



## Permissive no more

The Supreme Court must put an end to violations of the Places of Worship Act

The Supreme Court's interim order halting the registration of fresh suits across the country regarding disputes of places of worship is a welcome departure from the permissive approach of the judiciary in recent times towards such motivated litigation. A Division Bench, headed by the Chief Justice of India, Sanjay Khanna, has done well to stop the flow of litigation and interim orders, including those that allow 'surveys' of such sites and structures, while it deals with the challenges to the validity of the Places of Worship (Special Provisions) Act, 1991. The order signifies a deep understanding that this is not about a set of civil disputes but the future of the country's secular character. It is simply clear to right-thinking citizens that the law, which freezes the religious character of all places of worship in the country as they were on the day of Independence, would want this legislation to remain on the statute book as a bulwark against elements that want to perpetuate the religious divide caused by such disputes. It is unfortunate, and even condemnable, that courts of law have failed to block these suits at a nascent stage by invoking the bar under this law. Instead, they have been allowing applications for surveys, either disregarding the Act and the Court's endorsement of its necessity in past judgments or ruling that the statutory bar does not apply to them.

In the name of reclaiming religious sites lost to invaders, several groups and purported devotees have been moving civil courts and obtaining questionable orders for surveying mosques for evidence that they may have been built on the ruins of destroyed temples. The success of the Ram Janmabhoomi movement was largely due to the political patronage enjoyed by its spearheads, and a final verdict from the Court, which handed over the disputed land to the Hindu litigants while condemning the demolition of the Babri Masjid mosque in December 1992. That the vandals involved in the demolition were acquitted, without any further appeal, added to the triumphalism that marks this movement for altering the status of mosques. This has given rise to further claims in Varanasi, Mathura, and, more recently, Sambhal, among other places that house mosques dating back to the 16th century. A notable feature of this permissive judicial attitude is the complete absence of any understanding of the history of the temple movement that was largely political in character. That judges could entertain obviously baseless and ill-motivated cases is a great cause of concern for those rightfully invested in the secular nature of the country. The criminal imprint on the nation's fabric left by political movements in a religious garb should not be forgotten.

## Warding off fire

There should be no slackening in fire safety norms in hospitals

There is no greater betrayal than when a sanctuary turns into a death trap. Fire accidents in hospitals that kill the vulnerable would fall squarely in this category. A massive fire that broke out at City Hospital, an orthopaedic specialty unit in Dindigul in south Tamil Nadu, last week caused the death of six people, including a child and two women. All the victims were trapped in the hospital lift and initial reports suggested they died of suffocation. Only one of the six persons, who was on a wheelchair, was an inpatient at the hospital; all the others were visitors. They were trapped, over half an hour, in the lift as the smoke poured in through the vents, all escape routes closed. The fire, which reportedly started as a short circuit in the ground floor, swept up to the first floor, and smoke soon curled up to all the floors in the four-storey building, affecting patients. Initially, smoke was noticed in the outpatient department, after patient files caught fire. In response, the power supply was shut down, but six persons still entered the lift at the ground floor. In the melee that ensued, no one paid any attention to the lift, stuck in between two floors. Meanwhile, patients on the higher floors struggled to breathe, but for many, because of mobility issues, there was no opportunity to escape. Thirty-two patients were shifted to the nearby Dindigul government hospital for further treatment and three of them needed ventilator support.

The rash of fire accidents in hospitals in India, in recent times, and the lives lost are uncanny reminders that hospital infrastructure upkeep, in the private or public health-care sector, is astonishingly low priority across the country. One month ago, on November 15, 10 newborns died in a fire in Mahatma Laxmi Bai Medical College and Hospital, Jhansi, Uttar Pradesh. In May this year, seven newborns were killed in New Born Baby Care Hospital, a private facility in East Delhi, after a fire broke out there. It is unconscionable that, as a nation, India pays little attention to fireproofing its hospitals, making sure all equipment in hospitals and the hospitals themselves are ready to act and limit damage if, and when, a mechanical fault was to cause a fire. The government should ensure that periodic renewal of fire licences stops being a travesty. Existing government fire safety regulations must be followed implicitly and spiritedly, without any slacking, with respect to hospitals and public places. If a hospital ever gets into the news, it must be for its healing prowess, not for being a towering inferno.

# Let's talk about 'one candidate, multiple constituencies'

Ever since the panel for 'One Nation One Election' led by the former President of India, Ram Nath Kovind, recommended simultaneous elections to the Lok Sabha and State Legislative Assemblies, much has been written on its positive and negative aspects, the practical considerations and of course the politics around the subject. Amidst all the political accusations and counter-accusations, another important issue has gone missing from attention. The matter is about one candidate contesting from multiple constituencies (OCMC) for the same office.

### The background, the challenges

The Constitution of India provides for regular elections every five years to the Legislative Assembly and the lower House of Parliament. However, the Constitution, other than providing for the Election Commission of India (ECI), has empowered Parliament to regulate the manner of conducting the elections. Therefore, 'contesting from multiple constituencies' has been dealt with in the Representation of the People Act 1951. Under the Act, there was no limit on the number of constituencies a candidate could contest — until 1996. This resulted in candidates contesting from multiple constituencies, sometimes more than two, winning them and vacating all but one seat, in accordance with Section 70 of the same Act. This necessitated by-elections frequently.

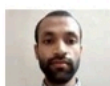
Due to this, Parliament amended the Act in 1996 to limit the number of constituencies that a candidate can contest from, to two. The amendment intended to discourage one candidate from contesting from multiple constituencies. Despite this, the practice has continued. The numbers are even more frequent in State Legislative Assembly elections, leading to frequent by-elections — there were 44 by-elections for State Assemblies in November 2024 due to the resignation of sitting legislators.

Frequent by-elections due to candidates winning from multiple constituencies pose several challenges. First, they add to taxpayer costs. The administrative cost of the Lok Sabha elections is borne by the central government, and Legislative Assemblies by the State governments; in the 2014 general election, it amounted to ₹3,870 crore. Adjusted for 6% annual inflation, the 2024 general election is put at a cost of ₹6,931 crore, or ₹12.76 crore per seat. If 10 politicians win from two constituencies, the extra cost of holding a by-election would be around ₹130 crore. While this is relatively small when compared to overall election spending, the real issue lies in the massive expenditure by political parties, estimated at ₹1,35,000 crore for the recent general election, or about ₹250 crore per constituency, according to the estimates by the Centre for Media Studies. This burden ultimately



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If 'one person, one vote' is the core democratic principle for voters, it should be 'one candidate, one constituency' for politicians

falls on the public, and much of the funding comes from black money, which undermines financial transparency.

Second, the by-election necessitated by the vacation of a winning candidate within an initial six months tends to favour the ruling party. This is borne out in by-election trends across multiple States. This emanates from the fact the ruling party can mobilise resources and provide patronage to party workers. Such a scenario of a non-level playing field is skewed against the Opposition, which has negative implications for parliamentary democracy.

Third, the financial burden of organising a by-election disproportionately falls on the already defeated candidate and their party, forcing them to spend resources once again.

Fourth, the saying "Democracy is a government of the people, by the people, and for the people" suggests that elections should serve people's needs. However, a candidate contesting from multiple seats serves as a hedging mechanism against uncertainties and often prioritises the leader's interests, not the people's. This undermines democratic principles, placing politics above the public.

Fifth, OCMC is sometimes used to enhance the reach and message delivery of the leader, relying on their popularity for electoral success. This often reflects the leader's dominance within the party, particularly in family- or leader-centric parties. Moreover, OCMC goes against the fundamental right to freedom of speech and expression of citizens. A petition filed in 2023 (Ashwini Kumar Upadhyay vs Union of India) argued that when people elect a representative, they trust that person to be their voice.

Contesting multiple constituencies, winning them, and vacating one for a by-election violates Article 190(a) of the Constitution. This practice causes voter confusion and discontent, as seen in Wayanad, Kerala, when Rahul Gandhi vacated his seat in 2024, potentially leading to voter apathy. The voter turnout was 64.24% in the bypoll and 72.92% in the general election.

### Some advantages

The OCMC is common in many countries. It may also have some practical considerations. First, contesting multiple seats provides a safety net for candidates, especially in tightly contested constituencies. Second, in a polity such as India, where politics is centered around the leader and family, OCMC smoothes the leader's continuation or transition in case a leader-centric party secures a majority in the elections but the leader of the party loses out. For instance, Mamata Banerjee lost the Nandigram seat in the 2024 West Bengal Assembly elections. To make way for her, another leader elected from the Bhabanipur constituency had to resign from the

Assembly. Similar things unfolded in the case of Pushkar Singh Dhami, Chief Minister of Uttarakhand in the 2022 Assembly elections.

### International experience

OCMC is not unique to India. Pakistan and Bangladesh allow candidates to contest multiple constituencies but require them to relinquish all but one seat. Pakistan places no limit on the number of constituencies a candidate can contest, as seen in the 2018 elections when the former Prime Minister contested five seats and vacated four. Similarly, Bangladesh allowed candidates to contest up to five constituencies until 2008 but now limits it to three. The practice was once common in the United Kingdom but has been banned since 1983. Most European democracies have phased it out to promote clear representation and accountability.

The misuse of the OCMC far outweighs the benefits. There have been demands for reforms, and probable solutions may be considered. First, amend Section 33(7) of the RP Act 1951 to ban one candidate contesting from multiple constituencies for the same office. The ECI, in 2004, recommended the government ban the practice. The 255th Law Commission report in 2015 made the same recommendation.

Second, recovering the full cost of by-elections from the candidate vacating a seat can serve to discourage candidates from contesting simultaneously. The ECI recommended cost imposition on candidates contesting from multiple constituencies in 2004. However, the practice of OCMC will continue as the winning candidate or political party can afford to pay the cost. Third, a more effective deterrent would be to hold the by-elections after a year, allowing voters ample time to make an informed decision and giving the defeated candidate sufficient time to recover and prepare strategically for another contest. This would also provide a more balanced and fair electoral process. This could be done by amending Section 15A, Representation of Peoples Act 1951 which provides for by-election within six months of the occurrence of vacancy.

Holding elections requires substantial financial resources from the state. Furthermore, with elections being a round-the-year affair in India, the frequent need for by-elections takes time and money — resources that could otherwise be better invested in the country's development. However, as the issue of OCMC (one candidate, one constituency) is political, it requires political willpower and the support of the major parties to bring about change. However, unlike the One Nation One Election, it does not have many proponents in political parties. If "one person, one vote" is the core democratic principle for voters, it is time to enforce "one candidate, one constituency" for candidates.

# India's firmer attempts at mineral diplomacy

As India seeks to expand its manufacturing and technological capability, critical minerals will become vital to fulfil this ambition. However, India, a major critical mineral importer, still depends on other countries, primarily China, for its mineral security, which has become a cause of strategic concern. Union Defence Minister Rajnath Singh, who voiced India's apprehensions at a defence think tank gathering, said, "While [the] scramble for resources for economic reasons has had a long history, their weaponisation by some nations for strategic reasons is a comparatively new phenomenon", hinting at Chinese attempts. To address India's mineral security challenge, which is aimed at reducing its strategic vulnerability, New Delhi has started an attempt to engage in mineral diplomacy.

### Establishing joint ventures

This attempt is based on the pillars of: developing international engagement with mineral-producing countries, and establishing strategic partnerships with intergovernmental organisations. The first pillar focuses on building bilateral ties with resource-rich countries such as Australia, Argentina, the United States, Russia, and Kazakhstan to secure the supply of lithium and cobalt. To facilitate this vision, post-2019, India established the Khanij Bidesh India Ltd. (KABIL), a joint venture company with a mandate "to ensure a consistent supply of critical and strategic minerals to the Indian domestic market". The objective was to achieve mineral security by securing agreements, and acquisitions through government-to-government, government-to-business, and business-to-business routes.

In March 2022, KABIL signed a Memorandum of understanding with Australia for a critical mineral investment partnership, identifying two lithium and three cobalt projects. Latin America's Lithium Triangle, which constitutes Argentina, Chile, and Bolivia, has also attracted India's



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The moves are to reduce India's strategic vulnerability, but there are issues that need to be resolved

attention. In January 2024, India signed a \$24 million lithium exploration pact with a state-owned enterprise in Argentina for five lithium brine blocks. KABIL is also actively working to secure mineral supplies by facilitating the buying of assets from Bolivia and Chile. Apart from the government, India's private sector has also benefited. Alkerm Private Limited signed an agreement with YLB, Bolivia's national company, to secure the raw material supply chain of Li-ion batteries.

Central Asia has also caught India's attention. Recently, India and Kazakhstan formed a joint venture, IREUK Titanium Limited, to produce titanium slag in India. This was one of India's first joint ventures with the Central Asian Republics. This attempt is aligned with New Delhi's proposal to establish an India-Central Asia Rare Earths Forum to leverage the region's rich resources.

### Cooperative engagements

The second pillar of mineral diplomacy is international engagement, which is forging and strengthening partnerships with multilateral and multilateral initiatives related to mineral security, such as the Quad (Australia, Japan, India, the United States), the Indo-Pacific Economic Framework for Prosperity (IPEF), Mineral Security Partnership (MSP) and the G-7, for cooperation in the critical mineral supply chain. These cooperative engagements aim to align India with the global best practices in the critical mineral sector across its three segments — upstream, midstream, and downstream.

Additionally, they also facilitate knowledge sharing and capacity building, which is important for coordinating with international partners such as the U.S., the European Union (EU), South Korea, and Australia.

To further this collaboration with western partners, India's Ministry of Mines signed a MoU with the International Energy Agency to strengthen cooperation on critical minerals, helping India to "streamline its policies,

regulations, and investment strategies in the critical mineral sector, aligning them with global standards and best practices".

### The missing pieces

India's attempt at mineral diplomacy has led to many positive outcomes, but still lacks three essential ingredients required for its international diplomatic engagement. These are: a lack of private sector participation; weak diplomatic capacity, and insufficient sustainable partnership. Also, India's private sector has largely been missing from the equation.

The absence of a critical mineral supply chain strategy and a clear road map for the private sector are two primary variables responsible for the lack of policy clarity, leading to their absenteeism. To address these, India needs to formulate a comprehensive approach for de-risking, considering the role of the private sector across the supply chain. An important step would be to have a supply chain strategy based on India's growth prospects and national security priorities.

Second, India must strengthen its mineral diplomacy engagement. Having a dedicated mineral diplomacy division within the Ministry of External Affairs, similar to the New and Emerging Strategic Technologies (NEST) division and a special position for mineral diplomacy in selected diplomatic missions can be the first step.

Third, India's goal towards mineral security necessitates that New Delhi forge strategic, sustainable, and trusted partnerships with bilateral partners and multilateral forums. Among all its partners, working with EU, South Korea, and the other Quad members is critical to India's mineral security due to its domestic capabilities, diplomatic network and technological know-how. If these issues can be resolved, India's attempts at mineral diplomacy will gain strength and will be able to better complement New Delhi's domestic critical mineral initiatives, which are currently moving at a slow pace.

## LETTERS TO THE EDITOR

### The two-day debate

The debate in Parliament on the Constitution went exactly as expected. The Opposition criticised the ruling party for its actions, while the ruling party repeated its accusations about the Emergency. It would have been unrealistic to expect this debate to result in any real solutions (Page 1, December 15).

Instead of committing to working together to improve the Constitution, both sides across the political aisle seem to have dug in their heels even more. We can celebrate the Constitution's 75th anniversary all we want, but it will not mean much unless we truly live by its values. As someone who has lived through 70 years

of Indian politics, I have come to believe that leaders who are known for dishonesty and corruption have no right to speak about the Constitution's values. Democracy depends on open-mindedness and constructive dialogue, but it seems like we are seeing less and less of this late.

V. Nagarajan,  
Chennai

It is astonishing that the Prime Minister spent most of the time in Parliament castigating the Congress Party and its leaders. Development by any government is a continuous process, depending on what

they feel is a priority, the needs of the people and the revenue available to fulfil these needs. A lot of emphasis was given to the Emergency of 1975. Aren't we being subjected now to what is termed as

an 'undeclared Emergency'? The Opposition's motion of their 'no confidence' against the Chairman of the Upper House is an indicator of the abyss that our system has fallen into.

Hemachandra Basappa,  
Bengaluru

Letters emailed to letters@thehindu.co.in must carry the full postal address.



# The digital frontier of inequality

India stands at a pivotal moment in its digital revolution, underpinned by an internationally recognised model of digital public infrastructure. Today, India has 1.8 billion mobile connections, 700 million Internet users, and 600 million smartphones.

While the narrowing of the digital gender divide is a sign of progress, as in many countries, a surge in gender-based violence (GBV), particularly tech-facilitated GBV, threatens to overshadow gains. In response, the Union Ministry of Women and Child Development recently launched 'Ab Koi Bahana Nahi (no more excuses)', a national campaign aligned with the global '16 Days of Activism Against Gender-Based Violence'. This annual campaign is led by UN Women.

**The risks**  
India's digital transformation has unlocked immense opportunities for empowerment. The Pradhan Mantri Jan Dhan Yojana has increased account coverage almost four-fold since 2015, with women holding 55.6% of the accounts. Digital Jan Dhan-Aadhaar-mobile linkages enable direct benefits and cashless transactions, especially in rural areas. However, this increased connectivity has also exposed women to new risks.

In urban areas, online harassment is rampant, particularly targeting women in public-facing roles such as journalists and politicians. Rural India boasts 20% more Internet users than in urban areas (2021 Nielsen report). Already constrained by societal norms, many women and girls lack the digital literacy and skills to navigate online spaces safely. Compounding the issue, many women are also unaware of their rights or the mechanisms available to them for reporting abuse.

TFGBV takes many harmful forms. These include persistent harassment such as cyberstalking, online trolling, and the non-consensual sharing of intimate images. Impersonation



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and fraud through fake profiles, voyeurism, and grooming further exploit vulnerable individuals. These often force women and girls to retreat from digital spaces.

India has taken important steps to combat TFGBV. Legal protections, including the Information Technology Act, 2008, and the Bharatiya Nyaya Sanhita, 2024, provide a strong foundation to address digital violence. Mechanisms such as the National Cyber Crime Reporting Portal enable anonymous reporting, while the government-led Information Security Education and Awareness Programme spreads digital safety awareness. Women-specific programmes, such as Digital Shakti, launched by the National Commission for Women, equip women with tools to navigate online spaces securely. These measures mark great progress in creating safer digital spaces, though some gaps remain.

India also actively engages in international negotiations and agreements, including the 67th Session of the Commission on the Status of Women where UN member states, including India, signed off on agreed conclusions that called for "adequate safeguards in order to promote an open, secure, stable, accessible and affordable information and communications technology environment for all women and girls". This underscores India's commitment to tackling TFGBV.

**The way forward**  
Achieving truly safe digital environments for women and girls requires more focused and strategic efforts that can keep pace with this changing and evolving digital world.

The Global Digital Compact, adopted by world leaders including India, at the UN Summit of the Future earlier this year, further strengthens legal and policy frameworks "to counter and eliminate all forms of violence, including sexual and gender-based violence that occurs through or is amplified by the use

of technology". Therefore, combating TFGBV must be a top priority. This includes enforcing stricter laws against perpetrators of online violence, and swift justice for survivors. Holding social media platforms accountable is an important part of the tool kit to reduce TFGBV.

Expanding digital literacy programmes, particularly in rural areas, is critical. Integrating safe online practices into school curriculums and conducting community workshops for women and men, young and old, can be empowering. Additionally, nationwide campaigns that challenge societal norms and actively engage men and boys as allies can foster respectful and inclusive digital spaces.

Collaboration with India's vibrant tech industry is essential. While many platforms have introduced safety features, these need further enhancement to proactively address online abuse. Leveraging artificial intelligence to detect and remove abusive content, yet retaining human oversight, alongside introducing user-friendly reporting mechanisms, can improve safety.

Just as important is the development of robust survivor support systems that offer accessible counselling, legal aid, and rehabilitation services. Expanding the capacity of helplines and initiatives such as TechSakhi, a helpline offering accurate information, empathetic support, and assistance, will ensure that survivors receive timely and effective assistance.

As we concluded observing the 16-Days of Activism that ends on International Human Rights Day every year, India's timely message is unequivocal: *Ab Koi Bahana Nahi*. Ensuring women's safety online is not only a moral obligation but also a critical pillar for India's progress.

Governments, tech companies, civil society groups, individuals, and international organisations have a role to play, and we in the UN Country Team are proud to be a partner in this journey.

# A minefield of controversies

Yet another political row has erupted, this time over tungsten mining

## STATE OF PLAY

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The Union government's move to grant tungsten mining rights to Hindustan Zinc Limited, a Vedanta Group company, near a biodiversity heritage site in Madurai has kicked up a political row in Tamil Nadu.

The controversy erupted last month after the Union Ministry of Mines declared Hindustan Zinc as the preferred bidder of the Nayakkarpatti block, which is rich in scheelite, a primary ore of tungsten. The Nayakkarpatti block comprises six villages. One of them is Arittapatti, a notified biodiversity heritage site famous for archaeological monuments, including cave temples, sculptures, Jain symbols, Tamil Brahmi scripts, and Pancha Pandavar stone beds.

Environmental activists and villagers took to the streets saying mining will not only ruin the terrain but also agriculture and their livelihoods. More than 20 panchayats of four panchayat unions in Madurai unanimously passed resolutions opposing the proposed mining.

The auction has pitted the ruling DMK and its allies against the Centre on the one hand and against the Opposition parties in the State on the other. While the DMK government says it was not consulted, the Centre claims inputs were taken from it before the auction and that no objection was raised then. The Opposition was quick to accuse the DMK of 'duplicité'. But the DMK maintains that it was only the Centre and not the State that cleared the mining project and has accused the Opposition of spreading disinformation. Although the Union

government has allowed Vedanta to mine in an area of 205.51 hectares, the State has not given permission, the government said.

Chief Minister M.K. Stalin wrote to Prime Minister Narendra Modi seeking cancellation of the mining rights awarded to the company. He said mining will cause irreparable damage to the heritage site. "In addition, commercial mining in such densely populated villages will definitely affect the people. This has caused immense anguish among the people, who fear that their livelihood may be lost forever," he wrote.

The Chief Minister said that the Tamil Nadu government in October 2023 had raised concerns about the auctioning of mining rights of critical and strategic minerals, but the Union Minister for Coal and Mines had rejected them, arguing that the auction cannot be withheld, in the larger interests of the country.

Last week, the State Legislative Assembly unanimously passed a special resolution demanding revocation of the award of mining rights. During the debate, Opposition leader Edappadi K. Palaniswami accused the DMK government of being inactive for the 10 months since the Union government brought amendment to the Mines and Minerals Act, 1957, with regard to the mining of critical and strategic minerals. Mr. Stalin argued that the DMK govern-

ment did oppose the amendment. He added that he will not permit the mining as long as he is Chief Minister. Not to be outdone, the State BJP president, K. Annamalai, met Union Minister for Coal and Mines, seeking to call a halt to the project.

Tamil Nadu is no stranger to such controversies. In the last two decades, there has been intense opposition to various projects and striking a balance in the face of it seems to be increasingly difficult for governments in the State. In the last two decades, there has been intense opposition to various projects in Tamil Nadu. In 2010, farmers staged protests in the Cauvery delta region against the United Progressive Alliance government granted permission to the Great Eastern Energy Corporation Limited (GEEL) to explore coal bed methane in the Thanjavur and Tiruvallur districts. An MoU was signed by the GEEL and the DMK-led State government in 2011. In July 2013, in response to sustained protests, the then Chief Minister Jayalalithaa suspended the project and followed it up with a ban in 2015.

In 2017, there were protests at Neduvassal in Pudukottai and Kadiramangalam in Thanjavur against hydrocarbon exploration in the delta. Later, when contracts were awarded to Vedanta and ONGC under the Open Acreage Licensing Programme Bid Round-1 for hydrocarbon exploration in the Cauvery basin, protests broke out again. In 2020, the Cauvery delta was declared a protected agricultural zone.

In 2014, complaints about air and water pollution by the Vedanta Group's copper smelting plant at Thoothukudi led to the closure of the unit. In May that year, 13 people were killed when the police opened fire to quell protests.

# Over 78% of top paid H-1B applicants were from India

Many of them were sponsored by relatively smaller U.S. companies

## DATA POINT

The Hindu Data Team

In the last four years, more than 78% of the top paid H-1B applicants (whose proposed wage rate exceeded \$1 million per year) were from India. Among the Indians whose wage rate exceeded \$1 million per year, over 25% were women. Also, over 65% of these high-paid H-1B applicants from India were sponsored by relatively smaller companies in the U.S.

Moreover, the salary range of H-1B applicants whose sponsors were U.S.-based companies was in general higher than the salary range of H-1B applicants whose sponsors were India-based companies. The H-1B visa is a non-immigrant visa that allows U.S. companies to employ foreign workers in specialty occupations that require theoretical or technical expertise.

These conclusions are based on data obtained by Bloomberg from the U.S. Citizenship and Immigration Services (USCIS). Each April, the USCIS conducts a random lottery to determine which H-1B applicants can proceed to submit visa petitions. Candidates may have multiple registrations submitted by different employers. Once selected, an employer can file an H-1B petition on behalf of the beneficiary. These petitions include details about the proposed job, such as salary and location, and form the basis of the conclusions presented in the story. Only about 1 lakh approved H-1B petitions, filed in the 2021-2024 period, for which all relevant data were available, were taken for the analysis.

While an approved H-1B petition is necessary for obtaining an H-1B visa, it does not guarantee one. After receiving approval from the USCIS, applicants may either apply for an H-1B visa at a U.S. consulate abroad or seek an adjustment of Status with the USCIS if they are already in the U.S.

**Chart 1** shows the proposed yearly wage rate in \$ (vertical axis) against the number of workers employed by the sponsor in the U.S. (horizontal axis). Each circle corresponds to an applicant whose application got selected in the lottery and whose H-1B petition was approved. The higher the circle, the higher the proposed salary. The farther to the right, the bigger the company size of the sponsor. Indian applicants are highlighted in a different colour.

Of the 1 lakh H-1B applicants, only 123 had a proposed salary of \$1 million and above per year. Of them, 96 (78%) were from India. Over 90% of the proposed salaries were in and around the \$1,00,000 range.

**Chart 2** shows the same information, but only for Indians. Here, female and male applicants are differentiated using colours. Of the 96 applicants from India identified in Chart 1, 25 (26%) were women.

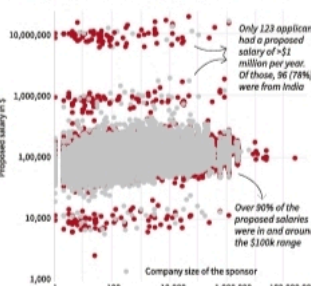
As can be seen in both charts, most of the applications with a higher pay — circles on the top — are crowded towards the left of the chart, pointing to the low employment count for those sponsors. Sixty-three of the 96 applicants identified in Chart 1 were sponsored by U.S. companies which had fewer than 1,000 employees in the U.S. In other words, bigger companies — both U.S.-based and India-based — did not sponsor many high-paid H-1B applicants. Most of their applicants' proposed salaries were in the lower range, with very few exceptions.

**Chart 3** shows the proposed yearly wage rate in \$ for H-1B applicants of well-known sponsors (big-sized firms), in the 2021-2024 period. It ignores outlier salaries to find the usual salary range proposed for most applicants. The proposed salary range of U.S.-based employers such as Apple and Google were considerably higher than the proposed salary range of Indian-based companies such as Infosys and TCS.

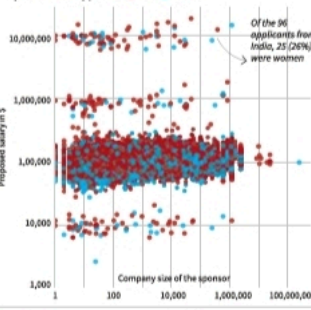
## Indians on top

The data for the charts were sourced by the Bloomberg News from the Department of Homeland Security under the Freedom of Information Act

**Chart 1:** The proposed yearly wage rate in \$ (vertical axis) against the number of workers employed by the sponsor in the U.S. (horizontal axis). Each circle corresponds to an applicant whose application got selected in the lottery and whose H-1B petition was approved. The higher the circle, the higher the proposed salary. The farther to the right, the bigger the company size of the sponsor. • Indians • Other applicants



**Chart 2:** Proposed yearly wage rate in \$ (vertical axis) against the number of workers employed by the sponsor in the U.S. Each circle corresponds to an Indian applicant whose H-1B petition was approved. • Male • Female



**Chart 3:** Proposed yearly wage rate in \$ for H-1B applicants of well-known sponsors (big-sized firms), in the 2021-2024 period.



## FROM THE ARCHIVES

The Hindu

FIFTY YEARS AGO DECEMBER 16, 1974

## Electoral rolls revision may be over by June 1975

New Delhi, Dec. 15: A country-wide revision of electoral rolls is now in different stages of progress. It is likely that this work will be completed by June 1975.

Simultaneously the new delimitation of constituencies is also being undertaken and at least in one State, namely Gujarat, this has been completed and the final order of the Commission has been published. The work regarding revision of electoral rolls in Gujarat is likely to be completed in the first week of January next. This means that Gujarat would be ready to go to the polls at any convenient date after this is done. When exactly President's Rule in Gujarat will be terminated is a political decision though reports have it that complete normalcy prevails now and holding of an election to the State Assembly will not pose a law and order problem.

Revision of electoral rolls in the States of Andhra Pradesh, Assam and Bihar will commence in January and the likely date of final publication of electoral rolls is June 30 next. So far as Haryana is concerned, revision work commenced on November 1 in respect of some constituencies while in regard to the remaining Assembly constituencies, work began on December 2. By June 1975, the final rolls would have been published. In Himachal Pradesh revision of electoral rolls in respect of the snow-bound areas will begin only in May next.

Enquiries with the Election Commission have also shown that so far as Kerala, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Punjab and Nagaland are concerned, the revision will be completed by June next.

A HUNDRED YEARS AGO DECEMBER 16, 1924

## Women magistrates for Madras city

The Fort St. George Gazette notifies as follows: The Governor in Council is pleased to appoint the undermentioned persons to be Honorary Presidency Magistrates for the City of Madras and to empower them to sit on the Benches constituted for that city: Srimati Mangalam (Lady Sadava Ayyar), Srimati V. Bhamini Baiy, Mrs. V. Panduranga Rao, and Mrs. Maud Hume Stanford.



# Text & Context

THE HINDU

## NEWS IN NUMBERS

**Syrians who returned to Syria in five days after Assad's fall**

**7,621** More than 7,600 Syrian migrants crossed the Turkish border to return home in the five days after the fall of Bashar al-Assad. Within 48 hours of Assad's fall, Turkey had increased its daily crossing capacity from 3,000 to between 15,000 to 20,000. **APF**

**Number of people killed in Mayotte due to Cyclone Chido**

**14** At least 14 people were killed in Mayotte when a fierce cyclone battered the French Indian Ocean territory, with officials warning it will take days to know the full toll. Rescue workers and supplies are being rushed in by air and sea, but their efforts are likely to be hindered by damage to airports. **APF**

**The subsidy provided by India to each fisher annually**

**35** In S. India has pitched the World Trade Organization for regulations on subsidies given by countries that are engaged in fishing activities. An Indian document noted that it provides \$35 per fisher annually, compared to subsidies as high as \$76,000 per fisher per year in other nations. **PII**

**Number of migratory bird species recorded in Mathura wetland**

**192** With winter setting in, the Jodhpur Jhal wetland in Mathura has transformed into a haven for migratory birds from Central Asia, Siberia, Tibet and Mongolia. The wetland has come alive with diverse species, including rare visitors such as the mallard duck and common pochard. **PII**

**Russian drones destroyed by Ukraine in overnight strike**

**56** Ukrainian air defences destroyed 56 out of 108 drones launched by Russia during its latest overnight strike, Kyiv's military said. It added that another 49 were "locationally lost", typically a result of electronic jamming. **REUTERS**

COMPILED BY THE HINDU DATA TEAM

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# How would a carbon market function?

What are carbon credits and how would they be traded between firms? Why do corporations not want the government to be involved in the issue of carbon credits? Who introduced the concept of carbon credits? Why are some experts critical of carbon offsets?

## EXPLAINER

The Hindu Bureau

### The story so far:

**C**OP29, the ongoing climate conference in Azerbaijan's capital Baku, has given a fillip to the idea of using carbon markets to curb carbon emissions by approving standards that can help in the setting up of an international carbon market as soon as the coming year.

### What is a carbon market?

A carbon market is a market that allows the buying and selling of the right to emit carbon into the atmosphere. Suppose a government wants to limit the amount of carbon emitted into the atmosphere. It can issue certificates called carbon credits that allow the holder of the certificate to emit a certain amount of carbon into the atmosphere. One carbon credit is equivalent to 1,000 kilograms of carbon dioxide. By limiting the number of carbon credits that are issued, governments can control how much carbon is released into the environment. It should be noted that anyone who doesn't hold carbon credits to their name would not be allowed to emit any carbon into the atmosphere. Carbon credits were first used in the 1990s in the U.S., which introduced the cap-and-trade model to control the emission of sulphur dioxide.

Individuals and firms that hold carbon credits but don't actually need them for any reason can sell their credits to interested buyers. The price at which these carbon credits are traded is determined by market forces, which in this case are the supply of carbon credits and the demand for these certificates. A carbon market can also include the trading of carbon offsets. In this case, a business that pollutes the environment for example, can purchase carbon offsets sold by an environmental NGO that promises to plant trees that suck a certain amount of carbon emissions out of the



ISTOCKPHOTO

atmosphere for each offset that it sells.

### What is good about carbon markets?

Pollution of the environment and climate change caused by carbon emissions is a classic case of what economists call an externality. An externality is caused when the cost of an economic activity is not properly accounted for (or internalised) by the market price system due to the absence of well-defined property rights. For example, a business that uses raw materials such as iron will have to pay the supplier who owns the iron to be able to procure and use it, thus incurring a certain cost. But when the same firm emits carbon into the atmosphere, it doesn't usually have to pay any money to anyone. In other words, firms are generally able to emit their waste into the atmosphere for free. This of course leads to unhindered pollution of the

atmosphere as firms in this case have no financial incentive to curb their carbon emissions. Carbon markets in which the right to pollute is traded for a price can solve the problem by imposing a certain cost on firms for polluting the atmosphere, helping to curb emissions in the process.

The intersection of standardised accounting frameworks and technological advancements has improved the ability of corporations to monitor and report their carbon emissions. While, this is difficult for the vast majority of small businesses in the developing world, particularly in accurately capturing supply chain emissions, ongoing developments, like real-time data tracking of the energy sector, continue to enhance the granularity and reliability of corporate carbon accounting. However, corporations have preferred a voluntary

reporting system, like the Carbon Disclosure Project. They have been loathe to government interventions limiting carbon emissions, arguing that such budgeting may lead to output restrictions or rise in costs. They also point to varied production processes, some that might have diverse supply chains that might make it difficult to find the optimal carbon budget for their facilities. Large multinational corporations such as ExxonMobil and General Motors have advocated for carbon markets that allows free trading of carbon credits among firms at a price determined by market forces, that would allow these firms to purchase carbon credits from other firms, which don't need them as much. This they say, helps allocate carbon credits more efficiently than government diktat.

### What can go wrong?

Even when there is a functioning carbon market, a government that is not very keen on reducing emissions may increase the supply of carbon credits and drive down the price of the right to pollute, leading to no noticeable drop in emissions. Others may keep a strict cap on the supply of carbon credits but allow firms to cheat by allowing them to illegally emit carbon. The success of carbon offsets also depends on the degree of personal incentive that firm owners possess to care about carbon emissions, which may often be very little. Critics claim that firms that purchase carbon offsets often do it for the sake of virtue signalling and may have little incentive to ensure that their investments in these instruments are actually helping offset carbon emissions. Meanwhile, other critics have raised more fundamental questions regarding how exactly a government would be able to arrive at the optimum supply of carbon credits. They argue that politicians, who do not incur any personal economic cost when they legislate emission reductions, may restrict the supply of carbon credits more than what is really necessary, leading to slower economic growth.

## THE GIST

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▼ However, corporations have preferred a voluntary reporting system, like the Carbon Disclosure Project. They have been loathe to government interventions limiting carbon emissions, arguing that such budgeting may lead to output restrictions or rise in costs.

▼ Even when there is a functioning carbon market, a government that is not very keen on reducing emissions may increase the supply of carbon credits and drive down the price of the right to pollute, leading to no noticeable drop in emissions.

# Why is the BJD opposing the Polavaram project?

What are the concerns of tribal communities residing in Odisha's Malkangiri district?

Satyasundar Barik

### The story so far:

**T**he Biju Janata Dal (BJD) has recently intensified its efforts to highlight the potential adverse impacts of the Polavaram Dam project, undertaken by the Andhra Pradesh government, on the tribal communities in Odisha's Malkangiri district. A delegation comprising BJD's Rajya Sabha members submitted a fresh memorandum to the Central Water Commission (CWC), the Ministry of Tribal Affairs, the National Commission for Scheduled Tribes and the Ministry of Environment, Forest and Climate Change stating that the impact of submergence due to 'unilateral' change in the design of the project has not yet been studied.

### What is the status of the project?

Andhra Pradesh Chief Minister N. Chandrababu Naidu has vowed to

complete the Polavaram Project on River Godavari by 2027 as the interstate dispute involving mainly Odisha, Chhattisgarh and Andhra Pradesh has entered a crucial phase. The Union government has assured ₹15,000 crore in this year's budget for the completion of the project.

However, the BJD has alleged that the CWC had refused to conduct a backwater study for the revised design flood, despite the recommendations of experts and the Odisha Government's concerns regarding the safety of tribal populations. The BJD argued that various studies, including those by the Government of Andhra Pradesh and CWC, have shown different estimates for submergence levels. "A backwater study by AP in 2009 indicates that 50-lakh cusec flood will cause submergence up to 216 feet in Odisha, far exceeding the originally agreed maximum level of 174.22 feet. A report from IIT Roorkee in 2019 further estimates that a flood of 58 lakh cusecs would result in

submergence levels of Reservoir Level of 232.28 feet in Odisha," it said.

### How did the project start?

The Polavaram Irrigation Project on the river Godavari was conceived as a part of the recommendations of the Godavari Water Disputes Tribunal (GWDT). Andhra Pradesh, Madhya Pradesh and Odisha had entered into an agreement dated April 2, 1980, where the project was to be executed by Andhra Pradesh. As per the Andhra Pradesh State Reorganization Act (APRA), 2014, the Polavaram Irrigation Project was declared as a national project. In response to an RTI query, the Ministry of Jal Shakti said that the maximum height of the concrete dam of Polavaram Project, measured from the deepest foundation level (-18.50m) to the top of bridge is 72.60 metre. The initial project cost was ₹10,151.04 crore in 2005-06 which reached ₹55,548.87 crore in 2019.

### What are the concerns?

Though no comprehensive study has been carried out with regards to the likely submergence of the Malkangiri district by backwaters due to the Polavaram project, the Odisha State government in the year 2016 submitted to the NCST that the project was going to submerge 7,656 hectares of land, including forestland, and displace more than 6,800 people including 5,916 tribals in Malkangiri.

The Ministry of Jal Shakti said that as per the Water Resource Department of Andhra Pradesh, by providing remedial measures such as constructing protective embankments for a length of 30 kms along Sileru and Sabari River in Odisha, and 29.12 km along Sabari River in Chhattisgarh, the submergence in both Odisha and Chhattisgarh could be avoided completely. In August this year, the Ministry had asked the State Pollution Control Boards of Odisha and Chhattisgarh to conduct a public hearing for the construction of protective embankments without further loss of time as the project is in an advanced stage of construction. The Odisha State Pollution Control Board is yet to hold a public hearing. The Odisha government had earlier expressed its reservation over the high protective embankment saying it was not feasible. "The construction of an embankment requires the diversion of forestland and creates flooding in Odisha territory."

## THE GIST

▼ The Biju Janata Dal (BJD) has recently intensified its efforts to highlight the potential adverse impacts of the Polavaram Dam project, undertaken by the Andhra Pradesh government, on the tribal communities in Odisha's Malkangiri district.

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FROM THE ARCHIVES



GETTY IMAGES

# Why simultaneous elections are impractical and complicated

Critics of simultaneous elections have raised a few objections. First, the logistical nightmare of conducting simultaneous elections in a country of a little over 1.4 billion people, in a context where even State elections need to take place in multiple phases

Gautam Bhatia

The Winter Session of the Lok Sabha is currently underway. The introduction of the two Bills which would enable simultaneous elections in the country, mainly the Constitution (One Hundred and Twenty-Ninth Amendment) Bill 2024 and the Union Territories Laws (Amendment Bill) 2024, have now been postponed to a later date. In this article, Gautam Bhatia, explains the problem with such a concept.

In recent weeks, there has been increasing discussion about the possibility of having national and State elections at the same time, popularly known as 'one nation, one election'. The formation of a committee, headed by a former President of India, Ram Nath Kovind, to determine how this might be implemented, and what manner of constitutional changes might be required to make it a legal reality, have generated further debate. The primary arguments in favour of simultaneous elections are twofold: first, that it will decrease the costs of conducting elections (and of electioneering); and second, that it will free up political parties from being in 'permanent campaign mode', and allow them to focus on governance (and, for that matter, constructive opposition) for a five-year period.

## Point and counterpoint

Against this, critics have pointed out that when you crunch the numbers, the actual financial savings are relatively minuscule. Furthermore, it is a relatively recent pathology of the Indian political system that central government Ministers and politicians spend a significant amount of time campaigning in State elections: if the concern, therefore, is that frequent State elections hamper governance and the business of Parliament, then simultaneous elections seem a needlessly complicated answer when a simple one is available: that State elections should be primarily fought by State party units, while national politicians can get on with the task of governance. The reality,

however, is that the increasingly centralised – and presidential – character of Indian election campaigns means that this is unlikely to be a reality in the near future.

Critics of simultaneous elections have raised a few other objections. First, the logistical nightmare of conducting simultaneous elections in a country of a little over 1.4 billion people, in a context where even State elections need to take place in multiple phases.

The second, and graver concern, is the incompatibility of a rigid election timetable with some of the fundamentals of parliamentary democracy: as is well-known, at the time of Independence, central and State elections were conducted simultaneously. This arrangement broke down towards the end of the 1960s because of the use of Article 356 of the Constitution, which authorises the Union to suspend (or even dismiss) State governments in a narrowly-defined range of circumstances; but also, and apart from that, the essence of parliamentary democracy is that at all times, the government must enjoy the confidence of the House, failing which it must step down, and go back to the people for a fresh mandate.

Consequently, it is obvious that even if, legally and practically, one is able to synchronise central and State elections for one cycle, this will break down the moment a government falls. To this, two solutions have been proposed, both of which tend to make the problem worse. The first is that President's Rule (that is, central rule) will be imposed in that State until the five-year-period is over. Needless to say, this will starkly undermine both federalism and democracy. The second is that elections will be held in that State, but the term of the new Assembly will only be until the next cycle (which could be in a year, or three years, or four years). Not only does this undercut both the justifications for simultaneous elections – cost and an avoidance of continuous campaign – but, rather, leads to perverse incentives (for example, how much

'governance' will a State government be able to do if elections are scheduled in a year?).

## The possibility of 'horse-trading'

The upshot of this is that there will be a strong push towards avoiding the fall of a government, even when it has lost the confidence of the House in the ordinary course of things. And, as we have seen in India, there is an almost institutionalised remedy for this: defections, or "horse-trading". It is, by now, clear that the Tenth Schedule's prohibition on horse-trading has been rendered more or less a dead letter, as politicians have found various ways to get around this (and courts have not been successful in stopping it). Thus, as was pointed out by lawyer and parliamentarian Kapil Sibal in an interview recently, simultaneous elections are likely to see an explosion of horse-trading, where the political parties with the biggest pockets will be the biggest beneficiaries.

While these intractable issues speak to the implementation of simultaneous elections, at a deeper level, there are two principled and interrelated arguments against the idea: federalism and democracy.

First, let us take federalism. Over the years, it has increasingly come to be accepted that Indian federalism is not simply a matter of administrative convenience but also a matter of principle that recognises the legitimacy of linguistic, cultural, ethnic, and other forms of collective aspiration, through the grant of Statehood. In this context, there is, of course, Indian democracy at the central level, but also, at the level of each State, democracy takes its own set of claims, demands, and aspirations. Simultaneous elections risk a blurring of these distinct forums and arenas of democracy, with the risk that State-level issues will be subsumed into the national (this is inevitable, given the cognitive dominance of the national, as well as the fact that national-level parties frequently campaign in a national register, for

understandable reasons).

## Keeping absolute power in check

A related point is that in our constitutional scheme, the federal structure is an important check upon the concentration of power (buttressed by the existence of the Rajya Sabha at the central level).

The federal structure, in turn, is sustained by a plurality of democratic contests, and a plurality of political outfits, at the State level. Simultaneous elections, for the reasons pointed out above, risk undermining that plurality, and risk precisely the kind of concentration of power that federalism is meant to be a bulwark against.

Second, on democracy: despite the ringing words with which the Preamble of the Constitution begins, the "People" have very little space in the Constitution, especially when it comes to exercising control over their representatives. Unlike many other Constitutions, where public participation in law-making is a guaranteed right, along with other rights such as the right to recall, in the Indian constitutional scheme, elections are the only form of public participation in the public sphere. There is a different conversation to be had about why this is not enough, but given this framework, relatively regular and frequent elections allow for more extended public participation and debate; simultaneous elections would shrink this scope substantially, without any countervailing changes to deepen it in other domains.

Therefore, it is clear that the administrative benefits from simultaneous elections are overstated at best, and non-existent at worst. However, the costs, both in the implementation and in the concept itself, are significant, and create non-trivial risks when it comes to protecting and preserving the federal and democratic design of the Constitution. These, therefore, are good reasons why the idea is a bad one, and ought not to be acted upon.

Gautam Bhatia is a Delhi-based lawyer.



## KNOW YOUR ENGLISH

# He's sweating bullets in the meeting

The policeman was caught lining his pockets, and now he has been suspended without pay

S. Upendran

"Where is Ajay? I thought the three of us were going out for breakfast."

"Ajay sends his apologies. He has an interview this afternoon. So, he..."

"That's right! Forget all about the big interview. For some reason, I thought it was tomorrow. How is Ajay doing? Is he, as usual, sweating bullets?"

"Sweating bullets? Are you asking if he's sweating profusely?"

"The expression 'sweating bullets' is limited to informal contexts in American English. When you say that someone is sweating bullets, you mean the person looks extremely nervous."

"In other words, the person is worried about something, and is therefore sweating profusely!"

"I guess you could say that! In this case, however, the focus is more on the worried or nervous look, rather than on the sweating. When I met him, Ajay was sweating bullets over the interview."

"How about this example? The moment I heard my boss wanted to see me, I started sweating bullets."

"Sounds good! Every time I'm asked to make a presentation, I sweat bullets."

"But tell me, why 'bullets'? How is it possible for anyone to sweat bullets?"

"It's not real bullets that the person is sweating. The individual is so worried that the drops of perspiration forming on his forehead are the size of bullets."

"That makes sense! So, tell me, how is your boss doing? He's still torturing everyone?"

"Didn't I tell you? My boss was fired last week. Everyone celebrated."

"That's not a nice thing to do. But why? Was he caught lining his pocket?"

"Lining his pocket? What are you talking about?"

"When you accuse someone of lining his pocket, what you mean is that the individual was taking bribes."

"In other words, he was making money through illegal means."

"Exactly!"

"My boss has been lining his pocket for many years now."

"I see. It's also possible to say, 'line one's own pockets'. According to rumours, the President of our Housing Society found various ways to line his own pockets."

"I'm sure he did. By the way, how was the concert yesterday? Did you and you friends enjoy it?"

"What concert? It started raining buckets an hour before it was supposed to start. So, the organisers called it off."

"Raining buckets? Does it mean to rain quite heavily?"

"Not just heavily. But also, for a long time. Here's example. It's been raining buckets the past two days. So, it's not surprising that they decided to close the airport."

upendrankye@gmail.com

## THE DAILY QUIZ

On December 16 every year, 'Vijay Divas' is celebrated to commemorate the victory of the Indian Armed Forces in the 1971 Indo-Pak War. A quiz on the war and its operations

Yemba Shankar

### QUESTION 1

What was the name of the offensive operation launched by the Indian Navy on Pakistan's port city of Karachi during the Indo-Pakistan War of 1971?

### QUESTION 2

How many days did the 1971 Indo-Pakistan War last?

### QUESTION 3

Who was the Chief of Army Staff for India during the 1971 Indo-Pakistan War?

### QUESTION 4

What codename was assigned for

the forward airbases and radar installations of the Indian Air Force (IAF) on the evening of December 3, 1971?

### QUESTION 5

What was the name of the Pakistani naval submarine sunk by India in the 1971 war?

### QUESTION 6

Who is the only member of the Indian Air Force to be honoured with the Param Vir Chakra posthumously for his gallant action in the defence of the Srinagar Air Field in the Indo-Pakistan war of 1971?

### QUESTION 7

Who commanded the guerrilla



Visual question:

Questions and Answers to the December 13 edition of the daily quiz:

1. The given name of Raj Kapoor and the names of his two brothers. **Ans: Ranbir Raj Kapoor and his brothers were Shamsher (Shammi) and Balbir (Shashi)**

2. The 1935 film in which he debuted and the film in which he got his big break. **Ans: Inquilaab; Neel Kamal**

3. The first film under the R.K. films banner. **Ans: Aag; The logo of the company was based on a scene from Barsaat**

4. This duo had its debut with Barsaat. **Ans: Shankar Jalkishan**

5. Awaara and Boot Polish were nominated for this award. **Ans: Palme d'Or at the Cannes Film Festival**

6. He was working on this film when he died. **Ans: Henna**

7. This Hrishikesh Mukherjee classic is dedicated to Raj Kapoor. **Ans: Anand**

8. This film had Raj Kapoor, Prithviraj and Randhir. **Ans: Kal Aaj Aur Kal**

Visual: Name the person Raj Kapoor is hugging. **Ans: Mukesh, who was the 'voice' of Raj Kapoor**

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

## Word of the day

### Rime:

Ice crystals forming a white deposit (especially on objects outside); correspondence in the sounds of two or more lines (especially final sounds); be similar in sound, especially with respect to the last syllable

**Synonyms:** frost, hoar, rhyme

**Usage:** The rime was thick and crisp on the grass.

**Pronunciation:** newsth.live/rimepro

**International Phonetic Alphabet:** /aɪm/

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



Cover from pollution

RIGHTCHOICE

Amit Chhabra

The northern plains of India are currently grappling with one of the worst air pollution crises in years. The Air Quality Index (AQI) has persistently remained in the 'severe' category, with some areas hitting the maximum level of 500. The air has become 'unbreathable,' with many experiencing respiratory discomfort and other health issues.

Looking at the dire situation, health experts warn the current air quality is similar to smoking over 10 cigarettes a day, posing serious risks to short- and long-term health. Vulnerable groups, such as children, elderly and those with pre-existing conditions are at greater risk. With toxic air causing a surge in respiratory and cardiovascular illnesses, preparedness extends beyond prevention. Health insurance has emerged as a crucial safety net, ensuring financial protection against the growing medical costs linked to pollution-related illnesses.

OPD coverage

Pollution rarely confines itself to hospital stays. It rather tends to hit in the form of eye irritations, skin allergies and breathing issues which often leads to more outpatient visits. For families, especially those with young children or senior citizens, these costs can accumulate quickly.

A single consultation in a metro city costs ₹1,000-1,500 and diagnostic tests can add another ₹5,000. Over time, these expenses can rival hospitalisation costs. OPD coverage, an often-overlooked feature in health insurance plans, can significantly lighten this financial burden, ensuring you don't pay out-of-pocket for frequent visits to the doctor.

Pre-existing conditions

Pollution worsens chronic illnesses like asthma, bronchitis and cardiovascular diseases. For those managing these conditions, frequent medical intervention becomes inevitable.

Policies are now more inclusive, with shorter waiting periods for pre-existing conditions and even immediate coverage in some cases. This evolution in health insurance ensures those already dealing with respiratory or chronic ailments aren't financially overwhelmed by pollution-triggered complications.

Case for high sum insured

Peak pollution seasons often bring unforeseen costs – from doctor visits to diagnostic tests and emergency hospitalisations. For families, a floater plan with a higher sum insured offers broad protection under one policy.

In cities like Delhi, where healthcare inflation is relentless, a policy with ₹10-25 lakh coverage per person – or a ₹1 crore umbrella for the family – has become prudent choice. In fact, insurers now offer riders that provide an unlimited sum insured for a single claim at a modest premium increase of 10-15%. Opting for a ₹10 lakh base plan with this rider ensures financial resilience in the face of escalating medical bills.

Critical illness cover

Pollution isn't just seasonal nuisance; it is a long-term risk multiplier. Conditions like chronic obstructive pulmonary disease (COPD), cardiac issues and even cancer are more and more linked to poor air quality. The cost of managing these diseases can climb to ₹40-50 lakh, a financial burden most households are unprepared to shoulder.

A critical illness cover bridges this gap by offering a lump sum payout on diagnosis. This flexibility allows the insured to use the funds not just for treatment but also for related costs, such as lifestyle adjustments or income loss, providing a vital buffer against life-altering illnesses.

Beyond prevention

No mask, purifier, or closed-door policy can entirely shield you from the health impacts of hazardous air. But financial preparedness, in the form of a well-chose health insurance plan, can help mitigate its toll.

As AQI levels nosedive year after year, it's time to move beyond temporary fixes and focus on a long-term strategy. Investing in health insurance is not just about securing medical expenses – it's about ensuring peace of mind in a world where toxic air is becoming an unwelcome constant.



Answer to market volatility: your time horizon

If history is any indication, an adequate time horizon takes care of market corrections as long as the fundamental quality remains intact, you should remain invested

PATIENCE PAYS

Jaydeep Sen

When there is a market correction, investors are worried, as to where the bottom is and when the market would turn around. The fact is, no one knows the top or bottom of the market. Market prices do fluctuate, which is called volatility, a 'constant' in markets. In this context, we will discuss some historical data, which gives a perspective about the future.

Context

We will take instances of significant past corrections and the returns generated till date. Returns till date are calculated from the pre-correction peak i.e. even after you have suffered the correction, you have earned so much (as in the table) return till date.

What table says

Absolute decline indicates non-annualised fall in the market i.e. from peak to trough of that phase, what was the extent of decline.

Nifty50 TRI: market decline and returns till November 30, 2024 are represented by Nifty50 TRI.

Nifty50 represents a little more than 50% of the total equity market capitalisation of India.

TRI means the total returns index, which adds the dividends paid by the companies to the price appreciation of the stocks.

Events of volatility

Prior to 2000, it was the phase of 'dotcom' boom.

Wait and profit

Despite corrections, the market, over an adequate holding period, has rewarded patience

Major Falls > 20% since 2000	Absolute Decline	Nifty 50 YR*
2000 Dotcom Bubble	-50%	13% (19.3 times)
2004 Indian Election Uncertainty	-30%	14% (15.9 times)
2006 Global Rate Hike Selloff	-30%	12% (8.1 times)
2008 Global Financial Crisis	-59%	10% (4.7 times)
2010 European Debt Crisis	-27%	11% (4.5 times)
2015 Global Market Selloff (Yuan Devaluation)	-22%	12% (3.0 times)
2020 Covid Crash	-38%	16% (2.1 times)

\* Annualized Returns from Peak till November 2024  
SOURCE: FUNDAMANTAL WEALTH CONVERSATIONS

In the initial phase of Internet, any company with 'dotcom' or something similar in the name was galloping at the stock market. People did not care about the fundamental quality of those companies. Valuations, as measured by the price-earnings multiple, were stretched as prices ran up to many times the earnings of the companies. It was so much that it was in bubble zone.

And whenever there is a bubble, it will burst at some point of time. When it burst, market fell 50%. From then till date, you would have earned 13% annualised returns. That is, even after suffering 50% fall, you earned 13% annualised returns. The inference is, as long as you have a long investment horizon, you take home decent returns, in spite of big market corrections.

The Global Financial Crisis (GFC) of 2008 was another big event. It originated due to excesses in the U.S., but impacted the entire world. Stock markets crumbled, central banks all over the world

cut interest rates and pumped in liquidity to support distressed economies. Our market, represented by Nifty50, fell 59%.

From that level till date, market has given 10% annualised returns.

Similarly, we had many other significant events leading to big market corrections, like COVID in 2020. In spite of corrections, market, over an adequate holding period, has rewarded patience.

Current situation

There was, and still is, some stretch in market valuations, in terms of price-earnings multiples. This stretch is more in the U.S. than in India.

When prices run ahead of reasonable valuations, it is in a way waiting for a trigger to correct. Since October 2024, the correction was triggered by foreign portfolio investors (FPIs) pulling out of India. It was not just a simple selling of stocks, but in terms of quantum, the highest ever in a span of one month, in October 2024.

Our markets corrected,

approximately 11-12% at the indices level, and higher for certain stocks. However, the important point is, there is no big adverse event happening, of the scale mentioned earlier in the table.

Whether the correction is over or not, or whether there would be another correction in the near future, is anyone's call. In a way, these corrections are healthy, as it brings valuations closer to historical averages from stretch zone.

The fundamental economic growth of India and the growth of corporates, remain very much in place. Market price in the short run is a function of many variables other than the quality or growth of the companies. As we saw over the last two months, big-time FPI sell-off was a reason for correction. However, this does not impact the growth of companies in India in the long run.

Conclusion

When the market is volatile and correcting, investors tend to get apprehensive and some may pull out of markets. However, as long as the fundamental quality remains intact, you should remain invested. Rather, the discounted price levels are a better time to buy more stocks. As we saw in the historical instances, trying to call the market bottom is futile. Just wait it out. Data analysis on Nifty50 and Sensex shows that over the history of the index, on holding periods of 10 years and longer, market has always given decent positive returns.

(The writer is a corporate trainer on financial markets and author)

Income returns or capital rise?

THINKINVESTOR

Choosing between bank deposits and bond funds is a choice between stable returns and higher expected returns with downside risk. A portfolio with a judicious mix is behaviourally optimal

Venkatesh Bangaruswamy

We believe optimal diversification in a goal-based portfolio involves having capital-appreciation products (equity funds) and income-earning (recurring deposit) products. Previously, we discussed costs/benefits of investing in recurring deposits (RDs). Preference to earn interest income has often been called to question. There are three reasons why we believe earning interest income is more optimal than earning capital appreciation on bond investments.

Stability vs. downside risk

RDs earn interest income. Bond funds provide capital appreciation, which can be greater than interest income. That said, following are the reasons why you should consider earning interest income rather than capital appreciation: One, bond prices are inversely related to interest rates. That is, if interest rate declines, bond price goes up. Therefore, funds that invest in bonds will generate capital appreciation when interest rate declines or when the bond market anticipates interest rate will decline. But by how much can interest rate decline? That depends on inflation in India, which currently is upwards of 4%. A floor (bottom) on interest rates places a cap (ceiling) on bond prices and, hence, on capital appreciation. But there is no ceiling on interest rates which can rise for several reasons.

That means bond prices can dip more than they can go up. Why expose a goal-based portfolio to such risk?

Two, equity investments provide capital appreciation but exposes your portfolio to downside risk. It means you need income returns to provide stability to portfolio. Hence, RDs. In times of market crisis, when equity funds generate negative returns, RDs can provide stable returns.

Finally, interest-earning products such as RDs provide visibility of cash flows. Ignoring the small risk that the bank will default, you know today the maturity value of deposit. In contrast, your investments in bond funds fluctuate based on net asset value, which depends on the market price of the bonds in the portfolio.

Conclusion

Our argument does not consider taxes, as norms change. Note, capital appreciation via investing in an active bond fund is taxed at marginal tax rate of 30% similar to interest income. Choosing between bank deposits and bond funds is a choice between stable returns and higher expected returns with downside risk. A portfolio with a judicious mix of capital appreciation and income returns is optimal.

(The author offers training programmes for individuals to manage their personal investments)

Personal Loans

Rates and Charges		Loan amount 5 lakh	Loan amount 1 lakh	(% of loan amount)
		Tenure 5 years	Tenure 5 years	
Name of Lender	Interest Rate (%)	EMI (Rs)	EMI (Rs)	Processing fee
HDFC Bank	10.85-24.00	10,834-14,384	2,167-2,877	Up to Rs 6,500
Tata Capital	11.99 onwards	11,120 onwards	2,224 onwards	Up to 5.5%
State Bank of India	11.45-14.85	10,984-11,856	2,197-2,371	NIL
ICICI Bank	10.85-16.25	10,834-12,226	2,167-2,445	Up to 2%
Bank of Baroda	11.05-18.75	10,868-12,902	2,177-2,589	Up to 2% (Maximum Rs 10,000)
Axio Bank	11.00 onwards	10,871 onwards	2,174 onwards	Up to 2%
Kotak Mahindra Bank	10.99-16.00	10,869-12,159	2,174-2,432	Up to 5%
Bank of India	10.85-16.10	10,834-12,186	2,167-2,437	Up to 1% (Min Rs 250 and Max Rs 10,000)
Canara Bank	10.95-16.40	10,859-12,266	2,172-2,453	0.25% (Maximum Rs 5,000)
Punjab National Bank	11.40-17.95	10,971-12,683	2,194-2,537	Up to 1%
HSBC Bank	10.15-16.00	10,660-12,159	2,132-2,432	Up to 2%
Federal Bank	11.49-14.49	10,994-11,762	2,199-2,352	Up to 3%
Union Bank of India	11.35-15.45	10,959-12,013	2,192-2,403	Up to 1% (Maximum Rs 7,500)
Bajaj Finserv	10.00-31.00	10,624-16,485	2,125-3,297	Up to 3.93%
Punjab & Sind Bank	11.25-14.00	10,934-11,634	2,187-2,327	0.50%-1%
South Indian Bank	12.85-20.60	11,338-13,414	2,268-2,683	Up to 2%
UCO Bank	12.45-12.85	11,236-11,338	2,247-2,268	Up to 1% (Minimum Rs 750)
IDFC First Bank	10.99 onwards	10,869 onwards	2,174 onwards	2%
Bank of Maharashtra	10.00-12.80	10,624-11,325	2,125-2,265	1% (Rs 1,000-Rs 10,000)
Karnataka Bank	13.68	11,551	2,310	Up to 2% (Min. Rs 2,500 & Max. Rs 8,500)
IndusInd Bank	10.49 onwards	10,744 onwards	2,149 onwards	2%-3.5%

Car Loans

Rates and Charges		Loan amount 5 lakh	(% of loan amount)
		Tenure 5 years	
Name of Lender	Interest Rate (%)	EMI (Rs)	Processing fee
Union Bank of India	8.70-10.45	10,307-10,735	NIL
Punjab National Bank	8.75-10.60	10,319-10,772	Up to 0.25% (Rs 1,000 - Rs 1,500)
Bank of Baroda	9.00-12.70	10,379-11,300	Up to Rs 750
Canara Bank	8.70-12.70	10,307-11,300	NIL
State Bank of India	9.10-10.15	10,403-10,660	NIL
IDBI Bank	8.90-9.70	10,355-10,550	Rs 2,500
Bank of Maharashtra*	8.70-13.00	10,307-11,377	NIL
Indian Overseas Bank**	8.85-12.00	10,343-11,122	0.50% (Rs 500 - Rs 5,000)
ICICI Bank	9.10 onwards	10,403 onwards	Up to 2%
HDFC Bank	9.20 onwards	10,428 onwards	Up to 1% (Rs 3,500 - Rs 9,000)
Karnataka Bank	9.13-11.61	10,411-11,024	0.60% (Rs 3,000 - Rs 11,000)
Federal Bank	8.85 onwards	10,343 onwards	Rs 2,000 - Rs 4,500
Punjab and Sind Bank***	8.85-10.25	10,343-10,685	0.25% (Rs 1,000-Rs 15,000)
South Indian Bank	8.75 onwards	10,319 onwards	0.75% (Max. Rs 10,000)
IDFC First Bank	9.99 onwards	10,621 onwards	Up to Rs 10,000
City Union Bank	10.00-11.80	10,624-11,072	1.25% (Min. Rs 1,000)

\*0.25% Interest rate concession for existing housing loan borrowers and corporate salary account holder.

\*\*0.50% Interest rate concession to borrowers with credit scores of 800 and above. Interest rate concession of 0.25% to borrowers having credit scores of 750-799.

\*\*\*Concession of up to 0.75% on processing fee for PSD Awa Yahan Saman.



# Can we make black holes reveal themselves in echoes of light?

When light passes around a black hole, its path bends. So some parts of the light take a direct route to the viewer while others pass around the black hole a few times before getting back on the original path. In this way, light emitted by a distant source in the cosmos may reach the earth at different instances, creating light echoes

Qudsia Gani

**W**hen it comes to making sense of our universe, the importance of black holes is hard to understate.

Scientists know that a black hole exerts a strong gravitational pull, so much so that any object that gets closer to its centre beyond a point can never get back out. The effects of black holes on their surroundings include the release of a tremendous amount of energy. These effects are crucial to determining the structures of the galaxies they occupy and how the stars around them evolved over time.

A study published in the *Astrophysical Journal Letters* on November 7 is notable in this wider context. It was carried out by astrophysicists from the Institute for Advanced Study in Princeton, New Jersey, and led by George Wong of the School of Natural Sciences at Princeton University. In their study, the researchers presented a new method to measure the properties of black holes by using the effects they have on light flowing around them.

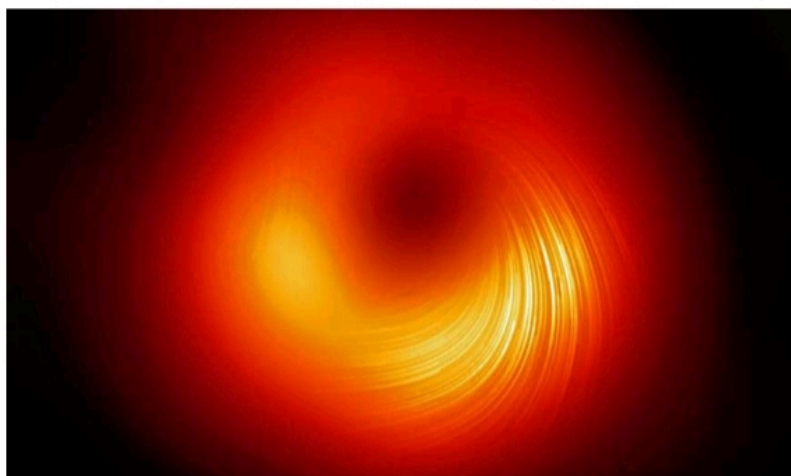
## Signatures in the light

When light passes around a very heavy object, like a black hole, its path bends. As a result some parts of the light may take a direct route to the viewer while others may pass around the black hole a few times before getting back on its original path. In this way, light emitted by a distant source in the cosmos may reach the earth at different instances, depending on its interactions with black holes on the way. When two beams of light emitted by the same source reach the earth at different points, the beam that arrived first. This phenomenon is thus called a light echo.

The manner and extent to which light circles around a black hole depends on the black hole's mass and radius. If the black hole is spinning (a.k.a., a Kerr black hole), it will also depend on the object's angular momentum. Thus, according to the study, scientists can use light echoes as a new and independent way to the masses and spins of black holes.

In general, the task of measuring a black hole's mass and spin is quite tedious because all the matter, hot gases, and the radiation swirling around the object complicate observations and make signals harder to extract from the noise. Light, fortunately, is affected differently and light echoes could offer a better signal-to-noise ratio.

An object that bends light is called a



A view of the M87 supermassive black hole in polarised light as captured by the Event Horizon Telescope and released in 2021. EHT COLLABORATION (CC BY 4.0)

lens. Black holes do this by the sheer strength of their gravity; thus, the phenomenon is called gravitational lensing. Scientists theorised long ago that gravitational lensing could create light echoes, but they have not been directly measured so far. To get around this issue, the new study proposes the use of a technique called long-baseline interferometry. The principle here is that the non-simultaneous arrival of two signals – like two light beams – could interfere with each other to create a new, unique signal.

To spot light echoes created by a black hole, one telescope could be placed on the earth and the other in space. While the number of instruments may seem modest, they will have to operate with supreme technical rigour.

The main motivation for the new study was the fact that some of the supermassive black holes in the centre of the Milky Way and the nearby M87 galaxies have been found to have bright rings of light at a frequency of 230 GHz around them. The structure of these rings is influenced by astrophysical forces and the spacetime geometry of black holes, and scientists have been keen to study them in detail using very long baseline interferometry techniques. One particular aspiration is to trace the black hole's

**Albert Einstein's general theory of relativity also anticipated the phenomenon of light echoes. In particular the theory predicts the echoes will be achromatic, meaning light of all frequencies should be able to form echoes**

shadow on these rings to understand spacetime around the black holes.

## Independent of colour

The analysis in the new study essentially focused on a black hole at the centre of the M87 galaxy – an appealing object of study for light echoes since it's quite large in the sky. But the results are also applicable to other black holes. The baseline in 'long baseline interferometry' refers to the distance between the two telescopes that receive the light. According to the study, it should be at least 40 Gλ, where Gλ is a unit of measurement that refers to the telescopes' ability to collect signals at a specific frequency.

The Princeton team also carried out preliminary high-resolution simulations to test the credibility of their technique. For this, team members collected several thousand instantaneous images of light

travelling around the M87 black hole, located nearly 55 million lightyears away, using the Event Horizon Telescope. Then they estimated the time beams of light took to travel from the near end of the black hole to its far end, which, according to their idea, would depend on the black hole's mass and angular momentum, after adjusting for the angle at which the telescope was viewing it. From this simulated data, the team inferred the echo delay.

Albert Einstein's general theory of relativity also anticipated the phenomenon of light echoes. In particular the theory predicts the echoes will be achromatic, meaning light of all frequencies should be able to form echoes. (Since Gλ is inversely proportional to the frequency, building a telescope to detect the echoes is a separate headache.) Thus any approach to detect light echoes at multiple frequencies at the same time could provide a good test of the new technique. A positive result will also be yet another confirmation that the general theory of relativity provides an accurate description of black holes.

(Qudsia Gani is an assistant professor in the Department of Physics, Government Degree College Pattan, Baramulla. qudsiagani6@gmail.com)

## THE GIST

▼ The effects black holes have on their surroundings are crucial to determining the structures of the galaxies they occupy and how the stars around them evolved over time

▼ The mass and radius of a black hole impact the manner in which light behaves. The study claims that light echoes can be used as a new way to determine the masses and spins of black holes

▼ Researchers collected images of light travelling around the M87 black hole. They estimated the time light took to travel from the near end to its far end, which depends on its mass and momentum. From this data, the team inferred echo delay

## BIG SHOT



A camel caravan moves along the Erg Chebbi dunes in the Sahara outside Merzouga, Morocco, on December 5. An extratropical cyclone brought heavy rain to parts of the Sahara, including the Erg Chebbi, in early September. The runoff from the deluge created ephemeral lakes in the desert, including around the Erg Chebbi. REUTERS

## WHAT IS IT?

## Mirror life: a deadly geometry

In a mirror, left and right become swapped. While you unscrew a bottle cap anti-clockwise in the real world, in the mirror you'll be rotating it clockwise.

Anything that has a handedness – left or right – is said to be chiral. Chiral molecules that are mirror images of each other are called enantiomers. A good example is the compound thalidomide. It was sold as a sedative for four years in the late 1950s before being withdrawn.

Scientists found that the right-handed enantiomer worked as a sedative, but the left-handed one caused severe birth defects.

In the human body itself, the amino acids used to make proteins are all left-handed whereas the DNA is right-handed (the double-helix twists to the right). The reasons are a mystery.

Scientists have been making and studying enantiomers in the lab for a long time, but recently a few of them have started on the road to creating 'microbes' – synthetic bacteria whose building blocks are enantiomers of their natural counterparts.



This illustration shows a DNA molecule twisting to the left. In our bodies, DNA twists to the right, and left-twisting DNA is absent. GETTY IMAGES

Earlier this month, an international group of scientists, including Deepa Agashe of the National Centre for Biological Sciences, Bengaluru, published a 300-page technical report and a commentary in the journal *Science* warning against efforts to build mirror life.

"Our analysis suggests that mirror bacteria would likely evade many immune mechanisms mediated by chiral molecules, potentially causing lethal infection in humans, animals, and plants," the commentary read.

— The Hindu Bureau

For feedback and suggestions for 'Science', please write to [science@thehindu.co.in](mailto:science@thehindu.co.in) with the subject 'Daily page'



# Opinion

MONDAY, DECEMBER 16, 2024

REMEMBERING SARDAR VALLABHBHAI PATEL

Prime minister Narendra Modi

[His] personality and work will continue to be an inspiration for the citizens for the unity, integrity of the nation and the achievement of the resolution of a developed India

## Slow-moving zero

Sebi needs to hasten slowly on T+0 as stakeholders are yet to be convinced

**L**AST WEEK, THE Securities and Exchange Board of India (Sebi) gave a push to deepen the T+0 settlement cycle by extending the number of stocks to 500, giving brokers incentive to charge differently. The regulator also made it mandatory for all brokers to offer the option to investors. These actions come against the backdrop of negligible activity in the T+0 segment since its launch with 25 stocks in March. The beta version has seen just 125 trades in the last seven months, with transactions of less than ₹10 lakh. Worse, there has been no trade under this cycle on the National Stock Exchange and the Bombay Stock Exchange (BSE) since September and June, respectively. Clearly, despite the hard-sell by Sebi's top management, brokers and investors don't seem to be convinced about the utility of this settlement cycle.

Amid all this, Sebi's whole-time director, Ananth Narayan, made a statement on Thursday that there is ₹4.5 lakh crore of float lying with brokers, and they are earning hidden revenue from this. Add to this the market regulator's assessment that over 90% of the equity delivery trades where trade value was less than ₹1 lakh were conducted with advance deposits of cash and securities. So, there is definitely a case for T+0. Of course, in the past two decades, Indian stock markets have come a long way in terms of settlement cycles. In the 1990s, it was T+15, which came down to T+3 in 2002, followed by T+2 in 2003 and T+1 in 2021. T+0 is also a precursor to instantaneous settlement—both, if implemented fully, will be for the first time in the world.

But there are many roadblocks. The retail investor, who could benefit from this move, has to be convinced about its utility. Currently, the money will be deposited after 5 pm in the evening if someone sells the stock before 1:30 pm. So, unless the investor is putting money in the currency or commodities market, which are open till late, the money will lie unused in the bank account. Yes, there could be a use case for someone wanting to meet a personal obligation, but that's not enough. There could be some interest income for the investor by keeping the money overnight in the bank, but there has to be a cost-benefit analysis of paying a higher brokerage for T+0 settlement and earning interest income. In addition, there are fears of getting a lower price due to one day's carrying cost.

For brokerages, to ensure that the payment is done by evening means adding another cost centre in terms of an additional team that will execute the same. Most would be seeking a return on investment on this additional cost.

The biggest pressure will be on the stock exchanges, clearing corporations, and depositories, particularly because of two parallel systems (both T+0 and T+1 running at the same time). Sebi wants to stay ahead of the curve as even advanced markets like the US have transitioned to T+1 only recently. The Sebi chief had also made a very strong pitch that funds will move away from the regulated markets towards crypto and similar assets if we do not move towards T+0 and, ultimately, instantaneous settlement. The market regulator's intentions are noble, as improvement in liquidity and faster trades will help in reducing counterparty risks. The challenge is to convince the stakeholders of its benefits.

## Saudi-backed LIV Golf forcing PGA to pay players fairly

**F**OR NEARLY FOUR years, the world's two most prominent professional golf tours battled over players, the moral high ground and outright survival. Now, the feud appears to be ending.

Earlier this week, Bloomberg News reported that Saudi Arabia's Public Investment Fund, owner of the upstart LIV Golf, is nearing a deal to acquire a roughly 6% stake in the Professional Golfers' Association's commercial arm, PGA Tour Enterprises. Many fans will find it difficult to accept the two organisations coming together because it will require lovers of the sport to move on from a clash that was often about Saudi Arabia's abysmal human rights record, not golf.

The PGA Tour as we know it today was established in 1968 and has grown into a commercial juggernaut. In 2023, for example, it reported \$1.82 billion in revenue, much of which was derived from multi-billion dollar media rights deals. The money enriches golfers, especially the top ones. That year, Rory McElroy earned \$24.9 million in PGA-related compensation. It makes for a great payday. But McElroy shouldn't be completely happy with it, either.

Unlike an NBA player, he isn't a salaried employee. Instead, he and other PGA Tour athletes are independent contractors who are only compensated if they make the cut at a tournament (finish in the top 65 golfers). And even then, their pay is determined by how high they finish.

It's an absurd system that—unlike other leagues—doesn't compensate athletes for the value they bring to the sport and its broadcasts. Let's stick with the basketball comparison here. Golden State Warriors superstar Steph Curry will earn \$53 million in guaranteed money this season. Contrast Curry's \$53 million with the \$0 that Tiger Woods earned for missing the cut at the 2024 US Open. He may not be the old Tiger, but he still draws a lot of viewers to televised golf, and he's objectively worth more.

Getting it has been the hard part. One main reason is that the PGA Tour has never faced meaningful competition or pressure from its athletes to do better. Then came the PIF, with nearly \$1 trillion in assets, announcing LIV Golf in 2021. The first season cost \$784 million. The second season was reportedly slated to cost \$1 billion.

Much of that treasure has been spent on revolutionising how much—and how—pros golfers are paid.

In LIV's first year, every tournament paid a purse of \$25 million, and even the last-place golfer was guaranteed to take home \$120,000. Meanwhile, the 2022 PGA Championship paid a comparatively paltry purse of \$15 million. It's worth noting that LIV also includes fewer players than the PGA, allowing for each to earn more.

The move pulled athletes away from the PGA Tour. To survive, it had to pay out. So far, it has. In 2021, it paid just under \$400 million in prize money; in 2023, it paid out \$560 million. That year, it also set up a \$100 million pool to reward players who "generate the most positive impact in the tour." Tiger Woods received \$12 million in 2023.

But the most critical development has been to recognise that the PGA Tour can't survive if its only tactic is to try to top the guaranteed cash and prizes offered by the deep-pocketed LIV. Instead, it needs to offer something that other professional leagues typically don't: player equity in the league itself.

So, the tour created PGA Tour Enterprises in January to manage the league's commercial activities. A group of investors led by John Henry's Fenway Sports Group funded it with \$1.5 billion. Player equity grants worth roughly \$930 million in total will be distributed to players based on their tenure in the tour and their records in its championships. The grants will vest over the years, providing an incentive to stay, win and promote the tour.

Of course, there are still details to work out and regulatory approvals to receive. But even at this stage, the grants stand as a critical means of ensuring that athlete earnings properly reflect the value that they bring to their league and sport.

That value isn't nearly as important as ensuring human rights in and around sports. But players looking to thank someone for the additional money want to give a friendly nod to LIV, PIF, and the Kingdom of Saudi Arabia.



ADAM MINTER

Bloomberg

Taylor home

\$120,000

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## ● MATERIAL OR PRICE-SENSITIVE?

SEBI'S PROPOSED CHANGES TO DEFINITIONS OF PRICE-SENSITIVE INFORMATION HAS MERITS AND DEMERITS

# Defining UPSI

SANDEEP PAREKH

Managing partner, Finsec Law Advisors

**T**HE SECURITIES AND Exchange Board of India (Sebi) released a consultation paper on November 9, 2024 proposing revisions to the definition of Unpublished Price Sensitive Information (UPSI) under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). To this effect, Sebi has introduced 13 new proposals to broaden the scope of the UPSI definition to include certain material events specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). These include, among others, revisions of credit ratings, proposed fund-raising activities to be discussed at Board meetings, agreements impacting the management and control of the company, initiation of forensic audits, outcomes of certain litigations, and the award or termination of significant contracts or orders not in the ordinary course of business. Some additions are well-founded, as such events significantly influence investor decisions and market movements. However, certain inclusions may dilute the framework's purpose by covering routine operational matters or classifying less material disputes as UPSI.

The relationship between material events and UPSI has evolved over time. Initially, the definition of UPSI under the PIT Regulations included within its scope information related to all material events as per the listing agreement. However, an amendment to the PIT Regulations in April 2019 removed the direct link to materiality. Despite this, instances of failing to capture information apart from those explicitly specified under the PIT Regulations continued to persist. To address this issue, Sebi released a consultation paper on May 18, 2023, proposing to align the definition of UPSI with material events under Regulation 30 of the LODR to improve clarity and ensure consistent compliance.

In its latest consultation paper, Sebi aims to address concerns raised in public feedback regarding the proposal to include material events under Regulation

30 of the LODR Regulations within the definition of UPSI. These include concerns over the limited impact of all Regulation 30 events on securities prices, recommendations to prioritise specific material events, and difficulties in compliance management. In this context, determining whether a material event falls within the scope of UPSI requires evaluating whether events warranting disclosure are, in most cases, also price-sensitive.

The new proposals recommend including regulatory actions against the listed entity, its directors, key managerial personnel (KMPs), and subsidiaries within the definition of UPSI. However, not all regulatory actions or orders carry the same level of significance or are likely to impact prices. For example, regulatory actions such as notices resulting in minor penalties for technical defaults are unlikely to have a substantial effect on stock prices. Similarly, actions against non-material subsidiaries not directly involved in the listed entity's core operations may not significantly alter market perception. More importantly, even if material, 'action initiated' should never be the standard for disclosure. Everyone is assumed innocent unless proven guilty. To put in public domain a very preliminary charge or prima facie case would be unfair to the individual or company being investigated. The only acceptable standard must be when a person is indeed found to have committed a wrong.

The Consultation Paper also proposes including changes to KMPs within the UPSI definition, even in cases unrelated to governance concerns, disputes, or financial irregularities. Additionally, it suggests incorporating information about the outcomes of litigation or disputes that could impact the listed entity. While rulings that result in significant financial liability may affect stock prices, outcomes that are pre-disclosed or anticipated where the market has already priced in the potential impact may not always be price-sensitive. As a result, events covered under Regulation 30 of the LODR Regulations require further independent analysis to determine whether they should be included within the scope of UPSI.

However, proposals for information such as changes in ratings are inherently price-sensitive, as they directly affect the perception of a company's creditworthiness and are closely monitored by investors. Similarly, including award or termination of order/contracts not in the 'normal course of business' is justified because these often indicate significant changes to the company's future cash flows, market position, or operational strategy. Of course, a material filter should also be applied, as a ₹1 order normal course of business contract should not require to be disclosed.

The proposal to include information related to initiation of forensic audit or receipt of final forensic audit may raise speculations about potential mis-statements, misappropriations, or irregularities in a company's financial dealings to pre-mature. Indeed, if this is required to be disclosed at the preliminary stage, few companies would initiate a forensic audit for the fear of bad press. Mandating a disclosure pre-maturely would be a

'Action initiated' should never be the standard for disclosure. Everyone is assumed innocent till proven guilty

regulatory self-goal.

At this juncture, it is important to note that the definition of UPSI is intended to be inclusive, already covering disclosures under the LODR Regulations that may be price-sensitive. The current proposals reflect Sebi's intention to better align its regulations with the realities of market dynamics. By broadening the definition of UPSI to include material events required to be disclosed under Regulation 30 of the LODR, Sebi acknowledges that certain events, even if not inherently market-sensitive at first glance, could have significant implications for investor perception and are not currently being disclosed. As a free market supporter, the authors believe in the current approach, but Sebi may be right in changing standards if it has data that people are being too cute with disclosures.

Through this approach, Sebi seeks to capture a wider range of corporate actions and events that could influence the financial standing and public perception of a listed entity. However, this broad interpretation introduces complexity, as it may lead to the classification of at least some routine operational events as UPSI, even if their market impact is limited or uncertain. Similarly, some other concerns with forensic audits and under investigation or enforcement events should not be disclosed till a finding of fault.

Sebi's proposed revisions aim to address changing market conditions and improve investor protection. However, it also creates challenges in distinguishing between price-sensitive information and routine operational matters. A consistent and focused approach, based on the likelihood of an event affecting market prices, reducing adverse impact on innocents, and preventing self-audit by pre-mature disclosure would ensure that only truly relevant disclosures are classified as UPSI. This would help maintain the effectiveness of insider trading regulations and reduce compliance burdens while aligning rules with current market practices.

Counseled with Manas Dhangar and Rishabh Jain, associates,

# Rationalised GST rates key for jobs and growth



LLOYD MATHIAS

Business strategist and independent director

On July 1, 2017, the Indian government took a huge step forward by introducing Goods and Services Tax (GST), replacing a fragmented tax system with a unified one. Since then, the government has focused on improving GST efficiency to boost India's economic growth. The key challenge now is sustaining this positive momentum.

Union finance minister Nirmala Sitharaman has advocated for tax simplification and tech-enabled reforms. In September, she highlighted efforts to streamline litigation with the setting of GST Appellate Tribunal and using artificial intelligence (AI) to enhance the tax system and ease of doing business.

**Towards simplification and ease of doing business**

In this context, it will be pertinent to analyse the recent recommendation of the Group of Ministers (GoM) on GST rate rationalisation.

Take the case of the proposal to introduce a new fifth GST slab of 35% for products like aerated beverages and tobacco, which may boost revenue but could also impact livelihoods and fuel illicit trade.

It would be useful to analyse the aerated beverages industry, which is constrained by a tax structure that hinders growth, innovation, and employment potential. India has one of the highest tax rates for carbonated soft drinks (CSDs), while over 90% of countries taxing sugarsweetened beverages (SSBs) have much lower rates. Moreover, the high tax burden

is applied regardless of sugar content, while the World Health Organization (WHO) and World Bank recommend fiscal measures to incentivise healthier product formulations, including layered taxation based on sugar content.

In case of the tobacco sector, India today has become the fourth-largest illicit market in the world because of huge tax arbitrage and the fact that according to WHO reports, legal Indian cigarettes are the most unaffordable in the world when measured against the paying capacity of consumers. The key question here is whether the increase in revenue from an increase in taxes will be sufficient to cover the tax losses due to the surge in smuggled goods.

Despite being a major producer of fruits like mango, banana, and guava as well as sugar, India's potential in the CSD sector remains underutilised, with local resources not being maximised. This underdevelopment limits the sector's ability to attract investment or create jobs, particularly in Tier 2 and 3 cities. A recent study highlighted the sector's significant potential for job creation across the supply chain, contributing approximately ₹79,160 crore to the economy and creating approximately 6.91 lakh jobs in 2018-19.

In India, the tobacco economy supports 4.57 crore livelihoods, with 70% of

employment tied to agriculture. In addition to this 4.57 crore, millions more depend on tobacco for income through packaging, warehousing, and related sectors. According to reports, from 2013-2023, the decline in tobacco production resulted in a loss of 23.8 crore man-days of employment.

Secondly, the GoM recommendations included changes to the GST structure for 148 items, with a tiered approach. Goods costing up to ₹1,500 would be taxed at 5%, goods priced between ₹1,500 and ₹10,000 would be taxed at 18%, and goods above ₹10,000 would be taxed at 28%.

A typical retailer stocks garments at various price points to cater to various customer demands. Now, will it not make his billing process more complex and put an administrative burden due to the tiered GST structure?

**Tax rate fluctuations are often detrimental to business, forcing companies to adjust their models**

International Impact

Another aspect is the role of HSN (Harmonised System of Nomenclature) codes in GST. These codes classify goods internationally, facilitating trade and standardising goods classification under GST. However, India's multi-tiered GST on the same goods can complicate cross-border transactions, making international trade more challenging for both Indian and foreign businesses.

Overall, the GoM recommendations

While reforming GST, the Centre should remember that rate changes must boost public revenue while enabling businesses to invest and create jobs

will impact the ease of doing business in India, a process the government has been working to improve, as seen in efforts to reduce compliance burdens and initiatives like the National Single Window System (NSWS).

In its latest 'Trade Watch' report, NITI Aayog emphasised that India could benefit more from the 'China Plus One' strategy adopted by multinational companies. BVR Subrahmanyam, CEO of NITI Aayog, noted that the trade policies under US President-elect Donald Trump present opportunities, saying, "We are the man at first slip. The ball is coming in our direction. Whether we hold the catch or drop it is for us to decide...there will be a massive boom due to trade diversion." A streamlined GST could be the perfect pitch to create more opportunities for success.

Tax rate fluctuations are often detrimental to business, forcing companies to adjust their models, which can hinder industry growth, particularly in emerging sectors. For example, the legal gaming industry has been affected by the 28% GST on total player deposits. According to an E&Y insight article, this high tax rate, one of the highest globally, has hindered the sector's growth potential.

The government is actively reforming GST to support growth amid changing dynamics. Rate changes must boost public revenue while enabling businesses to invest and create jobs. A balanced, flexible approach will ensure consistent growth and ease of doing business, positioning India for success in 2025 and beyond.

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## LETTERS TO THE EDITOR

### EVs are the future

Apropos of 'No permanent crutch' (FE, December 14), electric vehicles (EVs) are going to be the way people will travel in the near future. To rein in pollution, the Centre is offering subsidies on the purchase of EVs. Interest in such subsidies seems to be waning as lesser people are buying

them. Market-driven growth is always preferable to subsidy-induced growth. FV within the next few years, in all likelihood, EVs will outnumber traditional vehicles. This replacement of carbon-based fuels will benefit the Indian economy tremendously. Though the infrastructure for EVs is not fully developed, it is in our interest that EVs take over the roads as soon

as possible.

—Anthony Henriques, Maharashtra

### Solar tech and growth

Apropos of 'A new wave in solar technology' (FE, Dec 14), solar energy is now the most efficient form of energy generation worldwide. It has seen remarkable growth thanks to the innovative advancement in solar

technology. Even though high upfront cost, energy storage challenges, import dependence on China for solar panels, and grid integration issues seem the handicaps, the overwhelming reception for its generation augments its prominence. —NR Nagarajan, Sivakasi

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## THE IDEAS PAGE

## An unravelling in Syria

Crisis could mean the decline of Iranian and Russian influence in the Levant, with rising American — and by extension, Israeli — stakes in the region



SYED ATA HASNAIN

THE SPEED AT which the situation in Syria has spiralled into anarchy defies all logic. With the availability of the best surveillance systems, eyes in the sky, eavesdropping capabilities and artificial intelligence, there should hardly be scope for strategic surprise in the world of military and quasi-military affairs. Yet, with uncanny frequency, turbulence festers under the scanner to burst out with a vengeance. We are well past the stage where one could luxuriately explain the backdrop of this hugely complex problem which has the potential to upset the entire apple cart in the Middle East. The number of players in the fray, along with ideologies and multiple other interests, complicate the situation beyond measure.

A brief recall may be necessary. The issue here is the collapse of the Bashar al-Assad regime which represents the Ba'ath Party; the latter has been in power in one form or another since 1963. Syria has largely been a secular society, while promoting plurality, an Alawite (Shia) minority has ruled without any pretence of democracy. It has been strategically aligned with Shia Iran from where Syria has received much of its weaponry and funding. The existence of a pro-Iran regime in Syria facilitated Iran's proxy war strategy in the Levant. A civil war broke out in Syria in 2011 after the Assad regime targeted opponents of the Arab Spring who were demanding greater democracy. It raged till 2018, involving a plethora of players with interest in the region. First was the US, which supported the rebels against the Assad regime due to the latter's anti-Israel, pro-Iran approach. There were several Sunni radical groups such as Al-Nusra and ISIS, all breakaways from Al-Qaeda, not necessarily aligned with the Syrian opposition.

The second was Iran whose entire strategy of control of the Levant — through propped up by its Islamic Revolutionary Guard Corps — and hence, the ability to threaten Israel, was contingent upon an aligned Syria. Hezbollah extended this control into south Lebanon. That brought in Israel, too.

Third was Russia, with its deep interest in a foothold in the Middle East, particularly in the various facilities around the strategic port city of Latakia on the Mediterranean, the only warm-water base with the Russian Navy outside the Black Sea. The advent of ISIS in 2014 complicated matters as it fought against every other element. The Gulf nations, led by Saudi Arabia and Turkey, too joined indirectly in support of the opposition forces against Assad, converting a political civil war into an ideological one.

After the defeat of ISIS in 2018, the civil war ebbed. The pandemic in 2020-21 saw it at a very low pitch. The chaotic withdrawal of the US from Afghanistan, the Ukraine war and then Gaza — all of these took attention away from Syria between 2020 and 2023. However, control of the Levant was with Iran. Which is why it is surprising that the Hayat



C R Sasikumar

Tahrir al Sham (HTS) managed to build itself up to such a militarily powerful position as to rout the Syrian Army. HTS was a progressively evolving organisation which morphed from the Al-Nusra Front, which had itself split from Al-Qaeda in 2016.

Most sources say that Damascus is now in the hands of the HTS, as are the major cities of Aleppo and Homs. Initial analyses can only point to two or three reasons for the meltdown. First, the utter mismanagement of governance by Assad, leading to the people's support switching completely to the opposition. Second is the weakening of the Iranian hold over the Levant as a result of the erosion of Hezbollah in south Lebanon over the last 15 months, and particularly since the recent Israeli offensive. Third, the deterrent presence of Russian Special Forces and the Russian Air Force became less effective as the Ukraine war had a debilitating effect on Russian capability in the Middle East. A weak counter attack by the Russians last week was followed by a closure of all assets. While no reasons as yet can be ascribed to the lightning rise of HTS, there are enough fingers being pointed at potential stakeholders such as the US which had also been accused of raising and funding ISIS before it went out of control. The positive signals thus far are some reassuring statements from HTS leader Abu Mohammad al-Jolani, although his

After the defeat of ISIS in 2018, the civil war ebbed. The pandemic in 2020-21 saw it at a very low pitch. The chaotic withdrawal of the US from Afghanistan, the Ukraine war and then Gaza — all of these took attention away from Syria between 2020 and 2023. However, control of the Levant was with Iran. Which is why it is surprising that the Hayat Tahrir al Sham (HTS) managed to build itself up to such a militarily powerful position as to rout the Syrian Army.

credibility remains questionable.

It's important to understand the likely immediate effects of the overthrow of Assad. First, Iran's supply chain to Hezbollah is now compromised, thus potentially delaying or making impossible the refurbishment of its military capability to take on Israel. Israel's approach to the ceasefire may also change due to this. Second, this will have an indirect effect on the war in Gaza where Israel can make military victory the focus of its resources and attention. Third, the Russian advantage strengthens American stakes and, potentially, Saudi influence in the Levant, although Saudi strategic focus appears to be changing. It is after many years that Iran's capability to influence a rising Shia crescent has been curbed. We should hope that HTS does not evolve along the lines of ISIS, declaring Caliphate. Otherwise, another theatre of war would open up on the Levant front, much like in 2014. The likelihood of Iran accepting this situation with a strategic disadvantage to itself is small. It may calibrate its response to regain its stature. Hopefully, that should not mean the start of a missile-and-rocket war against Israel. The challenges facing AKD and his government are daunting. People's expectations are sky-high, so AKD knows he has to deliver and

The writer is former corps commander of the Srinagar-based 15 Corps. Views are personal

## WHAT THE OTHERS SAY

"The problem for AI is that we want machines that strive to achieve human objectives but know that the software does not know for certain exactly what those objectives are. Unchecked ambition leads to regret. Controlling unpredictable superintelligent AI requires rethinking what AI should be." — THE GUARDIAN

## Friends and neighbours

President Anura Kumara Dissanayake's debut visit is occasion to celebrate Sri Lanka's democratic turn, India's neighbourhood-first policy



MOHAN KUMAR

THE NEWLY ELECTED Sri Lankan President Anura Kumara Dissanayake (AKD) is on his maiden visit abroad, to India. The visit will conclude on December 17. This is in line with his predecessors who invariably visited India as the first port of call after getting elected. India will no doubt roll out the red carpet to President Dissanayake as testimony of its neighbourhood-first policy. The visit is significant for a variety of reasons, not least because it comes against the backdrop of regional turbulence and global uncertainty.

Sri Lanka has shown remarkable adherence to its democratic roots and to its pluralistic polity. It is easy to forget that as recently as 2022 the "Aragalaya" protests overwhelmed Sri Lanka. At the time, Sri Lanka's future looked uncertain, if not bleak. The people of Sri Lanka deserve enormous credit for bouncing back in dramatic fashion and giving the lie to doom-dayers. Comparisons are now routine between what happened in Sri Lanka and what did not in Bangladesh.

The election of AKD who belongs to the JVP (Janatha Vimukthi Peramuna), a Marxist-Leninist party with a violent past, is even more impressive. After all, the JVP carried out insurrections twice against the government of the day, first in 1971 and second in 1989, which resulted in hundreds of people dying in Sri Lanka. The party in the past was also viscerally opposed to India and the peacekeeping force (IPKF) that we sent to the island in the Eighties. For such a party to reinvent itself, fight the presidential election in September and win it handsomely is no mean achievement. As if that were not enough, the coalition heads — the National People's Power (NPP) — also swept the parliamentary election in November, securing a thumping two-thirds majority. The JVP once considered a fringe party, has come full circle and a good part of the credit should go to AKD.

Two things about the political ascent of AKD and NPP are noteworthy. One, his coalition NPP received tremendous support from the Tamils of Sri Lanka. This is significant since it may represent the coming of age of the Tamil electorate which has been disillusioned with Tamil political parties. Two, the victory of AKD and his coalition is also a rejection by the Sinhalese electorate of the mainstream political parties such as the UNP and the SLFP. AKD, in that sense, has completely reconfigured the political landscape in Sri Lanka. That said, the challenges facing AKD and his government are daunting. People's expectations are sky-high, so AKD knows he has to deliver and

do so without delay. AKD has been tempering people's expectations by saying he does not have a magic wand and that he will need time and the cooperation of all concerned to deliver results.

It is useful to recall that India's External Affairs Minister S Jaishankar was the first high-level foreign dignitary to call on AKD in Colombo in October, less than a fortnight after the latter's remarkable victory. Many people may not be aware, but Jaishankar served as First Secretary (Political) in the late Eighties in Colombo and has a profound understanding of the island's complex politics. He carried a personal invitation from PM Modi to AKD and this was crucial in paving the way for AKD to make his maiden international trip to Delhi. During the visit, Jaishankar conveyed to the new Sri Lankan government that payments for seven completed Line of Credit projects amounting to \$20 million could be converted to grants. This assumes significance, given Sri Lanka's pre-emptive sovereign default in 2022 on all its foreign debt amounting to \$50 billion.

AKD's visit will provide an opportunity for PM Modi to establish a personal rapport with AKD. PM may also be expected to convey to the Sri Lankan leader India's firm commitment to the financial stability and economic development of Sri Lanka. The best long-term bet for both countries is for Sri Lanka to secure regional economic integration with South India. On the ethnic issue, India supports the aspirations of all communities in Sri Lanka including Tamils, even while maintaining the unity, territorial integrity and sovereignty of Sri Lanka. In return, the Sri Lankan leader can reaffirm that its territory would never be allowed to be used in a manner inimical to India's security interests. The issue of fishermen from Tamil Nadu straying into Sri Lankan waters is a perennial problem which needs mutual understanding. Infrastructure projects such as the Kankesanthurai Port and the Trincomalee Oil Tank Farm may be reviewed for progress. While the north-western and northeastern banks of India attract maximum attention, the southern flank is just as important, given the huge maritime stakes that India has in the Indian Ocean. Sri Lanka is the lynchpin for India's maritime security within the framework of the SAGAR (Security and Growth for All in the Region) policy.

As India rolls out the red carpet for AKD, not only is New Delhi celebrating Sri Lanka's remarkable democratic comeback but also reaffirming India's neighbourhood-first policy. It is said a country cannot choose its neighbours; it can only choose its friends. India is lucky to have Sri Lanka as both its neighbour and friend.

The writer is former Indian ambassador to France and currently dean/professor at OP Jindal Global University. He was joint secretary (ISM) and India's deputy high commissioner to Sri Lanka in the late Nineties. Views are personal



PRAKASH SINGH

## What Manipur needs

Attempt to contain violence must be matched by effort to find middle ground

MANIPUR is a classic example of how not to deal with an internal security problem. Not that it is a simple problem. It is an explosive cocktail of ethnic conflicts, tribal insurgency, drug trafficking, and infiltration from across the Myanmar border. The tragedy is that the problem is getting more complex with every passing month. Such a scenario is deeply unfavourable because the country has enormous expertise in dealing with diverse internal security challenges. We look back with pride that, in the past, we defeated one of the most lethal manifestations of terrorism in Punjab, that insurgency in the Northeast has generally been contained, that the Maoist rebellion is on its last legs and that cross-border terrorism in J&K has been kept well within limits.

What has gone wrong in Manipur? The Government of India is, unfortunately, treating the situation primarily as a law and order problem. There was a recrudescence of violence in the state recently. Our response has been to send 90 additional companies of Central Armed Police Forces (CAPF) to the state and impose the Armed Forces (Special Powers) Act (AFSPA) in the jurisdiction of six police stations in the Valley areas, including at Jiribam. There are, as of date, a total of 288 CAPF companies (CRPF-165, BSF-104, RAF-8, SSF-110B-5) assisting the state police. In addition, there are the Assam Rifles, which is under the operational control of the Army. The state has been saturated with forces. However, what Manipur needs today is a healing touch. Unfortunately, there is hardly any meaningful political initiative and there

are few confidence-building measures. And so, the state is sinking into an abyss.

It was on May 3, 2023, that ethnic violence erupted in Manipur between the Meiteis, a majority that lives in the Imphal Valley, and the Kuki-Zo tribals, who inhabit the surrounding hills. So far, a total of 258 people are reported to have lost their lives in the inter-ethnic conflicts and more than 60,000 people have been displaced. As a result of these conflicts is that 386 religious structures were vandalised by the rioters.

Recently, tensions started building on November 11, when 10 militants of the Hmar tribe were reportedly killed in an encounter with the Central Reserve Police Force (CRPF) personnel in the Jiribam district. The militants had attacked the CRPF and a nearby relief camp and allegedly abducted six persons of a Meitei family, three women and three children, who were all killed. On November 16, there were violent protests in Manipur during which houses of ministers and MLAs were attacked for the government's failure to curb the escalating violence. The very next day, the second-largest ally of the BJP-led Manipur government, the National People's Party, withdrew support for it for its failure to restore normalcy in the state. NPP leader and Meghalaya Chief Minister Conrad Sangma expressed his distress over things going out of control and suggested that there should have been a change of guard in Imphal.

The Government of India seems to have forgotten the simplest of lessons in dealing with the tribal unrest. The primary concern

should not doubt be to put down violence. This should, however, be quickly followed or even accompanied by an effort to address the grievances, find a middle ground, reconcile the differences, form peace committees at different levels, and take such political initiatives which convince the people of the government's sincerity and inspire confidence. There should be, what is called, the WHAM approach — winning hearts and minds. There were periods of lull in Manipur which could have been utilised to initiate a dialogue between the rival groups and come to some kind of *modus vivendi*. The Home Minister did make some efforts on these lines in the initial stages, but there was no proper follow-up.

The situation is quite grim and calls for drastic remedial measures without any further delay. The Prime Minister should visit Manipur at the earliest. The people of Manipur are in fact waiting for him and any initiative from his side is almost certain to be accepted by the warring factions. He should declare President's Rule in the state and send, as governor, a dynamic police or army officer of integrity who has experience in counter-insurgency, preferably someone who has served in the northeast.

The administration would need to be completely revamped. There are senior officers who are more concerned about saving their skin than dealing with situations which present formidable hazards. They will have to be replaced. It should be made clear to all

and sundry that there would be no compromise on the integrity of Manipur. The unified command should go hammer and tongs against three groups of people irrespective of the community or tribe they belong to: Those indulging in or inciting violence; those trying to give a religious colour to the conflict and have been responsible for vandalising temples or churches; and those involved in drug trafficking.

There should be a well-organised attempt to disarm people of the unlicensed and prohibited bore weapons they may have acquired from any source. A time limit should be given and those found holding such weapons after the expiry of that time limit should be booked under the National Security Act.

Peace committees should be formed in every district comprising representatives of every section/group/tribe. There should be a peace committee at the state level also comprising senior leaders of different sections/groups/tribes.

Much precious time has been lost by the Centre. However, as Chanakya said: "We should not fret over the past, nor should we be anxious about the future. Men of discernment deal only with the present moment." The Government of India could still recover the lost ground and bring back peace and normalcy in the state. It is going to be a long haul, but it is achievable.

The writer was DGP Assam and Director General of the Border Security Force

## LETTERS TO THE EDITOR

## TIMELY &amp; AFFORDABLE

THIS REFERS TO the article, 'Healthcare, more responsive' (IE, December 13). Our expenditure on health is much below the 3 per cent mark of our GDP, which is the minimum threshold set by WHO. In a country with thousands of diabetes cases and a pressing pollution crisis, we need robust and affordable healthcare to address Indian needs. The Ayushman Bharat program is a welcome step but five lakh rupees only go so far when treating major ailments. There is a need to identify what health concerns are affecting Indians the most and to make their treatment accessible, timely, effective and reasonably affordable.

Gurnoor Grewal, Chandigarh

## A RISING STAR

THIS REFERS TO the editorial, 'Dommaraju Gukesh' (IE, December 14). It was indeed Gukesh Dommaraju's year. The 18-year-old prodigy from Chennai fulfilled a childhood dream by becoming the youngest world champion in chess history. Just when a dark seemed imminent, Ding Liren committed a blunder. He was gracious in defeat, marking the end of the three-week match that kept fans riveted across the globe. The surging popularity of chess as a spectator sport could ignite a new wave of enthusiasm. Gukesh's achievement also celebrates India's growing influence in the chess world. What's needed is more government and private support to nurture a robust ecosystem.

Khokan Das, Kolkata

## UNITED WE STAND

THIS REFERS TO the editorial, 'Sacred, constitutional' (IE, December 14). The SC order halting all surveys of religious places is both welcome and overdue. For far too long, the practice of surveying religious sites to determine their historical or religious significance has risked undermining the core values of respect and tolerance that define our nation. Now, the judiciary and lawmakers need to effectively implement the Act and protect the integrity of places having religious importance to millions of people. It is high time we move away from divisive measures and focus on what unites us: Mutual respect for each other's faiths and the preservation of communal harmony.

Sanjay Chopra, Mohali



## FIRST COLUMN

## BRIDGING DIVIDES IN THE WORKPLACE

This growing divide can hinder teamwork, erode trust and undermine organisational effectiveness

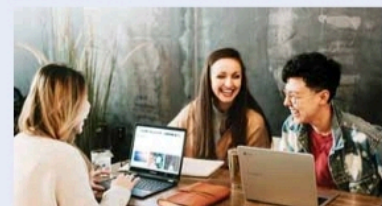


SAKSHI SETHI

With the advent of the 21st generation, the division of people into sharply opposing groups has increasingly infiltrated workplaces, reflecting the broader societal divides in politics, culture and values. In professional settings, it is often referred to as polarisation and can hinder collaboration, damage relationships, and undermine organisational effectiveness. Addressing workplace polarisation requires proactive leadership, open communication, and an emphasis on shared goals. Polarisation often stems from various sources such as divergent personal values where the employees bring their political, cultural and social identities into the workplace.

Differences in beliefs particularly on sensitive issues such as gender, race and political ideologies lead to conflicts. On the other hand, media coverage, political campaigns, or social movements heighten tensions among employees with differing viewpoints. A lack of open dialogue within teams fosters echo chambers, where employees interact only with like-minded individuals, reinforcing biases and misunderstandings. Also, differences in work styles, priorities and values between generations can create friction. Younger employees may prioritise social activism, while older colleagues might value traditional workplace norms.

The impact of this kind of polarisation on organisational health and employee wellbeing can be significant. It can hamper teamwork, as employees will become less willing to cooperate with those holding opposing views which will stifle innovation and productivity. Disagreements on personal or political issues can also lead to distrust among colleagues, creating a toxic work environment. Employees who feel alienated or marginalised due to their beliefs may seek opportunities elsewhere, result-



ing in talent loss. Workplace conflicts rooted in polarisation can lead to stress, burnout and decreased job satisfaction.

By encouraging respectful conversations that allow employees to express their perspectives without fear of judgment; by implementing structured initiatives, such as facilitated discussions or conflict resolution workshops; by emphasising organisational objectives that unite employees and by highlighting common ground, such as shared values or team missions, can be a few measures that can reduce the focus on divisive issues and can help bridge divides. Last but not least that play a crucial role in setting the tone for workplace interactions is that of the leader. There is no denying that inclusive leaders model respectful behaviour, encourage diverse viewpoints, and mediate conflicts effectively. Developing guidelines that outline acceptable workplace behaviour, particularly concerning discussions on sensitive topics; making policies that promote mutual respect while preserving freedom of expression or taking initiatives such as team-building exercises, mentorship programs, or cross-department projects can help reduce silos and foster connections between employees with differing viewpoints. Undoubtedly an organisation's culture significantly influences how polarisation manifests and is addressed. A culture that values respect, inclusivity, and open-mindedness can mitigate the effects of polarisation.

Conversely, a culture that tolerates favouritism or discrimination can exacerbate divisions. Leaders must prioritise cultivating a culture where employees feel valued and heard, regardless of their beliefs or backgrounds. Workplace polarisation reflects the broader societal divides but has unique challenges and opportunities within professional settings. While it risks collaboration, trust, and productivity, it can also catalyse growth if managed effectively. By fostering a culture of respect, promoting open dialogue, and emphasising shared goals, organisations can navigate polarisation and create environments where diverse perspectives thrive.

(The writer is an educator; views expressed are personal)

# Syria's collapse: Foreign meddling and economic ruin



NILANTHA ILANGAMUWA

As allies like Iran pressured Assad for reforms, and Western nations explored conditional sanctions relief, Syria became a battleground of competing geopolitical manoeuvring



By the end of November, the situation in Syria was dire. Government forces were on the brink of exhaustion, stretched thin by an economic crisis that spiralled out of control. Soldiers earned a paltry \$7 a month, with even high-ranking officers receiving only \$40. This was in blunt contrast to militia fighters funded by external powers, who earned up to \$2,000 monthly. This glaring disparity revealed not just economic fault lines but the extent of foreign intervention sustaining these militias. Meanwhile, protests erupted across Suwayda province, historically a stronghold of Assad support, highlighting widespread famine, collapsing services, and the devastation of the Syrian pound. Discontent was palpable, threatening to upend the regime's fragile grasp on power.

Iran, Syria's long-time ally, reportedly pressured Assad to address these challenges. Tehran's warnings accentuated the erosion of public trust and a crumbling economy, urging decisive action. Yet Assad seemed increasingly aloof, allegedly seeking new alliances with Gulf nations, hoping these relationships would secure his future. By December, reports emerged that the United States and the United Arab Emirates were considering lifting sanctions on Assad—but only if he severed ties with Iran and halted arms transfers to Hezbollah. This diplomatic manoeuvre was a calculated strategy to weaken Assad's regime further. Relief from Caesar sanctions was an unlikely prospect, given Washington's decade-long effort to dismantle the Assad family rule. The outcome was preordained: Assad was isolated, and the geopolitical chessboard advanced. The trajectory of Assad's downfall mirrors a broader pattern in Western foreign policy. Leaders once celebrated as reformers—from Saddam Hussein to Muammar Gaddafi—are vilified when their geopolitical utility wanes. Assad, who was once lauded for fostering coexistence among Syria's religious and ethnic groups, became the West's pariah.

In 2010, Syria was a stable nation, ranked seventh on *The New York Times* "31 best places to visit." Assad met with Queen Elizabeth, hosted Nancy Pelosi, and welcomed Pope John Paul II. Yet the West's affection was



BY DECEMBER, REPORTS EMERGED THAT THE UNITED STATES AND THE UNITED ARAB EMIRATES WERE CONSIDERING LIFTING SANCTIONS ON ASSAD—BUT ONLY IF HE SEVERED TIES WITH IRAN AND HALTED ARMS TRANSFERS TO HEZBOLLAH. THIS DIPLOMATIC MANOEUVRE WAS A CALCULATED STRATEGY TO WEAKEN ASSAD'S REGIME FURTHER

short-lived. As geopolitical calculations shifted, Assad's regime was recast as the antithesis of democracy, paving the way for intervention. The Syrian conflict was never just a civil war. It was a proxy war fueled by external actors. Over 100,000 jihadists were funnelled into Syria, backed by a coalition of nations. The United States, Israel, Saudi Arabia, and Qatar allegedly provided financial and logistical support.

Turkey and Jordan facilitated arms shipments and fighter transport. Western media amplified anti-Assad narratives, while the UK-backed White Helmets shaped public perceptions. Each player pursued its agenda, yet all converged on a singular goal: regime change. The motivations driving this coalition were diverse. The United States and Israel sought regional hegemony, neutralising perceived threats while advancing the Greater Israel project. Qatar's pipeline ambitions clashed with Assad's preference for an Iranian alternative, further entrenching divisions. These dynamics turned Syria into a battleground for competing interests, with devastating consequences for its people. By late 2013, the influx of foreign fighters intensified. Western nations grappled with their citizens joining extremist groups in Syria. The UK reported approximately 600 fighters, while France contributed around 1,200. Belgium, the Netherlands, and Sweden also faced significant outflows. However, the greatest contributions came from West Asia and North Africa, with Tunisia leading at 3,000 fighters, followed by Saudi Arabia at 2,500.

Russia's involvement, particularly from regions like Chechnya, underscored the conflict's global reach. The arms supply chain further exacerbated the war. Gulf states like Qatar and Saudi Arabia allegedly supplied weapons, supported by over 160 military cargo flights.

These arms, transported through Turkey and Jordan, sustained rebel factions. European nations, such as Croatia, indirectly contributed by routing surplus weapons through Jordan. This complex web of arms smuggling empowered extremist groups, further destabilising Syria. Western hypocrisy was stark.

While denouncing Assad's regime, the United States supported "moderate rebels" aligned with Al Qaeda and ISIS. Declassified documents revealed this duplicity. In 2012, General Michael Flynn's memo to the Pentagon warned that the opposition included jihadist factions. Similarly, Hillary Clinton's advisor, Jake Sullivan, acknowledged in an email that "Al Qaeda is on our side in Syria." The West's support for these groups undercut its claims of promoting democracy, revealing a strategy rooted in destabilisation. Atrocity propaganda became a central tool in the anti-Assad narrative. Staged chemical attacks, amplified by the White Helmets, justified military intervention.

Western media perpetuated these fabrications, obscuring the reality on the ground. Idlib province, under "rebel" control, became a dystopian preview of Syria's potential future: public executions, forced veiling of women, and sectarian slogans. This grim reality highlighted the consequences of regime change. Operation Timber Sycamore, the CIA's covert programme, exemplified Western duplicity. Billions of dollars in weapons were funnelled to extremist factions, prolonging the war.

The irony was stark: the West, claiming to combat terrorism, empowered the very groups destabilising the region. Syria's devastation became a witness to the destructive nature of interventionist policies. Syria's collapse parallels other Western interventions. Iraq's 2003 invasion, justified by the false pretext of weapons of mass destruc-

tion, left the nation in tatters. Libya, once Africa's wealthiest country, descended into anarchy following Gaddafi's overthrow—these interventions, framed as humanitarian missions, unleashed chaos, empowering extremist factions and creating power vacuums. The broader motivations behind these actions lie in geopolitics.

Syria's strategic location, its role as a buffer between Iran and Israel, and its proximity to oil-rich regions made it a prime target. The West's desire to reshape the region's political structure has driven decades of intervention, often with catastrophic consequences. Meanwhile, allies like Saudi Arabia and Turkey, despite their human rights abuses, remain central to Western strategy, exposing the moral bankruptcy of interventionist policies. Syria's tragedy is a miniature of a global pattern. The collapse of nations like Iraq, Libya, and Syria reflects a broader system where sovereignty is sacrificed for strategic interests. Foreign interventions, far from promoting democracy or stability, have left legacies of destruction, displacement, and despair.

The narrative of "humanitarian intervention" serves as a veneer, masking the true motives of power and greed. As the 50th anniversary of Iran's 1979 revolution approaches in 2029, the stakes are higher than ever. Iran's defiance of Western hegemony remains a critical factor in the region's future. The forces shaping West Asia—Israel, Turkey and Western powers—are poised to challenge Iran's resilience.

Syria's collapse serves as both a warning and a call to scrutinise the ethics of intervention. The legacy of these actions is clear: a world shaped by greed, ambition, and the devastating cost of unchecked power.

(The writer is a senior journalist and a policy analyst; views expressed are personal)

## Can INDIA bloc resolve its leadership disputes and put to rest its internal strife

With Mamata vying for the leadership of the INDIA bloc supported by a number constituents, chances of the bloc succumbing to internal disputes are high

The INDIA bloc, a coalition of 26 ideologically diverse parties, was created to counter the BJP's electoral dominance. In the 2024 general elections, the bloc achieved a significant milestone, reducing the BJP's tally to below 240 seats. However, this success has been tempered by internal discord, which now threatens the alliance's fragile unity.

A key figure in this unfolding drama is Mamata Banerjee, the dynamic leader of the Trinamool Congress (TMC). Her aspirations for leadership within the coalition have both galvanised and fractured its members. Mamata Banerjee's personal Ambitions Mamata Banerjee's bid for prominence within the INDIA bloc extends from her desire to stem her



K S TOMAR

influence beyond West Bengal and play a decisive role in shaping national politics. Her assertive style has immunised some allies but has alienated others, exposing the persistent challenge of reconciling regional ambitions with a unified national strategy. Earlier, Banerjee proposed Congress President Mallikarjun Kharge as the bloc's chairperson, a strategic move to diminish

the influence of Bihar Chief Minister Nitish Kumar, one of the coalition's key architects. This proposal, supported by leaders like Akhilesh Yadav and Arvind Kejriwal, showcased Banerjee's ability to consolidate support. However, her growing clout has sparked unease among other leaders. For instance, Lal Prasad Yadav, a staunch Congress ally, appears to be rethinking his loyalties. Such dynamics highlight the alliance's precarious balance and the potential for further fractures. Lessons from the Past: UP2A The INDIA bloc's current challenges echo the struggles faced by the United Progressive Alliance (UPA2) during its tenure. In 2012, Mamata Banerjee's dramatic exit from the UPA over policy disagree-

ments underscored the inherent instability of coalition politics. Scandals and policy paralysis plagued UPA2, eroding its credibility and paving the way for Narendra Modi's rise. As Banerjee's ambitions take center stage, the INDIA bloc risks repeating history. If it fails to address its internal contradictions, it could suffer the same fate as UPA2, jeopardising its ability to present a united front against the BJP. BJP's Advantage Amid Opposition Discord The BJP stands to benefit from the INDIA bloc's internal strife. While Banerjee wields considerable influence in West Bengal, Congress retains a broader national presence. A fragmented opposition could split anti-BJP votes, a scenario that would play into the



saffron party's hands. Recent BJP gains in Maharashtra and Haryana underscore the bloc's challenges, particularly for Congress, which has struggled to maintain dominance in key states. Seat-sharing disputes within the bloc further illustrate its lack of strategic coherence. For instance, the Aam Aadmi Party's unilateral candidate announcements in Delhi and Haryana have fueled tensions,

revealing the alliance's inability to present a united strategy.

**Mamata vs Congress:** Mamata Banerjee's leadership ambitions pose a paradox for Congress. Her energy and charisma could revitalise the bloc, but her assertiveness risks overshadowing Congress's central role. This tension is particularly pronounced in states like West Bengal and Kerala, where Congress directly competes with the TMC and the Left.

**Leadership Struggles:** Mechanisms for conflict resolution and decision-making must be strengthened. **Unified Campaign Narrative:** A focus on governance, economic policies, and social justice can resonate with voters more effectively than personal rivalries.

**Effective Coordination:** Mechanisms for conflict resolution and decision-making must be strengthened. **Balancing Regional and National Goals:** Respecting regional aspirations while pursuing a cohesive national agenda is critical.

**A Test of Political Maturity:** Mamata Banerjee's ambitions underscore her political acumen and the complexities of coalition politics. While her leadership could energise the INDIA bloc, it also risks deepening divisions. Navigating this intricate web of regional and national aspirations will test the bloc's political maturity. The upcoming state elections and the 2029 general elections will be pivotal in determining whether the INDIA bloc can overcome its internal strife and emerge as a credible alternative to the BJP. Resolving leadership disputes, crafting a compelling narrative, and presenting a unified front are critical to its success.

(The writer is a policy analyst based in Shimla; views expressed are personal)







## THE ASIAN AGE

16 DECEMBER 2024

## Constitution debate shows up deep political acrimony

The Lok Sabha's special discussion on 75 years of the Constitution, proposed by the Opposition and agreed to by the ruling front, was expected to be an occasion for a quiet reflection and assessment of the functioning of the ideas contained in the document, a balanced attempt to identify its shortcomings and the formation of a general consensus on the way forward. Instead, it was seen as an opportunity by both sides to engage in a competition of vilifying each other.

Prime Minister Narendra Modi cannot be faulted for reminding the House and the people of the country of the horrors of Emergency; it's the legitimate right of the leader of a party whose earlier avatar had fought the worst government move against democracy to recall those experiences and the impact it had on the nation's polity. He was only stating the obvious when he said that the Constitution was torn apart as it was completing 25 years with the declaration of Emergency. It is also true that "all constitutional rights were snatched and the country turned into a jail. All the rights of the citizens were snatched and there was a clampdown on media".

However, the Prime Minister who showed no mercy to the Congress for its failures and wrongdoings did not have the grace to acknowledge all the good that his adversary is responsible for. A mention of how the 138-year-old party steered the rocking boat of democracy by developing its institutions and staying the course despite several other nations having dropped by the wayside some of the seminal ideas their constitutions contained, including democracy and secularism, would have made his criticism all the more credible. The people in those countries have paid a heavy price for the waywardness of their leaders but Indians still have the nerve and whereabout to fight back; and there are institutions and processes that make sure that their struggles are successful.

One of the charges Mr Modi and the government made during the debate was that the Opposition leader Rahul Gandhi put it succinctly when he said that the articles of the Constitution have enabling provisions for growth and development but "the BJP-led government follows the disturbing trends of the Manusmriti to undermine them". But Mr Gandhi, too, was guilty in not owning up to the most brazen attack on the Constitution authored by his party. It was an opportune moment for the Congress to show its regret and he failed to seize it, thereby surrendering the moral high ground.

No one has a doubt that the Constitution is a sacred book and everyone has to follow it in letter and spirit. But when it comes to the interpretation of the spirit, they have failed the Constitution and the people to such a great extent that the assurances summarised in the Preamble are yet to materialise. It may be wishful thinking but who were the people authorised by the people to get the job done must stop paying lip service to their duties. Is an honest introspection too much to ask for?

## State guidelines must for crowds

The arrest of Telugu film actor Allu Arjun for the death of a woman — caused due to asphyxiation during a benefit show for the newly-released movie *Pushpa 2: The Rule* — highlights the need for framing rules to manage mega-events involving huge crowds. While the death of the woman and the near-death scenario of her nine-year-old son are unfortunate, the tragedy calls for a dispassionate analysis to pinpoint its causes.

Three entities emerge — Sandhya Theatre which organised the show, the police who were responsible for law and order and Allu Arjun who pulled in crowds.

In *Sushil Ansal vs Central Bureau of Investigation* following the Uphaar Cinema fire, the Supreme Court referred to Section 12 of the Cinematograph Act, 1952, which regulates exhibition of films, to talk about the responsibility of the theatre to take adequate precautions for the safety of those attending exhibitions therein. It was, therefore, Sandhya Theatre's responsibility to make necessary arrangements for crowd management as the accident happened inside the theatre, instead of washing its hands of that job by merely informing the police department about the show.

But the overall responsibility to maintain law and order lay with the police department. As there were three benefit shows in close proximity, the police should have made a proper law and order assessment. If the crowd was bigger than anticipated, they should have called in reinforcements. Had there been a stampede in the area which had around 3,000 people, it could have led to many more casualties. That, thankfully, did not occur.

According to government officials, Arjun precipitated the crisis by waving to the crowd while entering the theatre. It is accepted practice for actors to greet their fans and he, too, followed that tradition without realising the gravity of the situation. Nevertheless, actors, too, should have responsibility rather than stoking mass hysteria.

As fixing responsibility on anyone is difficult, it is high time the state government frames clear guidelines for organisers who host major events for crowd management and the security of attendees.

Subhani

THEY FEAR A THREAT TO THEIR JOBS



## As Fadnavis' star rises, will he be the BJP's next Yogi?



Sunil Gatade

There are ironies galore, and more so in politics. It took the BJP nearly 12 days to appoint Devendra Fadnavis as the chief minister of Maharashtra. This despite his proclamations that he was a "modern-day Abhimanyu" and knows how to break the maze, unlike the son of the legendary Arjun.

The irony is that the BJP, with 132 seats in its kitty and the support of five Independents, had almost got a majority in the 288-member Maharashtra Legislative Assembly, a record for the party, and still the election of the new chief minister was delayed.

As promised, Mr Fadnavis had broken the maze to become the rising star of the Sangh Parivar. Like in the case of Yogi Adityanath, it could be that the RSS had put its mind down to finally clear the way for Mr Fadnavis. Like the Uttar Pradesh CM, Mr Fadnavis has shown that he is a leader in his own right. He is unquestionably a find of Prime Minister Narendra Modi, to whom he is grateful for the experience thus far.

What sent the alarm bells ringing in the BJP high command is that everybody who anybody in the NDA was present to greet Mr Fadnavis, as well as the top guns of Bollywood and the business world. It was an indicator that he had finally arrived. The chief minister of the wealthiest state was once described as akin to the deputy PM by the late Bal Thackeray some decades back.

Mumbai is the economic capital, and its control is vital for any ruling party.

The victory brought by

Mr Fadnavis has landed himself among the 'number two' leaders of the BJP, like Amit Shah, Shivraj Singh Chouhan and Yogi Adityanath, sending the signal that if other things were preferred, he could be destined for bigger things.

Those in the BJP who have crossed the path of Mr Fadnavis have suffered the worst. Eknath Khadse, who was the BJP boss in Maharashtra before the rise of Mr Fadnavis, is now forced to go back in Sharad Pawar's NCP despite reports suggesting that J.P. Nadda had offered him a bouquet a few months back, that might signal his return.

Pankaja Munde has been forced to turn from being a detractor to a loyalist of Mr Fadnavis for her political survival. But the path ahead is not all roses. First and foremost, he would have to bring stability to the government at a time when deputy chief minister Eknath Shinde, his boss till yesterday, does not look at all satisfied.

The challenges are galore for Mr Fadnavis, especially over the next year, for him to settle down. With great victories come great responsibilities and expectations — to deliver, and deliver early.

The next year will also be crucial for Mr Fadnavis amidst contention claims and allegations by the Opposition that the election results were "shocking and inexplicable" and senior leaders, including Sharad Pawar, are expected to move heaven and earth to get at the truth.

There is also of the essence for Mr Fadnavis to prove that his victory was not a flash in the pan. Sooner than later, there will be several local body elections, including to the municipal corporations, which will show who stands where and how the

winds are blowing.

The moral of the story is that the BJP Maharashtra will not be the same again after the re-emergence as chief minister of Mr Fadnavis, who feels that he has been granted carte blanche to run the state, unlike most BJP leaders in the states. Mr Fadnavis may not have a strong Opposition in the legislature, but the two allies, incidentally headed by two Marathas, now his deputies in the Cabinet, will strive hard to expand their own parties — the Shiv Sena and the NCP respectively — with the help of power.

On the other hand, the BJP high command is aware that the modern-day Abhimanyu is aspiring to be the Arjun of the *Mahabharata* at a time when murmurs about Prime Minister Narendra Modi's possible successor have begun in political circles.

Mr Fadnavis has to tackle his own bosses in the party on the one hand, as well as Eknath Shinde and Ajit Pawar on the other, to both delicately and skillfully. That is because he lacks a caste support base and does not have a vote bank — which Yogi Adityanath has, not only just in Uttar Pradesh but in the Hindi heartland as a whole, being a Thakur.

Obviously, Mr Fadnavis has to tread cautiously because of the long rivalry in the party. Therefore, every election in Maharashtra will test his leadership, and that will decide his stability and longevity in power.

Maharashtra is not an ordinary state. It took 10 long years for the BJP to stabilise in the state after the emergence of Mr Modi on the national stage. A BJP's victory in Maharashtra was no less than "operation blitzkrieg".

Mr Fadnavis' road to a bigger national role depends upon how well he tackles Maharashtra.

The writer is a journalist based in New Delhi

## LETTERS

## BIDEN BEHIND IT!

The US state department's 2023 terrorism report, while acknowledging terrorist activities in Jammu & Kashmir, did not explicitly mention Pakistan's involvement in cross-border terrorism in that region. The report highlighted the presence of various terrorist groups active in India, including in Jammu & Kashmir, and praised India's counterterrorism efforts. However, it was silent on Pakistan's role. This omission has led to criticism from some experts who perceive this as indicative of US double standards. Pakistan's efforts in counter-terrorism financing were noted in the report, alongside the fact that the country faced an increase in terrorist attacks in 2023.

Amarjeet Kumar  
Hazaribagh, Jharkhand

## NOBODY'S CHILD

EXCEPT for the salaried middle class, this government has something for everybody. Free rations for the poor, mudra loans, subsidised housing, free gas cylinders and now farm loans without collateral up to ₹2 lakhs. Corporate taxes are down and lakhs of crores of loans taken by the corporates forgiven. While the inability to pay for a vehicle loan is liable to lead to the vehicle being picked up and legal proceedings are initiated for an unpaid housing loan, nothing happens to them. It is time the salaried class wakes up to the injuries heaped on them and stops being influenced by appeals to religion.

Anthony Henriques  
Mumbai

## WHAT A 'HEADACHE'

THE INDIAN cricket team is currently touring Australia for a Test series. Indian bowlers, known for their immense potential and confidence, often find it easy to take wickets against most teams. However, when it comes to Australia, the situation changes, especially against Travis Head. Head has consistently been a thorn in the side of Indian bowlers, proving to be a blockbuster performer with his attacking style and remarkable ability to score big, particularly against India across all formats.

Md Taukier Rahman  
Mumbai

₹500 for the best letter of the week goes to Amarjeet Kumar (Dec. 15). Email: asianage.letters@gmail.com.

KALSHR MITTAL

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R. Srinivasan

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Mahir Ali

## Whither Syria? Euphoria at fall of Assad might be premature

It turned out that there were no speed bumps in the fast lane on the road to Damascus. The incredibly swift demise of the Assad regime appears to have astonished everyone, including the rebel force that led the unexpected change. The subsequent explosion of relief and joy across much of Syria is hardly a surprise, even though it is tempered with understandable anxiety about what might follow. After all, the regional precedents — from Tunisia, Libya and Egypt to Yemen and Iraq — are hardly reassuring.

Bashar al-Assad was the odd one out when the winds of change ushered in the so-called Arab Spring of 2011, and long-standing dominoes tumbled. As a popular uprising rattled the regime, provoking a deadly state response, it was assumed he would share the fate of Ben Ali, Hosni Mubarak, Muammar Qadhafi or Saddam Hussein. As Robert Fisk recalled, any foreign correspondent who dared to accurately predict that the Syrian dictator might not immediately be toppled was dubbed an Assad apologist.

While Fisk never hesitated to describe in detail the ruthless excesses of the Baathist regime, often targeting unarmed protesters or other civilians, he also had the temerity to point out that the state did not enjoy a monopoly

on violence. He noted the frustrations of Al Jazeera correspondents, whose visual evidence of attacks on government forces, and of armed insurgents entering Syria from Lebanon, was rejected by their employer.

Qatar, after all, was among the Arab brothers backing jihadist rebel factions in what had turned into Syria's civil war, alongside the Saudis. Turkey had its own favourites, and was particularly keen to contain Kurdish militias. The US and its European appendages detested Assad, but saw the Islamic State (IS) as a bigger threat. So did Russia, but unlike the US, it also considered Assad a useful idiot in the Middle East and helped to sustain his regime through force, including the air power that Damascus lacked. Iran proved to be another crucial ally, mainly through Hezbollah, which was keen to maintain the arms supply lines from Tehran via Iraq. That, in turn, gave Israel an excuse to pummel Syria.

There was barely any murmur of surprise when Bashar succeeded his dad in 2000 as the grand poobah when Hafez al-Assad died after nearly 30 years in power. The West spotted a potential pawn in a UK-trained ophthalmologist who hinted at a reformist vision and released a few political prisoners. But soon enough, he reverted to the family playbook in

repressing both secular/democratic and Islamist dissent, and eventually overtook even his father's nasty reputation for malicious excesses against perceived opponents and their families.

Many of the prisoners emerging from prison gates in the past few days hadn't seen their families for years, even decades. Some of them had survived the Arab world's most infamous torture chambers — facilities of which the US made full use during its "war on terror". At the same time, some of the neoconservatives in the Bush administration salivated at the prospect of carving a road to Damascus via Baghdad and Tehran. The disastrous occupation of Iraq pre-empted further large-scale misadventures in the Middle East, but it did not mean the region would be best off without Euro-US interference is yet to dawn.

Joe Biden has claimed credit for Assad's departure for Moscow, as has Benjamin Netanyahu, even as both the US and Israel have subsequently been pounding, respectively, IS strongholds and the Syrian army's weapons arsenals. Or so they say. Israel has also pounced on the opportunity to overrun the 50-year-old buffer zone between the occupied (and illegally annexed) Golan Heights and enter Syrian territory. This "temporary" land

grab might not be reversed.

The leader of Hayat Tahrir al-Sham (HTS), ancestrally closely related to both IS and Al Qaeda and a direct descendant of al-Nusra Front), hitherto known as Abu Mohammed al-Jolani, with a \$10 million price on his head, has reinvented himself as Ahmed al-Sharaa, and is being paraded on Western media outlets as a "pragmatist" who has overcome his allergies to Syria's Alawite, Christian and Druze denizens. The Kurds targeted by Turkey might be less enamoured of his unceremonious credentials.

Whatever name he prefers, al-Jolani is destined for a key role in Syria's purportedly 18-month transition, during which the ideologically and ethnically diverse patchwork of Assad opponents is expected to morph into a coherent government.

HTS's terrorist designation might quickly disappear, but there are many other groups, backed by ill-intentioned neighbours or more distant contenders, jostling for prominence in whatever comes next. Syria's sordid past is open to investigation, but the future is unwritten, and an inclusive, pluralist democratic entity in the short term might require a second miracle.

— By arrangement with Dawn



# Does POSH Act apply to political parties? Here's what to know

AJOY SINHA KARPURAM  
& DAMINI NATH  
NEW DELHI, DECEMBER 15

THE SUPREME Court last week heard a PIL stating that the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) should apply to political parties.

The court directed the petitioner, advocate Yogamaya M G, to first approach the Election Commission of India (EC) as they were the competent authority "to prevail upon the recognised political parties for creation of an in-house mechanism to deal with complaints of sexual harassment" in a way consistent with provisions of the POSH Act. The POSH Act requires both public and private workplaces to set up an Internal Complaints Committee (ICC) to hear complaints of sexual harassment. The plea in question claims that when it comes to political parties "the presence of Internal Complaints Committees (ICCs) to address sexual harassment is inconsistent".

This case has sparked a conversation on how the POSH Act applies, if at all, to organisations like political parties, which often lack a traditional workplace structure.

## Who does the POSH Act apply to?

Section 3 (1) of the POSH Act states that "No woman shall be subjected to sexual harassment at any workplace". This immediately tells us how the POSH Act will apply — at the workplace, and only when the aggrieved party is a woman.

The definition of "workplace" in the POSH Act is expansive. It includes organisations, institutions, and other public sector bodies that are "established, owned, controlled or wholly or substantially financed by funds provided directly or indirectly by the appropriate Government", as well as organisations in the private sector, hospitals, nursing

homes, sports venues, houses. It even covers locations visited by an employee "during the course of employment".

With regards to political parties, however, things are unclear.

Prior to the latest PIL, the judiciary has only ever addressed this question once when the Kerala High Court decided the case of *Centre for Constitutional Rights Research and Advocacy v State of Kerala & Ors* (2022), in which it heard several petitions seeking the establishment of ICCs in television, film, news, and political organisations.

On the subject of political parties, the court held that there is no "employer-employee relationship with its members" and political parties do not carry out "any private venture, undertaking, enterprises, institution, establishment, etc. in contemplation of a 'workplace' (under the POSH Act)". As such, the court held that political parties "are

not liable to make any Internal Complaints Committee".

## Could the POSH Act apply to political parties?

The POSH Act is meant to protect women from sexual harassment in the "workplace". But what is a "workplace" when it comes to a political party? Party workers, for instance, who parties tend to employ in droves, often have little interaction with high-level officials and are hired temporarily to operate on the field without a defined "workplace".

Moreover, if the court or the EC do decide to make the POSH Act applicable to political parties, it will have to clarify who the "employer" is in the context of a political party, as the employer is responsible for setting up the ICC to handle cases of sexual harassment at the workplace.

In theory, however, the POSH Act could

still apply to political parties. The term "workplace" under the POSH Act includes locations visited by an employee "during the course of employment", which could conceivably allow the Act's protections to extend to party workers in the field. The POSH Act also provides a wide definition for the term "employee", and includes people who are employed temporarily, contract-workers, or volunteers "with or without the knowledge of the principal employer".

Further, party constitutions often provide organisational hierarchies which could help determine who the "employer" would be. The BJP Constitution and Rules, for instance, provides details of a seven-level organisational structure, beginning with Local Committees up to the national level, with an exhaustive list of members and office bearers at each level.

## At present, how do parties handle sexual harassment complaints?

Currently, parties handle internal discipline through their committees.

For example, the Congress Constitution and Rules, creates a hierarchy of committees and allows higher level committees to take action against committees and individual members that are subordinate to it.

The BJP Constitution establishes a "Disciplinary Action Committee" at the national and state levels.

Both Constitutions list actions that would be considered "Breach of Discipline". But sexual harassment could conceivably only fall under one of the broad headings such as "Acting in a way calculated to lower the prestige of the Party...". (BJP, with a similar breach listed in the Congress Constitution) or "Being guilty of offences involving moral turpitude...". (Congress Constitution).

There is also no requirement for these committees to have women or external members, as would be required of an ICC under the POSH Act.

## EXPLAINED CLIMATE

# ROLE OF 'SANTA ANA' WINDS, CLIMATE CHANGE IN DRIVING MALIBU WILDFIRES

ALIND CHAUHAN  
NEW DELHI, DECEMBER 15

FIRE CREWS continue to battle a wildfire in the wealthy coastal town of Malibu, California, which began on December 9. The so-called Franklin Fire has charred more than 4,000 acres and affected about 22,000 people.

Officials said it would take a "number of days" to put out the blaze.

Although the exact cause of the fire is yet to be determined, experts suggest that the Franklin Fire has been destructive because of two reasons — the "Santa Ana" winds and climate change.



A helicopter battling the Franklin Fire in Malibu, California. Reuters

## What are 'Santa Ana' winds?

Santa Ana winds blow when high pressure builds over the Great Basin — the area between the Rocky Mountains and Sierra Nevada (a mountain range in the Western United States) — and the pressure is low over California's coast. The difference in pressure triggers the movement of powerful winds from the Basin's inland deserts, east and north of Southern California, over the mountains toward the Pacific Ocean.

As the wind comes down the mountains, it compresses and heats up. The wind's humidity also drops, sometimes to less than 20% or even less than 10%. The extremely low moisture turns vegetation dry, making it ready to burn. This process helped fuel the flames in Malibu.

Santa Ana winds usually occur from October to January. "Winter weather patterns allow high pressure to build near the surface of the Great Basin, which then interacts with low-pressure air over the Pacific," Rose Schoenfeldt, a National Weather Service meteorologist in Oxnard, California, told Bloomberg.

## What is the role of climate change?

Santa Ana-driven wildfires are a natural part of California's landscape. However, experts say the wildfire season in California has lengthened in recent years. For instance, a 2021 study, published in the journal *Nature's Scientific Reports*, found that the state's annual burn season has lengthened in the past two decades and that the yearly peak has shifted from August to July.

The wildfires have also become more intense. A 2023 study, published in the journal *Proceedings of the National Academy of Sciences* (PNAS), revealed that 10 of the largest California wildfires have occurred in the last 20 years — five of which occurred in 2020 alone.

This has happened primarily because of climate change. Rise in global temperatures over the years has led to warmer springs and summers, and early spring snow melts. Such conditions cumulatively cause longer and more intense dry seasons, putting more moisture stress on vegetation. As a result, forests have become more vulnerable to fires.

The situation will only get worse as humans continue to emit greenhouse gases into the atmosphere. According to a recent United Nations report, current climate policies will result in global warming of more than 3 degree Celsius by the end of the century — more than twice the 1.5 degree threshold.



HARISH DAMODARAN

RETAIL FOOD inflation eased somewhat to 9.04% year-on-year in November, from the preceding month's 10.87%.

With vegetable inflation at -42.23% in October and 29.33% in November — expected to soften on the back of improved winter season supplies, two main commodities of concern remain: wheat and edible oils. Wholesale prices of wheat in Delhi's Najafgarh market are currently at Rs 2,900-2,950 per quintal, as against Rs 4,500-5,000 last at this time. Annual consumer price inflation in November was 7.88% for wheat/whole atta and 7.72% for refined maida flour.

The inflation was even higher, at 13.28%, in vegetable oils. The department of consumer affairs data shows the all-India modal (most-quoted) retail price of packed palm oil now at Rs 145 per kg, up from Rs 95 a year ago. Prices of other oils are also higher: Soyabean (Rs 154 versus Rs 110/kg), sunflower (Rs 159 versus Rs 115) and mustard (Rs 176 versus Rs 135).

What explains the above inflation?

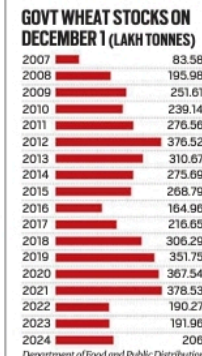
## Wheat: Tight domestic supplies

India has had subpar wheat crops in the last three years. It is borne out by stocks in government godowns depleting to their lowest since 2007-08 (table 1) and domestic prices staying elevated despite an export ban since May 2022.

Indian farmers have sown more area under wheat this time. That, along with adequate soil moisture and reservoir water levels from surplus monsoon rains and also a likely La Niña (which should normally translate into an extended winter), has raised hopes of a bumper 2024-25 crop.

However, the wheat sown from late October wouldn't be ready for marketing before early April. Out of the 20.6 million tonnes (mt) of public wheat stocks on December 1, about 1.5 mt is the monthly requirement for the public distribution system. Deducting that for the four months till March, besides the need to maintain a normative opening minimum stock of 7.46 mt on April 1, some

## THE TWO COMMODITIES OF CONCERN



**PRICES OF IMPORTED VEGETABLE OILS (\$ PER TONNE)\***

Years	Crude Palm Oil	Crude Soyabean	Crude Sunflower
Oct 2023	867	986	920
Nov 2023	897	1068	979
Dec 2023	883	976	945
Jan 2024	911	939	933
Feb 2024	933	924	920
Mar 2024	1018	995	964
Apr 2024	999	989	970
May 2024	951	1000	987
Jun 2024	954	1049	1065
Jul 2024	979	1054	1043
Aug 2024	1011	1015	1019
Sep 2024	1071	1045	1070
Oct 2024	1170	1154	1168
Nov 2024	1269	1219	1265
Current**	1280	1150	1235

\*Landed cost at Mumbai port, \*\*December 13, Source: The Solvent Extractors' Association of India.

71 mt of wheat can be offloaded in the open market during this lean season period. In 2023-24, such open market sales from government stocks totalled 10.09 mt, which went some way in cooling wheat prices.

This time, not only is less wheat available for open market intervention, the prevailing prices could undermine government procurement itself. With open market rates way higher, farmers in Madhya Pradesh, Punjab, Haryana or Rajasthan may not want to sell to government agencies at the official minimum support price (MSP) of Rs 2,425 per quintal.

## The import option to ease wheat prices

Thankfully, though, international wheat prices are ruling low, making imports feasible. Russian wheat is quoted at around \$230 per tonne and that from Australia at \$270 from their origin ports. Adding ocean freight and insurance charges of \$40-45 (from Russia) and \$30 (from Australia) takes their landed cost in India to \$270-300 per tonne or Rs 2,290-2,545 per quintal. That's close to the MSP of Rs 2,425/quintal.

For four mills in south India, imported wheat would work out less expensive than domestically sourced grain even after including port handling and bagging expenses of

Rs 170-180/quintal and another Rs 160-170/quintal for transport, from Jay Tuticorin port (Thoothukudi) to Bengaluru.

But there is a catch. Wheat imports attract 4% customs duty. Imports can happen only if allowed at zero duty. Given no elections in major wheat-producing states — only Delhi and Bihar will go to polls in 2025 — that might be politically feasible as well. Imports of 3-4 mt would help improve domestic supply and also provide a buffer against any climate-induced setbacks to the standing crop between now and April.

## Edible oils: Indonesian palm factor

Palm oil is nature's cheapest vegetable oil. At 20-25 tonnes of fresh fruit bunches and 20% extraction rate, 4-5 tonnes of crude palm oil (CPO) can be produced from every hectare.

In contrast, soyabean and rapeseed/mustard yields seldom exceed 3-3.5 tonnes and 2-2.5 tonnes per hectare respectively. Even at 20% and 40% recovery, their oil yields are just 0.6-0.7 and 0.8-1 tonnes per hectare.

Not surprisingly, palm oil is the world's most produced vegetable oil, at 76.26 mt in 2023-24, ahead of soyabean (62.74 mt), rapeseed (34.47 mt) and sunflower (22.13 mt),

according to the US department of agriculture (USDA).

Higher yields mean CPO prices are ordinarily below that of soyabean or sunflower oil. It was, indeed, so till August. The last 3-4 months have seen an inversion. The landed price of imported CPO today in India, at \$1,280 per tonne, is more than the \$1,150 for crude soyabean and \$1,235 for sunflower oil (table 2).

The trigger for the price surge has been Indonesia's decision to enhance the blending of palm oil in diesel from 35% to 40%. The world's top CPO producer — at 43 mt, followed by Malaysia (19.71 mt) and Thailand (3.60 mt) — plans to roll out so-called B40 biodiesel in the coming year.

The USDA projects Indonesia's biodiesel blending mandate — from 2.5% in 2008 to 20% in 2018, 30% in 2020, 35% in 2023 and 40% in 2025 — to result in 14.7 mt of its CPO production being diverted for domestic industrial use in 2024-25. That would, in turn, reduce the country's exportable surplus.

## How much other oils can compensate

Out of India's 25-26 mt annual edible oil consumption, the share of palm (mostly imported) is 9-9.5 mt.

Lower palm oil availability can partially be offset by higher imports of soyabean (mainly from Argentina and Brazil) and sunflower (from Russia, Ukraine and Romania). In fact, palm oil imports fell from 0.87 mt in November 2023 to 0.84 mt in November 2024, while rising for soyabean (0.15 mt to 0.41 mt) and sunflower (0.13 mt to 0.34 mt). Also, global soyabean production is forecast to touch all-time highs in 2024-25, with Brazil and the US harvesting record crops.

But there are limits to how much palm oil can be substituted. "It isn't a consumer-facing oil like soyabean, sunflower or mustard. However, it is the preferred oil in quick-service restaurants, sweet shops, bakeries and industries from snack-foods and biscuits to noodles," said Siraj Chaudhry, industry expert and former chairman of agribusiness multinational Carill India.

Being semi-solid at room temperature, resistant to oxidation and having a neutral flavour, palm oil is ideal for deep frying (required by *halwa* or *samosa* or *pakoda* makers) and imparting flaky texture, plus extending the shelf life, in most baked foods. Crude palm, soyabean and sunflower imports are at present subjected to an effective 27.5% duty. Whether the government makes an exception for CPO remains to be seen.

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# Locked in court battle, here is why Sanganer open jail near Jaipur is unique

SADAF MODAK  
MUMBAI, DECEMBER 15

A SUPREME Court-appointed commissioner last week visited the Sanganer open prison, among the largest such facilities in India.

This came after a dispute arose over the Rajasthan government's plan to build a hospital over some of the land being used by the jail.

On November 25, a Bench of Justices B R Gavai and Justice KV Vishwanathan said there has to be a balance "between the needs of having the Open Correctional Home and also a Hospital, which shall cater to the needs of the citizens residing in the vicinity". The Bench appointed a commissioner to inspect the site, and submit a report within four weeks.

## What is an open prison?

The Model Prisons and Correctional

Services Act, 2023, defines an open correctional institution, as a "place for confinement of eligible prisoners on such conditions, as may be prescribed under the rules, for giving them more liberty outside a regular prison while facilitating their rehabilitation after release".

Open jails have minimum security, and convicts are permitted to venture out for various activities, including agriculture. Such facilities help reduce overcrowding in jails, and make it easier for prisoners to reintegrate into society once their term is over.

Some open prisons are simply separately marked areas within closed jails. In some states, there are separate open penal colonies where prisoners reside with their spouses, although their movement is restricted.

With prisoners being a state subject, most states have their own criteria for convicts eligible to be incarcerated in such a facility. These include the nature of their crime,



The Sanganer open jail complex has a primary school on its premises, which is open to children of nearby localities. Rohit Jain Purus

their behaviour and conduct in jail, and how much of their sentence they have completed.

## How many open jails does India have?

The first open jail in Independent India was set up in 1949 inside a prison in Lucknow, Uttar Pradesh. Similar open-air jails were established in 1952 in other parts of UP. The All-India Committee on jail

Reform (1980-83), also known as the Justice Mulla Committee, states that it was in 1952 at the Hague Conference that the organisation of open-air camps was suggested. This was to allow prisoners to "lead a near-community life" after completing a certain portion of their term.

According to the Mulla Committee, at the time there were 28-30 such jails in India. It found that while such jails had been in ex-

istence for nearly half a century, a legal framework on their establishment and function was present in only 13 states. The committee recommended using land near closed prisons for open jails, and said that open jails should be "work-based", engaging prisoners in activities like agriculture and dairy-farming. The committee also suggested that such open-air jails should be set up close to public projects, like building of dams, and recommended that inmates should be given uniform wages.

According to the Prison Statistics of India 2022, the latest available data on the issue, there are currently 91 open jails in 17 states with a capacity of 6,043 inmates, and over 4,473 prisoners lodged. Rajasthan, with 41 prisons, has the highest number of open jails, followed by Maharashtra which has 19, according to the report.

## What is unique about the Sanganer open jail?

The Sanganer open jail, officially called the Sampuranand Khula Bandi Shivir, was

opened in 1963. It has been in constant operation since then, and is considered to be one of the most unique open prisons in the world. Located some 15 km from Jaipur, it houses 422 prisoners including 14 women and their spouses but also their children.

Inmates pay for the water and electricity to use, and venture out for jobs (such as running grocery shops) within the local community. They make and renovate their own homes with money collected through their work.

The prison also has bandi panchayats, where prisoners have set up ways of self-governance, including conducting roll calls twice daily to ensure that all inmates are back at the end of the day in the open-air camp. They also have access to phones. The complex has a primary school, which is open to children of nearby localities as well, anganwadis, and a playground.

Criteria for eligibility to this jail include completion of a term of six years, eight months, and factors like conduct.





GUEST COLUMN

SANKAR CHAKRABORTI

## How COP29 accelerated trek to green financing

The recently concluded COP29 in Azerbaijan left many with mixed feelings. While the \$300 billion per annum figure pledged by developed countries appears reasonable prima facie, it falls significantly short of the \$1 trillion needed to address the climate crisis. India alone needs funding of around \$160 billion a year to meet its climate commitments made at COP26 in 2021.

Aggravating the situation, the developed nations are projected to increase emissions by 0.5 per cent from 2020 to 2030, contradicting the Paris Agreement goals. Their emissions reductions have fallen short by 3.5 billion tonnes CO<sub>2</sub> annually.

COP29 also paved the way for a government-to-government carbon market. This will help countries to trade emission reductions and discount them from their national climate plans, as per Article 6 of the Paris Agreement. India was set to operationalise its carbon trading market by FY27, but now faces delays in defining the terms, structure, and compliance measures due to the non-finalisation of rules under Article 6.

As 2024 continues to be the hottest year on record and mercury hits above the 1.5-degree Celsius threshold mark for the 15th month in a 16-month period, the necessity for firm action at a global level to mitigate climate risks has never been more urgent.

India faces severe risks if global warming breaches the 2-degree Celsius mark. It is estimated that climate disasters could cost \$1.4 trillion by 2050 and potential GDP losses to the extent of 3 per cent to 10 per cent by 2100. To meet its Nationally Determined Contributions, we require an estimated \$2.5 trillion by 2030.



As the world's third-largest greenhouse gas emitter, India requires over \$10 trillion to achieve its net zero emissions target by 2070.

Additionally, adaptation costs are expected to rise to \$206 billion annually by 2030.

Other developing countries also face the dual challenge of addressing climate change while avoiding a debt trap. There are 44 countries that have

interest payments higher than health spending and 18 countries spending lower on their education budgets than interest payments.

The funding gap remains a significant roadblock without adequate funding, developing nations cannot meet their climate goals. The Loss and Damage Fund that COP29 operationalised with \$10 billion falls short against the targeted \$850 billion by 2030 to address the climate change impact for vulnerable regions.

India has called for a \$1.3 trillion climate finance package, with at least \$600 billion in grants or equivalent resources to ensure equitable access for developing nations. The New Collective Quantitative Goals must prioritise financial specifics, including a minimum of \$600 billion in grants annually, transparency and detailed tracking mechanisms for fund allocation, and simplified procedures for resource mobilisation by developing countries.

As the world's third-largest greenhouse gas emitter, India requires over \$10 trillion to achieve its net zero emissions target by 2070. Policies incentivising the solutions for the climate change juggernaut is the need of the hour. The Reserve Bank of India has already set up a dedicated group and released frameworks for green deposits and climate risk disclosures. Additionally, it is proposing a Climate Risk Information System to improve data quality. Inclusion of reporting methodologies like The Business Responsibility and Sustainability Reporting has helped authentic climate compliance frameworks that enhance transparency, accountability and institutional capabilities.

Companies, however, are facing a severe shortage of experienced and qualified professionals with the ESG and climate change expertise, who can steer the companies towards the right direction, while balancing environment and governance aspects. These shortages exacerbate for institutions like banks, especially state-run banks, due to the high level of regulations they are subjected to. After all, they are custodians of public trust.

To conclude, while we are still far from achieving the desired results, the global ecosystem is gradually moving towards actionable and impactful changes. Green financing emerges as a viable tool to steer us towards our sustainability goals. The journey is long, but with concerted efforts, robust financial mechanisms and collective actions, we can accelerate the roadmap for a greener, more sustainable future.

(The writer is Chairman of ESG Risk, and Group CEO of Aavati)



# Continuity with change, and change with continuity

Mint Road saw a new incumbent at the helm, followed through on its regulatory and governance initiatives even as the wait continues on a few fronts, reports RAGHU MOHAN

## The 26th Governor walks in

The suspense ended late on December 10 evening, Sanjay Malhotra, an Indian Administrative Service (IAS) officer belonging to the 1990 batch of Rajasthan cadre, was announced as the successor to Shaktikanta Das at Mint Road. The longest-serving Reserve Bank of India (RBI) governor since Benegal Rama Rau (July 1, 1949 to January 14, 1957), Das, after his six-year stint, was widely speculated to get an extension of at least two years. It was not to be.

In his first media interaction after taking charge, Malhotra hit the right notes.

Fostering economic growth, ensuring stability in policy making, and expanding financial inclusion would be among his key priorities. While significant progress has been made in financial inclusion, much more remains to be done, Malhotra said, stressing the importance of collaborating with all stakeholders in the financial system to further advance these efforts.

"Ours is still an economy that needs to develop as we enter 'Kaal' and to realise the vision of 'Viksit Bharat' by 2047. The huge responsibility we have in ensuring that the growth this country has, continues," the new

RBI governor said.

Meanwhile, the financial markets are already pinning hopes on a 25 basis points cut in repo rate in February next year. The key rate was raised to 6.5 per cent in February 2023 and has held its perch. GDP growth in the July-September quarter fell to a seven-quarter low of 5.4 per cent. And the central bank, in its recently concluded monetary policy meeting, also lowered its projection for economic growth in financial

years 2025 to 6.6 per cent from 7.2 per cent earlier. Malhotra also displayed his lighter side. On his first day in the office, he said, "It won't be right for me to score on the first ball itself... It won't be appropriate for me to start the first day with bouncers, googly, and yorkers."

Incidentally, Sanjay Malhotra is the second person with the surname to hold the Governor's post after Ram Narain Malhotra (4 February 1985 to 22 December 1990) who too was drawn from the IAS.

## The SRO takes wings

The self-regulatory organisation (SRO) framework lifted off with Mint Road giving its nod to the Fintech Association for Consumer Empowerment (FACE). From all accounts,

the SRO idea has caught the imagination of regulated entities (REs). There's a crowd knocking at the banking regulators' door. The Digital Lenders Association of India wants to be in, it will have FACE for company in the fintech space. Then you have The Finance Industry Development Council (a trade body of non-banking financial companies), the Business Correspondent Federation of India, and the National Urban Cooperative Finance and Development Corporation.

As for the Indian Banks' Association, senior bankers are divided in their opinion on whether it should apply for SRO status. Not many are aware that Mint Road had asked the bankers' lobby to weigh the SRO option way back in 1998, (which Business Standard had reported on September 21, 1998).

The SRO architecture marks a major forward movement in the interface between the central bank and regulated entities. As former RBI governor

Shaktikanta Das put it in his October 6, 2023 Monetary Policy Statement, "SROs can play an important role in strengthening the compliance culture among their members and also provide a consultative platform for policy making."

The SRO framework must be read along with the gains arising from the Regulatory Review Authority (RRA 2.0, November 2021). It incorporated the best practices from global central banks on consultation ahead of policy formulation, over 400 circulars were withdrawn. Short-point: 2024 saw RBI's 'open-door policy' to foster a better engagement of regulated entities with it getting a huge leg up.

## Not a one-off

It came as a surprise when RBI informed private banks' board secretaries of the second edition of its interface with their boards on November 18—the theme this time around being 'Transformative Governance through sound boards'.

The first with the boards of state-run and private banks on May 22 in New Delhi and May 29, 2023 in Mumbai, respectively was seen as a one-off, a novelty.

And how different was version 2.0? Well, it basically built on the ten-point charter outlined at last year's 'Conference for boards of banks'.

These included governance and stability, requisite qualifications and expertise in the board, objective and independent board, role of the chairperson, board committees, and top executives. Other aspects were corporate culture and value systems, quality of information, effective oversight of senior management, business model and conduct, integrity and transparency of financial statements, and independence of assurance functions: risk management, compliance, and internal audit.

What also came across is that Mint Road is making a qualitative shift in its interface with banks even on the supervisory side. As deputy governor Swaminathan J—whose portfolio includes the powerful Department of Supervision—noted in his address at the interaction ("the board's role in navigating transformation"), "... the Reserve Bank has been organising conferences of heads of assurance functions and is also asking for their presence at the supervisory meetings with banks. I would, therefore, encourage boards to build further on these initiatives".

A few days later he followed it up by stating that the central bank is "dedicated to establishing a global model of risk-focused supervision, one that emphasises strong risk discovery and compliance culture" at the

'High-level policy conference of central banks from the global south'. The message was read to mean: RBI's senior supervisory managers will proactively dig for signs of mess in the banks they are assigned to.

## Green taxonomy: the wait continues

When will we see a green taxonomy?

The Copernicus Climate Change Service has it that 2024 is the warmest year, going back to 1940. And estimated to be the second-warmest October globally, after October 2023 with average temperatures 1.65 degrees above the pre-industrial level. It also marked the 15th month in a 16-month period where average temperatures were above the 1.5 degrees threshold set by the Paris Agreement.

At Business Standard's BFSI Insight Summit in Mumbai in December 2022, deputy governor M Rajeshwar Rao had said that "a formal definition of green finance along

with a taxonomy is the need of the hour as it would enable more precise tracking of finance flows to green sectors in India, which in turn, would help design effective policy, regulations and institutional mechanisms directed towards increasing both public and private investments".

In November 2022, the Sovereign Green Bonds framework was finalised. The build-up on this front

had been rapid. The RBI had come out with its 'Survey on Climate Risk and Sustainable Finance in July 2022', which was followed a month later by the Securities and Exchange Board of India's reporting architecture on sustainable finance.

But two years on, we are very much in the same place as far as green taxonomy is concerned. Rao flagged the taxonomy aspect again at a conference organised by the Institute of South Asian Studies at The National University of Singapore last week. He referred to the gap in terms of availability of sectoral transition benchmarks that can be used by financial institutions to gauge the relative transition risks of the firms. And the absence of a definitive taxonomy at the national level "is also a constraint to determine which sectors need to transition along with an indicative road map for the same".

The taxonomy is critical for going green to help the blue planet.

## Will the door open at all?

The wait for new banking licences continues. Four years after a Mint Road Internal Working Group (IWG) to 'Review extant ownership guidelines and corporate structure for Indian private sector bank' submitted its report (October 2020), there has been no forward movement.

It was speculated that the ruling dispensation at the Centre in its third term may give hints as to what is in store. The banking regulator has neither accepted nor rejected the proposal of an IWG that large corporate houses should be allowed to promote banks "only after necessary amendments" to the Banking Regulations Act (1949). But the RBI accepted 21 out of 33 recommendations of the IWG even as it offered no comment on the issue of granting banking licences to corporate houses.

The last time a follow-on comment came from the RBI on the issue (and the only occasion as well), was from deputy governor M Rajeshwar Rao (December 2021). "Banking is a highly leveraged business dealing with public money, it makes sense to keep industry/business and banking separate... Let me just say that the jury is still out on the issue," Rao had said.

## Need for a consumer advocacy body

The runaway growth in retail credit is slowly putting the spotlight on an issue which has not got the attention it deserves—a body which can bat on behalf of consumers at the national level to offer guidance, mediate disputes, and promote awareness about responsible borrowing. The new-to-credit segment and many in the rural and semi-urban lack conventional identity documents such as passport, PAN card, or driver's license. They also may not be financially literate. In the post-pandemic phase, the RBI's Financial Stability Report (June 2024) noted, "Financial liabilities of households have risen in the post-pandemic period, as reflected in the surge in retail loan growth for financing both consumption and investment."

Interestingly, the Reserve Bank of India (RBI) in its Annual Report (FY24) said it plans to "conduct a survey to assess the reasons for the low level of complaints in the rural and semi-urban areas".

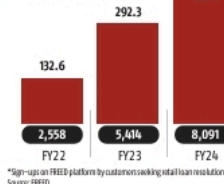
The low level of grievances may be an indication that customers in these geographies may not be aware of the address mechanisms.

The report also said the central bank will review and roll out a reoriented nationwide intensive awareness programme based on feedback received from regulated entities (REs) and Offices of the RBI Ombudsmen, and further improve the complaint management system to

## RESOLUTION REQUEST\*

\*Number of customers

\*Net retail loans (₹ cr)



\*Sign-up on FREEED platform by customers seeking retail loan resolution. Source: FREEED

enhance support in lodging complaints and ensure greater consistency in decisions and outcomes.

It also made mention of developing a consumer protection assessment matrix for REs; and strengthening the internal grievance redressal framework to encourage banks to take proactive measures to improve customer service.

On retail credit, a body on the lines of the All-India Bank Depositors' Association, founded by the late MR Pai is the need of the times. Perhaps, RBI's initiatives on consumer protection may lead to the setting up of such an entity.



# 8 THE EDITORIAL PAGE

WORDLY WISE  
WE ARE INDIANS, FIRSTLY AND LASTLY.  
— B R AMBEDKAR

## The IndianEXPRESS

FOUNDED BY  
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

## A LIVING DOCUMENT

Parliament debate shows how Constitution can bear many interpretations. It's up to those in power to live up to its promise

THE CONSTITUTION of India is a singular document, not least because it both frames and bears the many diversities of the country. The two-day discussion on the "Glorious Journey of 75 Years of the Constitution of India" in Parliament made one thing clear: Across the political spectrum, the respect for independent India's founding document is intact and the political class — so often vilified — gave the country an edifying conversation and debate on its fundamental principles and institutions. As a document, the Constitution is the contract We, The People entered into with the state as it got constituted. However, the varied perspectives from MPs across party lines on the constitutional framework and its cultural context testify that "it is not", as B R Ambedkar said, "merely a lawyer's document". It supports multiple interpretations and philosophies that are both behind and beyond political ideologies and parties. Maintaining the values of the Constitution, then, requires continuous conversation — and dialogue — of the kind witnessed in the House.

More than two-thirds of Indians living today were not born when the Constitution was overridden and the Emergency declared in 1975. That history must be kept alive, as a warning. It must never be forgotten that an unaccountable executive used its power to curb free speech, trample on press freedom and jail dissidents and political opponents. The basic principles and spirit of the Constitution were denied and inalienable rights, including those of life, liberty and dignity, were made contingent on the whims of the government of the day. The Prime Minister was, therefore, right in pointing out that the Emergency remains a "blot" in the story of independent India. The following out of institutions and offices — governors becoming instruments of the Centre, for example — can also be traced to Congress rule. It is important, however, to remember that the lessons from the Emergency and other erosions of the constitutional scheme are not for Congress alone.

The decade from 2014 to 2024 was the first period of single-party rule at the Centre since 1984. Backed by a powerful ideology and party apparatus, the mandate seemed to empower the executive to unsettle the institutional balance of power envisaged in the Constitution. There were reversals in that period on minority rights and federalism. It is easy to forget — as the Congress once did — that even democratic "super majorities" are not a government above the Constitution. The message from the voter in the 2024 general election seems to have echoed this principle, bringing about a coalition government once more: Cries of "400 par" were tempered by the electorate. Political parties — especially those in power — must recognise that the Constitution resonates with diverse sections and no one interpretation of India can be placed above others. So just as voices recalling the Emergency must be heeded, those holding power cannot ignore what 30-year-old MP Iqra Chaudhary said — she spoke not just for India's minorities who feel besieged but also showed solidarity with minorities in Bangladesh. At 75, India's Constitution is mature, flexible and open to bear the weight of many voices. Those who hold office in its name must do the same.

## UNEQUAL RELIEF

Inflation has eased. However, variations across regions remain and prices of essential items continue to pinch the poor

INFLATION DATA RELEASED on Friday provided some relief for policymakers. India's inflation rate (or the rate at which the general price level rises in a particular month as against the same month a year ago) in November came in at 5.5 per cent. While this is higher than the Reserve Bank of India's target of 4 per cent, it is a sharp improvement over the 6.2 per cent rate in October. The main reason for the softening in the headline inflation rate as compared to October was the moderation in vegetable prices. Even so, it is noteworthy that vegetable price inflation stood at close to 30 per cent (year-on-year) and overall food price inflation came in at over 9 per cent (y-o-y). When one takes into account the situation last November — headline inflation of 5.6 per cent and food inflation of 8.7 per cent — it provides a clear picture of how sustained high inflation creates a cost of living crisis.

The relief in headline numbers hides wide variation across the geographies and economic classes. For instance, Delhi had the lowest inflation rate (2.7 per cent) among all states and Union Territories while bordering UP stood at 6.7 per cent and Haryana at 5.3 per cent. Further, an analysis by Crisis Research showed that the inflation rate was far more palatable for the urban rich — 4.6 per cent for those among the Top 20 per cent income segment of urban India — while considerably higher as one went down the income scale and from urban to rural India; inflation was at 6.1 per cent for those in the bottom 20 per cent of the income segment and living in rural India. This variation is because inflation is higher among essential items (such as food) that account for a greater share in the consumption basket of the relatively worse off.

In its latest policy review on December 6, the RBI stated that going forward, food inflation is likely to soften. Moreover, the appointment of the Revenue Secretary as the new RBI Governor has also prompted many to pencil in a rate cut in February. However, it is also true that in its last meeting, the RBI not only raised the inflation forecast for the full year but also provided detailed caveats highlighting the continuing risks to inflation. Clearly, there are no easy answers but as he was leaving office, outgoing Governor Shaktikanta Das reminded everyone of the age-old wisdom in this regard: Price stability is essential for sustained economic growth.

### FREEZE FRAME

E P UNNY



MANISH SABHARWAL

THE MOST INTERESTING parts of *Reversing the Gaze*, a remarkable 44-year diary of Arun Singh, are his honest reflections on the ironies of an Indian serving in the British Army. The irony of trying to raise employee wages without employer productivity — encouraged by overselling of fiscal and monetary policy — stands exposed because the flow of jobs since 1991 has not reduced the stock of farm employment despite government spending increasing from roughly Rs 1 lakh crore in 1991 to Rs 100 lakh crore. As our wage challenges shift from chronic (long-term) to acute (immediate), reversing our gaze by moving from a bird to a worm's eye policy view of the daily life of employers suggests private, productive, formal non-farm jobs that pay higher wages need digitising, decriminalising and rationalising regulatory cholesterol.

Many of our wage challenges arise from global changes in the world of work: manufacturing creates fewer jobs per rupee invested than before, the trade political backlash implies rising tariffs for exports, and the multi-decade global growth outlook is weaker because of prosperous countries ageing and debt. Modern states must redistribute — especially if companies generate higher profits — but rich country governments face a backlash because of the liberality of unskilled power in universities, journalism, and central banks (the US Fed balance sheet grew from \$1 trillion to peak at \$9 trillion through quantitative easing that should never have been invented). Argentinian President Javier Milei says, "My contempt for the state is infinite", and US President-elect Trump unrealistically promises to cut \$2 trillion from federal spending. China's recent party plenum aims to return to evaluating bureaucrats by successfully cultivating private enterprises and seeks to protect firms from "arbitrary actions, multiple inspections and selective law enforcement". A delegate even suggested the Chinese government's actions should be like *deng xin wen*, which roughly translates to "chill pills". India's wage challenges are different, so let's use the lenses of science (understanding our world), engineering (applying scientific understanding to real-world problems), and ethics (deciding which problems to focus on)

## The wage challenge

Solving it requires shifting policy from a bird's eye view to a worm's eye view of the daily life of employers

Our regulatory cholesterol vilifies, distrusts and discourages entrepreneurs. Change will create better teamwork (between the government, private sector, and civil society), enable policy risk-taking (more non-farm jobs will enable labour law reform and handing agriculture pricing and subsidies to state governments), and catalyse long-term thinking (a 25-year plan is not 25 1-year plans). Wages raise wages through the spontaneous combustion of alignment between ideas and execution. The Greek historian Thucydides believed any army with too much gap between its thinkers and doers will have its fighting done by fools and its thinking done by cowards.

suggested by the excellent new book *Accelerating India's Development: A State-Led Roadmap for Effective Governance* by economist Karthik Muralidharan. The understanding lens suggests there are no poor people but people in poor places; your wages depend on your state (Karnataka and UP have the same GDP with a five times differential in populations), your city (if everybody in India lived in Bangalore, India's GDP would be more than China), your sector (if everybody in India worked in software, India's per capita GDP would be higher than England), your firm (if every Indian firm was as productive as TCS, India's per-capita GDP would be higher than Germany), and your skills (wages double for security guards who can double up as polite and effective office receptionists). This suggests our agenda should include urbanisation, factories, financialisation, formalisation and human capital.

The "engineering" lens knows agriculture is self-exploitation rather than self-employment, taking jobs to poor states is more complicated than taking people to the jobs, the average car in Bangalore travels at walking speed (8km/h), software jobs will stay a rounding error in our labour force (currently 0.9 per cent) even if they double as expected, and skilling is now about preparing and upgrading, more than repairing. The Nobel Prize economist Daniel Kahneman suggested that we instinctively step on the accelerator to go faster but better results come from releasing the brake; shifting the view from a bird to a worm identifies three vectors around regulatory cholesterol: rationalisation, digitisation and decriminalisation.

The rationalisation vector is hard since it now equates with civil service reform — our 25 million civil servants have shifted from being a steel frame to a steel cage — because of thought worms like prohibited till permitted and guilty till innocent. The digitisation vector involves adding compliance to our unique Digital Public Infrastructure through a National Open Compliance Grid (NOCG) to enable paperless, presense-less, and cashless employer compliance. Recent announcements about a Unique Enterprise Number (PAN 2.0) and Enterprise Digilocker

lay strong foundations for NOCG.

The decriminalising vector must learn from Jan Jawans 10 (only 50 central government employer jail provisions removed) whose meagre outcomes arose from the flawed methodology of asking bureaucrats to cut the tree they are sitting on. Jan Vishwas 2.0 must reverse the gaze by removing everything that doesn't fit five clear criteria for jail: Must involve physical harm to other individuals, must involve intentional defrauding of stakeholders (employees, lenders, shareholders, government), must involve externalities to societies so large that the violator cannot compensate, like public order, national integrity, trust in property rights, etc., no jail provisions in general clauses that define the crime too broadly or do not specify the crime, and no jail provisions related to delayed and inaccurate filings, procedural infractions, incorrect calculations, and wrong formats. These five criteria will eliminate almost half of the 5,000 plus central government jail provisions and create a template for the 20,000 plus state government jail provisions.

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India's low wages are a big challenge but the worm's eye view of employers' daily life identifies policy steps for higher numbers of higher productivity employers. These steps will enable entrepreneurs to obey poet Faraz — *shikwa-e-zulmat-e-shab se kahin behar jab jab open karke li shama jab bere* — rather than lamenting the darkness of the night, better to light a candle for your share.

The writer is with Teamlease Services



SHUBHIRA GUPTA

THE SCRUFFY PROTAGONIST of a Telugu blockbuster, currently busy breaking office records, speaks in tongues while hanging upside down in a Japanese dock, before switching to a song every Indian has in their DNA: "Mera joota hai Japanese", warbles Pushpa, "doosri line mujhe nahin aani" (I don't know the second line), and then finishes it, like we have done all these years since Raj sang it in *Shree 420* (1955), with "phir dil hai Hindustani".

That one line is all it takes for an Indian hero, coasting on desi chutpah, to conquer foreign lands, in 2024. Perfect timing, as we celebrate 100 years of Raj Kapoor, who formed the trio of heroes, along with Dilip Kumar and Dev Anand, that a newly-independent nation fell in love with. Like his two equally famous contemporaries, Kapoor was a true modernist who understood the importance of staying grounded while appealing to the world, and that's the reason why his films found a loyal audience in so many countries.

A century on, Kapoor's films still speak to us, in the way they mirrored bewildering societal changes challenging class-and-caste barriers, creating the kind of drama and characters that were very much of their time, but were also, astonishingly, future forward.

Take Raj of *Shree 420*, which Khwaja Ahmad Abbas wrote and Kapoor directed. Raj is Kapoor's version of Charlie Chaplin's tramp (which he popularised in the 1951 hit *Awaara*) in which his mannered screen persona fit right in; he's a small-town boy walking, walking, walking to the big city to make a life; he's the

## THE GREATEST SHOWMAN

That is who Raj Kapoor was to Hindi cinema, as actor, producer, filmmaker

More than his actorly pursuits, though, Kapoor's legendary production slate became a cornerstone for the nascent film industry which flourished and grew in Bombay, under his banner R K Films. He established it all the way back in 1948, with Aag, in which he starred with Nargis, Premnath and Kamini Kaushal. Anyone who sees that iconic image of Raj-and-Nargis, lost in each other's eyes — part of the film poster — would know that those two would light up whenever they got together.

scamp, but even as he revels in his *chaar-sau-beesi* ways, we know that underneath it all, he's essentially a good man.

Take the Raj of *Awaara* (also an Abbas-Kapoor collaboration), whose "awaara hoon" was a clarion call for a carefree fellow who wore the bottoms of his trousers rolled, loafed, picked pockets, basically did everything that nice young men didn't, without deserting his innate niceness. After the film, the term *awaara* lost its sting, becoming an almost-affectionate epithet for a young man who would sow his oats, and return to his one true love.

Take Hiranam of the 1966 *Teensie Khannam*, directed by Basu Bhattacharya, in which Kapoor was cast as a rural simplicity whose romance with Hiranam (an incandescent Waheeda Rehman) made the humble poem a page years before Amitabh Bachchan's small-town sharpie in *Don* (1978) did.

Also take Raj Ranbir aka Raju of *Mera Naam Joker* (1970) who poured his heart and soul into the melancholic circus performer who is shaped by his relationship with three women he encounters at different stages of his life. It was one of the longest films of the time, which left viewers cold. It was a failure that deeply impacted Kapoor, who then switched his gaze directed towards youthful stories. His 1973 *Bobby*, starring two winsome teenagers, his son Rishi (who had a bit part in *Mera Naam Joker*) and the then unknown Dimple Kapadia, became a huge hit, turning the young legends into overnight sensations.

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Kapoor, who was rightly dubbed The Greatest Showman of Hindi movies, knew the power of the moving image, and he bowed to no one when it came to training a gaze on the female body, which he termed worshipping. Prudence, phaw, and so what if his leading lady's open torso, revealing in her new-found fame as the queen of Instagram, could be held in all her gorgeousness in the 1978 *Satyam Shivam Sundaram*.

He was also one of the first Indian filmmakers who understood all aspects of filmmaking. It is said that RK Studios doesn't exist anymore but his legacy, which he carried forward from his illustrious father Phirpur, spreading it with brothers Shashi-Shammi, and sons Randhir-Rishi-Rajiv, is safe with grandkids Karisma-Kareena-Ranbir, and seems to have found fresh blood in great-grandson Agastya Nanda. The immortal Joker ditty "jeena yaahan, marna yaahan, iske siva jana kahaan" is as true for the movies as it is for life. I won't be surprised if it's sung 100 years from now.

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## DECEMBER 16, 1984, FORTY YEARS AGO

### MIC NEUTRALISATION

THE UNION CARBIDE plant is all set to neutralise the remaining 15 tonnes of methylisocyanate in what has been termed as "Operation Faith". The neutralisation is a crucial exercise, coming as it does after an industrial catastrophe which has claimed over 2,000 lives and affected almost the entire city of 800,000 people.

### BHOPAL DESERTED

EVEN AS THE countdown began for the MIC neutralisation at the Union Carbide plant, Bhopal gave the appearance of a ghost city.

The large-scale evacuation from the panic-stricken city has paralysed normal life in the city, which has been in the grip of terror ever since the night of the tragedy. Almost all the shops and commercial establishments in Old Bhopal's "vulnerable" localities, were closed.

### JAYEWARDENE MANDATE

THE SRI LANKA president J R Jayewardene said that the proposals for resolving the island's ethnic problem presented in the form of draft bills to the all-party conference would be ratified by the people through a referendum or a general election. Addressing the 30th annual convention of the ruling

United National Party, Jayewardene urged the party workers to canvas people's support for the proposals which, he said, would ensure the unity of the country forever.

### UDHAMPUR CURFEW

INDEFINITE CURFEW WAS imposed in Udhampur by district authorities on December 15 following large-scale incidents of violence in which about 70 persons including 30 policemen were injured. During Chief Minister G M Shah's visit, people who wanted to demonstrate in support of their demands before him were stopped by the police, which led to demonstrators' stone throwing.



## Letter and spirit

Constitution will help fulfil aspirations

Participating in a special discussion marking the 75th anniversary of the adoption of the Constitution, Prime Minister Narendra Modi rightly noted in the Lok Sabha that the Constitution had overcome all the predicted possibilities for India after independence. In the life of a young republic, there are bound to be ups and downs, but the Constitution has stood the test of time and served India well. The biggest example of its success is the continued peaceful transition of power, reflecting the people's will. It is worth highlighting that politics in India at every level is extremely competitive. Over the decades, different political parties and formations have governed the country and taken it forward with occasional setbacks. The imposition of the Emergency in 1975 is an obvious example. The Constitution of India was envisioned as a dynamic and living document with inherent flexibility to adapt to the changing needs of a young nation.

As a result, the Constitution has been amended over 100 times. Most recently, for example, it was amended to reserve 33 per cent of the seats in Parliament and the state legislatures for women, though the provision will come into effect after the next delimitation exercise. In the economic context, both the Union and state governments pooled their powers to take to enable the implementation of goods and services tax with relevant modifications in the Constitution. Thus, the Constitution has allowed India to advance both social and economic causes over the years. While the two-day debate in the Lok Sabha last week touched upon various aspects, it became partisan at different levels. Though this was not entirely unexpected, the members could have used this opportunity to discuss the way forward to accomplish the ideas adopted in the Constitution. Since India is working towards becoming a developed nation by 2047, the centenary of Independence, it is only apt that it aims to change and empower the lives of citizens.

In this regard, some provisions guaranteeing fundamental rights are worth discussing here. Article 14, for instance, guarantees equality before the law or the equal protection of the law within the territory of India. In other words, the Constitution rejects any kind of discrimination. However, the Indian state has not been able to guarantee this to every citizen. Until it was stopped by the Supreme Court recently, "bulldozer justice" for instance, practised in several states, was against both the letter and spirit of the Constitution. What India needs is the strengthening of institutions, particularly the judiciary. The case backlog invariably delays decisions, affecting the well-being of citizens and the protection of fundamental rights.

Further, there is a consensus among experts that if India has to develop, it will need better-quality human capital. In this context, Parliament did well to adopt Article 21A (86th amendment), which expects the state to provide free and compulsory education to all children aged six to 14 years. Consequently, enrolment in schools has increased over the years, for which both the Union and state governments deserve credit. However, as evident in various surveys, particularly the Annual Status of Education Report (ASER), the quality of education remains poor. India will not be able to grow and develop at the desired pace if this aspect remains unaddressed for long. It is important to ensure that social, economic, and legal outcomes in the country are in line with the basic intent of the Constitution. To be fair, overall, what India has accomplished over the past 75 years is remarkable. Upholding the core constitutional values will enable it to fulfil the aspirations of its citizens.

## Chessboard promises

Gukesh's win reflects India's growing prowess

The stunning achievement of D Gukesh in winning the world chess championship is the cherry on the cake as far as India's chess players are concerned. It's been a great year with Indian teams sweeping double-gold in the Olympiads and, along with Gukesh, Arjun Erigaisi, and Rameshbabu Praggnanandhaa have stormed into the ranks of the chess elite. Indeed six of the world's current top 25 players are Indians, there is a realistic possibility that the challenger Gukesh will face when he defends the title in 2026 would also be an Indian. There are 85 Indian Grandmasters, many of whom are not yet old enough to vote, and their ranks are growing fast. There's a large base of active players, with over 11,000 Indians playing tournaments in the last year. There's a widespread network of coaches, with coaching services available for beginners even in small towns. Many schools offer chess as an optional extracurricular activity. In a more sophisticated way, chess academies run by Grandmasters also train promising players.

There's a vibrant, well-organised domestic tournament circuit. At the apex of the pyramid, there are sponsorships and financial support for the elite players. Gukesh, for instance, has a five-year sponsorship deal, and his campaign for the world title was backed by a team of top players who helped with analysis and preparation, as well as the services of a mental-conditioning coach who has worked with the Indian cricket team. The financial resources required were considerable. In April, the five Indians playing in World Title cycles received a commitment of around ₹2 crore to support their campaign. The gold-medallist Indian teams at the Chess Olympiad also received generous financial support. Other top Indian players also have sponsorship deals and employment on "sports quota" in various public-sector undertakings. There are broader social and infrastructural factors that are supportive of the game. Success begets success and the inspirational examples of Viswanathan Anand, Gukesh, and others, have thrown a spotlight on the game. The fan base is large and growing. Chessbase India, which promotes the game, has 1.5 million members on its YouTube and Twitch TV channels.

The branding association between chess and intellectual accomplishment means that parents (and educationists) encourage their wards to play the game. Companies are also happy to pitch in to sponsor both tournaments and individual players. In terms of the infrastructure, high levels of smartphone penetration and cheap data plans make it possible for Indians to hone their skills on large online platforms. Chess.com and Lichess host close to 2 million games per day among them, and both platforms are typically inundated with young Indians. It is also common to see large contingents of young Indian players at international open events where young players can win prize money and score title norms. It is a remarkable story, given that Viswanathan Anand became India's first Grandmaster only as recently as 1987, and India wasn't considered a medal contender at team events until quite recently. The success of Gukesh, following close on the Olympiad wins, is likely to further turbocharge local enthusiasm. The story of chess and how its popularity has grown, both organically and through policy support, could provide a valuable lesson for other sports.

# Savings-investment conundrum

For growth to be sustainable, it must be financed by higher gross domestic savings because there is not much space to do so through external borrowing

ILLUSTRATION: AJAYKA MOHANTY



India's (nominal) investment was about 33 per cent of gross domestic product (GDP) in the past two years and is likely to be at similar levels in 2024-25 (FY25) as well (it was 33.8 per cent of GDP in HIFY25, the same as in HIFY24), better than the 31 per cent of GDP in the pre-pandemic years. More importantly, India's current account deficit (CAD) was only 0.7 per cent of GDP in FY24 and likely at 1.6 per cent of GDP in HIFY25, compared to 1.2 per cent in HIFY24. With the CAD at around 1 per cent of GDP in FY25, India's savings would be 32 per cent of GDP during the year, similar to its pre-pandemic average. India's real GDP growth stood at 8.2 per cent in FY24 and averaged 8.3 per cent in the past three years. Why, then, do I keep worrying about savings and investment?

Well, since the CAD is the difference between investment and gross domestic savings (GDS), it is interesting to analyse the share of each domestic participant in India's external deficit (or the CAD). There are three participants in an economy — the corporate sector (including private and public financial and non-financial companies), the government (the Centre and the states), and the household sector (ie the residual, everything else). The CAD, thus, can be effectively analysed as the difference between the investment and savings of each of these three domestic participants.

India's corporate sector turned from a very large net borrower to only a small deficit (to surplus) sector recently. It essentially means that corporate investment has been almost equal to or only marginally

higher than the sector's savings in the past many years (FY17-24), compared to net borrowing of as high as 6-8 per cent of GDP between FY06 and FY11. This is because while corporate savings (the sum of retained earnings and depreciation) were at an all-time high of 13-14 per cent of GDP in the past decade (which possibly picked up further in FY24), corporate investment continued to hover at around 14 per cent of GDP during the corresponding years, compared to above 17 per cent of GDP in many years up to FY16. At the same time, fiscal net borrowing is higher than in pre-pandemic years (though it has come down substantially since FY21), and the household net surplus (ie net financial savings, NFS) declined dramatically in recent years. According to the official data, household NFS were at a four-decade low of 5.3 per cent of GDP in FY23, which we estimate to have improved marginally in FY24. Overall, this suggests that India's CAD is contained because of the highly cautious corporate sector.

This composition will likely change in the future. If corporate investment recovers, as is widely expected or hoped, corporate net borrowing (or deficit) will widen. Assuming that it leads to an increase in investment in the economy, such an increase in the corporate deficit would either lead to a higher CAD or will be offset (at least partially) by higher GDS, led by a lower fiscal deficit and/or higher household NFS. This is where the conundrum lies.

The government sector has been very clear about reaching its fiscal deficit of 4.5 per cent of GDP by

FY26, after which it is not clear if fiscal consolidation will continue and at what pace. The government has indicated that it will shift its focus to the debt-to-GDP ratio, which may be a better idea; however, it has also hinted that fiscal consolidation will likely happen at a much gradual pace in the future.

Simultaneously, considering the subdued growth in personal disposable income during the past decade, a pickup in household NFS would mean a moderation in household spending growth, pulling down real GDP growth. This could potentially create a vicious cycle of weak demand, making it difficult for corporate investment to pick up substantially.

In any case, it is very likely that if the investment-to-GDP ratio picks up, it will be funded by some recovery in GDS and widening in the CAD. This is exactly what has been borne out by the historical data as well. During all the past episodes of a surge in India's investment rate (in the mid-1980s, mid-2000s, and early 2010s), India's GDS picked up but fell short and, thus, the CAD also widened during all the episodes.

Assuming that the investment ratio needs to rise by 3-4 percentage points of GDP to 36-37 per cent of GDP in order to achieve 8 per cent real growth, we do not have too much space to fund higher investment through external borrowing (or the CAD). At most, we can widen the CAD by 1.0-1.2 percentage points of GDP, which means that at least two-thirds of the rise in investment has to be funded by the rise in GDS. This seems like a tall task at this time, considering the lack of clarity on further fiscal consolidation post-FY26 and consumer spending.

So, should we look at real investment? When we analyse the incremental capital-output ratio (ICOR), it is prudent to consider the real net fixed investment ratio rather than nominal gross investment. Compared to the nominal gross investment-to-GDP ratio of 33 per cent, India's real net fixed investment ratio was 23.5 per cent of GDP in the past three years (FY22-24), similar to what it was in the pre-pandemic decade (FY11-20). At an ICOR of 3.5 (the average of the 2000s decade, excluding the worst [FY09] and the best [FY04] years), real net fixed investment must rise to 28 per cent of GDP to support 8 per cent real GDP growth.

Therefore, whether nominal or real, India's investment rate needs to increase by 3-4 percentage points of GDP to support 8 per cent real growth. In order to be able to do this, it is supported by higher GDS, which, to my mind, presents the biggest conundrum to higher growth at this time.

The author is chief economist, Motilal Oswal Financial Services, and the author of *The Eight Per Cent Solution*. This article is based on the author's recent presentation at a seminar organised by the Centre for Social and Economic Progress

NIKHIL GUPTA



## The one thing: Export

In the mid-1990s, when Indian companies were struggling to handle an economic slowdown and high interest rates, I had developed a rule of thumb to filter high-quality companies: Does the company earn a significant part of its revenues from export? The logic behind this was straightforward. If a company could thrive in the fiercely competitive global marketplace, despite India's red tape, poor infrastructure, and high taxes, it must be running high-quality operations. Of course, one had to be cautious. Back then, tax breaks and subsidies for export often led to inflated figures and the risk of "fake export". But this could be tackled by examining the size of the business, the quality of the promoters, cash flows, debt, and other metrics. A simple focus on export would have thrown up the biggest winners of the last 30 years: Pharmaceutical companies.

Can this logic be applied to a country? It is no surprise that all developed countries have a very strong export sector, especially the four-five that have actually become developed nations within one generation in the past 100 years. There are about 200 countries for which the World Bank and United Nations Conference on Trade and Development have compiled per capita export data. On that list, India is ranked 153rd, as against South Korea at 44th and Taiwan at 35th. If you think India is a services export powerhouse, India's ranking in per capita services export is 89th out of 114, trailing nations like Malaysia, Turkey, and Thailand. Many highly promising economies of the past few decades, like Brazil, which were supposed to achieve rich-nation status but could not, have, coincidentally, poor per capita export figures. Even China, the world's manufacturing powerhouse, is at 103rd; this could be because (apart from a large population base) its exports are of lower value than those of Japan, Taiwan, and South Korea.

It is obvious why prosperous countries rank high

on export. Just like a company that excels in global markets, a country's exports signal a range of economic health factors: World-class infrastructure, high standards of education, technological innovation, a well-functioning financial system, social cohesion, and a thriving private sector — all supported by thoughtful and consistent government policies. The exceptions are nations very richly endowed with huge natural resources and low population such as Saudi Arabia.

Economic planning can have many objectives — increasing domestic production, employment, reducing inequality, regional development, etc. The question is: What is the one thing that could drive India's economic success? Gary W Keller and Jay Pansan, in their bestselling book *The One Thing*, argue that there is often one action that makes everything else easier or unnecessary. For most countries that answer is clear: Double-digit export performance for years together and climbing up the global value chain.

It is surprising that India has not followed this path even though there have been plenty of examples of export-led economic miracles from the 1950s closer home. Japan, South Korea, and Taiwan embarked on this strategy very successfully, and that was partly copied later by Thailand, Malaysia, and Vietnam. There is a lot of debate around the world on why ought to be the path for poor countries to become rich. Economists Daron Acemoglu and James A Robinson (Nobel Prize winners of 2024) emphasise the role of institutions in *Why Nations Fail*. However, real-life evidence shows the triumph of economic nationalism, under which infant industry is initially protected to acquire the building blocks of manufacturing but is soon forced to compete along with other national players — on the international market.

This model transformed Germany in the late

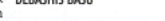
19th century. Japan learnt from this and employed the recipe in the last century, especially after World War II, followed by two Japanese colonies — Taiwan and South Korea. Finally, China, starting late, has taken export to a wholly new level, which now threatens large swathes of Western high-technology industries. Each of these countries started at the lowest end of the value chain (Japan was exporting raw silk in the late 19th century, then textiles, bicycles, cheap electronics, cars, and so on) and moved up the technology ladder.

While India has wasted three decades in muddling along, even after the so-called economic liberalisation of 1991, under the Modi government, there is a faint element of economic nationalism in schemes such as production-linked incentives (PLI) and Make in India. But for these schemes to be effective, it has to use the playbook of export champions. The incentive has to be linked to export, not just import substitution or higher production. Initially it will be hard, which will automatically reveal what needs to be done to make each of the sectors export-competitive. In each of the four countries that have recorded extraordinary growth, the government worked with the manufacturers to help them import technology, arranged cheap finances, culled the weaker players, and relentlessly imposed export discipline. India should learn from this and adapt.

Fortunately, India already has many of the ingredients for success. One, in sectors like pharmaceuticals, chemicals, steel, and engineering, and services, the country has both domestic scale and a global competitive edge. Two, the timing too is right. So far, the Trade World Wars have been covered from by the "Washington Consensus", a recipe combining free trade, discipline, trade and financial liberalisation, privatisation, etc. Now the United States itself has taken a sharp turn towards isolationist policies of economic nationalism and protectionism. Hence, while it is late, the timing is even better now to focus on an export-led Indian miracle. It is the only route to a Vilsit Bharat.

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IRRATIONAL CHOICE  
DERASHIS BASU



the following year, Mr Bezos tried to explain press freedom to Mr Trump, to no avail. "The president couldn't believe that an owner of a newspaper wouldn't use it to attack his enemies and wouldn't influence coverage," Ms Mattioli writes. In 2018, when Amazon was the front-runner for a cloud computing contract with the Pentagon, she reports, Mr Trump told this

of the Federal Trade Commission, Lina Khan. Under Ms Khan, the FTC accused Amazon of illegally manipulating the market for its Kindle e-readers. Ms Mattioli says she had been scrutinising since law school. Mr Trump is expected to replace her, though his Vice President-elect, JD Vance, has expressed support for her efforts. With Mr Trump in charge and tech moguls

falling into line, at least for the moment, there are any hope for checking the tech industry's worst impulses in the near future? In *The Tech Coup*, the *Financial Times* columnist Mariette Schaake

**THE EVERYTHING WAR: Amazon's Ruthless Quest to Own the World and Remake Corporate Power**  
Author: Dana Mattioli  
Publisher: Little, Brown  
Pages: 390  
Price: ₹320



**THE TECH COUP: How to Save Democracy From Silicon Valley**  
Author: Mariette Schaake  
Publisher: Princeton University Press  
Pages: 327  
Price: ₹275

lays out how tech companies have become more entrenched in basic services, leading to "declining standards and freedoms." She wants governments to proactively prevent companies from harming citizens, and provides a road map for doing so.

Today, governments rely heavily on private companies for cybersecurity help, and one of Ms Schaake's proposals is that countries should make more of the world's digital infrastructure public. Mr Musk, for

instance, has had the power to control internet connectivity during the war in Ukraine, because the country's military relies on his Starlink satellite internet operations. "Digitalisation has empowered authoritarian regimes," Ms Schaake writes, "while democratic societies misguidedly continue to trust that free markets will lead to free societies."

Ms Schaake is a Dutch former member of the European Parliament, where ideas about stronger tech oversight have received a more enthusiastic hearing than in the United States. Many of her suggestions would require extensive regulation and meet with intense resistance from the US Congress.

Still, Ms Schaake reminds readers that the need for tech accountability has found rare bipartisan consensus in the United States. As president, Mr Trump tried to ban TikTok in the United States through an executive order; the Biden administration turned that effort into law. But with Republicans in control of both the Senate and the House of Representatives, sweeping change that may have been possible in a prior administration could come more quickly.

The reviewer is the author of *No Filter: The Inside Story of Instagram*. ©2024 The New York Times News Service

## Big Tech and Donald Trump



### BOOK REVIEW

SARAH FRIER

Iron Musk wasn't always such a big fan of Donald Trump. In December 2016, he reluctantly joined Trump's business advisory council, only to leave it a few months later after the Republican president pulled out of an international climate agreement. Mr Trump also played hot and cold with the tech industry. During his first term in office, he was generally critical of Big Tech tycoons and their power, even as critics lined up to argue that social media platforms, exploited by foreign agents and hyper-political outlets, had helped deliver him to the White House.

A "techlash" got going under Mr Trump and eventually became vaguely bipartisan. Democrats contended that social media

platforms allowed right-wing radicalism to flourish, while Republicans decried what they saw as limits on conservative expression. There have been dozens of congressional hearings involving tech companies on issues including privacy, political bias, election integrity, child safety, content moderation, "deepfakes", algorithms, and there are now US government investigations into — and in some cases, litigation against — Meta, Alphabet, Amazon, Apple and Tesla, among others.

In the last few years, Democrats especially have shown that they would like to see more accountability from these companies and perhaps break a few of them up. So it may be no surprise that tech moguls are ready to give Mr Trump another chance. Mr Musk, after spending more than \$250 million on Trump's re-election, has signed on to help slash the federal budget as co-leader of a brand-new "Beheemo" of Government Efficiency. Jeff Bezos, the founder of Amazon, refused to let his newspaper, *The Washington Post*, endorse Vice-President Kamala Harris, and recently said, about the prospect of a second Trump presidency, that he's "very

optimistic this time around." Mark Zuckerberg, the Meta chief executive whose social networks took a more hands-off approach to election misinformation than they had in earlier cycles, called the way Mr Trump treated "to be nearly assassinated" but the honeymoon might not last. As two recent books show, Mr Trump's relationship with tech companies has been volatile, and could be again if the senses disloyalty from his new found allies.

In *The Everything War* the *Wall Street Journal* reporter Dana Mattioli focuses on Amazon's insatiable quest for growth and market control — from Mr Bezos' bet on the World Wide Web in the 1990s to the company's transformation into a behemoth that regularly tangles with American presidents.

Ms Mattioli describes Bezos as Trump's "nemesis," noting that the president-elect was obsessed with *The Post*'s criticism of him during his 2016 campaign. At dinner

secretary of defence, Jim Mattis, to "screw" the company and scuttled the deal. This thoroughly reported book explores Amazon's strategies to thwart threats to its dominance — and make friends at the White House despite Mr Trump's attitude toward Mr Bezos, who stepped down as CEO in 2021 but is still the company's largest shareholder. Ms Mattioli also delves into Amazon's history with the other person the company is scared of in Washington: The current chair



