बिज़नेस स्टैंडर्ड
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सुधार, खुलेपन की जरूरत

बीते 10 वर्षों से केंद्र सरकार एक वांछित निवेश केंद्र के रूप में भारत की स्थिति को लेकर काफी आशान्वित रही है। मजबूत वृहद आर्थिक प्रदर्शन और वैश्विक निवेशकों के सकारात्मक वक्तव्यों की वजह से सरकारी अधिकारी आश्वस्त रहे और उन्हें प्रत्यक्ष विदेशी निवेश (एफडीआई) को आकर्षित करने के लिए किसी बदलाव की आवश्यकता नहीं महसूस हुई। इसके बावजूद हाल के आंकड़े निराशाजनक तस्वीर पेश करते हैं। हाल में संयुक्त राष्ट्र व्यापार एवं विकास सम्मेलन (अंकटाड) के आंकड़ों ने दिखाया कि वर्ष 2022 और 2023 के बीच देश में एफडीआई में 43 फीसदी की कमी आई। यह कोई अपवाद आंकड़ा नहीं है। देश के आधिकारिक स्रोतों के आंकड़े भी संकेत देते हैं कि देश में एफडीआई 2007 के बाद सबसे निचले स्तर पर है।

कई लोग इसके लिए वैश्विक कारण गिना सकते हैं। शायद बात यह हो कि औद्योगिक नीतियों और व्यापक सब्सिडी के दौर में विकसित बाजार अधिक आकर्षक प्रतीत हो रहे हैं। संभव है कि पश्चिमी देशों की कंपनियां अमेरिका के मुद्रास्फीति न्यूनीकरण कानून जैसे लाखों करोड़ डॉलर के कानून से लाभान्वित होने के लिए ऑनशोरिंग का रुख कर रही हों लेकिन आंकड़े ऐसे कथानक को सही नहीं ठहराते। निश्चित रूप से यह भारत से जुड़े आंकड़ों का किसी प्रकार का बचाव नहीं है। अंकटाड के आंकड़े यह भी बताते हैं कि दक्षिण एशिया के अन्य देशों के आंकड़े मोटे तौर पर स्थिर बने रहे। चीन को एफडीआई की आवक में कुछ हद तक कमी आई जिससे पूर्वी एशिया में नौ फीसदी की गिरावट दर्ज की गई। परंतु दक्षिण पूर्व एशिया के एफडीआई में स्थिरता देखने को मिली। वैश्विक स्तर पर एफडीआई की आवक में केवल दो फीसदी की गिरावट आई। इससे संकेत मिलता है कि समग्र रूप से कोई जोखिम का माहौल नहीं है। जहां तक देश के पड़ोसियों और दक्षिण पूर्व तथा पूर्वी एशियाई समकक्ष देशों की बात है, एफडीआई को यह झटका केवल भारत में ही दिख रहा है। नई सरकार को इसे गंभीरता से लेना होगा। यह दलील बहुत लंबे समय से दी जा रही है कि निवेश को लेकर सुर्खियां बटोरने वाले जो इरादे जाहिर किए जाते हैं वे हकीकत में फलीभूत नहीं होते। बहुत कम समझौता ज्ञापन जमीनी हकीकत में तब्दील होते हैं। घरेलू कंपनियों के प्रति सरकार की प्राथमिकता उतनी भी छिपी नहीं है, नए व्यापार समझौते तथा वैश्विक मूल्य श्रृंखलाओं में शामिल होने की उसकी अनिच्छा तथा प्रशासनिक एवं न्यायिक सुधारों को आगे ले जाने में उसकी नाकामी आदि बातों को निवेश में इस कमी के लिए वजह ठहराया जा सकता है। यह बात भी ध्यान देने लायक है कि भारत के निजी क्षेत्र का निवेश किसी भी स्थिति में उस स्तर पर नहीं पहुंच सका है जो हमने वित्तीय संकट के दौर में देखा था। उस कमी को कुछ हद तक सरकारी निवेश से पूरा किया जा सकता है तथा एक हद तक विदेशी निवेश से। परंतु सरकारी निवेश अनंत काल तक नहीं चल सकता है अगर विदेशी निवेश पर भरोसा नहीं किया जा सकता है तो यह भी बहुत चिंतित करने वाली बात होगी।

नीतियों में बदलाव करना होगा। निवेशकों के अनुकूल सुधारों से लेकर कर कानूनों, कर प्रशासन और नियमन तक सबकुछ तेज करना होगा। व्यापार नीति को भी बदलना होगा ताकि भूराजनीतिक हकीकतों का ध्यान रखा जा सके। जाहिर है भारत का बाजार इतना आकर्षक एकदम नहीं है कि हर कोई यहां आना चाहे। व्यापार समझौते, खासकर यूरोपीय संघ और यूनाइटेड किंगडम के साथ होने वाले व्यापार समझौते काफी समय से लंबित हैं। सरकार इस गिरावट को कम करने के लिए बहुत कुछ कर सकती है। ताजा आंकड़े यह दर्शाते हैं कि आत्म संतुष्टि का वक्त बीत चुका है।

विदेशी निवेशकों के लिए चुनाव नतीजे के मायने

भारत दीर्घ अवधि के लिहाज से उम्दा दांव बना हुआ है, मगर मूल्यांकन को लेकर निवेशकों के मन में चिंता लगातार बनी हुई है। बता रहे हैं आकाश प्रकाश

मुझे अमेरिका में वैश्विक निवेशकों एवं दीर्घ अवधि के लिए पूंजी लगाने वाले दिग्गजों के साथ कुछ समय व्यतीत करने का अवसर मिला था। इनमें कई निवेशक और लंबे समय के लिए दांव लगाने वाले लोग अपने क्षेत्र के महारथी हैं। भारत में जब लोक सभा चुनाव के नतीजे आ रहे थे तब मैं अमेरिका में ही था। नतीजे आने के बाद वहां भारत को लेकर मैंने इन निवेशकों एवं धनकुबेरों के जो हाव-भाव देखे उनसे कई प्रमुख बातें सामने आईं।

चुनाव नतीजे चकित करने वाले थे क्योंकि ये अनुमान या उम्मीद के अनुरूप नहीं थे, मगर इन्हें लेकर किसी तरह की घबराहट नहीं दिखी। सभी यह सोचकर खुश थे कि प्रधानमंत्री नरेंद्र मोदी एक बार फिर सत्ता संभालेंगे। इसका एक कारण यह था कि कांग्रेस का अर्थशास्त्र उनके गले नहीं उतर पाया। कुछ लोग गठबंधन सरकार चलाने में भारतीय जनता पार्टी (भाजपा) की काबिलियत को लेकर जरूर सशंकित थे मगर ऐसे लोगों की संख्या कम थी। अधिकांश लोगों का यही कहना था कि भाजपा को मिलीं 240 सीटें कम तो नहीं मानी जा सकती, इसलिए यह गठबंधन मजबूती के साथ अपना पांच वर्ष का कार्यकाल आराम से पूरा कर लेगा।

गठबंधन सरकार में सहयोगी दलों के विचारों की अनदेखी नहीं होती है और देश की विविधता भी सटीक तरीके से प्रतिबिंबित हो पाती है। हालांकि, भूमि एवं श्रम सुधारों में देरी हो सकती है, मगर चुनाव नतीजों से यह स्पष्ट हो गया कि भारत तुर्किये या हंगरी बनने के जोखिम से काफी दूर है। इन चुनाव नतीजों से आर्थिक वृद्धि को लेकर हमारे पूर्वानुमान और एवं इसकी (वृद्धि) चाल में निरंतरता दोनों ही और मजबूत हो सकते हैं। ज्यादातर लोगों को लगा कि गठबंधन के घटक दल राज्य-विशेष के लिए संसाधनों से अधिक कुछ नहीं मांगेंगे और उन्होंने उम्मीद जताई कि इन चुनाव नतीजों के बाद आर्थिक विषयों और नीतियों पर अधिक ध्यान दिया जाएगा। इस बात को लेकर डर जरूर दिखा कि कहीं सरकार का झुकाव लोकलुभावन नीतियों की तरफ तो नहीं बढ़ेगा। सरकार की नीतियों में निरंतरता दिखेगी या इनमें भटकाव आएगा, इस निष्कर्ष पर पहुंचने के लिए आसन्न बजट पर सबकी नजरें रहेंगी। मोदी सरकार ने अपने दूसरे कार्यकाल में लोकलुभावन नीतियों के बजाय सार्वजनिक निवेश पर अधिक ध्यान केंद्रित किया। क्या यह सिलसिला जारी रह पाएगा? क्या सरकार लोकलुभावन नीतियों से दूरी बरतेगी? सरकार के प्रमुख मंत्रालयों में कोई फेरबदल नहीं हुआ है, जो नीतियों में निरंतरता जारी रहने का संकेत है। हां, यह जरूर है कि रोजगार सृजन पर विशेष ध्यान देना होगा क्योंकि यह मतदाताओं की एक प्रमुख चिंता थी। उम्मीद की जा रही है कि नई सरकार शिक्षा एवं हुनर विकास के लिए अधिक प्रयास करेगी।

निवेशकों के मन में यह बात बार-बार कौंध रही थी कि भाजपा अपने उम्मीद से कमजोर प्रदर्शन के लिए किन कारणों को जिम्मेदार ठहराएगी। क्या इस विषय पर मंथन सरकार की नीति की दिशा बदलेगी? क्या हम सार्वजनिक निवेश घटाकर राजस्व व्यय की तरफ कदम बढ़ाना शुरू कर देंगे? क्या सरकार राजकोषीय घाटा कम करने के संकल्प के साथ समझौता करेगी? क्या बड़े कारोबारी समूहों को बदनाम किया जाएगा? क्या सरकार अनुकूल नीतियां तैयार कर दिग्गज वैश्विक निवेशकों को भारत में निवेश के लिए प्रोत्साहित कर पाएगी?

सभी यह भी मान रहे थे कि सरकार नए उत्साह के साथ तत्काल अपना काम शुरू कर देगी। नीतिगत सुधारों को लेकर बड़ी उम्मीदें हैं और सभी ने सुन रखा था कि मंत्रालयों को शुरुआती 100 दिन की योजनाएं तैयार करने के निर्देश दे दिए गए हैं। भारतीय बाजार पहले से ही 7-8 फीसदी वास्तविक सकल घरेलू उत्पाद (जीडीपी) वृद्धि और 15 फीसदी से अधिक प्रति शेयर आय वृद्धि के अनुमान पर बढ़ चुका है। मूल्यांकन ऊंचे स्तर पर बरकरार रखने के लिए हमें आगे बेहतर नतीजे देने होंगे। सरकार की गति धीमी पड़ी तो इसे नकारात्मक नजरिये से देखा जाएगा और गठबंधन राजनीति को लेकर चिंता फिर बढ़ जाएगी। भारत में रकम झोंकने की राह में ऊंचा मूल्यांकन चिंता का एक कारण है। भारत अब दुनिया में स्पष्ट रूप से सर्वाधिक महंगा बाजार बन गया है। घरेलू निवेशक बाजार में तेजी ला रहे हैं और ज्यादातर लोग समझ रहे हैं कि स्थानीय निवेशकों के पास कोई दूसरा विकल्प नहीं है मगर यह चिंता फिर भी सता रही है कि यह सिलसिला थम गया तो क्या होगा। एक आम सवाल यह था कि स्थानीय स्रोतों से निवेश बढ़ने की कोई ठोस वजह है या फिर यह खोखला उत्साह भर है? सभी लोग भारत में वायदा/विकल्प कारोबार में बेवजह भारी लेनदेन होने के कमजोर पहलू से वाकिफ हैं।

सच्चाई यह है कि पिछले 2.5 वर्षों में भारत में विदेशी पोर्टफोलियो निवेशकों की तरफ से आने वाला शुद्ध निवेश शून्य रहा है। अगर दूसरे शब्दों में कहा जाए तो ज्यादातर तेजी से उभरते बाजारों के निवेशकों में भारत को लेकर उत्साह पहले की तरह मजबूत नहीं रह गया है। जो निवेशक भारत में शुरुआती दौर में ही आ गए थे वे अपने पोर्टफोलियो का पुनर्संतुलन कर मुनाफा कमा रहे हैं। नए निवेश के लिए हमें वैश्विक फंडों पर ध्यान केंद्रित करना होगा। जब तक बाजार थोड़ी सांस न ले ले और कुछ समय के लिए अपनी स्थिति सुदृढ़ नहीं कर ले तब तक विदेश से बड़ा निवेश आने की उम्मीद नहीं की जा सकती। दीर्घ अवधि के लिए निवेशक भारत पर दांव लगाना चाहते हैं मगर इसे लेकर उन्हें कोई जल्दी भी नहीं है। विदेशी पूंजी भारतीय बाजार में वाजिब गिरावट आने का इंतजार कर रही है मगर घरेलू निवेशकों का भारी उत्साह ऐसा होने नहीं दे रहा है।

परिसंपत्ति श्रेणियों के संदर्भ में बात करें तो वेंचर कैपिटल (वीसी) और कुछ प्राइवेट इक्विटी फंडों (पीई) के साथ हताशा के भाव का अंदाजा लगाया जा सकता था। प्रत्येक बैठक में मुझसे भारतीय आरंभिक सार्वजनिक निर्गम (आईपीओ) बाजार के बारे में पूछा गया। मेरा उत्तर यह था कि भारत का आईपीओ बाजार काफी व्यापक है और उचित मूल्य पर कोई भी कंपनी सूचीबद्ध हो सकती है। मैंने डीपीआई (प्रति निवेश वितरण या डिस्ट्रिब्यूशन पर इन्वेस्टमेंट) के बारे में पहली बार सुना और मुझे बताया गया कि यह अनुपात भारतीय वेंचर कैपिटल के लिए अत्यंत कम है। यह देखते हुए कि अधिकांश पूंजीपतियों के समक्ष नकदी से जुड़ी चुनौतियां थीं इसलिए वे भारत में अपने वेंचर कैपिटल साझेदारों से अधिक सहयोग की उम्मीद कर रहे थे। वे यह नहीं समझ नहीं पाए कि वेंचर कैपिटल समर्थित अधिक कंपनियां क्यों सूचीबद्ध नहीं हो रही हैं। मैंने उन्हें बताया कि सार्वजनिक बाजार के निवेशकों को वेंचर कैपिटल समर्थित उन कंपनियों से अधिक मुनाफा नहीं हुआ है, जो 2021 और 2022 में सूचीबद्ध (एक या दो कंपनियों को छोड़कर) हुई थीं। मुझे लगता है कि अधिकांश वेंचर कैपिटल इकाइयों पर सूचीबद्धता में तेजी लाने का दबाव बढ़ जाएगा। इनका स्वागत किया जाना चाहिए क्योंकि इनमें ज्यादातर उच्च गुणवत्ता वाली कंपनियां बाजार में दाखिल होंगी। इससे आईपीओ लाने की कतार में खड़ी कंपनियों की संख्या बढ़ती ही जाएगी। इन आईपीओ के जरिये पूंजी जुटाने से हमारे बाजार का दायरा और बढ़ेगा और यह अधिक परिपक्व हो जाएगा।

चीन को लेकर विचारों में लगभग कोई बदलाव नहीं आया। चीन के बाजार में बढ़ोतरी हुई तो इस मौके का फायदा उठाया जाएगा। चीन में सार्वजनिक इक्विटी निवेश पहले ही घटाने के बाद दिग्गज निवेशक निजी कंपनियों में भी निवेश धीरे-धीरे घटा रहे थे। ज्यादातर चीन के फंड नई पूंजी के लिए मध्य-पूर्व और एशियाई सॉवरिन फंड की तरफ मुड़ चुके हैं। अमेरिका से नई रकम जुटाना लगभग असंभव हो गया है।

कई वैश्विक फंडों के दांव ठीक नहीं थे। ऐसे कई मौके थे जब भारत में निवेश करने का उनका निर्णय तो ठीक था मगर वे गलत शेयरों में निवेश कर बैठे थे। निजी बैंकों, भारतीय सूचना-प्रौद्योगिकी (आईटी) कंपनियों और उपभोक्ता उन्मुख कंपनियों में उन्होंने भारी निवेश किया था। इनमें कई शेयरों में तो पिछले चार वर्षों में शायद ही कोई प्रगति हुई। क्या अब उन्हें अपने दांव में बदलाव करने चाहिए? क्या निजी बैंक एक बार फिर तेजी दिखाना शुरू करेंगे? अधिकांश वैश्विक निवेशक स्थानीय सूचकांकों के साथ नहीं चल पा रहे हैं। दीर्घ अवधि वाले उम्दा फंडों को मौजूदा बाजार और इसमें विभिन्न क्षेत्रों के प्रदर्शन के साथ तालमेल बैठाने में मुश्किल पेश आ रही है। पिछले दशक में जिन शेयरों का प्रदर्शन बढ़िया रहा था अब वे चुनौती का सामना कर रहे हैं। मगर जहां तक घरेलू निवेशकों की बात है तो उनका जज्बा बरकरार है।

सारांश यह है कि चुनाव नतीजों से भारत को लेकर किसी की सोच नहीं बदली है। यह दीर्घ अवधि के निवेश के लिए बड़ा दांव है, हां मूल्यांकन जरूर काफी महंगा है। वैश्विक निवेशक फिलहाल भारतीय बाजार में उतरने के लिए तैयार नहीं हैं और उन्हें गिरावट या कम से कम एक अवधि तक बाजार के सुदृढ़ होने का इंतजार है। पिछले तीस वर्षों के दौरान अमेरिका और भारत दो सबसे बड़े बाजार रहे हैं। उनके प्रदर्शन का स्तर एवं उनमें निरंतरता प्रभावशाली रही है। वर्तमान में ये दोनों बाजार सर्वाधिक महंगे हैं। क्या कोई औसत पर वापसी का खेल खेलेगा या इन दो बाजारों के बाहर निवेश करेगा, या निरंतर बेहतर प्रदर्शन पर दांव लगाएगा? यह सवाल कई दक्ष निवेशकों के दिमाग में घूम रहा है।

(लेखक अमांसा कैपिटल से जुड़े हैं)

आधारभूत परियोजना ऋण नियम में हो सुधार

बैंकिंग साख
तमाल बंद्योपाध्याय

भारतीय रिजर्व बैंक ने 3 मई को आधारभूत परियोजनाओं के लिए ऋण आवंटन पर मसौदा प्रपत्र जारी किया था। आरबीआई के इन दिशानिर्देशों का उद्देश्य नियामकीय ढांचे को और मजबूत बनाना तथा बैंक, वित्तीय संस्थानों और गैर-बैंकिंग वित्तीय कंपनियों (एनबीएफसी) सहित ऋणदाताओं के बीच बेहतर तालमेल सुनिश्चित करना है।

केंद्रीय बैंक ने 15 जून तक इस मसौदा दिशानिर्देश पर सुझाव मांगे थे। इन दिशानिर्देशों में कई अच्छी बातें हैं। उदाहरण के लिए समूह व्यवस्था (कंसोर्टियम) के अंतर्गत जिन मामलों में सभी ऋणदाताओं ने कुल 1,500 करोड़ रुपये का ऋण दिया है, वहां किसी एक ऋणदाता द्वारा आवंटित रकम कुल ऋण का 10 प्रतिशत से कम नहीं होगा। जिन मामलों में कुल उधारी रकम 1,500 करोड़ रुपये से अधिक है उनमें प्रत्येक ऋणदाता के लिए न्यूनतम ऋण 5 प्रतिशत या 150 करोड़ रुपये (जो भी अधिक हो) तय कर दिया गया है। इससे ऋणदाताओं को जोखिम का बेहतर प्रबंधन करने में सहूलियत मिलेगी। पिछले दशक में सार्वजनिक क्षेत्र के बैंकों में गैर-निष्पादित आस्तियों (एनपीए) का अंबार लग गया था।

मगर आरबीआई के इस मसौदे का वह प्रावधान बैंकों को खटक रहा है जिसमें परियोजना की निर्माण अवधि में प्रोविजन बकाया ऋण या नए ऋण के 0.4 प्रतिशत से बढ़ाकर 5 प्रतिशत (12 गुना से अधिक) कर दिया गया है। परियोजना की परिचालन अवधि में पहुंचने के बाद प्रोविजन घटा कर आधा यानी 2.5 प्रतिशत तक किया जा सकता है। परियोजना जब इस स्थिति में आ जाएगी कि उसे प्राप्त होने वाली रकम सभी ऋणदाताओं के ऋण चुकाने के लिए पर्याप्त होगी और व्यावसायिक परिचालन शुरू करने पर दीर्घ अवधि का ऋण कम होकर 20 प्रतिशत रह जाने पर प्रोविजन और कम कर 1 प्रतिशत किया जा सकता है।

ऐसे प्रोविजन के पीछे यह तर्क हो सकता है कि ऋणदाता निर्धारित समय से पीछे चल रहीं निर्माणाधीन ढांचागत परियोजनाओं में अपने ऋण पर केवल ब्याज लेकर मूलधन जस का तस रहने दे रहे थे जो बैंकिंग तंत्र के हित में नहीं है। निर्माण के दौरान 5 प्रतिशत प्रोविजन की शर्त चरणबद्ध रूप में हासिल- 31 मार्च 2025 तक 2 प्रतिशत, 31 मार्च, 2026 तक 3.5 प्रतिशत और 31 मार्च 2027 तक 5 प्रतिशत की जाएगी। इस शर्त का पालन नहीं करने पर निगरानी एवं क्रियान्वयन से जुड़े कदम उठाए जाएंगे।

प्रोविजन से जुड़ी शर्तों के कारण बैंकों को अधिक रकम अलग रखनी होगी जिससे उनके लिए पूंजी पर लागत बढ़ जाएगी। इससे ढांचागत परियोजनाओं को ऋण देने वाले संस्थानों और निवेशकों दोनों पर प्रतिकूल असर होगा। बैंकों को प्रायः ऐसे ऋण पर 9 प्रतिशत और निवेशकों को लगभग 15 प्रतिशत तक रिटर्न मिलता है। ढांचागत परियोजनाओं में ऋण एवं पूंजी (डेट-टू-इक्विटी) अनुपात अलग-अलग हो सकता है मगर ज्यादातर मामलों में यह 70:30 रहता है। सार्वजनिक-निजी भागीदारी (पीपीपी) वाली परियोजनाएं के लिए ऋण आम तौर पर इसी ऋण एवं पूंजी अनुपात पर आवंटित होते हैं।

पूंजी पर लागत बढ़ने से परियोजनाओं के लिए ऋण महंगा हो जाएगा क्योंकि कोई भी बैंक मुनाफे को लेकर कोई समझौता तो नहीं करना चाहेगा। विश्लेषकों का कहना है कि ऐसे ऋण पर ब्याज 0.50 से 0.70 प्रतिशत तक बढ़ जाएगा। ऋण महंगा होने से निवेशकों का लाभ भी घट जाएगा जिससे विदेश से आने वाली रकम कम हो सकती है। अगर निर्माणाधीन परियोजनाओं के लिए ये मसौदा निर्देश लागू हुए तो निजी बैंक, विदेशी बैंक और एनबीएफसी ढांचागत परियोजनाओं के लिए ऋण देने में कोताही करने लगेंगे और बेहतर रिटर्न के लिए दूसरे क्षेत्रों की तरफ मुड़ जाएंगे। ऐसी परियोजनाओं के लिए ऋण देने का दायित्व सार्वजनिक क्षेत्र के बैंकों और राष्ट्रीय अवसंरचना वित्त पोषण एवं विकास बैंक पर बढ़ जाएगा।

क्या भारत जैसा देश आधारभूत ढांचा तैयार करने के विषय पर समझौता कर सकता है? बिल्कुल नहीं। क्या इसके साथ जोखिम भी जुड़े हैं? हां, मगर एक अलग नजरिये के साथ ये जोखिम कम किए जा सकते हैं?

आरबीआई बैंकों को प्रोविजन बढ़ाने के बजाय उन्हें बहीखाते में एक सुरक्षित रकम रखने के लिए कह सकता है। किसी बैंक में एनपीए बढ़ने की सूरत में इस सुरक्षित रकम का इस्तेमाल किया जा सकता है। इस्तेमाल नहीं होने की स्थिति में बैंकों को मुनाफा इस रकम पर ब्याज अर्जित करने की छूट दी जानी चाहिए।

दिशानिर्देशों में कहा गया है कि वित्तीय समझौते में व्यावसायिक परिचालन शुरू करने की तारीख के बाद ऋण भुगतान पर अस्थायी रोक की अमूमन अनुमति नहीं दी जाएगी। अगर यह अनुमति दी भी जाती है तो यह छह महीने से अधिक नहीं हो सकती। मोरेटोरियम अवधि (अगर कोई होती है) सहित मूल या संशोधित भुगतान अवधि परियोजना के आर्थिक जीवनकी अवधि की 85 प्रतिशत से अधिक नहीं हो सकती।

छह महीने की अवधि किस आधार पर निर्धारित की गई है? क्या यह फैसला बैंकों एवं वित्तीय संस्थानों पर नहीं छोड़ देना चाहिए? ऐसा लगता है कि नियामक उन पर जरा भी विश्वास नहीं करता है। इसी तरह, मसौदा दिशानिर्देश में परियोजनाओं के लिए शुद्ध वर्तमान मूल्य (एनपीवी) निर्धारित किए गए हैं। किसी भी परियोजना को ऋण देने के लिए सकारात्मक एनपीवी एक आवश्यक शर्त होगी। निर्माण अवधि के दौरान एनपीवी में गिरावट आ सकती है इसलिए बैंकों को सभी परियोजनाओं के एनपीवी का मूल्यांकन हरेक साल स्वतंत्र रूप से कराना होगा।

समय एवं लागत का बढ़ना किसी भी ढांचागत परियोजना के लिए अनोखी बात नहीं होती मगर एनपीवी की व्याख्या हो सकती है। स्वतंत्र मूल्यांकन के बाद भी आरबीआई के अंकेक्षकों को कुछ खास परियोजनाओं के एनपीवी में कमी दिख सकती है। ऐसा होने पर बैंकों को ऋणको एनपीए घोषित करना होगा और इसके लिए प्रावधान करना होगा। ये कदम निगरानीकर्ता के नजरिये से स्वागतयोग्य माने जा सकते हैं मगर क्या नियामक को इस पूरी प्रक्रिया में विकास को बढ़ावा देने की भूमिका नहीं निभानी चाहिए? अगर नियामक यह रुख अपनाए तो उसे अंतिम दिशानिर्देश तैयार करते वक्त कुछ खास प्रावधानों में संशोधन करना तर्कसंगत लगेगा।

(लेखक जन स्मॉल फाइनैंस बैंक में वरिष्ठ सलाहकार हैं)

आपका पक्ष

पहली बारिश से ही दिल्लीवासी परेशान

दिल्ली में विगत शुक्रवार तड़के हुई बारिश से जनता परेशान हो गई। केवल कुछ ही घंटों की बारिश के कारण जगह-जगह जलजमाव हो गया जिससे शुक्रवार को सुबह से लेकर रात तक सड़कों पर वाहन रेंगते नजर आए। बारिश और जलजमाव के कारण कुछ जगहों में जानमाल की हानि की भी खबर मिली है। बारिश के पानी में ही कई वाहन डूब गए और हल्की बारिश में भी डूब जाने वाले मिंटो ब्रिज अंडरपास में भी पूरा पानी भर गया। इसके अलावा दिल्ली की कई जगहों पर अंडरपास में पानी भर जाने के कारण यातायात बुरी तरह प्रभावित हुआ। दिल्ली में जलजमाव का मुख्य कारण गटर की सफाई नहीं होना तथा जलनिकासी की समुचित व्यवस्था नहीं किया जाना है। दिल्ली में हल्की बारिश में सड़कें डूब जाती हैं। आईटीओ और राजघाट की सड़क पर पानी भर जाने के कारण पूरा यातायात थम सा जाता है। पिछले साल बारिश में यमुना नदी का जलस्तर बढ़ने के कारण, आईटीओ, राजघाट तथा लाल किला तक बाढ़ का पानी पहुंच गया था। दिल्ली में साफ-सफाई और जल निकासी की व्यवस्था दुरुस्त करने की जरूरत है। दिल्ली में मॉनसून का आगमन हो चुका है और बारिश में दिल्ली डूब न जाए इसके लिए तैयारी पहले से करनी होगी।

मोहित कुमार, नई दिल्ली

दिल्ली में शुक्रवार को हुई बारिश के बाद मिंटो रोड अंडरपास पानी से पूरी तरह से भर गया था

चीन की वैश्विक स्थिति व भारत-चीन व्यापार

लेख 'चीन से होने वाले आयात के विरुद्ध व्यापार अवरोध' में चीन की वैश्विक स्थिति एवं भारत-चीन व्यापार के विभिन्न आयामों पर बहुत सम्यक और बेबाक चर्चा की गई है। चीन के घरेलू राजनीतिक और आर्थिक समीकरणों में सत्ता के केंद्रीय करण, पश्चिमी देशों और भारत के साथ शत्रु भाव के साथ साथ विस्तारवाद, व्यापारिक साझेदार देशों के उद्योग व्यापार को हानि पहुंचाते हुए और उनके संसाधनों के शोषण के साथ उन देशों के साथ मनमानी शर्तों पर व्यापार, हिंद महासागर में वर्चस्ववादी नीतियां, भारत सहित सभी पड़ोसी देशों के साथ सीमा विवाद, चीन के दीर्घकालिक भविष्य को तय करते हैं। शी चिनफिंग के 11 वर्षों के कार्यकाल में चीन ने अपनी अवनति की पटकथा खुद लिखी है। भारत के परिप्रेक्ष्य में मालदीव और अब म्यांमार में चीन की सामरिक गतिविधियां न केवल भारत और पूर्वी एशियाई देशों बल्कि अमेरिका, यूरोप के वैश्विक व्यापार को प्रभावित करती हैं। केवल चीन और भारत विश्व के विभिन्न देशों की आवश्यकताओं को पूरा करते हैं। चीन से आयातित वस्तुओं जैसे इलेक्ट्रॉनिक और एपीआई आदि पर शुल्क लगाने से महंगाई उन देशों में भी बढ़ती है। भारत की चीन पर आयात की आवश्यकता मुख्यतः सेमीकंडक्टर और फार्मा उद्योग के लिए एपीआई तक सीमित रह गई है जो समय के साथ कम हो जाएगी। भारत कभी संरक्षणवाद की नीति पर नहीं चल सकता। अपनी जीवंत आर्थिक नीतियों, आत्मनिर्भरता और सभी देशों के साथ सौहार्दपूर्ण वातावरण द्वारा भारत अपने औद्योगिक उत्पादन के भरोसे वैश्विक व्यापार में बड़े साझेदार के रूप में स्थापित हो रहा है।

विनोद जौहरी, दिल्ली

पाठक अपनी राय हमें इस पते पर भेज सकते हैं : संपादक, बिज़नेस स्टैंडर्ड, 4, बहादुर शाह जफर मार्ग, नई दिल्ली 110002. आप हमें ईमेल भी कर सकते हैं : lettershindi@bsmail.in पत्र/ईमेल में अपना डाक पता और टेलिफोन नंबर अवश्य लिखें।

देश-दुनिया

फोटो - पीटीआई

जनरल उपेंद्र द्विवेदी (दाएं) ने रविवार को भारतीय थलसेना के 30वें प्रमुख के रूप में पदभार संभाला। उन्होंने जनरल मनोज पांडे का स्थान लिया है। मध्य प्रदेश के रीवा स्थित सैनिक स्कूल के छात्र रहे जनरल द्विवेदी 15 दिसंबर, 1984 को भारतीय सेना की 18जम्मू कश्मीर राइफल्स में शामिल हुए थे।

Team India, Admired For Its Superpower

The world champions are not just India-loved

India's stupendous victory in the T20 World Cup final has electrified the nation. This celebration in the team's prowess in the country's favourite sport is well-deserved and very well understandable. Winning the world's premier tournament of cricket's most popular format is a feat for which Rohit Sharma's squad will be feted long after the ticker tape has been cleared. But there is a bigger picture at play here that goes beyond Saturday's match, or even the team's sterling performance throughout the tournament. It's India's recognition as a cricketing superpower not just among a billion-plus Indians but fans of the sport across cricketing nations.

The national side is quite obviously cheered on by the nation's cricket-lovers for both nationalistic and/or cricketing reasons. But apart from the 'INDIA-AAA!' brigade that almost drown out all sounds of support for others, lovers of the game in Australia, South Africa and England have become more vocal in their being impressed by India's cricketing squad. If in football, even non-internationally solid sides like India have legions of Argentina, France, Germany or Spain fans — who admire them not for reasons of 'national affinity' but for their sheer footballing prowess — in cricket, India is what in the 1970s-80s West Indies, with its battery of bowlers and batsmen like Vivian Richards, now is: a team worth having posters of its players on any wall, not just Indian ones.

Even countries like Pakistan and Bangladesh have cricket aficionados who, despite harbouring non-cricketing disaffection towards India as a country, are Men in Blue fans. This is not just about India, it's about the ardour across boundaries when you're best in something. This is what solid soft power looks like.

Protect, Without Derivative Damage

Financial market regulators are flagging risks from heightened trading in derivatives in the Indian equity market. The surge in trading futures and options of listed stocks coincides with rising household exposure to equities, and regulators are approaching the development with investor protection and systemic risk on their mind. Alongside raising awareness among retail investors about the risks involved, new screening mechanisms have been imposed for stocks to qualify for derivatives trading. The effort is directed at restricting derivatives to underlying stocks for which there is sufficient liquidity and trading interest from market participants. There are suggestions for raising transaction costs on derivatives trades. Such a move could, however, affect better regulated institutional investors and reduce the effectiveness of derivatives, hampering market development.

Key to regulating derivatives is to isolate the hedging intent from speculative intent. Futures and options free capital that needs to be put up as collateral to reduce market risk. The inbuilt leverage also feeds speculative rewards. Rules governing how derivatives can be traded apply to institutions by their potential to cause systemic risk. The concern for Indian regulators is the rising popularity of derivatives trading among retail investors, presumably for speculation and in ignorance of the risks involved. Guard rails must be set up for them against the eventuality of a market crash.

Expectation of a multi-decade structural bull run is fuelling a cult of equity. India has a history of conservative regulation, which is characteristically becoming proactive when the going is good. Derivatives came into scrutiny after the 2008 global financial crisis, and most of the rules have been harmonised across financial markets. Going forward, a light touch in curbing excess speculation by adjusting leverage and lot sizes would serve the seemingly incompatible goals of investor protection and market development. Blunt tools like a higher transaction tax may be less welcome.

JUST IN JEST

When a leader fakes a coup against himself, you gotta respect his desperation

One Flew Over the Faux Coup's Next

Bolivia is one happening country. Since breaking free from Spain in 1825, this nation of 12.5 mn has clocked up around 190 coups, military dictatorships and revolutions. Last week, though, it nearly pulled off something that left even its coup-savvy citizens gobsmacked: a faux coup (not to be confused with the similarly pronounced 'feku'). The South American country is facing several crises: political, economic, social and environmental, but above all institutional, with President Luis Arce, a banker and an economist, facing the heat. Last week, capital La Paz's tense peace was broken when armoured vehicles moved in, and a small tank rammed the gates of the presidential palace. Troops forced their way in, led by 'disgruntled' former army chief Juan José Zúñiga. But, alas, this drama did not last long. Arce, in true filmi style, stood there, clasping a ceremonial baton, telling Zúñiga, 'I am your captain… withdraw all of your troops right now, general.'

With Bolivia's coup-filled history, you'd think Zúñiga would put up a good counter. Nope. He retreated faster than a cat from a bath, later claiming, without evidence, that Arce had orchestrated the sham coup to boost his sagging popularity. The story is still unfolding, but if true, Arce has taken playing victim to a whole new level, outdoing many global netas with a natural flair for drama.

ANATOMY OF A CATCH

Suryakumar Yadav's boundary dismissal of David Miller is a genius moment of sporting history

Boria Majumdar

Requirement: 16 off the last 6 balls. Hardik Pandya is bowling the last over and, well, he is no Jasprit Bumrah. David Miller, the man on strike, is one of the best finishers of the T20 game. One big hit and the match yet again drifts South Africa's way.

▶ As expected, Miller goes for the big shot in the very first ball itself. And almost perfectly connects.

▶ As the ball sails back over the bowler's head towards the boundary, we see Suryakumar Yadav start his sprint from long off. He's unlikely to win the race and, at first, it seems a futile effort.

▶ But Surya doesn't give up. At the very last instant with hands fully stretched and body bent at 45 degrees, he manages to grab the ball.

▶ As he grabs the ball, he's literally a centimetre or two from the boundary board.

▶ In that one instant, Surya has to make a decision. Should he try to hold on? Or throw the ball *back in* as he crosses the line? It's a split-second decision that can win or lose India the World Cup.

In most circumstances, with the body in no position to arch back and stay within the ropes, players tend to throw the ball back in and go over the boundary line in an attempt to save runs. Only when they are in total control do they throw the ball *up* and cross the line, knowing that they will have enough time to jump back in and complete the catch.

In Surya's case, he had 0.4 seconds to make up his mind.

Throwing the ball back in was a safer bet, and would have saved his team 4 runs.

▶ Surya opts for the high-risk option, and with the body at an arch, he throws the ball up as he jumps across the line.

▶ TV replays show his feet had just about avoided the boundary board. But at no point had he lost sight of the ball.

▶ Once he jumps out, it takes him a fraction of a second to regain poise, jump back in and complete the catch. The catch doesn't win India match. It wins India the world cup.

The eventual difference between the two sides was a meagre 7 runs. Had Miller's shot gone for a six, it would be a solitary run that separated the two teams with Miller still on strike. Surya, by an act of athletic sorcery — not to forget presence of mind — in that single catch, helped India redeem a 11-year-long curse. The irony is, he was doing this against South Africa, the country that had elevated fielding into an art form back in the 1992 World Cup thanks to Jonty Rhodes.

While Rhodes, airborne and at full stretch running out Pakistan's Inzamam-ul-Haq, remains an iconic memory postcard, his country was denied the trophy 24 years later with Surya following Jonty's twinkle-toed footsteps.

Had Miller's shot gone for a six, it would be a solitary run that separated the two teams with Miller still on strike

We often say that finals are won by teams that handle the pressure better. That you need to accept that there is pressure, and then proceed to deal with it. It's about winning the key moments in a big final. The Miller catch was one such make or break moment. The difference between a world title and national heartbreak.

For Surya to stay calm under such intense pressure elevated the catch to a different scale of greatness. One could compare it with Kapil Dev's catch of Vivian Richards in the 1983 World Cup final, a catch that transformed India's cricket history forever.

Kapil had started to backpedal the moment Viv had hit the shot off a Madan Lal delivery. After sprinting for a good 25 yards, he judged the catch to perfection while still running backwards. He eventually completed the catch with his face towards the crowd, giving his team a lifeline.

Once Richards was dismissed, the Miracle at Lord's had started to take hold for India. As they say, 'things started to happen'.

If it was Kapil in 1983, it's Surya in 2024. Two catches that have defined cricketing greatness beyond the usual binary of batting and bowling.

The writer is author of Eleven Gods and a Billion Indians

Surya namaskar

1 Surya waits, waits, waits for the ball
2 He catches it from behind the boundary
3 Checks where his feet are in relation to the boundary board
4 Balances self to release the ball while moving towards boundary's front
5 Tosses the ball up while crossing back into the field of play
6 Follows the ball's trajectory while running forward to catch it
7 Readies to take the ball into his safe pair of hands
8 Nestling the ball between his palms to end David Miller's innings

The Boom That Won India the Cup

Anand Vasu

Dress it up any way you want. Put lipstick on the most beautiful pigs that you want. But it's indisputable that India won this ICC T20 World Cup only because of Jasprit Bumrah.

In the course of the tournament, he bowled 178 balls, or 29.4 overs, conceding only 124 runs. In the course of maintaining an economy rate of 4.17, he took 15 wickets, two fewer than teammate Arshdeep Singh and Afghanistan's Fazalhaq Farooqi. But neither came close to having that devastating impact.

T20 cricket is a game of resources. There are 120 (legal) deliveries any batting team has at their disposal to do their worst. On true and flat pitches, which is what you get in most T20 franchise leagues, including IPL, batsmen can hit through the line or on the up at will, with little risk. And the thirst for this means boundaries are inevitably pulled in as close as 60 yards.

But in this World Cup, conditions were different. In New York, the drop-in pitches had clearly not had enough time to settle and were seaming too much. In the Caribbean, there was too much variety — bounce up and down at times, there was grip for the spinners and, occasionally, a lack of any real carry.

Through it all, one man stood tall and broad-shouldered. In New York, Bumrah was a real menace. 2 for 6 against Ireland in 3 overs, 3 for 14 against Pakistan in four overs and, oddly, none for 25 against US. Overall, his figures in New York were 11-1-45-5. These are unplayable numbers.

In Barbados versus Afghanistan, 4-1-7-3; Antigua against Bangladesh, 4-0-13-2; St Lucia versus Australia 4-0-29-1; against England, he could only bowl 2.4 overs. But he took 2 for 12, and, in the final, he went for 18 from his full complement.

Every time the ball was handed to Bumrah, he either picked up a key wicket or tightened the screws. Can you ask any more of a bowler?

Playing against most teams, you could go bang-bang for 20 overs, and trust that the format allowed you to have enough batting resources. Against India, you couldn't. Because going after Bumrah, in any conditions, would mean an imminent loss of a wicket.

To put it simply, you always have 20 overs to play with. But when you're against India, four of those come from Bumrah. If you defend, you're safe. If you attack, you lose key wickets.

Either way, in T20 cricket, you have been burgled.

Rohit Sharma may have made the prettiest runs at a fast clip. Kuldeep Yadav may have bamboozled with his loop and dip. Suryakumar Yadav pulled his weight in the middle-order with his disruptive batting — and *that* catch in the final. Arshdeep is the highest wicket-taker in the tournament.

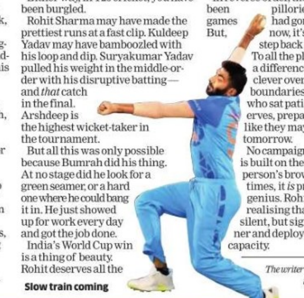
But all this was only possible because Bumrah did his thing. At no stage did he look for a green seamer, or a hard one where he could bang it in. He just showed up for work every day and got the job done.

India's World Cup win is a thing of beauty. Rohit deserves all the credit for making it happen as it is eventually his hand on the rudder. Rahul Dravid, the outgoing coach, with his support staff, are also worthy, because they would have been the first to get the chop if this campaign went sideways. And, then, there are the selectors, who gave the captain and coach a squad to work with.

In reverse order, they would have been pilloried if one or two games had gone the other way. But, now, it's time to take a step back and give thanks. To all the players who made a difference, bowling one clever over, or clouting two boundaries, and to those who sat patiently in the reserves, preparing every day like they may be called up tomorrow.

No campaign in a team game is built on the sweat of one person's brow. But, sometimes, it *is* predicated by genius. Rohit's victory is realising that Bumrah is a silent, but significant, partner and deploying him in that capacity.

The writer is former joint editor-in-chief, Wisden India



Slow train coming

Don't Obsess on Inflation Targets

Agustín Carstens

Central banks have shown they can take forceful action to head off the most dramatic increase in inflation in a generation. They took steps to protect the purchasing power of people and firms. Although the last mile to return to price stability is not yet complete, the end is well in sight.

Inflation hurts most who are least able to hedge against it. Central banks unleashed the biggest and most synchronised global monetary policy tightening in decades to restore price stability.

This episode has shown the value of having independent institutions outside the political process as the guardians of price stability. Recovering trade logistics and falling commodity prices supported disinflation. However, we saw in the 1970s how a burst of inflation, if not countered, can trigger a shift to a high-inflation mindset. By acting with determination, central banks have prevented high inflation from becoming entrenched.

Now is not the time to let down our guard. Inflation is lower, yet not low enough in some places. Compared to other prices, the cost of services and take-home pay are both lagging pre-pandemic trends, and a rapid catch-up could see renewed upward pressure on inflation. Central banks must stay the course.

The post-pandemic inflation spike was only the latest in a series of tests for central bank policies. In its latest Annual Economic Report, Bank for International Settlements (BIS) looks at the tumultuous period since the turn of this century, including major financial crises and the unprecedented experiment in turning the global economy on and off again due to the pandemic.

BIS analysis shows that a key lesson from the past quarter-century is the need to recognise what monetary policy can, and cannot, do.

▶ **Policy power** Central bank emergency actions, deploying their firepower to ensure liquidity keeps flowing, can stabilise the financial system, support flow of credit to firms and households, and prevent the economy from going into a tailspin. We've learnt that central banks are important players for financial as well as price stability.

But monetary policy cannot fine-tune inflation. It's vital that central banks act when inflation overshoots. But such measures are less warranted. They may even be counterproductive, when inflation sits a few fractions of a per cent below central bank targets. Inflation targets should be a guide, not an obsession.

Exceptionally strong and prolonged monetary easing aimed at stimulating too-low inflation becomes less effective the longer it lasts, and can generate unwelcome side effects. These include a build-up of debt, now at historic peaks, and distortions to markets and investments. It also narrows central banks' room for policy manoeuvre, making it harder to exit from stimulus measures and de-tangle central bank and government policies.

▶ **United efforts** Policies work better as part of a coherent whole. Even now, with central banks still trying to ensure inflation stays under control, budget giveaways brought in during the pandemic are at risk of acting at cross-purposes by stimulating the economy and stoking inflation.

▶ **Governments must act** Central banks alone can't deliver a durable increase in economic growth and prosperity. Laying the foundation for a brighter economic future requires actions from other policymakers, especially governments.

To reap benefits in the longer term, governments must act with haste to put budgets on a sound footing and ready their economies for the future. They must cut short the rise in public debt and accept that interest rates may not return to super-low pre-pandemic levels. Debt sustainability is key for both price and financial stability and keeping the value of the currency steady.

In the long run, structural reforms are key to sustainably lift the standard of living, improve economic well-being and give people a sense of security. This means taking lasting measures such as promoting competition, enhancing flexibility and spurring innovation. Scarce public funds should support the economy's adjustment to new realities, such as climate and technological change, including the AI revolution. Only a solid foundation allows us to build for the future.

The writer is general manager, Bank for International Settlements

Governments, here's the baton

THE SPEAKING TREE

Karma on Her Sleeve

NARAYANI GANESH

The Beatles, Madonna, Taylor Swift — what these Western idols spanning different eras in pop music share in common, is their sourcing Indic philosophy-related themes for at least one or more of their songs. Indeed, apart from exciting worldwide interest, these songs have also drawn widespread criticism and controversy. The moot question is, who holds the copyright for such usage?

The answer is — no one. Anyone is free to quote, sing and comment on ancient Indic verses, philosophical concepts and chants, the way they interpret them, so long as the content is perhaps not overtly offensive. The latest such attempt to come under fire is Taylor Swift's number titled Karma, remixed with Ice Spice, one of the tracks in her Midnights album released in mid-2023.

According to critics, Swift portrays herself as being clean, and projects that good karma has made her happy and successful, whereas those who betrayed her (ostensibly her ex-boyfriends) are suffering the consequences of their actions.

Though some of the lines don't make sense (do they have to?), the song does get the message across that you do good and reap rewards; you do bad stuff and also reap the results. Why do we have to shred to bits what is nothing more than a creative outpouring, and completely mangle the poetic licence Swift takes to bare her heart and soul to the world?

MELODY FOR MONDAY

I Lied

Lord Huron

Once you've stopped getting overwhelmed by Taylor Swift's extra-musical powers, turn to the *music* of LA indie band, Lord Huron, especially their 'I Lied'. Also featuring folk singer Allison Ponthier, this song is haunting that captures the very core regret.

Its melancholic melody, paired with its poignant lyrics, strangely conjures up guilt, for an emotional crime committed. Ben Schneider's vocals bear a hangdog charm that tells the story of a love that couldn't withstand the test of time, with the singer expressing remorse for not being able to keep their promises.

'I told you I could never love somebody else, but I lied' is a line that crashes all previous love songs in a heap. When Allison joins in, their voices intertwine to convey shared sorrow and longing. It doubles the phantom guilt.

Musically, 'I Lied' is a masterpiece. The instrumentation is rich and evocative, with a blend of acoustic and electric elements that create a dreamy, almost ethereal soundscape. Its structure, with its gradual build-up and emotional crescendo, mirrors the tumultuous journey of the relationship it describes.

Profoundly moving, it sounds like a country song. But, then, it falls off the wagon and just floats away.

Chat Room

When the Cup of Joy Overfloweth

India lifting the 2024 T20 World Cup after 11 years surprises none who has followed the saga of their triumph without losing a single contest. A team that did not lose hope despite being down in the dumps when rivals South Africa were merrily cruising towards the victory target, coming back gamely to herald victory is the epitome of consistent self-belief and esprit de corps of Rohit's Eleven. Surya's ebullient rope dance meticulously watching the ball high in the air and crossing the boundary to achieve body balance, before safely clutching it in the playing arena, speaks a lot of the gumption and panache of Atmanirbhar Bharat, in contrast with South Africa living up to their 'chokers' jibe. The well-knit Indian side with perseverance and persistence earned the icing on the cake with rich compliments from sporting countries.

BELLUR S DATTATRI
Bengaluru

Opinion

MONDAY, JULY 1, 2024

● FAITH IN DEMOCRACY

Prime Minister Narendra Modi

Today, I thank the countrymen for reposing their unwavering faith in our Constitution and the democratic system of the country

Delisting made easier

Some will complain about the 15% premium on fixed price, but there's no gain without some pain

DELISTING IN INDIA has always been an arduous task for companies. At the same time, minority shareholders seeking a fair price cannot be dismissed as "mischievous" or "shareholder" activism. In that context, the Securities and Exchange Board of India's (Sebi) latest guidelines are aimed at striking a fine balance between the two. Companies will be relieved that the fixed price method gives them one more option to delist. So far, the only mode available was the two decades-long reverse book building (RBB). Some will, of course, quibble with the premium of 15% to the floor price. But Sebi chairperson Madhabi Puri Buch said rather sternly in the post-meeting press conference, "If you think the floor price (of 15%) is not fair, then don't delist." That's a big tick in favour of investor protection.

There is now a stronger counter-offer mechanism as well. The market regulator has allowed acquirers to make counter offers on achieving 75% shareholding, provided that 50% of public shareholders have tendered their shares during RBB. It is a positive development as acquirers who are unable to achieve 90% during RBB will now be eligible to make counter offers. Shareholders' interest is also protected by ensuring that 50% of public shareholding has participated in the tendering process. The move to change the reference date for floor price has been changed to the date of public announcement against the current date of board meeting. This will ensure that speculators trying to push the share price up/down after the board meeting won't have a significant role to play. Consequently, the final floor price will be largely unaffected.

Of course, companies may feel a little shortchanged because the counter offer will have to be higher than the volume-weighted average price of shared offered under the RBB process or indicative price, if any. This would give speculators an opportunity to bid at a higher price. The requirement of post-offer aggregate shareholding to delist remains at 90% for the acquirer — a sore point for companies in the past as many promoters having more than 70% stake could not even cross the special delisting resolution stage as the majority of minority shareholders voted against it. Also, the introduction of an adjusted book value as an additional parameter determined by an independent registered valuer for traded stocks may not sit well with many as they think the market price serves as the ideal gauge for assessing the fair value.

For the last couple of years, the market regulator has been trying to usher in new guidelines for delisting. It floated two consultation papers in July 2022 and August 2023. The first proposal ran into trouble with investor bodies speaking against abandoning the RBB process which allows discovery of price. It was also argued that delisting and open offers should be kept separate as against the proposal to do them simultaneously. The last one under former HDFC vice-chairman Keki Mistry broadly covered the parameters on which the current guidelines have been formed. Like Buch said, "Why should we say that once you are listed you can never leave... this isn't Hotel California. This is a rich, vibrant market, we welcome people... but if for some reason they need to exit, they must be able to." However, Sebi guidelines make it clear that if a company seeks better valuations by listing, it needs to pay a premium while exiting too.

● JP MORGAN BOND INDEX

INCLUSION IN INDICES PROVIDES A GRAVITAS THAT WAS MISSING IN A LARGELY DOMESTIC MARKET

A new era for bond market

MADAN SABNAVIS

Chief economist, Bank of Baroda

Views are personal

THE MARKETS WILL be entering a new phase from July onwards with the inclusion of Indian bonds in the JP Morgan Index. In fact, after the announcement of inclusion of these bonds in September, there was a gradual build-up of holdings in government securities (G-Secs) by foreign portfolio investors (FPIs). The assets under custody of sovereign bonds held by FPIs climbed from around $19 billion in September-end to $28 billion in mid-June. Clearly some of the players wanted to build their positions in advance to take advantage of the indices, once included. This phase was also associated with considerable activity in the G-Sec and forex market though there were several other factors at play. What can be expected going forward?

The basics can be put together to begin with. The JP Morgan index of bonds involving government paper would assign a weight of 10% to India at the rate of 1% per month. Hence even passive investment in the index would mean some allocation for Indian bonds. Twenty-three securities would qualify for investment where there are norms on the residual maturity as well as amount outstanding. Both are necessary for rebalancing the index. Unlike equity which is perpetual, debt matures at some point of time and would require replacement of appropriate securities. The Reserve Bank of India (RBI) has also included several securities under the FAR banner which denotes fully accessible route, where no limits are placed on FPI holdings. If one were to arbitrage between the market and the index, there could be additional inflows as one could take a call on the index and also a position in the particular security. All put together, there are estimates which point to an inflow of $20-25 billion on this score. This comes to around ₹1.8-2 trillion of potential purchases.

Now, the total borrowings for the year for the government is around ₹14 trillion. While only some securities would qualify to meet the index criteria, intuitively it can be seen that there would also be secondary market purchases of existing securities and hence it would free funding space of existing holders who could easily subscribe to the new securities issued this year. Hence, there will be easing of liquidity to a large extent as there is a new player in the market. Banks, in particular, will be less pressured to subscribe to these securities and can use them for lending purposes. Therefore, the advantage of liquidity will accrue over time.

The JP Morgan index of bonds involving govt paper would assign a weight of 10% to India at 1% per month. Hence even passive investment in the index would mean some allocation for Indian bonds

Second, as there is more demand for paper, prices would tend to increase given that the supply is limited to existing stock or the announced fresh set of securities. Higher prices in the market would mean lower yields and hence this is something that will happen in the natural course. For banks holding on to paper, there will be mark-to-market gains to be made in such a situation. Also, lower yields across the spectrum of G-Secs without any rate action from the RBI would be indicative enough for other commercial rates to move down gradually. Therefore, the corporate bond market will also witness a decline in interest rates. This is so because corporate bond yields get benchmarked at a premium to the government bond of equivalent tenure.

Third, the fact that around $20-25 billion comes into the market every year would be good news for the forex market where the supply of dollars would increase. Presently our fundamentals look strong enough in terms of current account deficit and other capital flows. These additional FPI flows into debt will further strengthen the situation and make the rupee appreciate. This can counter, to an extent, the external factor of the dollar being strong in the market as long as the Fed holds on to the rates in the US. But this comfort is significant for the market.

Last, there could be collateral impact on equity market too, where foreign investors follow India more closely by virtue of this inclusion although, understandably, the two classes of investors are different. This could, however, be a possibility.

Hence, the immediate effects of these flows appear to be positive all the way. In fact, Bloomberg would be including Indian bonds in their indices from January 2025, which will further improve the situation. But such inflows would also be of concern to the RBI. First, a sudden jump in dollar inflows would also mean that there would be appreciation of currency, which may be tolerable only within limits. Hence, to control this volatility, the central bank would have to buy forex to ensure stability in the currency or else there is the threat of loss of export-competitive advantage.

On the other side, an increased source of funds in the market can cause the same kind of volatility as in the forex and bond markets. While lower yields would be desirable there must be limits here too, as this can come in the way of monetary policy. In FY24, there have been situations where the yield curve behaved differently when the shorter tenures were driven by liquidity while the longer term were tracking Fed actions. Here the securities covered in the index could move more decisively due to the concentration effects. Further, as these inflows will be concentrated in specific securities there could be skewed demand not just in terms of holdings but also trading. This needs to be watched more closely in the coming months.

On the whole, the "bond inclusion" in global indices is a reality and is something the government and the RBI have been working hard for. This does provide the global gravitas that was missing in a market which was largely domestic in nature. Along with this advantage there would also be closer scrutiny by players especially on the fiscal side, as most deficits finally get converted to G-Secs and enter the market which is now global in spirit.

Seven years of GST: Stage set for reboot

TARUN BAJAJ
DP NAGENDRA KUMAR

The writers are senior advisors with Deloitte India

THE GOODS AND services tax (GST) has matured beyond its infancy since implementation in July 2017. It has overcome many of the initial challenges and has evolved into a transformative regime. The positive impact of GST has been acknowledged by 84% of the respondents of the GST@7 survey conducted by Deloitte based on the following: adoption of technology including e-invoicing; enhanced financial and supply chain efficiencies; enhanced stakeholder consultation by the government; and removal of legal ambiguities through timely clarifications.

Based on the above, it is no surprise that 73% of the respondents cited competitive pricing to be the greatest operational benefit; 78% of micro, small and medium enterprises also endorsed GST.

While there is an overwhelming affirmation of the GST law, the industry has also urged the government to: address challenges around audits; implement an effective dispute resolution mechanism; rationalise GST rates (including removal of inverted duty structure [IDS]); promote exports by liberalising export rules; unlock the working capital; and remove restrictions on input tax credit (ITC).

In backdrop of these demands, attention is drawn to the announcements made in the recent 53rd GST Council meeting. Some of the announcements address these demands highlighted in the survey: an amnesty scheme waiving off interest and penalty; extension of time limit for availment of ITC; issuing sector-specific clarifications; and issuing clarifications to address revenue neutral cases.

The stage is set to embrace measures to infuse new vigour into GST.

In the survey, 88% respondents sought more structured audits and adjudication where uniform audit checklist, guiding trade on documentation, and procedures are followed in GST; audits are handled by officers with sector-specific expertise and concluded in a timely manner. Introduction of faceless assessment is also a key ask.

The survey indicates that 87% respondents seek a more effective dispute resolution mechanism including guidelines on arresting multiple proceedings. An absence of a GST Appellate Tribunal has led taxpayers to approach high courts, adding pressure on an overburdened justice system. Hence, a tribunal is soon required. The GST Network is be deployed to aid seamless digital continuity for efficient dispute resolution.

While the GST Council has rationalised rates of certain goods and services, 79% respondents emphasise the need for rate rationalisation including addressing IDS by facilitating refund of capital goods and services. Also, 70% participants advocate for liberalising rules for export of services. GST law should support the demand by ensuring that export of services is not taxed as intermediary or on-performance basis. This will arrest the flight of investment to other countries.

The Central GST (CGST) credits are maintained and utilised registration-wise, whereby excess credit in one registration cannot be used by another with the same PAN. With CGST being accounted for and maintained by the Centre, it should consider a transfer of CGST credits among distinct persons ensuring credit optimisation.

In the survey, 86% of the respondents seek removal of ITC restrictions under Section 17(5) of the GST Act, specifically the ITC restriction qua development of commercial infrastructure and employee-related expenses. The government should look to remove ITC restrictions as long as the expenses are used for taxable output supply.

The government should expand the levy of GST on items such as petroleum products and electricity, which are outside its ambit, as non-levy of GST on these items has led to cost inefficiencies. The GST Council could consider including natural gas and aviation turbine fuel first. Then, other products like petrol and diesel could be included.

As GST completes its seventh year and with stakeholders' growing confidence in the regime, it is essential to focus on further strengthening the features that have contributed to its success and aim to make it more efficient.

Is rupee volatility set to rise?

JAMAL MECKLAI

CEO, Mecklai Financial
www.mecklai.com

Global forces could push the rupee in the opposite direction, but carrying risk in the expectation that things may fall apart is a sure recipe for failure

WITH THE "FLOODGATES" of the JPMorgan bond index opening on June 28, there is zero doubt that India will be receiving significant inflows into the debt market on an ongoing basis. In addition to the USD 14 billion or so that has come in over the past 12 months, there are estimates of USD 20-30 billion expected over the next one year. Further, with the Bloomberg Emerging Market Local Currency government index opening its gates in January 2025 and the UKFTSE Russell Index reportedly considering inclusion, the flows should continue to grow over time.

The flip side, of course, is that as the market gets thereby more integrated globally, volatility will also increase as professional debt managers simply move money around based on global macro-changes. And while the Reserve Bank of India (RBI) has driven volatility sharply lower over the past year almost as a matter of faith, as the market pressure increases it will doubtless have to revisit the cost/benefit of this policy.

Already, there appear to be some signs of change. Inter-day volatility, while still extraordinarily low (at 1.75%), has risen nearly 16% from its all-time low about a month ago. Perhaps more significantly (and certainly noticeably), intra-day volatility (as measured by the spread between the day's high and low), while still low on average, is nearly 50% higher than its low at the start of 2024. To be sure, these moves were partly driven by the election results, but there is little doubt that the rampaging debt inflows were also a player.

Given this, and the fact that debt inflows remained net positive even since the election results (while equity flows took two weeks to turn net positive), might it be time for exporters to take some risk off the table?

Already, the par strategy of staying unhedged since premiums are so low has been losing money — if an exporter had simply sold sixth months forward each month since October last year, it would have earned an average of 50 paise more per dollar as compared to staying unhedged. While the numbers are modest (because of the attenuated premiums), INR 50 lakh for each USD 10 million, particularly with risk completely controlled, is hardly something to leave on the table.

6-month fwd - spot at maturity Jan to June 2024

While there is, of course, no certainty that rupee volatility will rise and, indeed, even if it does, that this will result in a stronger rupee, I believe that both of these are educated guesses and worth acting upon for at least part of your risk portfolio. Further, a close examination of the RBI's intervention practices suggests that it has been trying to draw a tighter and tighter line under 83.50.

To be sure, there are — as there always are — global forces that could push the rupee in the opposite direction — for instance, a worsening of the already horrible situation in Palestine or Ukraine — but carrying risk in the expectation that things may fall apart is a sure recipe for failure over any length of time.

Having said that, I wouldn't hedge heavily too far into the future — certainly not beyond the US elections, in any case. I have just returned from a holiday in the US, and, shocking though it seems to what appear to be sane people anywhere else, Trump — Mr Nobody Knows What He'll Do Next — is at least a joint favourite to win. The uncertainty that would create, particularly in the US equity market, which is very richly valued given the difficulty the Fed is having bringing inflation down, could lead to a major risk-off crisis globally. What is worse is that if Trump doesn't win, he will surely burn the bushes hysterically, creating an even greater conflagration.

It is conceivable that this could generate enough terror that even India's strong positioning and all of the RBI's horses and all the RBI's men may not be able to keep the rupee strong at that time.

But, as I said before, market dislocations are never something to bet on. Hence, I would recommend a scaled hedging programme for exporters, using forwards for the next three or four months and structured options beyond that. Importers should stay wary, riding the steady rupee, but look for some structured options for payments due beyond November.

LETTERS TO THE EDITOR

Don't treat Railways as just another business

Apropos of "Moving the monolith" (*FE*, June 29), Indian Railways must not and cannot be treated as any other business enterprise whose primary motive is to earn profits. Not only is it the largest employer, but it also connects and holds the entire nation together. Many vacancies that are yet to be filled. The staff shortage puts pressure on employees. Overworked staff results in mistakes and could be the cause of accidents. Instead of catering to high-end travellers who could afford the air route, the government needs to pay more attention to the ordinary person by providing safe and comfortable transport. The few plush trains and swanky platforms are alright for grabbing headlines, but serve no other purpose. Those who take decisions must be made to travel by ordinary trains to make them aware of the realities of Indian Railways.

—Anthony Henriques, Maharashtra

GST challenges

Apropos of "GST reforms for a resurgent India" (*FE*, June 29), while the article celebrates the goods and services tax's (GST) achievements, it glosses over significant challenges. The complex rate structure hinders competitiveness, especially for smaller players. Furthermore, large sectors such as petroleum and real estate remain excluded, causing cascading taxes. Additionally, stringent audits and limited input tax credit burden businesses. The lack of a functional GST Appellate Tribunal restricts taxpayer recourse. These issues require urgent attention alongside the proposed reforms for a truly efficient and equitable GST.

—Sanat Shrivastava, Bangalore

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OPINION

The Hindustan Times
ESTABLISHED IN 1924

{ OUR TAKE }

The T20 cup of joy and glory

The triumph in Barbados coincides with the exit of two greats and coach Rahul Dravid. The rebuilding of the team must start now

The monkey is off India's back. The country with the biggest, richest and glitziest T20 league in the world has finally (re)laid hands on the World Cup of the same format.

India's dramatic seven-run victory over South Africa in Barbados on Saturday handed them the 2024 T20 World Cup, 17 years after they won the inaugural T20 World Cup, 13 years after they won a World Cup in any format, and 11 years after they brought home the winners' trophy from an ICC event, the 2013 Champions Trophy in England.

India under coach Rahul Dravid and skipper Rohit Sharma were third-time lucky. The pair took India to the final of the World Test Championships two years in a row, but India lost to Australia in England. The pair had taken India to the ODI format World Cup final only seven months ago. India lost that too to Australia, in Ahmedabad. A loss in Barbados on Saturday, which at some points during the match looked a certainty , would have attracted the label "chokers". Instead, after having reduced the equation to 30 runs needed off 30 balls with six wickets in hand, South Africa did something only they could — choke. From India's point of view, it was Jasprit Bumrah, arguably the best bowler in the format, doing what he did for India throughout the tournament — get the breakthroughs. While Virat Kohli was named Player of the Final for his 76 off 59 balls, Bumrah was adjudged Player of the World Cup for his 15 wickets at an economy rate of 4.17 per over, the best by any bowler in a T20 World Cup.

The triumph was also the final T20 International for both Rohit Sharma and Virat Kohli and the end of coach Rahul Dravid's tenure. Gautam Gambhir is set to take over as India coach next and his immediate job will be to find players who can fill these huge shoes. Yashasvi Jaiswal was part of India's winning squad but did not get to play a match. The search can start from there. The Champions Trophy in Pakistan in 2025 will be this team's next multi-nation assignment. By then, one would assume India would have filled the void. But it is also important to remember that the game itself is evolving. By then, chances are, the role of a sheet anchor in T20 cricket — one where a batter plays throughout the innings accumulating runs as others bat around him — will be gone from the shortest format of the game.

WB Guv vs CM is an unedifying spectacle

Relations between West Bengal governor CV Ananda Bose and the state government have dipped to a new low with the former filing a defamation suit against chief minister (CM) Mamata Banerjee. The governor's action came a day after Banerjee said women do not feel safe visiting Raj Bhavan — a Raj Bhavan employee had recently accused Governor Bose of sexual harassment. Last week, two newly elected Trinamool Congress MLAs refused to go to Raj Bhavan to be sworn in by the governor and were seen holding placards outside the legislative assembly. Governor Bose has said people holding high public office should not make "erroneous and slanderous" comments.

This open war shows both the Raj Bhavan and the CM's office in a poor light — but the confrontation also needs to be placed in the context of reports concerning overreach by governors in multiple non-BJP-ruled states. The office of the governor is expected to function as a neutral institution reporting to the President. In recent times, many Raj Bhavans have been accused of blotting the copybook. The Tamil Nadu and Kerala governments recently moved the Supreme Court against their respective governors, forcing the apex court to make damning observations against the latter, especially for refusing to sign bills passed by the state legislature. In West Bengal, Bose and Banerjee started on a friendly note only to see relations slide rapidly. Last week, Bose demanded that West Bengal issue a White Paper on the state's finances, which he claimed were in poor shape — a comment that came after he met the Union finance minister. Earlier, the government legislated to remove the governor as the chancellor of state universities.

The Constitution, once again, provides the answers: It is against governors aspiring to an executive role; they are expected to act only on the advice of the council of ministers. This lodestar should guide all Raj Bhavans.

A leader committed to service of Bharat

In his long career in public service, Venkaiah Naidu, who turns 75 today, has navigated the complexities of politics with ease and humility

Venkaiah Naidu's eloquence, wit, and steadfast focus on developmental issues have earned him respect across party lines. PTI

Narendra Modi

Today, India's former Vice President and respected statesman, M Venkaiah Naidu *Garu*, turns 75. I wish him a long and healthy life and extend my greetings to all his well-wishers and supporters. This is an occasion to celebrate a leader whose life journey showcases dedication, adaptability, and an unwavering commitment to public service. From his early days in the political arena to his tenure as Vice President, Venkaiah *Garu's* career exemplifies his unique ability to navigate the complexities of Indian politics with ease and humility. His eloquence, wit, and steadfast focus on developmental issues have earned him respect across party lines.

Venkaiah *Garu* and I have been associated with each other for decades. We have worked together, and I have also learned a lot from him. If there is one thing that has remained common in his life, it is his love of people. His brush with activism and politics began in Andhra Pradesh, as a student leader. Considering his talent, oratory, and organisational skills, he would have been welcomed by any political party, but he preferred to work with the Sangh Parivar because he was inspired by the vision of Nation First. He was associated with the Rashtriya Swayamsevak Sangh (RSS), the Akhil Bharatiya Vidyarthi Parishad (ABVP), and then strengthened the Jana Sangh and the Bharatiya Janata Party (BJP).

When the Emergency was imposed almost 50 years ago, young Venkaiah Garu immersed himself in the anti-Emergency movement. He was imprisoned and that too for inviting Loknayak Jayaprakash Narayan to Andhra Pradesh. This commitment to democracy would be seen time and again in his political career. In the mid-1980s, when the great NT Rama Rao (NTR)'s government was unceremoniously dismissed by the Congress, he was at the forefront of the movement to protect democratic principles.

Venkaiah *Garu* has always been comfortable swimming against the most formidable tides. In 1978, Andhra Pradesh voted for the Congress, but he beat the trend and was elected as a young Member of Legislative Assembly (MLA). Five years later, when the NTR tsunami swept the state, he got elected as a BJP MLA, thus paving the way for the BJP's growth across the state.

All those who have heard Venkaiah *Garu* speak will vouch for his oratory skills. He is certainly a wordsmith, but he is as much a worksmith. Since his days as a young MLA, he began to be respected for the rigour he put into legislative affairs and speaking for the people of his constituency. No less than a stalwart like NTR noted his talent and even wanted him to join his party, but Venkaiah *Garu* refused to deviate from his core ideology. He went on to play a big role in strengthening the BJP in Andhra Pradesh, going across the villages and connecting with people from all walks of life. He led the party on the floor of the legislative assembly and even became the president of the BJP's Andhra Pradesh unit.

It was in the 1990s that the BJP central leadership took note of Venkaiah *Garu's* efforts. Thus, in 1993, his stint in national politics began when he was appointed the party's All India general secretary. It was truly a remarkable moment for a man who as a teenager would go around announcing the visits of Atal*ji* and Advani*ji* to be working directly with them. As the general secretary, he focused on bringing the BJP to power and ensuring that the nation got its first-ever BJP Prime Minister. After the move to Delhi, there was no looking back, and he rose to become the national president of the BJP.

In 2000, when Atal*ji* was keen to induct Venkaiah *Garu* into the government as a minister, Venkaiah *Garu* instantly conveyed his preference for the rural development ministry. This left everyone, including Atal*ji*, puzzled. After all, here was a leader who was being asked which portfolio he wanted, and his first choice was rural development. But Venkaiah *Garu* was clear: He was a *kisan putra*, and he had spent his early days in the villages; thus, if there was one area he wished to work in, it was rural development. As a minister, he was closely associated with the conception and rolling out of the "Pradhan Mantri Gramin Sadak Yojana". Years later, when the NDA government of 2014 assumed office, he handled the crucial portfolios of urban development, housing, and urban poverty alleviation. It was during his tenure that we launched the important Swachh Bharat Mission and urban development-related schemes. Perhaps, he is one of the only leaders to have worked for both rural and urban development for such an extensive period.

When I came to Delhi in 2014, I was an outsider to the national Capital, having worked in Gujarat for the previous decade-and-a-half. In such times, Venkaiah *Garu's* insights were very handy. He was an effective parliamentary affairs minister — he knew the essence of bipartisanship, but at the same time, he drew a line when it came to parliamentary norms and rules. In 2017, our alliance nominated him as our vice-presidential candidate. We faced a dilemma: We thought about how the big shoes of Venkaiah *Garu* would be impossible to fill, but at the same time, we also knew there was no better candidate for the office of Vice President than him. I can never forget one of the speeches he gave when he resigned as minister and MP. He could not control his tears when he recalled his association with the party and the efforts to build it. It gave a glimpse of his deep-rooted commitment and passion. Upon becoming the Vice President, he undertook various steps that also enhanced the dignity of the office.

He was an outstanding chairperson of the Rajya Sabha, ensuring that young MPs, women MPs, and first-time MPs got the opportunity to speak. He put great emphasis on attendance, making the committees more effective and also raising the level of debate in the House.

When the decision to remove Articles 370 and 35(A) were placed on the floor of the Rajya Sabha, it was Venkaiah *Garu* who was in the chair. I am sure it was such an emotional moment for him — the young boy who was drawn to Syama Prasad Mookerjee's dream of a united India was on the chair when this was finally achieved.

Apart from work and politics, Venkaiah *Garu* is a voracious reader and writer, too. For the people in Delhi, he is known as the person who brought the glorious Telugu culture to the city. His Ugadi and Sankranti programmes are clearly among the most cherished gatherings in town. I have always known Venkaiah *Garu* as someone who loves food and hosting people. But, of late, his self-control has also been visible to everyone. His commitment to fitness is seen in how he still plays badminton and enjoys his brisk walk.

Even after the Vice Presidency, Venkaiah *Garu* has led an active public life. On the issues that he is passionate about or on various developments that take place across the nation, he calls me and asks me about them. I met him most recently when our government returned to office for the third term. He was delighted and conveyed his best wishes to me and our team.

I wish him once again on this milestone. I hope young *karyakartas*, elected representatives, and all those who have a passion to serve, learn from his life and imbibe those values. It is people like him who make our nation better and more vibrant.

Narendra Modi is Prime Minister of India. The views expressed are personal

{ GRAND STRATEGY }

Happymon Jacob

Delhi's Kabul strategy and the role of Taliban

"We are thankful for India's continuous help in capacity building of the Afghan cricket team. We really appreciate that," Taliban's head of political office, Suhail Shaheen, told the media when Afghanistan qualified for the ICC T20 World Cup 2024 semifinal, a historic first for the war-torn country. Unfortunately, the team lost in the semis. Shaheen's statement is noteworthy for three reasons. One, the Taliban were once vehemently against sports and considered them unIslamic. Two, they were once anti-India. Images of the hijacked IC814 plane surrounded by gun-wielding Taliban in Kandahar continue to haunt Indians. Three, most of the international community treats the Taliban as an outcast and considers the outfit too radical to administer a country in the modern world. Shaheen's statement complicates all of these images. But, more importantly, it tells us a geopolitically compelling story about Afghanistan and India's role in it.

When New Delhi proactively engaged with the Taliban after it captured power in 2021, its decision was criticised by several countries, who were concerned about the Taliban's inglorious human rights records. However, in retrospect, India's decision to court Taliban 2.0 appears to have paid off.

Another noteworthy part of the story is that the Taliban have undergone some changes even if they continue to hold on to some obnoxious and abhorrent laws. They have also failed to keep their promises regarding social reforms. However, they have changed their attitude towards India compared to the 1996-2001 period when they ruled Afghanistan. There also appears to be a growing recognition among the Taliban leadership that exporting terrorism or opium is bad policy. And, more controversially, the Taliban's social outlook may also be undergoing some changes, albeit in slow and subtle ways. Its promotion of cricket is the best example. Compared to the 1990s, there is some rethinking amongst the Taliban senior leadership about girls' education and women at work even as their policies continue to be anti-women. If this process of slow change can be met with increased socialisation and reciprocal accommodation by the international community rather than isolation and disengagement, we may see more changes on the ground. The attempt to isolate the Taliban has not worked, so why not give engagement a chance?

India's carefully calibrated engagement with the Taliban is an example of its ability to balance soft power with hard strategy, adopt its own unique approach to the Taliban — not necessarily in line with its Western/US friends — use the relationship to create more space for geopolitical manoeuvrings in the restive region, all the while expressing its displeasure at how the Taliban treat half the country's population. While , or much of the international community, the Taliban are a challenge and an outcast, for India, any regime in Kabul, including one headed by the Taliban, represents an opportunity to shape regional geopolitics effectively and thereby moderate the Pakistan challenge. Even though India maintained friendly relations with the previous Afghan governments, pre-Taliban Kabul lacked the geopolitical agency to engage India keeping its own interests in mind. In that sense, the Taliban government is more helpful to India's regional strategy than the Ghani administration.

Finally, there is the story of the Delhi-Islamabad-Kabul triangular balance of power. While it was primarily Pakistan's sustained efforts that eventually brought the Taliban to power in Kabul, with the intent to undercut India's influence, this policy has been a failure. The country that has gained the least from the return of the Taliban is Pakistan. Considering that a strategic alliance between Pakistan and Afghanistan, like the one that existed during Taliban 1.0, is what Delhi fears the most, an adversarial relationship between Kabul and Islamabad doesn't hurt Delhi. Therefore, the more Pakistan resists the Taliban's exercise of geopolitical agency, the more the Taliban will seek to strengthen their engagement with India.

The challenge before Delhi is if it can have a moderating influence on the Taliban in the longer run. A puritanical Islamist regime, shunned by the international community and courted by radicals, will eventually strengthen the region's terror ecosystem. This could constrain India's ability to continue its engagement with the outfit, as a friendless and resource-starved Taliban could be susceptible to influence by anti-India terror groups based in Pakistan or elsewhere. An ideal outcome for India is a moderate Taliban that safeguards its national interests and seeks to be mainstreamed.

Let's return to the cricket story. Soft power by itself is neither power nor useful to the practice of statecraft. The popularity of Bollywood, for instance, in Afghanistan has little value as far as India's strategic engagement with Afghanistan is concerned unless, of course, we can have a coherent strategy that can utilise such soft power for real power gains. Put differently, if India's cricket diplomacy with Afghanistan were to be divorced from its general engagement with the Taliban, it would have produced no results for New Delhi's relations with Kabul.

However, even as Delhi works on ways to engage with the Taliban, it must cater to the needs of the Afghan people. There is no justification, for instance, for refusing to restrict student or medical visas to Afghans who seek to visit India. That's just a bad strategy.

Happymon Jacob teaches India's foreign policy at JNU, Delhi, and is the founder of the Council for Strategic and Defence Research. The views expressed are personal

{ KAMALA HARRIS } VICE PRESIDENT, THE US

The government should not be telling women what to do with their bodies ... I trust women to know what is in their best interest

HT

{ STRAIGHTFORWARD }

Shashi Shekhar

The Indian reality hidden in the glow of statistics

Name of the deceased: Kaushalendra Yadav. Father's name: Vinod Kumar. Age: Around 27 years. Resident: Village Milik. Police Station: Kurra. District: Mainpuri. Current address: Rented room in Amit Yadav's house in Kondli village. Police station: Knowledge Park, Gautam Budh Nagar.

These details are from a daily diary entry from June 18 at the Knowledge Park police station, recording the death of a security guard, likely due to heat stroke. He had reportedly been suffering from a fever. When his condition deteriorated, a colleague took him to a doctor who advised immediate hospitalisation. His brother-in-law Abhishek got him admitted to JIMS, where he succumbed in about three hours.

Kaushalendra's story epitomises the helplessness a significant portion of our country's population experiences. He was young, married, and had children. He would have come to this metropolis, leaving his family behind, hoping to ensure a better future for them. Deaths such as his expose the harsh realities swept under the carpet of glowing statistics used for political propaganda. Kaushalendra was a security guard at an upper-class housing society. He may have had to work 12 hours daily with no protection from the scorching sun. The day he died, the temperature had soared past 45 degrees Celsius, making every breath a struggle. He belonged to an ever-growing workforce that has flourished in the past 20 years — a silent fraternity expected to be vigilant all the time. People seek to sleep in peace by hiring them. But what do those who stand guard to such peace get? A paltry ₹15,000 per month.

Kaushalendra was born into a caste that is politically dominant in Uttar Pradesh (UP) and Bihar. Mulayam Singh Yadav represented Mainpuri in Parliament for many years. His daughter-in-law, Dimple, now represents the constituency. Our politicians contest polls based on symbolism. But what is the state of those who vote? The fate of thousands of people like Kaushalendra provides the answer.

According to the Union health ministry, between March 1 and June 20, close to 40,000 persons suffered heat stroke. Of them, 143 died. The majority of them must have been poor. Last Sunday, 75 people were admitted to Delhi's government hospitals with heat stroke symptoms. Most were daily-wage workers, delivery boys, or elderly people. In the name of seasonal jobs, we have produced new victims of severe weather.

According to a NITI Aayog report, 248.2 million Indians escaped multidimensional poverty between 2014 and 2023. Multidimensional poverty has declined in states such as UP, Bihar, and Madhya Pradesh. There is no doubt that we are one of the world's fastest-growing economies. However, according to a World Inequality Lab report, India is seeing new levels of economic inequality.

A key challenge the poor and disadvantaged face is that many of them must migrate to sustain themselves and dependents. According to the last census, 453.6 million Indians had to move from one state to another to earn a living. According to another survey, 18 million Indians work abroad. Not every one of them is a CEO or a senior executive at an MNC. Many live a hand-to-mouth existence. The stories that emerged after the fire in Kuwait about a fortnight ago illustrate this.

The government has launched certain poverty-eradication measures. But what happens to the Indians killed in Kuwait and to those such as Kaushalendra? The situation raises serious questions. And the world's largest democracy needs answers to these.

Shashi Shekhar is editor-in-chief, Hindustan. The views expressed are personal

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EDITOR: KUNAL PRADHAN

THE EDITORIAL PAGE

WORDLY WISE
ALL YOU HAVE TO DO IS TO DREAM BIG AND TRY TO FULFIL IT. — KAPIL DEV

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

THE NEW COMPACT

The reformed codes should mark the beginning of a process which responds to society's constant vigil, and respects it as well

BEGINNING July 1, a historic page turns. The Bharatiya Nyaya Sanhita; the Bharatiya Nagrik Suraksha Sanhita; and the Bharatiya Sakshya Adhiniyam — will now replace the Indian Penal Code, 1860; the Criminal Procedure Code, 1973; and the Indian Evidence Act, 1872. These three laws have, for over a century, framed the citizen's compact with the state, especially its imperative to lay down the rule of law and the coercive apparatus that comes with it. But India's criminal justice system has been in dire need for reform. The case has been made repeatedly by mounting numbers of undertrials in jails, the victims in their long wait for justice and courtrooms clogged with cases. The enactment of new codes is a landmark step. From introducing community service as an alternate form of punishment; making summary trial mandatory for petty offences; ensuring video-conferencing of trials; prescribing timelines for speedy trials to inclusion of offences for mob-lynching and child marital rape, these are some of the key areas where the needle has moved decisively forward.

There are other areas where work needs to be done. In July 2020, an expert panel set up by the Ministry of Home Affairs issued a detailed questionnaire for citizens with questions ranging from criminalising marital rape, making sexual offences gender-neutral to legalising euthanasia and revisiting sedition. The consultation process mostly took place during the pandemic, many of those big changes did not make it to the new codes. In Parliament, too, the bills were passed through a voice vote when most of the Opposition was suspended. States have flagged some issues. Some are logistical but important, like not having English names for the laws and a delay in translation to regional languages. Karnataka has, for example, flagged the provision allowing a police officer 14 days for a preliminarily investigation before registering an FIR and the total exclusion of Section 377 of the IPC which is invoked now in cases of sexual assault of a man. The Uttar Pradesh cabinet has already approved a proposal to bring an ordinance to make some exceptions in the anticipatory bail provisions.

Clearly, the debate on the new laws cannot be limited to what was spoken in Parliament. As the laws roll out, more issues will come to fore and it is important for the Centre to hold space for that debate. Citizens and civil society are the key stakeholders in this and they will — and should — weigh in on its implementation flagging abuse and misuse. As the Lok Sabha mandate shows, it is important for the government to listen to these voices, not frame the feedback in political terms of Opposition versus Government. Reform of the criminal justice system is also not a one-time solution or one that just takes place in the books. Police reform, sensitisation and addressing gaps in judicial infrastructure are also needed to realise the objective behind these reforms. It is a work in progress that needs laws to constantly adapt to the changing needs of those it seeks to govern. July 1, therefore, marks the beginning of that process.

T20 CHAMPIONS

Rohit Sharma, Virat Kohli, Rahul Dravid have passed on baton to next generation with a win that will stand test of time

WHEN VIRAT KOHLI and Rohit Sharma cradled Rahul Dravid in their arms and enlisted their team-mates to joyously flip him in the air, on the Barbados pitch where their contrasting journeys culminated in an epic climax, the circle of joy felt complete. Dravid, whose greatest blight as an India captain happened in the Caribbean in 2007, was seeking redemption in his last game as India coach on the same shores. Sharma, whose international career took its own sweet time to warm up, needed this T20 triumph to join the pantheons of great leaders that includes Kapil Dev and MS Dhoni. This was his last T20 international and it's unlikely he will be fit and around for the 2027 ODI World Cup. Kohli, who had had a disappointing T20 World Cup — his last too — puffed out his chest in the final. The match will stay in the minds of all three for years to come.

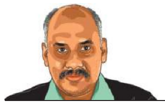
Seldom has an acutely self-conscious Dravid let himself go as he would do at the end. Rarely has Kohli and Sharma celebrated the way they did, wrapping each other with an Indian flag and holding the trophy together. It isn't just a reward for the last month in the US-Caribbean region but for the hard work and heartaches that have gone on in the last couple of years, at least. They came close to a whisker of doing this last November but were denied by Australia in the ODI World Cup. The stars had seemingly aligned then but combusted, leaving a lingering sign of whether they would ever overcome the final hurdle in an ICC tournament. The victory at the T20 World Cup has to be seen in the context of this achievement: Three men eager to hand over the baton to the next generation, but with their job accomplished and not wanting to pass on the burden of an unfulfilled past. Fittingly, Sharma showed the younger generation the aggressive template, taking it upon himself to do the hard yards as an opener while Kohli showed how to own big-game pressure. And, it was Dravid, who deflected attention from himself and ensured no panic calls were taken.

Nothing came easy on Saturday. India was wobbling when Axar Patel, promoted up the order, came up with a memorable World Cup final cameo. Kohli kept guiding the team along, holding his end. Though the spinners didn't have a great day, the troika of Hardik Pandya, Jasprit Bumrah, and Arshdeep Singh pulled off a heist in the dying minutes with more than a little bit of magic from Suryakumar Yadav. He was on the edge of the ropes, as was India at that moment, but managed to stay on the right side to pull off a great win that will stand the test of time.

FREEZE FRAME

E P UNNY

Tortoise and hare in Barbados



After several near-misses, T20 World Cup 2024 win could be the moment of Indian cricket's flowering

SANDEEP DWIVEDI

THOSE WHO NOW say that they knew India would win the T20 World Cup when South Africa needed 26 runs from 24 balls with six wickets in hand are either lying or have a passing interest in cricket. The rest, rather most, had reasons to give up on their team on this nervy Saturday evening.

They had seen Chetan Sharma bowl a full toss on Javed Miandad's legs in the '80s, wept with Vinod Kambli in the 90s and felt disillusioned with Sourav Ganguly's men at the final hurdle in the early 2000s. By the time Virat Kohli and Rohit Sharma took charge as captains, they had made peace with frequent World Cup heartbreaks. But for the M S Dhoni era, when cricket-watching wasn't a nerve-jangling trauma destined to doom, Indian fans had seen a lot and were justified in being cynical about tight games.

After this T20 World Cup, Barbados 2024 could well go down in history as the place and time for Indian cricket's sudden flowering. And it was an innocuous-looking Hardik Pandya delivery — millimetres away from being called a wide — that might have put Indian cricket on the path of world domination. If not that, it has at least changed the psyche of its fans forever.

That game-changing Hardik variation that foxed Heinrich Klaasen didn't have the visual appeal of the Shane Warne mind-bending turner to Mike Gatting to be called the Ball of the Century but it was a priceless anecdote central to a charming fairytale and possibly the crucial turn that placed Indian cricket on the path of a potentially watershed win.

Recall the timing of the Klaasen wicket, zoom in on the fingers that worked on the ball, try getting into the overburdened mind of the bowler to understand why Hardik was India's real Houdini. Just before Hardik bowled that special ball, Klaasen and his partner David Miller had filched 24 in an Axar Patel over and 4 from Bumrah's. Defend Bumrah, attack others — it was a time-tested, perfect plan. They didn't need to take any risk but India needed to tempt them. Miraculously, Hardik did.

Lesser bowlers in such situations are prone to mind freezes, they forget their game plans, disregard learnings they gathered at nets and allow the adrenaline to dictate their actions. They also allow the fear of failure to seep into their minds and think of repercussions that await them. Had Hardik done that, a shiver would have run down his spine. As he would say after the final, the last six months had been a nightmare for him. Boos of Mumbai Indians fans at Wankhede still ringing in his ears, toxic comments about him still on his timelines, he was aware of the illogical ire of the unforgiving cricket fans.

Desperate pacers tend to bowl faster and bang the ball short to get wickets. This approach makes them predictable and, in turn, ineffective. Indian bowlers have repeated the mistake for decades. Zaheer Khan's wayward opening spell in the 2003 final is Exhibit A of this inquest. Lack of originality, skills or big stage fright is why these bowlers lose the plot when it matters the most.

Hardik didn't get yips on his big day. Even under pressure, his mind was ticking. He presented Klaasen with a wobbly floating cutter that was way beyond his reach. In Mumbai maidans, the ball has a name. It's called *zeher ka laddoo*, a dessert laced with poison. Klaasen was fooled. His mind failed to read the pace of the ball, the same was true for his hands. He ended up edging the ball and was out.

This was the classic "Tortoise and Hare" fable being enacted on the cricket pitch. Ingenuity and trickery had got the better of the opponent who seemed to have taken the win for granted. While Klaasen had a momentary lapse of concentration, his ego got the better of him. Hardik, meanwhile, had stuck to his process. As a thinking T20 all-rounder, he had to bank on his intuitive variations to stay relevant in a format being owned by the batting buccaneers in connivance with the authorities. That's exactly what he did.

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Earlier in the tournament, in another important game against Australia, Kuldeep Yadav had played the Tortoise when he was up against another certified Hare — Glenn Maxwell. As in the final against South Africa, India, despite posting a creditable total, seemed in danger of being run over by the double-engine bullet train power by Travis Head and Maxwell, who were giving the usual IPL treatment to Indian bowlers.

Yadav, too, didn't think of conjuring a dream ball that would sneak around Maxwell and hit the stumps. He was more practical and scientific. When being hit by the Aussie batsmen, he watched the batsman's feet and second-guessed his intentions. He didn't let the situation get the better of him. So when Maxwell charged at him, Kuldeep pulled the length of the ball, pitched it far from his reach and made it spin at a lazy pace. The wild bat swing was too fast, the ball too slow and sly. He was conned and clean-bowled. Mindfulness had got the better of thoughtlessness.

The genius of Jasprit Bumrah alone couldn't have won India the World Cup. They needed the collective bowling intellect and calmness of the rest of the bowling unit: Hardik, Yadav and Arshdeep Singh. They were up to the task. The Indian bowlers in this tournament surveyed the scene very differently from the way the world looked at it. They pushed against the wall, they didn't think of defeat. They constantly searched for that one sliver of hope in the most hopeless of situations. They regularly planted a splinter of doubt in the minds of the rival batsmen.

The wickets of Hardik and Kuldeep are a breath of fresh air to the T20 format that is increasingly moving away from cricket and aligning with baseball. Klaasen has said how he spends little time in the nets batting, he is more into focusing on his bat swing. Hitting coaches with long stints with baseball teams are now seen in the dugouts of franchise teams. India's nerve-less clever bowlers show that all is not lost. The bowlers from the land of illusions, deception and the rope trick could stop the striding march of the bat-swinging hitters on T20 turf.

Though, a bit late in the day, India has finally found the cunning to get to the Cup. If only Chetan Sharma had thought of a wobbly floating *zehar ka laddoo* instead of the juicy full toss on Miandad's legs.

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GANDHI & MARTIN LUTHER KING

James Lawson, non-violence activist and trainer, was a key link between the two

RAJNI BAKSHI

IT IS RARE that a single individual carries an ideal across continents in ways that make it more practicable. James Lawson, American non-violence activist and trainer, was such a person. In most listings of India's influence in the world, Lawson may barely find a mention. He served as a key link between the Gandhian non-violence of India's freedom struggle and the struggle against racism in the US.

Lawson, who died on June 9 at the age of 95, leaves behind the legacy of having inspired countless movements for justice through non-violence. Should we see activists like Lawson as outliers? Or is there possibly an anchor here for defiant optimism?

While in high school, Lawson had already begun a inward journey. From an early age, he was clear that "turn the other cheek, pray for the enemy, see the enemy as a fellow human being" were not passive principles. Lawson knew that these were potentially the building blocks of an active resistance movement.

In the early 1950s, Lawson refused to be drafted into the American army and spent 13 months in prison. After being released in 1953, he accepted a position to teach athletics at Hislop College in Nagpur. Over the next three years, studied the theory and practice of non-violence — learning from the followers and fellow travellers of Mahatma Gandhi.

A lifelong United Methodist pastor, Lawson later said in an interview with 'Fellowship Magazine': "I combined the methodological analysis of Gandhi with the teachings of Jesus, who concludes that there are no human beings that you can exclude from the grace of God." During Gandhi's lifetime, several African-American activists had engaged with him and exchanged notes. Lawson's unique contribution was that he drew on his study of Gandhian nonviolence to develop practical methods and training tools that empowered the African-American struggle for equal rights and justice.

Lawson was still in India when the Montgomery Bus boycott began. This protest campaign, between 1955-56, opposed the racial segregation of public buses in Montgomery, Alabama. It was as a member of this movement that Rosa Parks refused to surrender her bus seat to a White person, was arrested for this action, and became a global icon in the fight against racism.

By the time Lawson returned to America in 1956, the movement led by Martin Luther King Jr had gathered momentum. But there was a long journey ahead and King knew that this required intensive training. At King's insistence, Lawson moved to Nashville, Tennessee, and began working across the southern US to recruit and train thousands of direct-action activists. The militant nonviolence, which Lawson taught, involved the systematic use of nonviolent pressure by interracial teams of activists who would sit at lunch counters reserved for White people, defying segregation laws.

Martin Luther King Jr. later celebrated Lawson not only as a crucial figure in the American nonviolent civil rights movement but as a leading theorist and strategist of nonviolence in the world.

King's assassination in 1968 did not shake Lawson's faith, instead his resolve seemed to be further strengthened. Lawson visited King's assassin, James Earl Ray, in jail and befriended him. Thirty years later, as Ray was dying in prison, it was Lawson who visited the inmate on his deathbed and later conducted the funeral service.

King's assassination in 1968 did not shake Lawson's faith, instead his resolve seemed to be further strengthened. Lawson visited King's assassin, James Earl Ray, in jail and befriended him. Thirty years later, as Ray was dying in prison, it was Lawson who visited the inmate on his deathbed and later conducted the funeral service.

To the very end, Lawson was a loud and passionate opponent of America's use of military force in the world. In a 2022 interview, Lawson described the US as "the number one enemy of peace and justice in the world."

For Lawson, the Black Lives Matter movement, which brought the struggle against racism to the forefront again, is a call "for the dismantling of the old forms of racist violence that we have taken for granted and replacing them with new forms of kinship that will allow us to be a far stronger nation..."

However today, across the world, this quest for new forms of kinship is facing unprecedented challenges as "cancel culture" is equated with being progressive. This is partly because it is easier, maybe even comforting, to think the worst of your opponent. Demonising your opponent arouses passion and more readily grabs public attention.

Therefore, the legacy of Lawson is paradoxically both a beacon and an anchor. It will keep drawing in those who can even faintly see that love can be an active force in the struggle for justice. And, thanks to intensive documentation of the methods of nonviolence training that Lawson developed, he will also serve as an anchor for those who seek practical guidance on the path of defiant optimism.

The writer is founder of the YouTube channel, Ahimsa Conversations

JULY 1, 1984, FORTY YEARS AGO


INDIAN EXPRESS

SIKH SUICIDE SQUADS

THE EXTERNAL AFFAIRS Ministry has received two separate alerts from the Indian mission in Canada that two suicide squads of Sikh terrorists have left for India to carry out anti-national activities. The government has cautioned all airports on international routes. One squad is comprised of four members, the other has two.

BOLIVIA PREZ ARRESTED

BOLIVIAN PRESIDENT HERNÁN Siles Zuazo was arrested by two army officers but Bolivian Army units remained faithful to their commands and to "defending the democratic process," presidential secretary-general Miguel Urioste said. Earlier, at a Latin Americas conference in Lisbon, Portuguese Prime Minister Mario Soares said the Las Paz government was overthrown in a military coup.

JANATA SPLIT IMMINENT

THE ANTI-CHANDRA Shekhar faction in Bihar, which has caused a formal split in the state unit, believes that some other state units may follow suit and bring about a division at the national level. This was indicated by S N Sinha in his speech soon after his election as president of the state unit by the state council. Sinha criticised the manner in which the party chief "humiliated" leaders like Morarji Desai and Subramanian Swamy and himself without regard for constitutional niceties.

PUNJAB IN 24 HOURS

Terrorists killed one person and injured another while the security forces arrested 81 suspected terrorists during mopping-up operations in Punjab during the past 24 hours and recovered more arms and ammunition. A report from Batala said a farm worker was killed with sharp-edged weapons while he was asleep by some unidentified persons in Gurdaspur district.

OUR VIEW

MINT

RBI's financial stability report is not worry free

The latest edition of the FSR reveals some disquieting trends. The clean chit of health given to banks must not blind us to potential dangers lurking in the macroeconomic firmament

In the 'collective assessment' of the Sub-Committee of the Financial Stability and Development Council on current and emerging risks to the stability of the Indian financial system, our financial sector was in good shape as of March 2024. So says the Reserve Bank of India's (RBI) *Financial Stability Report* (*FSR*) released last Thursday. Though the term 'financial stability' encompasses much more than the stability of the banking sector, the *FSR* focuses on banks on the grounds that our financial system is "bank dominated and, therefore, sound health of the banking system is a *sine qua non* for preserving financial stability." The good news is that banks' balance sheets are "consistently improving, with multi-year low non-performing asset (NPA) ratios, higher provisioning, stronger capital positions and robust earnings," thereby "catalysing a broad-based and sustained credit expansion." Better still, the Indian economy is "poised to sustain resilient growth anchored by macroeconomic and financial stability." Given the close link between the health of the banking sector and that of the overall economy, this is doubly reassuring. Does this mean all is well?

Not quite. Beneath its apparent gloss, the *FSR* has disquieting stuff on many fronts, notably a decline in our gross savings rate to 29.7% of gross net disposable income, and within that, a fall in household savings from 20% during the period 2013-22 to 18.4% in 2022-23. While we celebrate the emergence of India as the world's fifth biggest stock market, with the market cap of listed stocks touching $5 trillion, the decline in the share of net financial savings in total household savings is puzzling. From an average of 39.8% during 2013-2022, this share is now down to 28.5% in 2022-23, while a rise in financial liabilities has resulted in net financial savings falling to 5.3% of GDP during 2022-23, down from an average of 8% during the period 2013-2022. This is a matter of concern and deserves monitoring, says the latest *FSR*.

Equally disturbing is the decline in foreign direct investment (FDI). It is hard to share the *FSR*'s view that FDI flows have only "moderated" when they've dropped from $28 billion in 2022-23 to $9.8 billion in 2023-24. In the same period, foreign portfolio investment (FPI) flows shot up from minus $4.8 billion to $44.6 billion, a difference of nearly $50 billion. Remember, FDI inflows are preferred over easy-come-easy-go FPI inflows or 'hot money.' True, the FDI decline may be partly due to higher repatriations, but its magnitude is a cause for concern. Especially since the inclusion of government securities in the JPMorgan global bond index will likely attract more debt inflows, further skewing the balance against FDI. That's not all. The FSR warns that some asset valuations could be stretched, since, unlike in the past when monetary tightening was associated with risk-off sentiment and softening prices, the latest bout has seen a "sharp increase in prices of relatively riskier assets." In such a scenario, "sudden shocks could precipitate stress that spreads contagiously across financial market segments through correlated sell-offs and band-wagon effects." More so since the "growing importance of the role of non-bank institutions in financial intermediation and higher and hidden leverage could amplify stress even further in the face of large shocks." Clearly, there is much in the report's fine print that warrants more scrutiny. And possibly action.

MY VIEW | THE INTERSECTION

Simply fixing exams won't help: Let's remodel higher education

Reform universities, enable more private participation and institute fairer admission processes

NITIN PAI
is co-founder and director of The Takshashila Institution, an independent centre for research and education in public policy.

The challenge of creating economic opportunities for hundreds of millions of young people has come to the fore this year. As I wrote in my previous column, on the employment front, India must create 20 million jobs per year. The ongoing public outcry over the National Testing Agency's (NTA) mismanagement of NEET-UG, NEET-PG and UGC-NET examinations highlights a related concern: of meeting the career aspirations of tens of millions of young people seeking quality higher education. With half the population of the country—or around 700 million Indians—below the age of 28, our youthful demographic profile is demanding its dividend.

Just as in creating jobs, we need dramatically different thinking in higher education. The current model—where millions of candidates compete for a few thousand seats—has run its course. Yet, political compulsions and policy realism have led to just incremental adjustments. To be fair, increasing the number of seats by 10% every year, as India has done for medical education since 2019, would be an admirable feat in any country. But India is not any country. We need to scale up at a different level to satisfy swelling aspirations.

While an expert committee investigates the NTA's lapses in conducting examinations, the locus of policy change should be the supply of higher education. Not only have we created an academic elite—IITs, NITs, IIMs, AIIMSs and established medical colleges in states—we risk replicating this across the university system.

In the first place, the thrust of education policy ought to be on strengthening university systems in the states, where most of India's young people study. The real scandal is not how national entrance examinations were compromised, but how our universities have atrophied. And how governments and citizens seem to have given up on them. If public investment and policy attention is focused on the hundreds of universities across the country, on helping them upgrade their capabilities and break the bad habits they have fallen into, the pressure on students of getting into a few elite institutions will abate. Similarly, vocational education is a big part of the answer. To get it going requires a lot more than setting up good training institutes. We must change social norms and status-signalling to indicate that a vocational diploma is a prestigious and remunerative qualification.

Second, the supply of professional education cannot keep up with demand unless there is a much greater role for private and for-profit institutions. In states that have liberalized engineering education, for instance, there is no shortage of seats and it is possible to get into a good college without going through a traumatic entrance exam preparation process. Business and management education too has grown through private participation. Medical education can be expanded likewise. However, as my colleague Pranay Kotasthane has pointed out, many of the regulations for setting up medical colleges are unreasonable and disincentivise scale. Moreover, despite having the largest number of medical colleges in the world, India is not producing enough doctors.

Third, as Ajay Shah and I argued in an op-ed in *Business Standard* last year: "We think that replacing the JEE with a lottery-based allocation to IITs will have transformative effects for Indian education. It is already a lottery today, but one where the ticket so expensive that only well-off families can afford it. A typical fee for a year's JEE coaching is close to what an average Indian earns in a year. The JEE is a poor estimator of true capability, and it is hard to say the 80,000 who do not make it are systematically inferior to the 20,000 who do. Many chance factors are tipping the scales today, such as a student being unwell on the exam day, or a heat wave at the test centre."

"There is a better way to allocate public resources. The price of an IIT lottery ticket can be reduced to zero. Seats can be randomly allocated to applicants who meet basic requirements. Specifically, we could envision a first-level exam, which is not about the things that Google knows. Out of that the top 200,000 ranks are shortlisted. At the second stage, a random list of 20,000 would be chosen to attend the IITs. A basic screening exam followed by a random allocation, respecting reservation quotas, would be a fairer and more humane way to allocate places in elite engineering and medical colleges. A lottery will make the luck dimension explicit. Such a system is more in the public interest than the current one. Instead of spending lakhs of rupees on tutorials, parents and schools will focus on learning and understanding the high school syllabus. Universities and colleges across the country will get better, with more demanding students and parents. The IITs and AIIMSes will get a more diverse cohort. We think this is a far more equitable method."

Sure, these proposals might sound heretical. The onus, however, is on those who defend more-of-the-same incrementalism to prove that current solutions scale as fast as the challenge. Getting the NTA to conduct exams well merely solves the entrance problem. It does not create more opportunities.

10 YEARS AGO


mint
MARKETS: Sensex posts best quarter since 2009
Reliance barrels towards face-off with Modi govt
SAT dismisses RIL's appeal against Sebi
Is the rise in vegetable prices a seasonal effect?
QUICK EDIT
Emotional contagion
Paper boat surprises its makers with buoyant sales
GIVING WINGS TO ASPIRING INDIA

JUST A THOUGHT

> Education is the most powerful weapon which you can use to change the world.
>
> NELSON MANDELA

MY VIEW | MODERN TIMES

The spectacle of the West is as interesting as it ever was

MANU JOSEPH

is a journalist, novelist, and the creator of the Netflix series, 'Decoupled'

Most of my life, I didn't need tourism. The first time I went on a vacation was when I was 27, and it was just about 20km across the bay from Mumbai, where I lived. But, finally, I was on this famous thing called a vacation. I am not including some beautiful places I visited on work, alone. The vacation was highly enjoyable, probably because of my company, but I gave primary credit to the concept of leisure travel, and I thought I must travel more and further, and for no better reason than to be elsewhere. But I wouldn't go on such a vacation for another two years. The first time I took a flight for a vacation was when I was 32. And I am not that old at all.

Since then, I have been on numerous trips. Once, I saw people kayaking and thought it looked fun. I found a kayak, and realized that its seeming fun is entirely a triumph of imagination. It didn't match the actual experience, like many things in life. Every time I see people having fun, I recall that kayak.

I did enjoy most vacations somewhat, but I never fully understood them. I didn't consider them "a break" because I don't understand the concept. A real break, to me, means a break from myself, but I'm always there on my vacations. Also, the idea of going to a beautiful place for a few days only to return to an ugly Indian city seemed pointless. And I never took seriously the idea of going somewhere to breathe fresh air. What's the point? You always return home.

I have now been to all the continents, including Antarctica (though that was on work). And I am yet to fully see the point of tourism. I do enjoy it, but I can see why ancient people never did it. It is particularly pointless if you are a happy person, so your head is a resort anyway and you do not need to flee your life. But I do enjoy taking a break from India.

Only that motive makes sense to me, even though, these days, no matter where you go, you cannot be free of Indians. I'm in London right now and it is filled with Indian tourists.

I like visiting the West because I enjoy the spectacle of it. Its people think they are Bohemian, but they are so orderly. Even a rebellious hippie follows most civic rules. Watching the West being orderly is like a circus to me. You just stand on a narrow lane and cars stop to let you pass. That leads to some problems because I tend to just stand on the kerb, with nowhere to go, and this makes cars wait even as I wonder whether I should cross. This really infuriates truck drivers and they honk at me.

Anywhere in the West, I can spend hours just watching cars go in their lanes, especially on bends. They never leave their lane, as though they are orbiting a sacred moral, forever in the gravitational pull of an invisible cultural black hole. I wonder at what per capita income level a society begins to drive in road lanes. Will it ever happen in India, or is it too late?

Even rebellious hippies in the West follow most civic rules. Lane driving can look like a circus to an Indian

Over the past 20 years since I first visited the West, I've been told that its nations suffer from economic gloom. But I have always found the West filled with street joy. There is laughter and beauty, and if there is no hope, it does not show. As an Indian, I have a very different threshold for what despair means.

London is often described as multicultural, which is not entirely true. Its visible unchanging soul is primarily British and Western. The West may appear to absorb some alien ways, but its fundamental quality is that it does not adapt to another culture. If it transforms at all, it is because everything transforms over time. The West does not become other people the way we have become other people. We know how the West changed us; but if we ask how we changed the West, we may not find a convincing answer.

The strongest Indian resistance to Western culture is through food. When Indians flock to so-called Indian restaurants abroad, they often have a grimace as they eat because they are usually consuming lousy Indian food at four times the cost. Prices in the West are another spectacle. It was an even bigger spectacle when India was cheap and I was poor. Entering London was like walking into hyperinflation. It was darkly entertaining, and still is. As an Indian, I have to absorb both local inflation and the rupee's further depreciation each time I visit.

An odd thing about people who claim to see the point of tourism is that they don't seem to enjoy it as much as I do. It is easy to see the suffering of many middle-class Indian tourists. As things are, family vacations are fraught with risk because the family moves from a large space to a squished hotel room. They have to face each other for long hours without respite. One of the unspoken truths about human beings is that most of them cannot take full exposure to family for more than four hours a day. Particularly miserable are families who travel with infants. Without domestic help, they end up toiling on vacation. And the only person who suffers less than at home is the baby, who will not remember anything. My unsolicited advice to new parents is that they should not waste money on a foreign holiday unless their child develops memory space.

Over the past 20 years, the Indian tourist has become somewhat more comfortable dealing with people of the West, especially the swag of the Western underclass. Still, many Indians visiting the West seem suffocated by all the order and quality and need to behave themselves at all times. I get the feeling that Indians visit Indian restaurants partly to scream at Indian waiters, as some kind of cultural relief.

GUEST VIEW

Seven years of GST: Its adoption has been a remarkable success

The tax has performed well despite law tweaks and input-credit glitches and now needs its appellate tribunal operational

DINESH KANABAR & RANJEET MAHTANI
are, respectively, chief executive officer and partner at Dhruva Advisors LLP.

PTI

On 1 July 2017, when the Goods and Services Tax (GST) was implemented in India, one could not have guessed the size of monthly gross collections seven years ahead. May 2024 reported gross collections of ₹1.73 trillion. The average in the early phase was about ₹ 0.9 trillion, which today hovers at upwards of ₹ 1.5 trillion. The relevant data reveals a widening of the tax base, increased compliance, plugged leakages and better enforcement.

A hat-tip to the GST Council is first in order. It is India's largest and most successful Constitutional body till date; most recommendations emerged by means of a consensus among members, with voting seldom required. And the Council has ably guided and shaped GST in India.

The motto, "One nation, One market, One tax," captured how GST aimed to eliminate inter-state barriers to trade, fostering economic integration and enhancing the ease of doing business. The labyrinthine structure of the erstwhile indirect taxes regime often hindered inter-state trade, burdened businesses with multiple compliance requirements and bred inefficiencies in the supply chain. The GST regime brought the nation under one umbrella by subsuming 17 taxes and 13 cesses; its architecture was a winner from the beginning. It has eased how we do business in India; no longer do we witness goods carriers queuing up at octroi or entry tax check-posts for hours on end. Let's take a closer look through four prisms.

Digitalization: GST has been in consonance with the clarion call for a 'Digital India.' The tax system is nearly fully digital, making it ready for the future. Technology was harnessed from the get go, starting with registration to all compliances and filings being done online via the GSTN portal. The Revenue Department has taken to data analytics and various technology-enabled tools to assist it during audit and assessment proceedings. After overcoming initial teething issues, including a still-born credit matching system, today the GST regime has an impressive monthly throughput of information recorded. The issuance of e-way bills for movement of goods (valued over ₹ 50,000) and e-invoicing for registered suppliers (with a turnover of over ₹ 50 million) has provided timely data to the Revenue Department to detect and discourage non-compliance and fraud. A staggering 103 million e-way bills (inter-state and intra-state) were generated in March 2024 alone.

The GST law: The heart of the GST regime is its code, comprising the Central GST Act, Integrated GST Act and various rules framed. The government has been nimble in updating this code; there have been more than 250 amendments to the central statute and more than 500 changes of central rules. Besides these, the other enactments and rules have been amended from time to time. Hundreds of notifications have been issued for GST rates, exemptions and other legal aspects. The recently held 53rd meeting of the GST Council had recommendations on a variety of topics that will take the form of statutory amendments. Similarly, the GST Council has in the past (and again at the 53rd meeting) recommended more than a dozen topics (mostly legal issues) on which clarifications will be issued. It cannot be said that the code was flawless, but the volume of changes reveals an intent to improvise and improve the law so that it evolves in response to shifting circumstances. In turn, tax-law practitioners, taxpayers and the administration have been tasked with wrapping their minds around an ever-evolving law, lest there be a lapse or transgression.

Input tax credit: This set-off system has been the fabric of GST, a far cry from the erstwhile tax regime that led to a cascade of taxes. The GST regime has all but eliminated the cascading effect of taxes by enabling taxpayers to claim input tax credit (ITC) seamlessly. Anecdotally, various sectors, including logistics, manufacturing and retail, have witnessed operational efficiencies and cost savings due to GST. The Prime Minister recently noted that GST has been reformative, as it led to goods for household use becoming cheaper, translating into savings for the common man.

The digital matching of ITC was not operationalized in the initial years of GST, and so the shift from provisional availment to invoice-level reconciliation (Form GSTR-2A/2B) has been challenging and a difficult change for taxpayers. Unfortunately, this resulted in an avoidable avalanche of mismatch notices that forms the bulk of today's GST-related litigation in India.

Some aspects of the tax credit system require a relook so as keep a cascading effect of taxes at bay. The GST Council should revisit the blockage of ITC on construction-related expenditure, especially, given how the creation of infrastructure or any other immoveable apparatus can generate taxable revenue. The inclusion of petrol, diesel, aviation fuel and natural gas in the GST net, while significantly increasing collections, will offer relief from a tax cascade in a big consumption category.

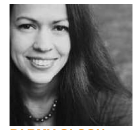
Litigation and dispute resolution: An effective mechanism for dispute resolution is the backbone of any tax regime, especially so in India, where tax litigation is widespread. On this front, the GST regime has fallen short. Seven years since the tax rollout, we still do not have an operational GST Appellate Tribunal (GSTAT). The absence of this mechanism has led to a backlog of litigation and burdened our high courts. Ironically, even the setting-up and framework of the GSTAT underwent legal challenges, although the decks have been cleared for it. Hopefully, the GSTAT will be up and running within calendar year 2024.

In conclusion, GST in India is here to stay, unlike in Malaysia, which introduced it and abolished it in less than five years. Indubitably, the Indian GST regime will go from strength to strength after the inclusion of petro-sector commodities and further digitalization. In time to come, perhaps the Indian GST regime will be hailed globally as a model for other economies to follow.

MINT CURATOR

AI players should promote the intelligence of clean solutions

The industry must innovate on reducing its enormous energy use



PARMY OLSON
is a Bloomberg Opinion columnist covering technology.

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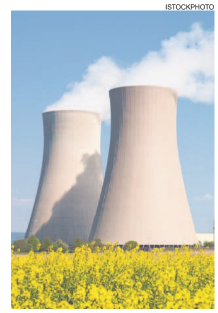

AI pioneers are bent on using nuclear power for energy-guzzling models

The artificial intelligence (AI) hype that made Nvidia the world's biggest company has come with a price for the world's climate. Data centres housing its powerful chips are gorging power and belching carbon dioxide, and sobering figures now reveal the extent of the problem. Data centres will use 8% of US power by 2030, for example, compared with 3% in 2022, according to a recent report from Goldman Sachs Group, as their energy demand grows by 160%.

AI is currently doing more to worsen the climate emergency than solve it, as some AI firms have touted. So great are the energy needs that utilities are extending their plans for coal plants, while Microsoft Corp is building gas and nuclear facilities partly to keep its servers humming.

Add this all to the growing discontent about generative AI tools. To not only stem the tide but also uphold their goals of building AI "for humanity," tech firms like OpenAI, Microsoft and Alphabet's Google must grow their teams addressing the power issue. It would certainly be possible. A few signs of progress suggest the trick may be to redesign their algorithms.

Generative AI models like ChatGPT and Anthropic's Claude are impressive, but their neural network architectures demand vast amounts of energy, and their indecipherable 'black box' decision-making processes makes them difficult to optimize. The current state of AI is like trying to power a small car with a huge gas-guzzling engine: It gets the job done, but at enormous cost.

The good news is that these 'engines' could get smaller with greater investment. Researchers at Microsoft, for instance, have developed a so-called '1 bit' architecture that can make large language models about 10 times as more energy efficient than the current leading systems. This approach simplifies the models' calculations by reducing values to 0 or 1, slashing power consumption without sacrificing too much performance.

The resulting tech isn't the most capable, but a good example of a 'contrarian' approach that can immediately reduce AI's cost and environmental impact, according to Steven Marsh, founder of Cambridge, UK-based startup Zetlin Ltd, which is working on building more efficient systems.

Marsh says he's making progress. His team recently trained a neural network-based AI model on an Nvidia graphics processing unit (GPU), and the system heated up so much that they had to bring fans into the room over five days. When they ran the same model with their proprietary, non-neural network technology, it used just 60% of the power. The current approach, Marsh says, is "like putting a rocket engine on a bicycle."

Nvidia has also taken promising steps toward addressing the energy problem. A couple of years ago, it developed a new format for its chips to process AI calculations with smaller numbers, making them faster and less power hungry. "Just that little tweak on the silicon saved a lot of energy," Marsh says. If companies designing AI systems take better advantage of that tweak, they could save energy eventually.

It doesn't help that AI companies are in an arms race. OpenAI and Anthropic have raised $11.3 billion and $8.4 billion, respectively, according to data provider PitchBook. Much of that money isn't going to recruitment (they each have workforces of just a few hundred people). Instead, it's being poured into running servers that can train and run their models, even as their investment leads to diminishing returns. (There is evidence that the latest text- and vision-reading systems are showing smaller advancements in areas like accuracy and capability.)

Those companies, along with Google, Microsoft and Amazon.com Inc, should devote additional money to refashioning their algorithms to save energy and cost. Collectively, it's been done before. Data centres managed to keep their power demands flat between 2015 and 2019, even as their workloads tripled, because their operators found ways to make them more efficient, according to Goldman Sachs.

OpenAI Chief Executive Officer Sam Altman has talked up nuclear fusion as an answer to the problem, having personally invested $375 million into an enterprise called Helion Energy. But he might well be creating hype around a new energy technology that has seen recent advances but on current trends won't be commercialized for several decades.

Rather than outsource responsibility to a futuristic energy source or superintelligent AI that doesn't exist yet, tech firms should focus on making their models more energy efficient now. After all, breaking away from established and inefficient systems was how this revolution was kicked off in the first place.

MY VIEW | GENERAL DISEQUILIBRIUM

There are no neat solutions to the country's Neet fiasco

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The nation is yet to recover from the shock of how the National Eligibility cum Entrance Test (NEET) has crumbled under the weight of its own contradictions, discommoding over 2.3 million aspirants who took the centralized examination for admission to undergraduate medical courses. Its collapse shows all that is wrong with the government's education policy, highlights biases in its people selection policy and also underscores its centralization tendencies.

The NEET's introduction was not such a bad idea, considering the systemic malaise that existed earlier. The surging demand for medical education collided against limited availability of seats in government colleges; private-sector entrepreneurs stepped into the breach, repurposing admission tests and cut-offs as extortionate revenue sources, with blessings from the political class. In addition, many states conducted separate entrance tests. An earlier attempt to consolidate most entrance tests under the All India Pre-Medical Admission Test, NEET's predecessor, was scrapped by the Supreme Court due to similar problems of paper leaks and testing irregularities.

NEET's breakdown has led to the usual hand-wringing, followed by a routine reshuffling of personnel and boilerplate promises of tighter supervision. This only manages to kick the problem down the road, giving time to ingenious and corrupt forces to regroup and find new ways of gaming the system. There is simple economics at work here: when 2.3 million students vie for only 106,000 medical seats, something has to give. It is therefore doubtful whether standardized entrance exams, which have become more like lotteries, can bridge the demand-supply gap. There should also be a national debate on whether the government should be feeding the nation's obsession with medical and engineering education. The lack of diversified employment opportunities is forcing desperate students to seek medical education even in violence-torn countries such as Kyrgyzstan.

In all the column centimetres and prime-time slots devoted to discussing and dissecting the NEET controversy, there will hopefully be some dialogue about the government's recruitment policy for the education sector. There seems to be a fond belief that hiring engineers or management graduates will solve all governance problems: NEET's former chief Subodh Kumar, who was replaced after the recent NEET scandal, was an engineer and an MBA. Manoj Kumar Tiwari, an engineer with a teaching career largely confined to engineering colleges, has been appointed vice-chancellor at one of India's leading social sciences universities, Tata Institute for Social Sciences. The chairman of University Grants Commission, M. Jagadesh Kumar, is also an engineer who taught at IIT-Delhi. In their recruitment, the primary considerations seem to have been their engineering degrees and political affiliations rather than expertise.

Addressing it requires long term answers, not a temporary fix that eschews planning, skills and systems

Most institutes of higher learning today are run by administrators, rather than specialists trained in the science of education. With administrators focused on conducting tests and infantilizing students, rather than achieving educational excellence, the skew has set in motion a chain reaction of misunderstandings and mis-steps. Consequently, the cycle of exam paper leaks, errors in question papers, badly written text books, tests not conducted on time and sale of answer keys before an exam continues unabated.

The education sector is replete with instances of misguided staffing. The director of the National Council of Educational Research and Training, D.P. Saklani, has been in the news for allegedly rewriting history textbooks with half-truths. Another example is the government entrusting career bureaucrats with powers to decide how clinical psychology should be studied at the post-graduate level across the country; these officials have used their training and natural instincts to create roadblocks and artificial shortages. This kind of centralized administrative control has created a fertile breeding ground for untrained amateurs and poseurs playing havoc with the mental health of unsuspecting patients. The rationing mindset, or call it licensing reflexes, probably has more than nine lives, but it is mercilessly cutting many legitimate careers short before they even had a chance to blossom.

One clear villain in all this is the government's reflexive tendency to centralize, and that is creating multiple friction points. Centralization of powers in the National Testing Agency, responsible for conducting the NEET and other entrance tests, was meant to achieve standardization and uniformity. However, this sits uneasily with the nation's diverse cultural and social fabric, as well as with its varied geography. The National Education Policy of 2020 prompted noted educationist and scholar Krishna Kumar to observe in the *Economic and Political Weekly* (*June 2023*): "…a new national policy has recommended a stronger and larger architecture for the state's supervision, firmly in the centre's domain. How it will gain provincial acceptance is something for the policy writers to worry about in future. But then, India's diversity was not their major concern."

India faces a crisis in the education sector, both at the school and higher education levels. This requires long-term solutions, not *jugaad* or a seat-of-the-pants management style that eschews planning, skills, systems and structure.

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PAPER WITH PASSION

Grit and glory

India's T20 World Cup win after a 13-year hiatus is a story of resilience, brilliance and sheer determination

Team India has done it again. It has once again etched its name in the annals of cricketing history by winning the T20 World Cup, ending a 13-year-long wait since their last title in 2011. Like any victory, it doesn't come cheap. A lot of hard work and dedication of the players along with the efforts of the coach and supporting staff must be felicitated for this triumph. The journey to this momentous victory has been a roller-coaster ride, filled with trials, tribulations, and moments of sheer brilliance. This win not only brings immense joy to millions of cricket fans in India who have been at discomfort due to scorching heat. Finally, the monsoon shower and cool breeze of victory brings them joy and something to cherish for years to come. Indeed, the path to this historic win was anything but easy. The final itself was also a heroic effort as team India was under pressure till 15th over when the data analysis showed that India had only eight per cent chance to win. India's campaign in the T20 World Cup saw a mix of thrilling victories and nail-biting finishes. Led by a dynamic captain, Rohit Sharma, (described by Shoaib Akhtar as a 'selfless captain') India showcased a blend of experienced stalwarts and young talents, creating a balanced and formidable team. The group stages witnessed India dominating their opponents with a series of comprehensive wins. A standout performance came against arch-rivals Pakistan, when India came back in the game to win the match.

The bowlers, led by a fiery pace attack and wily spinners, ensured that opposition teams struggled to find momentum. Several players stood out for their exceptional performances throughout the tournament. The captain's leadership was instrumental, his tactical acumen and ability to inspire the team played a crucial role in India's success. The bowling unit, led by a veteran pacer, Jasprit Bumrah was indeed impressive. His ability to swing the ball both ways and deliver crucial wickets when Team India needed it most. His over was a turning point of the match. As the celebrations continued after India's historic triumph over South Africa for the T20 World Cup title, it marked a poignant moment as two stalwarts of Indian cricket, Virat Kohli and Rohit Sharma, announced their retirements from T20 internationals. The victory has indeed lifted the spirits of the people who celebrated in their own style taking to the streets, bursting crackers, and waving the tricolour. The triumph is not just a cricketing success but a moment of national pride, uniting the country in joy and celebration. It is a testament to the hard work, perseverance, and never-say-die attitude of the Indian team. India's T20 World Cup win after a 13-year hiatus is a story of resilience, brilliance and sheer determination. It is a moment that will be cherished for generations and a reminder of the magic that cricket can bring to the hearts of millions. Well done team India. Keep it up!

PICTALK

Devotees wade through a waterlogged area at Dharm Path in Ayodhya PTI

Modi's tumultuous new innings

DEEPAK SINHA

Like a cricket team facing tough opponents, Team Modi relies on aggressive posturing and self-confidence to maintain its stance

The performance of the Modi team in its new innings can be best described using a cricketing analogy. The new team is woefully short of bench strength and faces a serious quality issue, with some members lacking commitment and motivation to the cause. Despite this, they have come out, much like the Aussies always do in any competition, riding their luck on abrasive aggression, hype and self-belief. It is certainly a technique that has worked well for them against most oppositions, forcing them on the back foot from which they seldom recover. But as we have just witnessed in the ongoing T-20 World Championships with their unexpected departure, bluster doesn't cut much ice with teams that are determined to win and unafraid of battle. Perhaps Team Modi would do well to keep this in mind.The truth is Team Modi is on a very sticky wicket, not unlike those in the Caribbean, with uneven bounce and unpredictable turns. Not surprisingly, they are already three down with not much to show on the board. Amit Shah opened the innings but was LBW on the second ball he faced, the Kashmiri loosener, followed by the Manipuri yorker that beat him all up.

On a more serious note, while issues of terror attacks in Kashmir can and will be tackled with relative ease, Manipur is at the opposite end of the spectrum. Not since the Punjab and Kashmir insurgencies initially erupted, with terrible consequences, has the Indian State been found so wanting.

The tragedy is that responsibility for this state of affairs rests squarely with Modi 2.0 and its rather incongruous decision not to interfere as things went from bad to worse with the Chief Minister having been rendered hors de combat. Manipur today has fallen off the cliff and is in need of urgent surgery. If we are to save this patient, and the integrity and health of the North East hinges on that, then the Army has to be pulled out of the cold storage where it sits and allowed to do its job, once again. The second wicket to have fallen was to a railway googly, that of the relatively experienced and administratively skilled Ashwini Vaishnav. Sadly, for him, he's got out to a very similar delivery in his last innings as well and just hasn't been able to discern the googly.

One can feel sorry for him because it is a tough position that he plays, with stress levels that can only be described as gargantuan. That is also the term that one describes our railways as well, and despite whatever the opposition may say, it is in the ICU and needs urgent attention. Not unlike the Air India story, substantive change is unlikely under the umbrella of one ginormous government-controlled public entity. Before 1950, we had around 55 companies operating railways over 55000kms of track until they were all amalgamated into the Indian Railways.

At present with over double that kilometrage of track to expect one single entity to manage operations, nominally in six divisions, is a herculean task that will lead to repeated systems or human failure with dire consequences. Change is inevitable, the sooner the better if lives matter as all politicians insist, be it complete privatisation or a mix of synchronised public and private enterprise.

> THE TRAGEDY IS THAT RESPONSIBILITY FOR THIS STATE OF AFFAIRS RESTS SQUARELY WITH MODI AND ITS RATHER INCONGRUOUS DECISION NOT TO INTERFERE AS THINGS WENT FROM BAD TO WORSE WITH THE CHIEF MINISTER HAVING BEEN RENDERED HORS DE COMBAT

The third wicket down, that of Dharmendra Pradhan, to a vicious NEET bouncer, has been the most devastating for him and the team as well. He's taken a nasty blow on his helmet that seems to have incapacitated him and has the team teetering on the edge of disaster. Whether he can continue to find a place in the playing eleven or if the team can recover and succeed only time will tell. Whatever the result in the long term, there is no getting away from the fact that the NEET scandal has been a body blow to Team Modi and its emphasis on loyalty to the cause above all else.

The fact of the matter is that the problem of leaked question papers has been around forever and rumours are doing the rounds of how influential persons have been able to help their children succeed in such centralised exams, such as the CLAT, through means that were perceived to be unfair. The numbers involved tended to be insignificant, but all that changed with the centralisation of admissions under the NTA, leading to cheating at an industrial scale, for want of a better word.

The damage this has caused to the body politic, especially the upcoming generations, is enormously difficult to fully comprehend. The winners and losers are not divided by ideology, ethnicity, religion or any such measure but by those who have the money and those who don't, and in this game of snakes and ladders the don't have no ladders to climb. The impact of what all of this means for the ruling coalition, which cannot avoid responsibility, is not difficult to gauge and we may well see some of that fallout in the forthcoming state elections, which can then only further add to Mr. Modi's troubles.

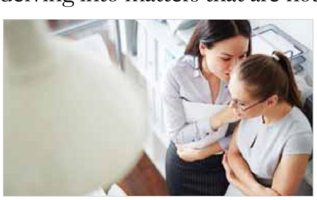
(The columnist, a military veteran and former paratrooper, is presently a Senior Visiting Fellow with the Peninsula Foundation, Chennai; views are personal)

Trespassing in the lives of others: The uninvited interference

SANJAY CHANDRA

Human curiosity often leads us into the lives of others, crossing boundaries and delving into matters that are not our own

We have an insatiable appetite to interfere in the lives of others. The desire to take a bite of even the tiniest morsel from another's life also makes us, trespass on conversations of strangers at best, more often gossip about others, and make inappropriate remarks at the worst.We were a batch of seven railway officials from across the globe on training in Japan in 1991. Our program was coordinated by a young Japanese lady, maybe a couple of years older than me.



A few weeks together had made the eight of us share an easy relationship – easy enough for me to ask the lady one day if she was married. She had been married for almost a decade. I was already the father of two little daughters; thus, my next query if she had any children was probably not entirely baseless. I should have stopped once she had replied in the negative. My thirst to trespass into the private life of another individual kicked in as I asked her the reason.

She was quiet for so long, a myriad of emotions flitting across her face, that I was afraid that this one time I had crossed the line. As I was about to apologise for my impertinence, she responded, "Thank you for an insightful query, which set me thinking. The reason is that both I and my husband are so busy in our daily lives, that we barely spend our waking hours together.

There is just no time for making a baby!" It was a lesson learnt about the price of progress on human relations in the more developed countries. We were yet to witness this back home, at least in smaller cities and towns.I also witness incidents in the lives of others in public places. I am certain even others may be looking at my daily life under the microscope. We don't need to be celebrities for our lives to be trespassed upon. This also sometimes leads to overhearing interesting snatches of conversations.Recently, waiting at the airport for my flight, I observed a father handing over cash to his young daughter to get tea for the family, even before she had had time to put down the bags.

The girl good-naturedly asked him to wait. I smiled and commented with an attempt at humour, "All fathers are like that." The family was not amused.I was in a cabin in the COVID ward of a hospital. The cabin was shared by two more patients. One morning, I overheard the lady on the adjoining bed talking to her husband on the phone rather loudly, "I am much better. You must see the uncle on the next bed. He does not do any exercises, just lying there all the time." The shoe pinched. I was not amused at this blatant trespassing in my life.I have observed that the supposedly well-meaning interference is more prominent during a visit to a convalescing acquaintance and dispensing advice from own morbid experiences.

We cannot forget one such well-meaning advice from a neighbour who did not hesitate to tell us that his father had passed away at my age due to a similar affliction that had kept me bedridden for a rather long time. He may have only been trying to caution us to be more careful.We love to dissect the lives of our friends, and even acquaintances, particularly when they are not around. We usually try to pass off the blatant gossip as honest criticism or well-meaning advice. If only we keep in mind what Wentworth Dillon said, "Words spoken can never be recalled."

(The author is an electrical engineer with the Indian Railways and conducts classes in creative writing; views are personal)

LETTERS TO THE EDITOR

A WAKE-UP CALL

Madam — India has been witnessing a series of tragic infrastructural failures, the most recent being the collapse of the roof at Terminal 1 in Delhi, which resulted in one death and injured five others. Such incidents are unfortunately common, with the country experiencing multiple train accidents and bridge collapses. Data from the Ministry of Road Transport and Highways reveals that 32 bridges have collapsed nationwide between 2020 and 2023.Despite substantial investment in construction, the problem persists. The National Highways Authority of India (NHAI) reported a record expenditure of ?2,07,000 crore on national highway construction for the fiscal year 2023-24, marking a 20% increase from ?1,73,000 crore in 2022-23 and ?1,72,000 crore in 2021-22.

These figures point to a worrying trend of inadequate construction standards and corruption, leading to significant losses and the need for repeated investments. It is imperative that the government implements stringent measures to tackle these issues, ensuring accountability among contractors and relevant authorities to prevent corruption and guarantee the safety and durability of infrastructure.

Jakir Hussain | *Kanpur*

IMPROVE BASIC CIVIC AMENITIES

Madam — The citizens of Delhi recently endured severe heat, followed by heavy monsoon rains that resulted in significant damage and chaos. On June 28, the canopy over the forecourt at Terminal 1 of the Indira Gandhi International Airport collapsed on parked vehicles, leading to one death and six injuries. The intense weather changes left Delhiites in a difficult situation, highlighting the need for better infrastructure and planning.

This issue is not isolated to Delhi; cities like Bengaluru, Hyderabad, and others have also suffered during the rainy season due to poor planning and inadequate drainage systems. While substantial funds are often spent on constructing statues and other non-essential projects, basic civic amenities remain neglected. It is crucial for the authorities to prioritize improving these facilities to safeguard the well-being of citizens.

Nagendra K Vempally |*Hydernagar*

Bridge gender inequality

In response to the news report "25% of new hires are married women, nearly 70% of the workforce are women: Foxconn," published on June 28, I would like to express my views. As India strives to replace China in the global supply chain, incidents like the alleged discrimination against married women at Foxconn's manufacturing plant are highly concerning. Although Foxconn has denied these allegations and stated that 70% of its workforce comprises women, a thorough and impartial investigation is necessary to dispel any doubts.There is a significant disparity in the ratio of men to women in the workforce, and companies like Foxconn can set a positive example by employing more women. This should be encouraged as we work to close this gap. Apple has consistently enforced strict policies with its manufacturing suppliers, and Foxconn should not be an exception. Ensuring gender equality in the workforce is crucial for our progress and competitiveness on the global stage.

Bal Govind | *Noida*

GOVT HOSPITLS IN A DISARRAY

Madam — The 'Indian Public Health Standard' report, produced by the National Health Mission (NHM), reveals a concerning state of government hospitals in India. According to the report, 80 percent of these hospitals lack even basic facilities. This alarming assessment comes from a survey conducted by the government itself, highlighting a severe scarcity of doctors, nurses, and essential equipment in these institutions. The report sheds light on the conditions of government hospitals under the 'National Health Mission' (NHM), a critical initiative encompassing district hospitals, community health centers, primary health centers, and Ayushman health facilities across the country.The 'Indian Public Health Standard' (IPHS) is a digital platform developed by the government to collect hospital statistics. Among the 40,451 hospitals that participated in the survey, only 8,089 met the IPHS criteria. This indicates that 42% of hospitals scored less than 50% on the IPHS scale, while 15,172 hospitals received ratings ranging from 50% to 80%. The report aims to identify and address the deficiencies in these hospitals, with the central government planning to establish 70,000 government hospitals meeting the IPHS standards within 100 days of the new administration's inception. The goal is to ensure that all government hospitals are equipped with basic infrastructure, equipment, and medical staff, thereby improving patient care.

Abhijit Roy | *Jamshedpur*

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Rural Inflation

The economic recovery from the Covid-19 pandemic in India has been marked by a stark K-shaped pattern, where different segments of the population experience recovery at varying rates. This phenomenon is now extending to inflation, further deepening the divide between urban and rural consumers. Recent data reveals that inflation is disproportionately burdening rural areas, with price rises for rural consumers outpacing those in urban regions by a significant margin. A major driver of this rural inflation surge is the soaring cost of food. Rural consumers faced an inflation rate that was 1.1 percentage points higher than that encountered by their urban counterparts in May, primarily due to higher food prices. The recent heat wave has exacerbated this, causing extensive crop damage and livestock mortality. This has led to a paradox where rural areas, traditionally food producers, suffer more from food inflation than urban centres. The interplay of adverse weather conditions and low food stock levels suggests that if monsoon rains do not improve in the coming months, the food inflation crisis in rural India could worsen dramatically in 2024. Fuel prices, another critical component of inflation, have also contributed to the rural-urban divide. The government's reduction in fuel prices provided some relief, but the benefits were largely confined to urban areas where fuels like petrol, diesel, and LPG are more commonly used. Rural areas, which rely less on these fuels, did not experience similar relief. This disparity underscores the need for more targeted policy interventions that consider the unique consumption patterns of rural households.

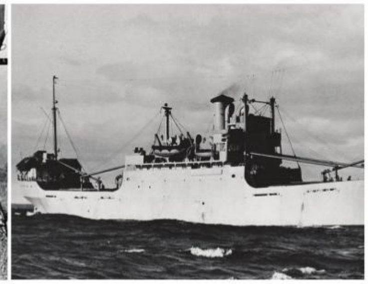
Adding to the economic woes of rural India is the stagnation of rural wages. Data indicates that real rural wages contracted in 25 out of the 27 months leading up to February 2024, with a significant contraction of 3.1 per cent in February alone. Such wage stagnation, coupled with rising prices, has led to widespread economic distress. The declining purchasing power of rural consumers not only affects their standard of living but also dampens overall economic growth by reducing demand for goods and services. The K-shaped inflation dynamics highlight a critical flaw in the current economic structure: the uneven distribution of economic benefits and burdens. While urban areas may be better equipped to absorb price shocks and benefit from economic policies, rural regions remain vulnerable and disproportionately affected by adverse economic trends. To address the inflation crisis in rural India, a multifaceted approach is necessary. First, enhancing agricultural resilience through investments in climate-resilient farming practices and better irrigation infrastructure can mitigate the impact of adverse weather conditions. Secondly, expanding social safety nets and direct income support for rural households can provide immediate relief from the inflationary pressures. Lastly, creating more robust mechanisms to stabilise food prices, such as better storage facilities and more efficient distribution networks, can help manage supply disruptions and reduce price volatility. The current crisis should serve as a wake-up call for policymakers to prioritise rural development and economic equity.

Bolivia's Resolve

The coup attempt in Bolivia serves as a stark reminder of the fragility of democracy, particularly in regions beset by economic and political turmoil. The swift rise and fall of this rebellion, led by General Juan José Zúñiga, underscores the volatile nature of Bolivian politics and the deep divisions within its government. Yet, it also highlights a critical resilience among the Bolivian people and their institutions in defending democratic norms. President Luis Arce's firm response to the insurrection was crucial. His quick decision to appoint new military leadership and command the troops to stand down was a decisive move that likely prevented a prolonged conflict. This incident, though alarming, demonstrates the importance of strong, decisive leadership in times of crisis. Mr Arce's actions in the face of such a direct threat to his presidency reinforced his commitment to democracy and stability. The underlying tensions that led to this coup attempt cannot be ignored. Bolivia's political landscape has been marred by infighting, particularly within the Movement for Socialism (MAS), the party that has dominated the country's politics for years. The rift between Mr Arce and his predecessor, Mr Evo Morales, has paralysed efforts to address Bolivia's economic crisis, which has seen the country's economy plummet from being one of the fastest-growing in the region to one of its most beleaguered. This internal conflict has hindered crucial policy-making and exacerbated public discontent, creating a fertile ground for extreme actions like those taken by General Zúñiga. The general's justification for his actions ~ claiming to "restore democracy" and addressing the public's cries for change ~ reflects a dangerous narrative. While his concerns about political paralysis and economic decline resonate with many, his method of addressing these issues was fundamentally undemocratic. True democracy cannot be restored or upheld through military force; it must come from within the framework of constitutional and lawful processes. General Zúñiga's actions, therefore, were a direct attack on the democratic fabric of Bolivia, regardless of his purported intentions. The international response to the coup attempt has been swift and condemnatory, which is encouraging. Regional leaders and organisations have rightly emphasised the need to maintain constitutional order and support democratic governance. This solidarity is crucial in sending a clear message that coups and military interventions are unacceptable in the modern political era. For Bolivia, the path forward must involve addressing the root causes of its political and economic crises. This includes reconciling the divisions within MAS, fostering a more inclusive political dialogue, and implementing effective economic policies to stabilise the country. The government must also work to regain the trust of its people, who are understandably wary after years of political instability and economic hardship. Bolivians' quick mobilisation in support of democracy following the coup attempt is a hopeful sign. It shows a populace that is not only aware of its rights but also willing to defend them actively.

Subterranean Upheavals

The American public could not reconcile the official narrative of a purely defensive foreign policy with the frequent mounting of secret offensive operations, once they became aware of the reality of the US Bay of Pigs invasion of Cuba in 1961, and American intervention in Guatemala. Politicians, then, conveniently blamed secretive intelligence officers. But in the information age, when nothing can be kept secret for long, it has emerged that the deep state was a bogey – a convenient shield for a country's pursuit of realpolitik



Deep state, as popularly understood, is a secret and unauthorized network of power, operating independently of a state's political leadership, and in pursuit of its own agenda and goals. Many national leaders have invoked fears of the deep state to spread misinformation and/or elicit sympathy.

Donald Trump has done it often; in 2017, Trump patronised a website 4chan, which promoted the idea that Trump was waging a secret war against a cabal of satanic cannibalistic paedophiles within Hollywood, the Democratic Party, and the so-called 'deep state' within the United States government. This theory, expanding in content and geographic reach, resulted in several protests, as well as some violent criminal incidents.

Trump, as President, used the term deep state, to denounce whistle-blowers and leakers from the US intelligence community. Addressing an election rally in March 2023, Trump said: "Either the deep state destroys America or we destroy the deep state." One of Trump's election-eve promises is to "dismantle the deep state" by stripping thousands of federal employees of their civil service protections, allowing them to be fired at will.

In UK, the Civil Service has been called the deep state, pursuing its own policies, regardless of the Government. Tony Blair, former PM reportedly said: "You cannot underestimate how much they believe it's their job to actually run the country and to resist the changes put forward by people they dismiss as 'here today, gone tomorrow' politicians."

For Pakistan, the deep state is the army which calls the shots in all important matters, including starting a war in Kargil, without informing the civilian leadership. Other countries, like Turkey, where the term 'deep state' originated, have differing definitions of the term.

Rahul Gandhi, speaking at the Ideas for India Conference in UK, posited that the deep state, in partnership with the CBI and ED were intent on 'chewing' the Indian state. During the recent elections social media liberally blamed the 'deep state' for a number of fiascos.

It is fashionable to blame the deep state for inexplicable instances of disturbances, violence and even murders, authorship of which cannot be attributed to any of the usual suspects. Thus, after the 26/11 attack in Mumbai, Pakistan President Asif Zardari was quick to lay the blame on 'non-State' actors, though later it was conclusively proved that the cowardly attack took place at the behest of Pakistan's ISI.

This is a general trend; the American public could not reconcile the official narrative of a purely defensive foreign policy with the frequent mounting of secret offensive operations, once they became aware of the reality of the US Bay of Pigs invasion of Cuba in 1961, and American intervention in Guatemala.

Politicians, then, conveniently blamed secretive intelligence officers, who purportedly kept elected public representatives in the dark, while carrying out their nefarious activities.

But in the information age, when nothing can be kept secret for long, it has emerged that the deep state was a bogey ~ a convenient shield for a country's pursuit of realpolitik. Politicians, often change their positions, according to prevailing circumstances, and their promises and assertions cannot be taken as gospel truth. For example, after declassification of the US Intelligence Report titled "Assessing the Saudi Government's Role in the Killing of Jamal Khashoggi," which unequivocally stated: "We assess that Saudi Arabia's Crown Prince Muhammad bin Salman approved an operation in Istanbul, Turkey to capture or kill Saudi journalist Jamal Khashoggi," and the US Senate's unanimous resolution, holding Saudi ruler Mohammed bin Salman personally responsible for the murder of Khashoggi, and public demands for strict action against Salman, Joe Biden, as a presidential candidate, promised to make the Saudis pay a price for their role in Jamal Khashoggi's murder, and also to redefine the US-Saudi relationship.

DEVENDRA SAKSENA

The writer is a retired Principal Chief Commissioner of Income-Tax

However, after Biden was elected President, the White House started insisting that punishment of Mohammed bin Salman was never on the table, and to drive home the obvious, Biden even made a State visit to Saudi Arabia.

The gullible would attribute this U-turn to the deep state, forgetting the fact that no US President would like to antagonise Saudi Arabia, a country with almost unlimited oil resources, and a US client of long standing, over a moral issue.

There are many precedents of the US ignoring domestic sentiments to preserve its relations with Saudi Arabia. Inquiries into the 9/11 attack on New York had revealed that all 19 hijackers were Saudi Arabian nationals and there was some evidence of direct involvement of Saudi officials in the attack.

Yet, President Bush went only after Afghanistan which was pounded into dust. A Joint Congressional Committee conducting an inquiry into the performance of US Intelligence agencies vis-à-vis the 9/11 bombings, touched upon the possible involvement of Saudi Arabian government officials.

The 832-page report of the Committee was released in December 2002. However, the US administration ensured that 28 pages of the Committee's report were never published. The redacted pages and the unanswered question of Saudi involvement left the victims' families fuming and demanding an independent inquiry. Contrarily, the US attacked Iraq on its fictional possession of weapons of mass destruction. Here again realpolitik triumphed over morality in international relations. The lesson is that most countries, including the US, which lectures the rest of the world on a 'rules-based' order, are avid practitioners of realpolitik, which puts national interest first ~ ahead of morality, or anything else.

Reports released by the human rights NGO Safeguard Defenders ("110 Overseas: Chinese Transnational Policing Gone Wild," September 2022 and "Patrol and Persuade: A follow-up investigation to 110 Overseas," December 2022) reveal that four Chinese public security bureaus established 102 overseas police service stations in 53 countries across the world, with the aim of interference in the internal affairs of host countries, and intimidation of overseas critics.

Investigations launched by the US, Canada, UK, Netherlands, and 10 other countries revealed that such stations were targeting domestic persona non grata, like activists, human rights lawyers, protesters, Uyghurs, Tibetans, and students. Inter alia, such police stations arm-twisted overseas Chinese to return to face trial.

According to Safeguard Defenders, 230,000 people suspected of fraud and telecom fraud, were successfully persuaded to return to China. On questioning, China has officially denied the existence of any overseas police station, insisting that these were service centres to help overseas Chinese renew residency cards, driver's licenses, and national ID cards. During Vladimir Putin's 24-year rule, more than twenty Kremlin critics, journalists and defected spies have died mysteriously ~ most of them abroad. In many cases, rare poisons that all but defied identification were used.

Israel has been more direct, killing targets abroad by laser-guided missiles, helicopters, drones or assassins armed with guns. Hundreds of Palestinians and Iranians have been killed, with the Israeli Supreme Court condoning such killings.

Recently, in separate incidents, more than 20 Khalistani activists met gory ends in Pakistan, some few in UK, and at least one, Hardeep Singh Nijjar in Canada. Then, there was an alleged plot to murder Gurpatwant Singh Pannun, another Khalistani activist, in the USA. During elections, senior leaders including the defence minister, seemed to suggest that India had a policy of killing terrorists, shielded by Pakistan.

But what was clearly election rhetoric was taken as State policy by the West, which extrapolated it to the Nijjar and Pannun cases. In a provocative act, the Canadian Parliament paid homage to Nijjar, observing a minute's silence. Similarly, a number of US Senators are pushing the US Government to act against India in the Pannun case. Significantly, Pannun is a designated terrorist under the Unlawful Activities (Prevention) Act.

At a time when International Law has become almost toothless, and relations between nations have become entirely transactional, and respect for the other country's sovereignty is observed more in the breach, no one should fault India on its response to those who indulge in terrorism on Indian soil, and attack Indian diplomatic establishments and Indian citizens abroad. Probably the much-hyped response from the US and Canada is only to warn India that it is not powerful enough to disturb Western hegemony.

Finally, behind the courtly gestures and the silver tongues of diplomats, it is only national interest that powers international relations. As Lord Palmerston, the British PM had said more than one hundred and fifty years ago: "We have no eternal allies, and we have not perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow."

A MEMBER OF THE ANN

ASIAN VOICES

Food prices too high

Food is 56 percent more expensive in Korea than in member countries of the Organization for Economic Cooperation and Development, according to a Bank of Korea report last week. Prices of clothing and shoes were 61 percent higher than the OECD average last year. Housing was 23 percent more expensive.

On the other hand, electricity, natural gas and water bills were 36 percent cheaper than the OECD average. This is largely because the government suppresses the prices artificially for political reasons.

Particularly, prices of fresh food were outrageously high. Apples were nearly three times (279 percent) more expensive than the OECD average. Prices of potatoes and pork were more than twice those for the organization, marking 208 percent and 212 percent, respectively.

Beef and cucumbers were 176 percent and 165 percent more expensive, respectively. Korea's high housing expenses are largely attributable to soaring real estate prices. The house price-to-income ratio, which measures how many times larger house prices are than average annual incomes, was 25 in Seoul.

It was much higher than 11 for New York City in the United States and nine for Copenhagen in Denmark. The problem is, the Korea-OECD gaps in food prices and utility bills have widened.

In 1990, domestic food prices were 20 percent more expensive than the OECD average, then the difference grew to more than 50 percent in 2023. Public utility charges were about 10 percent cheaper than the OECD in 1990, then the gap widened to more than 30 percent last year.

The price structure is deformed. This must be redressed. Experts predict household ability to consume will increase by about 7 percent if domestic food and clothing prices fall to the level of major economies. If public utility rates are raised to the OECD average, the consumption ability is expected to fall by 3 percent.

Rhee Chang-yong, governor of the Bank of Korea, said last week that it was difficult to bring down the high costs of living through monetary policy alone. The government needs to pay attention to his view that it should shift focus from monetary policy to structural problems.

As reasons for Korea's high food prices, the bank cited low productivity in the agricultural sector, excessive distribution margins for farm produce, and restrictions on imports.

Korea's agricultural labor productivity is one of the lowest among OECD member countries mostly due to small-scale farming and the aging of farmers. Productivity should be raised through the advancement of farming technology. Distribution costs of fresh farm produce should fall for consumers to benefit, but instead they have increased, rising from 39 percent of the retail price in 1999 to 49.7 percent in 2022. Inefficient elements in distribution channels should be removed. Online wholesale and retail markets need to be promoted to foster competition. Authorities must crack down on unfair trade practices.

The bank emphasized diversification of supply channels, and the point of this is opening the market to imports.

The United States, a world leader in agriculture, imports 70 percent of total fruit supply in the US, while the figure is less than 40 percent for Korea. It is commonplace to see prices of apples, pears and peaches jump when their yields slump due to abnormal climate patterns. This is largely because imports of those fruits are banned.

Whenever Korea negotiated with foreign countries on free trade agreements, lawmakers elected in farming districts put pressure on the government to exclude fruit grown there from import items. If prices of such farm produce soar, the government responds with quick-fix measures.

The Korea Herald

LETTERS TO THE EDITOR editor@thestatesman.com

Centre must act

SIR, This refers to your editorial "Water woes". We should thank Moody's Ratings for highlighting the water crisis. It is not an exaggeration to say that it can adversely impact India's sovereign credit rating.

The water crisis can hit us from both sides. While it can definitely trigger inflation in food prices, on the other hand it can lead to reduction in income in various segments of people.

Water levels are shrinking, rivers are drying up and this is happening at a time when not only are we witnessing economic growth but our population is also increasing. Despite having decent water availability across the country, we have not been able to keep a check on water usage. We use it as if there is no tomorrow. And this misuse of water is the crux of the problem.

Water management is something which is directly in our hands but climate change which is also affecting the water crisis is beyond our control. Now since this issue has started affecting urban areas, the Union Government should wake up and address this issue. Public and private investment in water management infrastructure is a must and water security is equally critical now.

Yours, etc., Bal Govind,
Noida, 28 June.

MISPLACED PRIORITIES

SIR, This is with reference to your article "Failed Cultural Revolution~II" by Parimal Brahma published on June 27 regarding the dysfunctional Panchayti Raj System launched with good intentions by Mahatma Gandhi.

There is a famous quote by Peter Drucker taught in most B-Schools which says that "Culture eats strategy for breakfast". Nothing can better summarise these ill-conceived schemes which although well-intended fail miserably when executed primarily because they are far away from ground realities, and most importantly fail to understand basic human nature and psychology. This may not be the only one.

They range from Reservation that was only intended to last 10 years to so many of these schemes which literally hand over money and freebies to families without measuring their economic and social impact as well as unintended and harmful consequences.

The question is ~ who has the might to throw these useless policies that waste thousands of crore rupees into a dustbin and start afresh with something more practical, measurable and adaptable? A practical example could be learnt from Singapore which essentially started from the same economic state as we were after World War II but took the path against Reservation and instead offered free coaching so that students from poor families could raise themselves to the standards expected in examinations, rather than lower the examination standards to accommodate the student's status.

Yours, etc., Bhargav Indurthi,
Chennai, 29 June.

The Tribune
ESTABLISHED IN 1881

Worthy champions

Rohit's men show true character

SPORT is a great leveller. It can be cruel, and magical. The agony of defeat and the joy of victory, the Indian cricket team has experienced it all. After the heartbreak in Ahmedabad comes the redemption in the Caribbean. As Rohit Sharma's men held their nerve to edge past South Africa in a thrilling final and claim the T20 World Cup, the emotions were flowing thick and fast. They had finally got the monkey off their back. The ghosts of the loss to Australia in the 50-over World Cup in November last year lie buried. India won its second T20 World Cup but its first world title in 13 years. The MS Dhoni-led side had won the inaugural T20 event in 2007; he also captained the team to the ODI World Cup victory in 2011. Every win is special, every loss inerasable. That is sport, rewarding and humbling. The Men in Blue have been exceptional. They have shown true grit and character. Let's savour the moment.

Rohit and Virat Kohli, among India's greatest cricketers of all time, have announced their retirement from T20 International matches, along with all-rounder Ravindra Jadeja. The timing could not have been better. They leave on a high. As does coach Rahul Dravid. The impressive South African captain Aiden Markram, who has taken his side farther than ever before, termed the loss gut-wrenching. The Indian cricketers know the feeling. The Indian fans, wildly passionate and given to bouts of euphoria and meltdown in equal measure, know it too. There can be only one winner — the game of cricket.

As we enter July, it's time to shift the gaze to the Paris Olympics. A sporting spectacle that celebrates the best the world has to offer. Like Team India just exhibited. Well done!

Airport roof collapse

Wake-up call for infra and urban planning

FRIDAY'S roof collapse at the busy Delhi airport serves as a reminder of the underlying problems plaguing India's ambitious infrastructure push. The incident, which occurred during the heaviest rainfall recorded in Delhi on a June day in 88 years, caused the death of one person and left several injured. It not only disrupted airport operations but also shook public confidence in the robustness of our infrastructure. The incident is symptomatic of a broader problem as similar lapses have been reported across the country. From the collapse of bridges in Bihar to water leakage in the newly built Ram Temple and the fury unleashed by the monsoon in Himachal Pradesh, such disasters raise questions about planning, execution and maintenance of projects.

The problem isn't merely the rain; it is faulty drainage. As cities expand and green spaces turn to grey concrete, rainwater floods roads. Most new development projects lack proper stormwater drains, and many existing ones are repurposed for sewage. Elevated green belts and tiled roadsides obstruct natural drainage, leading to persistent urban flooding — an anthropogenic phenomenon. It calls for a re-evaluation of urban planning.

The Delhi airport incident also underscores the necessity of monitoring major projects. The Modi government has touted infrastructure development as a cornerstone of India's economic policy, with more than Rs 44 trillion to be invested over the next two years. However, the emphasis on rapid construction has seemingly overshadowed the importance of stringent standards and maintenance. The rush to inaugurate projects, often ahead of elections, compromises quality, turning these marvels into electoral gimmicks. Regular audits, adherence to international norms and accountability mechanisms are essential to prevent such tragedies. Ultimately, infrastructure is about more than just economic growth; it is about the wellbeing of the people, with their safety being a non-negotiable aspect of development. The roof collapse should catalyse a comprehensive overhaul of infrastructure policies to prioritise long-term safety and sustainability.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, TUESDAY, JULY 1, 1924

The compromise

WE have not before us at the time of writing the details of the compromise which is said to have been arrived at between the Mahatma and the Swarajists, but the very fact that this compromise has been arrived at during a session of the All-India Congress Committee which was probably the stormiest ever held, shows that the politics of the Congress has after the usual preliminaries entered upon a truly democratic stage. No other Constitution and no other form of government could have borne such a strain or achieved such a result. And if this compromise is one of those great decisive events which constitute distinct landmarks in the history of nations and public institutions, the central fact about it is the attitude of the Mahatma himself. He was the person primarily responsible for the crisis, and yet when the crisis reached its culminating point, it was he again who, by an adroit move, enabled the Congress to successfully tide over it. It is easy to deride his asking the House to rescind a clause in the *Khaddar* resolution immediately after it had been carried at his own instance as illogical and inconsistent. In reality, it was one of those masterstrokes of policy of which only genius of the highest order is capable. The ground he gave for his action was itself a triumph of that love of truth which is a part of the Mahatma's being. The majority by which the penalty clause was carried, he said, was narrow and if the Swarajists had not left the meeting, the clause would have been defeated! That he should have said this may appear a simple thing to the dispassionate reader because it is so obviously right and proper.

Civility a casualty in Biden-Trump debate

Conspicuous by its absence was the audience with its thundering bipartisan applause

KP NAYAR
STRATEGIC ANALYST

THING OF THE PAST: The tradition of shaking hands lies buried amidst partisan acrimony. REUTERS

ANOTHER hallowed beacon of democracy died in the US last week on the day the country's two main presidential candidates in this November's election held their first debate in a cable TV studio.

The independent Commission on Presidential Debates (CPD) had steered some of the mainstay quadrennial events in US presidential politics, beginning with the election to the White House in 1988. Its 36-year record has been so outstanding that presidential debates hosted by the CPD became one of the most popular events of every presidential cycle in the oldest democracy in the world. At least 15 nations around the world, especially emerging post-Cold War democracies like Romania and Ukraine and newly born countries like Bosnia-Herzegovina, have adopted the US presidential debate model. CPD staff have worked with these 15 struggling democracies to implement its model during their presidential election cycles.

This year's US presidential aspirants — Democrat Joe Biden and Republican Donald Trump — junked the CPD and opted for a studio debate at the CNN headquarters in Atlanta. For the first time, the debate was held without an audience and without its customary welcome applause for the candidates. Having been part of the foreign media contingent at 12 previous presidential debates, the revelry associated with them is memorable for this writer. Popular participation in those debates was not confined to the auditoriums where the candidates sparred. Such democracy in action eventually became folklore and legends in towns which hosted the debates. Festivities on the streets, in pubs and at debate-watch parties, combined with the serious business of politics, saw the dramatis personae in election after election travel to small towns and diverse states. The CPD debates mostly took place in universities. This, in turn, motivated young people to vote in a country where the turnout has been low for many decades. The CPD may live on in East Europe and Africa, but in the US, the institution is dead, for now.

Customary civility was a casualty during the first Biden-Trump debate of 2024. The two candidates did not shake hands like they used to amidst thundering bipartisan applause from the audience. That tradition now lies buried amidst partisan acrimony. At the two Biden-Trump debates in 2020, too, the candidates did not shake hands on the way to the lecterns. But that was under medical advice because the Covid-19 pandemic was raging at that time. Physical contact was discouraged, especially among those over 60 years of age, and social distancing was encouraged among all. The wives of the candidates did not hug each other after the debates in 2020, as was the practice because of the pandemic. Nor did they do so last week. There was no audience the spouses could be a part of to climb the podium and join their husbands at the end of the 90-minute grilling by the moderators, usually TV anchors with coast-to-coast name recognition. Such gracious acts in the past were integral to the idea that when the elections were over, the US would go back to truly being the united states of the American people. No more.

> The US Supreme Court has made it explicit that its judges are no longer going to sit back and watch their country descend into a banana republic.

No matter who wins the November election, the US Supreme Court made it explicit last week that its judges were no longer going to sit back and watch their country descend into a banana republic and hurtle towards African- or Latin American-style chaos in public life. Judicial activism will restrain Biden and Trump, whoever of the two gets to occupy the White House for the next four years. The violence on Capitol Hill on January 6, 2021, has deeply impacted every American who believes in the rule of law. A spate of Supreme Court decisions, coincidentally made during the debate week, warned that Trump appointees to the highest court would not be his poodles or be grateful to him for their lifetime jobs. Already, in the period after Trump disputed the 2020 election results, the Supreme Court has, in a series of actions effectively upheld the sanctity of Biden's victory.

Now, in throwing out a lower court ruling which criminalised activism — the case related to the Capitol Hill riot — the apex court signalled that Trump would not have a free pass to suppress dissent if he is elected President. During the CNN debate, Trump repeatedly said that he would have used the National Guard against protesters for multiple causes — especially against police excesses — in several cities during Biden's tenure. Some other decisions severely curbed the powers of federal government agencies to prosecute individuals and businesses for violations of their rules and interpretations of laws.

In the Indian context, these decisions by majority US judges would be tantamount to restraining the Enforcement Directorate, green tribunals or economic offences units in states. During his presidency, Trump was notorious for wanting to use federal agencies, especially the Department of Justice, against his opponents. He was restrained only by the strength of those institutions and the integrity of his own appointees who stood up to him, even though he dismissed several of them for insubordination. The Supreme Court has signalled that it will not tolerate such excesses should Trump be elected President again and that the Constitution is supreme. Conservatives, by nature, are against government interference in people's lives. The conservative judges in the present Supreme Court are instinctively against big government. Trump's instincts, on the other hand, are those of a dictator. He favours the heavy hand of the state as many of his actions as President have showed. The court's warnings last week may mean that conservative judges believe Trump would win in November and they wished to act in advance to protect constitutional values.

Equally significant was a June 27 Supreme Court decision, allowing abortion to be performed in Idaho on pregnant women facing medical emergencies. This decision is a blow to the state's Republicans who had passed a law banning abortion in Idaho. This is the same Supreme Court that had overturned the landmark *Roe vs Wade* ruling on a woman's right to abortion.

It is sobering that such judicial activism will mean that while conservatism is the court's guiding principle, the US will not become like a mullah state even if Trump and his brand of Republicans get control of the White House and both chambers of Congress.

THOUGHT FOR THE DAY

> Champions are made from something they have deep inside them — a desire, a dream, a vision. — Muhammad Ali

The cool comfort of air-conditioned cars

RK SABOO

IN May, I was returning to Chandigarh from Rishikesh in a Mercedes with my wife Usha. Even as the heat outside was intolerable, it was comforting to be in the car. The journey brought back memories of the Ambassador car in which we travelled when I became the Rotary District Governor; we went to Moradabad and many other places in the summer. As I worked for Hindustan Motors, I could have the Ambassador car specially installed with an air-conditioner. After a three-four hours' drive, this car had to make a halt for cooling the AC system.

In India, back in the early 1980s, the Maruti 800 came with just a blower; its 1984 model was the first 'Made in India' car to have a factory-fitted air-conditioner. The economic liberalisation of 1991 opened the floodgates for foreign vehicles.

Now, every car, big or small, has an AC. Indian companies with technical expertise are rapidly producing cars and buses with air-conditioning.

Usha and I were in the Saketri suburb of Chandigarh on New Year's Eve; we distributed blankets at night among people sleeping in the corridors. We both suggested to Rotary Club to adopt Saketri to improve the economic conditions of its residents by helping children study and empowering women to earn a living. Rotary and Inner Wheel planned a five-year project for the overall development of the slum-dwellers. The comfort of ACs is elusive, but there are fans. Some students go to schools which have AC classrooms. This was the beginning of a bright future for residents of the slums. Since 2016, the project has transformed not only their lives but also ours.

Coming back to cars, the concept of green vehicles has been circulating in the automotive industry for quite a while, but it is still evolving. The constant evolution of electric vehicles, artificial intelligence (AI) and location technology have made driving a far better experience.

Another development that is making cars more sustainable as a mode of transport is autonomous driving for travel without any human input, using sensors, cameras, radar and AI.

To conclude, the advancements in battery technology, autonomous driving and AI-enhanced in-car experiences are not only making green cars more accessible and enjoyable but are also setting a new standard for what it means to be truly sustainable. As we continue to embrace these changes, the vision of a cleaner, smarter and more eco-friendly future in mobility becomes not just a possibility but a real commitment to preserving and cooling down our overheating planet for future generations.

LETTERS TO THE EDITOR

India treading the Middle Path

Refer to 'Why Moscow matters to Modi' (*The Great Game*); the piece has aptly captured India's delicate balancing act between major global powers. PM Narendra Modi's upcoming visit to Moscow amid the Ukraine conflict exemplifies New Delhi's pragmatic foreign policy. Despite increased trade with Russia, primarily driven by discounted oil imports, India remains committed to its strategic partnership with the US, which is crucial for technology transfer and investment. Modi's one-day trip to Russia reaffirms our ties with Moscow while minimising the strain on our relations with Washington, reflecting India's non-aligned stance and strategic autonomy. By engaging with major powers and treading the Middle Path, India can secure a brighter and more prosperous future for its citizens.

CHANCHAL S MANN, UNA

Modi's Russia visit an opportunity

As PM Narendra Modi prepares to visit Moscow, the world watches with bated breath. With the Ukraine war unlikely to end anytime soon, India's neutral stance on the conflict remains a beacon of hope. Moscow, once a city in chaos, now shines with resilience and unity. The war may have affected local residents, but Russia's determination to assert itself as a big power is evident. India must continue to straddle the Middle Path, listening to all, be it Biden, Trump or Putin. By doing so, it can leverage the strength of its ties with other nations. New Delhi must not be swayed by the whims of other global powers but instead forge its own path, keeping our national interests in mind. Modi's visit to Moscow should be embraced as an opportunity to strengthen India-Russia ties and foster peace in a world torn apart by conflict.

GURDEV SINGH, BY MAIL

Biden must step aside

Refer to the editorial 'Biden stumbles'; a section of the mainstream American media is calling upon the President to pull out of the race following his dismal performance in the debate with his predecessor, Donald Trump. The presumptive Democratic presidential nominee's poor showing in the debate has renewed concerns about his advanced age. Biden has himself conceded that old age has robbed him of the vigour that he once had. It is time for him to step aside and let some other Democrat take on Trump, who still has massive sway over much of the American electorate, in the elections.

PR RAVINDER, HYDERABAD

Let Kamala take over

Apropos of the report 'Biden acknowledges age, debate debacle, but vows to beat Trump'; it would be unwise of the Democrats to field Joe Biden as their presidential nominee. The 81-year-old's feeble performance in the debate is being read as a prologue to what is to come in the months leading up to the November 5 elections. His verbal stumbles during the debate and his failure to counter Trump's assertions have understandably set off alarm bells in Democratic circles. Besides, his son Hunter Biden's alleged involvement in illicit activities has deeply dented the image of the President, with just months left for the polls. Vice-President Kamala Harris, who is younger and more energetic, should be picked as the Democratic candidate for the Oval Office.

VIJAYA SHARMA, BY MAIL

Policymakers need to buckle up

With reference to the editorial 'Biden stumbles'; the incumbent's shaky performance in the presidential debate has cast a shadow over his campaign. He stuttered and lost his train of thought, accentuating concerns about his age and raising questions about his ability to run the country for four more years. Another contrast that came to the fore during the debate was how Biden and Trump have starkly different views on matters of foreign policy. While Biden believes in taking the rest of the world along, Trump feels that Washington should take more unilateral decisions in the interest of the US. Policymakers should be prepared for any eventuality.

ANMOLDEEP SINGH, RUPNAGAR

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