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[OUR TAKE]

Early steps to digital dignity

Draft rules to operationalise the digital privacy law call for wider discussions

Last week, the government released draft rules that will operationalise the digital privacy law passed in 2023. The rules, on which the public can give feedback till February 18, represent an ambitious attempt to protect the country's 800 million-plus internet users. But, like most well-intentioned regulations, they contain both promise and paradox. Their most striking features emerge in three domains: Protecting children online, erecting stronger obligations to protect user data, and making sure privileged information remains in the hands of an entity no longer than needed. The children's provisions are perhaps the most far-reaching, requiring parental consent for users under 18. The move comes at a time when other countries, such as Australia, have moved to ban digital service providers from catering to children at all. India's approach is both different and more stringent—there is no blanket ban and yet the 18-year threshold is higher than the European Union's 16 years. Experts say in its current form the rule rests on the premise that children must first admit they're children. This honour system might seem naive, but it might also be the least privacy-invasive option available. The alternative—verifying everyone's age—would create a surveillance apparatus far more concerning. Large divides in digital literacy across the country too will need careful focus to ensure no children, or parents, are left at risk by choices they don't fully understand.

The second aspect deals with holding companies accountable when they lose user data. The rules require notification of breaches, a welcome step in an era where digital utilities frequently leak or lose citizen data. Companies must tell users "without delay" when their information is compromised, explaining not just what was taken but what it might mean for them. Equally significant is the mandatory deletion requirement. After three years of inactivity, big platforms must eliminate user data unless legally required to retain it. This "digital sunset" clause recognises that privacy includes the right to be forgotten.

But these protections face practical challenges too. The law itself creates a bifurcated compliance burden for government entities and private organisations. The reliance on the rules on government-authorised mechanisms for verification remains untested, and broad exemptions for certain sectors strike at the heart of privacy protection. Yet despite these contradictions, the rules represent a significant forward step toward digital dignity. Substantial work lies ahead before they are finalised and the industry, as well as users, adapt to a safer digital future.

Connecting the NCR with public transport

Call it the impact of the impending Delhi assembly elections, but the spree of public transit and infrastructure projects inaugurated in the past few days should serve the city and its hinterland well. If phase four of Delhi Metro will ease inner city commute, the Regional Rapid Transit System (RRTS), described as a semi-high-speed rail, is a good first step towards facilitating smooth travel in the National Capital Region (NCR), especially on Delhi's east, beyond Ghaziabad and Noida that are already serviced by the Delhi Metro. The 13-km stretch of the RRTS between New Ashok Nagar in Delhi and Sahibabad in Uttar Pradesh that opened on Sunday, brings Meerut closer to Delhi. The cities/towns of Alwar, Panipat and Jewar are expected to be connected to the RRTS in the future, which should help connect and consolidate the NCR as an economic unit.

The NCR was conceived in the mid-1980s keeping in mind the potential of Delhi, then mostly a city of government, to grow and extend into small towns in its neighbourhood, among them Gurugram, Ghaziabad, and Noida. Today, it is home to close to 50 million people and a major driver of growth. It is a sound policy to ensure that the region is seamlessly connected with a relatively fast and comfortable public transport system. Since transit points within Delhi will be connected to the Delhi Metro, travelling to Delhi and commuting within it will hopefully become less stressful.

This should help the NCR in at least two ways. One, it may help to decongest Delhi as people move to the well-connected suburbs; two, good public transport may prove people to reduce dependence on private vehicles. Both will help improve air quality in the NCR. All this is possible if the governments in the NCR continue to pursue the projects with the same enthusiasm visible ahead of the assembly elections in Delhi.

The real non-tariff barrier called CRA

The current model of sovereign credit rating has outlived its utility and is not in step with present global economic realities

The sovereign ratings that the big three (S&P, Moody's, Fitch) credit rating agencies (CRA) assign a country impact its access to and cost of borrowing in international markets. We discuss whether the methodology used by them is defensible, objective, and unbiased. But first a story on the sovereign rating trajectory of Greece and India. Currently, both are rated BB+, which is the lowest investment grade. Between 1994 and 2003, CRAs gave a massive six-notch upgrade to Greece, moving it from BBB- to A-. Crisis struck Greece in 2008 and thereafter, it missed debt payment in 2012. Bailouts did not help. Greece defaulted to the International Monetary Fund (IMF) in 2015. Its rating was lowered to 'C'. Yet, after 2016, its rating bounced up by seven notches and landed at investment grade BB+ with a positive outlook by 2023. In 2000, India was rated BB. Then, in 2005, CRA upgraded India to BB+, and finally, in the 2006-07 period, to BBB-, where it has remained ever since. Independent India has never defaulted. It last went to the IMF in 1991 but repaid its debt early. The Asian financial crisis in 1999 and the

global financial crisis in 2008 did not impact India. In 2012, with a minor hiccup in its economy, S&P immediately gave a negative rating outlook to its BBB- rating, and only in 2024 has given a positive outlook. If we compare the macroeconomic parameters of India with Greece it reveals the following. In 2000, India's Gross Domestic Product (GDP) was 3.5 times that of Greece. In 2024 it is 15 times Greece's economy. Over the past 30 years, India's GDP has grown by 65% as compared to 2.8% for Greece. India has shown the strongest post-Covid recovery with its GDP growing 7.5% post 2021 to Greece's 5.6%. India managed the aftermath of the Covid better than most. Post-Covid 6.5% inflation has fallen to just 5.5% currently. Greece's inflation flared up to 7.2% but benefiting from Eurozone membership, it came down to 3.3%. IMF and the World Bank forecast that India's GDP will triple this decade from \$2.2 trillion to \$7.2 trillion by 2030. S&P mentions in its sovereign rating criteria that a "diversified, resilient, and adaptable economy ultimately boosts its debt-bearing capacity". That sounds right, but then its ratings remain a mystery concerning India. The nominal GDP growth of India is not only higher than Greece but is more stable. Nor has it ever defaulted. A casual observer may be forgiven for concluding that CRAs are

embarrassed to give Greece anything but an investment grade rating, while India, which the MSCI emerging markets index recognises as the top destination pipping even China, South Korea and Taiwan, is set a much higher bar.

Let us return to address the three questions at the start of the article in respect of CRAs.

Is their rating defensible? Has it provided meaningful predictive power?

Between 2005 and 2008, the big three CRAs had more upgrades than downgrades. Post 2008, as governments struggled to repay debt and the market panicked them, the sovereign downgrades increased. The rating behaviour was not just pro-cyclical but also lacked meaningful predictive power. Such rating behaviour was criticised by regulators such as the European Central Bank, the US Federal Reserve, the Authority and the European Banking Authority. Is their methodology objective?

For the base model, CRAs tend to run linear regressions on past assigned ratings against a few select macro-economic variables. These are accurate. Further, the CRAs never disclosed statistical validation of how their selected macro-economic variables predict sovereign defaults. A case in point is per capita income. India's per capita income is \$2,400 while Greece it is \$23,000. PPP-based per



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A new chapter for India's regional strategic policy

In 2025, India's foreign policy must deftly navigate a rapidly evolving strategic landscape in the neighbourhood. Over the years, even as India has transformed both in power and temperament, its neighbourhood has changed politically and strategically, and the relationship between the two has transformed as well. South Asian geopolitics—its balance of power, rivalries, partnerships, and the level of external interest and involvement—have all undergone major transformations; 2025 will bring some of these changes into sharper focus. Let me highlight five features that have come to characterise our region over the past two decades.

What stands out about India's neighbourhood today is the dramatically diminished interest of great powers compared to a decade or two ago. The era when the United States was a key geopolitical player in South Asia—driven by its military presence in Afghanistan, concerns about terrorism, and the India-Pakistan situation—has largely passed.

A related focus of the international community was the Kashmir conflict, and South Asia was often referred to as a nuclear flashpoint. Today, those concerns have taken a backseat, and the international community has its hands full elsewhere, and Washington is no longer interested. In some ways, South Asia is far more stable today compared to other regions in the world.

Second, at long last, India's frontier with Pakistan has somewhat quietened down—the Line of Control in Kashmir is mostly peaceful, infiltration is largely contained and attacks inside Kashmir are at best sporadic. There is minimal diplomatic engagement between the two sides, with no trade, political interactions, or high commissioners present on either side for over five years. This calm is beneficial as long as it lasts, even as it is important to note that several issues between the two sides remain unresolved, which could render this calm tenuous.

What may further sustain this calm between South Asia's arch-rivals is the rising tensions between Taliban-run Afghanistan and Pakistan. If, a decade ago, New Delhi's biggest worry was Pakistan gaining strategic depth in Afghanistan through the Taliban, they have now become a bigger worry for Pakistan instead. The Taliban are no longer Pakistan's proxies in Afghanistan and are making revisionist claims vis-à-vis Pakistan. While Islamabad initially tried to pin the blame on New Delhi for instigating the Taliban against it, things between Kabul and Islamabad are so bad today that it no longer bothers making such claims.

Third, South Asia today is a region with little regional interest. Not only has the South Asian Association for Regional Cooperation (SAARC) been dysfunctional since 2014, but even the organic connections among the people of the region via trade,

travel, tourism and education are on a sharp decline. Bilateralism has thrived at the cost of regionalism. To its liking, New Delhi is no longer dealing with South Asia, but with individual States in South Asia, and, as a result, Delhi is less anxious today about smaller regional States banding together against it.

Fourth, the region's two major powers, India and China, share an uneasy relationship that fluctuates between deep distrust and cautious optimism. Just as we were getting used to a recent pact between them on settling along the Line of Actual Control (LAC), we are learning about China's plans to build a mega-dam on the upper reaches of the Brahmaputra River, and the creation of two countries in an illegally occupied sector of Ladakh. Thus, while we may like a stable relationship with China, we are most likely to have a tenuous relationship with the rising superpower next door.

Finally, India's relationship with its smaller neighbouring States will witness constant fluctuations. Put differently, India's neighbourhood ties will not be a settled affair going forward. Instead, it will be a constant process of firefighting, smart diplomacy, and outreach. India will have its wins and losses in the neighbourhood, and it must learn to take them in its stride.

If indeed this is the regional strategic landscape India will be dealing with in 2025, what must New Delhi's broad policy directions be? Let me highlight a few. One, it would be in India's interest to pre-empt the calm with Pakistan. Now is not the time for a comprehensive dialogue process with Pakistan nor is it the time to escalate military or geopolitical pressures on it. New Delhi should maintain a measured stance from Pakistan while continuing backchannel conversations.

Engagement with the Taliban must also be careful and incremental lest it blow up the calm on India's western front. The Taliban is more beneficial to India as a non-enemy than as a friend. As a friend, it would be a liability, while as an enemy, it could be fiercely adversarial.

Even though great powers have lowered their interest in South Asia, New Delhi should explore creative ways to leverage their involvement in the region. The time to leverage such engagement is precisely when they have lesser interest and fewer stakes in it. India should, for instance, confer with the incoming Trump administration regarding the region, especially the future of Bangladesh. India should also leverage the financial and infrastructural capabilities of countries like Japan, South Korea, and European powers to provide regional public goods in South Asia. Finally, India's South Asia policy must be organically linked to its Indian Ocean and Indo-Pacific strategies.

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Sovereign credit ratings are a public good. They must be assigned in an unbiased, transparent, and consistent manner.

capital income as per World Bank is \$10,100 and \$41,100. Can this be empirically verified? Why not the PPP adjusted vs unadjusted? India's interest rate tends to remain 2 to 2.5 percentage points below nominal GDP growth or never in any risk of a debt trap. Further, India's government debt is rupee-denominated, unlike Greece which has debt in international currency. The government debt-to-GDP ratio of India is 83% while for Greece it is a staggering 180%. Then comes the future macro projections. Angus Deaton, a Nobel Prize-winning economist, has said that long-term economic growth remains a mystery because we know more about what impedes it than what causes it. Advanced risk management practitioners use scenarios. However, CRAs continue to use projections. Despite their celebration of transparency in the nations they rate, their projection models are undisclosed and not subject to peer academic or professional review. Can their ratings be accused of any bias?

Finally, CRAs add qualitative overlays to assign sovereign ratings. They use surveys of others—for example, the World Bank's Ease of Doing Business, which the bank discontinued for governance reasons. They continue to use various perception surveys about a country's political stability or governance quality to make their assessments. These are often provided by institutions whose index estimation process is neither audited nor transparent. These surveys always raise issues of bias, and it is entirely unclear whether CRAs have any competence to assess factors such as political stability or institutional strength. Imagine if the attack plot elections in 2020 in Capitol Hill had happened in India! The qualitative overlays they use reinforce bias rather than demonstrate any deep expertise on these contested assessments.

Sovereign credit ratings are a public good. They must be assigned in an unbiased, transparent, and consistent manner. The current regime is deficit in all three. The current model has outlived its utility and is not in step with today's global economic realities. Marc's words in a different context seem surprisingly apt—"the tradition of old guard generations weighs like a nightmare on the brains of the living."

The entire Global South should challenge the CRA regime, and India, as its spokesperson, must lead the charge.

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[SHIGERU ISHIBA] PRIME MINISTER OF JAPAN



It is unfortunately true that there are concerns within Japan's industrial world over future Japan-US investment. On the US blocking Nippon Steel's takeover of US Steel

Put communities in charge of conserving sacred groves

The Supreme Court's recent judgment directing the government to adopt measures for the protection of sacred groves brings into focus the fundamental tension between the State and communities in environmental governance. Who is better placed to conserve sacred groves, the State or the community? While emphasising the critical role played by communities in managing sacred groves, the judgment has tipped the scale in favour of the State taking the lead. With the government's chequered record on the subject, it remains unclear if the apex court's directions will make a meaningful difference. The judgment, though well-intentioned, deserves critical scrutiny. The case is related to areas, sacred groves in Rajasthan, which are sites of religious significance and essential pastures for livestock in this dry region. Land-use changes and weak governance have caused the deterioration of many orams, especially on public lands. With sparse tree cover, they lack the legal protection afforded to forests, causing encroachment. Recently, large-scale power projects have emerged as a threat.

While contrasting the historical stewardship of orams by local communities with the State's delayed and diluted efforts to protect them, the judgment places excessive reliance on the State for action. The implementation of the Court's directions in 1996 to safeguard non-recorded forest lands, by declaring them as deemed forests has, in the case of orams, been mired in bureaucratic delays. The state government notification came in early 2024, but it excluded many orams. The reluctance of the forest bureaucracy, which is usually keen to extend its jurisdiction through protected areas and plantations, stems most likely from the complex land tenures of orams, which limit the forest department's (FD) role in their management, and high management costs due to their scattered nature. In this context, the Court reiterating its directions to the FD for a complete mapping and recording of orams may, ironically, suggest misplaced faith.

The deemed forests classification, while offering safeguards against diversion, does not address the questions of governance and the rights of local communities. The Court's seeming endorsement of community management is most aligned with the community forest resource (CFR) rights under the Forest Rights Act (FRA), which empower tribal and traditional forest-dwelling communities to manage their customary forests. FRA's democratic framework allows village-level gram sabhas to

(re)claim their rights in a bottom-up manner, manage resources based on local needs and protect biodiversity and cultural practices. In fact, the central government recently introduced an indicative framework for CFR management that specifically includes the protection of sacred groves and cultural values. In contrast, the Court has asked for the establishment of community reserves (CR) under the Wildlife Protection Act (WPA). CRs are sub-optimal as their focus is wildlife-centric and their recognition remains top-down at the State's discretion. Their management is entrusted to non-locals of gram panchayats, often disconnected from local resource users, and an FD representative, further shifting power away from communities. The Court's suggestion to the environment ministry to create a national policy for the management of sacred groves broadens State control, contradicting even the WPA, which requires local communities to prepare and implement CFR management plans. The Court has also overlooked the diverse forms and functions of sacred groves across the country, which makes them unsuitable for a uniform policy.

A final issue that has not received only cursory attention relates to non-forested ecosystems. India's environmental governance has historically prioritised forests, excluding open natural ecosystems (ONEs) like grasslands and deserts from its ambit or mis-characterising them as degraded lands requiring afforestation. However, semi-arid ONEs, spanning over 10% of India's land, are distinct ecosystems supporting unique biodiversity and livelihoods specially adapted to them. The judgment, however, has endorsed a recommendation to classify such areas in Rajasthan as "forest land". While it may provide some protection to these neglected ecosystems, managing them as forests can do more harm than help. This underscores the need for communities to manage these lands based on their local environmental context through decentralised governance, under the FRA or similar laws. For sacred groves and other ecosystems to thrive, a paradigm shift is needed—one that empowers local communities and embraces diversity in management practices.

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OUR VIEW

MY VIEW | EYE ON AI



Tweaked for flexibility, NPS awaits tax clarity

This funded pension scheme now offers access to low-cost fund management with its option of staggered withdrawals of what was once a lump-sum. Good. Let's keep its taxation benign

The latest tweaks to India's National Pension System (NPS) improve an already excellent retirement saving scheme. The government could consider two additional improvements. One, remove the age limits respectively for entering the scheme and for staying invested. Two, remove ambiguity on the taxability of the funds that remain in the NPS after the mandatory lump-sum to buy an annuity is taken out. The government introduced the NPS as a proactive measure to spare itself a pension burden that it would find hard to bear once the population has aged, reducing the proportion of those who work and pay taxes. Paying the pensions of past employees from the taxes paid by current earners was clearly not sustainable. Under the NPS, pension is sought to be paid out of a saving corpus accumulated over the employee's work life, with both the employer and employee contributing to it. The British government has such a system of funded pensions even for its armed forces personnel, with an added guarantee of a top-up from the exchequer, should the pay-out fail to keep pace with inflation.

India's scheme is open to employees in the private sector and to self-employed individuals as well. All accounts are kept by a central record-keeping agency on a uniform platform. This brings down costs. An employee's retirement saving account remains the same, with a permanent retirement account number (PRAN), even if jobs are switched. Savers can invest in four different asset classes: equity, government bonds, corporate bonds and alternate investments. Savers can also choose their fund manager for each asset class. The NPS has one of the world's lowest charges for fund manage-

ment—about 0.06% of the assets managed, a sharp contrast with the 2% that mutual funds typically charge. The scheme allowed savers to exit with the exit-funds falling in two baskets. One comprised 40% of the corpus, which must be used to buy an annuity designed to deliver a steady stream of income for the remainder of one's life. The remaining 60% had to be withdrawn as a lump-sum, anytime before reaching the age of 75. Recently, an NPS norm was tweaked to permit staggered withdrawals of the 60% portion, while the funds that remain in the account continue to earn a return.

This grants the retiree a welcome degree of flexibility in how her savings are invested, with a chance to avail of the lowest fund management charges on the table. This fits in with the demographic and sociological changes underway in society. Parents do not need to provide for their children in today's world, nor are children often available to render care during old age, making an income stream with which to pay for such services more than desirable. How should systematic withdrawals be taxed? Populist pressure made the government extend to NPS the same tax treatment that had been bestowed on the Employees' Provident Fund: Exempt at the time of contribution (subject to a cap), exempt during accumulation and exempt at the time of withdrawal (EEE). Since the lump-sum was tax-exempt, its withdrawal in stages should make no difference to its tax treatment. In fact, the government could go further. It could give tax breaks to the portion that's kept invested in the NPS for allocation to alternate investments, since an important chunk of these go into funding startups in sectors of strategic technological capability essential to the cause of India's strategic autonomy.

Ten big GenAI developments we saw within the span of a month

Its evolution didn't even pause for a year-end break as the AI wave began turning into a tsunami



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The latter half of December witnessed a flurry of groundbreaking announcements despite the holiday season, highlighting a Generative AI industry that cannot afford a pause, given the rapid developments and high costs for those who fall behind.

Google raised the bar with Gemini 2.0: Google's launch of Gemini 2.0 is a full-fledged base model upgrade from the 1.5 series. Such upgrades, even in half-step increments, represent substantial architectural advancements. It's crucial to acknowledge Google's dominant position in the AI landscape. Its models consistently rank at the top of most Western performance benchmarks.

Gemini 2.0 Flash—Your phone's 2025 AI brain: It was more than a base model change with Gemini 2.0 Flash, a specialized model built for speed and efficiency. Imagine this: your phone integrates AI into everything you do. Flash makes this possible. Need to identify a landmark in a photo quickly? Done. Want real-time translation during a conversation with someone speaking a different language? No problem. Flash's speed and multimodal capabilities integrate AI into everything you do. Image or audio clip, turning our phones into knowledgeable assistants.

Instant copiability—The AI arms race heated up: A day after Gemini Flash, OpenAI showcased almost identical capabilities. Its model can process a live

camera, turning your phone into an AI-powered 'eye'. The simultaneous announcements of similar features might be accidental, but it underscores the intensity of AI competition and the speed of this technology's evolution.

Google Whisk—The 'point-and-shoot' revolution reached image editing: Google's Whisk, a preliminary lab product, showcases the future of image editing. It allows users to edit images using other images as prompts, essentially remixing visuals innovatively. While AI tools won't replace expert tools, they're akin to the arrival of point-and-shoot cameras in the early 2000s, democratizing features previously exclusive to experts. AI rapidly changes how we interact with digital content, posing risks for all established players and processes.

Quantum leaps—Progress is exciting but patience is key: December saw a flurry of quantum-related announcements. From Google's demonstration of 'time crystals' to IBM's roadmap for the release of its largest quantum computer in 2025. We also witnessed quantum energy teleportation. While these advancements are significant, their practical applications are far away. Patience will be key, as their true impact may unfold over decades, not months.

Collaborative AI—OpenAI's Projects and Google's Canvas have reimagined teamwork: OpenAI and Google both launched platforms for collaborative AI projects. OpenAI's Projects allows users to create shared workspaces. Google's Canvas enables AI-powered collaborative brainstorming. They signal a shift towards AI-augmented teamwork. Imagine brainstorming sessions with AI generating ideas or writing projects and providing real-time feedback. This can revolutionize software development, design and research.

O3: The code whisperer—AI transformed programming again: Built on 'chain of thought' reasoning, O3 can break down complex coding into logical steps, enabling it to generate entire code blocks from simple prompts, debug intricate code-bases and even optimize algorithms for better performance. O3 can also re-factor existing code for clarity and scalability. This has profound implications for software development, empowering junior developers and freeing up senior programmers to focus on higher-level design.

O3 is redefining the limits of artificial general intelligence (AGI): It made waves by exceeding human performance on the abstraction and reasoning corpus (ARC) benchmark for AGI. While not true AGI, it demonstrates AI's remarkable progress in tackling complex tasks once considered exclusive to humans. As models like O3 push boundaries, we can expect them to tackle increasingly complex challenges that may appear unsurmountable now. While AGI may remain a distant goal, AI models keep knocking down the challenges we pose.

Robotics LLMs—The dawn of truly intelligent robots: A team of researchers unveiled language models for robots. These allow robots to respond to complex instructions in natural language. Imagine telling a robot to 'tidy up the living room' and it knows exactly what needs to be done. Companies like NVIDIA and OpenAI, with their ongoing research, are likely to incorporate LLMs into robotics development.

Usage costs—A seismic shift in the AI landscape: In 2024, we saw AI usage costs tank by over 90%. An expert showed that today's cost of processing tens of thousands of photos is already below \$2. A Chinese developer unveiled a further game-changer: DeepSeek-V3 rivals the performance of leading LLMs, but its training cost just \$6 million. As a result, it can offer token or usage pricing at less than 10% of an already cheap rate. This dramatic cost reduction is a powerful catalyst for mass adoption of GenAI.

The AI tsunami: The AI wave has gained an intensity rarely seen. It's a multifront revolution, with progress in every direction. On what it can achieve, the message is clear: buckle up, because the AI wave is turning into a tsunami.

10 YEARS AGO



JUST A THOUGHT

Virtue is more to be feared than vice, because its excesses are not subject to the regulation of conscience.

ADAM SMITH

MY VIEW | MUSING MACRO

Rupee depreciation is inevitable but its volatility is not

AJIT RANADE



is a Pune-based economist

The dollar-rupee exchange rate is one of the most important economic variables that affects all aspects of the economy. Whether it is food prices that have an embedded transport fuel or fertilizer cost element, or domestic steel facing import competition, everything is influenced by that rate. Even a business which has wholly domestic inputs and costs, with all its transactions in rupees, faces the heat of the dollar rate. This is the shadow impact of the exchange rate. An open economy with a tradeable sector is subject to competition from goods and services traded internationally. The exchange rate thus affects its competitiveness, a lack of which cannot be compensated fully by raising import-duty protection; it is eventually counterproductive because tariffs lead to inflation as locally produced protected goods get expensive. Inflation is the other most important economic variable. To keep it in check, interest rates must rise. This delicate dance between the three variables of inflation, interest rates

and the exchange rate is a major headache for policymakers. It is governed by the 'impossible trinity' theorem, which says that you cannot have independent control of both the exchange rate and interest rate and still maintain an open economy. In other words, a fixed exchange rate and free capital flows are incompatible with an independent monetary policy, thus compromising the nation's autonomy. Despite this so-called trilemma, it is still possible to have partial control of exchange and interest rates and keep the economy partially open. This is the art of policymaking—what economists call 'interior solutions' (i.e., not corner solutions). The Reserve Bank of India (RBI) is technically only a custodian of our foreign exchange reserves, but it also manages the exchange rate. RBI has a written explicit inflation mandate but no numerical target for the dollar rate, which in any case would be futile. RBI maintains that it lets market forces determine this rate and intervenes only to curb excessive volatility.

The challenge of managing the exchange rate has other dimensions too. For instance, India's economic growth needs exports as a driver. An exchange rate that is too high can hamper exports. For the past few years, our exports have grown slower than GDP, which

needs to be corrected. How much exports have suffered due to a high rate is debatable. Did it remain high because of intervention by RBI? Former chief economic advisor Arvind Subramanian and Josh Felman find that for past three years, the real effective exchange rate (REER) has been kept much higher than the average for the previous two decades.

The REER is calculated by adjusting the nominal rate for differences in inflation with India's trade partners. They point out that unlike in the previous two decades till 2019, the rupee was actively prevented from depreciating by aggressive sales of India's stock of foreign exchange. From February till October of 2022, RBI sold or lost a whopping \$105 billion of its stock. This was presumably to prevent the rupee from sliding. Was this not an excessive cost to pay to prevent what should have been a natural decline? There are two aspects to RBI's stock and sale of dollars. On one hand, a large stock represents a cost to the nation in foregone higher returns that could have

been earned on non-dollar assets. Conversely, when RBI sells aggressively at a lower rate than when it bought the dollars, it makes a net profit, which can be passed on as annual dividend to the government. Estimates of the cost of excess holdings and profit from excessive selling are not readily available. An average holding of \$700 billion with a 3% interest differential implies a cost of \$21 billion (or about \$25,000 crore).

On the other hand, RBI's dividend payouts have been huge in recent years, which was a result of extra dollar sales as well as a reduction in the risk buffer. Invoicing is another dimension of forex policy. While only about 15% of India's trade is with the US, nearly 85% of foreign trade higher foreign direct investment inflows, keeping the domestic growth rate high and reducing our dependence on imported crude oil. All this would be in the domain of New Delhi rather than Mint Street. It would also help to tone down the rhetoric of equating the rupee's strength with national strength.

Let RBI be restrained in active forex management and aim for gradual depreciation, which is inevitable. Meanwhile, some other non-RBI policy measures are designed to strengthen the rupee would include enacting higher foreign direct investment inflows, keeping the domestic growth rate high and reducing our dependence on imported crude oil. All this would be in the domain of New Delhi rather than Mint Street. It would also help to tone down the rhetoric of equating the rupee's strength with national strength.

is involved in the US dollars. This too has an impact on the dollar's global strength. In the era of a second Trump presidency and sky-high US debt and budget deficits, the strength of the dollar cannot be stopped easily. In the early 1970s, the US Treasury secretary had quipped that "the dollar is our



MY VIEW | STATISTICALLY SPEAKING

MINT CURATOR

Welfare programmes impact the retail prices relevant to people

India must update its inflation metrics to reflect actual consumption expenditure patterns for superior policy formulation



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The Union ministry of statistics and programme implementation (MoSPI) has recently put out a discussion paper on "The treatment of PDS items and other free social transfers in consumer price index (CPI) compilation". First, the background: In January 2023, the government announced a programme to supply free foodgrains (wheat and rice) to around 800 million households covered under the National Food Security Act. This announcement followed a series of *ad hoc* extensions to the free distribution of essential goods initiated during the covid crisis. The relevance of this scheme to the index arises from the fact that wheat and rice account for a weight of almost 7.5% of the all-India combined CPI.

The discussion paper therefore highlights two challenges. One, how to account for the reduction in price of Public Distribution System (PDS) items from a positive value to zero in the ongoing series; and two, how to treat free PDS items in the proposed new series after the ongoing base-revision exercise is done. The paper follows a 'user consultation' by MoSPI earlier on the same topic. This exercise raised speculation about its impact on inflation measurement, as it coincided with observations made by the chief economic advisor and others (including this author) on limiting food inflation from the ambit of monetary policy decisions.

As for the treatment of free distribution of PDS in the ongoing series, the paper suggests that we either redistribute the weight of these items to other items within the same class or redistribute the weight broadly over all items in the basket. The paper states that the first method was adopted at some point in the ongoing series. This, however, is highly problematic.

First, free distribution increases the disposable income of consumers (because of savings on those items). How this extra income is spent depends on the preference pattern of the consumer. It is certainly not the case that the extra income will be spent only in the category where free distribution occurs. For example, it is highly unlikely that a household getting free rice will be spending the resultant increase in disposable income only on rice and/or other cereals. The correct approach would have been to re-allocate the weight of these items across the entire consumption basket.



Further, regardless of the method adopted, when the change was introduced, indices with and without the change should have been produced, alerting users to the change and its impact. This parallel production of indices should have been continued for a period of at least one year to allow users to see the directional impact of the change. Not adhering to this basic principle of transparency increases doubts about the validity of government statistics on the whole and results in unnecessary speculation on likely reasons. In this case, concerns have been raised about the likely effect of these issues on inflation measurement and consequent policy.

The impact of free distribution of foodgrains on inflation is likely to be small. This is because most of the inflation in food products arises in the categories of fruits and vegetables, protein-rich items and edible oils. As a result of a government-run procurement programme that offers minimum support prices (MSPs), cereals (particularly wheat and rice) tend to witness relatively less retail price instability. The most volatility in these categories is visible in specialised items that are not covered by the MSP system, such as Basmati rice. Given that such items have a low share in the consumption basket of the median consumer (which is what the CPI tracks), the impact on overall inflation would in any case have been small. However, openness in the adjustments adopted leads some people to doubt even correct statistics.

The issue of free distribution of foodgrains raises a larger concern when it comes to CPI compilation and household consumption patterns. The government may, for example, seek to include the distribution of pulses and edible oils under welfare schemes (demands for which are already being made). This would have an even larger impact on consumption patterns.

It is therefore important that India's Household Consumption Expenditure Survey be made a regular ongoing exercise, as is being done with the Periodic Labour Force Survey and Annual Survey of Unincorporated Sector Enterprises. This would allow construction of the CPI as a dynamic chain index with frequent revisions to its weighting diagram and item basket. The benefits of this would not only cover existing policies like dearness adjustment (which may even allow for savings thanks to more precise estimations) and inflation targeting, but also the country's response to black-swan events like the covid outbreak.

To sum up, transparent methodologies, coupled with regularly conducted household consumption surveys, can mitigate doubts and improve the utility of the CPI in policymaking. As welfare programmes expand, regularly updating inflation metrics by actual consumption patterns will not only enhance statistical accuracy, but also enable better informed economic decisions. It would build trust in public systems and support effective governance.

GUEST VIEW

AIF industry: At risk of death by a thousand circulars

TV. MOHANDAS PAI



is chairman, Aarin Capital Partners.

Everybody loves a good fight; a clash of equals can be an engaging test of skills if fair play is assured. But nobody likes an unequal show of naked power against an enfeebled opponent. The year-long 'regulatory rumble' against India's alternate investment fund (AIF) industry is a textbook example of regulatory excess. The industry is at risk of suffering a slow death by a thousand circulars, starting with those issued by the Reserve Bank of India (RBI).

As a creation of Parliament, RBI ought to be answerable to lawmakers. But it seems to have weaponized its autonomy and seem accountable only to itself. It has gone against the spirit of liberalization to become excessively prescriptive, with finetune firms and AIFs at the receiving end.

In December 2023, RBI released 'Investment in AIFs', an innocuously titled circular. It was akin to curbing dandruff by decapitation. To resolve the issue of some AIFs being regulated by RBI regulated entities (REs) to avoid green loans, the regulator placed an effective

ban on banks and non-bank finance companies (NBFCs) investing in AIFs with exposure to REs' debtor companies. If an AIF portfolio company had even a mere fixed deposit-backed credit card from a bank, the latter would need to write off its AIF investment. Over ₹12,000 crore has been written off by banks and NBFCs. The government-sponsored SWAMIH Fund, meant for affordable housing, is stuck because of this. The AIF industry protested, but RBI did not relent. A small group that got a meeting with it was told that the chapter was closed. In March 2024, the regulator released a circular providing cosmetic relief: REs could invest in AIFs that invest in equity shares, not equity securities. This marked a break from treating both the same way, and it must surely have been aware that private equity and venture capital funds invest mostly in equity securities. Concerns that these could be redeemed were far-fetched, as their redemption norms are the same as for equity shares, as accounting standards classify redeemable shares as debt.

Another example of RBI's lack of consultation is the issue of partly paid units (PPUs). AIFs units are a 'beneficial interest', an undefined term taken to mean the right to receive a defined portion of the income and

assets of an AIF. The Securities and Exchange Board of India (Sebi) had permitted AIFs to issue units partly or fully paid, with RBI's Form INV1 allowing the same. But in early 2023, with no prior consultation or intimation, Form INV1 was changed to bar PPUs. After a year of multiple representations, rules under India's Foreign Exchange Management Act saw an 'explanation' inserted to state that AIF units can be either partly or fully paid. This was meant to elucidate an existing position. Yet, RBI sent emails to AIFs demanding that they admit a fault and regularize their PPUs. Distributions to foreign investors are stuck on account of this issue, which RBI has been reluctant to resolve. With the penalty as high as the capital raised, this is patently unfair to AIFs.

Despite AIFs bringing in convertible currency funds, their \$1.5 billion overseas investment allowance hasn't been renewed in over 30 months, while mutual funds have had at least two renewals. Why the dichotomy?

Section 58 of the RBI Act states that RBI may make regulations "with the previous sanction of the Central Government." But today, the regulator appears to play judge, jury, executioner and legislator. Making matters worse, it lacks an appellate authority to overrule arbitrary moves.

Sebi often claims that AIFs have a "light touch" regulatory regime. But a light touch by an iron hand can still deliver a heavy blow. At the 2023 Gatekeepers of Governance event in Mumbai, a Sebi official mentioned that it had issued 167 circulars in 12 months; that's almost a circular every two days. Investors need regulatory stability, not incessant rule changes. A slew of circulars and changes this year have

left AIFs gasping for air, with many spending more time on compliance than on investment. And then, regulatory risk has come to exceed market risk, although sophisticated investors don't need the same protections as their retail counterparts.

Category III AIFs in India have always

received stepmotherly treatment from regulators. The industry joke is that "Mutual fund advisers said 'AIF nahin hai'" (Mutual funds are the right choice as AIFs aren't there). Sebi's new 'specified investment fund' regime lets mutual funds invest in nearly the same areas as Category III AIFs, with a minimum ticket size one-tenth that of AIFs. Combined with the tax advantages of mutual funds and the dismal lack of clarity on Category III AIF taxation, it's a miracle if AIFs see any investor interest in a few years.

It is for the government to step in and save the industry from regulatory overreach. A study by the Indian Venture and Alternate Capital Association concluded that every \$10 million of alternative capital invested in companies creates \$58 million in revenue and 470 direct jobs, while yielding \$12 million in taxes. Capital formation by AIFs drives forward direct investment, increases tax revenue and spurs economic activity by bringing innovation to market.

Yet, AIFs are consumed and confused by compliance. AIFs need three compliance executives for each investment team member. Capital raised by AIFs slowed drastically in 2024 over 2023. Overregulation has mutated India's red carpet for investors into red tape.

Expect Trump's crackdown on immigration to be disruptive

He is far better placed to act swiftly and harshly this time around



PATRICIA LOPEZ
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It's clear that US President-elect Donald Trump believes he has a mandate to enact the largest deportation in US history. What happens next could forever alter what it means to be an American. Immigration under President Joe Biden surged to levels unmatched in more than a century—an estimated net increase of 8 million migrants during his four years in office, with a majority crossing illegally, according to a Goldman Sachs report.

Biden was determined to reverse the harsh Trump/I policies that limited both kinds of immigration. But Biden never conveyed it. There was no 'Biden doctrine' to help people understand why he believed more immigrants, refugees and asylum seekers could prove a net benefit. Finally, after Trump killed a bipartisan immigration reform bill, Biden re-imposed tighter limits on the southern border, but it was too late to save the election for Democrats.

Now the US finds itself with the highest foreign-born population in its history—over 15%—and a border that's more porous than secure. And the electorate has proven susceptible to Trump's rhetoric. As Trump prepares to deliver on his top priority, expect the actions that follow to be swift and ugly. Watch out for five things:

The alien Enemies Act of 1798 Trump and his acolytes have described migrants as "invaders" and border crossings as an "invasion." He has said he will use this law to "remove all known or suspected gang members, drug dealers or cartel members from the United States." The law so far has been used only in wartime, and Trump's invocation would surely draw a legal challenge. But the Brennan Center for Justice has warned that the Act's language is so broad that "a president might be able to wield the authority in peacetime as an end run around the requirements of criminal and immigration law." Trump also has pledged to use the military and local law enforcement if necessary. There are prohibitions against that as well, but it's anyone's guess if they'll be upheld.

Workplace raids Tom Homan, Trump's nominee for 'border czar', has pledged to bring back workplace raids. Once a staple under earlier administrations, they were stopped by Biden. Raids were disruptive to employers and sparked terror in immigrant communities, but Homan has said the message is one that needs to be sent. He has said he will start in Chicago. "If your Chicago mayor doesn't want to help, he can step aside. But if he impedes us, I'll prosecute him," he said.



A conservative US Supreme Court means legal challenges may fail

Brighter citizenship Trump has said that he intends to repeal one of the most fundamental ideas about the US: that no matter where in the world your parents come from, if you are born here, you are an American. It is a principle specifically enshrined in the 14th Amendment. No president can override the Constitution with an executive order. But Trump could create havoc in the meantime by, as he has said he would, ordering the government to stop issuing Social Security numbers and passports to offspring of parents who cannot prove their legal status.

Refugee programmes Biden reduced illegal border crossings partly by expanding programmes that allow legal ones. Think of his humanitarian parole policy. But the outgoing president has said he will not renew that authorization for the more than half-million immigrants who came from Venezuela, Haiti, Cuba and Nicaragua during his term. Trump has called Biden's version an "outrageous abuse of parole" and wants to end it. He may also seek to end or restrict Temporary Protected Status, which shields more than 800,000 immigrants from specific countries against deportation.

Dreamers The lone card Trump has held out to Democrats is possible action to protect Dreamers—those brought to this country illegally as children, many of whom have grown old waiting for more than temporary protection in the only homeland they've ever known. How genuine is that offer? It's up to Trump, whose record is mixed. He also held out a similar promise in his first term, only to go back on it.

Hardliners in Congress have already expressed reservations about further protection for 'dreamers', whose status rests on an Obama 2012 executive order called Deferred Action for Childhood Arrivals, or DACA. The order provided a temporary shield from deportation and work permits. If Trump persists, expect him to extract maximum leverage from any deal.

It could be clear even to big doubters that Trump intends to follow through on what is now a decade-old pledge to crack down on immigration. But this time, he has team in place with the experience and knowledge to follow through, however brutal it turns out, and also a conservative Supreme Court. That could make all the difference.

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ABSTRACT

Analysing the 2023 caste-based Census of Bihar

Why a caste-based Census is imperative in India to understand the socio-economic conditions of disadvantaged groups, particularly backward classes

Rebecca Rose Varghese

G. Z. Christophe and Himanshu, 'Caste and Socio-economic Inequality in Bihar: A Disaggregated Analysis of the 2023 Census', *Economic & Political Weekly*, Vol 59, Issue no. 47, November 23, 2024

In India, caste has been extensively studied, both historically and academically, to understand its impact on society, and the socio-economic challenges faced by various communities. Scholars have examined caste dynamics from different perspectives.

While colonial authorities conducted studies on caste for ease of administration, post-independence, caste became central to affirmative action policies aimed at addressing inequalities. Despite the breadth of research, the lack of comprehensive and uniform caste data remains a significant gap, highlighting the need for a caste-based Census to better address caste-based disparities.

Why a caste-based Census

The three broad administrative categories devised for affirmative action – Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC) – group a multitude of diverse caste groups under generalised classifications. While people from the SC are those, who have historically faced untouchability, people from the ST are recognised for their social and economic backwardness, and social and economic disadvantages characterise people from OBC. Communities outside these categories are classified as the General Category.

In this context – where concerns persist that certain castes may dominate and monopolise benefits, that additional castes may need inclusion, or that aid fails to reach those who genuinely require it due to lack of reliable data, and how broad administrative categories fail to show the complexities of caste and tribe disparities – the importance of a caste-based Census becomes undeniable. Addressing these issues, the authors, Christophe Z Guilimot and Himanshu, through their article "Caste and Socio-economic Inequality in Bihar: A Disaggregated Analysis of the 2023 Census", undertake an in-depth examination of Bihar's 2023 caste Census. This initiative by the State, similar to recent efforts undertaken by Karnataka and other regions, shows the increasing need for more detailed data on caste.

A caste Census is vital for backward-caste politics, as it enables accurate identification of OBCs, many of whom lack verifiable data for inclusion. It also supports demands to reassess the Supreme Court's 27% reservation cap, reflecting their demographic share. Finally, it prevents misuse of benefits by revealing intra-community disparities, fostering a more equitable system.

The caste history of Bihar

The socio-political landscape of Bihar has been deeply influenced by caste dynamics. From the colonial era's regimental assignments to identify "criminal tribes," caste data has been integral to administrative and political strategies. Post-independence, the



Need for more data: JD(U) workers and supporters celebrate after the declaration of Bihar's caste-based Census report, in Patna, on October 4, 2023. PTI

Constitution institutionalised affirmative action through Articles 16(4) and 340, recognising the socio-economic backwardness of certain groups. However, these classifications were often based on "expert assessments" rather than empirical data, as seen with the Mandal Commission.

Since the 1950s, caste-based politics has shaped Bihar's socio-political landscape. Key milestones include the 1978 Karpooi Formula and the Mandal Commission's 1990 implementation, which empowered OBCs under leaders like Lalu Prasad Yadav of the Janata Dal (JD). Internal divisions within OBCs led to political splits, including the rise of the Janata Dal (United) [JD(U)] and the Lok Janshakti Party (LJP), while Nitish Kumar's 2007 Mahadalit mission stratified SCs. While repeated calls for a national caste Census did not materialise, Bihar went ahead, conducting its own in 2023, addressing data gaps and highlighting the socio-economic disparities within caste categories.

Methodology

The 2023 Bihar caste Census, overcoming legal challenges regarding the State's authority to collect caste, gender, and religion data, was conducted in two phases – house listing in early 2023 and socio-economic data collection mid-year.

After the Patna High Court dismissed petitions against the survey, reports were released detailing caste and socio-economic data. Using a predefined list of 215 communities, the Census categorised SCs, STs, OBCs, Most Backward Classes (MBCs), forward castes, and a separate "other reported castes" (ORC) group.

Over 98% of the population fall into backward classes (BCs), GCs, MBCs, and SCs, with BCs and MBCs making up nearly two-thirds. The Yadavs are the largest group at 14.3%, followed by Dusadhs, Chamars, and other significant communities. Despite dominant groups, the population is highly fragmented, with the 10 most prominent castes comprising less than half of the total population. The fractionalisation index of 0.96 highlights extreme diversity, exceeding even the ethnic diversity of countries like China or the U.S.

To analyse socio-economic status across communities, factor analysis was employed. This analysis focused on the 78 largest communities with populations over one lakh, as data from smaller populations is less reliable. These 78 groups represent 98.2% of Bihar's population. While the Census included key socio-economic data, the authors note its limitations. Key indicators such as age, land ownership, and regional

breakdowns were excluded, limiting the scope and depth of the findings.

Disparities in income and education

The authors explain that Bihar's caste clusters (GC, ORC, BC, MBC, SC, ST) reveal stark socio-economic disparities. ORCs and GCs lead in income and education, while Dalits, particularly Musahars and Bhuuiyas, fare the worst. Over 40% of SC and ST households earn below ₹6,000/month, compared to 25% of GCs. Meanwhile, 12% of ORCs earn above ₹50,000/month, while Dalit incomes average ₹8,000/month, far below ₹39,000 for Kayasthas.

Educational disparities mirror income trends. Dalits have less than 3.5% higher education attainment, compared to 17% among GCs. Musahars and Bhuuiyas average less than four years of schooling, while Kayasthas average 10.7 years. A polynomial regression ($r^2=0.90$) highlights a strong correlation between income and education, with higher education yielding returns, particularly for upper castes.

Within clusters, socio-economic diversity persists. BCs generally perform better than MBCs, but some MBC groups, like Dangis and Halwais, surpass many BCs. Yadavs, Bihar's largest caste, align with regional averages but exhibit internal disparities: 40% are poor, yet 6% are highly educated. Muslim groups like Pathans and Shikhs face challenges akin to BCs. These findings underscore that broad administrative categories fail to capture the nuanced realities of caste-based inequalities.

Employment and asset ownership

Employment data reveals glaring inter-caste disparities. GCs dominate both the public and private sectors, while SCs like Musahars and Bhuuiyas are largely confined to manual labour. Although reservations have narrowed disparities in government jobs, they disproportionately benefit dominant castes like Kurmis, Kushwahas, and Yadavs. Marginalised groups and Muslims remain underrepresented.

Asset ownership and migration patterns further underscore the socio-economic inequalities in Bihar. GCs and ORCs lead in housing and asset ownership, while marginalised groups such as Musahars, Tiyaars, and Bhuuiyas struggle with kutcha housing and homelessness. Migration trends also highlight disparities, with forward castes dominating student migration, while both affluent and impoverished groups are engaged in labour migration.

Using Principal Component Analysis (PCA), the authors evaluated socio-economic status across communities, focusing on variables such as housing, employment, assets, and migration. PCA, which utilised 19 variables, revealed that Musahars, Tiyaars, and Bhuuiyas were the most deprived, while Kayasthas emerged as the wealthiest. This ranking, based on various living standard indicators, is also closely aligned with the rankings based on education and income.

Through a detailed look at the Bihar Census 2023, the authors highlight the deep-rooted socio-economic inequalities in the State, where higher castes benefit from better income, education, and employment opportunities, while marginalised groups like Musahars and Bhuuiyas remain excluded.

The Bihar caste Census is proof of the need for detailed caste data. By offering comprehensive insights, this Census shows how it can become an essential tool for informing policies and ensuring resources are allocated effectively to address disparities and foster more equitable reforms.

Rebecca Rose Varghese is a freelance journalist.



FROM THE ARCHIVES

Know your English

K. Subrahmanian
S. Upendran

"... So I asked her if she could and she told me..."

"Stop beating about the bush and get to the point, will you?"

"Stop beating about the bush! What..."

"... I know what it means. It means don't ramble, get to the point. What I want to know is how this expression came into being."

"It goes back to the days of bat fowling."

"Is it spelt f.o.w.l.i.n.g?"

"No, no. It's spelt f.o.w.l.i.n.g. It's pronounced the same way as f.o.w.l.i.n.g. A 'fowl' is a bird, 'especially one that can be hunted or eaten as food'."

"O.K. Tell me more about this bat fowling."

"Bat fowling was a night sport and the people who took part in it were called bat fowlers. And what the bat fowlers used to do was hunt birds at night."

"How did they do that?"

"The bat fowlers used to carry a bat and a lamp with them. They used to go into bushes where the birds were sleeping and wake them up by making a noise. When the frightened birds came out flying, the bat fowlers showed them the lamp. The bright light made the birds temporarily blind. And while they were in this helpless state, the men killed them with their bats."

"How crude! But what does this have to do with beating about the bush?"

"Along with the lamps and bats, the bat fowlers used to take with them some servants. They were called 'beaters' and their job was to frighten the birds out of their hiding place."

"How did they do this? Did they shout?"

"No, they used to beat the bushes."

"The bush in which the birds were hiding?"

"No, it was usually the bush next to the one in which the birds were hiding."

"Really? Incidentally, Americans say 'around' instead of 'about'. So they were actually beating about the bush!"

"Yes, they were."

"What did they do with the birds? Did they make soup and have a bowl of it?"

"The 'ow' in 'b.o.w.l.' is pronounced like the 'o' in words like 'pole', 'hole' and 'sole'."

"O.K. So it's a bowl of soup. And talking about soup, has your mother made her famous vegetable soup lately?"

"No, not recently."

"Come to think of it, I haven't seen her for a long time. Please tell her I asked about her."

"I'll tell her you asked after her."

"After her?"

"That's the correct expression. Please tell your parents I asked after them. Ciao!"

Published in *The Hindu* on August 16, 1994.

THE DAILY QUIZ

A decade after a deadly terrorist attack on its offices over a controversial cartoon, French Magazine *Charlie Hebdo* will release a special issue. A quiz on cartoons

Vignesh P. Venkitesh

QUESTION 1

Where did the controversial cartoons that led to the attack on *Charlie Hebdo* first appear?

QUESTION 2

Name the 1939 cartoon by David Low which has two figures in it greeting each other as "The scum of the earth, I believe?" and "The bloody assassin of the workers, I presume?" Name the two figures as well.

QUESTION 3

Name the New Yorker

cartoon that came under fire in 2008 over its depiction of then U.S. President Barack Obama and first lady Michelle Obama?

QUESTION 4

Name the cartoonist and the cartoon which appeared in *The Pennsylvania Gazette* in 1754, emphasising the importance of the U.S.'s then-disjointed colonies joining together.

QUESTION 5

Name the *Washington Post* cartoonist who quit last week after her cartoon depicting its owner Jeff Bezos and U.S. President-elect Donald Trump was rejected.



Visual question:

Which Indian author's cartoons are exhibited here? MUSTAFA K.K.

Questions and Answers to the previous day's daily quiz:

- The christened name of A.R. Rahman. The full name of Kapil Dev. **Ans: A.S. Dileep Kumar; Kapil Dev Ram Lal Nikhanj**
- Kapil Dev's last and record-setting 434th scalp. **Ans: Adam Parore (New Zealand)**
- The two films for which Rahman won the National Film award for Best Background Score. **Ans: Mom and Panniyin Selvan**
- Kapil scored the unbeaten 175 during the 1983 Prudential World Cup at this ground. **Ans: Nevill Ground in Tunbridge Wells (Kent)**
- Rahman was nominated for multiple Oscars for this 2011 film but did not get any of them. **Ans: 127 Hours**
- The latest autobiography of Kapil. **Ans: Straight from the heart**
- Name the musical that Rahman created in collaboration with Andrew Lloyd Webber in 2002. **Ans: Bombay Dreams**
- Visual: Name this one-off album. **Ans: SuperHeavy**
- Early Birds: Tito Shalidadi| Rajmohan Velayudhan| Piyali Tulli| Tamal Biswas| Varghese Joseph

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

Word of the day

Cognate:

one related by blood or origin, especially on sharing an ancestor with another; a word is cognate with another if both derive from the same word in an ancestral language; related in nature

Synonyms:

akin, blood-related, consanguine, kin, blood relative

Usage: In this part of the world, society was organised on cognate kinship.

Pronunciation: newsth.liv/cognatepro

International Phonetic Alphabet: /kɒɡ.nət/, /kɒɡ.nət/, /kɒɡ.nət/

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

Text & Context

THE HINDU

NEWS IN NUMBERS

The number of women executed by Iran in 2024

31 Norway-based Iran Human Rights (IHR) NGO, which closely tracks executions in Iran, said in a report that the figure for 2024 marked the highest number of women to be hanged in Iran since it started documenting the use of capital punishment in 2008. **APF**

Number of people in Sudan who require aid, as per the UN

30 million. Sudan has been torn apart and pushed to the brink of famine by the war that erupted in April 2023 between the Sudanese army and the paramilitary Rapid Support Forces. The UN has launched a \$4.2 billion call for funds, targeting 20.9 million people across Sudan. **APF**

People in J&K detained for drug peddling in 2024

300 Police have recovered over 43 kg of heroin worth several hundred crore in the Jammu district in 2024, officials said. The police also attached 11 properties of drug smugglers worth ₹4.69 crore in the district during the same period. **PTI**

Number of Rohingya refugees who arrived in Indonesia

264 The mostly Muslim ethnic Rohingya refugees, who arrived in Indonesia's province of Aceh after floating at sea for days, are persecuted in Myanmar and thousands risk their lives each year on long and dangerous sea journeys to reach Malaysia or Indonesia. **PTI**

Number of Palestinians killed in Gaza since Oct. 7, 2023

45,854 The health ministry in Gaza said that 45,854 people have been killed in more than 15 months of war between Israel and Palestinian militants. Israel's offensive has wounded 1,09,139. **APF**

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Decoding the National Anthem controversy

What is the practice followed in the Tamil Nadu Legislative Assembly during and after the Governor's address? Why did Tamil Nadu Governor R.N. Ravi leave the Assembly without delivering his address? Is the singing of the National Anthem during certain occasions mandatory?

EXPLAINER

D. Suresh Kumar

The story so far:

In January 6, Tamil Nadu Governor R.N. Ravi left the Legislative Assembly without delivering the customary address on the opening day of the first session of the year complaining that the National Anthem was not played before his scheduled address. Last year too, he had refused to read out his address.

What did the T.N. Raj Bhavan say?
The Raj Bhavan has alleged "the Constitution of Bharat and the National Anthem were once again insulted in the Tamil Nadu Assembly". It said respecting the National Anthem is among the first fundamental duties enshrined in our Constitution. It is sung in all the State legislatures at the beginning and at the end of the Governor's address. Not to be a party to such "brazen disrespect to the Constitution and the National Anthem," the Governor left the House.

What is the practice in Tamil Nadu?
As per convention, the State anthem – "Tamil Thal Vazhthu" – is played at the beginning of the Governor's address. The National Anthem is played at the end of the address. The practice of playing the State anthem at the commencement of the Governor's address and the national anthem at the end in the Tamil Nadu Assembly was introduced in July 1991 when the All India Anna Dravida Munnetra Kazhagam (AIADMK) government, led by Jayalalithaa, was in power. At that time, Bhisma Narain Singh was Governor. Prior to that, the Governor would enter the House, deliver the address, and leave.

What is the practice in other States?
Each House follows its own convention. For instance, in Nagaland, the national anthem was not played at all for several



Problems in procedure: Tamil Nadu Governor R.N. Ravi and Chief Minister M.K. Stalin salute the national flag, in Chennai on January 26, 2024. S. R. RAGHUNATHAN

decades. It was played for the first time in February 2021 when R.N. Ravi was the Governor of the northeastern State. Likewise, it was only in March 2018, that the national Anthem was played for the first time in the Tripura Assembly.

What is the practice when the President's address is delivered?
When the President reaches his seat on the dais, a band installed in the lobby of the central hall to the right of the President, plays the National Anthem. The President then reads the printed address, in Hindi or English, followed by a reading of the address in another version if necessary, by the Chairman of the Rajya Sabha. After the conclusion of the address, the President rises in his seat, followed by the members and visitors in the galleries, when the National Anthem is played again. The President, thereafter,

leaves the central hall in a procession.

What does the Constitution say?

Section 51 (A) (a) of the Constitution of India dealing with fundamental duties, says, "It shall be the duty of every citizen of India to abide by the Constitution and respect its ideals and institutions, the national flag and the national anthem."

What does the order issued by the Ministry of Home Affairs say?

The full version of the National Anthem shall be played on the following occasions – during civil and military investitures; when the national salute is given in accompaniment with the National Anthem to the President or to the Governor/Lieutenant Governor during ceremonial occasions within their respective States/ Union Territories; during parades; on arrival of the

President at formal State functions and other functions organised by the Government and on his departure from such functions; immediately before and after the President addresses the nation over All India Radio; on arrival of the Governor/Lieutenant Governor at formal State functions within his State/Union Territory and on his departure from such functions; when the National Flag is brought on parade; when the regimental colours are presented; and for the hoisting of colours in the Navy.

When is mass singing of the national anthem required?

The full version of the anthem shall be played accompanied by mass singing on the following occasions – on the unfurling of the National Flag, on cultural occasions or ceremonial functions other than parades; and on the arrival of the President at any government or public function (excluding formal State functions) and also immediately before his departure from such functions.

Can punishment be imposed if it isn't played at official functions?

On January 29, 2019, the Prime Minister, Tamil Nadu Governor and Chief Minister had participated at a function in Madurai for laying the foundation stone for an AIIMS building. The national anthem as well as "Tamil Thal Vazhthu" were not played at this function. Objecting to this, a woman had moved the Madras High Court seeking a direction to the Ministry of Information and Broadcasting to frame the rules for imposing punishment, and also to take action against the Chief Secretary for disobedience in not playing the National Anthem.

The court pointed out that a bare reading of her representation made it abundantly clear that when the petitioner herself has stated that there is no mandate for the National Anthem to be sung, and is only a customary practice, mandamus sought against the respondents, cannot be issued. The court dismissed her petition.

THE GIST

Each House follows its own convention. For instance, in Nagaland, the national anthem was not played at all for several decades.

In Tamil Nadu, as per convention, the State anthem – "Tamil Thal Vazhthu" – is played at the beginning of the Governor's address. The National Anthem is played at the end of the address.

Section 51 (A) (a) of the Constitution of India dealing with fundamental duties, says, "It shall be the duty of every citizen of India to abide by the Constitution and respect its ideals and institutions, the national flag and the national anthem."

What is the human metapneumovirus?

Is the unknown pathogen a reason for concern? How does it spread and can it be prevented? What are the symptoms exhibited after being infected by the human metapneumovirus?

Zubeda Hamid

The story so far:

China's diseases control authority said that it was piloting a monitoring system for pneumonia of unknown origin. The country was already witnessing an upward trend in overall infections as of mid-December, and is expecting to see more respiratory infections in the winter and spring. One of the pathogens that was detected, especially among people under the age of 14, was human metapneumovirus. Subsequently, posts showing crowds of people in what looked like Chinese hospitals appeared on social media along with statements about China declaring an emergency over the virus. So far, there has been no such declaration.

What is human metapneumovirus?
Human metapneumovirus (HMPV) is a

respiratory virus that causes mild infections similar to that caused by a common cold. First identified by scientists in 2001, the virus belongs to the *Pneumoviridae* family, of which respiratory syncytial virus (RSV), measles and mumps are also members. HMPV can cause both upper and lower respiratory tract infections and is generally seen in winter and early spring. Children, the elderly and those with weakened immune systems are more susceptible to the infection and to developing complications from it. The symptoms of HMPV can resemble those caused by a common cold. They include a cough, runny or blocked nose, sore, throat, fever and wheezing. The estimated incubation period is three to six days. In most people, the illness goes away on its own within a few days, with rest and supportive care at home. In a few people however, complications such as

bronchitis or pneumonia may arise, requiring medical care.

How does HMPV spread?

HMPV spreads through contact with an infected person or touching objects that have the virus on them. This can be through secretions from coughs and sneezes; close contact with someone who has the infection by shaking hands, hugging; touching a doorknob or a phone or a keyboard that may be contaminated with the virus and then touching the mouth, nose or eyes.

How is HMPV treated?

There is no vaccine and no specific antiviral to treat HMPV. Most people require over-the-counter medications to relieve fever and pain, possibly with a decongestant. Antibiotics will not work for HMPV. However, the virus can be prevented. As with most other respiratory

viruses, the best way to protect yourself from illness is to wash your hands frequently with soap and water, avoid close contact with infected persons, avoid touching your face, nose, eyes and mouth and wear a mask if you think you may be infected, so that you can prevent transmitting it to others. People with lung conditions such as asthma or COPD should be extra cautious and protect themselves from infection.

What has the Indian govt. said?

In light of the reports from China, the National Centre for Disease Control (NCDC) under the Union Health Ministry is closely monitoring respiratory and seasonal influenza cases in the country, and is in touch with international agencies. "We will continue to monitor the situation closely, validate information and update accordingly," sources said. HMPV cases have been confirmed in two infants from Karnataka and one in Ahmedabad, Gujarat. In Chennai too, two children tested positive for the virus. The Union Health Minister J.P. Nadda in a video statement said, "Health experts have clarified that the HMPV is not a new virus. It was first identified in 2001 and it has been circulating in the entire world for many years. HMPV spreads through air, by way of respiration... The health systems and surveillance networks of the country are vigilant and there is no reason to worry."

THE GIST

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The end of global climate policy

The climate conference in Baku in 2024 turned the climate treaty on its head by scrapping the defining feature of the post-colonial world divided between 'donors' and 'recipients' and suggesting the need for an alternate global sustainability forum. The shift requires that developing countries take charge of their own destiny.

The purpose of the climate treaty in 1992 was to collectively deal with a common concern. In an unequal world, this was defined by the G7 reducing future emissions of carbon dioxide despite the treaty acknowledging cumulative emissions alone matter. Developing countries agreed to take on a problem they did not create in exchange for technology transfer and funds, not realising that the imbalance in research capacity had set the stage for shifting the burden.

The backbone of the current arrangement is the disconnect between academic treatment and rules and practice, providing continuing advantage to the G7. The way global concerns have been selected, agenda defined, and rules implemented – all the time dealing with the symptoms rather than the causes of problems – provides continuing advantages to the G7. The pressure to provide incentives for private finance and dealing with trade restrictions at the same time was never part of the 'grand bargain'. The G7 have now absolved themselves of any responsibility for climate change with, in India's words, the "optical illusion" of providing financial support by 2035.

Two world views

The former colonial powers morphed into the G7 in 1973. Climate change with its reduction in emissions of carbon dioxide is only for the G7 who have overused their fair share of the common atmospheric resource. For the others, the greatest challenge is sustainable development, that is, modifying pathways, lifestyles and



Mukul Sanwal
Former UN diplomat

energy transition. The way the agenda was set masks the injustice within the climate crisis and the extent it is underestimated.

The impact of the Global South, representing four-fifths of the global population and half the GDP, no longer following the lead of the G7 has been felt most significantly in climate change with growing calls for climate justice. The Nationally Determined Contributions of 72 countries explicitly include the concept of a "just transition", reflecting recognition of the social dimensions of climate action.

Climate justice is not about perceptions of fairness of specific policies. It questions the framing of existing distinctions between global and local levels and between mitigation and adaptation. It is not just the disproportionate continuing levels of emissions but also solutions such as carbon pricing and trade restrictions that widen the income gap and increase inequality. Current global rules do not reflect the interests of the Global South.

These views reflect conflicting visions of how society is organised and what constitutes progress. Distinguishing between total emissions of countries and trends, drivers, and patterns of natural resource use as causes of climate change masks the impact of the most stable global trend of urbanisation covering three-quarters of global emissions and natural resource use. A middle class and more equal world is adopting opinions, pathways, and actions distinct from those who developed earlier.

The foundational fact is that patterns of urban natural resource use of the G7 are not being followed by the Global South. The G7 with one-fifth the population was consuming three-quarters of global resources in 1950, with the U.S. alone consuming 40%. By the 1970s, three-quarters of the population of the G7 had shifted to cities and their lifestyles based on commodity prices kept low by the former colonial powers directly

led to climate change. The real price of the most traded commodity, oil, was not allowed to increase over a century, leading to its wasteful use. In 2050, the G7 will account for 25% of global emissions with a 10% share of the global population, while Asia is expected to account for 55% of the world's emissions equal to its share of the global population.

The time is ripe for new foundational principles of sustainability with justice at its centre. India would have to match the strategic thinking of the U.S. in setting up interlinked voluntary arrangements of the 'rules-based order', with the rules determined by the G7, for a new order for 'shared prosperity' seeking comparable levels of well-being within ecological limits.

Global governance

With global cooperation itself in danger, three initiatives are suggested. First, BRICS and partner countries should take the strategic leap for an alternate sustainability forum to support each other in the urban energy transition. This would not be an anti-G7 forum, but focused on units located in member countries in different continents researching sustainability science, urbanisation, monitoring G7 climate policy and supporting exchange of experiences.

Second, the UN Climate negotiations should be limited to reviewing emissions reductions in the G7 and grants in the \$300 billion to the most vulnerable – Small Island States and Least Developed Countries.

Third, international force should be seen as what they are: annual stocktaking that helps the world assess its position and decide course-correction accordingly. The World Trade Organization with its dysfunctional dispute settlement could also be allowed to wither away.

The BRICS playing a bridging role in the new multilateralism will entitle them to their rightful place in the UN Security Council.

Rumblings in the ruling alliance

A CPI(M) leader's outburst reveals tensions in the ruling front

STATE OF PLAY

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There are tensions within the ruling alliance in Tamil Nadu after outgoing CPI(M) State Secretary, K. Balakrishnan, launched a scathing attack against the DMK government, which leads the alliance, last week.

Mr. Balakrishnan accused Chief Minister M.K. Stalin of having imposed an "undeclared emergency" in Tamil Nadu, pointing out that permission is denied even for protests demanding patta. He also said the CPI(M) could not get permission for a procession in connection with the 24th Party State conference.

Addressing the conference, he said: "We thought we would be allowed to carry out a red-flag march. We got no assurance until the last moment and then we were told that permission would not be granted. Should not people organise a procession in Tamil Nadu? Should not an affected citizen fight for his rights? Why does the government fear demonstrations?"

There could be reasons for his anger. But what upset the DMK was Mr. Balakrishnan's rejection of the Dravidian model, touted as a socially and economically equitable model of governance by the DMK. "A Left model would be better than a Hindutva or Dravidian model. The best alternative for the people of Tamil Nadu is the Left," he declared.

Over the last few weeks, the Opposition has been criticising the DMK government for the "poor" law-and-order situation in the State after a female student was sexually assaulted in the campus of Anna University. So far, the police



Tamil Nadu

have denied permission to organise protests "seeking justice" for her. Mr. Balakrishnan's speech, which went viral on social media, offered fodder for the Opposition. The AIADMK's Information Technology wing said that the allegations by the DMK's alliance partner indicated that the DMK regime was oppressive.

Mr. Balakrishnan also said that his party's presence in the anti-BJP alliance in the State would not automatically make it part of the DMK front.

The only solace for the DMK came from former CPI(M) general secretary Prakash Karat, who said that his party would stand firmly with it in the fight against communalism, imposition of Hindi, and other issues. While Mr. Balakrishnan also made a similar commitment, he said that the CPI(M) would continue to fight for the rights of the working class, farmers, teachers, and government employees if the DMK government deprived these sections of their rights and failed to fulfil its promises.

The DMK, which would normally react to such allegations, refused to be provoked. The Hindu Religious and Charitable Endowments Minister, P.K. Sekarbabu, was the only one to react. "I don't know why Mr. Balakrishnan has made these allegations," he said. "We are in a democracy. An undeclared emergency was in place during the AIADMK government's te-

nure. The police have not remanded anyone who has organised protests. We will take into consideration their demands and fulfil them."

However, Murasoli, the official organ of the DMK, published a critical column titled 'Ithu thozhamaiaku ilakkannam alla' (This is not good for harmony). Published on the front page, the column read, "Mr. Balakrishnan is addressing thousands of people. Does he not know what an emergency is? When he has access to the Chief Minister, why should he go to the streets and raise questions?"

It speculated that Mr. Balakrishnan, or KB as he is known, may be under pressure to provoke Mr. Stalin even though the Chief Minister has always treated him with respect. The DMK argues that it has no objections to alliance partners organising protests. "But it is against the ethics of the alliance to complain about denial of permission after organising protests," the article in Murasoli read.

The writer of the article also demanded to know why Mr. Balakrishnan has joined the people who are seeking to create the impression that women are not safe in Tamil Nadu. The column added, "It is sad that Mr. KB, an experienced politician, fails to understand that such remarks would damage the friendship among the alliance partners."

Mr. Balakrishnan's remarks show that alliance partners, who have restrained themselves from expressing any displeasure regarding the excesses of the government and the police, realise that they cannot afford to remain silent any longer. He seems to be sending out the message that the CPI(M) is no appendage of the DMK even though the two will continue to fight the BJP.

Changing winds: Is BJP distancing itself from the Dalits?

Data show that the BJP's Dalit voter base is declining, especially during national elections

DATA POINT

Devesh Kumar
Sanjay Kumar

On December 17, Home Minister Amit Shah made some contentious comments on B.R. Ambedkar, which not only sparked debates in Parliament but also led to scuffles. There have also been protests against his remarks in parts of the country. While many spokespersons of the Bharatiya Janata Party (BJP) have maintained that his words were taken out of context, the Opposition has been keeping the issue alive. Importantly, this incident coincides with a shifting electoral dynamic which suggests that the BJP's Dalit voter base is eroding, especially during national elections. It remains to be seen whether this act was a deliberate attempt by the BJP to subtly distance itself from the social group or an unprecedented lapse. In this context, let us examine the voting behaviour of Dalits in the last two decades.

Congress and Dalit support

For the most part of the 2000s, the Congress and several regional parties such as the Bahujan Samaj Party and the Rashtriya Janata Dal secured most of the Dalit votes by championing social justice, framing policies to tackle systemic discrimination and exclusion, and contributing to the larger Dalit cause. Conversely, the BJP was relatively popular among the upper castes and other well-off social groups such as some Other Backward Classes. Such group-based support is also contingent on the nature of party competition at the State level.

The National Election Study data by Lokniti-Centre for the Study of Developing Societies (CSDS) reveals a pattern. While support for the Congress dropped significantly from the party's heydays in the 2000s, the Congress still retained higher party loyalty among Dalits

compared to the BJP in the era of BJP domination in the 2010s and 2020s. Table 1 also shows that the Grand Old Party enjoyed more loyalty among Dalits than possibly other groups. In terms of voter support, the BJP's support among Dalits increased from what it was in 2004 and 2009, when it was merely 13% and 11% respectively.

Rise and fall

In 2014, the BJP was voted with a majority in the Lok Sabha. Twice as many Dalits voted for the BJP as compared to 2009 (22% in 2014 compared to 10% in 2009). One can argue that this was due to an increased vote share, but voters at large were swayed by the leadership of Narendra Modi. As people were perturbed by rampant corruption, and dissatisfied with the previous government, price rise and underdevelopment, the BJP appeared to be a more promising alternative.

In 2019, the party's vote share among Dalits spiked to 32% (Table 2). We believe that this was because the BJP promoted Dalit leadership, tailored welfare schemes to specific groups, promised a better future, and formulated a strategy of social engineering which aimed to capitalise on nuanced sub-caste divisions.

Following the peak in 2019, though, there was a subsequent fall in support in the 2024 Lok Sabha elections. Not only did the BJP lose a significant number of seats but it also received a lower vote share among Dalits by three points (although the BJP's overall vote share in 2024 was similar to 2019).

The Congress, meanwhile, experienced a decline in Dalit support in 2014. But since then, its support among Dalits has remained steady (Table 2).

While the decline for the BJP may appear nominal, the fall was uneven both in States where the National Democratic Alliance gained votes and in States where it lost votes. Among the top three States where the BJP (along with

an NDA alliance) performed poorly, the INDIA bloc effectively managed to win the votes away from the NDA, a trend that was particularly visible in Maharashtra (Table 3). The difference between Dalit votes for both alliances was 12 and 10 points in Uttar Pradesh and in Rajasthan, respectively.

There was also a loss of Dalit votes in States where the BJP outperformed its 2019 vote shares. For example, the NDA gained 15.74 points in Telangana, but here too the INDIA bloc garnered more Dalit votes (46% compared to NDA's 23%) (Table 3). In Odisha, however, Dalit voters were significantly higher for the NDA. That said, the contest in Odisha was between the NDA and the Biju Janata Dal and the INDIA bloc was not significant.

Lessons to be learned

The overall picture suggests that the BJP's peaking in vote shares in 2019 followed by a decline was more pronounced when it came to Dalit support, with the INDIA bloc gaining from this pattern. Although public memory is short, and the Opposition's exhortations may lose steam, Dalits might not be as forgiving about the BJP's foibles when it comes to their icons or issues. While the BJP took steps to mitigate the fallout by calling a press conference and blaming the Congress for "distorting facts", and undertaking other measures as part of its damage control exercise, the lack of strong statements by senior leaders further raises suspicion that the party is subtly distancing itself from an important social group.

In contrast, the Congress has tried to present a strong ideological position on this issue. The Opposition will now try to keep the issue alive and mobilise Dalit groups. For the BJP, the lesson is to be careful and not find itself in such a controversy again.

Devesh Kumar is a researcher at Lokniti-CSDS. Sanjay Kumar is a professor with CSDS and a political commentator

Split loyalties

The tables are based on the Lokniti-Centre for the Study of Developing Societies (CSDS) National Election Studies (NES) conducted across years



Table 1

Party loyalties	Election year (%)				
	NES 2004	NES 2009	NES 2014	NES 2019	NES 2024
Congress	All traditional supporters	30	32	20	15
	Among Dalit supporters	28	32	19	16
BJP	All traditional supporters	27	21	25	19
	Among Dalit supporters	14	12	16	13

Table 2

Vote share		Election year (%)				
		NES 2004	NES 2009	NES 2014	NES 2019	NES 2024
Congress	Overall vote share	26.44	28.56	19.31	19.49	21.19
	Among Dalit voters	27	27	19	20	20
BJP	Overall vote share	22.16	18.81	31.05	37.36	36.56
	Among Dalit voters	13	11	22	32	29

Table 3

States	NDA vote share difference (2024 - 2019)	NES 2019		NES 2024	
		INDIA Bloc	NDA	INDIA Bloc	NDA
NDA's top 3 worst performing States					
Rajasthan	-9.25	42	41	47	37
Uttar Pradesh	-5.87	3	30	38	26
Maharashtra	-7.35	18	21	46	35
NDA's top 3 best performing States					
Andhra Pradesh	+52.52	1	<1	1	48
Telangana	+15.74	34	7	46	23
Odisha	+7.04	12	33	15	45

FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO JANUARY 7, 1975

Move to get aid from World Bank for oil exploration

New Delhi, Jan. 6: There are definite indications that during his forthcoming visit to Washington to attend the annual meeting of the World Bank and the International Monetary Fund, Mr. C. Subramanian, Union Finance Minister, will actively pursue the possibilities of securing World Bank assistance in a big way for oil exploration, particularly in the offshore areas.

Mr. C. Subramanian has been in touch with the Chairman of the Oil and Natural Gas Commission, Mr. N.B. Prasad, in this regard. The ONGC is also understood to have apprised the Finance Ministry of the extent of its requirements for exchange resources to give a major push to its exploration programme.

An indication of the highest priority given by the Finance Minister for making adequate allocations to the ONGC can be had from the fact that a few days before, frantic efforts were made by the Finance Ministry to reach Mr. Prasad who happened to be aboard the mobile drilling ship "Sagar Samrat" in Bombay High for urgent consultations with Mr. Subramanian.

Mr. Subramanian who has been fully briefed by his Ministry will tell the World Bank that India is highly credit worthy and is in a position to absorb the loans it can provide at its current lending rate of 8.5 per cent.

A HUNDRED YEARS AGO JANUARY 7, 1925

Repairs to St. Paul's Cathedral

Leaflet (Oxford), Mid. Jan. 6: St. Paul's Cathedral has been officially declared by the Corporation of the City of London to be a "dangerous structure". The matter of safety of the Cathedral's dome has been under consideration by the Cathedral authorities for some time. Last month, a commission of five architectural experts made to them an interim report recommending that the eight piers supporting the dome should be consolidated at a cost of between 1,20,000 and 1,40,000 sterling. It was admitted by the commission that this would probably be only a temporary remedy and it was suggested that the work of re-building the dome should be left to a later generation in view of the enormous cost which it would entail.



Contrived grievance

Creating an unsavoury row has become an annual habit with the T.N. Governor

It is regrettable that the customary address to the Tamil Nadu Legislative Assembly by the Governor in the beginning of a new year's session is turning into an unsavoury event year after year. For the third consecutive year, Governor R.N. Ravi's penchant for raking up a controversy has come to the fore. He left the Assembly without reading out the address, claiming that the national anthem and the Constitution of India had been insulted because the anthem was not played prior to the delivery of his speech. The State government maintains that the practice in the Assembly was to play the State's invocation to Tamil before the address and the national anthem at the end of the Governor's speech and that this had been conveyed to the Governor's office. As in the previous years, Mr. Ravi has to bear much of the blame for the flagrant politicisation of the event. If he had such prior knowledge about the practices followed in the Assembly, his grievance comes across as a ruse to create a controversy and avoid performing his constitutional duty of propounding the government's policy statement on the floor of the House. In 2023, Mr. Ravi had skipped portions of the address prepared by the State government, including a reference to the 'Dravidian model of governance' and some praise for the law and order situation in the State. Last year, he expressed his inability to read out the address, citing what he termed 'misleading claims and facts' in it.

It is noteworthy that there was a recent round of gubernatorial changes and new appointments. Notably, Governor Arif Mohammed Khan, who has been a thorn in the flesh of the Kerala government, was shifted to Bihar, while Manipur and Mizoram got new incumbents in Raj Bhavan. However, Mr. Ravi, whose continuance in Tamil Nadu has been rendered untenable long ago, remains untouched. He completed a combined period of five years as Governor in two States, having been appointed to the office in Nagaland in 2019. He was shifted to Tamil Nadu in 2021, but has often found himself in the thick of political controversy, making overtly political comments on the one hand and holding up legislation on the other by delaying assent to Bills. Going by recent Supreme Court judgments and observations, there ought to be no leeway for Governors to use their position to undermine regimes led by the political adversaries of those in power at the Centre. Given the scale of Mr. Ravi's persistent differences with the elected regime, it is indeed strange and questionable that the Union government should retain him in this office, unless its objective is to test the limits of the State government's tolerance.

The Collegium and changes — it may still be early days

Two interesting nuggets of information have emanated in recent days about the functioning of the Supreme Court of India's Collegium. As is often the case with the body's processes, reports in the media attribute the news of these decisions to unnamed sources. The collegium, the accounts say, will now conduct interviews of candidates who have been recommended for elevation as judges to the High Courts. The panel will also, to the extent possible, exclude from selection those whose close relatives have served or continue to serve as judges of the High Courts or the Supreme Court.

By themselves, neither of these resolutions might seem especially remarkable. One would think that appointments to important positions in the State — in this case, to the higher judiciary — would require careful consideration, including a meeting by the decision-makers with the nominated candidates.

One would also think that some amount of pruning of nominees is inevitable in any process of selection. Here, the collegium is conscious that a few deserving candidates might miss out in a move to exclude those with kin on the Bench, but it believes, on a balance, that this will help create a more diverse judiciary.

There is still a concern

It is too early to judge the merits of these choices. In time, they may well come to be seen as harbingers of change and reform, but for now, a familiar concern looms large, threatening to militate against that prospect. Any reform of the collegium system — much needed as it is — will only go so far, if the government is permitted to stonewall proposals, on arbitrary, whimsical and often undisclosed grounds.

At its foundation, the collegium is a product of judge-made law. Thus, it seems to forever stand at a crossroad. It has no formal rules to bind it; it is answerable to nobody; and its functioning — whether it is in the publication of its decisions or in the opacity and the mystique of its methods — is suffused in a certain ad hocism.

Replacing this with a clear set of binding rules is essential to the maintenance of the system's integrity. For example, we are told that there exists a "memorandum of procedure". But does a breach of that manual carry with it any consequences? Will the interviewing of candidates be written into those set of rules? Who is to say how the collegium under future Chief Justices of India (CJI) will function?

In recent weeks, as we have marked the 75th anniversary of the Constitution's adoption, we have seen many a paean sung to the document's text and vision. Its survival has enlivened our commitment to equality and social justice. But that we have been unable to determine quite how



Subir Parthasarathy

an advocate practising in the Madras High Court

best to appoint our judges is an enduring blemish.

The Constitution's framers debated the question over many days. They were mindful of the foundational ideas underlying the republic: that the legislature, the executive and the judiciary must remain separate. But striking a balance and ensuring that the sovereign function of making judicial appointments would not come in the way of ensuring the autonomy of the courts was always going to be a sticky issue.

The 'middle course' it was

All manners of suggestions were made in the Constituent Assembly. But the drafters, in the Assembly's chairperson Dr. B.R. Ambedkar's words, chose to go down a "middle course". To that end, the Constitution provides that judges to the Supreme Court are to be appointed by the President of India in consultation with the CJI and such other judges that he or she deems fit. Judges to the High Courts are to be appointed by the President in consultation with the CJI, the Governor of the State and the Chief Justice of that court. In the case of transfers, the President may move a judge from one High Court to another, but only after consulting the CJI.

These stipulations are by themselves clear. But in failing to define what manner of consultation ought to be made, in failing to explicate how transparent this process needs to be, the provisions opened themselves up for judicial consideration.

In 1993, in what is popularly known as the Second Judges Case, the Court held that "consultation" must mean "concurrence". And concurrence not only from the CJI, but from a "collegium" of judges. In the process, the Court fashioned a whole new procedure that it believed would maintain both a fidelity to the bare text of the Constitution's words and the chief objective of ensuring an independent and autonomous judiciary.

The process has a number of nuts and bolts to it. But, in short, it postulates the following: the recommendation to appoint a new judge to a High Court or to the Supreme Court, to transfer a judge from one High Court to another, and to elect a new Chief Justice to a High Court, would come from the collegium — a body comprising the CJI and his senior colleagues, in some cases, two members, and in others four. The collegium will make this recommendation after taking the views of "consultee" judges. Once this recommendation is made, the Union government can either choose to accept the proposal or return the proposal for reconsideration. Upon reconsideration, if the proposal is submitted anew, the government has no choice but to sanction the resolution.

While this seems simple enough, seeing as the

law was laid down by the Court sans any attendant and binding rules, the government has a variety of means available to it to block recommendations it deems inconvenient. It can either keep the proposal pending at its end or, on a re-recommendation, stop short of issuing a presidential warrant authorising the appointment or transfer.

This has led to a curious paradox: in theory, the collegium retains primacy over judicial appointments. But the government's capacity to forestall any recommendation made means that the question of primacy remains moot, despite the Court having previously spelled out — in the Fourth Judges Case (2015) — that it is the judiciary alone that must retain pre-eminence and that any tinkering with that position would impinge on the Constitution's basic structure.

The Judges' cases and rule of law

Whatever our position on the collegium's constitutional suitability may be, today, the system represents the rule of law. The government is legally obliged to follow the procedure laid down in the Judges' cases. It enjoys no discretion in the matter. When it sits over recommendations endlessly, and when it resists proposals by simply failing to act, it is effectively stymieing the legal process.

There is no doubt that until such time we manage to find a process that can marry the requirements of accountability with independence, embracing meaningful reforms within the extant process remains critical. The law as it stands must be followed. The collegium's newest proposals address some of the long-standing concerns over its processes. But at some stage, we must also take seriously the question of implementation.

Until now, while the Court has, on occasion, asked questions of the government when it has failed to follow through on a resolution, it has stopped short of issuing express directions for compliance. Perhaps the Court has felt that orders of this kind might be seen as unnecessarily confrontational. Ultimately, in matters such as these, one would want different wings of the state working together collaboratively to ensure that the procedure stands fulfilled.

But for the collegium system to retain salience, and for it to achieve its purported objective — the maintenance of our judiciary's independence — the rulings in the Judges' cases must be accorded due respect. The Court's ability to function as a counter-majoritarian institution depends as much on its ability to declare the law as it does on its ability to ensure that the law is followed. For, as Chief Justice Coke put it, way back in 1611, summing up the essence of the rule of law, "The king hath no prerogative but what the law of the land allows him."

Enhancing governance the digital way

Down, but not out

India lost a close series to Australia because of its batting frailty

A decade-long dominance wound to a close at the Sydney Cricket Ground on Sunday. The Border-Gavaskar Trophy, the second-biggest silverware in terms of stature after the Ashes in cricket, and the biggest on the basis of viewership, has been India's preserve since 2015. Australia last won the title in the 2014-15 home series and after that India claimed the trophy on four occasions. This winning streak ended once the fifth Test concluded at Sydney with Pat Cummins and his men winning by six wickets and seizing the series at 3-1. The margin could hint at a vast gap in ability between the two squads. But it was anything but that and India had its moments and could have finished on the victor's podium. This was a series where the batters played second fiddle to excellent speedsters. It is no surprise that when Jasprit Bumrah, the most dominant among them, got injured and could not bowl during the Australian second innings chase in the last Test, the host prospered. Bumrah began the series as captain, a position he returned to once the regular skipper, the out-of-form Rohit Sharma, opted out at the climax. And Bumrah, with 32 wickets, led the charts. Again with a resilient bat, he even helped India avoid the follow-on at Brisbane's Gabba.

A transition is upon the Indian Test unit, especially after failing to qualify for the ICC World Test Championship final. Having eased out Cheteshwar Pujara and Ajinkya Rahane and now dealing with R. Ashwin's retirement mid-series, the selectors and coach Gautam Gambhir need to look at the future of Virat Kohli, Rohit and Ravindra Jadeja. These players were India's core in Tests, but a change is inevitable. Tours Down Under often force a flux. Dilip Vengsarkar retired after the 1991-92 tour, Rahul Dravid and V.V.S. Laxman followed suit after their 2011-12 visit. In the current sojourn, despite scoring a ton in the first Test at Perth, Kohli's overall yield of 190 at 23.75 was poor. Rohit's numbers are even worse as he scored 3, 6, 10, 3 and 9. Yashasvi Jaiswal's runs, K.L. Rahul's initial consistency, newcomer Nitish Kumar Reddy's hundred at Melbourne, and the odd lower-order resistance, bailed out India but that was not enough. India lost due to batting ineptitude, a frailty that affected Australia too before its middle-order found a second-wind through Steve Smith, Travis Head and Marcus Labuschagne. Mohammed Siraj tolled hard but beyond him, Bumrah did not have much support from the bowling ranks. This was a series on which Cummins, through 25 wickets and 150 runs, imposed his will. India will need to find younger heroes, especially batters who are adept at playing both spin and pace, at home and abroad, in Tests and limited overs.

In recent years, India has embarked on an ambitious journey toward digital governance — a transformation designed not only to improve citizen services but also to bolster the capabilities of government employees. This effort underscores a critical truth: the efficiency of public service delivery is inextricably linked to the skills and competencies of the workforce behind it. Yet, despite the strides made, the question remains — what more needs to be done to fully realise the potential of this digital shift?

At its core, governance is a complex web of decision-making processes that involves stakeholders, from government bodies and non-governmental organisations to local community leaders and influential citizens. Chanakya's governance principles have left a lasting impact, particularly in South Asia, shaping modern governance theories, public administration, and strategic diplomacy, with the Arthashastra's insights into statecraft, economic policy, and ethical leadership continuing to serve as a framework for political strategy and governance ethics. In this context, building the capacity of participants to integrate digital tools has become essential to reimagining governance at every level.

Capacity building in digital governance

Digital governance represents a paradigm shift in how government employees and associated service providers or intermediaries such as contractors should engage with their work. The adoption of technology in governance facilitates more effective communication, informed decision-making, and streamlined workflows. As public expectations evolve, so too must the skill-set of those in governance roles. The pressing need for government employees to become adept at navigating digital platforms is paramount in a world that is increasingly technology-driven.

Initiatives such as the iGOT Karmayogi



Pallavi Anand

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a global social entrepreneur working with local communities across India, and a social innovation expert advising State governments and civil society organisations

As public expectations evolve, so too must the skill-set of those in governance roles

platform have taken centre-stage. Launched in 2020, this online training portal aims to equip government officials with essential skills in data analytics, public administration, and digital technologies. The flexibility of personalised learning paces fosters continuous improvement — a vital trait where adaptability defines success.

Equally transformative is the e-Office initiative, which digitises government workflows, drastically reducing reliance on paperwork and enhancing operational efficiency. By automating file management, workflows, and grievance redress, the initiative promotes real-time communication and transparency. Another initiative is the transition of procurement processes to the online sphere, with platforms like the Government e Marketplace (GeM) playing a crucial role.

The government's commitment to enhancing digital literacy is commendable, with various programmes aimed at familiarising employees with the essential tools of e-governance, cybersecurity, and digital communication. However, as we celebrate these advancements, it is imperative to recognise the challenges that lie ahead in this digital governance journey.

Taking digital empowerment forward

Despite these initiatives, hurdles remain that could undermine progress. The resistance to change among some segments of the workforce presents a tangible challenge. Bureaucratic structures can sometimes be slow to adapt, with varying levels of enthusiasm and readiness among employees. While some quickly embrace new technologies, others may benefit from extra training and support to effectively navigate the digital landscape. The government must foster an environment that encourages innovation while providing the necessary resources for those who may resist or struggle to adapt.

The lack of incentives raises concerns that government initiatives such as the iGOT Karmayogi platform could become merely

attendance trackers. True success should not be measured by participation numbers alone but by the platform's ability to deliver real value to employees. It is worth considering whether these trainings lead to meaningful outcomes — such as opportunities to apply new skills through relevant job postings — rather than just enhancing performance reviews.

Additionally, the digital divide is a pressing issue, especially in rural areas where access to high-speed Internet and digital tools can be limited. Without addressing this disparity, we risk leaving many employees, and by extension, many citizens behind in an increasingly digital world.

Cybersecurity also looms large as a concern in the digital governance landscape. As government operations shift online, the risk of data breaches and cyberattacks escalates. Protecting sensitive information is non-negotiable, and training employees in cybersecurity protocols is critical to fortifying digital governance systems.

Finally, the need for continuous learning cannot be overstated. The rapid evolution of digital tools necessitates ongoing training and upskilling opportunities to ensure that employees remain capable and confident in their roles. Ensuring that capacity-building programmes remain dynamic and adaptable to new developments is crucial.

A perspective

India's digital governance initiatives have laid a strong foundation, but much remains to fully harness the potential of digital transformation. With robust infrastructure, targeted training, and a commitment to building a dynamic workforce, India can set a global benchmark for digital governance. The key lies in ensuring that every employee, regardless of background, rank, or location, is equipped to excel in the digital age. Only then can we achieve a governance model that is accountable, transparent, and inclusive for all.

LETTERS TO THE EDITOR

Decoding vs polarising

In Uttar Pradesh, there seems to be much effort in pursuing 'excavations', presumably in search of temples. Such actions often stir up communal tensions and divert attention from developmental issues that need attention. On the contrary, the Tamil Nadu government has set an inspiring example ("Stalin offers \$1-mn prize for

decoding Indus Valley script," January 6), which is definitely a move aimed at enriching our cultural and historical understanding. This sharp contrast in governance approaches in two States at either end of the country, raises an important question: should our focus as a nation be on fostering knowledge, education and innovation? Or, should it be on

reopening historical wounds that risk dividing our society? While one approach seeks to unite and enable progress through intellectual pursuits, the other appears to dwell in the past, potentially polarising communities. I urge governments across India to prioritise initiatives that promote unity, education and scientific advancement over those

woven with divisive agendas. Only by doing so, can we pave the way for a brighter, more harmonious future for all in India. **Abdul Kalam Azad,** Gorakhpur, Uttar Pradesh

measure in 2015 and a report showed that there were no adverse results. If that was the case, why has the government waited for close to 10 years to incinerate the rest? **D. Sethuraman,** Chennai

more pollution? Why is plasma torch incineration not being used? The Bhabha Atomic Research Centre has highlighted the use of this technology for universal waste processing which has 'huge potential in environment friendly management of municipal, hazardous, nuclear, [and] e-waste'. **Dr. Sunil Jacob,** Bengaluru

It has been reported by this daily that a batch of the waste will be burnt using diesel. Will this not result in

India must rethink export-led manufacturing



LAGHURAM G RAJAN
FORMER RBI GOVERNOR

AS apprehension grows in China, Europe and Japan about a possible trade war triggered by the incoming Trump administration, one should also spare a thought for developing countries. Their tried-and-tested method of expanding beyond agriculture to achieve middle-income status has been to embrace low-skilled, export-oriented manufacturing. How will these countries fare now?

Their prospects may be better than expected, especially if they choose alternative development paths. In the past, poor countries developed through manufacturing exports because foreign demand allowed their producers to achieve scale and because abysmal agricultural productivity meant that low-skilled workers could be attracted to factory jobs even with low wages. This combination of scale and low labour costs made these countries' output globally competitive, despite their workers' lower relative productivity.

As firms profited from exports, they invested in better equipment to make workers more productive. As wages rose, workers could afford bet-

ter schooling and healthcare for themselves and their children. Firms also paid more taxes, allowing the government to invest in improved infrastructure and services. Firms could now make more sophisticated, higher-value-added products and a virtuous cycle ensued. This explains how China moved from assembling components to producing world-leading electric vehicles (EVs) in just four decades.

Visit a cell-phone assembly plant in a developing country today, however, and it is easy to see why this path has become more difficult. Rows of workers no longer solder parts onto motherboards because the micro-circuitry has become too fine for human hands. Instead, there are rows of machines with skilled workers tending to them, while unskilled workers primarily move parts between machines or keep the factory clean. These tasks, too, will soon be automated. Factories with rows of workers stitching dresses or shoes also are becoming rarer.

Automation in developing countries has a variety of implications. For starters, manufacturing now employs fewer people, especially unskilled workers, per unit of output. In the past, developing countries moved steadily to more sophisticated manufacturing, leaving less-skilled manufacturing to poorer countries that were just embarking on the export-led manufacturing path. But now a country like China has enough surplus workers to undertake all manner of manufacturing. Low-



AUTOMATION IN: Factories with rows of workers stitching dresses are becoming rarer. TRIBUNE PHOTO

skilled Chinese workers are competing with Bangladeshi counterparts in textiles, while Chinese PhDs compete with German counterparts in EVs.

Moreover, given the declining importance of labour in manufacturing, industrialised countries have come to believe they can restore their own competitiveness in the sector. They already have the skilled workers who can tend the machines, so they are missing protectionist barriers to re-shore production. Of course, the primary political motive is to create more well-paying jobs for left-behind high school-educated workers, but automation makes this unlikely.

Taken together, these trends — automation, continued competition from established players like China and renewed protectionism — have already made it harder for poor countries in South Asia, Africa and

Trade war may even have a silver lining if it compels developing countries to search harder for alternative paths, paved with high-skilled services exports.

Latin America to pursue export-led manufacturing growth. Thus, while a trade war would be damaging to their commodity exports, it would not be as concerning as in the past. It may even have a silver lining if it compels developing countries to search harder for alternative paths.

That path could be paved with high-skilled services exports. In 2023, global trade in services expanded by 5 per cent in real (inflation-adjusted) terms, while merchandise trade shrank by 12 per cent. Improvements in technology during the Covid-19 pandemic enabled more remote work. Also, changes in business practices and etiquette have minimised the need for physical presence. As a result, multinationals can and do serve clients from anywhere. In India, multinational firms are hiring talented graduates to staff global capability centres,

where engineers, architects, consultants and lawyers create designs, contracts, content and software that are embedded in manufactured goods and services sold globally.

Every developing country has a small but highly skilled elite who can profitably export skilled services, given the high wage differentials vis-à-vis developed countries. Workers who know English (or French or Spanish) may be particularly advantaged. Even if only a few have these capabilities, such jobs add much more domestic value than low-skilled manufacturing assembly, thus contributing enormously to a country's foreign-exchange earnings.

Moreover, each well-paid service worker can create local employment through his or her own consumption. As more moderately skilled service workers — taxi drivers, plumbers, waiters, etc. — find steady employment, they will cater not just to elite demand but also to each other. High-skilled services exports only need to be the leading edge of broader job growth and urbanisation.

All job growth, however, requires improvements in the quality of a country's labour pool. Some 'last-mile' training and upgrading can be done quickly; as long as engineering graduates have basic knowledge of their field, they can be trained in state-of-the-art design software that a potential multinational employer needs. But over the medium term, most countries will need to invest substantial amounts in nutrition, health

and education to augment their peoples' human capital.

Fortunately, these investments can also create employment. With the right development-appropriate policies, governments can substantially improve learning and health across the population. This may mean hiring more high-school-educated mothers in daycares to help teach children basic literacy and numeracy at an early age; or training more 'barefoot' medical practitioners to recognise basic ailments, prescribe medicines or make referrals to qualified physicians when necessary.

Developing countries need not abandon manufacturing, but they must explore other paths to growth. Instead of benefiting one sector or another through industrial policy, they should invest in the kinds of skills that are vital for all jobs.

Services are especially worth exploring because developed economies are unlikely to erect protectionist barriers against them. As the world's largest service exporters in 2023, the European Union, the US and the UK have much to lose from a trade war in this domain. Insofar as global services competition affecting their own workforce, it would be felt most strongly by doctors, lawyers, bankers, consultants and other high-income professionals. This implies a boon for consumers of these services in developed countries and potentially even reducing domestic income inequality. Those would be worthwhile outcomes in themselves.

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The hidden health fallouts of a warming world



RAKESH KOCHHAR
FORMER PROFESSOR OF GASTROENTEROLOGY, IGI

CLIMATE change has the single largest global health challenge in the 21st century. The Framework Convention on Climate Change (UNFCCC) defines climate change as 'a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere beyond the natural variations.' A multi-country study has suggested that climate change is responsible for four lakh additional deaths each year and will contribute to seven lakh annual deaths by 2030.

As per the UN, the world has endured a 'decade of deadly heat', with 2024 capping 10 years of unprecedented temperatures. It is almost certain that it will exceed the Paris Agreement threshold of 1.5 degrees above the pre-industrial levels of temperature for the first time. The World Meteorological Organisation

has warned that the new year is likely to be worse, with the greenhouse gas levels growing to record highs.

India also recorded its warmest year in 2024. It witnessed extreme weather on 255 of the 274 days of the year's first nine months, according to the Centre for Science and Environment.

The detrimental climatic factors for human health include an increase in the frequency and intensity of heatwaves, precipitation, floods and droughts. The floods in Spain, hurricanes in the US, drought in the Amazon and floods across Africa are just a few examples. In West Asia, 1,300 Haj pilgrims died due to extreme heat in 2024.

High temperature is known to increase the 'ground level ozone' and climate altering pollutants' other than carbon dioxide. They exacerbate cardio-respiratory and allergic diseases and certain cancers. Between 2000-2004 and 2017-2021, heat-related deaths increased by 55 per cent in India. Due to heat exposure, it lost 167.2 billion potential labour hours in 2021, with income losses equivalent to 5.4 per cent of the GDP.

An increase in the transmission and spread of infectious diseases and changes in the distribution of water, food- and vector-borne diseases have also been seen. A 2022



MELTING ICE: Unknown microorganisms may get activated after being dormant for many years, neurons

study published in the *Nature Climate Change* found that nearly 60 per cent of the infectious diseases are aggravated by climate hazards.

A warmer climate causes water-borne diseases, including cholera, and diarrhoeal diseases like giardiasis, salmonellosis (including typhoid) and cryptosporidiosis. It is estimated that one-quarter of children's deaths in South Asia are due to diarrhoeal diseases. As temperatures increase, bacterial survival time and proliferation increase. Further, contamination of water during floods makes things worse. A relationship has been observed between an increase in the sea-surface temperature and cholera epidemics.

Malaria, dengue, chikungunya and leptospirosis have become more common in India with a longer duration of infectivity in the last two decades. Chikungunya and dengue are influenced by climate change as both are transmitted by the same vector, *Aedes aegypti*.

How can individuals help? Eat less meat, avoid air travel, recycle clothes, reduce plastics, use sustainable heating and adopt eco-friendly lifestyle practices.

In 2023, some 5 million cases of dengue were reported worldwide — more than ever before. Alarmingly, in 2024, this number exceeded 12 million. Mosquitoes are exothermic or cold-blooded. So, when the temperature rises, everything that they body does speeds up. They grow faster and replicate the dengue virus in their guts more effectively. Between 1951-1980 and 2012-2021, the number of months suitable for dengue transmission has risen by 1.7 per cent.

Changes in temperature, humidity and rainfall are altering the global malaria map. In Africa, on either side of the Equator, there has been an increase by several miles of areas that are suitable for breeding mosquitoes each year due to deforestation and changes in temperature and rainfall. It has populations with low immunity to malaria.

The warming atmosphere has been melting glaciers and ice sheets. Experts fear that micro-organisms of yet unknown significance may get activated after staying dormant for thousands of years.

The increase in zoonotic diseases (diseases spread from animals to humans) is also threatening mankind. With changes in the forest cover due to human activity, there has been a migration of certain bird and mammal species which are hosts to an array of pathogenic organisms that can cause diseases in humans. They include tick-borne encephalitis, haemorrhagic fever, brucellosis and leptospirosis.

Although low- and middle-income countries are responsible for only a small percentage of global greenhouse gas emissions, the adverse health effects fall disproportionately on them because of poor health infrastructure, lack of funds and overpopulation.

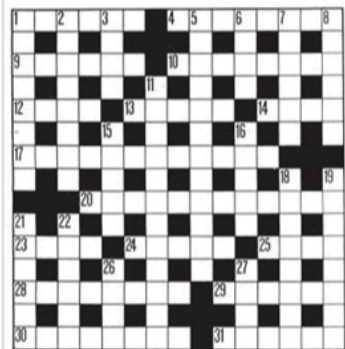
This is the reason that at the COP29 (29th Conference

of the Parties of the UNFCCC), held in November 2024, India and other developing countries objected to the \$300-billion per year funding agreed upon to prevent climate change. It fell way short of the demand of \$1.3 trillion to meet the Paris Agreement's goal of limiting the global temperature rise.

While the India has formulated the National Programme on Climate Change and Human Health and the National Action Plan on Climate Change, how can individuals help? One of the most impactful ways to do so is to eat less meat. Meat animals release methane and nitrous oxide, which have a much stronger effect on global warming than carbon dioxide. Air travel is responsible for one-sixth of all emissions globally. Using other modes of transport can, thus, be helpful. Clothes also account for sizeable emissions. Recycling clothes and having a smaller wardrobe is a good idea. Using heating devices not based on fossil fuels is easy. Reducing the use of plastics is another way to contribute to sustainable living.

It is important to increase awareness about climate change since everyone is affected by it and every small measure counts. We owe it to the coming generations to save the planet.

QUICK CROSSWORD



- ACROSS**
- Small restaurant (6)
 - Credulous (8)
 - An imagined perfect place (6)
 - Perpendicular (8)
 - Sacred (4)
 - Unlaid's chief port (5)
 - Advertise insistently (4)
 - Softer effects of poverty (4,3,5)
 - In irresponsible manner (4,3,5)
 - Secluded place (4)
 - Cherished and good-humoured (5)
 - Scold derisively (4)
 - Country of East Africa (8)
 - Sphere of control (6)
 - Art of clockmaking (8)
 - Free of charge (6)
- Yesterday's solution**
- Across:** 1 Porch, 4 Bewitch, 8 Rag, 9 Unconcern, 10 Phantom, 11 Oboe, 13 Trough, 15 Rescue, 18 Cresdo, 19 Synting, 21 Ambiguity, 23 Rut, 24 Petain, 25 Lucky.
- Down:** 1 Parquet, 2 Rigmurde, 3 Hunt, 4 Become, 5 Winsome, 6 Tie, 7 Hence, 12 Eccentric, 14 Georgia, 16 Exactly, 17 Assign, 18 Clasp, 20 Royal, 22 Bar.

SU DO KU



YESTERDAY'S SOLUTION

CITY	THURSDAY	13 JANUARY
Chandigarh	21	08
New Delhi	19	08
Amritsar	19	08
Batinda	19	08
Jalandhar	18	08
Ludhiana	19	07
Bhivani	18	08
Hisar	18	08
Sirsa	19	09
Dharamsala	23	06
Manali	17	04
Shimla	18	04
Srinagar	05	-03
Jammu	23	08
Kargil	02	-02
Leh	02	-07
Dehradun	23	11
Mussoorie	15	05

CALENDAR

- JANUARY 7, 2025, TUESDAY**
- Shaka Samvat 1946
 - Posh Shaka 17
 - Posh Panchmisi 24
 - Hijri 1446
 - Shukla Paksha Tithi 8, up to 4:27 pm
 - Shiva Yoga up to 11:16 pm
 - Revti Nakshatra up to 5:50 pm
 - Moon enters Aries sign 5:50 pm
 - Panchang ended 5:50 pm

FORECAST

CITY	THURSDAY	13 JANUARY
Chandigarh	21	08
New Delhi	19	08
Amritsar	19	08
Batinda	19	08
Jalandhar	18	08
Ludhiana	19	07
Bhivani	18	08
Hisar	18	08
Sirsa	19	09
Dharamsala	23	06
Manali	17	04
Shimla	18	04
Srinagar	05	-03
Jammu	23	08
Kargil	02	-02
Leh	02	-07
Dehradun	23	11
Mussoorie	15	05

The Tribune
ESTABLISHED IN 1881

The Kejri splurge

House renovation row dents ex-CMs image

FOR once, the BJP and the Congress are on the same page. Their common rival in poll-bound Delhi is former CM Arvind Kejriwal, who is under fire for having renovated his official residence at a cost of at least Rs 33 crore. According to an audit report of the Comptroller and Auditor General (CAG) of India, the expenditure quadrupled — the initial estimate was Rs 7.91 crore — by the time the work was completed in 2022. Moreover, the renovation was done in the middle of the Covid-19 pandemic, a turbulent period during which many development projects were stalled and the state government was supposed to be protecting Delhi residents from the deadly virus. Now that's what you call a classic case of misplaced priorities.

The damning report has dented Kejriwal's carefully constructed 'aam aadmi' image, giving the BJP and the Congress ample fodder to target the ruling AAP, which is eyeing a hat-trick in the upcoming Assembly elections. Splurging Rs 96 lakh on curtains and Rs 66.9 lakh on marble stone for walls, and that too at a time when people were falling ill or dying, is simply unacceptable. Kejriwal, who has projected himself as a commoner CM from the outset, has a lot of explaining to do. The extravagance was avoidable, to say the least.

The CAG report has also put the Public Works Department on a sticky wicket, citing irregularities in the remodelling of the ground-floor accommodation and the construction of an additional storey. A fair and thorough probe is needed to establish the complicity of officials. As of now, the case has become a hot-button poll issue in the Capital. At stake is the credibility of AAP whose top leaders have been accused of corruption by Central agencies. The party has its work cut out to regain the trust of voters, who gave it a landslide mandate in 2015 and 2020.

HMPV in India

A call for vigilance, not panic

THE detection of three Human Metapneumovirus (HMPV) cases — two in Bengaluru and one in Gujarat — has raised awareness about this respiratory virus, which was first identified in 2001. Though not new, HMPV poses significant health challenges, particularly for infants, the elderly and those with compromised immunity. All three Indian cases involve infants and no travel history. This underscores the fact that the virus is already in local circulation. Globally, HMPV is recognised as a key cause of acute respiratory illnesses, especially during winter and early spring. Symptoms often mimic the common cold but can escalate to severe conditions like pneumonia. Despite its prevalence, HMPV lacks vaccines or antiviral treatments, making supportive care and preventive measures essential.

India has ramped up surveillance through the Indian Council of Medical Research (ICMR) and Integrated Disease Surveillance Programme (IDSP). Laboratories are now better equipped to test for HMPV. As seen during the Covid-19 pandemic, these measures are crucial for monitoring trends and ensuring timely responses. However, challenges remain. Inexpensive, accessible diagnostic tests are still unavailable, limiting early detection in vulnerable populations. Lessons from the pandemic highlight the importance of proactive healthcare strategies. Strengthening isolation protocols, ensuring the availability of medicines and enhancing public awareness about hygiene can mitigate the spread. Addressing sanitation and clean air are equally vital in reducing respiratory infections.

India's cautious response to HMPV reflects a commitment to preventing escalation, without spreading panic. Still, broader measures are required. They include investment in healthcare infrastructure and the establishment of a regulatory framework for rapid diagnostic approvals. Citizens can also play a role: by adhering to hygiene practices, seeking timely medical attention and staying informed. HMPV serves as a reminder of the ongoing battle against respiratory illnesses. It's not a pandemic, but vigilance, preparedness and public cooperation are imperative to curb its impact.

ON THIS DAY...100 YEARS AGO

The Tribune.

LAHORE, WEDNESDAY, JANUARY 7, 1925

Lord Olivier on India

THE Statesman of Calcutta is to be congratulated on its enterprise in putting questions to Lord Olivier and obtaining answers in the shape of a series of four articles which it has just published. The articles cover a wide range of subjects and are intended to throw light on some very important aspects of the policy of the Labour Government generally and of Lord Olivier in particular, which in the opinion of a good many critics did stand in need of elucidation. It cannot be said that they furnish good or pleasant reading. They have the characteristic defect of Lord Olivier's public pronouncements: a lack of brevity and a certain roundabout way of saying things which only directness can make effective. He has certainly taken more space to say what he had to say than any other public man that we know of would have taken to say it. One reason for this undoubtedly does credit to Lord Olivier. He has a scholar's detachment and is anxious to be just. But this is, by no means, the only reason, and in any case it does not lend to his articles the one quality without which all other qualities of a literary production are of little or no avail — attractiveness. The main object of the articles is not, of course, so much to explain the government's policy in India as to defend that policy as also certain pronouncements of Lord Olivier himself that had been severely criticised by the die-hard press in England. The defence is undoubtedly both able and vigorous. In one notable instance, it has clearly gone home, as the vehement rejoinder it has provoked unmistakably shows.

Perils of a Chinese mega dam

India must seek suspension of work until there is mutual understanding about the project



ASHOK K KANTHA
FORMER AMBASSADOR TO CHINA

XINHUA reported on December 25 that the Chinese Government had approved the largest-ever hydropower project in the lower reaches of the Yarlung Tsangpo river in Tibet. This announcement, reportedly made without informing India, a lower riparian state, is a reminder of the complexity of rebuilding relations with the northern neighbour.

The proposed project, under preparation for several years and closely tracked by India, has major negative implications for India. As an upper riparian state, China has an unfortunate record of reluctance to cooperate, show transparency and safeguard interests of downstream states, as it is obliged to do. We have, therefore, another major irritant emerging in an already difficult relationship.

Xinhua lauded the venture as a "green project" without offering details. However, a report in Hong Kong-based South China Morning Post (SCMP) said the total investment in the dam could exceed 1 trillion yuan (\$137 billion). It is expected to generate nearly 300 billion kilowatt-hours (kWh) of electricity annually, more than thrice the designed capacity (88.2 billion kWh) of the Three Gorges Dam in China, presently the largest in the world.

According to the SCMP report, this would be the world's largest infrastructure project and involve drilling four to six 20-km tunnels and diversion of half the river's flow. Yet, the Chinese Foreign Office spokesperson claimed that it would have no negative impact on downstream countries (India and Bangladesh).

The proposed project is likely to be at a site in the Big Bend area of



STRATEGY: India's existing user rights on the waters of the Brahmaputra would have to be augmented. ANI

the Yarlung Tsangpo, where the river takes a U-turn and enters India just over 20 km downstream. The adverse consequences of the project for us will manifest in many ways. It will disrupt water flows in the Siang, as the river is called after entering India and is the main channel of the Brahmaputra river system. According to an Assam Government website, the catchment area of the Brahmaputra is 2,93,000 sq km in Tibet; 2,40,000 sq km in India and Bhutan; and 47,000 sq km in Bangladesh. The bulk of the waters of the river flowing in India are generated within our territory, but this mega project will significantly impact the river flows and consequently, livelihoods of residents downstream.

China's development of smaller hydropower projects in the upper reaches of the Mekong (called Lancang in that country) and its cascade operations are leading to irregular fluctuations, drying out of certain areas, declining fish catches and the loss of access to fertile sediment deposits in the Lower Mekong Basin, affecting riparian residents in Myanmar, Thailand, Laos, Cambodia and Vietnam. This presages foreseen and unforeseen consequences of the proposed dam for India and Bangladesh.

Equally, there will be an ever-present danger of disasters linked to this humongous project undertaken in an ecologically fragile and earthquake-prone geography.

As an upper riparian state, China has a record of reluctance to cooperate.

Even if there is no damage to the dam by an earthquake, large-scale diversion and impounding of waters will affect ecosystems and biodiversity downstream. This writer recalls emergency management by a group headed by the Cabinet Secretary when an artificial lake had formed in 2004 on the Parachu river, tributary of the Sutlej, in Tibet.

Given the relatively good relations with China at that time, we could get advance notice and data, augmented by information generated by our geospatial resources and other means. The lake did not burst before freezing over, and drained partly the next year with only limited damage downstream in India due to preventive measures. Risks stemming from the planned project will be exponentially larger, even if we do not talk of weaponisation of stored waters, as some experts are doing.

It is with patient diplomacy

that we have been able to put in place limited collaborative arrangements with Beijing, including three memoranda of understanding (MoUs) on the provision of monsoon season data by China for the Brahmaputra, on monsoon season data for the Sutlej (signed after the Panchu scare) and on "strengthening cooperation on trans-border rivers". The first two MoUs are renewed every five years and have now lapsed. No project has been possible under the umbrella MoU. The Chinese are niggardly in extending cooperation, not even agreeing to provide lean season data, let alone discussing broader cooperation like sharing of waters of trans-border rivers.

A similar approach characterises China's dealings on trans-border rivers with other neighbours. It takes full advantage of its status as a predominantly upper riparian state vis-à-vis its co-riparians. Neither China nor India is a signatory to the United Nations Convention on the Law of the Non-Navigational Uses of International Watercourses (1997). However, two key principles of the Convention — "equitable and reasonable utilisation" of shared waters and the "obligation not to cause significant harm" to downstream states — have broad relevance. India has been a responsible upper riparian state, even providing generous terms to Pakistan under the

Indus Waters Treaty despite troubled bilateral relations. Unfortunately, the same cannot be said of China.

A spokesperson for the Ministry of External Affairs remarked on January 3, "As a lower riparian state with established user rights to the waters of the river, we have consistently expressed, through expert level as well as diplomatic channels, our views and concerns to the Chinese side over mega projects on rivers in their territory. These have been reiterated along with the need for transparency and consultation with downstream countries following the latest report."

India has hitherto opted for quiet diplomacy. However, we are in new territory now, given the unprecedented scale and implications of the proposed project that will involve diversion and huge storage, unlike the existing run-of-the-river projects in Tibet. The Indian side must seek clarifications on technical parameters of the project and environmental impact studies. China should be asked to respect the principles of "equitable and reasonable utilisation" and the "obligation not to cause significant harm" to downstream states. In fact, we should formally ask for the suspension of any further work until there is full consultation and mutual understanding on the project.

Quiet diplomacy has its limitations. Our concerns would have been articulated forcefully through official channels with China and in the public domain. India's existing user rights on the waters of the Brahmaputra would have to be augmented with the implementation of hydropower and other projects with greater urgency, without compromising on environmental norms and interests of the local population. While the government would not do so, there is nothing to prevent our non-governmental organisations from expressing their concerns at relevant international platforms on large dams. Indeed, this mega project is at odds with the widely shared thinking on proceeding with extreme caution on large storage projects.

THOUGHT FOR THE DAY

A river is more than an amenity, it is a treasure. —Oliver Wendell Holmes Jr

What remains in the end

CHITVAN SINGH DHILLON

MY parents aren't just any regular socialites. They are professional MBAs — Marriage & Blog Attendees. Weekends for them are a blur of blogs, high tea soirees and posh shooz nabobs — and that's just the beginning. As soon as Friday night arrives, they begin prepping for their ritualistic weekend marathon. The blogs aren't just a spiritual affair; they are a prime opportunity to catch up with the who's who of the city's social circuit. It's a multi-course buffet of gossip, judgment and, occasionally, spiritual reflection.

It all starts by scanning the obit references in newspapers and then making phone calls. The typical blog experience itself is a spectacle: ladies alighting from sleek Mercedes in shades so subtle they could only be described as the colours of an unspoken regret — pastel blues and sombre greys. The aunties — mothers, grandmothers and some long-lost relatives from distant towns — make their way down the aisle. As they glide towards the holy book, with their Tom Rords resting like tians on their foreheads, they have got their eyes locked on the who's who in attendance. There's no praying, no focusing on divine words — just a fast-paced, silent competition to see who has the best gathering.

Roving eyes circle the sanctum sanctorum, looking for prominent figures: the socialites with their immaculately manicured nails, landlords sporting crisply tied turbans, intellectuals and legal luminaries. And of course, the retired babus, who arrive like the aristocracy, ensuring that they don't miss the fag-end of the ceremony — because it's only during the last 10-15 minutes that the real mourners show up to mark their 'attendance'. It's truly tragic, because aside from the bereaved family, no one is remotely moved by the proceedings.

Over in a corner, Mrs Singh is deep into the latest gossip. "I told you so," she says, gleefully enjoying the sweet satisfaction of being the first to uncover that high-profile separation. "Their daughter is so fat!" she continues, as if it's a matter of public record. At these events, there's no room for subtlety when it comes to gossip. You are expected to lean in, whisper loud enough for everyone to hear and definitely pass judgment.

As the blog winds down, the planning begins. "What are we doing for dinner tonight?" one auntie asks, casually glancing at her watch. "Oh, there's a bridge game at the Golf Club, followed by the Chadhas' soiree," another replies, as though they have just secured a spot in the VIP section of life. So, while my parents are busy attending events like high-society robots — never skipping a beat between blog, high tea, book launch and aperitifs — I'm left to marvel at their sheer dedication. They don't just attend events; they embody them. The art of socialising is a well-oiled machine in their world, and they are at the helm, navigating through the sea of aunties, gossip and fusion desserts. May their tribe flourish.

LETTERS TO THE EDITOR

No compromise on food safety

Refer to the editorial 'Unsafe food'; contaminated drinks and adulterated food items are leading to health concerns among consumers. Children are bearing the brunt of this menace. The Haryana Government must strictly enforce the standards laid down by the Food Safety and Standards Authority of India through the state's Food and Drug Administration department. Manufacturers, dealers and suppliers not following the rules and regulations should be dealt with severely. The emphasis should be on providing healthy foodstuffs to people. Neglect may impact their productivity, particularly of sportspeople for whom the state is renowned.

SUBHASH VAID, NEW DELHI

Revamp defence ecosystem

Apocryphal of 'Reforms must give us a cutting edge'; the article incisively underscores the need for a holistic overhaul of India's defence ecosystem. While achievements like the development of the Long Range Hypersonic Anti-Ship Missile demonstrate the DRDO's potential, structural inefficiencies and over-reliance on foreign imports plague combat readiness. Despite strides in strategic capabilities, the absence of indigenous designs for tanks, fighter jets and submarines endorses strategic autonomy. A comprehensive technological audit of the DRDO by independent experts is imperative to rectify these shortcomings. Moreover, redirecting resources from ceremonial projects like chariot production to core defence needs will bolster India's military efficiency.

CHANCHAL S MANN, UNA

Farmers' stir needs unity

The Kisan Andolan has been sanctified by the altar of politics. An agitation that could have been an example of 'supreme sacrifice' for a noble cause has been rendered ineffectual by the political one-upmanship among various factions of farmers' unions. This has made the agitation lose momentum, even as public sympathy is waning. The Central Government is happy at the turn of events. The Punjab Government is heaving a sigh of relief. The real loser is the poor farmer who had devoted his

time, money and energy to this cause. It's time for all factions to unite and fight together rather than competing with each other.

SACHIN KAUSHAL, PATIALA

Back-to-back losses

The back-to-back defeats in Test series against New Zealand and Australia have cost India a place in the World Test Championship final. Our top-order batsmen — Rohit Sharma, Virat Kohli and KL Rahul — flopped. Their shot selection was poor. It is concerning that they played irresponsibly. On the bowling front, Jasprit Bumrah was rightly adjudged player of the series against Australia. Losing the Border-Gavaskar Trophy so tamely is an embarrassment. The immediate replacement of under-performing senior players with younger players who have fire in the belly is the need of the hour.

MD SHARMA, SHIMLA

Overreach by probe agencies

Refer to Balancing privacy rights and investigative powers; it is a well-established fact that ED and the CBI cross the line during investigations. Although the Supreme Court delivers landmark judgments time and again, it is the duty and responsibility of Central agencies to be fair and objective. However, they do the bidding of their bosses and make suspects suffer. Romer Haryana MLA Surender Panwar was grilled by the ED for 15 hours. Good sense should prevail among officers so that no one's liberty is not compromised.

SUBHASH C TANEJA, GURUGRAM

Bharat Ratna for Dr Singh

Apocryphal of LoP for joint resolution on Bharat Ratna; voices seeking the top honour for former Prime Minister Dr Manmohan Singh are getting louder. Dr Singh, known as the architect of India's economic liberalisation in 1991, framed policies and programmes for the economically weaker sections. After taking over as the PM in 2004, Dr Singh helped the nation gain a prominent place in the comity of nations. Awarding the Bharat Ratna to him would be a fitting tribute to his remarkable contribution to India's progress and his unwavering commitment to inclusive growth.

RAMESH K DHIMAN, CHANDIGARH

THE IDEAS PAGE

MSP guarantee is feasible

Those opposing it paint an unfair picture of its financial burden



DESKAAL
BY KAVITHA KURUGANTI,
KIRANKUMAR VISSA AND
YOGENDRA YADAV

IS A LEGALLY guaranteed Minimum Support Price (MSP) to the farmers an idea whose time has come? Today is the 43rd day of the indefinite fast on this issue by farmer leader Jagjit Singh Dallewal. In the midst of this fast, the Parliamentary Standing Committee on Agriculture, Animal Husbandry and Food Processing, with a majority of MPs from the ruling NDA has made an unprecedented recommendation of "legally binding" MSP. The Samyukt Kisan Morcha, the largest platform of farmers' organisations, is likely to announce a major action plan with the same demand as the farmers protesting at Khanauri.

However, the Union government seems to be in no mood to consider this demand. Notwithstanding the PM's repeated assertion — "MSP hai aur rahiga" — the government has not even initiated a dialogue with the protesting farmers. The PM's "New Year gift" to the farmers — a state declaration about continuing crop insurance and subsidy on fertilisers — bypasses the MSP. On the contrary, the government's recently released draft "National Framework for Agricultural Marketing" for the next 10 years does not even mention the MSP, let alone consider legally binding MSP.

In the midst of this deadlock, the farmers continue to suffer. Take Merta, an important major agricultural market in Rajasthan where moong (green gram) is a major kharif crop. The officially declared MSP for moong is Rs 8,682 per quintal. However, during December 2024, the average price was only Rs 6,467. The farmers had to sell at a loss of Rs 2,215 per quintal, below the official MSP. Thus, the total income lost by farmers in this one market for this one crop in one month was over Rs 10 crore. In the market at Jalana, Maharashtra, the average price of jowar (sorghum) received by farmers in December was Rs 2,456 per quintal, Rs 915 below the official MSP of Rs 3,371. Maize price in Madhya Pradesh markets was Rs 1,980, whereas the MSP is Rs 2,225. The average market price for soyabean during the three months between October and December was Rs 4,076 in Maharashtra and Rs 4,148 in Madhya Pradesh, while the MSP was Rs 4,892. Herein lies the MSP story and the rationale for the farmers' demand.

The government officially declares MSP for 23 crops every year with a fanfare that makes public believe that the government has done a great favour to the farmers. In reality, the government does precious little to ensure that farmers get this "minimum" price. If the government does not take any action when the market price goes below MSP, the words "minimum" and "support" become meaningless. Clearly, an MSP that is not guaranteed is no MSP. The farmers simply want the government to redeem its promissory note.

However, every time the farmers' demand comes up for discussion, an outcry is orchestrated in the mainstream media, portraying it as unreasonable, operationally impossible or a fiscal disaster. Much of this criticism is either directed at an earlier version of this demand that the farmers' movement has outgrown or is deliberate scaremongering. The demand for legally binding MSP is logically



C.R. Sasikumar

coherent and operationally feasible. What is more, the country can afford it. Here is how it can be done. (We draw upon our article 'A question of how, not why', *Frontline*, March 22, 2024).

Let us begin by getting rid of the idea that legally binding MSP entails that the government must procure the entire produce of all the crops, or at least those crops that sell below the official MSP. This is neither feasible nor necessary. It is also not simply a matter of declaring any trade below MSP as illegal and relying on a punitive mechanism. This has been attempted and such a legal provision by itself does not work.

The basic principle of a legally binding MSP is very simple: Farmers must have a legal entitlement to receive — and the state would have a corresponding legal obligation to ensure to farmers — at least a remunerative MSP for all agricultural produce. The point of this definition is that the state's obligation is to "ensure" that the farmers receive the statutory price for their produce, not necessarily to "purchase" the farmers' produce. Correspondingly, the farmers' entitlement is to "receive" the statutory price, irrespective of who they receive it from.

This principle can be operationalised through three main mechanisms: Expanded procurement, effective market intervention and assured deficit payment. Let us examine these three.

Expansion and fine-tuning of the existing procurement operations would be the first step in this direction. Higher procurement of millets, pulses and oilseeds and expanding their inclusion in the food security schemes would help redress the present imbalance in procurement. The second modality can be smart market interventions. This can take multiple forms: Limited purchase whenever prices start dipping below the MSP, setting the floor price in APMC market auctions to MSP, fine-tuning international trade policy, improving the existing warehouse receipt scheme and strengthening the Farmers Producer Organisations (FPO) to bolster the capacity of small farmers to hold their crops until prices rise. Finally, if these methods do not succeed in keeping the market price at or above the MSP level, the government would be legally required to compensate the farmer for the difference between the MSP and average market price. The legal guarantee of a fall-back "price deficiency payment" would ensure that the farmers' entitlement to receiving

Is a legally binding MSP affordable? The scaremongers use a deliberately misleading calculation to flash astronomical figures like Rs. 14 lakh crore and paint the MSP demand as a ridiculous or impossible ask. These calculations assume that the government would need to purchase every single quintal of every crop. As we have seen above, that is not what the farmers' demand entails. Besides, the actual expenditure incurred by the government would be the difference between the price at which the government purchases and the price at which it sells the crop. Moreover, not all commodities require an intervention; any government intervention is required only when the market price is below the MSP.

the MSP becomes a legal right.

Is a legally binding MSP affordable? The scaremongers use a deliberately misleading calculation to flash astronomical figures like Rs. 14 lakh crore and paint the MSP demand as a ridiculous or impossible ask. These calculations assume that the government would need to purchase every single quintal of every crop. As we have seen above, that is not what the farmers' demand entails. Besides, the actual expenditure incurred by the government would be the difference between the price at which the government purchases and the price at which it sells the crop. Moreover, not all commodities require an intervention; any government intervention is required only when the market price is below the MSP.

We calculated the total cost of legally binding MSP for the top 15 crops (that account for more than 95 per cent of the value of crops for which MSP is declared) for the marketing year 2022-23. The total deficit for all the crops that sold below the announced MSP came to Rs 26,469 crore. This is for the MSP at the rates announced by the government, using a partial cost [(A2+FL) + 50 per cent] concept. We also performed the same calculations considering the MSP demanded by farmers (or Swaminathan MSP), which is based on Comprehensive Cost (C2+50 per cent). The total deficit below the demanded MSP came to Rs 2,00,710 crore.

The actual expenditure would be less than that. Timely market intervention and all other measures mentioned above can ensure that market prices would automatically be close to MSP, and thus the deficits would be significantly lower. At the present rates, a legally guaranteed MSP would cost about 0.5 per cent of the Union budget. Even if we consider the higher rates demanded by the farmers, the total cost would be 4.2 per cent of the Budget, about 0.6 per cent of GDP. Considering the additional purchasing power this would put into the hands of agricultural households in the country setting off positive growth in the economy, this expenditure is eminently justified. It is now a matter of political will.

Kuruganti is co-convenor of Alliance for Sustainable & Holistic Agriculture (ASHA), Vissa is co-founder of Rythu Swarajya Vedika, a farmers' organisation in Telangana and AP, and Yadav is member, Swaraj India, and national convener of Bharat Jodo Abhiyaan

WHAT THE OTHERS SAY

"While some leave the country due to persecution, the vast majority are economic migrants, many hailing from relatively prosperous parts of Punjab. Victims have said economic hardship made them opt for illegal migration, while others are inspired by compatriots who made it 'big' in Europe." — DAWN, PAKISTAN

How not to criticise Nehru

Certainly, he could have done more in primary education. But he did quicken a moribund economy, a historic achievement



PULAPRE BALAKRISHNAN

IT IS A measure of India's rising confidence that there is now a critical gaze upon all aspects of our past and present. One area that has received attention recently is the performance of the economy in early independent India, and Jawaharlal Nehru's role in it. Into the 21st century, we are in a good place to examine these, for three reasons. We have the quantitative methods that allow us to identify turning points in economic history without resorting to judgement; we have the theoretical models that help us understand how an economy grows; and we have the experience of the rest of Asia to compare our own past policies and achievements with.

For Nehru, the single-most important goal of economic policy was to increase the level of income, which was unacceptably low for the overwhelming majority of Indians. This is evident in the statement he made in parliament in May 1956 when the main vehicle of the Nehru-Mahalanobis strategy for development, the Second Five-Year Plan, was launched. He said "The whole philosophy... is to take advantage of every possible way of growth and not to do something which suits some doctrinaire theory or imagine we have grown because we have satisfied some text-book maxim of a hundred years ago." It would be difficult to detect ideology in this; actually, it is not only pragmatic but cautioned against taking an ideological approach to the economy. And what was the impact of Nehru's stated objective?

In one sphere at least, it was nothing short of remarkable. From the work of S.Sivasubramanian, an early student of India's national income accounts, we find that the average annual rate of growth in Nehru's time was 4 per cent as opposed to less than 1 per cent in the last half-century of the British Raj. This is lower than the approximately 6 per cent growth achieved in the last decade, but the performance should be seen in perspective. It would be naive to imagine that an economy can leapfrog from 1 to 6 per cent without traversing the intermediate growth phase, especially when emerging from two centuries of exploitation by an external power. For an international comparison — in Nehru's time, India grew slower than Korea but faster than China.

What about the economy's performance during 1950 to 1965 has received particular criticism? The allegations are, first, that agriculture was neglected in the caze for industrialisation. Second, that the public sector was a blackhole, sucking the nation's savings without yielding any returns. Third, that the licensing of private investment repressed the private sector.

Sivasubramanian's data shows that agriculture was the sector that performed the

best during Nehru's time, leading the transition to a permanently higher growth path. To understand this, it would be useful to recognise that agricultural production benefits from industrial inputs and the spread of publicly-provided infrastructure. Public policy towards agriculture itself was forward-looking, seen in the invitation to the world's leading agricultural scientist Norman Borlaug to visit India in 1963. The Green Revolution followed soon after.

I turn now to the performance of the public sector. Most interestingly, the savings of the public sector grew faster than that of the private corporate sector, both of which drew upon savings of the household sector. This record of the public sector need not surprise. The planner Prasanta Chandra Mahalanobis had actually imagined public enterprises as a potential source of revenue to step-up public investment. Their subsequent degeneration is entirely due to the dispensation that followed Nehru, which succeeded in turning them into welfare traps.

Finally, on the alleged repression of the private sector due to controls. Going by their investment record, the private corporate sector, taken as a whole, flourished under Nehru. The private corporate investment rate surged, growing at least as much as that of the public sector. Again, this need not surprise at all. While a certain narrow understanding of the "market" views it purely as an institution for exchange, the original economists saw it as the aggregate demand for goods. Thus, in the 1950s, as public investment stepped-up, it expanded the market for the private sector which could now meet demand for their products that may not have arisen otherwise. (The data referred to here are presented in my book, *India's Economy from Nehru to Modi: A Brief History*).

So, was economic policy under Nehru optimal? Far from it. There were errors of commission and omission. As an economist, I am perplexed most by the absence then of a mission-mode approach to spreading primary education, and getting older children, especially girls, into school given the abysmally low literacy rate in 1947. If there is one feature that distinguishes India from East Asia which has been far more successful in raising income levels and ending poverty, it is schooling. It is not as if alarm bells had not been rung early. Bombay University's B.V. Krishnamurti had pointed to the meagre outputs on education the very month the second five-year plan was launched in 1956. Later, Arun Jaitley in the 1960s and the educationist J.P. Naik in the 1970s flagged this continuing neglect. What is troubling about it is the visible class bias. It left the vast majority of Indians without the human capital to raise their productivity and the freedom to pursue the life they value. This is a monumental democratic deficit to contemplate. For sure, Nehru could have done more here, but he did quicken a moribund economy, a historic achievement without which there could not have been much human development anyway.

The writer is honorary visiting professor, Centre for Development Studies, Thiruvananthapuram

LETTERS TO THE EDITOR

EMPLOYMENT CRISIS

THIS REFERS TO the editorial, 'Behind jobs data' (IE, January 6). The India Employment Report 2024 shows several problems exist on the nation's employment front. It is estimated that about 83 per cent of the unemployed population of India are young. What is more appalling is the claim by the chief economic advisor that the government cannot be expected to solve the employment problem. Such a remark is unacceptable given the serious consequences of unemployment on economic growth. It is high time that the Modi government devises a well-thought-out, forward-looking employment policy.

Khokhan Das, Kolkata

INDIA-US TIES

THIS REFERS TO the editorial, 'Old and new' (IE, January 6). The strategic relationship between India and the US has seen tremendous progress. During the Trump and the Biden administrations, Indo-US ties moved forward albeit some hiccups. US National Security Advisor Jake Sullivan's visit is a significant step in strengthening bilateral relations, demonstrating continuity regardless of changes in US leadership. A particularly important development is the initiative on Critical and Emerging Technologies, which marks a pivotal enhancement in defence collaboration. It is yet another win for India even as uncertainty about Trump's second term gains momentum.

Megha Kumar, Ahmedabad

DATA-DRIVEN POLICY

THIS REFERS TO the editorial, 'Playing with spectres' (IE, January 4). Illegal immigration has been a topic of intense debate across India. It presents significant challenges, especially in border states, but inflammatory rhetoric cannot be the way forward. The government must take urgent steps to collect data regarding the affected regions. With this data, effective measures such as better border control, enhanced surveillance, and cooperation with neighbouring countries can be implemented. There must be appropriate legal frameworks for those who have entered the country illegally.

Sanjay Chopra, Mohali

BUILD COMMUNITY

THIS REFERS TO the article, 'Imagine a trust-based society' (IE, January 6). Political trust is crucial for public institutions. The erosion of trust can lead to disharmony and lessen the impact of welfare programmes. Times of crisis, especially the recent COVID-19 pandemic where global leaders influenced the masses to take vaccinations and precautionary measures, show that trusting governing bodies is key. There is also a pressing need for transparency and dialogue in leadership decisions. This will increase the legitimacy of institutions, promote meaningful investments in human resources and new employment opportunities and foster a sense of community.

Vaibhav Goyal, Chandigarh



SHRADDHA UPADHYAY

Home lies in between

In Gwalior, I ached to get away. In the big city, I long for belonging

There is a "notable people" section on Wikipedia pages about cities. I was obsessed with Gwalior's list: Tansen, Nida Fazi, Kartik Aaryan, which Gwalior did they inhabit? In my city, home meant clearing exams and earning merit. How did the same city produce musicians and poets and actors? Fazi had returned to Gwalior and his interview took the entire back page of the weekend city edition of the leading Hindi newspaper. When asked why he left Gwalior for Mumbai, he didn't mention riots or lack of opportunities. He romantically recalled, "Apni marzi se kahani apni kahar ka hum hain" (My journey is not determined by my choice, I go where the direction of winds take me). I reminisced about this ghazal for years and sobbed in a foreign city. But Gwalior felt distant even when I lived there. It was replete with monuments not mentioned in our history textbooks. It was brimming with myriad forms of culture — moving bookstores, Tansen Sangeet Samahar, concerts and plays, and the Gwalior Vyapar Mela. Yet, it was merely a prelude for a different end. Our engagement with art and litera-

ture remained focused on facilitating the single-minded pursuit of escaping. Chasing an unknown object of undefined desire. Like Vivian Gomick writes in *The Odd Woman and the City*, "From earliest adolescence, I knew there was a center-of-the-world and that was far from it." I wanted to seize the centre; little did I know, the "centre does not hold".

I worked hard to reach the centre. I coasted meant to feature in my stars so that I could get away from my restricted girldom in Gwalior. The anonymity provided by the big city allowed me to participate in political rallies with strangers, give speeches in protests, sleep in monuments, watch films alone at midnight, chat away with men on long dates. This life seems unthinkable in Gwalior. But my shadow lives back home: What if I did not escape? What if I could live the same life at home?

On some days, I pull up Gwalior's map, so much wider than the one I imagine. I wonder, in which area would children feel safe on the roads? I learnt where you could buy straw bas-

kets in the big city. I wondered where one could find straw baskets in my city. During heritage walks in other cities, I have stopped and wondered about the lanes of Gwalior. My experiences remained limited, not inclusive of sunrises and night skies. A friend from home once lamented, "We don't even know a good chai ki nagri in this city."

In the big city, I longed for a sense of belonging. I noted the similarities and differences of language with diligence. An easy familiarity develops between migrants in the metropolitan. Whenever I hear my language on anyone's tongue in autos, cabs, construction sites, beauty salons, I ask them where they are from and make sure that they know that I'm not from the big city. I want to belong to this homelessness at last.

How many years does it take to belong somewhere? The illusion of merit carried me here, merit's more meritorious cousin marriage has made my migration legitimate. But I still feel suspended in the interim. Inauthentic in this city and inexperienced in

the one I come from. I can humour myself by believing that home is still a possibility, one I can put together, a road not taken — or I can pride myself on this escape: I have made it! I have buffets to choose from, instead of bhandaras where you have a messy mash of only what you are served.

Every visit back home chips away at the ambition of coming back. Because the current location and destination are both moving points, Fazi says in the documentary *Yeh Kahan Aa Gaye Hum*, "Shehar jaane waale ka kuch din rasta dekhta hai aur jaane waale jo woapas nahi laut te to shehar khud apni jagah se dur chalo jata hai. Aur jab wo lautne waale woapas aata hai to inhi der ho chuki hoti hai ki uska shehar apne hi shehar mein nahi milta." (A place waits for the person who leaves only for a few days, but when the person doesn't come back, then the town itself goes off to some other place, and when the person comes back, then it is so late that his city cannot be found in his town).

Upadhyay is a writer and researcher based in Delhi



Opinion

TUESDAY, JANUARY 7, 2025



ON TRACK

Prime Minister Narendra Modi

Today, the country is engaged in achieving the resolve of **Viksit Bharat** and for this, the development of Indian Railways is very important

Weak drivers

Budget should have measures to resuscitate the middle class

INDIA TRENDS

DIFFICULT TO IDENTIFY A SECTOR THAT HAS POTENTIAL TO LIFT ECONOMY TO A HIGHER TRAJECTORY

In search of a growth driver

THE CONTEXT OF Budget 2025-26 has brought into focus the need to raise the employment intensity of India's economic growth and address the stagnation of income and wage levels. It also simultaneously rekindled the debate over the size, status, and potential of India's "middle class". Policymakers have noticed that those belonging to relatively "well-off" socio-economic classes are also seeking tax reliefs from the Budget, disguising themselves as part of the middle class. At the same time, anecdotal evidence of a "shrinking" of the median and below segments of the middle class is being corroborated by consumption market surveys. Kantar reported that the number of lower middle-class households was down 25% in 2024 compared to 2019, while the affluent ones surged 86%. To be sure, this trend is also mirrored in income-tax data — taxpayers with income above ₹50 lakh a year account for almost half of gross total income reported by all taxpayers in the assessment year (AY) 2023-24. In other words, the shares of the lower income groups in both national income and taxable income are declining. Put plainly, India's middle class isn't well-off, even as the well-off clearly aren't, and cannot be, middle class.

The income structure of the country is not being transformed from inverted pyramid into a diamond shape, with a burgeoning middle class, as many had anticipated. Sales data from producers and retailers are signalling an exhaustion of the large sections of urban consumers, except the super rich, after the post-Covid splurge. It may well be the case that lakhs of people are falling below the threshold for being a (income) taxpayer, after having crossed it. This is clearly indefensible for a country which aspires to grow its middle class from a little over 30% of the population to over a billion or 60% by 2047.

Amidst this scenario, reports cite the results of household consumption expenditure surveys (HCES) to show a "sharp decline" in poverty incidence. For these assumptions, the poverty line, defined by the Suresh Tendulkar committee one and half a decade ago, is applied on the HCES findings. Those poverty yardsticks are seriously out of date. As such, 90% of rural Indians reported average monthly per capita expenditure of less than ₹5,763 in 2023-24, while those in the 0-5% "fractile class," at the bottom of the pyramid, just ₹1,677, and persons in the 5-10% class ₹2,126. Given the high inflation rates over the recent years, these numbers betray very low purchasing power among vast sections of people.

With the external situation appearing to be grim, the short- to medium-term economic strategy of the country should necessarily be to rely heavily on domestic demand. The government is right in exposing the fallacy of the rich sections asking for further tax reliefs. However, it is not the right strategy to raise the goods and service tax rates for premium goods, which continue to be in high demand, despite the overall sluggishness in consumption. Prohibitive taxes on high-end articles and services could only add to the employment crisis, and create a vicious cycle. Just 6.7% of India's population files income tax returns and hardly 3% actually pay tax on salaried income. While this base needs to expand, the policy emphasis now ought to be on ways to bolster the aggregate demand, with a greater thrust on improving total factor productivity. Liberal tax concessions for the true middle class are in order.

THE SHOCKINGLY LOW 5.4% growth in July-September 2024 compelled the Reserve Bank of India (RBI) to sharply cut its growth forecast to 6.6% for FY25. It remains sanguine about growth prospects though, projecting a sharper recovery ahead. Believing the low output is an outlier, the central bank cautioned it would be inappropriate to judge the trend growth rate by one data point. However, the question is not the single data point but the sheer range of forecast error. If this slowing was due to short-term idiosyncratic factors, then why did most nowcast models miss it by such a wide margin? The curiosity therefore is to not ignore the outlier but look within for any hidden message we must discern.

The context is clear. The brisk post-pandemic recovery generated optimism in some quarters, including the central bank, about a trend lift in India's growth. Stable macroeconomic conditions, cleaner corporate and bank balance sheets, and settled relations triggered hopes the growth momentum would sustain. Perhaps, this unanticipated crash indicated the economy could be normalising to pre-Covid potential? If yes, it calls for earnest discussion.

Historically, economies witnessing a trend growth shift were often driven by leading sectors — the so-called growth engines. The sectors' performance would be visible, sustaining for long periods to lift the rest of the economy. A better way, therefore, would be to look at India's individual sectors to see if any fits the bill.

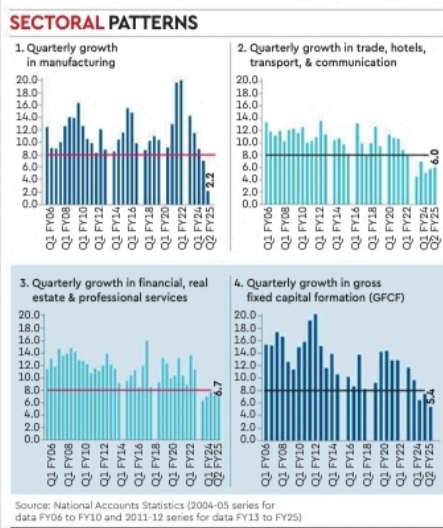
We look back at the post-2000 quarterly growth rates to isolate phases of high, sustained growth rate exceeding 8.0% for four consecutive quarters to distinguish differences in the high-growth phase of the first decade and years thereafter.

Start with the supply side, manufacturing sector (17.4% gross value added or GVA share) where growth plunged to 2.2% last September quarter, pulling down the previous four-quarter average, 10.5%. Indeed, if we see Indian manufacturing's quarterly growth since 2012-13 (base 2011-12), there's extreme volatility — the high-growth phases last no more than four to six quarters, followed by visible slowing after each such burst (figure 1). Contrast that with the previous decade's experience (base 2004-05); manufacturing grew solid 10% or above on average, consistently over 14 quarters beginning Q1 FY06 through Q2 FY09 and supporting the case for a trend lift.



RENU KOHLI

Senior fellow, Centre for Social & Economic Progress (CSEP), New Delhi



So, how should we look at the 2.2% growth in Q2 FY25? Should we ignore it or view it as the repeat of a past pattern, perhaps indicating the short-run burst of growth (possibly from idiosyncratic factors) may have come to an end?

Services, namely trade, hotels, transport, and communication (18.6% GVA share) saw similar volatility (figure 2), importantly losing momentum in the post-Covid recovery phase as growth averaged much below 8% in recent quarters — 5.7% in the last five. Financial, real estate, and professional services (23.3% GVA share) — which were relatively less

volatile until Q2 FY17 — have become much weaker, growing an average 6.9% in the past five quarters. Construction activities, which were completely down until Q2 FY21, have recovered to a 10-quarter average growth of 9.4%; but at 9.0% share in GVA, it lacks vigour to lift the overall economy that has slowed down in recent months.

The story is no different on the demand side. Gross fixed capital formation (33.5% GVA share) continued to languish despite cleaner corporate balance sheets. Investment pickups have rarely sustained beyond four-five quarters (figure 4). More-

over, a large chunk is government capex, of the Centre and states. This, however, has run its course as fiscal balances need consolidating. Determining the pace could be a policy choice, although there's little doubt that the space has shrunk. It is time to rebuild, sooner the better.

Similarly, private final consumption expenditure (55.8% share in GDP) has been a tale of secular weakness, driven by policy shocks like demonetisation, goods and services tax reform, and non-banking financial company (NBFC) crises, natural calamities like Covid and climate change, poor employment creation, and high food inflation. As has been the story so far, as rural consumption began recovering with favourable terms of trade, the urban counterpart faltered as banks, NBFCs, and microfinance institutions hit the wall on unsecured loans.

Exports, where a strong momentum sustained for eight quarters from Q1 FY22, could not capitalise on these gains despite healthy services' exports led by global capability centre boom. Recent quarters show weaker goods exports, notwithstanding headline-grabbing smartphone shipments. The failure to penetrate international markets for labour-intensive manufactured goods continues to haunt India's growth and employment prospects.

From a growth accounting perspective, the case is equally unconvincing. While efficiency gains may have accrued from easier business practices, market integration, formalisation, and digitalisation, there are no secular trends. More concerning, as the RBI's recent research finds, sectors seeing large increase in productivity growth also showed falling growth of employment and capital, raising doubts that matching gains from resource reallocation could be tapped (RBI Bulletin, January 2023).

Thus, whichever way one looks at the economy, one cannot identify any dependable sector or source that could drive growth on a sustained basis. Growth spurts in the sub-sectors or sources are short-lived, often slowing sharply after a brief spell, exhibiting volatility. Statistically, a trend is difficult to fit. Obtaining a trend from the aggregate could sometimes be misleading — a growth spurt in one sector could conceal slowing of another. Taking a judgement call on the potential growth rate for such an economy could, therefore, be tedious. And to believe the economy might have experienced a trend growth lift during post-Covid catch-up is premature.

Tesla and Waymo should learn from '24 air crashes

IF YOU YEARN for a future where you can travel from place to place in safety and comfort, some of the major transport events of 2024 might feel like a setback. Don't give up hope.

The crash of Jeti Air flight 2216 on December 29, killing all but two of the 181 on board, and the death of 38 four days earlier when Azerbaijan Airlines flight 8243 was apparently being erroneously targeted by Russian anti-aircraft weapons, helped give the year the worst death toll in commercial aviation since 2018.

It was a similar situation on the ground. For a decade, autonomous driving has promised to bring aviation's normally enviable safety record to the world's roads. Last year it seemed to hit a roadblock — or at least halted in front of a harmless plastic bag and caused a traffic jam, as one confused Chinese robotaxi did earlier this year.

Apple in February junked its 10-year, secretive plan to build a self-driving electric car. In May, Hyundai Motor and parts-maker Aptiv halted their multi-billion Motorola joint venture. Last month, General Motors pulled the plug on its Cruise self-driving car project, having spent about \$9 billion since acquiring the business in 2016. Elon Musk, to be sure, unveiled a promised Tesla robotaxi — but, given his record, it's anyone's guess when, or if, that project will make it to the roads.

The decline is coming off autonomous vehicles in the public mind, too. These days, they appear less the subject of jetsons-style futuristic daydreams, and more the subject of mockery and even hate — whether they're endlessly circling roundabouts, crashing with delivery robots, or being disabled by activists. Some 672 vehicles operated by Alphabet-owned Waymo vehicles were recalled in May for a software update after one of them hit a wooden pole in Phoenix.

The long-term trend in aviation safety is still astonishingly good, something that 2024's freak accidents can't really change. When thousands of people die every year in air crashes — the normal course of things until about two decades ago — an accident involving one 180-seat single-aisle jet doesn't move the needle all that much. When the number is in the low hundreds or even tens, a one-time event can change perceptions drastically.

The secret of this success is the paranoid safety culture within aviation. Certifying a new plane can take the best part of a decade. Once flying, it's monitored obsessively by maintenance engineers, with the smallest defect leading to fleet-wide groundings and checks. Crashes, when they happen, are pored over for years for clues about what went wrong, and how to avert similar catastrophes in future.

The best players remaining in the robotaxi space seem to have learned that lesson. By recalling the software on those 672 Waymo vehicles rather than just crossing fingers and hoping for the best, the company was treating its fleet in the same perfectionist way that airlines and aircraft manufacturers treat theirs.

By tying up with Waymo after winding back its Motorola venture, Hyundai was learning another lesson from aviation: Safety will advance faster if you can share a vast database of information with potential competitors, rather than treat such data as proprietary and attempt to forge your own path. Tesla's tie-up with Baidu in China could follow a similar model, given the Chinese company's existing Apollo robotaxi business.

There's no guarantee the industry as a whole will continue to learn that lesson. In particular, it's impossible to miss the fact that the most influential person on US robotaxi policy in the next four years may well be Musk, whose insouciant attitude to safety has been under increasing federal scrutiny over the past year.

Still, following aviation's cautious path is the best hope that autonomous driving can finally become a reality outside of the handful of cities where it's being trialled. Silicon Valley likes to move fast and break things — but when the things that could be broken are human bodies, you need to move at a more sedate pace.

Judicial overreach unwarranted



SHRIRAM SUBRAMANIAN

Founder and MD, InGovern Research Services

High court order staying Religare Enterprises AGM risks undermining shareholder rights, regulatory authority, and market confidence

IN A MOVE that has raised eyebrows in corporate and legal circles, the Madras Pradesh High Court (HC), through an order dated December 18, 2024, stayed the annual general meeting (AGM) of Religare Enterprises Limited (REL). The decision was in response to a writ petition filed under Article 226 of the Constitution. The petition sought, among other reliefs, the appointment of an independent commission of enquiry and protection of minority shareholder interests. The petitioners argued that the proposed acquisition by Burman Group entities that received Reserve Bank of India (RBI) approval could consolidate control in the hands of a few. However, the implications of the judicial intervention extend far beyond the immediate case.

Under Section 96 of the Companies Act, 2013, holding an AGM is a statutory obligation. This forum allows shareholders to express their views, deliberate on corporate decisions, and safeguard their interests. Interfering with this process without substantial legal grounds disrupts a fundamental aspect of corporate democracy. The HC's decision jeopardises the statutory obligation to hold AGMs, undermining the fundamental rights of shareholders.

This approach contrasts with established judicial precedents. For instance, in the 2022 Zee Entertainment Enterprises case, the Bombay HC overturned a single-judge order restraining shareholders from calling an extraordinary general meeting (EGM). The judgment reaffirmed the principle that courts should refrain from obstructing statutory processes like AGMs or EGMs unless there is compelling evidence of fraud,

oppression, or mismanagement.

In LIC vs Escorts (1986), the Supreme Court (SC) articulated the cornerstone of corporate democracy, emphasising shareholders' rights to requisition meetings without being subjected to judicial scrutiny. The Bombay HC echoed similar sentiments in the Zee Entertainment case, warning against opening the floodgates to litigation that could delay or obstruct corporate governance processes. Such delays, the court noted, would render shareholder democracy "nugatory" and encourage obstructive behaviour by unwilling boards.

Corporate governance operates within a framework established by legislative and regulatory bodies, and undue interference disrupts this balance. The RBI and the Securities and Exchange Board of India, as trusted regulatory authorities, have approved the open offer for Religare Enterprises with stringent conditions to protect shareholder interests. Judicial intervention in such decisions risks undermining regulatory authority and market confidence.

Moreover, passing ex-parte orders in corporate matters — without giving affected parties an opportunity to present their case — contravenes the principle of *audi alteram partem* (let the other side be heard). This principle is a cornerstone of Indian jurisprudence and ensures fair decision-making.

Listed companies operate in a highly regulated environment, where shareholder rights and market inte-

grity are paramount. Court-ordered delays in holding AGMs or implementing regulatory approvals could lead to operational paralysis, damaging business reputation and eroding stakeholder confidence.

The SC's recent observations in a case involving credit card fees serve as a timely reminder of the need for judicial restraint in policy matters. It cautioned against intervention in the RBI's policy decisions, highlighting the risks of venturing into "unknown paths" without adequate expertise or understanding of regulatory complexities.

These observations resonate strongly in the present case, where judicial interference in a regulatory-approved corporate action threatens to derail established processes.

Ex-parte orders in commercial disputes are particularly susceptible to misuse, creating delays, exerting pressure, or stall legitimate business actions. In the REL case, the stay on the AGM potentially opens the door for entities with vested interests to disrupt corporate processes for personal gain. It sets a dangerous precedent, where litigants could weaponise judicial orders to achieve ulterior motives. The following are recommendations for judicial prudence.

Respect regulatory decisions: Courts should exercise restraint and defer to regulatory authorities like the RBI, especially when decisions are backed by detailed conditions and safeguards.

Comprehensive hearings: Ex-parte

orders should be avoided in corporate and commercial matters to ensure all parties are heard, promoting balanced and fair outcomes.

Preservation of shareholder democracy: Judicial interventions should be limited to cases involving proven fraud or mismanagement, protecting the statutory rights of shareholders.

Alignment with precedents: Judicial decisions should align with established precedents, such as LIC vs Escorts and the Zee Entertainment EGM case, to maintain consistency and predictability in corporate law.

Minimising market disruption: Courts must consider the broader implications of their decisions on market stability, investor confidence, and ease of doing business.

The HC's decision to stay Religare Enterprises' AGM raises significant concerns about judicial overreach and its impact on corporate governance. By stalling a statutory process without demonstrating clear grounds of fraud or mismanagement, the order risks undermining shareholder rights, regulatory authority, and market confidence. In light of established judicial principles, regulatory safeguards, and the importance of preserving corporate democracy, this decision warrants reconsideration. A more balanced approach would protect the interests of all stakeholders while ensuring the smooth functioning of statutory corporate processes. If unchecked, such judicial interventions could have far-reaching repercussions for India's corporate governance landscape and its global standing as a business-friendly destination.



DECCAN HERALD
ESTABLISHED 1948

Warmest year marks race against time

It is known that globally, temperatures have been rising every month and there were periodical reports about some months turning out to be hotter than they were in the past. The India Meteorological Department (IMD) has now announced that 2024 was the warmest year since 1901 when temperatures started getting recorded. That would also probably make the year the hottest in history. With an annual mean temperature of 25.75°C, 2024 was 0.65°C above the long-term average (1991-2020). The World Meteorological Organisation (WMO) has observed that 2024 was the warmest year for the world, exceeding for the first time the threshold of 1.5°C above the pre-industrial level. The last 10 years were the hottest 10 years in history. There is a possibility that this year will be hotter than the last.

The WMO has said that as the global temperatures increased and extreme heat events worsened, there was a growing need for countries and international organisations to work together to tackle severe heat risks. It also said climate change intensified 26 of the 29 extreme weather events studied by World Weather Attribution (WWA) in 2024, which killed at least 3,700 people and displaced millions. It said high temperatures were "only part of the picture". Record-breaking rainfall, flooding events, and other manifestations of climate change caused terrible loss of lives and property and much suffering. UN Secretary General Antonio Guterres said this is climate breakdown in real time and we "must exit this road to ruin and we have no time to lose."

He called upon countries to put the world on a safer path by dramatically slashing emissions and supporting the transition to a renewable future. Such opinions and sentiments have been expressed and calls have been made many times in the past but governments have not responded or cared enough to slow down climate change or mitigate its impact.

Since climate change is a reality, mitigation should get significantly higher priority than in the past. The measures to be taken should include establishment of disaster management systems and heat action plans. Agriculture, construction, and allied sectors will be hit the most and safeguards should be created to protect them. There will be serious challenges to water and food security. Sectors such as health, education, and tourism will be affected. Even now, there is no comprehensive view on the impact of climate change on life. It is surprising that it is not on the agenda of political parties and leaders. Climate change remains the most serious threat to humanity, an existential challenge that should be treated as such.

Climate change-induced events triggered severe loss of life and property in 2024

HMPV: Caution over panic

Reports about the outbreak of an epidemic caused by HMPV (human metapneumovirus) and the detection of India's first cases — in Bengaluru, Ahmedabad, and Chennai — may have revived memories of Covid. China has seen a large number of respiratory diseases caused by HMPV and similar viruses. Photos and videos of people in China wearing masks in hospitals and other places are being circulated on social media. Considering the extent of impact Covid had, people would naturally be wary of anything that looks like an epidemic. Understandably, the spurt in such cases had given rise to discussions about the virus in other parts of the world, including India. Experts have maintained that there is no need for panic over the virus. It is not a new virus; it was first identified in 2001 and many of its characteristics are known. The virus infects children, especially those aged under five years, but also affects those with deficient immunity and the elderly.

The Union Health Ministry has said that the cases were detected by the ICMR through routine surveillance as part of efforts to monitor respiratory illnesses. It has noticed no surge in respiratory diseases in the country and has said it is equipped to handle the situation. Health authorities have said that respiratory and seasonal influenza cases are regularly monitored in the country and they are in touch with international agencies on the HMPV situation. The claim that the cases detected in the country are the first has been disputed, because the virus is an existing one. The children who have been infected and their families have no history of foreign travel. Karnataka Health Minister Dinesh Gundu Rao has said, "It is yet to be decided if this is a serious public health concern, and if PCR tests are required."

Experts are of the view that HMPV is like any other respiratory virus that causes common cold, and it could cause flu-like symptoms in the young and the very old. Such infections are common in winter. The World Health Organisation (WHO) has not yet issued a statement or advisory on the current infections. The Chinese government has tried to reassure the world of its commitment to protect the health of its citizens and foreigners who travel to that country, but the world has a trust deficit with China on the matter. The Covid experience has taught the world to not let the guard down. There is the need to expand testing facilities in India, and wearing masks and washing hands is good — with or without Covid, HMPV, or any other virus.

Experts call for calm — many characteristics of the virus, identified in 2001, are known

Gubernatorial activism is drifting to open biases, building a narrative against incumbent state/UT governments

LT GEN BHOPINDER SINGH (RETD)

The misuse of the Gubernatorial office is an old hat in Indian politics, with all parties and coalitions (without any exception), guilty of the same. While the traditional means of misusing the same entailed invoking Article 356 of the Constitution to dismiss the sitting government and impose President's Rule, the need for that ham-handed approach has ebbed, and it has evolved to an even more brazen act of the Governor/UT panderer to open biases and supportive partisanship, without resorting to Article 356.

Seemingly, this is more efficient than the dismissal of Government under Article 356 runs the risk of a public backlash and perceptions of overreach, thereby making the dismissed state/UT Government and its party, look like marionettes. Often, the longer the President's Rule ran and denied the people's writ in a participative democracy, the more political traction for the dismissed political party, accrued. Whereas, by not dismissing the Government and routinely dismissing and spitting its conduct and policies, the Gubernatorial office has emerged as a powerful force against its own Government, at the behest of the Central Government. This is especially true for states/UTs that are run by parties that are in the opposition in the National Assembly. In these national opposition-run states/UTs, the choice of a Gubernatorial appointee who can do the Centre's bidding, becomes important.

Regrettably, this Gubernatorial activism and hyperventilation is tellingly missing in states/UTs where there is a 'double-engine' situation of the same party running the ruling at Centre and state e.g., Manipur, even though the handling of the local situation by its government has been shockingly ineffective. But, where there is no double-engine arrangement, the relentless concerns expressed by the Gubernatorial appointee force-multiplies the political pressure and a disorienting narrative gets built against the incumbent state/UT government with invaluable 'cover fire' for the opposition party in the state/UT (but the same partisan

persuasion at the Centre), as it comes from the office of the supposed 'constitutional conscience keeper'. It traditionally averts the public's eye from public apathy that is natural in overusing Article 356.

Therefore, just because the instances of dismissal of state/UT governments under Article 356 have come down drastically over the last decade, to assume that the misuse of Gubernatorial office has also come down simultaneously, is to be partisan or situationally naïve. All earlier instances of gubernatorial misuse by the ostensibly apolitical office notwithstanding, never perhaps have the exchanges with the chief ministers and their cabinet ranks



been more bitter, toxic and inelegant in Constitutional propriety. The cynosure of national politics in Delhi, is a caged ruling national party has failed to capture, despite winning three consecutive National elections. If the ruling party at the Centre has defied the curse of anti-incumbency, the ruling party in Delhi too has defied its own anti-incumbency traditions, leading to, at times, often explosive situation, where the ends seem to justify all means — even if they were to come from an office that is expected to be above partisan politics i.e., LG of Delhi.

LG vs CM in Delhi

To be fair, the LG-CM spat in Delhi are not a new phenomenon and even afflicted the Tejender Khanna-Sheila Dixit era when both the Centre-state governments were same, given the uniquely distributed administrative responsibilities among both offices, given Delhi's 'half-state' status. The Delhi situation became a lot more public and bitter when Nabeed Jung took over, only to worsen with his successor, Anil Bajal. Today, the engagement has hit an unprece-

dent low with Vinay Kumar Saxena as the LG and Atishi Marlena as the CM, as it has acquired a deeply personalised and petty level given that Delhi goes to elections in the next month, the timing is ominous and exchanges, extremely partisan. This comes on the back of the who's-who of Delhi Government having served time behind bars including the Chief Minister, Deputy Chief Minister, and Health Minister.

Whilst it would be puerile to say that the Delhi Government has not done enough populist drama and theatrical shenanigans, that is only to be expected from career politicians of all partisan persuasions. However, for the Governor to stoop to the levels of politicking, expersions and personal commentary (as done by politicians) is a relatively new phenomenon. Not only did the fracas result in a no-holds-barred washing of dirty linen in public, but all traditional means of writing discreetly and directly or couching concerns in restrained and diplomatic language have been thrown to the winds.

In a case of overreach, the LG thought it befitting to comment on Atishi's predecessor as CM of Delhi i.e., Arvind Kejriwal (also the leader of Atishi's Party), to pay her left-handed compliments of being a "thousand times better". He belatedly went on to reverse the comment of "temporary Chief Minister" (to posit this "hurt") though he had expressed nothing of the sort when the comment was actually made, months earlier. Not to be left behind, Atishi responded brazenly by stating that the LG was acting like a "troop" of the ruling party of the nation and that the LG's comments focused on "criticism rather than constructive co-operation".

A needless controversy was stoked and that resulted in lowering the dignity of both the offices of the LG and the CM. Clearly in the times of winners-takes-all issues like constitutional majesty, sobriety and dignity are the last things on the minds of the powers that be. This is not a case for 'rubber-stamp' Gubernatorial appointees, as that is perhaps the only state worse than biased appointees. A certain degree of activism and cautionary oversight (as a means of checks and balances in a democracy) by a Gubernatorial appointee is healthy, but only if the same is done without fear or favour. A hard look at the mess in Delhi is reflective of the unhealthy partisanship and clear-cut division of labour between the offices and institutions.

(The writer is a former LG Governor of Andaman and Nicobar Islands and Puducherry)

RIGHT IN THE MIDDLE

The final curtain

Bengaluru's iconic cinemas fostered a shared cultural experience

V DESIKAN

I live in an apartment complex behind Sampige Theatre in Bengaluru's bustling Malleswaram. I was disheartened to learn of its impending closure. However, I soon adopted a philosophical stance, acknowledging that change is inevitable and the old must often give way to the new.

My mind wandered back to the 1960s, when I first arrived in (then) Bangalore in search of employment. The city's enchanting weather, genteel people, and vibrant cultural scene captivated me. As a young bachelor working at the Defence Research and Development Organisation (DRDO), I had ample opportunity to explore the city's diverse movie theatres.

There were movies in every possible language — a true reflection of Bengaluru's tolerant and eclectic culture. My

cinematic journey began with Jeebba, *Jeebba* was the air-conditioned Kino theatre in Seshadripuram. Bengali movies, including Satyajit Ray classics like *Pather Panchali* and *Apur Sansar*, were screened at Rex Theatre as morning shows and my friends made it a point to take me to watch them.

As defence employees, we enjoyed concessional tickets to the BVR Theatre. I distinctly remember watching Dustin Hoffman's *The Graduate* and *Butch Cassidy and the Sundance Kid* starring Robert Redford and Paul Newman. We would be lost in the pitch-black darkness of the movie theatre for a couple of magical hours.

Though my Kannada vocabulary was limited and I barely understood the language back then, my colleague insisted I watch at least one Kannada movie. Some walked up to the State Theatre in Majestic to watch Girish Karnad's *Kaadu*. I could follow the storyline, thanks to my friends who provided audio subtitles.

Majestic was the hub of Bengaluru's cinema scene with iconic theatres like MovieLand, Kapali, Sangam, Abinay, and Tribhuvan. I was fortunate to see

the legendary Raj Kapoor when he had come for the premiere of his directorial venture *Ram Teri Ganga Maalin* in one of these theatres. Incidentally, his 100th birthday was recently celebrated.

One theatre in the 1980s, interestingly, was even rumored to be haunted. The story went that a man, despite warnings that the theatre was haunted, went alone to watch a movie and was terrified to find a ghost sitting beside him. He fled the theatre in panic and ran into a policeman who was also a ghost!

My most nostalgic moment was watching Hrishikesh Mukherjee's *Satyakam*, with its powerful dialogue still resonating in my mind: "Satya bolne ka ahan kar nahi, satya bolne ka saahas chahiye chahiye soch kitna bhi apni, kitna bhi khatir kyun na ho" (to speak the truth, you need courage, not arrogance, even if that truth is disagreeable or cruel).

As for the legendary Sampige Theatre, I am reminded of the profound impact these cinematic institutions have had on our lives, fostering a shared cultural experience that transcends generations.

LETTERS TO THE EDITOR

Fare hike is unfair to daily commuters

This refers to 'After 8 yrs, Namma Metro set to raise fares by 40-45%' (Jan 6). The proposed fare hike in Namma Metro, following the recent KSRTC bus fare increase, is deeply troubling. These successive hikes place an unjust burden on daily commuters, particularly the economically weaker sections, who already struggle with rising living costs. The state government's populist schemes, such as freebies and the five guarantees, aimed to ease financial pressures. However, contra-

dictory measures like this fare hike undermine their purpose. Abrupt price hikes strain household budgets, create psychological distress, and erode trust in governance. Affordable and accessible public transport is vital for urban mobility and equity. The authorities must reconsider this decision and explore sustainable alternatives to address revenue deficits without burdening the public further.

Basappa Y Bangari, Bengaluru

Keep it affordable

As per the 'After 8 yrs, Namma Metro set to raise fares by 40-45%' (Jan 6), the proposed fare hike is alarming. While operational costs and network expansion justify some increase, a 40-45% hike will unfairly burden middle-income and student commuters who rely on this affordable transport. Offering discounts during off-peak hours and Sundays is appreciated but insufficient. The authorities should consider a phased fare increase, coupled with enhanced

facilities and incentives for frequent users. Public transport must remain inclusive and accessible.

Srinidhi S Nair, Bengaluru

Be real

As per the 'Will multilateralism survive?' (Jan 6), it astutely articulates the challenges of global cooperation in a polarised world. While multilateralism is vital for addressing global issues, inefficiencies and dominance by powerful nations hinder progress. Global forums must reflect today's

realities by ensuring equitable participation and trust. India's push for a "new orientation" offers a promising approach to fostering engagement and inclusivity. To remain relevant, multilateralism must move beyond short-term power struggles and focus on building a stable and equitable global order.

Magdalene J, Bengaluru

Our readers are welcome to email letters to letters@deccanherald.com (only letters emailed — not handwritten — will be accepted). All letters must carry the sender's postal address and phone number.

SPEAK OUT

You have voted for me, but that does not mean you have become my master. Have you made me a farm labourer now?



Ajit Pawar, Maha Dy CM (to voters in Maharashtra's Baramati)

As I would not be a slave, so I would not be a master. This expresses my idea of democracy.

Abraham Lincoln

TO BE PRECISE

Under PM Modi, farm employment increased compared to the UPA govt: Union Minister



IN PERSPECTIVE

Should politicians set a retirement age?

In a dynamic, fast-evolving society, relevant expertise may have more political utility than experience

GN BAJPAI

Politicians, irrespective of their age and state of health, usually don't choose to retire. Some just fade away, while others cling on till the last breath. There have been some honourable exceptions across the political spectrum. Like Jai Prakash Narayan (JP as he was called) and Nanaji Deshmukh.

Congress president Mallikarjun Kharge, while releasing the autobiography of former union minister Sushil Kumar Shinde *Pravara Politics*, observed, "I think nobody should retire from politics. I'm saying those who believe in an ideology, those who want to serve the nation and serve the community, they have to do it unreservedly." In a democratic order, politicians do contribute substantially to shaping the future of the nation. Their decisions and contributions impact the lives of millions. They are expected to make informed choices. JP was persuaded to step out of retirement to lead the agitation for the restoration of the constitutionally enunciated democratic order in India. The experience and expertise gathered during a political career is helpful and probably that is why he was persuaded to lead the agitation.

However, in a dynamic society where the socio-political-economic order is transforming with the speed of light, experience is not enough. Expertise is relevant to a given environment and circumstances. Noble Laureate Daniel Kahneman wrote, "There are domains in which expertise is not possible. Stock picking is a good example. And in long-term political strategic forecasting, it has shown that experts are just not better than a dice-throwing monkey." A leader is a dealer in hope; "is a statement attributed to Napoleon Bonaparte. The global order comprises people of different generations. It is understood that the Silent Generation (1925-1945), baby boomers (1946-64), Gen X (1965-79), Millennials (1980-94), Gen Z (1997-2012) and Gen Alpha (2012 to now) are all navigating the vagaries of their own lives. Their hopes, aspirations, priorities and even preferences are not always common. Many of the choices made by the politicians do not always align with the hopes and aspirations of different generations.

Meera Naik, a puppet theatre that (plays on cognitive fantasy) veteran, suggests that there should be a retirement age for politicians to make way for a younger generation. She is conscious of a cognitive decline with age. Currently, Indian politics is dominated by baby boomers. Understanding the aspirations of the electorate which consists more of generations other than their own, wants a better connection with them. Many of the senior politicians are not even physically fit to travel and be in touch with their voters regularly. When they are defeated or are likely to be defeated at elections, they make a quiet entry into the Upper House Rajya Sabha or the State Legislative Council.

The perks of being around a few cases, politics becomes a self-nurturing way of life. The love of office, limelight and perquisites that go with political positions encourage many politicians to make compromises. The ideology, if any, dissolves in partnering with the political formation of diagonally opposite ideologies. In fact, the decision to hang on has given rise to the perpetuation of political dynasties. Successors lose their parents' political beliefs, parents are not trained at the grassroots to understand the nuances of politics and often are not competent to occupy the seat of authority. Their policies produce suboptimal outcomes, and society is likely to witness a decline in the democratic franchise.

"I start with the premise that the function of leadership is to produce more leaders and not followers," says Ralph Nader, American politician, lawyer, and social critic, in his book *Citizenship*. In re-inventing, and distribute political offices to family members, kin and clan. They indulge in identity politics and filibustering of bills even for the national good. The lack of elder statesmen, as census gets lost in the din of narrow sectarian interests. That said, there are quite a few well-meaning septuagenarian politicians who genuinely seek to serve society. The like elder statesmen, should work for the politics of change. Change to subordinate narrow political interests to the larger national good. Change to bring younger generations in politics who have the aptitude to serve society rather than themselves, who are prepared to stand up and make sacrifices. As King Arthur tells Sir Bedivere, the last of the Knights of the Round Table, in Tennyson's poem *Morte d'Arthur*: "The sword is broken, yielding place to new".

Freedom fighters and the first-generation political frame that emerged post-independence consisted mostly of such individuals. Their love for the nation, if it existed, was to serve the deprived. That creed is disappearing fast. Millions of deprived Indians are beckoning for a change in the polity.

(The writer is a former member of SEBI and LIC, Syndicate The Billion Press)

Foster competition

Policy should not restrict quick commerce

As they grow their business rapidly, quick commerce companies have come under the scanner of the government. Quick commerce is a unique business model with tremendous potential, not just in terms of valuation but in creating a place for itself in the global startup world. The companies delivering on their promise to bring anything from groceries to cooked food and personal goods to consumers in less than 10 minutes, there and thereabouts, are being quizzed by the authorities on their business models. This follows complaints made by traders, represented by the Confederation of All India Traders (CAIT). The CAIT's argument is that quick commerce companies have violated the norms related to foreign direct investment (FDI) in e-commerce. The CAIT's complaint to Commerce Minister Piyush Goyal specifically pertains to the use of dark stores to keep inventories in alleged contravention of the FDI rulebook for e-commerce. At the core of the issue is the large network of kirana outlets and the adverse impact that quick commerce may arguably have on their business.

While it's important for the government to strike a balance, it should not be at the cost of affecting growth for businesses that have demonstrated agility and success. Notably, this is not the first time that the kirana angle has come to the fore, prompting government action that can potentially affect healthy competition. For example, FDI in multi-brand retail has been discouraged for years on the grounds that kirana stores will be hurt. Conventional e-commerce companies have also faced disruption related to the flouting of FDI rules after investigation triggered by local traders' protests. This is a critical issue in politics as traders and retailers are considered politically important. In terms of numbers, there are around 13 million kirana stores in the country and a large majority of them are in smaller cities. Estimates suggest some 200,000 kirana stores shut down in the last year itself, causing apprehension that quick commerce could be the primary reason for the closures. While there's no scientific basis for the correlation between the two, especially as a large majority of the kirana stores are in smaller cities, where quick commerce is yet to catch up, the government can help kiranas upgrade technologically so that they can be brought up to speed. The way forward should be constructive, led by partnership and collaboration. Kiranas should make the best of the quick commerce opportunity to grow bigger. Quick commerce companies must create quality employment.

At a broader level, it's time for the government to frame the much-awaited e-commerce policy, which has been in the making for years now. With new technologies and innovation — such as quick commerce — emerging, a clear and comprehensive policy will settle many prickly issues that come in the way of building futuristic businesses and value chains. The policy should not stifle competition in the name of FDI. The adoption of technology and changing consumer behaviour can change many business models. Therefore, the policy should be forward-looking. India needs large investment for sustained economic growth and the retail sector could be a big driver. Formalisation in retail can not only help increase job creation, but increased efficiency will also lead to lower prices for consumers. Restrictive policies for firms with foreign investment will affect competition, innovation, and consumer welfare.

Dealing with HMPV

Govt must educate the public

Human Metapneumovirus (HMPV) appears to have infected the stock markets with the benchmark BSE Sensex dropping over 1.5 per cent on Monday on the news of the virus outbreak in China as investors fear a repeat of the Covid-19 devastation. The fear factor has been amplified by reports of two cases in Bengaluru — a three-month-old baby, who has been discharged, and an eight-month-old, who is said to be recovering. Since neither child has a history of travel, there is some concern over how the virus reached India. As yet, HMPV is not considered fatal and mostly infects babies, infants, the elderly, and those with immuno-compromised systems. It is, according to the United States Centers for Disease Control and Prevention, a common seasonal disease that occurs in the winter and onset of spring. Health officials also confirm the virus is not new but was identified in the early 2000s. In other words, the prospect of a Covid-19-type health crisis is unlikely to recur at this time.

That said, the debilitating impact of an unchecked widespread outbreak would be undesirable in the light of the unpredictable nature of virus mutation. Although India is not known to be there near that prospect, it's proximity to China along its northern borders, people to people contacts, and economic links with the Association of South East Asian Nations make it vulnerable to the rapid transmission of the virus, as has been the case with swine flu, avian flu, and Covid-19. Also to be considered is the limited ability of India's health infrastructure to cope rapidly with any communicable disease, the asymmetric flow of information through government systems, and the power of uninformal rumours that have the potential to create a health scare out of proportion with the problem. These are developments that the country can least afford at this juncture. To avert an avoidable crisis, therefore, it becomes important for health authorities at the Centre and states to offer credible advisories on the disease, its treatment and prevention.

Effective communication campaigns in local languages, which allay alarm and offer sensible advice, are all the more critical, given the impending restart of the season of weddings. That apart, the Kumbh Mela is due to begin on January 13. With over 400 million pilgrims expected to attend the event in Prayagraj over 45 days, the Kumbh has the potential to swiftly transmit the virus locally and nationally. Luckily, with state-owned TV network Doordarshan offering an unmatched reach of 650 million viewers, and a 78 per cent mobile phone penetration, the government has at its disposal the tools to communicate simple messages about the virus to the majority of the population. The fact that these tools are deployed by the Election Commission to transmit information to millions of voters suggests that they can be repurposed for public health messaging.

As with most respiratory viruses, HMPV spreads through direct contact with an infected person. Touching contaminated surfaces, coughing, sneezing, and shaking hands can also spread the virus. This form of transmission would warrant a resumption of the Covid-19 protocols of masking and sanitising in crowded public places such as markets, malls, metros, bus and train stations, and performance venues. Proactive communication and prevention would go a long way towards neutralising the impact of HMPV.

Overhaul sports administration

Governance and management are fused, and the incentives of administrators are not aligned with India's sporting success

ILLUSTRATION: BINAY SINHA



The Indian Men's Cricket team's recent performance is being analysed threadbare in drawing-room conversations. As often happens after losses, cricket becomes a game of blame. Players, umpires, grounds, and sometimes even coaches and managers become the unfortunate recipients of the drawing-room analysts' ire. Poor performance in these conversations is associated more with poor intentions and ineptitude of the same people who were extolled as superhuman a few weeks ago.

How can a brilliant captain in one domain perform so poorly in another? Or, for that matter, how can a great talent known for perseverance and focus suddenly reverse character? Ask these questions — not just in cricket, but across any Indian sport — and many interesting parallels emerge. Why do we rarely see consistency in team sport performance in India? Why are major sporting successes generally associated with an individual who invested that extra effort in training, coaching or administration? And, of course, why do we rarely see globally competitive athletes or teams emerging from India? On top of that, why do we see so many politicians belting or controlling sports bodies? Ask sportspersons such questions and they point to poor facilities, training, resources, nutrition, games, management, bureaucracy, dependence on government funding, and more. These may be true but are merely symptoms and excuses for a deeper underlying organisational problem. And if we don't get it right, we may get a good outcome or two, across a sport or two, for a year or two, but the organisational problem will remain, and so will poor performance and inconsistency.

The government circulated a Draft National Sports Governance Bill in October 2024. The version that I came across is particularly interesting, as it aims, among other things, to correct the organisational mess and put in fairly transparent processes in place that will be overseen by a sports regulatory board (SRB). The pro-

posed SRB will have control over all sports bodies in the country and will also have the power to suspend or cancel the recognition for any national, state, or district-level sports body that fails to follow the established norms. I believe such control is important, as sports bodies have a responsibility to the country and have been given monopoly rights over their respective sports and the ability of sportspersons to represent India.

Unfortunately, many of our sports bodies are run by a coterie, marked by lobbies and pressure groups working against one another. Allegations of corruption and nepotism are common, as are those of ineptitude and sloth. Examples of outcomes of such mismanagement include not just poor performance, but also drug and sexual abuse. At a more mundane level, Olympic athletes have been affected by lack of food, poor sleep and rest, limited time to prepare for key events, and more. While all of this reflects systemic mismanagement, we also have examples of notable success. India has made significant progress in a range of sports in recent years, including chess, hockey, badminton, and shooting. In these sports, we can see both the depth of globally competitive talent and global recognition of India as a significant emerging player.

In all three cases, the availability of funds has been critical, but there is a more important similarity. A coach in one, an ex-player in another, and a politician in a third have been instrumental in the recent successes in these sports. However, in all three cases, the success also reflects failure, as it has been driven by individuals, not systems.

Indeed there are many routes to success once we can get the underlying model right, and that recognition needs to drive the governance of sports in India. I find that a sports body achieves success in India when individuals take it upon themselves to reach the top. And these individuals then somehow succeed in bringing resources from various quarters and fashion the right environment for sportspersons to flourish in. In other

words, while processes are essential, it is the incentives facing those involved in the administration of sports that are most critical in achieving long-term success.

The Draft SGB, however, focuses largely on processes, and I believe that is symptomatic of how we deal with the administration of sports in India. Take a look at the currently operational National Sports Code as an example. It focuses on whether the administrative norms are met, elections are held, there is appropriate rotation of stakeholders, etc. But what it does not look at is the reward mechanism of not just the athletes but also the administrators governing sports in India. Whether sports administrators continue in their positions is not dependent on how sportspersons perform during their tenure, but on their ability to manage the politics of their sport. And, of course, politicians are naturally best suited for this role.

Many of these administrative positions are voluntary, unpaid or poorly paid, yet they have power over resource allocation and sportspersons' careers. Take a position, give it power, and don't pay the person occupying it adequately; this is a classic recipe for ensuring no professional would want to occupy such a position, and only those with other interests, including the well-connected or politicians, will have any interest in holding them. In other words, governance and management is fused and incentives of such sports administrators are not aligned with sporting success. Once in a while, larger-than-life figures reach the helm, and while they are in charge, improvements are observed. However, these changes are short-lived, much like their tenure.

Taking in the totality of the corporate governance book, two things need to be appreciated. Governance of the organisation needs to be separated from its management. And those in sport administration need to be appropriately incentivised. How would incentives work in sports? First, in the case of corporate governance and management, incentives are based on credible measures and data on performance. In sports, performance in international arenas for national sports bodies, and in the national arena for sub-national sports bodies, can and should serve as objective measures of performance. Improvements in such performance need to be rewarded through both monetary and non-monetary mechanisms. Based on these metrics, incentives would include continuance in the position, as well as some monetary or non-monetary reward. I would also strongly encourage the payment of market-based wages to senior sport administrators.

The Khel Ratna and Dronacharya awards could be supplemented with, for example, a bishnava award for sports administrators. The same principle applies to punishments as well. The continuance of administrators, managers, and coaches should not be acceptable in the face of continued poor performance by sportspersons.

The author heads CSEP Research



LAVEESH BHANDARI

The board's 2025 agenda

In 2025, boards will need to help their companies navigate what is shaping up to be a turbulent year. Here are some issues that will dominate their agenda:

Geopolitics: Often, the most glossed-over item on their agenda, this is treated as a filler before and after formal meetings. For most, the mindset remains that India is a single market with a single currency. However, today, India can no longer be viewed as an isolated 'two globes' area as a recent reminder. In fact, it can be argued that the butterfly effect is very real given the scale at which the economy operates today.

Supply chain disruptions, tariff wars, bilateral agreements, all permeate politics and policies — monetary, fiscal, duty structures, and incentives need to keep an eye on external developments to identify new revenue opportunities as well as help mitigate risks that businesses face. And being 'local' is no insurance. For example, an agreement like the Australia-India Economic Cooperation and Trade Agreement that lowers the duty on wine, directly affects the pricing competitiveness of Indian wines. Boards and the executive leadership need to keep an eye on external developments to identify new revenue opportunities as well as help mitigate risks that businesses face.

AI/Generative AI: Boards should focus on integrating artificial intelligence (AI) into core operations to optimise performance and leverage generative AI for innovation and differentiation. AI offers strategic advantages through improved decision-making and enhanced operational efficiency. AI's predictive analytics can help identify new revenue opportunities as well as help mitigate risks that businesses face. Given the pace of change, organisations failing to adopt AI risk falling behind their competitors. Boards must invest in upskilling employees to help them use this technology effectively. Regularly reviewing AI's impact on performance and risks is crucial. By prioritising AI, boards future-proof their organisations, staying agile in a rapidly evolving digital landscape

while fostering innovation and growth. **Hiring and retention of staff:** A skilled and motivated workforce is the cornerstone of organisational success. Boards often leave this to the executive management. In today's environment, this function needs the board's undivided attention. As the Reserve Bank of India (RBI) highlights in its recently published Report on Trend and Progress of Banking in India 2023-24, "employee attrition in private sector banks has witnessed an increase to about 25 per cent." This trend increases hiring and training costs, poses significant operational risks, leads to knowledge loss, and demoralises remaining employees. Boards must prioritise creating a strong employer brand, fostering a positive workplace culture, and offering competitive compensation and career development opportunities.

Sustainability: Boards have circled sustainability but seem to have reduced it to focusing on Business Responsibility and Sustainability Reporting, making it a box-ticking exercise. They now need to change gears. Focusing on the environment today is essential in light of increasing environmental challenges, evolving regulations, stakeholder expectations, and the need to build customer trust. For example, Tata Motors has been able to focus on sustainability to attract eco-conscious customers and differentiate itself in the market. Sustainable practices, such as using renewable energy or reducing waste, lower operational costs and reduce regulatory and reputational risks. As employees, consumers and investors increasingly tilt towards environmentally-conscious companies, it has become imperative for boards to embed environmental sustainability into their core strategies.

Shareholder engagement: The shareholding pattern is changing from one dominated by promoters and retail investors to one where institutional investors dominate even as institutional investing itself is undergoing

shifting. The landscape for institutional investors is transforming from "active management, passive engagement" to "passive management, active engagement." Companies need to leverage the deep pools of capital that institutional investors offer to scale operations, strengthen governance, and obtain market leadership. Consequently, boards now have to pay attention to what is important to investors beyond financial numbers — namely, robust corporate governance practices and effective benchmarking. While these items are in addition to what has traditionally been on the agenda, there are specific items that a few boards will need to prioritise.

New listings: Approximately 93 companies listed on the main bourses last year (and about 240 more on the small and medium enterprises exchange). While the elements of success for unlisted and listed companies are fundamentally the same, the timelines differ. Institutional investors, however, are taking a generational perspective on business even after listing, despite the markets judging them quarterly; here family ownership acts as a buffer. Unlisted private equity-owned companies are focused on value creation to maximise their realisation on exit — which is typically within five years — leaving little time to set long-term targets. The focus of public investors is very different from that of private equity and families. Post-listing, boards must step back, re-examine their priorities, and focus on building credibility with stakeholders while establishing a sustainable business.

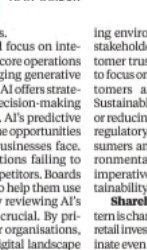
Issues like dealing with family disputes, which are on the rise and relevant to a handful of boards, or succession planning, which is perennially important, ensure that the board's agenda will always remain demanding. As businesses grow, the operating environment becomes more complex, and investors become more demanding, boards must be prepared for their oversight and governance processes to face greater scrutiny.

Best wishes for 2025!

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THE OCCASIONAL ASIDE

AMIT TANDON



The riches of development



BOOK REVIEW

SANJEEV S AHLUWALIA

Economic treatises, says Prosenjit Datta, a distinguished Indian editor and business journalist, can be frustratingly obtuse and reader unfriendly. This attractively written book is anything but. It packs a punch despite being deceptively plain, is carefully but simply argued and logically constructed to educate the reader to look beyond political posturing for the facts.

One such is the national goal of Viksit Bharat by 2047 when independent India turns 100, the key proposition that Mr Datta examines in this book. As he points out, long-term predictions tend to go wrong. It is difficult enough to predict

even short-term outcomes. Consider that in 2018 India expected to be a \$5 trillion economy by 2022. The Covid-19 pandemic intervened, and we now look to 2026 (according to the economist Arvind Panagariya), 2027-2028 (the prime minister's economic advisors) or 2029 — the latest year of Prime Minister Narendra Modi's third term.

Growth is slowing, globally and in India, exports have slowed, any disruption could harden gas and oil prices, increasing the trade deficit and rupee depreciation, inflation and interest rates remain high, punishing new investment. Undertaken, since India's Golden Age (Anruti Kaal) has started, a new target for a \$30 trillion economy by 2047 is on the table.

Is becoming rich the same as being developed? Global comparisons of being rich use per capita income rather than the size of gross domestic product (GDP). Even this is a fuzzy metric since it does not assure reasonable equality in income distribution. In 2024, the World Bank classified 85 countries as high income (a

proxy for being rich at least on average), each with a per capita current income above \$14,000. China is at the upper middle-income level but close to high income. India at \$2,485 (2023) is extremely far from getting there. Even if China grows at 4 per cent a year till 2047 and India at 8 per cent, we will remain the smaller economy. But, as Mr Datta asks, can we become developed, nevertheless?

The most detailed assessment of comprehensive development by country is the United Nations Development Programme's Human Development Index, which assesses economies by the capacities of their people and not only the smaller economy. India ranks at 134 (in 2022) out of 193 countries and is listed in the medium development category, not too dissimilar from our rank of 148 in the World Bank per capita income rankings. Development does become easier as we grow richer with two exceptions. Environmentally disruptive growth (excessive carbon emissions, degradation of land, water and forest assets) and politically divisive or unstable states,

breed low institutional capacity with social tensions. Both outcomes enfeeble the economy.

Achieving high per capita income levels by 2047, the author notes, requires an average nominal annual growth rate in current dollars of 8.92 per cent if the rupee depreciation is limited to 1 per cent per year; or 11.42 per cent if the annual rupee depreciation is 2.5 per cent. How does this growth

expectations compare with past performance? To be sure, China grew at 12 per cent per year over 25 years till 2023 while India grew at 8.92 per cent per year in current US dollar terms. Repeating this feat would require maintaining a low inflation differential between the rupee and the US dollar of one percentage point. This rules out using inflation for growth stimulus, requires closer management to avoid supply price shocks, and tighter control over the fiscal deficit than evidenced since the

global financial meltdown in 2008.

Doing more of the same cannot be the answer. Nor is it advisable to adopt the China template of ever more statist and authoritarianism, with weak recent results on growth, lower now than in India. Presently, the author highlights four areas where deep reform is necessary.

First, reverse the slide in our statistical capacity, practices, and outputs. Not doing so is ineptitude.

Second, reverse the slide in our statistical capacity, practices, and outputs. Not doing so is ineptitude. When our first Census was done in 1872 — one and a half centuries ago. Consistently measured, accurate, timely, disaggregated data is essential for better management of

population trends, jobs, denser labour participation, unemployment, poverty levels, business investment and inflation. Second, it is not enough to keep tax rates high and spend more on the roads, and tighter control over the public spending must be forensically

audited, published, and debated periodically — in health, education, large infrastructure investments, and welfare payments, to reduce double-digit inflation between Union and state programmes.

Third, ensuring energy security whilst reducing the emissions intensity of GDP remains a goal, sans a cost-effective implementation plan, beyond expanding renewable electricity.

Finally, we must adapt and integrate Artificial Intelligence into global systems and become a global provider of niche AI services, even as traditional IT backend jobs are downsize.

Avoiding self-goals — such as demonetisation, politics, centralisation, and exclusionary statism — while enhancing trade competitiveness, open borders, integration into global supply chains and incentivising productivity job-oriented, private investment over public investment. All of this is a reasonable playbook for getting rich and becoming developed.

(Prosenjit Datta is a Business Standard columnist)

The reviewer is consultant, economic governance & energy regulation



'Kerala has blacklisted agencies dumping garbage in neighbouring states'

Kerala, a trailblazer in literary drives and digital initiatives, is once again setting a national precedent by striving for zero waste status. The state's zero-waste campaign, launched on October 2 last year, aims to declare Kerala garbage-free by March 31. Called *Malinayuktham Navakeralam* (Garbage-free New Kerala), the initiative focuses on scientific garbage disposal. Kerala Local Self Government Minister **M B Rajesh** shares insights on the campaign's progress, challenges, and measures to prevent garbage dumping in neighbouring states with *DH's* Arjun Raghunath. *Excerpts:*

How is the zero waste campaign progressing? Will it meet the March 31 deadline?
So far the campaign's outcome is very satisfactory. The door-to-door waste collection has increased from 47% to 89%. While only 35% of households were earlier paying user fees for waste collection, 72% of households are now paying the user fee, which shows the increasing people's

participation. The number of collection centres has also drastically increased, with at least one in each local self-government. Private players are also setting up resource recovery facilities for handling non-degradable waste.

What are the major challenges?
The littering culture continues to be a major challenge. Even as bins are provided at all public places, it is sad to see that people hardly use them. The problem is more acute in tourist centres. Tourists from other states also seem to be the culprits in littering. Another problem is public resistance towards setting up garbage plants near settlement areas. People are aware of the hazards posed by unscientific garbage treatment, but it is quite surprising that people are not allowing the setting up of modern plants close to their locality.

How are you addressing them?
Awareness and enforcement are the prime measures to overcome these hurdles. Massive awareness programmes are

The Tuesday Interview
With **MB Rajesh**
Minister for Local Self Governments and Excise, Kerala



already underway on the need for scientific waste disposal. As a result, the people's support for door-to-door collection has considerably improved. But the littering culture needs to change. It has even been included in the school curriculum. Hope we will see positive changes in due course. Enforcement has been enhanced against unscientific garbage disposal, and fines have increased. As a result, the total fine

collected is now Rs 5.19 crore compared to Rs 2.19 lakh during the initial days of the campaign. Unfortunately, many local bodies are not willing to aggressively enforce garbage disposal norms. It could be due to fear of public wrath, especially since the local body elections are set to happen this year.

Kerala faced criticism from Karnataka

and Tamil Nadu for dumping garbage.
We have already initiated stringent actions like blacklisting the agencies that illegally dumped garbage in neighbouring states. Apart from enhancing vigil, a committee has been constituted to constantly monitor the agencies involved in garbage collection. Kerala had quickly responded to the complaints from other states in this regard.

Are you able to act effectively against bulk waste generators like the railway?
We have already taken stringent action against many bulk waste generators like hotels and malls. But railway authorities are unfortunately not responding despite the loss of a life of a sanitation worker in Thiruvananthapuram. Despite the High Court's intervention, their representatives did not attend meetings to discuss the issue.

Don't you think that the increasing incidence of diseases like dengue in Kerala is due to unscientific garbage disposal?
Obviously, the increasing number of

communicable diseases in the state is an outcome of unscientific garbage disposal. Hence we are giving special attention to water bodies and septage waste management. Mobile treatment units for septage waste treatment, which were introduced during the Sabarimala pilgrimage, will be popularised.

What are your expectations for the upcoming local body and Assembly elections, given the LDF's poor performance in the 2024 Lok Sabha polls?
The Lok Sabha elections results cannot be compared with those of local body or Assembly polls. Despite setbacks in the 2019 Lok Sabha polls, the left front fared well in the 2020 local body election and 2021 Assembly polls by retaining power. Such a trend could be seen this time also. The ongoing 'Waste Free Kerala' campaign, digital literacy drives, and efforts to end extreme poverty to declare the state as zero poverty will be among the many factors that will influence the voters in favour of the LDF.

It is hard work to harvest, but a growing number of small farmers and home gardeners are cultivating the spice, still a precious import, for profit or simply for pleasure

JANE BLACK

Tara and Chad Philipp had never tasted saffron until they took a camping trip with a family they'd recently met. Around the campfire, their new friends cooked a big pan of paella. The Phillips felt for the sweet, musky flavour of saffron — and were intrigued to learn it was the world's most expensive spice.

On the way home, Chad Philipp was already researching how to grow saffron on their three-acre plot in the Mojave Desert, east of Los Angeles. His wife was keen to build a new business so he could stop driving a truck and spend more time at home with their children.

"If I get something in my mind, I get obsessed with it pretty quickly," Chad Philipp said. "I was like, 'We're going to do this.'"

A few months later, in 2021, the couple put \$20,000 on a credit card to order 80,000 corns, the bulb-like stems that produce the saffron flower. And this past November, they harvested 250 grams of saffron, which they'll sell for a whopping \$100 per gram — as much as 10 times the price of high-quality imported saffron.

The Phillips are part of a resurgence of interest in growing saffron among American small farmers in search of a cash crop, and among cooks and backyard gardeners seeking the thrill of growing the spice. Today, farms are growing saffron in California, Washington, Texas, Pennsylvania and Vermont. Martha Stewart (of course) has saffron planted on her farm in Katonah, New York. And the Phillips have sold more than \$1 million worth of corns to 24,000 customers.

Saffron's fragrant, crimson threads have played a key role in many of the world's great cuisines since ancient times. They add a golden colour and subtle bass note to Indian sweets, Moroccan tagines, Spanish *paellas*, French *boûillabaisse* and *tachin*, a classic Iranian rice dish layered with meat and dried fruit. Today, Iran is the largest producer of saffron in the world, but because of trade restrictions, shoppers in the United States will find the spice imported from countries including Spain, India and Afghanistan.

In 2023, according to the US Department of Agriculture, the US imported 175 metric tons of saffron. But domestic production of saffron is so small — a tiny fraction of the saffron sold in the US — that no one compiles data on it. One reason: Saffron from abroad is far less expensive, because the labour needed to painstakingly harvest each flower and remove its three delicate stigmas by hand is much cheaper than in the United States.

It may come as a surprise that saffron grows at all in the United States. In fact, Americans have been cultivating it since the colonial era, when it was traded on the Philadelphia commodity exchange at the same time as gold. The Pennsylvania Dutch in particular embraced saffron, using it in teas, soups and cakes. They even exported it to Spanish colonies in the Caribbean until the trade was upended by the War of 1812.

Saffron's modern gold rush began in 2015 at the University of Vermont, where entomologist Margaret Skinner and the agroecologist Arash Ghahghaleghabani began investigating the plant's viability



DH ILLUSTRATION: DEEPAK HARICHANDAN

How saffron is becoming an American cash crop

in colder climates.

"My initial reaction was: 'Grow it in Vermont? There's no way,'" Skinner said.

But saffron thrived, even in the northernmost parts of the state. In 2017, the university's newly formed North American Centre for Saffron Research and Development held its first workshop. Farmers from around the country travelled to Burlington to learn how to grow, process and market saffron.

Melinda Price, a founder of Peace and Plenty Farm in Kelseyville, California, was one of them. A former tech executive, she had little experience farming, but knew that she and her husband "couldn't make a living selling carrots and kale." Price explored several niche crops: wasabi, vanilla, hops.

Saffron had several advantages the others lacked. Corns planted in September would bloom by November. The two-week harvest season was intense, but the plants needed little attention the rest of the year. And saffron crops replicate themselves underground. A farmer who plants 1,000 corns may have 4,000 the next year.

In 2021, Peace and Plenty harvested 700,000 flowers, which yielded about 3.5 kilograms of saffron. Price sold it to home cooks, and to chefs.

"It smells and tastes so much more intense," said Perry Hoffman, the chef and a partner at the Boonville Hotel and Restaurant in Northern California and a Peace and Plenty customer. "You can tell the threads are harvested at their peak, so less saffron goes farther in dishes and becomes more cost effective."

Despite her success, Price now cultivates a smaller saffron crop. She has battled weeds and aggressive gophers. Harvesting saffron is backbreaking work. First, the tiny flowers are picked on hands and knees in the dark; saffron crocuses are best harvested before the sun rises and the flowers open. Then each stigma must be meticulously removed by hand.

"I was doing one flower per five seconds at my fastest, which sounds good," she said. "But when you have 50,000 to do, it's daunting."

These days, Peace and Plenty uses much of its saffron to make products like saffron lemonade and saffron-infused honey, which are sold to makers — and don't require a huge crop. "A lot more people drink tea than make paella," Price said.

Jette Mandi-Abramson has come to a similar conclusion. She and her husband were among the first American farmers to take the plunge, planting 120,000 corns in 2020 on 1.5 acres of their organic farm, Calabash Gardens, in Newbury, Vermont.

The first years brought encouraging harvests. But heavy rainfall and a punishing freeze-and-thaw cycle led to yields of just six grams of saffron in 2022 and 60 in 2023. Although this year's harvest weighed in at more than 360 grams, Mandi-Abramson says that she, too, is focused on making saffron products. A saffron tincture, used for medicinal purposes, is her best seller.

"I'd love to say that it's changing people's lives," said Skinner, who helped kindle small farmers' new interest in saffron. "But

mostly it's adding a little bit to the total bottom line."

The Phillips, who farm in the Mojave Desert, also hoped to make money selling saffron directly to consumers. But to their surprise, it was the much more affordable corns that captured the imaginations of customers, many of whom have now reaped their first crop and will have cured, ready-to-use saffron this month.

"I honestly don't even know what saffron tastes like," said Gary Overstreet, a retired school maintenance worker and avid gardener in Apple Valley, California, who bought and planted a dozen corns this fall. "It's the most expensive spice in the world. I want to make some rice and see what it tastes like."

Paul Miller, a retiree and musician in Happy Camp, California, has purchased corns four times from the Phillips. Because his home is 75 miles from the nearest traffic light, he said, he decided five years ago that it would be smart to grow his own food.

Backyard gardeners, who plant just a few dozen corns, don't face the same challenges as farmers trying to grow on a large scale. It takes only about an hour to harvest 150 flowers and remove the stigmas. That's about a gram of saffron, as much as most Americans will use in year.

Selling the saffron corns has proved so successful that Chad Philipp is almost ready to stop driving his truck for good. "It's all about spreading the word," he said.

"Who doesn't want to grow the world's most expensive spice?" **The New York Times**

AI music's missing the copyright beats

DEEPAVANSHU SHRIVASTAVA AND SHREYA GOSWAMI

The intersection of artificial intelligence (AI) and copyright law in the Indian music industry presents a complex and evolving landscape, raising critical questions about ownership, creativity, and the future of music production.

As AI technologies grow increasingly sophisticated, they are not only transforming how music is created but also challenging the traditional paradigms of copyright that have long governed the industry. The implications of AI-generated music are profound, necessitating a re-evaluation of existing legal frameworks to ensure they adequately protect the rights of all stakeholders involved, from artists to producers. Central to this discussion is the issue of authorship.

Indian copyright law, established under the Copyright Act of 1957, does not explicitly recognise AI as a creator. This omission creates ambiguity regarding who holds the rights to music produced by AI systems. Traditionally, copyright law attributes ownership to human creators—musicians, lyricists, and composers—who invest their creativity into their works.

However, when an AI system autonomously generates a piece of music or assists in its composition, it raises the question: who is the rightful owner? Is it the programmer who developed the AI, the user who prompted its creation, or does the AI itself hold any claim? These questions highlight a critical gap in India's intellectual property framework that must be addressed to keep pace with technological advancements.

Recent legal battles underscore these challenges. For instance, major record labels such as Sony Music and Universal Music Group have initiated lawsuits against AI companies for alleged copyright infringement. They argue that these companies have used copyrighted music without authorisation to train their AI models, which then produce new compositions that could potentially compete with human-created music.

The outcomes of these cases will likely set important precedents for how copyright law applies to AI-generated works and could reshape the relationship between human artists and technology in the creative process. Moreover, as AI continues to evolve, it is essential to consider how it influences listeners' preferences and consumption patterns. The rise of AI-generated music could lead to a homogenisation of musical styles if not managed properly.

While AI can produce high-quality music quickly and efficiently, there is a risk that it may prioritise formulaic compositions over innovative artistic expression. The ethical implications surrounding AI in music creation also warrant attention. As AI systems learn from vast datasets comprising existing musical works, there is a fine line between inspiration and infringement. The use of pre-existing compositions as training data raises concerns about whether AI-generated music can truly be considered original or if it merely replicates existing styles and ideas. Establishing clear criteria for originality within this context is crucial for ensuring that artists' rights are protected while fostering an environment conducive to innovation. In addressing these challenges, India must embark on comprehensive reforms of its intellectual property laws.

A two-pronged approach is necessary: first, adapting existing frameworks to encompass the unique role of AI in creative processes; second, establishing regulations that clearly define copyright ownership for AI-generated content. Such reforms should aim to balance the interests of creators with those of technology developers while promoting a vibrant and sustainable creative ecosystem. Furthermore, there is an urgent need for dialogue among stakeholders in the music industry to collaboratively develop solutions that address these complexities.

By fostering collaboration between human creativity and technological advancement, India can position itself as a leader in navigating the challenges posed by AI in music while ensuring that creators are fairly compensated for their contributions.

As technology continues to reshape creative landscapes, it is imperative that legal frameworks evolve accordingly to protect artists' rights while embracing innovation. By proactively addressing these issues through comprehensive reforms and collaborative efforts among stakeholders, India can cultivate an environment where both human artistry and technological advancement coexist harmoniously—ultimately enriching its vibrant musical heritage.

(Deevanshu Shrivastava is an associate dean, and Shreya Goswami is an associate professor at School of Law, GD Goenkha University, Gurugram)

OUR PAGES OF HISTORY

50 YEARS AGO: JANUARY 1975

Mishra's death has no link with Bihar stir: JP

Indore, Jan 6
Sardvada leader Jaya Prakash Narayan today denied that the Samatpur incident, which claimed Mr. L. N. Mishra's life, had anything to do with his movement in Bihar. Answering questions at a Press Club here, he said an attempt was being made to create an impression that the fascists were involved in his movement. He denied that Anand Margis were associated with the Bihar agitation. Mr. Narayan said Mr. Mishra was never "our target".

25 YEARS AGO: JANUARY 2000

Freed ultras in Pakistan: Maulana Azhar

Karachi, Jan 6 (AP & AFP)
All the three Kashmiri militants, freed by India, crossed into Pakistan from Afghanistan and the five hijackers were last seen on the road from Kandahar "heading towards Pakistan", one of the freed militants, Maulana Masood Azhar, said here today. The Pakistani cleric freed by India in a swap for hostages on the hijacked plane, said that all three militants had crossed together into Pakistan from Afghanistan.

OASIS | SANDHYA VASUDEVA

The essence of thanksgiving

Thanksgiving week is observed in the United States and Canada in November, with schools closed for the celebration. The history and stories related to Thanksgiving date back to 1619. Today the spirit of thanksgiving encompasses gratitude, family togetherness, community bonhomie, and traditional food shared at a single table. Businesses hold discounted sales as a show of public gratitude.

The essence of thanksgiving is beautiful and ought to become a daily practice. Man universally should learn to be grateful to what he directly or indirectly receives—say thanks to the

hand behind this wonderful creation that sustains us, to the flora and fauna that help maintain the ecological balance, to the teacher, neighbour, and last but not least, friends and family who stick around when he crumbles. Gratitude is a positive emotion creating happy vibrations and linked to well-being.

It is simple to say the words, "thank you," yet most people hum and have prefer to be silent. This may be their ego within that says, well, they deserved what was received from

another, so where is the necessity of expressing gratitude? Many a time when people are deprived of recognition, so when some good comes your way, learn to be grateful. Silent gratitude is not useful unless it showcases itself in some sort of immediate counteraction. For instance, a co-passenger helps you with your luggage, and in turn, you give your extra water bottle to him as he has forgotten to get one. One should learn to be grateful for the routine, like uninterrupted water and power supply or delivery of the daily

lunch box at work, because if there is a breakdown of these, it turns into a big thing. Fill your heart with gratitude and see a transformation in the way you view and accept situations. The circumstance that you are in may not be one of the best, but be grateful that it is not worse than this. Look around and see people suffering more turmoil and pain, and be grateful for what you are suffering. Be grateful for the presence of the divine in nature, always at work. Gratitude reaches out to the hardest of hearts and can also be instrumental in invoking this emotion in an ungrateful person. Try it.





The EDITORIAL PAGE

The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

A STRONGER STEM

More women in IITs is reason for cheer. It is important to ensure that passage from classroom to workplace remains unhindered

THE INCREASING REPRESENTATION of women in the Indian Institutes of Technology (IITs) marks a pivotal moment in the journey toward greater inclusivity and gender equity in India's premier institutions of higher education. It is also welcome affirmation of the larger and irreversible shift in society that top-down institutional reforms can help make deeper and wider. Data obtained by this newspaper under the Right to Information Act has revealed that six years since the implementation of a supernumerary quota of 20 per cent for women in undergraduate engineering programmes, in which extra seats were created instead of reserving them within the existing pool, IITs are witnessing a significant surge in female students. At IIT-Kanpur, the number of women rose from 908 in 2017 to 2,124 in 2024; IIT-Roorkee saw a 76.36 per cent jump between 2019-20 and 2024. IITs in Chennai, Mumbai, Guwahati and Kharagpur, too, saw commensurate jumps in enrolment.

The upsurge reflects a positive correlation between individual ambition and availability of opportunities that is a result of good-faith affirmative action. Initiated in 2018, the quota in IITs goes beyond numbers in reshaping an academic space that has historically been male-dominated. There have been infrastructure upgrades in the form of more hostels, washrooms and recreational facilities for women. Some campuses have a special open-door policy for female aspirants and their parents to learn about campus life. These are all welcome departures from a masculine imagination of the classroom where women were expected to man up or ship out, where safeguards against everyday sexism were few and far between. The change challenges the old narrative that STEM is a field for men, and signals a future where women's voices, ideas, and innovations will be indispensable in shaping the country's intellectual and technological future. Given that of the total enrolled students in engineering and technology — according to the All India Survey on Higher Education (AISHE) for 2021-22 — women still comprise only 11.3 lakh, while 27.6 lakh are men in the undergraduate programmes, it is crucial to bridge the gap.

But as with medicine, where for every 100 men there were 100 women enrolled in medical colleges in India in 2020-21, the increased presence of women in IITs can only be counted as a job well begun. It underscores the need for greater systemic support to ensure that the progress of women does not stall, that the passage from classroom to workplace remains unhindered. The focus must now shift to ensuring that the IITs continue to create an environment where women can thrive free from biases, and are equipped with all the support and resources they need to succeed. The India Human Development Survey, by the University of Maryland and the National Council of Applied Economic Research, that has tracked changes in the lives of Indian households between 2004 and 2024, shows that despite ongoing transformations in their lives, one area where women continue to be let down is in terms of economic opportunities. With more women poised to enter the workforce, it is time to ensure that gender-neutral policies, mentorship, and a culture of inclusivity allow them to realise their potential more fully.

READING THE FALL

Stock markets are weighed down by global, domestic factors. For investors to reassess positions, more clarity is needed

ON MONDAY, STOCK markets crashed, with the BSE Sensex ending the day down 1.6 per cent. The Indian markets were, however, not an outlier. Some of the other Asian markets also witnessed weakness. The Nikkei index was down 1.5 per cent while the Hang Seng fell by 0.4 per cent. In the Indian markets, the selling pressures were broad-based, not just limited to the larger companies. The BSE Midcap index fell by 2.4 per cent, while the Smallcap index declined by more than 3 per cent. The Nifty VIX, a fear gauge, was up 15.6 per cent.

The triggers for the fall appear to be both global and domestic. On the global front, investors are apprehensive about the possible changes to US policy after Donald Trump is sworn in as president on January 20. Concerns over the possibility of higher tariffs weigh heavily. The policy stance of the US Fed is of equal concern. The first meeting of the Fed which will be held later this month will provide greater clarity on how tight its monetary policy is likely to be. This will have implications for the dollar and the rupee. On the domestic front, after a depressed earnings quarter (July-September), there are concerns over the performance of the corporate sector in the just concluded quarter (October-December). While some are hopeful of a bounce back, others are circumspect, expecting earnings to be subdued. There is a view that after the slump in the second quarter, the economic momentum has picked up, which is less clear is the extent of the pickup. Government spending also remains weak. The Centre's capital expenditure, which has been a key driver of growth in recent years, has been waning — during April-November it was actually 12 per cent lower than last year — and foreign investors appear circumspect. In the first few days of the new year, foreign portfolio investors have been sellers with (net) investments of -₹836 million. Some reports suggest that investors may have also been spooked by the virus outbreak in China.

Clarity on some of these issues will emerge over the next few weeks, prompting investors to reassess their positions. Alongside, how the upcoming Union budget and the February meeting of the monetary policy committee provide support to the economy will also influence sentiment.

THE COMEBACK

After a rough few years, the Golden Globes is doing what it does best: Getting the party going

WHO DOESN'T LOVE a great comeback story? The Golden Globes certainly does. On Sunday night, Demi Moore's return to the zeitgeist with *The Substance* was recognised with the Best Female Actor (Musical or Comedy) award — the first such honour for the actor in her 45-year-long career. Recalling the day when the script for the Coralie Fergat film came across her desk in her acceptance speech, Moore said, "The universe told me, 'you're not done yet.'"

The universe might well have whispered these words to the Golden Globes itself, after a rough few years, appears to have recovered some of its lost mojo. Never quite as prestigious as the Academy Awards or the Emmys — the other two major events at which Hollywood celebrates itself — the Globes ceremony was, nonetheless, the glamorous party that set the tone for the rest of awards season. Scandals, including allegations of corruption and racial bias within the Hollywood Foreign Press Association (HFPA), the body that ran the Globes, and sexual assault accusations against a former HFPA president, led to a boycott by the industry's biggest names in 2021 and broadcast cancellation in 2022. Steadily declining viewership only seemed to ensure the *Awards*' consignment to irrelevance, and the ratings for the 2024 ceremony were among the worst in its eight-decade history.

With the 82nd ceremony, the Golden Globes has scripted its own comeback. Hollywood seems to have thawed towards the event and the red carpet was as glamorous as could be hoped for. The awards themselves, for both film and television, were predictable and uncontroversial, even if some snubs, such as Payal Kapadia's *All We Imagine As Light* (nominated for Best Foreign Language Film), sting. This year's ratings, unlike the chart-busting song from *Wicked* (winner of the Cinematic and Box Office Achievement award), may not be "defying gravity", but the Globes has done what it's always done best: It's got the party going.

Hindutva's Ambedkar puzzle

Hindu unity, Savarkar's project, was the opposite of what Babasaheb sought



ASHUTOSH VARSHNEY

A VIGOROUS DEBATE in the recently concluded Winter session of Parliament has brought into the limelight one of the most important political issues of our times. What is the relationship between Babasaheb Ambedkar, the architect of India's Constitution, and Hindutva?

Two contradictory impulses appeared in the debate. The BJP's principal claim was that it had done more than any other major party, targeting the Congress in particular, to restore the justly great status of Ambedkar in the national public realm. However, the speech of Home Minister Amit Shah seamlessly slipped into the claim that the iconisation of Ambedkar had become too much of a political fashion, and if only similar attention was paid to God, one would earn a place in heaven. The former was an attempt to embrace Ambedkar politically, the latter was barely concealed ridicule. Which of the two truly represents the core of Hindu nationalism?

Perhaps one could begin with how the original thinkers of Hindu nationalism saw the relationship, going all the way back to the 1920s and 1930s. For those early years, there is no better guide for us than VD Savarkar, the father of Hindutva.

Luckily, a new book — *Savarkar and the Making of Hindutva* (Princeton University Press, 2024) by Janaki Bakhle, Professor of History, University of California, Berkeley — gives us novel insights into Savarkar's thinking. Ten years in the making, Bakhle's book comprehensively examines Savarkar's voluminous writings in Marathi, including his plays, poems and essays, which are well-known in Maharashtra but not having been translated in English, little known outside. Savarkar wrote copiously about caste, religion and nationhood, and also commented on Mahatma Gandhi and Ambedkar.

As Vikram Sampath's biography of Savarkar had also earlier noted, Bakhle emphasises that Savarkar was a persistent critic of caste. But Savarkar's position was different from both Gandhi and Ambedkar. Gandhi's unrelenting focus was on untouchability, a "sinful" denial of basic dignity to millions of Indians. As for the other caste, hierarchy was the problem, not caste per se. While untouchability required eradication, the four-varna-based caste system simply needed reform. Minus the hierarchy and untouchability, the

caste system, according to Gandhi, could simply function as a division of labour, given the historical links of castes with occupations.

Ambedkar disagreed. The entire caste system required annihilation, not just untouchability. The caste hierarchy and its horrors were anchored in religious texts, without which Hinduism was inconceivable. Brahminism was as big a problem as untouchability. Ambedkar was born a Hindu, but did not want to die as one. Before his death, he converted to Buddhism with his followers.

Bakhle shows that Savarkar's views on caste were located somewhere between Gandhi and Ambedkar. He was constantly critical of Sanatana Dharma. To him, caste was "an enduring structure of stupidity, naivete and even innocence"; rituals were a mere idiotic superstition; and "the cow, Vedic chants and prayers were themselves not sacred". But Savarkar also believed that Brahmins deserved no special ire for their behaviour. Rather, prejudice and oppression ran through the entire system. Kshatriyas and Vaishyas oppressed everyone beneath them; upper Sudras lorded over the lower Sudras; the "untouchable Mahars", a caste to which Ambedkar was born, did not look kindly at those below them in the hierarchy. These "rules of bad behaviour" can be altered if we change our minds. The "untouchables", according to Savarkar, can and should be given access to Vedic rituals and embraced by all castes.

But why should all of this be done? Though critical of caste, Savarkar never argued that the caste system was a centuries-long structure of dominance and oppression, and a birth-based, radically unequal, distribution of group dignity was built into it. Anti-Brahmin arguments, ruling many intellectual and political circles in Bombay and Madras Presidencies at the time, did not draw his sympathy. Indeed, he argued, the project of Hindu unity could be pursued under "enlightened Brahmin leadership". Thus Savarkar "attempted to have it both ways: To enact radical reform without completely alienating the privileged elite".

This equivocation allows Bakhle to make a key argument. Savarkar's criticism of caste was "instrumental". It was "primarily motivated by what he saw as an urgent and immediate need to unite Hindus against Muslims (in marked contrast with Gandhi whose critique of caste was primarily related to the need

for a unified nationalist movement against British rule)". Over time, opposing British rule became less important to Savarkar than creating a united Hindu community against the Muslims, who might rise again and dominate the Hindus, but whose disloyalty to India was, to him, far too evident. If the "untouchables" and lower castes are not incorporated in the Hindu family, they "will join forces with the Muslims", whose demographic numbers needed contraction, not expansion by conversion. To put it in modern social science terms, Savarkar's project of Hindu unity meant merging all castes into a singular Hindu ethnicity.

To Ambedkar, Hindu unity was exactly the opposite of what his own project sought. He wanted to "annihilate" caste and leave Hinduism altogether. Though Savarkar initially had some sympathy for Ambedkar, the fundamental clash between the two projects became all too obvious. Savarkar's final judgment was unambiguously clear. He called Ambedkar "a man... burning with hatred against Hindutva".

The Home Minister's Ambedkar ridicule is arguably rooted in Savarkar's ultimate judgment of Ambedkar as a Hindu hater. But so is Hindutva's Hindu unity sin embedded in Savarkar. *Betenge tot koteinge* (if divided, we will be decimated), the new political refrain of Hindutva, is a perfect contemporary illustration of Savarkar's Hindu unity project, to be pursued without an attack on caste hierarchy, but with Muslims as an enemy.

The electoral significance of Dalits stems from their numbers. They are numerically larger than the estimated demographic size of Brahmins, if not all upper castes together. Ambedkar's status has become so great that large proportions of Dalits not only view him as an icon, but they also see the Constitution, made under his leadership, as an emblematic canon. A fuller incorporation of Dalits into the Hindu unity project is not possible if Ambedkar and "his" Constitution are threatened. However, since Ambedkar had no interest in Hindu unity, Hindutva's Ambedkar ambivalence continues, and is not easily resolvable.

The writer is Sol Goldman professor at Brown University, where she also directs the Saxena Center for Contemporary South Asia at the Watson Institute. Views are personal



AJAY VIR JAKHARA

IT'S SAID THAT mistakes don't kill us but persisting with them can be fatal. The government should introspect on why farming seems to be imploding. In the pre-budget discussions on agriculture with the Finance Minister, I suggested that the government order an audit of its programmes by beneficiaries. The government acknowledges the need, but given the bureaucratic obscurity, this critical audit is bound to get sidestepped.

I have pondered for years as to why the FM should be meeting farmer representatives, especially when the budget allocations are made at the specific request of the Ministry of Agriculture and Farmer Welfare. Most of the suggestions are either repeated annually or have no relevance to the budget. But I must acknowledge the FM's remarkable patience to engage with critics for hours in these "consultations with farmers and economists" where, invariably, representatives of agro-industry find their way in.

It was heartening to learn that the Union Minister for Agriculture and Farmers Welfare met farmer representatives prior to the budget session, possibly the first Union minister for agriculture to do so. The Indian agricultural research system has consistently failed to meet expectations in terms of closing the yield gap in crop productivity. Part of the blame is on the lack of funding support and the tendency to spread scarce resources thinly over all crop types/classes such that a critical inertia for transformative change is not achieved in any

BUDGET AND THE FARM

Uniform taxation across agri-markets, research funding, can turn sector around

crop. The legacy of ticking all boxes is not tenable; it never was.

To consider three nutritionally vital crops with the potential to double the yield and where India is excessively dependent on imports, we proposed to the FM that the government deploy Rs 1,000 crore per year on gram/chickpea in pulses and in oilseeds, soyabean (kharif) and on mustard (rabi) for eight years. That is the time to achieve a research breakthrough. India cannot continue to invest as it has been doing and expect sharp improvements in agriculture productivity. Nearly 45 per cent of Indian farmers grow only field crops (no horticulture or animal husbandry) and over a decade, have witnessed near zero or negative growth rates in value of output. They are distraught. Meanwhile, problems around marketing of perishable horticulture produce remain unresolved. Broadly, even a 5 per cent increase/decrease in production can lead to an inverse 50 per cent fall/rise in farm-gate prices. Cognisant of the problem, the government had tried to literally ram through reforms to un-regulate agricultural markets. Since then, the complexities around reforming the sector, governed by the states, by enacting new laws or councils, have only increased. Equally, uniform taxation in agricultural markets across India (like GST) will pave the way for improved governance, mitigation of food inflation and price fluctuations. Most importantly, the expectation is that this will ignite entrepreneurial spirit to drive regulated com-

The GoI does not even have the data on revenue collection for later years. Even optimistically, if the collections doubled over five years, it would not exceed Rs 2,000 crore. Short-termism of financially constrained states would make them reluctant to forego revenue and label such a nudge as an assault on the federal structure.

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modity to benefit farmers and consumers.

The market fees and other charges from horticulture produce collected by all the states vary and collectively amounted to Rs 908 crore in 2018-19. The GoI does not even have the data on revenue collection for later years. Even optimistically, if the collections doubled over five years, it would not exceed Rs 2,000 crore. Short-termism of financially constrained states would make them reluctant to forego revenue and label such a nudge as an assault on the federal structure. The Bharat Krishak Samaj proposed a smarter way forward — that the Centre, through the 16th Finance Commission, could offer to financially compensate the states for five years for the reduction in their fees and charges on horticulture produce to 0.1 per cent. A nominal fee should be collected for purely administrative reasons like collecting and recording real-time data. This is in line with the proclamation of the benefits of "One Nation, One Tax".

The stakes for India couldn't be higher, especially when past budget allocations regarding agriculture prove that strategic thinking on the use of land for meeting competing objectives is missing. This has left the nation unprepared for climate change or making Bharat "vishis". So, even as I am optimistic about India, as far as its farmers are concerned, there are reasons for pessimism. As a farmer, my approach is try and fail, rather than not try at all.

The writer is chairman, Bharat Krishak Samaj

JANUARY 7, 1985, FORTY YEARS AGO

STALEMATE ENDS

AKALI DAL WILL respond favourably to any initiative from the Centre for an amicable settlement of the Punjab problem, elements in the Akali leadership claim. The realisation has grown among the Akali ranks that continuance of the stalemate and adoption of a negative attitude towards a positive initiative from the Centre would complicate matters further.

PM ON PUNJAB

PRIME MINISTER RAJIV Gandhi has said that the Army could be withdrawn from Punjab when its internal security duties are ended.

But "the time schedule for the Army's withdrawal depends a lot on the response from the Sikhs," and "the Army has to come out, and the sooner its internal security duties are ended there the better," said Gandhi.

US-SOVIET ARMS TALK

US SECRETARY OF State George Shultz and Soviet Foreign Minister Andrei Gromyko arrived in Geneva for talks on re-opening arms negotiations between the two superpowers. The talks between Shultz and Gromyko will be the first known discussions since the Soviet Union walked out of negotiations on medium-range nuclear missiles in November 1983 in

protest over the US deployment of new missiles in Europe. "I hope (the talks) will set our countries on a path toward new negotiations on equitable and verifiable agreements," Shultz said.

BJP POLL STRATEGY

BHARATIYA JANATA PARTY has left to its state units to hold talks on seat adjustments for the forthcoming assembly elections with other non-communal opposition parties. This was indicated by BJP general secretary LK Advani after the conclusion of the party's national executive. The party was anxious to avoid the division of Opposition votes, Advani said.

