that it's practically a black hole in the world of finance that makes most tech-startup pitches look like lemonade-stand business plans.

Sam Altman has said he needs \$7 trillion. Why? According to reports, he is on a mission to build a global network of AI chip factories, data centres and power plants. Apparently, training the next generation of AI models requires more computing power because they may need to solve a Rubik's cube while juggling flaming torches, riding a unicycle and translating Tolstoy's *War and Peace* into Klingon. These models will attempt to understand the nuances of human language in all its glory, including why we say

"parkway" when we drive on it and "drive-way" when we park on it. Hence, all the costs. Is it needed? Some experts argue that this level of investment is key to keeping up with the exponential growth of AI capabilities. Others suggest Altman accidentally added a few extra zeros to his funding estimate. So, how much is \$7 trillion? It's enough to do plenty else. I could suggest a few ideas.

The money could fund America's space agency NASA for more than 250 years at its current budget.  
Cost: \$7 trillion.  
Outcome: We'd probably find aliens before *Altman's AI* becomes self-aware.

Or we could build around 4,600 Burj Khalifa skyscrapers like the one in Dubai.  
Cost: \$1.5 billion per skyscraper.  
Outcome: The world's most expensive game of Jenga.

And my personal favourite: Buy everyone on Earth a lifetime supply of avocadoes.  
Cost: \$1,000 per person.  
Outcome: World peace through shared guacamole.

Let I give the wrong impression of my budgetary priorities, let's sprinkle some published data to add a dash of reality to our humour soufflé.

Before we hand over the equivalent of the combined GDP of India and the whole of Africa, let's explore what other world-changing feats we could accomplish with that kind of cash. Apple has a market cap of about \$3.3 trillion (as of the date I wrote this). Altman could buy two Apples and still have money left over for a few Android phones.

Let us take another number. The global artificial intelligence (AI) market will be \$1.3-\$1.8 trillion by 2030, depending on the source (Statista: \$1.8 trillion by 2030; Fast-growth: \$1.81 trillion by 2030; MarketsandMarkets: \$1.4 trillion by 2030). Altman's request is about 3.8 times this entire projected market.

Now, I do not want to be a "frivolous Sam" (my call name used to be Sam when I was at IBM—no idea why). So, I took it upon myself to figure out some "more worthy causes" that might deserve this money.

*Global hunger and malnutrition*: \$2.65 trillion (for 10 years at \$265 billion annually). This figure comes from the United Nations Food and Agriculture Organization's estimate of funds needed to end hunger by 2030. I have allocated funding for ten years, as this would create a sustainable impact.

*Climate-change mitigation*: \$2.4 trillion based on the IPCC's estimate of annual investments needed in the energy sector until 2035 to limit global warming to 1.5°C. I have allocated one year's worth of this estimate, though the challenge requires ongoing investment.

*Universal access to clean water and sanitation*: \$570 billion (five years at \$114 billion per year). The World Bank estimates that \$114 billion annually is needed to achieve universal access to safely managed water and sanitation services by 2030. I provided five years of funding to make significant progress.

*Universal healthcare*: \$1.11 trillion (three years at \$370 billion per year).

*Universal healthcare*: \$1.11 trillion (three years at \$370 billion per year).

## QUICK READ

Sam Altman's \$7 trillion plan for an AI support ecosystem of chip factories, data centres, power plants and more makes most tech-startup pitches look like lemonade-stand business plans.

This sort of money could fund NASA for 250 years or build 4,600 Burj Khalifas, but we could also wipe out hunger, mitigate climate adversities, invest in clean energy and go for universal healthcare.



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PAPER WITH PASSION

## Daunting task ahead

The interim Govt led by Yunus must restore law and order in Bangladesh as there is chaos and fear all around

As Nobel laureate Muhammad Yunus takes charge of the interim government of Bangladesh, he may have the challenging task of restoring peace and law and order in the country. Bangladesh, relatively a young nation, is once again in the throes of instability. The latest chapter in its ongoing saga of unrest, unfolded after the ouster of Sheikh Hasina and subsequent takeover by Nobel laureate Muhammad Yunus. As Yunus steps into power, the country is gripped by fear and uncertainty, prompting hundreds of citizens to seek refuge in India. Recent months saw political violence, protests, and crackdowns on dissent; creating a volatile environment that led to the ouster of Sheikh Hasina and chaos on the roads of Dhaka. The announcement of Muhammad Yunus, a globally renowned figure for his work in microfinance and founder of Grameen Bank, taking over the reins of power comes as a dramatic twist. Yunus, who has faced his share of political and legal challenges in recent years, has long been a critic of the Hasina Government's policies.



The political upheaval has triggered a wave of fear among the populace especially the minorities. Reports indicate that hundreds of Bangladeshis are attempting to cross the border into India, driven by concerns for their safety. The future course of Bangladesh's political landscape under Yunus' leadership is fraught with uncertainty. Yunus has been an advocate for political reform and transparency. His leadership could usher in a new era of governance, focusing on anti-corruption measures and democratic practices. However, implementing these changes in a deeply entrenched political system will be a formidable challenge. Besides,

Bangladesh's economy has been under strain due to mismanagement and corruption. Yunus' expertise in economic development and microfinance could play a pivotal role in revitalising the economy, promoting entrepreneurship, and creating jobs. While some may view him as a saviour, others may see him as an outsider with no political experience. Building trust and garnering widespread support will be essential for his administration's success. However, the biggest challenge would be restoring peace and maintaining the law and order. Ensuring law and order during this transition period is paramount. Yunus will need the cooperation of the military and law enforcement agencies to maintain stability and prevent further violence. As Bangladesh stands on the brink of a new political era with Muhammad Yunus at the helm, the road ahead is uncertain. The immediate priority will be to address the fears of the populace and restore a sense of security, especially amongst minorities. All said and done, right now the army will call the shots and till elections are announced nothing can be said about the future of interim government itself. The coming days will be crucial in determining whether Yunus' leadership can guide the country towards stability and prosperity or if Bangladesh will descend into further chaotic unrest.

## PICTALK



A priest performs 'arati' at Bade Hanumanji temple which was flooded after heavy rains in Prayagraj

# Cultural identity shapes behaviour

This cultural phenomenon, observed in many parts of the world, highlights the profound impact of inherited values on personal and collective actions



VINAYSHIL GAUTAM

In India, several clans have their pedigree narratives. It is a great instrument for creating venerable ideals of behaviour and conduct and, above all, pride in their antecedents. Like many other places in the world, their pedigree is often traced to some other planet or has an anecdote or theory associated with their distinctive pedigree. Some consider themselves descendants of the Sun (Suryavanshi), others consider themselves descendants of the Moon (Chandravanshi), and so the clan goes on.

The veracity of these claims is another story altogether, but invariably there is an ideal connected to them, and that is important. For example, the Suryavanshi are supposed to be very committed to their 'word of mouth', and they are supposed to never backtrack from what they have said or promised.

These ideals are important in identity formation and establishing a bottom line of behaviour. They also create a narrative of keeping the clan on track, such as it may be. There are fallouts for rituals, marriages, festivities, and more. Loyalty is not territorial because the clan has, often, migrated from its place of origin but the bonding is clear.

The rituals of festivities and celebrations keep the clan together, even though technology may have played its role in the widespread celebration and observance of clan identities. The protocols are very often strictly adhered to. Often these serve as an unwritten code of behaviour.

There is another anecdote linked with planets, especially the Sun. Japan is considered to be the land of the rising sun, and there are anecdotes about the special places in many parts of the world related to the sun. Toledo is a good illustration of a place where the sun's rays are said to have met the Earth for the first time.

There are other rituals associated with the sun in many parts of the world as well. In



India, planet worship is considered particularly venerable by many components of the population, and the steps in sun worship are a widely shared phenomenon. This practice is often accompanied by pouring water facing the sun. Celebrating obedience to the sun is popular and has many stories spun around it.

It may be useful to remind oneself that, in the belief of many, worship of even other planets is a virtuous thing to do. The point, however, is to recognise that behaviour is determined by one's belief, and this belief may not always be an act of choice but an act of an inherited value system and cognitive association with values that are considered virtuous. This component of tradition, which is common in many parts of the world, is now often referred to, not so complementarily, as the Third World Phenomena. The older the community, the greater their belief and the more grounded their behaviour.

In such communities' gender relationships have a strong overlay of traditional beliefs.



LIKE MANY OTHER PLACES IN THE WORLD, THEIR PEDIGREE IS OFTEN TRACED TO SOME OTHER PLANET OR HAS AN ANECDOTE ASSOCIATED WITH THEIR DISTINCTIVE PEDIGREE. SOME CONSIDER THEMSELVES DESCENDANTS OF THE SUN, OTHERS CONSIDER THEMSELVES DESCENDANTS OF THE MOON

Indeed, icons that grow up at times geography-wise and even climate-wise are significant factors in belief systems.

The broad takeaway from this narrative should be a realisation, that what goes into the composition of the human mind and belief system is often not only acquired from formal learning in the classroom but also by inherited and handed down beliefs. This is an important aspect of learning which deserves far more attention even in formal learning systems. There is an obvious need to understand, all that goes into the making of one's identity and personality make-up.

One of the important dimensions should also be to assess and evaluate the complete personality of a person when recruiting him. The identity that that person carries may have many layers that are important for his work performance. Unfortunately, not enough literature is available to convert all this into assessment instruments. This understanding would help to

explain why there are so many times a situation of grief when a person is recruited on just what could be called his 'professional knowledge'.

It will be worth remembering that professional knowledge is indeed important in the work dimension but that is not a full personality at work. To create a work identity, it is important to selectively integrate the cultural identities of individuals with a focus on the organisational identity of the enterprise concerned. This is an important dimension of work management that both employers and employees need to pay much more attention to, more than what they have enabled so far. This will help to manage, better, group identities at work and create a culture of resonance for greater productivity and fulfilment all around. The idea of focusing on the 'complete personality', to the extent possible, is worth considering.

(The writer is a well-known management consultant of international repute. The views expressed are personal)

## LETTERS TO THE EDITOR

### We are proud of you!



Had the gravitational force acted on Vinesh Phogat been little bit kinder she would have not only lost the silver medal which was in her grab but would have also bagged a gold considering her performance in the tournament so far. Vinesh lost the gold by weighing 100 Grams more than the permit-

ted weight of 50 kgs in the category and also suffered a disqualification from the tournament. It is one of the most unfortunate thing that could have happened to her as a sportsman, shattering her dreams. Regardless of this she is the golden girl and would be remembered for her superb performance.

While Phogat has been successful in bagging Gold and silver medals in Commonwealth and Asian games, courtesy misfortune Olympics has been eluding her as she suffered an injury in Rio Olympics in 2016 while in 2020 Tokyo Olympics and in the Paris Olympics yesterday she suffered a cruel disqualification! Phogat, you might have lost Gold medal in Olympics, for sure you have won a place in the hearts of all the sports lovers in the world! We are proud of you!

Gopalaswamy J | Chennai

### THE PLIGHT OF SEWER WORKERS

Madam—Kudos to Mr N Sadhasiva Reddy for his letter titled 'Death of sanitation workers' (August 7). Our eardrums are constantly assaulted with the triumphant declarations of 'conquering' the other side of the Moon, yet all that is provided for a sewer worker risking his life for society's 'dirty work' is an ordinary rope. Billions of state funds are invested in mass yoga performances on the streets to increase the country's 'might' to the world, yet the same ordinary rope is the only safety measure for the poorest souls in this 'mighty' India. Gigantic statues and bullet train projects are undertaken to 'modernize' the world, but the faceless manual scavengers who work tirelessly to keep our environment clean receive no more than that ordinary rope.

Those who ignore the plight and suffering of these unsung heroes, without whose essential service our 'civilized modern' society would come to a standstill, are nothing short of barbarians. Kajal Chatterjee | Kolkata

### PREAMBLE MISSING IN NCERT BOOKS

Madam—The absence of the 'Indian Constitution' preamble in some NCERT textbooks for certain classes should not lead to blame. Instead, consider this an opportunity to highlight its sacred importance and encourage students to learn it with increased focus. This can greatly contribute to shaping a clean thought process centered on equality and the socialist republic structure. It would be beneficial if NCERT issued a circular or sent an online message to all schools following the NCERT syllabus, advising them to download the preamble from Google or refer to other NCERT textbooks. Emphasising its sacred points with enhanced focus during teaching can greatly benefit the students. It is very important that today's children know about our freedom struggle and how our Constitution was written.

PV Srinivas Sreelekha | Secunderabad

Send your feedback to: [letterstopioneer@gmail.com](mailto:letterstopioneer@gmail.com)

## Rediscovering the true value of life

Amidst climate change and environmental crises, it's time to re-evaluate our priorities and appreciate the irreplaceable gifts that nature freely provides

The best things in life, they say, come free. It is a dubious statement that we may not readily agree to in a world where anything material has a price tag attached to it. The problem is not in the maxim that I opened this piece with; the problem is with our definition of "the best things". We have devised a curious way to assess our lives by putting a numerical value on everything we can possess and call our own. Even we scampers all over the place trying to fetch luxuries and comfort items, we tend to forget several things which we do not personally possess but are indispensable to our existence.

They are more valuable to us than all the material assets of the world put together. Air, sunlight, water, and soil for instance. Many things are too obvious for us to appreciate as I discovered recently when astronauts Sunita Williams and Barry Wilmore got stranded in space. Reports say that her extended stay would affect her body adversely and as per NASA,



it could alter the structure of their eyes and brain, and the function "because low-gravity conditions shift the body's fluids toward the head". Gravity: The natural phenomenon that Newton discovered by chance in late 1666 when he saw an apple fall to the ground isn't something that we pay attention to in our daily lives. We take universal gravitation for granted, just as we take many other conventional things and natural forces as part of our privilege on this planet. The heat wave sweeping across the globe, the unprecedented floods and unseasonal snow are all testimonies of this casual atti-

itude we have adopted towards the most valuable things in life that the universe has granted us. Climate change has been converted to a mere topic of discussion and not as a veritable threat for all species. Who will tell us that we have been presently allowed to live the best versions of ourselves aided by natural resources and no matter how hard we try, we cannot replicate these conditions in another part of the universe anytime soon? We may be vain to declare that space travel will soon become a regular thing thanks to man's daring explorations. We can claim that we are

doing everything we can to shift our domicile to another planet. But let us make no mistake—we cannot find another optimal domain to establish ourselves should the present one perish because of our over-indulgences. Our conceit might make us proclaim that the skies are for us to invade, but to find another place like this where everything is measured just for our survival will only remain a pipedream.

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

### BANGLADESH CRISIS

Madam—Amid the backdrop of controversial job reservations and widespread violent protests, Bangladesh has seen its former Prime Minister Sheikh Hasina Wazed flee the country and seek temporary exile in India, a sanctuary supposedly facilitated by the United Kingdom. The nation now stands on the brink of establishing a new interim regime, led by Muhammad Yunus and supported by student unions and the military. It is deeply disappointing that the international community, with whom Prime Minister Sheikh Hasina had maintained good relations—particularly China, the US, and the United Kingdom—turned a blind eye to her government during this crisis. The violent student protests, demonstrations, and clashes, followed by anti-government forces, went largely ignored by these global allies. China, despite being a close economic partner of Bangladesh, remained a passive observer throughout the turmoil.

India's support for Bangladesh during this tumultuous period is commendable and highlights Prime Minister Modi's political commitment to its neighbor, strengthening bilateral relations rooted in cultural and historical ties. However, it is regrettable that Hindu citizens and temples have borne the brunt of the lawlessness and vandalism, acts seemingly orchestrated to provoke Indian sentiments.

While the caretaker government led by the army appears to be a viable solution at the moment, it remains uncertain whether it can overcome the significant economic losses and extensive damage to national properties caused by the protests. There is hope that peace will prevail in Dhaka and that New Delhi's active involvement will help pave the way for the formation of an interim government, free from being hijacked by the military or anti-India radical elements. Janga Bahadur Sunwar | Bagakote





## Up but out

Vinesh Phogat went to extraordinary lengths to win a medal

It proved to be a tale of so near and yet so far for Vinesh Phogat on a sombre Wednesday in Paris. The 29-year-old wrestler with roots in Haryana was in red-hot form and seemingly the force was with her in the women's 50kg segment. However, hours before the summit clash against Sarah Ann Hildebrandt of the United States, Vinesh's Olympic dreams of winning a gold fizzled out. In the acutely razor-sharp lines that distinguish weight categories especially in combat sport, India's ace wrestler was found to be 100 grams above the stipulated 50kg at the 7.15 a.m. mandatory weigh-in before the final bout. This was heartbreak of the extreme kind for the athlete and the funeral effect rippled through an expectant nation hoping for a gold or at least a silver. Having weighed 50.9kg on Tuesday morning, Vinesh acquired a massive halo through the day, topping defending champion Yui Susaki of Japan and eventually getting past Cuba's Yusneylis Guzman Lopez in the semifinal. At the mixed media zone, Vinesh waved to the scribes but refrained from having a chat. The alarm bells, though, were ringing loud and clear within the Indian contingent as Vinesh and her support staff were conscious about her latest weight being 52.7kg.

The ensuing night was all about pursuing a crash course in losing extra kilos. Extreme measures such as starvation, water being ignored, frenetic exercises and induced nausea were all attempted. Even insomnia occurred and still the weighing machine did not budge on Wednesday morning. With an original body weight of around 55kg, it was extraordinary that Vinesh even attempted to compete in the 50kg bout after finding her regular 53kg category sparring with the emerging Asian Range of the United World Wrestling, the sport's governing body, is clear about the rules pertaining to body weight: if an athlete fails the weigh-in, he or she will be eliminated from the competition and ranked last. In the larger scheme, Vinesh's charge towards the victor's podium, even if it culminated in despair, was seen as a metaphor for a larger battle that she and other wrestlers waged against the former Wrestling Federation of India chief Brij Bhushan Sharan Singh. The allegations of sexual harassment centred around Brij Bhushan elevated India's sporting heart, but an administrative system leaning on patriarchy, rebuffed the wrestlers before attempting a belated clean-up. Seen through that prism, the overwhelming anger over Vinesh's exit is understandable. Rules are sacrosanct, and Vinesh found herself at the wrong end and her retirement announcement has left Indian sport poorer, while she still awaits the verdict of the authorities over her appeal for a joint silver medal consideration.

## Guilty on search

The antitrust case verdict against Google will have wide implications

Almost a quarter century after an antitrust ruling against Microsoft reshaped the business landscape of tech industry, a landmark judgement by the U.S. District Court for the District of Columbia against Google over its anti-competitive practices could now lead to a new precedent on how Big Tech firms conduct their business affairs. The roughly three-year-long legal process — which began with the discovery procedure in January 2021 after the court consolidated two lawsuits, *United States vs Google* and *Colorado vs Google*, that led to a nine-week bench trial in September 2023 — concluded on August 5. U.S. District Judge for the District of Columbia, Amit P. Mehta, wrote that "Google is a monopolist" and that it has violated Section 2 of the Sherman Antitrust Act by stifling competition to protect its monopoly position. The search giant was accused of using its dominant position in the online search market by cutting exclusive deals with smartphone makers such as Apple and Samsung so that they can pre-load Google search on their handsets as a default search engine.

While Google plans to appeal the ruling, the U.S. Department of Justice has not yet indicated what remedy it will ask for. Both parties have been called to discuss and find a remedy ahead of their meeting with Judge Mehta on September 6. The remedy could range anywhere from breaking up Google to eliminating exclusive agreements between the search giant and handset makers. The former will fundamentally change the structure and nature of digital businesses as Google is linked to 20% of digital services. The latter, on the other hand, could immediately wipe out a revenue stream for handset makers, particularly Apple could end up losing billions of dollars if Google is ordered to terminate its exclusive deal with the iPhone maker. This hefty annual payment disincentivises firms such as Apple and Samsung from building their own rival search engines. Separately, terminating such deals can help consumers find alternative search engines as opposed to getting one pre-installed in their smartphones. The effectiveness of these alternative search engines can only be assessed over time, as scale and the amount of data that goes into them will play a key role in optimising them for richer user experiences. Lastly, these changes could make Google build a better product that is focused on user privacy. Regardless of the directions the remedies take, this ruling will have a huge impact on a series of antitrust cases that are underway against Big Tech firms such as Meta, Amazon, and Apple for their monopolistic business practices.

# A moment for just transition litigation to take wing

In April 2024, in *M.K. Ranjitsinh and Others vs Union of India*, the Supreme Court of India recognised a human right against the adverse impacts of climate change. The decision has attracted significant discourse, riddled with mixed reactions. For some, it has been a win for climate action. For others, it has failed to protect endangered biodiversity. Taking a relatively pragmatic position, in an earlier opinion page article in this daily, "The Great Indian Bustard and climate action verdict" (April 17, 2024), this writer mapped a course for the Court to adopt in its final decision — which is, framing the core issue in the case using the concept of just transition.

Since the final decision of the Court is due soon, this article delves deeper into the advantages of a just transition framing, arguing that first, it will facilitate equitable and inclusive climate action. Second, it will break new ground by introducing 'Nature' or the non-human environment as an entity in the concept of just transition. Third, it will bolster research on just transition litigation in India by foregrounding existing cases.

Just transition is not a new concept. However, its introduction to climate change is recent. Put simply, it aims to make mitigative climate action inclusive and fair. That is, it seeks to ensure that the burdens and benefits of decarbonisation are distributed equitably.

The concept emerged in the 1970s as a tool to protect workers whose jobs were being threatened by increasing environmental regulation. Later, it was brought into the debates on climate change by the international trade union movement. In that, a direct impact of decarbonisation was on workers employed in carbon-intensive economies. In 2015, it was included in the international treaty on climate change, the Paris Agreement.

A salient report by the United States-based Sabin Center for Climate Change Law notes that in addition to workers, just transition encompasses other persons in vulnerable situations. This includes indigenous communities, women, children, and minorities. Due to their pre-existing vulnerability, they are at a higher risk of being adversely affected by decarbonisation. Accordingly, thus far, the concept only includes affected human beings. Notably, despite its vulnerability to climate change, the non-human environment has not been recognised as a subject of just transition.

**Advantages of a just transition framing**  
The core issue in *M.K. Ranjitsinh* is the protection of an endangered bird, the Great Indian Bustard, from the adverse impacts of solar and wind energy projects. This is an opportune moment for the Court to frame the issue using just transition and further its conceptual boundaries.



Kanika Jamwal

a doctoral candidate at the Faculty of Law, National University of Singapore

Three advantages flow from taking this approach.

First, a just transition framing will allow the Court to facilitate equitable and inclusive climate action. A repeated critique of the judgment has been its framing of the core issue — the Court's decision to juxtapose decarbonisation and biodiversity protection. Interestingly, it recognises that the two 'do not exist in disjunctive silos', and that one cannot be prioritised at the cost of the other. Yet, it proceeds to frame them as adversarial choices — pitting the conversation of the Great Indian Bustard against conservation of the environment as a whole (through decarbonisation). Effectively, it presents biodiversity protection as a smaller public interest in comparison to the larger public interest of decarbonising the economy.

This type of framing echoes the judiciary's existing approach in renewable energy cases. Previously, various courts have labelled decarbonisation as being the larger public benefit, while the affected plaintiff's interest in the smaller public benefit, such as cases, a just transition framing will preclude such inequitable and exclusionary climate action. It will allow courts to strengthen decarbonisation efforts, while accounting for and protecting interests of affected communities and entities. In other words, it will facilitate responsive mitigation action, which ensures that the burdens of decarbonisation are not disproportionately distributed.

Thus, given the nature of the core issue, the present case is a wonderful opportunity for the Court to import and apply the just transition concept. This will pave the way for taking a more holistic approach — while determining the feasibility of undergrounding power transmission lines, the Court can treat protection of the Great Indian Bustard as a guiding factor. In other words, protection of the Great Indian Bustard need not to be treated as adversarial to decarbonisation. Arguably, this will set the tone for equitable and inclusive climate action.

Lastly, it must be noted that the consequence of adopting this approach may not necessarily be 'anti-energy transition' or 'anti-climate'. That is, it will not translate into decommissioning renewable energy projects. In that the question before the Court is limited to determining the feasibility of placing power transmission lines underground.

A just transition framing will enable the responsible and informed operation of renewable energy projects, and not decommission them. Thus, instead of being anti-climate, this case will belong to the new category of climate litigation emerging globally, i.e., litigation which is pro-just climate action.

A second advantage is that this case provides an opportunity for the Court to expand the

concept of just transition by introducing the non-human environment as an affected entity. As mentioned earlier, theoretically, Nature does not feature as a subject in the concept, just transition. By and large, the notion of 'affected communities' is limited to human beings. Globally, existing just transition litigation only seeks to protect the interests of human beings.

This case presents an opportunity for the Court to develop jurisprudence on just transition and expand its scope. By applying the concept to protect an endangered bird, the non-human environment can be introduced as a separate entity in just transition. In doing so, the Court may draw on its own decadal eco-centric jurisprudence on the rights of nature: most recently in 2023, it suggested the recognition of the rights of sentient animals by the legislature. This is in addition to the copious jurisprudence from subordinate courts where constitutional rights of entire ecosystems have been recognised.

A final advantage of using the concept is that it will foreground existing just transition litigation in the country. A general consensus among climate law scholars is that just transition remains an understudied and under-researched area, both in climate law and litigation. This does not mean that just transition litigation does not exist. Rather, it has been overseen. Increasingly, climate law research is focusing on mapping just transition litigation in different regions of the world.

Given the significant number of renewable energy cases in India, a mapping exercise of just transition litigation is overdue. If the concept is introduced in the present case, it could act as a catalyst for this much needed research. In fact, a few of these cases have already been identified as climate litigation, however, not as just transition litigation specifically. For example, they do not appear in the list of just transition cases available at the Sabin Center for Climate Change Law's Global Climate Litigation Database. Thus, if the Court uses this concept, it could facilitate relevant research geared towards filling the gap in our collective knowledge about just transition litigation.

### A beacon for the future

With an increasing number of countries attempting to move towards net-zero, just transition litigation is bound to rise. As of today, Land Conflict Watch has reported 20 ongoing disputes with respect to renewable energy projects in India. Equitable sharing of burdens and benefits arising from decarbonisation is central to most of these disputes. Thus, this is a watershed moment for introducing the concept of just transition in India. Should the Court choose to do so now, it will pave the way for equitable climate action, whether taken through law or litigation.

# Change in Bangladesh, the challenges for India

With events in Bangladesh unfolding at a rapid pace, this writer recalls the events of February 2009 when (now former) Prime Minister Sheikh Hasina faced a major crisis within two months of her taking over. The mutiny of the Bangladesh Rifles (BDR), a paramilitary force, where the rebels took over the BDR's headquarters in Dhaka, led 74 dead, out of whom 57 were army officers.

The unrest spread to 12 other towns and cities and posed a direct threat to the fledgling democratically elected government of Sheikh Hasina.

Indian Foreign Secretary Shivshankar Menon was called back from Colombo by the then External Affairs Minister Pranab Mukherjee, where this writer was also present, being the Head of Division for Bangladesh, Sri Lanka, Myanmar and the Maldives. We took the only available flight, late at night, to Mumbai and then to Delhi to reach early the next morning. Within two hours, the Foreign Secretary began meeting Ambassadors of important countries to convey India's concern about the unfolding crisis and seeking their understanding in case the situation got worse.

The mutiny failed. It was bound to fail since Hasina had just come to power riding on "clean" elections with huge backing from women and youth, and without the army's interference. But in the 15 years of her tenure, all this seems to have been squandered.

### A growing disconnect

The recent elections in 2024 were least inclusive with the Opposition's boycott, dwindling democratic space, an erosion of human rights, a severe economic downturn, and, even more significantly, high levels of unemployment among the youth — a segment of support which had earlier benefited from the sustained economic growth under Ms. Hasina. And when the students' protests broke out, led by the Anti-Discrimination Student Movement, the fact that it was handled in a ham-handed manner — almost as if they were the enemies of the state,



T.S. Tirumurti

was India's Permanent Representative to the United Nations, New York, and earlier, Head of Division for Bangladesh, Sri Lanka, Myanmar and the Maldives

and which saw the use of violence — sealed Ms. Hasina's fate.

### Factoring in public opinion, challenges

However, Bangladesh Army chief, General Waker-uz-Zaman, has stepped into a situation that is quite different from what existed when Gen. Momen U. Ahmed took over in 2007 in a coup. In 2007, one needed the army to bring the anarchy and the violence that was unleashed by both the major political parties under control, restore governance and facilitate elections. The situation demanded a strong man at the top. In 2024, the army is seen more as facilitating the will of the people by driving out a beleaguered Prime Minister and restoring the democratic process. This has also made the army more vulnerable and, therefore, more responsive to public opinion.

A sign of this vulnerability is the acceptance of the students' choice of Nobel laureate Muhammad Yunus as the head of the interim government. Normally, coup leaders nominate lacustrine technocrats to run the country under their tight supervision, and not accept a popular leader who commands widespread respect, internally and externally. But then, the army's vulnerability may well be the silver lining which Bangladesh is looking for. Mr. Yunus is seen as a passionate supporter of democratic values and the rule of law. He is a known Hasina-baiter, on account of how she treated him. While he did nurse political ambitions and wanted to start his own political party, he is not seen to be close to the two main parties, the Awami League and the Bangladesh Nationalist Party. Could this be the springboard he needs to launch a third force in Bangladesh?

However, selecting the interim government is not the only task right now. There is an equally serious issue — of the students' agitation being hijacked by those suppressed under the earlier regime or who had boycotted the elections or supported from outside the country. They include not only the Bangladesh Nationalist Party and the opposition but also the banned

Bangladesh jamaat-e-Islami which had unleashed Islamic jihadist violence in 2006-07. Violence against Awami League sympathisers and their properties continue, symbols of Bangladesh liberation including the statues of Sheikh Mujibur Rahman are being demolished, and the Hindu minority community is under attack. Accommodating such polarised forces in the interim government will weaken both Mr. Yunus and the army and, inevitably, give a filip to anti-India forces. Will a weak army leadership be able to control these forces?

While India was the first country to flag "contemporary forms of religio-phobia against non-Abrahamic religions" in the United Nations Security Council in 2021 and in the UN General Assembly in 2022, it has demurred, raising this more forcefully with its neighbours and the West, apart from the usual expression of concern. Recent events in Bangladesh have shown, yet again, that if India does not, nobody will.

### Mirroring Myanmar and the Maldives

The situation in Bangladesh is akin to events unfolding in Myanmar rather than Sri Lanka. After three consecutive elections in Myanmar, the coup leaders are finding it difficult to retain control over the people and ethnic groups and may well collapse sooner rather than later. After four consecutive elections in Bangladesh, where peoples' democratic aspirations have been raised, the military will find its role considerably circumscribed.

For India, the situation seems similar to what happened in the Maldives where it, *inter alia*, propped up President Ibrahim Mohamed Solih without building bridges to the other side and facing a backlash when the opposition came to power.

What is in its favour though, whether in the Maldives or Afghanistan or Sri Lanka, or now in Bangladesh, is the strong development partnership and projects it has built for the benefit of their peoples. India's best bet is to work closely with Mr. Yunus and the army, and with the people.

## LETTERS TO THE EDITOR

### In Paris

India's hockey legacy has been kept alive by the Indian team. The revival of the game is because of the support it has received from personalities such as the former Olympic champion, Minister, Navan Patnaik. One hopes that there is

more support across the country to nurture talent.

Dr. V. Puroshothaman, Chennai

Despite a year full of challenges, Vinesh Phogat fought relentlessly towards achieving her goal. Though disqualified from the

Olympics, she has proved that with a clear vision, one can overcome hurdles.

Sanjay Pal Singh, Nawabganj, West Bengal

The loss of a medal is heartbreaking. But Vinesh Phogat, the spark is that she has ignited a fast

in many Indian girls. Whatever the Olympics rules say, one cannot ignore her incredible performance throughout.

Ritika Mehta, New Delhi

It was heart-wrenching to read the reports on the

Sports page. But perseverance and dedication are what made Ms. Phogat shine like gold.

Jayashivakumar S.P., Chennai

The path to reach the wrestling finals in the Olympics was not a bed of

roses for Ms. Phogat. Unmindful of all the ignominy she faced at the hands of our rulers, her reaching the finals in the Olympics itself is a fitting reply to the manner in which she has been treated.

Shri S. Fernando, Chennai



# A widening Olympic quest

In the last seven Olympics, including 2024, India's participation has been consistent in archery, badminton, hockey and shooting. In wrestling, athletics and boxing, contenders have qualified in only some categories but there is a long way to go for participation in others. In judo, sailing, rowing, fencing, gymnastics and equestrian sports, contenders were few and far between, with no participation in as many as 20 sporting disciplines featured in the Olympics. By The Hindu Data Team



THE TABLES LIST THE NUMBER OF INDIAN CONTENDERS IN EACH EVENT ACROSS EDITIONS. BLANKS CORRESPOND TO LACK OF PARTICIPANTS. DATA WERE SOURCED FROM OLYMPICS.COM

## Archery



Event	2000	2004	2008	2012	2016	2020	2024
Men's individual (R)		3	1	3	1	3	3
Men's team		3	1	3	1	3	3
Mixed team							
Women's (R)		3	3	3	3	1	3
Women's team		3	3	3	3		3

Archery has seen consistent participation over the years, culminating in all events (with 2 or more players) in Paris 2024.

## Badminton



Event	2000	2004	2008	2012	2016	2020	2024
Men's singles	1	2	1	1	1	1	2
Men's doubles					2	2	2
Mixed doubles							
Women's singles	1	1	1	1	2	1	1
Women's doubles							

In badminton, singles events have witnessed regular qualification, while contenders in the doubles events have picked up only in recent editions.

## Hockey



Event	2000	2004	2008	2012	2016	2020	2024
Men	16	16	16	16	16	16	19
Women					17	16	

While the men's team managed to qualify to all editions, except 2000, the women's team completed only two of the last seven editions.

## Shooting



Event	2000	2004	2008	2012	2016	2020	2024
Men cat. 1	1	2	2	1	2	2	2
Men cat. 2	1	2	2	1	2	2	2
Men cat. 3		1	2	1	2	2	2
Men cat. 4		2	1	2	2	2	2
Men cat. 5		1	2	2	1		
Men cat. 6		1	2	2	1		
Men cat. 7		1	2	1			
Men cat. 8							
Men cat. 9-10							
Mixed cat. 1						2	4
Mixed cat. 2							2
Mixed cat. 3							
Women cat. 1	1	2	2	2	2	2	2
Women cat. 2	2	2	2	1	2	2	2
Women cat. 3					1	1	2
Women cat. 4					2	2	2
Women cat. 5							
Women cat. 6							
Women cat. 7							

In shooting, Indians have consistently qualified for most events across editions. The number of events in which Indians participated has also increased over the editions. This is especially so among women and in mixed events where participation has surged in recent years.

Some categories, across all sports, which were available in the earlier editions, may have got dropped in the subsequent years.

## Wrestling



Event	2000	2004	2008	2012	2016	2020	2024
Men cat. 1	1	1	1	1	1	1	1
Men cat. 2			1	1	1	1	1
Men cat. 3			1	1	1	1	1
Men cat. 4							
Men cat. 5							
Men cat. 6							
Men cat. 7							
Men cat. 8-9							
Women cat. 1					1	1	1
Women cat. 2					1	1	1
Women cat. 3					1	1	1
Women cat. 4							
Women cat. 5							
Women cat. 6							
Women cat. 7							

While increasingly more women have qualified for wrestling events, the number of male contenders has declined. Moreover, there is still scope for improvement as many events have not recorded any participation at all.

Men have not participated in at least eight events each year. The number of missed events is relatively lower among women.

## Athletics



Event	2000	2004	2008	2012	2016	2020	2024
Men's 1000m							
Men's 110m hurdles							
Men's 1500m							
Men's 3000m							
Men's 5000m							
Men's 100m race walk				3	3	3	3
Men's 2000m steeplechase						1	1
Men's 4 x 100m (R)		4					
Men's 4 x 400m (R)		4		6	5	5	
Men's 400m		1	1				
Men's 400m hurdles						1	
Men's 5000m							
Men's 100m race walk				1	1	1	
Men's 3000m							
Men's 5000m							
Men's 100m							
Men's 200m							
Men's 400m							
Men's 800m							
Men's 1600m							
Men's 3200m							
Men's 6400m							
Men's 12800m							
Men's 25600m							
Men's 51200m							
Men's 102400m							
Men's 204800m							
Men's 409600m							
Men's 819200m							
Men's 1638400m							
Men's 3276800m							
Men's 6553600m							
Men's 13107200m							
Men's 26214400m							
Men's 52428800m							
Men's 104857600m							
Men's 209715200m							
Men's 419430400m							
Men's 838860800m							
Men's 1677721600m							
Men's 3355443200m							
Men's 6710886400m							
Men's 13421772800m							
Men's 26843545600m							
Men's 53687091200m							
Men's 107374182400m							
Men's 214748364800m							
Men's 429496729600m							
Men's 858993459200m							
Men's 1717986918400m							
Men's 3435973836800m							
Men's 6871947673600m							
Men's 13743895347200m							
Men's 27487790694400m							
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## CONTRAPUNTO

A man will commit almost any wrong only to build a great, gloomy, dark-chambered mansion, for himself to die in, and for his posterity to be miserable in

—NATHANIEL HAWTHORNE

## Citizen Vinesh

Rarely does a rare sportsperson become a star without winning. And her story is not over

To the podium finishers, belong the laurels. But then there is Vinesh Phogat, Goldless, medalless, she has got India buzzing like the bee's knees. The public gaze on her life story is not new. It intensified as she stormed into the Olympic wrestling final, the first Indian woman to do so. Then grew upon her weighted disqualification. Instead of dimming her story arc, her losses have had a habit of lifting it higher. Will this pattern endure?

Of course, it is routine to lose in sports. Most Olympians will lose in Paris too. There are Indians who will return having been in painful touching distance of bronze. In archery, shooting, badminton, weightlifting. Maybe Vinesh's had more than her fair share of injuries. But the hits to her elbows and knees are only one part of what's riveting about her biography. What's made this Olympian stand out in India, is the battle she has fought outside the ring, and not for herself either. In the fight against sexual harassment, the odds are far more leaden. Many Indians cannot imagine themselves taking on such odds, anymore than an Olympic challenge. But they can appreciate the courage of someone who takes on both, with a kind of reckless heroism. It is also an inspiration for others to climb their own hills.

Conspiracy theories that have grown around her disqualification do suffer from ignorance, about wrestling's rules. This is a country where most sports conversation is about cricket, after all. But the doubting is also related to the institutional response to the wrestlers' anti-sexual-harassment protests, how harshly police were set upon them. There was even opacity in the processes where Vinesh had to transition from the 53kg to 50kg class. That the sports minister has given Parliament details about how much money govt has spent on her training and an MP translated her disqualification into a "lesson for all of us" to keep our weight in check, are scrambling responses to an antsy public sphere.

The power of this story is indivisible from how Vinesh looks and her words. Whether it is protesting, attacking, celebrating, healing, her images have ineffable pull. But so does the tweet announcing her retirement, or how she flayed Indian society for normalising sexual abuse and harassment. It is reminiscent of Muhammad Ali's eloquence: "You my opposer when I want equality." But like him, her decriers are also legion. They will have a say in shaping her story too. The fight is on.



## Captain &amp; Goalie

Harmanpreet & Sreejesh best exemplified the spirit of our bronze-winning hockey team

Forty-four years ago in Moscow, India had prevailed over Spain 4-3 in a nerve-jangling final to claim its eighth Olympic gold. The two sides were contesting for a different metal in Paris yesterday. But nothing seemed to have changed. The intensity, the nerves, the desperation — everything was evident once more as Harmanpreet Singh-led India won 2-1 in another pulse-pounding game. For the second time in a row, India has won the bronze in the Olympics, and this one couldn't have come at a more opportune time.

In the past few days, India has endured a string of misses and misfortunes. In Paris, there have been more four-spot finishes than ever before, not to forget the tragic disqualification of wrestler Vinesh Phogat, a national heartbreak. The bronze, coming after a week without medals, will bring a degree of joy to millions invested in the national sport.

Teamwork was the key to India's victory. In every match, every member played his heart out. Defeating Great Britain, despite playing with 10 men for the larger part of the game, says a lot about the team's commitment. Overpowering Australia for the first time in Olympics since 1972 showed they had gotten over a major mental block. Had they converted their chances and displayed more self-belief, India might have even defeated Germany in the semis. What the team lacked was a quality finisher to capitalise on the umpteenth field goal chances. Nonetheless this is a heartwarming success story that must be relished. Two pillars of the team deserve special mention: Harmanpreet and Sreejesh. Harmanpreet, who scored 10 of the team's 15 goals, wasn't just an efficient converter of penalty corners and a solid defender, but also a true leader of men. And custodian Sreejesh's heroics in all games, especially in shoot-outs, will always be missed but never forgotten.



## Let's fake it

If everything and everyone becomes spurious the bogus becomes the bona fide

Jug Suraiya



Employees of an accredited university in Rajasthan have reportedly hit upon a money-making scheme by handing out fake degrees to students in return for cash.

If this lucrative business catches on, and other institutions follow suit, it might lead to a scenario as envisioned in Second Opinion.

Rajesh is an up-and-coming executive in an MNC. The time comes when he has to go for a medical check-up with the company doctor. The result of which will determine whether his annual contract with the organisation will be extended. Rajesh undergoes his tests and the results show that he's failed to meet the required parameters for him to remain in the company's employ.

Desperate, Rajesh asks the doctor to change the report from negative to positive, for a monetary compensation. The medic complies and Rajesh hands in the falsified report to the company's CEO to get a job extension.

However, after a while, Rajesh's conscience begins to bother him and he returns to the doctor and asks for the earlier, negative report to submit to the CEO.

The doctor hands the negative report to Rajesh and says, Here you are, but they're both the same, you know. Confused, Rajesh asks, How can both be the same when the first is real and the second is fake?



Smiling reassuringly, the doctor explains: The reports are the same because they're both fakes. They're both fakes because I'm a fake. I'm not a real doctor but a fake doctor, having bought my fake doctor's degree from a fake medical college.

Perplexed by this revelation, Rajesh goes to the CEO and confesses that the medical report he submitted was a fake of another report which was also a fake.

Not to worry, says the CEO. You see, I'm also a fake, a fake CEO who landed this job on a fake MBA degree.

What a coincidence, says Rajesh. I got my job thanks to a fake diploma from a fake online training institute!

The moral of the story being that if everyone and everything is fake then the fake becomes the real. And vice versa.

Indrani Sen Gupta



The govt's decision to withdraw budget's proposed increase in long-term capital gains (LTCG) tax on real estate must be welcomed. But, as the move is limited to property deals executed before budget day (July 23), transactions after that cut-off date will invite higher tax liability than before.

In India, real estate is special, as it constitutes a large part of household wealth. Given a limited equity culture, property is seen as a hedge against inflation. In terms of both capital value and rentals. While it would be ideal to tax all asset classes at the same rates, which was the logic behind the budgetary proposal, there is no gansaying that a one-size-fits-all policy does not always work in our complex world. Societies often have relative preferences for particular assets based on social mores that cannot be ignored when it comes to taxation.

Beyond the psychological comfort of having a roof over one's head, property is seen as a hedge against inflation, whether in terms of capital value or rental yield

lower of the two tax liabilities for properties purchased before July 23. Suppose one had bought a property for ₹100 in 2002 and sold it for ₹100 now. Under the old regime, the seller could claim inflation indexation of 3.83 times from 2001-02. The capital gains levied would broadly work out to ₹7.4, as it would be imposed at 20% on the ₹77 inflation-adjusted capital gains. Under the new regime, the tax liability would rise to ₹12.5, i.e. at 12.5% of the entire capital gains of ₹100, with indexation done away with.

## HOUSE THAT FAI?

Reinstating indexation option only for pre-budget real estate sales doesn't help those selling later. Middle class will be hit. Home ownership is not like other assets

It's a relief that the budget's tax proposal for immovable property is not going to be implemented retroactively. As real estate is likely the single largest investment most Indians make, it is important to provide stable tax rules that ensure clear risk-adjusted rates of return.

Future deals less rewarding | Yet, with indexation benefits no longer available for prospective deals, the new tax regime will impact the public's dream of home ownership by raising the capital gains tax outgo. It is only for periods of a big jump in home prices along with very low inflation that the new tax regime would be similar to, or lower than the old one. Given that property prices typically jump like that once in years, the new capital gains tax liability will exceed that under the old regime over longer periods.

This also begs the question, will raising taxable capital gains not encourage transactions in cash? Authorities will surely have to block evasion by raising official property rates. Property tax rates may also need to be adjusted to avoid additional burden on those not selling.

Capital gains tax objectives | So, why does something like this happen? Capital gains taxation swings between equalisation across asset classes to provide a level-playing field and enabling state incentives for support for investment.



## Live Up To What Parliamentary Stands For

Lok Sabha Speaker writes on the criticality of discipline and decorum in legislatures, for both proper conduct of business and health of democracy

Om Birla



Legislatures have a sacrosanct responsibility of oversight, law making and ensuring financial accountability. Over the decades, there has been a massive increase in roles and responsibilities of legislatures, especially in a developing country like ours. Ensuring discipline and decorum in legislatures has assumed critical importance for orderly and seamless conduct of business of the House and for virtuous outcomes and success of our parliamentary democracy.

When disruption in legislatures becomes a regular feature, it not only results in loss of taxpayer money but also projects a negative image of legislatures, which can lead to erosion of faith in these institutions. Lack of discipline and decorum in legislatures cannot augur well for the health of our parliamentary democracy.

The All India Presiding Officers' Conference (AIPOC), apex body of presiding officers of legislatures in the country, has played an important role in the evolution of Rules of Procedure and Conduct of Business in our legislatures. Through dialogue and discussion, it has come up with solutions to complex problems.

At a Nov 2001 conference, AIPOC deliberated on discipline and decorum in Parliament and state and UT legislatures. A resolution and a code of conduct for members were unanimously adopted. In 2000, with AIPOC's efforts, an ad hoc Ethics Committee was constituted, which became a permanent standing committee of Lok Sabha in 2003. Its recommendations have a significant bearing on conduct of members.

Parliamentary decorum encompasses a set of rules, conventions, and etiquette governing behaviour of members within the legislative chamber. Key aspects

relate to respect for the chair and fellow members; relevance of speeches and questions to matter under discussion; orderly conduct; refraining from interrupting other members; creating commotion, or engaging in other disruptive behaviour. Members should use appropriate and dignified language in the House.

Rules and standards of conduct for Lok Sabha members are provided in Rules of Procedure and Conduct of Business in Lok Sabha, directions issued by Speaker under Rules of Procedure, and rulings from the Chair. The Handbook for Members and Practice & Procedure of Parliament serve as guides on desirable conduct. Members are expected to be well conversant with these



rules and guidelines. There are also parliamentary customs and conventions based on past precedents.

Extent and amplitude of the words "conduct of a member" have not been defined exhaustively. It's within the powers of the House to increase or decrease whether a member has acted in an unbecoming manner or in a manner unworthy of an MP.

Articles 103 and 104 of the Constitution outline the powers, privileges, and immunities of Parliament and its members. These enable Parliament and its members to discharge their responsibilities without fear or hindrance. Members should use them for smooth,

in a particular asset. The first choice is based on the apprehension that discretion in capital gains taxation, in particular, can favour a group, possibly for some consideration for rentier income. But there's a lot to be said about the second preference, as one size does not really fit all in our complex world. There is a good reason for govt to support investment in certain assets for some economic, or even, social purpose. In any case, residential investment by the public is a key driver of growth.

What sets really apart | So, what's so special about real estate? Food, kapda aur makaan (bread, clothing and housing) is surely the Indian dream. Beyond the psychological comfort of having a roof over one's head, property is seen as a hedge against inflation, whether in terms of capital value or rental yield. Till the 1970s, the Indian middle class aspired to build a 2-3 story house that provided a place to live, a rental income to get by and capital appreciation to tide over the rainy days. With urbanisation pressures leading to the emergence of apartment living, middle class Indians often try to buy multiple flats to replicate the same model.

Should we encourage the public's limited property's utility to a place to stay and shift their balance net worth to financial assets? Not necessarily. Property has returned 8-10% a year, including for rental yield in the past 18 years. This outpaces the 8-7% bank fixed deposit rates. Equities yield a higher return of pre-tax 12-14% but not without risks. Just as importantly, it is hardly feasible for many Indians to invest in stock markets, especially in old age, as financial literacy is still quite limited.

In any case, residential housing investment is as powerful a driver of growth as any financial asset. Its forward linkages to multiple sectors such as cement, steel, chemicals, paints, etc. often translate into a higher employment potential. Thus, unlike gold, there is no macro imperative to push homeowners towards financial assets for the sake of economic growth.

The writer is professor of practice of economics at Shri Nandur University, Vienna is personal

effective and constructive utilisation of time allocated for legislative and other businesses of the House.

The Lok Sabha Speaker is entrusted by the Constitution, rules of procedure and conduct of business, and by parliamentary tradition, with wide-ranging powers and responsibilities. Speaker is not only looked upon as moderate and fair-minded, but also vested with authority to help frame sound rules and promote practices, customs and conventions that create a healthy parliamentary culture.

Given his wide and onerous responsibilities, Speaker is also vested by Lok Sabha with disciplinary powers. Maintenance of discipline and decorum in the House is a delicate duty.

For instance, Speaker can intervene when a member makes an unwarranted or defamatory remark by asking him/her to withdraw the offending remark and even order its expunction. Speaker may also order a member guilty of disorderly conduct to withdraw from the House and name a member for suspension if such member disregards or questions the Chair's authority and persists in obstructing proceedings.

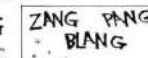
In situation should the authority of the Chair be questioned or his/her instructions disregarded, Speaker is final arbiter of all questions arising in the legislature's precincts. Members should regard the Chair not as an individual but as a supreme institution, a living embodiment of the authority of Parliament.

Elected members are looked up to by people of this country, especially youth, as their role models. Therefore, the conduct of legislators should be dignified, orderly, exemplary and beyond reproach. Upholding parliamentary decorum is critical for the edifice of our parliamentary democracy and its supreme democratic institution. Parliamentarians and legislators are, thus, bound by the spirit of the Constitution to maintain high standards of conduct in the houses of legislature.

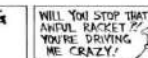
## Calvin &amp; Hobbes



BANG CLANG WHANG



ZANG PANG BANG



WILL YOU STOP THAT ANGRY RAGE? YOU'RE DRIVING ME CRAZY!



...AND A CHECK MARK FOR TUESDAY?



How can you prove whether at this moment we are sleeping, and all our thoughts are a dream, or whether we are awake, and talking to one another in the waking state?



Plato

## Politics And Ethics Must Be Welded Into A Unit

Sumit Paul

Power tends to corrupt, and absolute power corrupts absolutely. Great men are almost always bad men. The historian and moralist, who was otherwise known as Acton, expressed this opinion in a letter to Bishop Mandell Creighton in 1887.

What's happening in Bangladesh is the quintessence of what Acton observed more than a century ago. Despotic power is always accompanied by corruption of morality and a sharp decline in ethics. But we tend to explain these observations only in the context of political and political power, limiting the scope and ambit of power. Influence in any field has debilitating influence on the person who wields it and those who are at the receiving end of it.

Humans are hungry for 3Ps: Power, peff and popularity. Since joining

politics gets you these 3Ps quickly and on a silver platter at that, politics and absolute power often go hand in hand. Politics, every day, is a power struggle.

Plato's political philosophy argues that in a system, in which everyone has a right to rule, all sorts of selfish politicians who care nothing for the people but are only motivated by their own personal desires can attain power. Power, particularly political power, is highly seductive. Politicians might suffer from Freudian Syndrome and also from a sort of pontificating superiority complex, which can be so overwhelming that they cannot part with it. The unbridled power enjoyed by the influential folks is addictive that they want to perpetuate it despite having a lurking doubt that one day it



might be snatched from them. Power and politics have a flame and a moth connection. A moth is well aware that the flame will consume it. Yet, it cannot hold itself back from drawing it in and getting burnt to ashes. Likewise, politicians are aware that political power will eventually be their undoing. Power that gets

you instant popularity and peff cannot be done away with so easily. That's the reason politicians are so fond of defending their enviable positions. British PM Herbert Henry Asquith would say that totality of anything could be dangerous. Though there's no denying that there have been morally upright politicians in all countries and ages who stuck to ethical human values, they have been few and far between.

When the public challenges dubious

politicians and their reigns, widespread chaos is a natural outcome. Political chaos invariably goes with religious frenzy in modern times because politics and religion go along very well. We mustn't forget that in the past 10 years in Bangladesh, murders of atheists and rationalists by the fanatics were given Nelson's eye by the just-toppled govt.

Politicians nurture religionists and ultimately get the boot by the latter. Religion is a tool for a politician. The unfortunate happenings in Bangladesh should serve as lessons to all politicians that the state and faith must never be mixed up. What we can learn from the Bangladesh case is that Bangladesh is that a politician can be followed with his own petard, and hoisted unethical ways will sooner or later boomerang. Political corruption may appear to be poles apart, but they can be welded into a scrupulous unit for the survival of a democracy.



THE SPEAKING TREE

anything could be dangerous. Though there's no denying that there have been morally upright politicians in all countries and ages who stuck to ethical human values, they have been few and far between.

When the public challenges dubious



## The Tribune

ESTABLISHED IN 1881

## Yunus steps in

Restoring normalcy must be primary task

THE 84-year-old Nobel laureate's popularity in Bangladesh is undeniable, yet Muhammad Yunus faces a formidable task in bringing stability to a nation in turmoil. Appointed head of the interim government following the dramatic ouster of long-time Prime Minister Sheikh Hasina, the economist's global acclaim and non-political background make him a unique choice. He has, in recent weeks, warned about the serious regional implications if the unrest continues. The immediate goals before him are crystal clear—restoration of normalcy, ensuring law and order and protection of the vulnerable groups, including the minorities. On test would be Yunus' ability to assert his moral authority and effectively channel the respect he commands to put an end to the anarchy.

The student movement that triggered Hasina's fall labelled her an authoritarian whose administration was firm in its crackdown on political dissent. New Delhi's attention would be focused on the vision for Bangladesh the interim government advocates, and the leverage Yunus is permitted to emerge as a constructive transition leader. His leadership in the coming days could well determine the course Bangladesh politics takes in the proclaimed endeavour of a fresh start. Hopes of free and fair elections with reforms of institutions that can hold the leaders accountable would be pitted against the possibility of politics of vendetta and a throwback to a dominant role for extremist elements, with military backing.

During Hasina's tenure, Yunus faced more than 100 lawsuits, which he termed fake. The student leaders insisted on having him as the guiding light. It's a daunting responsibility, with little scope for any fake move. India's grave concerns are not limited to the security and wellbeing of its nationals and the minorities in Bangladesh. The consequences of prolonged instability are far too many.

## Tenacious leader

Buddhabeh dreamt of a progressive Bengal

THE death of Buddhadeb Bhattacharjee, the last Marxist Chief Minister of West Bengal, on Thursday marks the end of an era for West Bengal's political and cultural landscape. He was known for his intellectual rigour, literary acumen and a deep commitment to the ideals of socialism. He joined the Communist Party of India (Marxist) in 1966, rising through the ranks with quiet determination that would come to define his political career. Bhattacharjee took over the reins of West Bengal in 2006, succeeding the legendary Jyoti Basu, and served as CM till 2011 when Mamata Banerjee's Trinamool Congress won, ending the Communists' rule spanning 34 years.

Bhattacharjee's life was a testament to the transformative power of conviction. He was seen as a bridge between the ideological rigidity of his party and the pragmatic demands of governance. His dedication to the cause of the Left Front was unwavering, earning him respect across the political spectrum. Bhattacharjee's tenure was characterised by his efforts to modernise West Bengal's economy, a move that was both bold and controversial. His Singur and Nandigram land acquisition initiatives aimed to attract industrial investment, sparking widespread protests that became defining moments of his regime. Despite the controversies, his vision for a more prosperous West Bengal was clear and his efforts laid the groundwork for future development.

Beyond his political endeavours, Bhattacharjee was known for his love of literature and music, reflecting a deep appreciation for the cultural tapestry of Bengal. His simplicity and accessibility endeared him to the people, making him a leader who was both respected and loved. His legacy is a reminder of the complexities of governance and the enduring impact of steadfast leadership. His personal beliefs and principles are best demonstrated by his pledge that his body be donated to a government hospital for research.

ON THIS DAY...100 YEARS AGO

## The Tribune.

LAHORE, SATURDAY, AUGUST 9, 1924

## The police and the people

LORD Lytton has been freely complimented in a section of the Anglo-Indian Press for expressing himself in somewhat strong terms at a Police Parade recently held at Dacca on the subject of the relations between the police and the people. In reality, the views he expressed are nothing but commonplace. "The police," said His Excellency, "are more important than any other servants of the state: they are the pillars of society, the guardians of the peace, the protectors of the people. A contented police is the best guarantee of the security of the government; a trusted police is the best test of the unity of the people." Again, "one thing must always be remembered. The police of every country are what the people make them. They cannot possess the qualities which are essential unless the public attribute those qualities to them, support and trust those who possess them and help the government to eradicate those who are deficient in them. If the police in England are perhaps the most efficient in the world, it is because the English people have made them so. It is because the people themselves value discipline and respect authority. If the burly Metropolitan constable in his blue uniform is universally regarded as a friendly protector and as an inexhaustive mine of information, it is because every law-abiding citizen, from the little child who has to be steered through the traffic to the owner of millions, trusts him implicitly with his life and property and accepts his authority without question."

## Adding caste to creed deepens disunity

That feeling of being Indian, first and foremost, is sadly being eroded

TRYSTS AND TURNS  
JULIO RIBEIRO

NOW that Rahul Gandhi has decided to become a full-time politician, he can pose a challenge to Narendra Modi's leadership. His choice of caste politics to combat the communal politics of Modi and the Singh Parmar is, to my mind, a dangerous one. To add casteism to the two main evils that the country faces—communalism and corruption—will prevent our country from progressing, and is certainly a dangerous move.

As endemic corruption weakens the moral fibre, communalism and casteism militate against unity that is essential to make India stand up as one against poverty, illiteracy and the feudal mentality that presently pervades the national psyche.

Religious and caste identities are not going to disappear in the foreseeable future. It is a fact of life in India, been there for centuries. In rural India, where more than half of our population live, caste is a factor of daily existence. In urban India, where interaction is performed impersonal, caste and even religious identity was slowly losing its relevance.

I live in a building that boasts of 20 flat owners belonging to different religions (Hindu, Muslim and Christian), different castes (Brahmins, SCs and OBCs), rajputs, Muslims, Kayasthas. They hail from different states of India—Maharashtra, Punjab, UP, Tamil Nadu, Telangana, Gujarat and Goa. All of us get along famously with each other, and together once a year on the terrace of the building and settle quarrels among the grandchildren by asking them to settle their quarrels themselves. You may have guessed it right—we are all educated, middle-income citizens. So, we have a headstart on integration.

In 1981, I was a guest of the Japanese government, attending a seven-week workshop on the judicial process system in Asia. The other participants were from the US, Australia, the Philippines, Pakistan, Bangladesh, Samoa, Malaysia, Singapore and the host country, Japan. On one Sunday in Tokyo, I went to a church, accompanied by the Australian, who was a judge, and the Samcan, who was a police chief. Returning to our hotel after the Service, I noticed a couple who was obviously Indians walking on the other side of the road. I waved to them. They waved back. My companions asked me if I knew them. I replied I did not. Then, why I had greeted them, they asked. It surprised them when I said that I identified with them at once as not many of my countrymen could afford to be travelling in an affluent foreign land.

That feeling of being Indian, first and foremost, is sadly being eroded. First it was the Hindu-Muslim divide accentuated at the time of elections and now, this



DANGEROUS: Rahul's caste politics to combat Modi's communal politics will prevent India from progressing, he

is further deepening by asking them to settle their quarrels themselves. You may have guessed it right—we are all educated, middle-income citizens. So, we have a headstart on integration.

The 2024 Supreme Court majority verdict, of which the CJI was a part, argued that the categories of SCs who had not benefited from reservation should now be treated separately so that the principle on which reservation was conceived was upheld. This judgment will further divide Indian citizens and produce demands for inclusion from sub-castes whose existence itself was not known to most citizens. Five years ago, just before Covid struck, I broke the neck of my femur bone after a fall in the bath. The result was that I needed a young man, full-time, to help me with my daily physical chores. He was a Dalit from Bihar, but just before the 2024 Lok Sabha elections, I learnt he was a 'mahila Dalit', a category that I was not aware of. There could be such neglected elements in Maharashtra also.

Be that as it may, the presence of these dispossessed sub-castes of SCs, obviously quite numerous in the north of the country, has been noted by the Supreme Court. The court has rightly decided that they too should be given a part of the reservation

The attempt by Opposition parties to further divide the majority Hindus on the basis of caste for electoral gain is going to end in disaster.

attempt by Opposition parties to further divide the majority Hindus on the basis of caste for electoral gain. That is going to end in disaster, like the division on religious grounds is leading us to.

If dividing and weakening India on religious and caste lines was not enough, the Supreme Court, in a six-to-one decision of a seven-judge Constitution Bench, overturned its own 2014 ruling that had pronounced that all SCs constitute one homogeneous body. By that ruling, the more educated units of SCs, like the Mahars in Maharashtra

or the Chamars in Punjab, cornered most of the reserved seats allotted to the Scheduled Castes, leaving the less educated barefoot of the benefits that reservation provided.

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Be that as it may, the presence of these dispossessed sub-castes of SCs, obviously quite numerous in the north of the country, has been noted by the Supreme Court. The court has rightly decided that they too should be given a part of the reservation

pie. The enforcement of the court's order is not going to be easy. More difficult will be to calculate the political fallout of this further divide in the polity.

Last Saturday, the KES (Kandivali Education Society) College of Law in Mumbai invited me to interact with their students online. I answered a volley of questions shot at me by the students. Many of them concerned reservations in college admissions and jobs with the government. I explained the rationale behind affirmative action but was at a loss to justify the loudly raised issue of reserving centuries-old industries with the necessity of maintaining higher standards of service, which the common man was entitled to.

Both factors need to be kept in mind by the decision-makers while formulating a 'via media'. Political parties, starting with the Congress under Jawaharlal Nehru right up to the BJP under Narendra Modi, have neglected education and health, the bedrocks of a successful society. China has stolen a 50-year march over us in ensuring 100 per cent literacy, as now exists in the advanced countries of the West.

If we had achieved total literacy, we could have selected the really bright boys and girls from the neglected castes and enrolled them at the State's expense in the best schools to ensure that they could compete with their sisters and brothers of the advanced castes on an even plane. The problem of admitting a candidate who achieved rank 821 in the civil services exam into the IAS would not have arisen, as it did in the recent case of Puja Khedkar.

Recently, Rahul Gandhi predicted an ED raid on his premises for criticising the government for some action it had taken. He need not lose sleep over such an arrest. It will be booming on the government—it will increase his slowly rising popularity, accelerate it a bit. But if the ED corners up a case for a raid because of his raking up the caste issue, I, for one, will not defend him.

## THOUGHT FOR THE DAY

The caste system is not merely division of labour. It is also a division of labourers — BR Ambedkar

## The temple remains in memory now

TANYA VERMA

As year has passed, yet the tragedy of Summer Hill's Shiv temple, also known as Shiv Badi, continues to haunt many. I vividly recall the dreadful morning when the news of a devastating landslide near the Shiv temple in Shimla flashed across my television screen, leaving everyone at home stunned. The sight was indeed difficult to believe, especially since this place holds deep significance for me and my family.

As I reminisce about my childhood, it brings a wave of nostalgia and transports me back to a time of boundless joy when I used to visit Summer Hill to live with my grandparents during the summer vacation. My grandfather, a retired professor from Himachal Pradesh University, and my grandmother, a teacher at a nearby school, made each one of our summer vacations unforgettable. My grandparents' home was always filled with their warmth, besides the aroma of freshly cooked food they used to make for us.

One of our favourite outings was to The Mall, where my grandfather would treat me to delicious pastries and other delights from the renowned Trishool Bakeries. There was a unique joy in exploring the local market in the daytime and walking around the Summer Hill railway station, waiting for the Kalka-Shimla toy train to come. The sound of the train chugging in and out, the whistle blowing and the chatter of passengers — they were all so familiar and comforting.

Each morning, my mother and I would stroll to the Shiv temple, a mere three kilometres from our home, encountering monkeys and langurs along the way. The Shiv Mandir holds a deep cultural significance, drawing devotees and natives from across the state. It used to witness a huge rush during the month of *Shravan* as several religious activities, including *havan*s and *bhajans*, were organised by the local authorities. Surrounded by lush greenery and towering trees, the temple exuded a serene and divine beauty that offered immense peace even as the melody tinkling of temple bells, the chirping of birds and the soothing sound of flowing water near the peepal tree across the road added to its charm.

The temple does not stand there anymore. It got washed away in the massive landslide last year that ravaged not only the structure, but also our profound memories. I wish I could relive those delightful moments of childhood.

## LETTERS TO THE EDITOR

## So close, yet so far

With reference to the article 'Vinesh ruled out by a hundred grams', India's wrestling community shares the anguish of its champion, Vinesh Phogat. The Olympic Games are a platform for athletes to crystallise their dreams into medals. Vinesh, too, was one such athlete. Sadly, even though she seemed poised for glory, she stumbled at the weigh-in as she was found to be less than the 50-kg limit. What makes it all the more heartbreaking is that she was close to clinching gold. Phogat's journey to the final, marked by her triumph over reigning world champion Yul Susaid, was nothing short of heroic. Besides, her desperate struggle to shed those extra grams by working out the whole night is a testament to the willingness of countless athletes to make huge sacrifices for their dreams.

SABHIPREET SINGH, BY MAIL

## Vinesh's resilience shone through

Appropos of the editorial 'Winner Vinesh', the disqualification of the ace Indian wrestler from the 50-kg category because she was overweight by over 100 grams is heartbreaking. Her journey, marked by triumph over world champions and a historic march to the finals, has inspired millions. This setback underscores the grueling and often dangerous demands athletes face in maintaining their weight based on the requirements of the games. While the loss stings, it does not diminish her achievements. Phogat's resilience, from talking on those at the helm of the governing body of wrestling in India to nearly clinching an Olympic gold, demonstrates her indomitable spirit. She remains a beacon of hope and strength for aspiring athletes across the nation.

ANANJOT KAUR, MOHALI

## Net loss for India

With reference to the front-page news report 'Unphogtable legacy', it was shocking to hear from Union Minister for Youth Affairs and Sports Mansukh Mandavdya that the government had spent over a staggering Rs 74 lakh to provide the female athletes with the necessary help and support in her preparations for the Games. Her disqualification from the 50-kg cat-

egory has dashed the hopes of the country for gold. On top of that, Vinesh ended up in hospital after her desperate attempt to shed those extra grams overnight failed.

BHUPINDER KOCHHAR, PANCHKULA

## Take her coach, team to task

Appropos of the news report 'Sabagesh vs support: Govt, Oppon wrestles Kofin Par', the episode will go down as one of the greatest fiascos in India's sporting history. Her disqualification came at a time when India was starving for success at the Games. It's unfortunate that Phogat had successfully navigated the tournament to reach the finals, only to be ruled out of it for being overweight by hundred grams. This raises questions about the shortcomings of her support staff. The wrestler's coach, nutritionist and members of her team must be held accountable for the debacle.

ANTHONY HENRIQUES, MUMBAI

## Probe Vinesh's weight gain

Refer to the article 'Vinesh ruled out by a hundred grams'. The Wrestling Federation of India has pinned the blame for the grappler's disqualification on her support staff. There is a need to conduct a thorough probe into the matter. It is not that Vinesh did not do her diligence to lose the extra grams; she worked out the entire night to shed weight before the final, but to no avail. The reason behind her weight gain needs to be ascertained. Accountability must be fixed.

RAMANDEEP, BY MAIL

## Instability in Bangladesh

With reference to the article 'This is not the Bangladesh we stood for in the Kheer fire', Husain's ouster marks the beginning of a new chapter in the country's history. Her downfall comes as a surprise only to those who had failed to see the writing on the wall. As Hasina transformed from a demagogue into a dictator, she sparked an uprising that would eventually result in her flight. Instability in Bangladesh is a matter of concern for India. It remains to be seen if the people of this tiny island country will embrace the newly formed interim government. New Delhi will be keeping tabs on its neighbourhood.

LAL SINGH, AMRITSAR



## Telcos, Don't Forget Customer Service

Stricter service quality rules key to growth

New rules on the quality of telecom services seeking granular disclosures at greater frequency, and increased fines for delinquency, are being proposed by the industry on the grounds that these will raise operating costs without significantly benefiting consumers. This argument is difficult to comprehend. The rules were framed after a gap during which telecom services have evolved. Latest generation cellular networks have enormous transformative potential for economic productivity, which may not be met if service quality remains subpar. The new rules are being imposed with a lag to enable telecom companies to roll out 5G networks rapidly.

GoT has done its bit to help telecoms upgrade their networks. Spectrum can now be bought in instalments. Financial stress in the industry has been eased by a relief package that includes swapping debt for equity. Infra issues that impede network rollout are being addressed in consultation with local bodies. Telcos have regained some pricing discipline after a bruising price war. Rising data consumption is providing ballast to industry revenue. India has had a rapid rollout of 5G networks, and the telecom sector's health is on the mend.

This is an opportune juncture to place stricter rules designed to keep the industry on a high-growth strategy. Competitive intensity must diversify from price to quality, and the telecom regulatory is aiding the process by raising the bar on issues such as outages, call drops and latency. Telcos have pointed out exogenous factors that affect expected service quality. Still, the regulator is not convinced these are of an order for consumers to settle for less. Telecom usage, especially data traffic among machines, is poised to grow exponentially, and consumers need to be compensated for downtime or slow internet. Enterprise consumers will need these guard rails before they commit more of their processes to the cloud.

## More Elbow Room For Homeowners

Grandfathering provision for LTCG tax on property purchases before July 27, 2024, will provide relief to a large segment of homeowners. Since GoT's intent in moving to a uniform LTCG tax across asset classes was not revenue-driven, the rethink over indexation benefits on housing investments should smoothen the transition to the new system.

Going forward, however, the new tax structure could affect holding periods, disclosure levels and liquidity in the housing market. These can be addressed through specific countermeasures. Broadly, the govt should not be bearing the inflation risk of any investment. It is justified to not allow grandfathering provisions among other asset classes, such as gold. Low and uniform LTCG tax rates across financial and non-financial investments will help steer household savings towards more productive areas of the economy, thereby improving investor choice.

The current for housing investments is influenced by the scale of current household savings locked up in property and the low retail exposure to equity. Household saving trends are displaying a tendency to balance the anomaly, and the new LTCG tax should aid the process. Prospective property investors will weigh the tax-adjusted returns from alternative asset classes, where equity has delivered superior results. Changes in investment preferences aid financialisation and formalisation of the economy. It also lowers the pressure on the current account for an energy- and resource-constrained economy. The grandfathering provision allows households more elbow room to extract savings from the property for investment in preferred financial assets. Yet, a large part of the country's housing stock will remain locked in inflation-indexed capital gains.

**JUST IN** Be careful what you wish for when asking for commemorative essays

## Sharing Our Concern With Subdued Vigour

One can, of course, make things like this up. Except, in this case, it isn't. IIT Kharagpur authorities have reportedly sent out a mail to the institute's students asking them to participate in an essay competition to commemorate Narendra Modi's 74th birthday on September 17. Nothing wrong with that at all, considering our socialist-Sovietesque past has always been extra enthusiastic about commemorating our political leaders from Nehru-Gandhi (Mohandas and Indira) times. The subject of the essay competition, 'How Prime Minister Narendra Modi Strengthened India's Global Relations', is also kosher. Similar mails have reportedly been sent out by other institutions, other IITs included. Nothing like a bit of 730-800 words essaying to make those nation-building juices flowing properly.

Our niggles is with something else, admittedly minor: The mail on behalf of the Technology Students' Gymkhana states, 'The director wishes our students to participate with full vigour so that we are able to bag the first prize in the competition.' Why 'with full vigour'? That too asking young students brimming with hormonal harmonics to write 'with full vigour'? Perhaps English renders 'puray dam' with a different tonality, one that may be liable to be misinterpreted by students with more than full enthusiasm. No, we aren't overly worried, just wary.

## TECHNIK Don't force-fit the broadcast Bill into an outdated construct of cable television



Nikhil Pahwa

Jimmy Donaldson, a.k.a. MrBeast, runs the world's most subscribed YouTube channel with 97 m subscribers. Known for generosity and stunts, he spent 24 hrs in an ice house, and gave away 27 Tesla cars in his 29th birthday and 35 min to help 2,000 amputees walk last year.

If India's attempt at mass regulation of online content via the draft broadcast Bill becomes law, MrBeast will have to register as an 'OTT broadcaster' with GoT, set up a grievance redressal system, join a self-regulatory organisation chaired by a retired Indian judge, and set up a content evaluation committee, compelling advocates for women and child welfare, SCs, STs and minority communities to certify the content before he uploads it on YouTube.

Others like Virat Kohli on Instagram, Anand Mohindra on Twitter and even smaller content creators on YouTube will need to bear the pain of such onerous compliance if they cross an as-yet unspecified threshold, and if their activities are seen to be a part of a 'systematic business activity', including marketing. It would impact Prime Minister Narendra Modi, who recently crossed 100 m followers on X, posting about government initiatives.

The latest version of the draft Bill, which has not yet been released for public consultation, also ensures in its regressive part that people posting about news and current affairs on social media, both in India and abroad, while spared the overhead of setting up a content evaluation committee, they'll still need to comply with



Not too dear-darshan, is it?

the other requirements.

Anyone creating new content, including analysis, anywhere in the world will have to sign up if you run Google Ads on your blog, or even might write about the US presidential election, chances are you'll be seen as a digital news broadcaster and regulated in India. You will have to comply with an advertising and programming code, which is yet to be defined. For both OTT and digital news broadcasters, a broadcast right-of-way will handle user complaints if not addressed at the previous two or three levels.

The absurdity of such expectations illustrates how out-of-touch the public consultation is with how the internet works, trying to force-fit it into the outdated construct of cable TV.

In a country where people struggle to find jobs, many are becoming online content creators to earn an income. What starts as a hobby or a side gig becomes a career. The draft Bill sets out to kill that dream.

Let's not forget the impact that GoT's content regulations have had in the past: following the Information Technology (IT) Rules 2021, both Yahoo News and Huffington Post ceased operations in India.

Compliance burdens that render organisations unreliable, or prevent people from becoming online creators, are a form of censorship in themselves, especially when the country has laws that regulate illegal speech, and defamation is, unfortunately, still a criminal offence.

The solution to the lack of enforcement isn't the creation of laws that will also be arbitrarily enforced. In a country as diverse as India, a 3- or 5-letter content evaluation regime will lead to homogenised and less diverse media landscape. Mass regulation will stifle creativity and freedom of expression.

One can argue that following IT Rules 2021, there is already self-censorship especially in the case of streaming services. Various high courts have already stayed parts of the Rules, and while we still await verdicts that address some of those restrictions, GoT continues to make regular

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tions and laws restricting our freedoms faster than that. And then, GoT plans to create additional rules for online advertising and social media platforms, which could involve censorship or blocking and demonetisation of non-compliant online creators. The draft Bill does empower GoT to direct ISPs or social media platforms to enforce compliance with this bill, which could lead to censorship.

Fundamental to this issue of online speech regulation via the Bill is the question of how online content should be regulated. The same should be the case for streaming the same.

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## THE SPEAKING TREE Mind is a Biocomputer

OSHO

The very mechanism exists to help you to move easily in an unknown world. In a strange world. It is just a safety guard. It does not mean that you should be happy through it — and that is what you have been trying to do. That is how you have created hell around you; you are trying to be happy through the mind, which is not possible. Those who identify with the mind are the most unhappy people in the world, and this is as it should be. The mind is the most stupid and the most watch dog, to feel the way. Whenever it is needed, it is needed. It should be put aside.

But you have become so dependent on the slave that the slave has become the master. And the master has become completely lost. You are not even able to feel the master's presence.

Feel more, think less, and you will be more and more happy. The trees are happier than man, the birds are more happy than man, the animals are more happy than man — this is unbelievable. What has happened to man? He has looked into the mechanism of mind.

It is good that the mind is there. It is beautiful if you can use it. You should use it as one uses a mechanism — just as you drive a car. Don't become identified with the car. Be the driver, remain the driver. And when you don't want to drive, don't allow the car to force you.

Abhidharma from The Three Treasures, Courtesy Dharma International Foundation, www.dharma.com

## ALGO OF BLISSTECH

### Taking an Early Morning Walk

For a minute, forget about the health benefits of walking. Instead, raise a quiet smile to walk when the world is still getting up, and you have the footpath to yourself. The early morning walk is nature's way of saying hello personally.

There's something magical about stepping out just as the world is waking up. The air is crisp(er), streets are quiet, and the only sounds are the chirp of early birds. If there's a breeze, then the rustle of leaves will make the air audible. You're in on a secret: the best of the world hasn't discovered.

As you stroll along, you notice the light transitioning from a deep navy to a soft pastel, with the first rays of sunlight breaking out and spreading. The temperature is yet to rise, and you catch the day when it's still cool and young.

Start with this setting and it'll be your personal daily dopamine hit. Along with the feeling that you've accomplished something before the day has even properly begun. It's like a little secret handshake with the morning saying the day.

## Chat Room

### You Know How This Movie Ends

Agrees the news report, 'Beatty LTCG: Traders Get to Choose Regime' (Aug 8), the portal reversal of the budget proposal to ease the capital gains (LTCG) tax on property is but a mirror image of the prevalent old and new political income tax regime. It would be to one's surprise if indexation-based computation of LTCG comes to the fore. The old tax regime that is constantly being accorded step-motherly treatment. What else can explain the fact that the mid-size taxpayers are not in the regime is turning highly tax-prone vis-à-vis the new one with some passing budget? So, let us peer into the mind of the tax regime's 'Aching Dint' in the near future.

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## Bangladesh, a Basketcase Study



Amit Bhandari

Deteriorating economic conditions may have been one of the driving factors for the recent protests and regime change in Bangladesh. While the country is often hailed as the most vibrant economy in South Asia, it's behind India, and even other sub-operational countries like Pakistan, on several important metrics. The political developments and instability will likely reduce growth and investment in Bangladesh, further worsening economic hardship.

Just four years ago, Bangladesh was the envy of Asia, with a GDP growth of 7.4%. In 2016, the country's per-capita income crossed Pakistan's, and in 2020, it overtook India's as well. A deeper assessment reveals that these and other numbers may have been overstated as they have

match other economic indicators.

According to IMF Bangladesh's per-capita income in 2023 at \$2,626 is close to India's per-capita income of \$2,738. Logically then, Bangladesh's consumption metrics should be some what comparable to India's. This is not the case.

► **Not-so-hot wheels.** Automobile sales in India are 3.5 lakh a month. Bangladesh's population is 1.7 bn of India's. Ideally, automobile sales should be in the range of 40k a month. The actual figure is just 1,000 a month.

► **Sagging energy.** Bangladesh's per-capita energy consumption — which measures total energy consumption across all fuel types — is less than half that of India. In fact, India's per-capita energy consumption is higher than Bangladesh's, even though the latter's per-capita income is nearly twice that of Pakistan.

► **Wrong wease.** Bangladesh's textile sector, its top industry, saw a major strike in Oct-Nov 2023 with workers agitating for higher wages. After weeks of protests, the government agreed to raise the minimum wage upwards by 56% to 12,000 taka a month.

time (equivalent to \$15 a month at the time) to offset the higher cost of living. This figure is marginally higher than the minimum wage for unskilled labour in West Bengal, and is lower than the official minimum wage in Bihar.

► **Spiralling costs.** In the last three years, the Bangladesh taka has fallen by almost 30% against the dollar. The commodity price hike in 2022, caused by the Ukraine conflict, hit Bangladesh particularly hard. As a resource-poor country, it depends upon imports of food, fuel, fertiliser and other resources. Devaluation of the currency indicates higher prices of imported goods, resulting in higher inflation.

► **Debt's ground reality's different.** The government's foreign debt has declined over the past two years.

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This pushed the government to clamp down on 'non-essential' imports, and even indication of economic trouble. Sri Lanka and Pakistan followed similar policies when their forex started to run dangerously low, less than two months of import cover. Official portals have been inaccessible since August 5, so the latest data is unavailable. Trouble on the external front has been the worst for at least two years, as Bangladesh went for a \$8.2 bn support programme from IMF in November 2022 to help it survive the West Bank.

The recent protests indicate dissatisfaction and anger. However, it's unlikely that a new, military-backed regime will be able to do much better. Let alone bring about a dramatic positive change in the economy. Given the political uncertainty, investors and lenders are likely to hold back for some time. If anything, the political change in Bangladesh may have worsened its economic outlook, and will create further economic hardship.

The writer is senior fellow, Quantum House, Indian Council on Global Relations

## Co-Killing's Golden Goose?



Ateesh Tankha & Ganga N Rath

► **Indian gold coin.** This was meant to reduce the acquisition of coins mined abroad.

► **Creation of SGB.** An alternative financial asset to physical gold. SGBs carry a fixed rate of interest and are redeemable for cash, equivalent to the face value of the gold bond (domesticated in grams of gold) at the time of redemption.

Poor offtake ensured that the first two schemes were discontinued. But public subscriptions to the SGB scheme were enthusiastic.

Between 2015 and early 2024, 57 tranches of SGBs, totalling about 147 t of gold, were issued by GoT, securing ₹72,275 cr. The first SGB tranche, issued in 2015 for ₹2,684 per gram, matured on November 30, 2023. As of March 2024, 31 t of gold bonds had been redeemed, of which more than 74% had been allowed to vest over the full eight-year term. This, along with the fact that investors bought ₹27,031 cr worth of the bonds in FY24, was a testament to the fact that ordinary investors viewed SGBs as a safe and flexible investment.

So, why did GoT recently reduce the import duty on physical gold from 15% to 10%, thereby causing gold prices to fall?

► **Gold monetisation scheme.** This promised consumers interest in gold deposits and jewellers' loans against gold holdings.

quick-fix to enjoy a substantial saving. Some estimate that government savings this year will be in the range of ₹10k cr. The market price of SGBs has fallen by 68%, roughly equivalent to the cashed-out gains for investors while buying these bonds.

This type of action isn't without precedent. After the advent of the Bretton Woods system, the US aggressively peddled its currency — a government liability — instead of gold, promising to convert dollars at a fixed rate of \$35 per ounce of fine gold at any time.

At first, this worked, allowing the US, in the words of Charles de Gaulle, to borrow in dollars, a currency created by its central bank. But a burgeoning BoP deficit occasioned by the costs of the Vietnam and Gold Wars, extravagant expenditure on various social welfare programmes and soaring interest rates eventually led to a massive surge in gold prices and the Nixon shock of 1973: sudden and unexpected devaluation of the Bretton Woods system from collapse.

This begs two other questions: ► Did GoT expect the international price

of gold to remain constant, overlooking the need for holding an open position?

► Is the situation as dire in India today as it was in the US more than 50 years ago? But that is a matter of plans may not pan out as neatly as it hoped.

► As the price of gold fell following reduction in import duty, consumers rushed to purchase the precious metal, immediately raising prices by 2%.

► Fears that GoT may increase SGB's gold content by 1% with threat of West Asia and an impending interest rate reduction by the Fed, to say nothing of a possible recession, may swell the demand for gold and, therefore, price per gram — in the future. In which case, GoT will be hoist with its own petard.

The reason why critics were repelled by elected governments was to provide the citizenry a sense of assurance, and to close the trust deficit about national debt, currency stability and taxes. This is why policy pivots like demonetisation and raising interest rates to operate on the grounds of curbing black money and gold smuggling, respectively, undermine public faith in a dispensation's economic policy, and enter the realm of specious narrative.

Ultimately, if government bond isn't worth its weight in gold, it's worth nothing.

The writer is senior fellow, Quantum House, Indian Council on Global Relations

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# Opinion

FRIDAY, AUGUST 9, 2024

## Buying time

The monetary policy tone is hawkish as RBI wants to have a better sense of the kharif crop and food prices

**C**ONTRARY TO EXPECTATIONS that it might soften its stance with the US Federal Reserve expected to tighten its policy more aggressively, the Reserve Bank of India (RBI) made it clear in its bi-monthly monetary policy on Thursday that it would be guided more by domestic considerations. At the same time, the RBI's tone was a tad more hawkish as it chose to underpin its move to not loosen monetary policy, or alter its "withdrawal of accommodation" stance, citing that food inflation was turning out to be "stubborn". The central bank would like to see food prices settle down sustainably as they have been persistent rather than transitory. It believes that disregarding food inflation could result in households' expectations becoming unanchored which, in turn, could spill over to wages and core inflation, which has remained soft.

In fact, while the inflation forecast for FY25 was retained at 4.5%, the projection for the second quarter was raised by a fairly sharp 60 basis points (bps) to 4.4%, while for Q3, it was upped slightly to 4.7%. Governor Shaktikanta Das believes the pace of disinflation is uneven and, therefore, the 4% target is some time away. Having altered its assessment of neutral real rates from 0.8-1% to 1.4-1.9%, the central bank has given itself the space to keep rates unchanged. While all of this may be justified, the central bank's hawkish stance probably also has something to do with concerns around the high credit-deposit ratios at several lenders resulting from the gap between the growth in deposits and loans. Although risk weights for unsecured and personal loans were tightened last November, and credit to these segments has moderated, Das expressed concerns on "top-up loans".

Also, there are worries over potential structural liquidity issues at banks. Lowering policy rates at this juncture, or allowing excess liquidity in the system, could drive funds to unproductive segments at a time when household savings are moving away from deposits. What's helping the central bank is the abundant liquidity in the system of more than ₹2.5 trillion with government spending having resumed. Overnight rates have fallen some 20-25 bps since June and are near 6.5% levels. Bond yields, in general, have remained benign and expected to stay at sub-7% levels. In fact, the central bank has been trying to pull out some of this liquidity but has refrained from putting out a calendar for open market operations.

The central bank also seems comfortable with growth; the GDP growth forecast for FY25 of 7.2% is higher than what most economists have forecast and higher than the 6.5-7% range assumed in the Economic Survey. The comfort is, however, mystifying given that private consumption — accounting for 56% of the economy — grew at just 4% in FY24. In fact, the GDP forecast for Q1 has been moderated to 7.1% on the back of some high-frequency indicators that indicate lower-than-anticipated corporate profitability. While rural demand may be picking up, it is far from meaningful. Importantly, sales of commercial vehicles (CVs) at Tata Motors have contracted or grown marginally in all but one of the nine months to July; CVs are a cyclical indicator and the numbers signal the possibility of a slowdown. The RBI, it seems, is buying time till it has a better sense of the kharif crop and food prices. Even if policy rate cuts materialise in December, the quantum would be small.

## The S&P always looks good next to European stocks

**WHEN MARKETS GYRATED** at the turn of the month, US and Japanese stocks had the cushion of an earlier surge to fall back on. In Europe, the rout hit share prices that had been weakening since May. An earnings season dominated by pessimism from many of the region's bosses has vindicated investors' caution.

The change in tone is stark after first-quarter results. Comments had sounded encouraging. The European Central Bank's rate cut in June also underpinned expectations that the region might be on the cusp of an economic upturn, even as investors digested political surprises in France. But before the mid-year reporting season even started, a spate of profit warnings re-set the mood — notably from industrial firms including Airbus SE and Carl Zeiss Meditec AG and consumer-facing companies such as Burberry Group Plc, H&M Hennes & Mauritz AB and Deutsche Lufthansa AG. These were to prove a taste of worse to come.

European corporations didn't perform that badly in the second three months of the year. They're generally growing sales again after several successive quarters of declines. Profit margins also have been strong. So when it comes to earnings, more companies have been forecasts than missed them. The financial services sector has led these positive surprises.

But the comments on the outlook have given pause. The repeated message is that customer demand is weak, in particular from China — a key market for the luxury, automotive, semiconductor, chemicals, and commodities industries. With the US slowing too, "the nascent European recovery is vulnerable again, to external forces", analysts at UBS Group AG warned last month. That pattern is clear in the stark underperformance of UBS's index of China-exposed European stocks, including luxury and automotive firms.

The pricing power that many companies enjoyed as economies reopened after the pandemic, with consumers rushing to spend and supply chains still gnarled, has faded. A hoped-for recovery is on hold in the so-called consumer discretionary sector and appears only partially underway in what should be the more resilient consumer staples industry. Wednesday's updates from sneaker maker Puma SE and giant WPP PLC, citing weak Chinese demand, just reinforced the trend.

Roughly 40 companies have cut guidance this earnings season, more than double the number at the first-quarter stage, according to analysts at Bank of America Corp. Investors have often sold more resilient stocks to lock in profits, and the overall data from European companies has failed to provide the catalyst needed to push valuations higher, says Bloomberg Intelligence.

It should be no surprise then that estimates for European earnings in the third quarter have ticked down — as they have for 2024 as a whole. Indeed, UBS strategists anticipate earnings growth will be zero this year and next.

The bull case for European stocks is that they are still cheap relative to the US when priced relative to predicted net profit. The defensive qualities of the low-growth UK market could also come into favour now if stock market volatility continues.

But this recent history, coupled with the equity market turmoil, is a particularly unhelpful backdrop for local activity in Europe. The Stoxx 500 index is now only just in positive territory this year, while the S&P 500 is still up around 10%. When shareholders suffer very large losses on multiple single stocks, as they have done in these last few weeks, it can make them especially risk averse. The narrative from the C-suite is hardly going to inspire investors to take a punt on potential initial public offerings like aspiring debutant Shein, the fast-fashion retailer.

Investors in the US may like they're having a terrible time. They only have to look at Europe to feel better.



**CHRIS HUGHES**

Bloomberg

## BALANCING ACT

INFLATION OUTLOOK WILL LARGELY BE SHAPED BY FOOD INFLATION TRAJECTORY AND BASE EFFECT

# Reading between the lines

## SOUMYA KANTI GHOSH

Member, 16th Finance Committee and Group Chief Economic Adviser, State Bank of India



**C**ANDOUR, A HALLMARK OF the current Reserve Bank of India (RBI) governor, has been a push factor for markets to stay focused on growth and regulatory innovations. It continued unfettered today as the Monetary Policy Committee (MPC) achieved a significant feat of a half-century of deliberations in its rather brief sojourn since 2016.

The governor's emphasis remained on the skewed probability of downside risks gaining currency as the chopiness in global markets can foretell. This was even when the fragmented MPC (4-2) pledged support to keep the policy rates unchanged the ninth time in a row, in line with broader market expectations. An interesting observation in this regard could be the frenzied buoyancy in the calls for the US Federal Reserve to take a significant pivot, either through an off-cycle rate cut or cutting the Federal funds rate by as much as 50 basis points (bps) in its ensuing September meeting. This is when the lopsided job markets (full- and part-time) as well as the spike in joblessness across whites and Asian sub-groups alike is creating a ripple effect globally. In addition to this, the US government has run up deficits of \$9 trillion in the last four years, including the most recent \$1.7 trillion, while interest on the debt is now shockingly more than the national defence expenditure. This limits fiscal flexibility and increases economic uncertainty, as carry trades are greatly leveraged globally. The sell-off in risk assets is nudging a vicious cycle to take off.

The instability could prime other central banks too, with the ensuing European Central Bank's meet in September being dubbed "wide open" by market watchers. Bank of Japan unweaved the markets last week through whiplashing currency traders and hiking its policy rate. To cut a long story short, the choices before most of the

central banks suddenly appear between a fire or a frying pan, with hurried action and little communication likely to fan more panic among markets/investors.

Against this backdrop, Mint Street walked a razor-thin line, balancing the two sides of the coin as food inflation remains volatile and sticky, and an intense pan-India monsoon spell does not help in even spatial distribution. The trade front looks hazy, with supply-side

issues possibly aggravating if economies undergo a slowdown, doubling down on the catastrophic effects of a flaring Middle East.

The RBI retained its inflation projection for FY25 at 4.5% and real GDP at 7.2%. The outlook for inflation will largely be shaped by the food inflation trajectory and base effect.

The RBI has been actively managing liquidity through main and fine-tuning operations and has ensured liquidity remains adequate. The impending just-in-time mechanism that keeps government cash balances out of the banking system could have an impact on liquidity. Furthermore, capital flows in FY25 could pose challenges and opportunities for the RBI's liquidity management. The RBI has needs to innovate on liquidity management, especially given the pressure on the rupee.

The regulator has now shifted its action to online digital lending apps (DLAs). With a view to provide information and differentiate between genuine lending apps and otherwise, the RBI has decided to create a public repository of DLAs deployed by regulated entities that will be available on the RBI website. This is expected to put some check on the digitalised loan shark business.

The RBI has also decided to alter the frequency of reporting to credit information companies, shortening it from the present 30 days to 15 days. This is expected to give a more up-to-date picture of a borrower's indebtedness. Lenders will be able to make better risk assessments for borrowers and also reduce the risk of over-leveraging by them.

By addressing the likelihood of building up of risks in the system from different known unknown quarters, the regulator has sent a clear and present message to faltering entities to set their houses in order. While halting the fall in unsecured credit flows via non-banking financial companies/credit card issuers, the regulator has also warned of a focus on top-up loans attached to otherwise secured loans, viz. housing/gold, which are eventually finding ways in speculative purposes.

Among other measures, the RBI has proposed to increase the UPI limit for tax payments from ₹1 lakh to ₹5 lakh after it hiked the limit to ₹5 lakh from certain payments in December 2023. The transaction limit for the Retail

Direct Scheme and IPO subscriptions was also increased to ₹5 lakh in December 2021. The hike in the limit will help taxpayers pay higher tax liabilities quickly and sans expenses, as the payments made via UPI usually do not attract any additional charges. Self-assessment tax is around 7% of the total gross direct receipts.

The RBI has also announced the introduction of delegated payments via UPI, which would allow an individual to set a UPI transaction limit for another individual on the primary user's bank account. This implies that an individual will be able to provide access to their bank account for UPI payments to another individual, say a family member. This is in line with the add-on card facilities provided by credit card companies and is expected to add to the reach and usage of digital payments across India. The RBI has proposed to transition the Cheque Truncation System from the current approach of batch processing to continuous clearing with "on-realisation-settlement" which will reduce from the present duration of T+1 days to a few hours, helping customers release their value quickly in an otherwise stagnant sector.

The concerns on stable, retail-led deposit accretion to banks should see the stakeholders ramping up efforts to reward the average depositor through efficient and effective mechanisms. However, this would also imply a fair treatment for bank deposits, in line with other competing asset classes by policymakers. Interestingly, UPI transactions are also ensuring that stable current account savings account deposits are moving across the banking system, as such deposits are mostly used for transaction purposes. Clearly, deposit mobilisation will remain a challenge for the banking system, with the overall lending pie also subject to regulatory checks.

*Views are personal*

## Keeping tabs on global events



**PRASANNA BALACHANDER SAMEER NARANG**

Respectively head-treasury and head-economics research group, ICICI Bank

**THE RESERVE BANK** of India (RBI) kept interest rates and stance unchanged in this policy as expected. While the governor re-emphasised bringing inflation towards the target on a durable basis, the downward revision in near-term growth and upward revision in inflation estimates tells us the RBI is assessing the recent turn in domestic and global events. Even so, the global backdrop has changed much more than the domestic economic situation and that should give the Monetary Policy Committee (MPC) room to change its stance in December.

Global growth is holding up but some moderation is visible with trade seeing an upturn that benefitted Indian exports, which have picked up pace with services continuing to expand. However, US services are decelerating from a high pace, as visible in weaker job growth and rising unemployment rate. This should help align US inflation towards the target and weaker growth should give the Fed room to cut by 75 basis points (bps) this year. An additional factor supporting rate cuts is the increase in financial volatility in the last few days, which has impacted equity market returns and thus should have an impact on consumer confidence.

The RBI has revised its near-term growth for Q1 lower by 20 bps to 7.1% while keeping FY25 growth at 7.2% as a result of muted corporate earnings and lower government capex because of elections. While government capex should pick up, lower global commodity prices are

a positive for corporate margins. ICICI Bank's high-frequency economic activity index also shows growth should be around 7% with most indicators sustaining a positive momentum. A bigger change in India's growth momentum this year is the pick-up in agriculture growth on the back of good rainfall which has driven higher sowing and should boost rural incomes — already visible in higher fast-moving consumer goods and two-wheeler sales.

India's capex-led growth is likely to continue with private sector capex likely to see an improvement with capacity utilisation already at 76.8% — the highest in 11 years — and government expenditure remaining capex-oriented despite fiscal consolidation. Real estate upcycle is also continuing with record low inventory, but the impact of recent change in capital gains is yet to be seen even as the government has grandfathered purchases made before the Budget.

While near-term growth estimate has been revised lower, Q2 and Q3 inflation estimates have been revised higher from 3.8% and 4.6% to 4.4% and 4.7% respectively. The increase is driven by vegetable prices, which rose 1.4% in June over May and have continued to increase in July when telecom tariffs were raised by 10-27%, and will have an impact on headline

inflation. The RBI has revised its March-end inflation estimate downwards to 4.3%, hinting that it expects these inflation shocks to dissipate in two quarters and good rainfall to lower food inflation over the next year.

Amid the discussion around how effective monetary policy can be in reducing food inflation, the governor emphasised that high food inflation adversely affects household inflation expectations, which have seen an increase since November 2023 and is a sign of transmission of persistently high food inflation. However, in our view, slowing global growth and commodity prices is a positive for core inflation outlook when a good monsoon helps lead to lower food inflation and thus help drive headline inflation closer to the target next year.

While the stance has been kept unchanged in this policy, liquidity conditions have changed. A pickup in the build-up of government balances with advance tax and goods and service tax collections — to surplus in July and August because of government spending. The RBI has undertaken variable rate reverse repo operations to absorb excess liquidity since July. Undertaking faster than estimated fiscal consolidation, the Centre has reduced its short-term bor-

The MPC should be able to assess the impact of the global slowdown and market volatility by December, when the trajectory of food inflation will be clearer

rowing by ₹1 trillion from the interim Budget. This has led to a 25-bps fall in T-bill yields compared with a 15-bps decline in a 10-year yield since the last policy. A similar steepening bias is visible in the US where short-end yields have fallen more than long-end ones because markets are now pricing in more than a 100-bps rate cut by December. The RBI has been undertaking open market operation (OMO) sales to reduce the extent of durable liquidity, which has increased because of its FX intervention when seasonally demand for currency is weak, but on an incremental basis currency demand and FX intervention is far more balanced in H2. This implies the RBI may not have to do OMO sales. This, along with the demand for bonds due to index inclusion and lower global valuations when net supply of long-end bonds is limited and remains so given the Centre's fiscal consolidation road map, bodes well for the outlook on yields. But the same cannot be said for deposits considering the enduring gap between credit and deposit implies that upward pressure on term deposit rates should continue.

The MPC should be in a position to assess the domestic impact of the global slowdown and volatility in financial markets by December, when the trajectory of food inflation will be clearer. It would be an opportune time to change stance and look at cutting rates when the Fed would have undertaken two rate cuts and look at a few more with a slowing economy that will impact global growth too.

## LETTERS TO THE EDITOR

### MPC holding steady

The central bank's decision to maintain the repo rate at 6.5% was influenced by the need to keep inflation under control, supporting economic growth, and monitoring external factors such as global commodity prices. The Reserve Bank of India also observed banks' healthy balance sheets and overall financial stability in its policy decisions. It has implemented several measures to

foster financial stability and promote economic growth amidst global uncertainties. These include maintaining a steady repo rate to strike a balance between inflation control and growth support. These measures demonstrate the RBI's commitment to financial stability and sustaining economic growth. This shows that the central bank is working to overcome the challenges posed by global economic uncertainties.

—CK Subramaniam, Navi Mumbai

### Welcome restoration

The restoration of indexation in computing long-term capital gains is welcome, as it was litigation-free and a realistic valuation process to assess the value of sold property. The capital gains provisions facilitate asset monetisation and wealth creation, so a positive approach is always desired. The investment limits in Section 54EC should be substantially enhanced and the period of holding bank deposits in

the capital gains scheme should also be enhanced. Several people don't need to invest in the properties or other assets after sales of their movable and immovable properties subject to capital gains, so they should also be given a lucrative choice and alternative to investments for a certain period to seek deductions from capital gains.

—Vinod Jhi, Delhi

Write to us at [letters@expressindia.com](mailto:letters@expressindia.com)



The  
**Hindustan Times**  
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[ OUR TAKE ]

## MPC waits for US Fed to cut

Until the Federal Reserve cuts interest rates, a reduction in policy rates in India can potentially trigger capital flight or put pressure on the rupee

That the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) would not reduce policy rates on Thursday was widely known. However, the fact that it has retained its policy stance at withdrawal of accommodation suggests that the hawks within the MPC continue to hold sway. Both the policy rate and policy stance setting have seen two dissensions in the last two MPC meetings.

Are these rational decisions? There are good reasons to argue that they are. The benchmark inflation rate continues to be above RBI's target of 4%, and it is expected to remain there until the quarter ending June 2025, the latest period for which MPC has made its forecasts. A 7.2% GDP growth forecast for 2024-25 does not call for any drastic measures to boost economic momentum. Macroeconomic stability and, more importantly, policy commitment to preserve it have become all more the important in a world plagued by geopolitical tensions and growing concerns about a slowdown if not a recession in the world's largest economy.

But it is eminently possible to build an alternative set of arguments as well. The reason inflation is still above RBI's target is food prices. This is largely a result of seasonal supply-side disruptions rather than excess demand in the economy and, therefore, makes higher interest rates pretty much redundant in controlling them. With seasonal shocks becoming increasingly frequent and unpredictable in food markets, it can very well be the case that food inflation will continue to frustrate inflation aligning with target on a long-term basis. Does this mean interest rates will continue to be where they are?

Nobody expects this to be the case, and most independent analysts are expecting MPC to start reducing rates from either its October or December meeting. This underlines the importance of the (tacitly unacknowledged) exogenous factor in MPC's thinking and decisions. Until the US Federal Reserve cuts interest rates, a reduction in policy rates in India can potentially trigger capital flight or put pressure on the rupee. To be sure, this constraint on economic policy in emerging markets like India is systemic in nature and cannot be wished away in the name of asserting autonomy.

Fortunately for India, this systemic constraint has come at a time when the economy is not doing too badly. Of course, this does not undermine the larger challenge of making demand broad-based, which is essential for a sustained revival in private investment and, therefore, overall growth.

## Phogat's legacy lies beyond her medals

Vinesh Phogat's Olympic dream lies in tatters, but her status as an athlete has never been higher. Her fight against the system — in wrestling as well as outside — has been heroic, winning her many admirers. Her run to the final of the 50-kg category in women's freestyle at the Olympics ended in disqualification after she failed her second weigh-in. But before the shock exit had come an affirmation of her class as a wrestler. She beat Japanese legend Yui Susaki, who had never been defeated on the international circuit. The win sent shockwaves around the wrestling world, more so because of how difficult Phogat's journey to the Olympics has been.

In January 2023, she was out on the streets protesting against the then Wrestling Federation of India president, Brij Bhushan Sharan Singh. Then she had knee surgery and finally a change of her weight class. Each of these challenges could have derailed her, but her heart was set on Olympic glory. That was not to be, but Phogat has shown us that she is much more than an athlete. For girls all over the country, she is an inspiration, someone with integrity, and without fear — a rarity in a country where most sportspeople prefer to toe the line.

The disqualification seems to have pushed her to retire from wrestling, but surely, given what the world has seen of her character, there is more to come from Phogat outside the ring.

## Sub-quotas: Rational, yet hard to implement

Unless there is a Punjab-like policy that divides the quota 50-50 for two roughly equal sized broad groups, Bihar's story tells us that sub-quota decisions will be politically rather than empirically driven

R Ambekar, chairman of the drafting committee of the Constitution and India's first law minister, outlined, with characteristic eloquence, the key challenge facing the new Republic — the superimposition of formal equality (one person, one vote) on a society with substantive inequality, most starkly evident in the hierarchy of the caste system. How does a nation move from equality-in-law towards equality-in-fact?

The answer was to carry forward the system of quotas that certain British territories and princely states had instituted allowing for the entry of untouchables, the most stigmatised caste at the bottom of the caste hierarchy, into higher education and public employment.

Accordingly, untouchability was abolished legally, and certain castes and tribes were identified as eligible for India's reservation system, a policy of compensatory or positive discrimination due to the wide range of social and economic disabilities on

account of marginalisation, discrimination and especially the stigma of untouchability. These are the Scheduled Castes and Tribes, or the SC-ST. Given the salience of the reservation policy, on paper supported by the entire political spectrum, one would have expected successive governments to track outcomes, introduce self-liquidating features where needed, and add new features. In other words, make the policy malleable for maximum benefit, keeping in mind the larger goal of moving towards equality-in-fact, or substantive equality.

Surprisingly, or perhaps not surprisingly, this has not happened. However, researchers have tried to gauge the impact of reservations on various outcomes. The big picture verdict is that it has benefited SC-STs as a whole. The latest Supreme Court verdict tried to nudge two main castes apart within the policy. One, have some jobs benefited more than others? If yes, do we need to subdivide the SC quotas into sub-quotas for Jats?

Unfortunately, authoritative official Jati-level data are not available. The Socio-Economic and Caste Census (SECC) of 2011 was supposed to get a series of Jati-level progress or key indicators, without any direct data on the proportion of different Jatis within SC-reserved seats. This makes it hard for us to gauge if the



Ashwini Deshpande

progress (or the lack thereof) of a Jati on key indicators like educational attainment, government employment, or income is due to the reservation policy, or not. It is entirely plausible that access to reservations has been uneven. Indeed, this is not the first time that the subdivision of the SC quota, or quota-within-quota, is sought to be introduced. We have examples from two states, Punjab and Bihar. The Punjab government in 1975 divided the SC quota into two halves: 50% for the relatively backward Mazhabi Sikhs/Balmandi/Charhals within SCs, and the remaining 50% for the more successful Ad Dharmi/Ravidass/Bamdas/Bhatts/Chamars. There are claims about how this increased representation of the former group into government employment, but not via official data. Bihar created a category of 'Mahadalits' (more dalit than the Dalits), where initially all but four of the 22 SC Jatis were designated as such. Nitish Kumar established a Mahadalit Vikas Mission and introduced schemes for housing, education, and loans. Over time, the four remaining castes clamoured for inclusion in the new category; thus Bihar is back to square one. I.e., all SCs are now Mahadalits.

The moral of these stories is that a quota-within-quota could be entirely justified, provided there is systematic tracking of Jati-level outcomes, and by given that reservations



The stamp of a stigmatised social identity doesn't disappear easily with economic mobility

produce tangible benefits even for a small minority, there will be a clamour to get into the preferred sub-category, unless there is a Punjab-like policy that divides the quota 50-50 for two roughly equal-sized broad groups. Bihar's story tells us that these decisions will be politically rather than empirically driven.

The Court judgement notes empirical data, and "reasonable" grounds that will be subject to judicial scrutiny, avoiding the perils of "micro-classification", would be needed to convert the idea of a sub-quota into actual policy. Given that there is no sign of the national Census on the horizon, and there is no tracking of reservation benefits at the Jati level, it is difficult to see how this judgment will get converted into a fair and actionable policy.

The second issue in the court verdict is about families that are economically well-off so that they don't need protective discrimination. The majority opinion recommends a creamy layer exclusion be applied to SC-STs, as it is applied to Other Backward Classes.

The affirmative action policy has quotas as well as monetary benefits (scholarships or fee waivers), or reservation (e.g., lower fees). The income criterion can be used to decide on eligibility for the monetary component to

keep the monetary benefits for those who genuinely need it.

However, for quotas, especially in employment, there is no evidence that for historically stigmatised groups, improvement in class status necessarily reduces discrimination, whether in access to jobs, housing or even in the marriage market. Despite untouchability being abolished, covert and overt instances of untouchability persist. As elsewhere in the world, the stamp of a stigmatised social identity doesn't disappear easily with economic mobility. Rohini Vemula's tragic end brought home the fact that for beneficiaries, access to institutional spaces does not naturally translate into acceptance and accommodation.

Reservations have helped in creating a Dalit middle class, which over time can reduce stigma and gradually set the stage for creamy layer exclusion in the future. However, we are not there yet.

The Supreme Court's concern with differential access within the beneficiary groups is not an invalid one, in principle. But where is the empirical evidence that we need to decide on the merits of each case?

Ashwini Deshpande is professor of economics, Ashoka University. The views expressed are personal.

## Buddhadeb Bhattacharya: A composite of contradictions

Buddhadeb Bhattacharya, West Bengal's last Communist chief minister (2003-2011), was a contradictory composite of dreamer and doer, liberal and Communist, poet and politician. He was a success and a failure. Even when he withdrew from public life, for health reasons, he was a leader and a powerful presence in West Bengal's politics.

He was the Communist Party of India-Marxist (CPM)'s "talent leader," an inspiring presence who, even in his isolation, electrified the masses. In 2019, the CPM-Left Front held a large public rally at Kolkata's sprawling Brigade Parade Grounds. Bhattacharya was not billed as a speaker, because his health did not permit it. But he came, pulled by the need to stand in solidarity. His arrival stirred the crowds, everyone wanted to see him. He sat in the end and smiled in the spirit of the massed audience. It was his first public appearance after three years, and his last.

In 2011, when the CPM-Left Front was comprehensively, if not humiliated, defeated by Mamata Banerjee's Trinamool Congress, and Bhattacharya lost his Jadavpur seat, few held him responsible for the spectacular failure; his party, the organisation's leadership, the rot that had penetrated deep into the structure were all blamed, and the popular perception was that it was a punishment richly deserved. Bhattacharya became a tragic victim of his party's misadventures.

The defeat pushed Bhattacharya to retreat from public life and party work. He eventually gave up his party positions and retired into semi-isolation as a member of the CPM. Why Bhattacharya lost even his own seat in the 2011 elections is a puzzle. The party he led lost the elections for reasons that were internal to it and the alienation from both the rural and urban voter bases. He had tried to stem the rot and failed. Banerjee's challenge and her call for *poribartan* (change) had created an alternative political pole, raising expectations of an end to the exhausted Left Front era.

Bhattacharya had big plans for his beloved West Bengal. He set out in 2001, after winning a strong mandate from the people for his first full term as chief minister, to deliver

on his promise of a rapid transformation of the state, and its reinvigoration as an investment, industrial and cultural hub.

From being a supercilious anti-capitalist, he considerably changed tack. He was transposed, and to him, too. He said for West Bengal, its future, and to build the aspirations of its young, educated millions, he would do what was needed to make change happen. In his memoirs, Bhattacharya reveals that he pondered over the ideological dilemma, studied China's change trajectory after Deng Xiaoping's One Country, Two Systems formulation, and then was convinced by Amartya Sen, who can tame the most radical, "to accept globalisation as a monster." He pointed to "the positive outcomes that globalisation could produce."

There was a feverish urgency in his efforts between 2001 and about midway through his second term which ended in 2011. His slogan — *Do It Now!* — captured the spirit that moved him. It captivated the young and the old, those who had grown bitter and frustrated by the slowness of change, the dribbles of investment in industry, and the political activism that cloaked street-level protest as a very different from the other state capitals. His push to bring about a transformation in West Bengal was as much a reaction as a deeply felt responsibility.

In his impatience and impetuosity, Bhattacharya did not take into account the peculiarities of West Bengal. Finance minister and economist Ashok Mitra was brutally clear-eyed: he said that the state had turned insular, and alienated itself in self-imposed isolation. Bhattacharya could not gauge the extent to which the state's dreams and ambitions triggered. The Sirganj-Nandigram resistance and the use of state violence and the CPM's enforcers to quell it was his undoing.

His enthusiasm to jump onto the liberalisation reforms bandwagon to fast forward West Bengal's economic reconstruction did not gauge the extent to which the state's interests that had supported the CPM and the Left Front. He alienated the trade unions, upset the Muslim voters, and challenged the ideas of the Left with its strong opposition to corporates, global capital, and comfort in old outcomes. It created the space for Banerjee to succeed after decades of fighting the CPM and losing every time. It did not help that the CPM as an organisation was going through a leadership crisis and that his policies were too different: the central leadership of the party rejected his plans and criticised his policies. While Bhattacharya was above criticism, his actions were not.

Bhattacharya was an ardent idealist, a Communist with impeccable credentials. He was sincere, he was honest, and he was simple, if not austere. He was an intellectual, a playwright, author, poet and practical politician. He was a film buff, a cultured Bengali who loved poetry, the arts, literature and the streets as a space for public protests. He drank tea and smoked incessantly. He was private but very publicly engaged. In his passing, an era has ended.

Shikha Mukherjee is a senior journalist based in Kolkata. The views expressed are personal.

Shikha Mukherjee

[ DROUPADI MURMU ] PRESIDENT OF INDIA

Education has always been close to my heart. I have experienced firsthand, the transformative power of education. Education is also a vehicle for social change and nation building

## Quit India Movement and the question of violence

The Quit India Movement, also known as the August Kranti (Revolution), was a pivotal chapter in India's freedom struggle. But, every now and then, it is at the centre of a debate on whether it was a non-violent or a violent movement. Mahatma Gandhi's speech on August 8, 1942, the eve of the movement's launch, has its own place in history. An excerpt from the speech goes: "Here is a mantra, a short one, that I give you. You may imprint it on your hearts and let every breath of yours express it to me. The mantra is: 'Do or Die'. We shall either free India or die in the attempt; we shall not live to see the perpetration of our slavery. Every true Congressman will win the struggle with an inflexible determination not to remain alive to see the country in bondage and slavery. Let that be your pledge."

It is clear Gandhi, let alone direct violence, never even hinted at any form of provocation. This call for non-violent resistance was unique at a time when humanity was engulfed in the fire of World War II. The All India Congress Committee passed the Quit India resolution on August 8, 1942. By the following night, top Congress leaders had been arrested. Thanks to their arrests, an action plan for the movement could not be prepared and communicated. The relatively young leadership of the Congress Socialist Party (CSP) became active but had to work underground. Jayaprakash Narayan (JP) wrote two long letters while in hiding to guide the revolutionaries, and to explain the character and mode of action of the movement.

Despite facts to the contrary, victory Lord Linlithgow alleged that the Congress had tried to overthrow British rule through armed resistance during the movement. Run March Lohia wrote a long letter from jail to the viceroy on March 2, 1946. The letter brings out the brutal and conspiratorial character of British imperialism during the Quit India Movement. After playing an underground role in the movement for 21 months, Lohia was arrested in Bombay on May 10, 1946. He was imprisoned in Lahore Fort, and then in Agra. He suffered inhuman torture at the hands of the British police in Lahore. He was released in June 1946. In the interim, his father passed away, but Lohia refused parole on a matter of principle.

In his letter, Lohia refuted Linlithgow's accusations and spoke about the latter's administration committing horrific atrocities

on unarmed participants. He said that the British suppression of the movement led to many Jallianwala Bagh-like incidents, but the people of India perceived non-violently for their freedom. He wrote, "If we had planned an armed insurrection and our crowds were asked to resort to violence, believe me, Linlithgow, Gandhiji would today have been securing a reprieve for you from the five people and their government."

Confronting the victory over the barbarism of his administration, he wrote, "You talk of fascist reprisals: your men have raped and killed wives of patriots you could not seize. Yes, the time will soon be ripe for you and your people to face this demand. 'In those moments of distress, Lohia was still filled with hope that the sacrifices of tens of thousands of Indians during the movement will be paid for, and wrote, 'But I am not unhappy. I have ever been the destiny of India to suffer for others and to take man away from his erring path. The history of the unarmed common man begins from the Indian Revolution of August 9.'" He further clarified, "We are curious about the future. Whether you win or the Axis there will be gloom and darkness all around. There is a glimmer of hope. Free India might be able to bring this war to a democratic termination."

JP's two letters to "The soldiers of freedom" were written in December 1942 and September 1943. In both his letters, especially in the first, he raised, and deliberated upon, the question of violence-non-violence at length. He claimed the British government, saying it did not have the right to weigh in on what was the method the people of India used to fight for their freedom. He said that at the core of the Quit India Movement was the resolve not to kill or hurt.

He wrote, "To create hurdles for the British Raj, to overthrow it by paralysing it by every non-violent means, is the basic mantra of this program and you can do everything within the realm of non-violence is our sole star."

A non-violent movement was made possible during the World War, certainly, demands serious analysis, if only to give those intellectuals who fixated on the Indian role in violence in 1942 a much-needed perspective.

Prem Singh is a former professor, Delhi University and a fellow of the Indian Institute of Advanced Study, Shimla. The views expressed are personal.



Buddhadeb Bhattacharya was an ardent idealist, a Communist with impeccable credentials

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## The Indian EXPRESS

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### TRAGIC REFORMER

Buddhadeb Bhattacharjee's challenge was creating a private investment-friendly system in a communist-run state. He tried

**C**AN COMMUNISM COEXIST with a liberalised economy? Buddhadeb Bhattacharjee, the last Left chief minister of West Bengal, believed it was possible. In his second term in 2006, riding on the CPM-led Left Front's resounding win of 235 out of 294 Assembly seats, Bhattacharjee, who died on August 8 at 80, had hoped to usher his state into a new era of reforms and job creation. The modernisation of government schools in small towns, investments in IT and plans for a SEZ in Nandigram, the Nano plant in Singur and a steel plant in Salboni, were part of that vision. What he had not accounted for was that these new beginnings would be overtaken by endings more momentous: Because of a Politburo that would not back his presidency; because of a party so ossified that it refused to recognise the danger from a street fighter who would capitalise on its arrogance and lead a rainbow social coalition to rout it in 2011, winning 227 seats. The Left in West Bengal has never recovered from that blow. In this year's Lok Sabha election, which it fought in alliance with the Congress, despite fielding several young first-timers, it drew a blank.

As West Bengal's CM between 2000 and 2011, Bhattacharjee took over the reins of a predominantly agrarian state in which enterprise was shackled by government controls and dictates of Left-controlled unions. To naysayers who accused him of neglecting farmers, Bhattacharjee would say, "Krishtu amader bhitti, shilpa amader bhabishyat", (agriculture remains our foundation, but industry is our future). The perestroika he envisaged, however, remained incomplete, and Bhattacharjee has acquired the infamy, perhaps unfairly, of presiding over the decline of CPM in West Bengal. In the second volume of his memoir, *Phire Dekha* (Looking Back), Bhattacharjee asked himself the question that stalks hindsight: Given a chance, what would he have done differently? The answer was Nandigram. He deeply regretted the death of 14 protesters from police firing, that tipping point in the anti-land acquisition movement that propelled Mamata Banerjee to centre stage. But there was also a deeper sadness at being let down by the refusal of others to see that Bengal needed industry.

A death is an occasion for assessment, of measuring a public personality against a broader canvas of history. Bhattacharjee will pass that test as an upright politician stymied by a moribund system, an intellectual who revelled in the works of Gabriel Garcia Marquez and the plays and poetry of Vladimir Mayakovsky, a cineaste whose contributions include one of the finest international film festivals in the country. His predicament was creating a private investment-friendly ecosystem in a communist-run state — an imperative postponed for more than two decades by the Left Front under Jyoti Basu. Bhattacharjee, like Basu, was a *bhadralok*. But unlike his cigar-smoking aristocratic predecessor, he was not weighed down by ideological shibboleths. It both liberated him, and wore him down.

### BEFORE A CUT

RBI holds rates steady, maintains stance.  
Path of food inflation will influence policy pivot

**I**N ITS AUGUST meeting, the RBI's monetary policy committee decided to keep interest rates unchanged, and maintain its stance of remaining focused on the withdrawal of accommodation. The committee's decision is along expected lines. Headline retail inflation, as measured by the consumer price index, had risen to 5.08 per cent in June, from 4.8 per cent in May, driven by a surge in food prices. Looking ahead, a possible moderation in prices in the second quarter is not expected to last. The RBI projects inflation for the full year at 4.5 per cent. With growth holding up — the central bank expects the economy to grow at 7.2 per cent this year — it provides the MPC the policy space to focus on inflation. In his comments, RBI Governor Shaktikantha Das noted that policy "must continue to be disinflationary" and remain focused on "aligning inflation to the target of 4 per cent on a durable basis."

In June, the food price index had risen to 9.36 per cent, up from 8.69 per cent the month before. Inflation remains high across food categories such as cereals, pulses, and vegetables. There are concerns over the adverse impact of high food inflation on household inflation expectations. Governor Das noted that inflation expectations have edged upwards "on the back of high food inflation" over the past several months. If food inflation remains high and household inflation expectations become unanchored, it could spill over to core inflation. So far, core inflation, which excludes the volatile food and fuel components, has remained subdued. In fact, as Das also noted, core inflation was at a "historic low" of 3.1 per cent in May and June. This has led to the deepening divergence between core and headline inflation.

In most major economies, central banks have either begun to cut interest rates or are on the cusp of doing so. In June, the European Central bank cut interest rates. More recently, the Bank of England has lowered rates. And in its most recent meeting, the US Federal Reserve has also indicated the possibility of cutting rates in its September meeting. In fact, considering that the recent US labour market data came in significantly below expectations, some are now factoring in the possibility of deeper cuts by the Fed. The next MPC meeting is scheduled to be held in October. With the harvesting of the crops, and new *mandi* arrivals, prices could begin to ease. Global food prices, as seen through the FAO food price index, have already eased in July. This could provide the MPC more clarity on the path of food inflation, which would lead to greater certainty on the trajectory of interest rates.

### LOST AND FOUND ONLINE

'The Blair Witch Project' is a reminder of how much the internet has shaped people's relationship with fact and fiction

**I**T SEEMS today that nothing can be trusted — thanks to the manipulations of AI and other tools of misinformation and disinformation — it is instructive to look back at a horror film from 25 years ago. *The Blair Witch Project* (TBWP) may not be the first "found footage" film — that honour would go to 1980's *Cannibal Holocaust* about a filmmaking crew that goes missing in the Amazon rainforest. But its significance goes beyond its undeniable contributions to the horror genre. For, TBWP is an artefact of Web 1.0 that reveals how much the internet has shaped people's relationship with fact and fiction.

Released on July 30, 1999, the film which tells the "true story" of three filmmaking students who go missing in the woods while on the trail of the legendary Blair Witch, confounded viewers because it expertly leveraged their trust in what they read online. The film's directors, Daniel Myrick and Eduardo Sanchez, created a publicity campaign featuring "missing" posters, police reports, investigator interviews and other "evidence" from the "case", all of which could be found on a dedicated website. For viewers, the terror lay in never being a hundred per cent certain that what they were watching on screen was not, in fact, played straight from the camera that had been "recovered" from the woods where the students went missing.

Today, it is unlikely that something like TBWP would fool anyone. One, because the "found footage" trick has become an overused horror trope. Two, because the internet, in its 3.0 user-controlled avatar, has travelled far from those days of innocence. If the words "I read it on the internet" once conveyed a simple faith in information, in the age of deep fakes, they're an indictment of what is lost and found online.



PRIYA RAMANI

**WHAT'S THE LESSON** to learn from Vinesh Phogat's nightmare? That the patriarchy will always get the last laugh? It's tempting to fall into that trap (I certainly did for a few hours after my favourite wrestler was disqualified), but in recent years, what is what we have understood that though that is, many of the establishment may want you to believe, the reality is quite different — see the way Kamala Harris vs Donald Trump is unfolding in the US.

"I lost...my courage is all broken, I don't have any more strength now," Vinesh said the next day, announcing her retirement. But for us, on and off the mat, Vinesh will always be undefeated. Whether in the Paris Olympics against Yui Susaki, the world's best wrestler in her weight category, a woman unused to failure, or when pitted against former Wrestling Federation of India chief Brij Bhushan Sharan Singh, a man with so much political clout that a macho government was afraid to hold him accountable for alleged sexual harassment, Vinesh has always been our winner. Abhinav Bindra tweeted that thanks to Phogat, the nation was untidely learning what it means to "never lose the fight in us".

While Susaki spent all her time training for Paris, Phogat was in a desperate fight for justice. The patriarchy, represented here by the state and sporting officialdom, drove her and her fellow decorated wrestlers to protest on the streets for 40 days. Her victory — and disqualification — felt deeply personal.

In 2020, I won a prolonged court battle against a former minister in the Narendra Modi government. This week, when Phogat started acting her matches, I felt like I had won again. That her success was vindication for everything this country puts its women through. Phogat and I share the same legal team, led by lawyer Rebecca John, but Phogat's joy and grief is personal for many of us. The language used by women to share how they felt after the news of Phogat's disqualification broke was intimate — "painful", "heartbreaking", "angry", "weepy", "shattering".

Phogat had the collective prayers and "you go, girl!" cheers of Indian women for whom sexual harassment is a daily reality. And their anger. She channelled this rage of women's barrel through to the final. I recognised the



NILOTPAL BASU

**BUDDHADEB BHATTACHARJEE** — Buddhada to us — passed away Thursday morning. He had been suffering for quite some time. His condition had worsened due to prolonged lung-related afflictions. In and out of the hospital, a couple of times his doctors managed to bring him back home. But not this time. He succumbed to a severe cardiac attack.

Buddhada was one of the younger generation of leaders who came into prominence and contributed to the resurgence of the Party and the Left in West Bengal in the turbulent late '60s. Initiated through student activism, he soon became the main face of the youth movement as the first general secretary of the youth organisation in 1968 and built the democratic youth federation across the state. He emerged as a key leader and organiser of the younger generation, instrumental in mobilising the youth against severe assaults on the Party and the Left in resisting the semi-fascist terror of the '70s.

After its emergence in 1977, the Left Front established itself at the helm of affairs in the political landscape of West Bengal. First as MIA and then as a prominent member of Jyoti Basu's government, Buddhada played a key role in consolidating the advances on people's issues. In 2000, when Jyoti Basu stepped down, Bhattacharjee became the chief minister. He led the Party and the Left Front in the assembly elections in 2001 and subsequently in 2006.



## We are Vinesh

Why Phogat's joy — and grief — felt personal to many women

emotion from nearly 8,000 km away. After her disqualification, our feelings of pride in Phogat and anger against a system that didn't care enough have only increased. More than ever, Vinesh is the hero we need.

Chief medical officer Dinshaw Pardiwala said the team tried "all possible drastic measures" from cutting her hair to shortening the length of her clothes. As the coaches and doctors explain why they couldn't save our star athlete from disqualification, let's remind ourselves that Phogat's successes were despite the hurdles her country placed in front of her in the run-up to what is every athlete's most important international tournament.

Phogat's Paris story will forever be juxtaposed against the images of policemen using force to drag her away as she screamed and struggled, the Indian flag lying on the floor. As she went from victory to victory, I couldn't help but think that when the PM congratulated her, he should use the opportunity to apologise to Phogat and her colleagues for police misbehaviour and denial of justice. For all the public and private humiliation they have endured and for backing a politically powerful man over the ugly truth of women who are preyed upon in the workplace. Now that's the real lost opportunity. The PM got away with a tweet about "despair" and "resilience".

As the coaches and doctors explain why they couldn't save our star athlete from disqualification, let's remind ourselves that Phogat's successes were despite the hurdles her country placed in front of her in the run-up to what is every athlete's most important international tournament. Phogat's Paris story will forever be juxtaposed against the images of policemen using force to drag her away as she screamed and struggled, the Indian flag lying on the floor.

The same day Phogat won the semi-final against her Cuban opponent, her lawyers were in a Delhi courtroom. John said she had watched the wrestlers from the time they were protesting at Jantar Mantar. "I saw them beaten, bruised, conflicted," she said. "Vinesh kept telling me this is the time I should use for practice. I haven't practised for months." Phogat had told John that she would be unavailable to record evidence until the Olympics was over.

In case you have forgotten the history of the man the Indian state has steadfastly supported, let me reign your memory. The May court order framing charges in the ongoing case of six wrestlers against Singh detailed many instances of alleged abuse by him, including a number of times over a decade, both here and abroad, when he is accused of groping elite wrestlers' breasts on the pretext of checking their breath. I say elite be-

cause imagine those who didn't have the confidence or exposure of these elite athletes and who may not yet have spoken up. Singh's lawyer essentially argued that what happens abroad stays abroad. The court said that didn't hold because these acts were "executed under a 'single criminal enterprise' or 'single impulse' to sexually exploit and harass female wrestlers by abusing his dominant position. There was a clear 'unity of purpose' or 'unity of thought' behind the actions of accused no.1 [Singh] that is, to sexually exploit vulnerable female subordinates as much as possible".

Meanwhile, Team Phogat is more united than ever before. "What Vinesh has done is beyond imagination," Olympic medalist Sakshi Malik, who protested alongside Phogat, said. "If it was possible, I would have given my medal to Vinesh." Juxtaposed against the state's support for Singh were at least three spouses who stood by the women who spoke up and demonstrated first-hand a rarely seen, empathetic model of Indian masculinity. Hopefully, it will spread far and fast.

Whether it's Juna Temple in the latest season of *Fargo* or wrestler Bajrang Punia's admiring description of Phogat, the words "tiger" and "lioness", or their Hindi equivalent "shermi", are used to describe women who battle power and violence to emerge victorious, largely because those around them rub their eyes in disbelief after witnessing the power of their anger. As Soraya Chemaly and others have written, women are taught early in life to suppress our anger. "When a woman shows anger in institutional, political and professional settings, she automatically violates gender norms," Chemaly writes in *Rage Becomes Her*. "She is met with aversion, perceived as hostile, irritable, less competent and unlikeable." Thankfully, female rage has been in vogue for a few years now.

The biggest lesson for me then is that Phogat went to the Olympics a hero — and will come back a bigger one. Let's rage together with our shermi.

The writer is a Bangalore-based writer and co-founder of India Love Project on Instagram

## COMMUNIST WHO SAW FUTURE

Buddhadeb Bhattacharjee was firm in his conviction that history would absolve him

Buddhada combined a firm commitment to the principles of the struggle for the emancipation of downtrodden sections with an effort to assert a modern and contemporary outlook geared to meet the changing global and national context. He believed deeply that the significant advances etched out by the Left and the progressive movement, based on economic and social justice ushered in by agrarian reforms, had led to stunning advances in deepening justice, improving the conditions of the working people and providing a strong foundation for further progress.

He wanted to give a vigorous push to the industrial policy initiated in 1949 to take a big leap in providing employment by building industry. Despite the decline in public sector investment in industry and agriculture, he believed, along with the collective opinion of the Party and the Left, that transforming the nature of Bengal's economy with greater priorities on modern industry, was essential for the state, which was at a crossroads, to move forward. Critics denigrated him for this stance, but his approach was not at the cost of economic and social justice, which was his firm ground.

Buddhada's personal life was modest and frugal. He never moved out of his small two-bedroom flat in South Kolkata, even after enjoying high office. He did not believe in reaching anything beyond what was nec-

essary for life. He deeply believed in a democratic style of government. While adhering to the basic principle of unity of the people and resolute struggle against communal and divisive forces, he endeavoured to broaden the appeal of the Left to younger generations. His interest in literature, culture and political change produced an array of publications, literary criticism, original plays, and translation of masterpieces of world literature.

He was a crusader against political vengeance and insisted on political engagement with his critics. His lifestyle and governance were beyond controversy and remain largely unblemished.

After the electoral setback of the Left in 2011, though saddened by the new situation, he was firm in his conviction that contemporary history would absolve him and his beliefs. The present situation in West Bengal and the country highlights the stark contrast between a genuine, insightful people's leader and those who display opulence and grandeur, removed from the people's aspirations. Bhattacharjee's life may have ended, but his legacy will be remembered in the times to come. The young people of West Bengal will always have a fond memory of how he inspired them towards a future of hope and transformation.

The writer is Politburo member of the CPI(M) and former Rajya Sabha MP

## AUGUST 9, 1984, FORTY YEARS AGO

### PM ON SRI LANKA

PRIME MINISTER INDIRA Gandhi called for restraint in responding to the Sri Lankan situation and said that "whatever we do should help Sri Lankan Tamils and not harm them." Any Indian reaction "should save and not precipitate their annihilation," she said when replying to Rajya Sabha members who sought clarification on a government statement. The statement was made by Minister of State for External Affairs R N Mircha.

### OPPOSITION MERGER

YET ANOTHER BID for the merger of Lok Dal, Janata and the Congress (S) failed with the

presidents of the three parties ending their hour-long meeting without discussing the specific issue of the merger. The 82-year-old Lok Dal president Changan Singh told newsmen after meeting Janata president Chandrabhai Shekhar and the Congress (S) president, Sharad Pawar. "These two gentlemen do not want a merger,"

### CONCERN OVER RIOTS

MEMBERS FROM BOTH sides in the Lok Sabha expressed their concern over the increasing incidence of communal riots in the country and urged the government to take prompt and stern action to contain the malaise. Participating in a six-hour special discussion, member after member said it

was shameful that even after 37 years of independence the country was witnessing outbreaks of communal violence, which was a legacy of the colonial rulers.

### A NEW UP PCC(I) CHIEF

THE UNION COMMERCE Minister Vishwanath Pratap Singh will take over as president of the Uttar Pradesh PCC (I) as part of the Congress (I) determined move to strengthen the organisation in all states before the elections. Singh was in Vienna when the Congress (I) president, Mrs Indira Gandhi, made the appointment. Singh has been told to tender his resignation from the Cabinet by an aide of the Prime Minister.



# THE IDEAS PAGE

## Doing well on well-being

The poorest have become significantly less vulnerable to medical expenditure-related shocks in the past 10 years. The trend is closely associated with the Ayushman Bharat Yojana



SHAMIKA RAVI

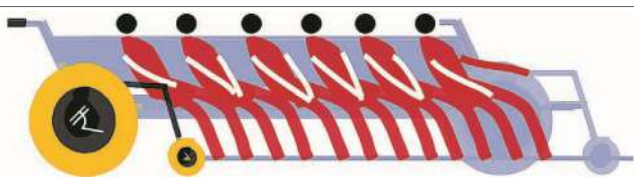
ANALYSIS OF UNIT-LEVEL data from the Household Consumption Expenditure Survey (HCES 2022-23) has revealed a dramatic decline in the incidence of poverty since 2011-12. As important as this may be, I wish to go beyond the discussion of poverty and focus on households' vulnerability to adverse shocks, particularly for the bottom 50 per cent of the population. A household's ability to cope with adverse shocks is essential to well-being and is a critical welfare measure. Quantifying this, however, remains a challenge.

We attempt to overcome this challenge by looking at shocks to households in the form of medical expenditure. Even though most households typically incur some form of medical spending in a given year, some households are exposed to larger medical shocks in the form of hospitalisation, where the expenditure incurred is a significantly higher lump-sum amount. While health shocks deprive individuals of their freedom, the associated sizeable medical expenditure also imposes an economic burden on family members as precious resources get diverted from other expenditure items to those needed for providing medical care.

First, I quantify the proportion of Indian households that are subjected to adverse medical shocks associated with hospitalisation. Then, I quantify the vulnerability related to hospitalisation in terms of the proportion of their monthly household expenditure that is devoted to medical expenses if the household has experienced hospitalisation. Finally, I study the change in consumption status of the household by comparing the consumption decline that the household belonged to with medical expenditure included in its household monthly expenditure and compare it to the consumption decline that the household belonged to when we exclude medical spending from the household monthly expenditure. The objective of this is to highlight that households that have incurred high medical spending due to hospitalisation might not have enough resources for other items, such as food or durable goods, and therefore are vulnerable to lowering their consumption status once we construct the consumption decline groups based on household expenditure that excludes medical outlays.

As stated earlier, the emphasis of this analysis is on the bottom 50 per cent of the population where the proportion of households that incurred hospitalisation expenditure increased from 17 per cent in 2011-12 to 22 per cent in 2022-23. This includes an increase from 18 per cent to 23 per cent for rural households and from 16 per cent to 20 per cent for urban households. This reflects a significant improvement in accessibility to healthcare for the poorest 50 per cent population across rural and urban areas of India.

Next, we study the ratio of health expenditure to the overall household expenditure with and without hospitalisation. The analysis reveals that for the bottom 50 per cent of the households, their health expenditure without any hospitalisation was 3.3 per cent of their monthly household expenditure in 2011-12 which increased mar-



**TABLE 1**  
Proportion of bottom 50 per cent households that incurred hospitalisation in past year

■ NSS (2011-12) ■ HCES (2022-23)

Note: These results are based on the analysis of the unit-level data. We used a multi-level model that accounted for the states where the household belonged, whether it was residing in rural or urban areas, the consumption decline household belonged to, and whether the household had children (aged between 0 and 3) or elderly (age=60 years).

Note: These results are based on the analysis of the unit-level data. We used a multi-level model that accounted for the states where the household belonged, whether it was residing in rural or urban areas, the consumption decline household belonged to, whether the household incurred hospitalization expenses in the past 365 days, and whether the household had children (aged between 0 and 3) or elderly (age=60 years).

\*Odds is defined as probability/(1-probability). \*Odds Ratio is the ratio of Odds in 2022-23 to Odds in 2011-12.

ginaly to 3.6 per cent in 10 years. However, in sharp contrast, households that experienced hospitalisation have witnessed a significant decline in the share of their health expenditure as a ratio of their monthly household expenditure from 10.8 per cent to 9.4 per cent in 10 years.

A noticeable difference is also observed between rural and urban areas. In rural areas, for the bottom 50 per cent, the ratio of health expenditure of households without hospitalisation increased marginally from 3.4 per cent to 3.6 per cent over 11 years. Still, during the same period for households that experienced hospitalisation, this ratio declined significantly from 11.15 per cent to 9.14 per cent. We found a similar result for urban areas but less pronounced. For households that did not experience hospitalisation, it increased marginally from 2.2 per cent to 3.6 per cent, but during the same period, for households that experienced hospitalisation, it declined from 10.3 per cent to 9.9 per cent. These results highlight that healthcare that involves significant hospitalisation expenditure is becoming more affordable for the poorest half of the Indian population, especially in rural areas.

Now, we explore the vulnerability or change in the consumption status of households due to health expenditure, particularly for those that incurred hospitalisation burden. The results reveal that among the poorest half of the population, 40 per cent of those who experienced hospitalisation faced a decline in their consumption status in 2011-12. However, by 2022-23, despite the rising incidence of hospitalisation, only 33 per cent of these households faced a decrease in their consumption status.

**TABLE 2**  
Health expenditure as a proportion of household monthly expenditure for the bottom 50 per cent

	Households without hospitalisation expense		Households with hospitalisation expense	
	NSS (2011-12)	HCES (2022-23)	NSS (2011-12)	HCES (2022-23)
Overall	3.34%	3.58%	10.80%	9.41%
Rural	3.44%	3.59%	11.15%	9.14%
Urban	3.18%	3.57%	10.28%	9.85%

**TABLE 3**  
Probability of lowering the consumption status of household for bottom 50 per cent due to hospitalisation in past year

	NSS (2011-12)			HCES (2022-23)		
	Probability	Odds*		Probability	Odds*	Odds Ratio*
Overall	40%	0.66		34%	0.51	0.77
Rural	44%	0.79		36%	0.56	0.71
Urban	35%	0.54		32%	0.47	0.87

Illustration: C R Sasikumar

We explore the vulnerability or change in the consumption status of households due to health expenditure, particularly for those that incurred hospitalisation burden. The results reveal that among the poorest half of the population, 40 per cent of those who experienced hospitalisation faced a decline in their consumption status in 2011-12. However, by 2022-23, despite the rising incidence of hospitalisation, only 33 per cent of these households faced a decrease in their consumption status.

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In terms of conventional odds ratios, these results imply a 23 per cent reduction in the odds of households facing a decline in consumption status due to hospitalisation. This effect was more pronounced in rural areas where 44 per cent of the bottom 50 per cent of households that incurred hospitalisation faced a decline in their consumption status in 2011-12. This reduced significantly to 36 per cent by 2022-23, implying a reduction of 29 per cent in the odds of poor rural households experiencing a decline in overall consumption status due to hospitalisation. For poor urban households, the odds fell by 14 per cent over the 11 years.

So overall in the last decade, healthcare has become more accessible and affordable to the bottom 50 per cent of the Indian population. We also find that there is a significant decline in the odds of households facing a loss in overall consumption status due to the financial burden associated with hospitalisation – which is a strong measure of vulnerability. These results are more pronounced for rural households and particularly for households that have young children and elderly members within the family. These noteworthy trends are closely associated with public health policies in India, particularly Ayushman Bharat Yojana, which targets the financial burden of hospitalisation for the poor.

The writer is member, Economic Advisory Council to the PM

## WHAT THE OTHERS SAY

"Bangladesh was unique among 30 countries polled for the Open Society Barometer last year, with more respondents prioritising civil and political rights than economic and social rights. Its people want a real say at last. They should get it."

— THE GUARDIAN

## Reading the inflation tea leaves

MPC cannot ignore food prices. But their unpredictability makes RBI's future policy uncertain



RAJANI SINHA

THE RBI'S MONETARY Policy Committee left the policy rate and stance unchanged in its August meeting. This was on expected lines and the RBI governor highlighted in his speech that there is good convergence between market expectations and MPC policy. However, what is lacking is convergence in the market view on the MPC's future course of action. The RBI has highlighted concerns around high food inflation, while core inflation (excluding food and fuel) remains muted. Food inflation is influenced by climatic factors and is beyond the control of the central bank. However, it cannot ignore food inflation as it has a strong bearing on household inflationary expectations, which in turn can feed into actual inflation. This is what makes RBI's future policy uncertain and complex.

CPI inflation has been hovering around 5 per cent for the last six months, higher than RBI's target of 4 per cent. This is mainly because of spikes in prices of food items, which has a high weight of 46 per cent in the CPI basket. High inflation in cereals (8.8 per cent), pulses (16 per cent) and vegetables (29 per cent) have been keeping food inflation elevated at around 8 per cent. The RBI is concerned about the strong bearing of food inflation on household inflationary expectations, which is currently at a high of 8 per cent (as per the RBI Household Survey). So far, the high food inflation has not become broad-based and core inflation has been below RBI's target of 4 per cent for the last six months.

Interestingly, the latest Economic Survey suggested that the MPC should consider targeting CPI inflation excluding food prices. The share of food and beverage in India's CPI basket is much higher than developed countries (15 per cent in the US and 20 per cent in the EU) or even emerging economies like Brazil, China and South Africa (weight ranges between 20-25 per cent). It is relatively expensive for developed countries to have an inflation-targeting monetary policy given the low share of food in the inflation basket, but it is challenging for India. This is because food prices are volatile and influenced by weather conditions, making it challenging to have monetary policy targeted around CPI inflation (including food). Monetary policy generally affects demand-side factors and is somewhat ineffective in controlling supply-driven food inflation.

At the current juncture, RBI needs to take a holistic approach to CPI inflation targeting. While the focus on supply-induced and demand-side inflation should continue, it is critical to assess the likely nature of supply-induced inflation. For instance, it is important to critically assess components of food inflation like vegetable prices that could be transitory. CPI inflation excluding vegetable prices is currently around 3.7 per cent and it has been

below RBI's 4 per cent target for the last five months.

If the monsoon's progress is satisfactory, we can expect some moderation in food inflation in the months to come. However, achieving RBI's target of 4 per cent on a durable basis will still be a challenge. RBI has retained its average inflation projection at 4.5 per cent for FY25, with quarterly inflation projection remaining above 4 per cent till Q1 FY25. Our CPI projection for FY25 is marginally higher at 4.8 per cent.

The RBI has retained its GDP growth projection at 7.2 per cent in FY25. High-frequency indicators like IIP, auto sales, GST collection, PMI-Manufacturing and Services continue to remain healthy. However, concern remains around consumption demand and relatively muted recovery in private investment. Rural demand is showing signs of improvement as reflected by the FMCG sales. A healthy monsoon and the consequent moderation in food inflation should somewhat aid consumption recovery. With a rise in capacity utilisation, private investment is likely to pick up, though at a moderate pace. We expect the GDP to grow at 7 per cent in FY25.

As far as the global economy is concerned there is increased geo-political turmoil even while growth concerns linger. There is monetary policy divergence, with central banks in the EU, Canada, Sweden, Brazil and China initiating a cutting cycle even while their counterparts in Japan and Indonesia have hiked policy interest rates. The US Federal Reserve is expected to start cutting rates from September. The Indian economy is relatively well poised on the external sector front, with expectations of a comfortable current account deficit and healthy capital inflows in FY25. High forex reserves of \$675 billion are a big source of comfort – nevertheless, we need to remain cautious amidst the global turmoil.

The RBI has highlighted the issue of bank deposit growth trailing credit growth and the liquidity risk that it poses for the sector. With bank credit growing at 14 per cent (excluding merger impact) and muted deposit growth of 13 per cent, the credit deposit ratio has risen to 77.4 in July. This is due to the diversion of household savings into other asset classes like equity, which have been offering higher returns. Another important issue that the central bank has highlighted is a sharp growth in some parts of the personal loans segment. Bank retail loan growth moderated after the RBI tightened regulatory norms, but it is still growing at a high pace – around 19 per cent. While there is a need to exercise caution around these risks, some of these are due to structural changes in the consumption and investment pattern of households, aided by digitisation in the economy.

Going forward, the RBI will continue to watch trends in inflation. The critical of food inflation will continue to have a bearing on RBI's future policy decisions. It is critical for the RBI to assess what part of food inflation could be transitory. With domestic core inflation remaining muted, RBI could go for a shallow rate cut towards the end of the calendar year, provided food inflation shows signs of moderation.

The writer is chief economist, Careleed Ratings

## LETTERS TO THE EDITOR

### SHE IS THE GOLD

THIS REFERS TO the editorial, 'Brighter than gold' (IE, August 8). Vinesh Phogat has displayed unparalleled resilience and excellent calibre by reaching the Olympics finals. She has defeated previously undefeated athletes. Despite her and her team's best effort, she came up short on the weight test right before the final bout. In sports, such events are a source of great inspiration. Vinesh has made a review appeal in the court of Arbitration for Sports for consideration of a silver medal. She may not have bagged gold but her performance has been much more than golden. So has been her performance in leaving an imprint on the minds of many young aspiring sportswomen. Thank you for your advice. Vinesh.

Sushash Vaid, New Delhi

THIS REFERS TO the editorial, 'Brighter than gold' (IE, August 8). The disqualification of wrestler Vinesh Phogat from the gold medal match in the category at the Paris Olympics because of a 100-grams excess in her body weight has saddened the whole nation. Despite her desperate nightlong workouts with the assistance of healthcare specialists, she could not succeed in shedding the additional weight she had accumulated while winning all three crucial bouts before qualifying

for the coveted play-off. She is now deprived of even the silver medal she would have received had she lost in the final. In her efforts, she has won our hearts, medal or not. This is a horrible twist of destiny for her and an irreparable loss to the nation, indeed.

Kamal Laddha, Bengaluru

### FIX RESPONSIBILITY

THIS REFERS TO the article, 'Lesson from Wayanad' (IE, August 8). The Wayanad landslide claimed over 300 lives and many are still missing. This tragedy was predictable given the total disregard of guidelines of the Western Ghats Ecology Expert Panel (WGEPP) in the management of the ecology of Wayanad. Prohibited activities like mining and quarrying in the protected zones and rampant construction in the mountain slopes have denuded the forest green cover leading to soil erosion, which triggers landslides. The question of fixing responsibility for the deadly destruction must not be obfuscated by presenting it as a natural disaster. As per UN classifications, this is a hybrid disaster, the combined result of man-made and natural forces. The regulatory bodies responsible for making the region fraught for disaster and every other stakeholder must lead to account.

LR Murrnu, New Delhi



SANDHYA GOKHALE

LAKSHYA SEN, I'm beaming with pride and sending you a big hug. I was thrilled to watch your first match against the Guatemalan opponent from the stadium, cheering you up with uncharacteristic enthusiasm. The first game showcased your mastery, but the second filled me with an unfamiliar sense of maternal anxiety. I found myself shouting, "Steady, Lakshya!" as you were struggling for a while. Your victory brought me immense relief, and I celebrated with my family like a child.

I must confess, I am a huge fan of your lightning-quick agility and unwavering perseverance on the court. Your dedication is inspiring. I have watched all your past matches, and on July 27, I realised, in hindsight, I was invested in those with a mother's fervour. That's why your last two matches in Paris left me heartbroken. When you won the quarter-finals and still didn't rejoice in the joy of your opponent, Chou Tien-chen, who is fighting colorectal cancer, it was truly commendable. You are the first Indian male shuttler to enter the semifinals in the men's singles category. You had a seven-point lead in the second

## Dear Lakshya

A player should persevere without thinking of outcomes

game against Viktor Axelsen. I wept as you fought to recover, throwing yourself into each point with your signature energy, but something was amiss. When you injured your hand again, I wanted to rush to your side and say, "Enough, beta! You're just 22, with your golden years ahead." But you fought like a warrior.

It's not about getting knocked down; it's about getting back up.

To me, you were the winner. My daughter Samiha, a former football player, has sports woven into her being. I used to dismiss her tears after India's defeats, saying, "It's just a game." But now I see that her sorrow wasn't just about winning or losing – it was about the love she poured into the game. Today, I would have cried alongside you, holding you tight in a warm embrace.

I am still processing the depth of my sorrow when I heard my hero Prakash Padukone say what he said. I whispered tears in his ears, "...this is not the time for these words." Losing the heartstopping hockey match against Germany was just as painful as losing a gold medal by 5mm or

eligibility by 100gm. How do we explain the shocking elimination of Satwiksairaj Rankireddy and Chirag Shetty from the quarter-finals? Is it fair to assess their worth from these defeats? And despite Vinesh Phogat's victorious entry into finals, how do we, as a nation and a system, come to terms with our collective failure in supporting her while she was trying to fight a wrong? Today, the resilient fighter is disquieted and we are all devastated. In the face of this adversity, camaraderie shines by our star from Hyderabad shined like a ray of light. "Knowing you and your willpower, it's only a matter of time, buddy! Just know I will always be your biggest supporter." Just read these last lines of message by PV Sindhu in support of her biggest on-court rival, Carolina Marin, who landed awkwardly on her surgically repaired knee during the women's singles semi-finals. I'm proud of you too, Sindhu, for your unshakable determination. It was not easy to deal with your exit in 56 minutes in the pre-quarter final match. Together, all of you personify the collective grief of those who suffered losses and those

who mourned your defeat, yet remained unbroken in spirit.

Lakshya, I'll be in the stadium four years from now, rejoicing when you receive your gold medal, as Axelsen hinted in his speech.

In the meanwhile, each night, I will tell you a bedtime story. The first one is a tale of a Zen master whose martial arts student approached him and said, "Master, I've lost again in the tournament. I'm so disappointed."

The master replied, "Did you win or lose?"

The student said, "I lost."

The master asked, "Did you win or lose when you began training?"

The student thought and said, "I didn't win or lose, I just started."

The master smiled and said, "Exactly. You started. And now, you continue. Winning and losing are just illusions. The true victory is in the journey, not the destination."

Lakshya, Sindhu, Vinesh... keep going, we will follow you wherever you take us.

Gokhale is a lawyer, writer and director