



## Not business as usual

India's reputation for high-quality generic drugs should not be put at risk

The pharmacy of the global South is facing a crisis of reputation. After cough syrups made by pharmaceutical companies based in India, which had unacceptable amounts of diethylene glycol and/or ethylene glycol, killed 66 children in Gambia, 65 children in Uzbekistan in 2022, and 12 children in Cameroon in 2023, and India-made eye drops contaminated by drug-resistant bacteria killed three persons and blinded eight in the U.S., again in 2023, the spotlight is back on Indian drug companies for all the wrong reasons. A BBC Eye investigation has brought to light the criminal actions of Aveo Pharmaceuticals, a Maharashtra-based company, which was manufacturing and exporting unapproved, highly addictive opioid drug combinations to West Africa. The “medicines” contain tapentadol, a powerful opioid, and carisoprodol, a highly addictive muscle relaxant. While the Indian drug regulator has approved tapentadol and carisoprodol as standalone drugs, the combination has no clearance. Even if the company’s claim that the drug combination has been approved by the State drug authority turns out to be correct, it is still illegal as only the Central Drugs Standard Control Organization (CDSCO) can approve any novel fixed dose combination (FDC) drugs for safety and efficacy. It is only after this approval that State drug authorities can issue a manufacturing licence. The Health Ministry routinely banning FDCs is only because the State drug authorities ignore this provision in the law with impunity.

India questioned and denied the World Health Organization’s report about the lethal cough syrup sent to Gambia, but in the latest case, CDSCO and the State regulatory authority swung into action even in the absence of any complaint by West African countries. The reason: the BBC investigation’s irrefutable video evidence that the company was in the “business” of manufacturing and exporting the dangerous combination drug despite knowing the harmful effects. The seizure of nearly 13 million “medicines” and 26 batches of active pharmaceutical ingredients of tapentadol and carisoprodol are clinching evidence for taking criminal action against the company. While the moves by the authorities – to issue a ‘stop activity’ order, withdraw the manufacturing licence and permission to export the drugs by any company, and a show cause notice – inspire some confidence, only stringent punishment can serve as a deterrent. Indian pharmaceutical companies are known in the global South for their high-quality generic drugs. It is for the drug regulator to ensure that India continues to be famous for this and not gain notoriety for producing and exporting deadly synthetic opioids as drugs. Manufacturing synthetic opioid drugs cannot be any pharmaceutical company’s “business”.

## New direction

Germany needs to talk to Russia to drive a hard bargain for Europe

When Germans went to vote on Sunday, in one of the most consequential elections in the country’s post-reunification history, there was little doubt about the outcome. The Olaf Scholz-led three-party coalition had collapsed months earlier and his centrist Social Democratic Party (SPD) was hugely unpopular. Germany, once hailed as a model country, was in its third year of economic contraction and the far-right Alternative for Germany (AfD), with neo-Nazi roots, was surging ahead with its anti-establishment and anti-immigrant campaign. In the results, the conservative Christian Democratic Union (CDU) and its Bavarian sister party, Christian Social Union, led by Friedrich Merz, emerged as the largest bloc, with 28.5% votes, while the AfD doubled its vote share to 20.8%. The Social Democrats got a 16.1% share, one of its worst performances since the 19th century, while the Greens won 11.6%. The left-wing Die Linke saw rising popularity, with 8.8% of the vote. Mr. Merz had asked voters for a strong mandate to fix Germany’s problems. While the CDU’s performance is weaker than expected, its strong lead puts it on the path toward power. He will now kick off a complicated process of coalition talks.

Mr. Merz has already ruled out any alliance with the AfD, which would be allocated 152 seats. In the 630-member Bundestag, a coalition needs at least 316 seats to form a government. So, it is likely that Mr. Merz, whose bloc has 208 seats, would form a two-party coalition government with the Social Democrats, with its 120 seats. But government formation would be the least of his challenges. He must reboot a contracting economy, which has barely grown since the pre-COVID years, tackle the immigration problem, which was exploited by the far-right, and formulate foreign policy that addresses both the Ukraine war and Europe’s security challenges. As Germany joined western allies in imposing sanctions on Russia, it effectively lost access to cheap Russian gas. The country is today grappling with a deep recession and deindustrialisation. And as the crisis deepened, the German elites’ bid to weaken the AfD through a political ‘firewall’ ceased working. But Mr. Merz has the advantage of leading a new government on a new mandate. He should look at the U.S. reset with Russia to begin afresh rather than as an impediment to furthering the old policies that have backfired. His focus should be on bringing the Ukraine war to a quick and just end and rebuilding the economy. He should also drive a new, hard bargain with Russia for security and stability in Europe. Only a peaceful Europe can guarantee Germany’s continued rise as the continent’s economic and political engine.

The introduction of the Right to Information (RTI) Act was a move that generated great hope among citizens since it recognised them to be the rulers of the nation. It empowered them to seek information from the government, with dignity and respect. It looked as if the ‘swaraj’ that they had missed would be delivered to them. The Act codified their fundamental right to information and was one of the best transparency laws in the world. It appeared that it would curb corruption and arbitrariness, with citizens being the vigilance monitors of their government. But, it must be conceded, it has fallen far short of our expectations and the state of our democracy is not better.

Within a few months, the government realised that this was a transfer of power from public servants to the citizens. In less than a year it moved to amend the law which would have weakened the RTI Act. But there were widespread protests by citizens across the nation. Sensing the mood of the nation, the government dropped the amendments.

### A gradual erosion

The RTI Act had created Information Commissions as the final appellate authorities to implement the law. Most of the posts of ‘information commissioner’ were taken up by retired bureaucrats. After working for decades as senior bureaucrats, it was difficult for them to hand over power to citizens and recognise that they were the rightful owners of the government. No attempt was made to select people with a record in transparency. Many of them looked at these jobs as post-retirement sinecures and worked only for a few hours. While the national average of the disposal of cases by High Court judges is over 2,500 in a year, the national average of disposal of cases by the commissioners was less than this. Given the fact that the complexity of cases before commissions is far less than the cases before the High Courts, each commissioner should have been clearing at least over 5,000 cases in a year. While the law mandated a period of 30 days for the information to be provided and the same period for the first appellate authorities, it did not specify any time limit for the commissioners. Many commissions began to have pendency of over a year. The right to information was being converted into a right to history. Many ordinary citizens could not pursue the issue of what was now a denial of information. The penal provisions of the RTI Act were the teeth of the Act, but most information commissioners were reluctant to use them. The governments delayed appointing commissioners, which only increased the backlogs.

The clear message of various High Court



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Citizens and the media must take up the responsibility to ensure that the original RTI Act is followed and not allow any distortions

judgments was that the exemptions listed under Section 8 of the RTI Act were restrictions on a citizen’s fundamental right and had to be construed strictly as in the law. Parliament intended most information to be provided and crafted the exemptions carefully.

The entire approach to a citizen’s right to information changed in August 2011 when the Supreme Court of India held in *Central Board of Secondary Education & Anr. vs Aditya Bandopadhyay & Ors*, in paragraph 33: “Some High Courts have held that section 8 of RTI Act is in the nature of an exception to section 3 which empowers the citizens with the right to information, which is a derivative from the freedom of speech; and that therefore section 8 should be construed strictly, literally and narrowly. This may not be the correct approach.”

In paragraph 37 it made a comment without any evidence: “Indiscriminate and impractical demands or directions under RTI Act for disclosure of all and sundry information (unrelated to transparency and accountability in the functioning of public authorities and eradication of corruption) would be counterproductive as it will adversely affect the efficiency of the administration and result in the executive getting bogged down with the non-productive work of collecting and furnishing information. The Act should not be allowed to be misused or abused, to become a tool to obstruct the national development and integration, or to destroy the peace, tranquility and harmony among its citizens. Nor should it be converted into a tool of oppression or intimidation of honest officials striving to do their duty.”

This justified treating RTI as an undesirable activity and labelling RTI users as outcasts. It justified not giving information and attacks on RTI users.

### The subject of ‘personal information’

The second major blow came with the judgment in *Girish Ramchandra Deshpande vs Cen. Information Commr. & Ors.*, in October 2012.

A RTI applicant, Girish Ramchandra Deshpande, had sought copies of all memos, show cause notices and censure/punishment awarded to a public servant. A.B. Lute. He had also sought other details such as his movable and immovable properties and details of his investments, lending and borrowing from banks and other financial institutions.

This was denied claiming exemption under Section 8(1)(j). This section exempts “information which relates to personal information the disclosure of which has no relationship to any public activity or interest, or which would cause unwarranted invasion of the privacy of the individual unless the Central Public Information

Officer ... is satisfied that the larger public interest justifies the disclosure of such information: Provided that the information, which cannot be denied to the Parliament or a State Legislature shall not be denied to any person.”

A simple reading shows that under this clause, ‘personal’ can be denied if it has apparently no relationship to any public activity or interest; or the disclosure of the said information would cause unwarranted invasion of the privacy of the individual.

The Court did not rule on whether the information was an outcome of a public activity or if its disclosure would amount to an unwarranted invasion of the privacy of the individual. It denied the information by reading only the first seven words of the provision and saying it was ‘personal information’. Most information can be linked to some person. Realising that it may be difficult for public information officers and other appellate authorities to decide on what constitutes privacy, Parliament gave a simple test in the proviso – that information which would not be denied to Parliament or legislature would not be denied to any person. This can only have one meaning. That anyone claiming that information would be denied to the citizen would make a subjective statement that he would deny the information to Parliament.

It is well settled that literal interpretation should be given to a statute if the same does not lead to absurdity. In *Nasiruddin and others vs Sita Ram Agarwal* (2003) 2 SCC 577, the Court has stated: “37. The court’s jurisdiction to interpret a statute can be invoked when the same is ambiguous... It cannot re-write or recast legislation. It is also necessary to determine that there exists a presumption that the legislature has not used any superfluous words. It is well settled that the real intention of the legislation must be gathered from the language used.”

*Girish Ramchandra Deshpande* amends the RTI Act and has been used as a precedent in six subsequent Court judgments and has become the gold standard to convert RTI into an RDI, or Right to Deny Information. The Digital Personal Data Protection Act takes a cue from this and amends the RTI Act itself. There are other cases in which words in the law have not been accorded their usual meanings.

### A call to citizens

To ensure that the RTI fulfils its original promise we should go by the original Act and not allow any distortions. Citizens and the media must take up the responsibility to discuss and defend it. Otherwise, we will have a dilution of our fundamental right under Article 19(1)(a) of the Constitution of India.

# Fencing out interfaith relationships in the new India

On January 27, 2025, Uttarakhand became the first Indian State to implement the Uniform Civil Code (UCC), placing private relationships under state surveillance. The official claim is that it would restore gender justice, create “uniformity”, and address administrative oversight. However, when taken along with existing anti-conversion laws, this marks a coordinated legal push to segregate communities – not just in faith, but also in love and daily life. The UCC is the final blow, ensuring that all forms of interfaith relationships are regulated in the ‘New India’.

### The introduction of more hurdles

Interfaith marriages already face immense social barriers. A survey (2014) of over 70,000 respondents found that fewer than 10% of urban Indians had a family member who married outside their caste. Interfaith unions were even rarer – barely 5% of urban respondents reported any marriages in their family outside their religion. The secular Special Marriage Act, 1954, has administrative hurdles, including a mandatory 30-day notice period, subjecting couples to scrutiny. Meanwhile, rigid anti-conversion laws, now enforced in Uttar Pradesh, Uttarakhand and Rajasthan, among several other States, have further criminalised religious conversion for marriage.

These laws create bureaucratic traps – as mandatory declarations, waiting periods, and district magistrate approvals – that deter conversions for marriage. Worse, they embolden vigilante groups, often linked to right-wing organisations, to justify harassment, policing, and violence against interfaith couples, particularly Hindu-Muslim. A news portal found that at least 63 of 101 police complaints invoking the U.P. anti-conversion law against Christians, were filed by third-party vigilante groups. Instead of protecting individuals, these laws provide legal cover for extrajudicial interventions, often with police complicity.

Against this background, the UCC’s provisions on live-in relationships take state scrutiny to a new extreme – even informal relationships are



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The enactment of a Uniform Civil Code, in addition to existing anti-conversion laws, is eroding individual rights and the fabric of India’s pluralistic society

subject to surveillance. Live-in relationships are now legally required to be registered with district authorities. This includes a 16-page application with official documentation (Aadhaar cards, residential proof), seeking approval from “religious leaders or community heads,” and notifying family members. The registrar must inform the couple’s parents or guardians about their relationship. Failure to register is punishable with up to six months of imprisonment and a fine of ₹25,000.

These rules make it nearly impossible for couples, particularly interfaith ones, to live without oversight. It is no surprise, then, that only one live-in couple has successfully registered its relationship in Uttarakhand. Others have sought legal protection from the High Court, even as a Bajrang Dal leader claims to have sourced details on live-in applications. The ability of such vigilantes to interfere in private relationships underscores how the UCC and anti-conversion laws work in tandem to suppress interfaith unions.

### A form of apartheid

The result is a complex legal machinery that is actively working to segregate communities, entrench religious divisions, and institutionalise a form of social apartheid: individuals cannot marry or even be in a relationship with the so-called ‘other’ without prior legal approval. These laws create barriers for interfaith couples at every stage whether in marriage or informal cohabitation.

This combined system functions in three ways.

First, by strengthening traditional religious institutions. The requirement for religious certification in both UCC and anti-conversion laws formalises the power of religious leaders over personal relationships in a secular democracy. This contradicts the constitutional guarantee of individual freedom, reinforcing the idea that relationships must adhere to religious and community norms rather than personal choice.

Second, by enabling families to exercise greater control over women. Both laws

disproportionately impact women, who often face pressure, coercion, or even violent punishment for engaging in interfaith and inter-caste relationships. By notifying families of live-in relationships, the UCC makes women more vulnerable to honour-based violence and familial control. Women in interfaith relationships are often framed as victims of manipulation, stripping them of agency and reinforcing patriarchal control over their choices.

Third, by providing legal cover for vigilantism. Right-wing vigilantes now have a legal framework to monitor, report, and harass interfaith couples, married and unmarried, under the guise of preserving tradition and the law. When an interfaith couple attempts to register a live-in relationship or convert for marriage, vigilante groups are often the first to know, due to the legal requirement of public notices and family notifications.

Amid rising hate speech and polarisation, these laws effectively legalise and entrench the separation of religious communities, preventing interfaith interaction at all levels. Similar to the apartheid-era South Africa or Nazi Germany, which banned inter-racial unions, the effect of the UCC and anti-conversion laws is to institutionalise segregation by making interfaith relationships, whether marital or informal, almost impossible.

### It could be catching on

Looking ahead, Uttarakhand’s UCC could be a blueprint for other States. Rajasthan’s High Court recently considered mandatory registration of live-in relationships, closely following Uttarakhand’s model. The Rajasthan Assembly enacted an anti-conversion law. Gujarat is also contemplating a draft UCC modelled on similar lines. These legal trends point toward a broader movement toward a systematic regulation of personal relationships.

In India, love and faith are deeply personal and subjective experiences that each individual defines on their own terms. These legal developments not only threaten individual rights but also undermine the very fabric of India’s pluralistic society.

## LETTERS TO THE EDITOR

### DOGE charge, USAID ‘grant’

The 47th President of the United States has been making a series of remarks ever since he assumed power at the White House. The controversy surrounding USAID ‘funding’ for voter turnout in India seems to have been blown out of proportion (February

24). Perhaps the ruling dispensation in India ought to be thick-skinned. The U.S. should stop meddling in the affairs of other countries particularly when it does not seem to have incontrovertible proof to substantiate its claims. **Aanya Singhal**, Noida, Uttar Pradesh

The issue could only add to growing tensions between India and the U.S., which is already under some strain because of trade issues and concerns over human rights. With conflicting media reports on USAID ‘funds’, a lack of clarity could only further damage trust between the two

nations. The Indian Prime Minister and the U.S. President must act quickly to clear the air. **Muskan Shekhawat**, Jaipur, Rajasthan

### Cleaning the Yamuna

Numerous attempts have been made in the past 35 years to clean the Yamuna.

But there are issues such as having less than the required rate of flow of water to ensure an ecological balance, poor estimates of a surging population, illegal construction, unregulated industrial sewage and sub-standard effluent treatment plants. As a

single political party is now in power in all the Yamuna basin States, there should be no excuse on the part of the governments concerned in coordinating plans.

**Vaibhav Goyal**, Chandigarh

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

## The UGC’s mandate is to elevate, not strangle

The University Grants Commission (UGC) has been in the news again, with the States pushing back on its directive on the procedure for appointment of vice chancellors. It is unusual for chief ministers to concern themselves so closely with minutiae of this kind, but those of Kerala and Tamil Nadu have campaigned against it, terming the directive unconstitutional as it impinges upon matters that are the prerogative of the States. They are particularly unhappy that the UGC may be cementing the practice of Governors choosing vice chancellors. As the States shoulder much of the burden of financing universities, and have a deciding role in instituting them, their insistence that the elected State government rather than the Governor appointed by the Centre have the final say has validity.

**A meaningful innovation**  
However, the substantive part of the UGC’s recent directive was an amended guideline for the qualifications for a vice chancellor. The requirement that the vice chancellor must be an academic has been rescinded, and eligibility has been extended to persons who have distinguished themselves in other fields, including industry. This is actually a rare instance in recent times of a meaningful and potentially gainful innovation by the UGC. Globally, heads of academic institutions have not always been professional academics. In the U.S., former secretaries of state are invited to serve as faculty in the best universities of that country. The colleges of Oxford and Cambridge have distinguished themselves by choosing as their heads ex-parliamentarians, writers, and journalists, and no one has thought the practice odd. The public very likely see such appointments as adding value, as most of these individuals would have had exceptional careers.

India is not a stranger to this practice. Over 50 years ago, Prime



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Micro management by the UGC and excessive social engineering imposed by political parties have resulted in the persistent under-performance of our universities

Minister Indira Gandhi appointed G. Parthasarathy as the first vice chancellor of JNU. He had played many roles in a distinguished career of public service and went on to launch JNU as a premier university of India. So the suggestion that inducting persons from outside to assume leadership of the university is likely to be damaging is unwarranted.

**How the UGC should be judged**  
Not only is it far fetched to decry the UGC recommendation on the qualifications for a vice chancellor as “unconstitutional” and against the spirit of federalism, but such complaints detract from a scrutiny of the UGC’s record on the parameter by which it ought to be judged. The UGC was established, by an Act of Parliament, in 1956, with the express intention that it maintains acceptable standards of higher education across the country. What it has instead succeeded in achieving is to have imposed a uniformity of rules and regulations across universities while achieving next to nothing in elevating them to global standards in the dissemination and production of knowledge. The poor preparedness of India’s graduates has been flagged in public. Recently, a judge of the Supreme Court lamented the quality of young lawyers practising in India’s courts. Some years ago, the head of a leading company of the Tata Group spoke of the quality of engineers India is producing. Note that this only points to the standard of instruction in the higher education system. We have not even begun to talk of the quality of research, including that of the PhDs being awarded.

Curiously, the UGC seems to have nothing to say on the quality of education in universities. Instead, it deploys all its resources and energies to procedural matters that are best left to the educational institutions themselves. Its interventions encompass rules on an attendance requirement for students, the

regulation of faculty time, the maintenance of records on examinations conducted, and procedure by which the curriculum is chosen. Some of these requirements were part of the apparatus of generalised surveillance of the natives in colonial times. It is unfortunate that they have not been junked. Much of it has no bearing on learning, apart from undermining faculty performance, the lifeblood of the university. Having managed to tie down a university’s functioning to the last detail, the UGC has succeeded in expunging all agency from faculty, who once took responsibility for learning outcomes but consider themselves no longer accountable for them, as their wings have been clipped. Fifty years ago, the university was a freer space and with greater faculty presence. It is difficult to make sense of the development that the 1991 reforms have been accompanied by more intrusive regulation of India’s universities. It is also difficult to makes sense of the fact that as the country’s per capita income has risen, the stature of its public university has measurably declined. Work at the cutting edge of science by Satyen Bose in Dacca and S. Chandrashekar in Madras in the early part of the last century took place in public universities at a time when India was far poorer.

The production of knowledge is an enterprise without borders. Nothing demonstrates this better than the spectacular emergence of DeepSeek, the AI App from China. We must reflect deeply on why India is not a player in this game. Globally, universities are one of the sites of production of knowledge but those in India are not governed with a view to attaining this goal. A high compliance burden due to micro management by the regulator and excessive social engineering imposed by political parties have resulted in their persistent underperformance. The UGC’s original mandate behoves it to address the situation.

## The Opposition has proved a point by attending the Invest Kerala Global Summit

### STATE OF PLAY

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The Left Democratic Front (LDF) government is basking on the perceived success of the Invest Kerala Global Summit (IKGS), which was held in Kochi last week to open the State to trade and investment.

The LDF could claim that it enlisted the national leadership of the Congress-led United Democratic Front (UDF) and of the Bharatiya Janata Party (BJP) in its ambitious initiative to spur Kerala on the path of robust and sustainable economic growth. Chief Minister Pinarayi Vijayan and his Cabinet colleagues, including Industries Minister Rajeev and Finance Minister K.N. Balagopal, shared the stage with the Leader of the Opposition, V.D. Satheesan, Union Minister for Transport Nitin Gadkari, and Union Minister for Commerce and Industry Piyush Goyal. This was a rare coming together of various political leaders.

However, there is more to what meets the eye. The two fronts in Kerala are preparing to face each other in the local body elections this year and the Assembly elections in 2026. This might explain Kerala’s major bid to woo investment and spur development.

The UDF alleged that the LDF, when it was in the Opposition, had boycotted global investment meetings and chased away investors, including a European car manufacturer. On the other hand, said the UDF, it had attended IKGS to highlight its starkly different approach to the State’s economic development.

The two fronts have also been arguing about the LDF’s



claims that the growth of the start-up sector in Kerala has been “stupendous” and industrial development has been “dynamic”. The UDF said that the LDF’s claim of establishing 3 lakh industrial units in the State since 2021 is not reflected in Kerala’s GDP. It accused the government of counting family-run convenience shops, confectionaries, and eateries as MSME units to justify its claims on paper.

The LDF’s claim of a ₹30,000 crore infusion of investment into the State’s industry was not reflected in any national economic survey, the UDF added.

The UDF also questioned the credibility of the claim that Kerala ranks first on the ‘ease of doing business’ rating. It alleged that the ranking agency drew the “erroneous inference” from the “inflated” figures provided by the LDF government. It also noted that Kerala’s IT export values appeared to increase on paper due to the decline in the rupee. Kerala had only one unicorn company in the start-up sector. It said that Kerala’s start-up sector earnings were paltry compared to those of neighbouring States.

The UDF cited instances of “investor suicide” in Kerala, particularly in strongholds of the Left, and alleged that the LDF had turned the State into a graveyard for entrepreneurs. In an acerbic editorial, the Congress’s Kerala mouthpiece, Veekshanam, said that

lauding Kerala’s “dismal” industrial growth under the LDF government was akin to “giving the peace prize to an executioner”.

The LDF countered this by stating that Congress MP Shashi Tharoor had praised Kerala’s “stupendous growth” in the start-up sector as well as the State’s “remarkable” ‘ease of doing business’ climate. It claimed that Mr. Tharoor had drawn the inference from data published by credible national and international monitoring agencies, including NITI Aayog, that testified to Kerala’s social, economic and development achievements.

The UDF and the BJP-led National Democratic Alliance (NDA), and the LDF, differ over Kerala’s economic direction. The UDF and the NDA took to the streets to protest the LDF’s flagship semi-high-speed railway project, Silverline (K-Rail), in 2023. Both coalitions have branded the Kerala Infrastructure Investment Fund Board (KIIFB), a State-run special purpose vehicle for raising funds from the open financial market to catalyse critical infrastructure development, a “white elephant”. The Congress and the BJP have also accused the KIIFB of pushing the State into debt through its “outside the Budget” borrowings at “an extortionate interest rate” through masala bonds and without the foresight to invest in revenue-generating infrastructure. They have also opposed the LDF’s purported move to impose a user toll on roads and bridges constructed with KIIFB funds.

While the UDF and the NDA may have made a point through their presence at the meet, whether the LDF may do the same in the future, if it finds itself in the Opposition, remains to be seen.

## BSNL has turned a profit, but has not become profitable

Cost-cutting measures have led to profit in the recent quarter, but trouble on the income front persists

### DATA POINT

**Nitika Francis,**  
**Kushal Varma J.V.,**  
**Vignesh Radhakrishnan**

The Bharat Sanchar Nigam Ltd (BSNL) reported a quarterly net profit in FY25Q3, its first in over 17 years. While this is a significant moment for the beleaguered State-owned telecom company, there is still a long road to recovery.

BSNL has achieved a profit through a combination of cost-cutting measures and a slight increase in revenue. It earned a revenue of ₹19,330 crore from operations in 2024, close to half of what it earned in 2006 (**Chart 1**).

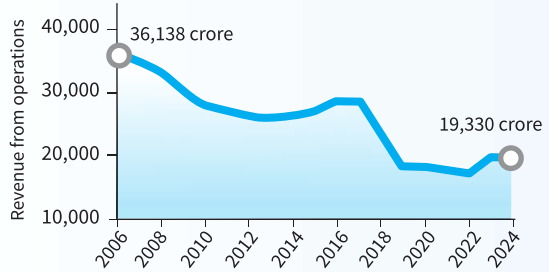
The company’s expenses fell drastically in 2021 (**Chart 2**), following a huge reduction in the employee count using early voluntary retirement schemes (**Chart 3**). From 2021, there was also a sharp reduction in finance costs, such as the interest paid on loans, and depreciation and amortisation expenses too (**Chart 4**).

While cost-cutting measures have helped, the issues on the income front persist. Understandably, BSNL’s once-flourishing landline business has bottomed out. However, its cellular business too has flattened out since the introduction of Reliance’s Jio in 2016, as the average revenue earned per user declined rapidly (**Chart 5A**). While its traditional broadband services have fizzled out, there is a slow but consistent uptick in its fibre-to-the-home internet business (**Chart 5B**). A considerable amount of money is also made from leased lines – high-speed network for businesses – and by leasing its infrastructure (**Chart 5C**). BSNL’s market share in the wireless business – where private players make most of their money – continues to decline. From over 20% in 2005, it halved to 10% by 2022 and went below 10% in the last two years (**Chart 6**).

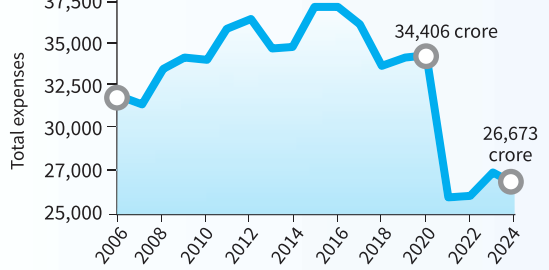
## Not out of the woods

The data were sourced from BSNL’s annual reports, Public Enterprise Survey Reports, and the Telecom Regulatory Authority of India

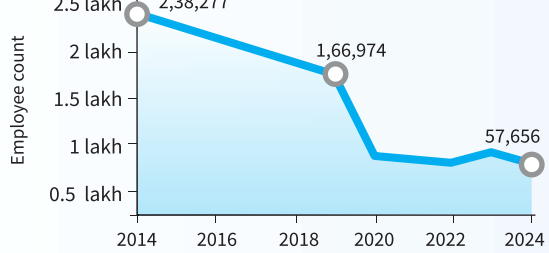
**Chart 1 :** The chart shows BSNL’s revenue from operations from 2006 to 2024 (in ₹ crore)



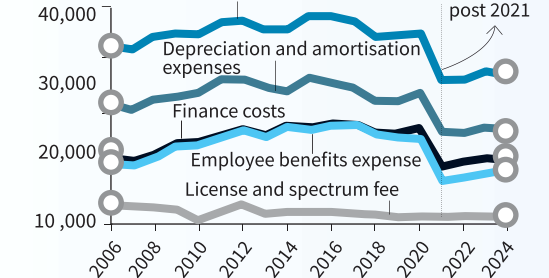
**Chart 2 :** The chart shows BSNL’s total expenses from 2006 to 2024 (in ₹ crore)



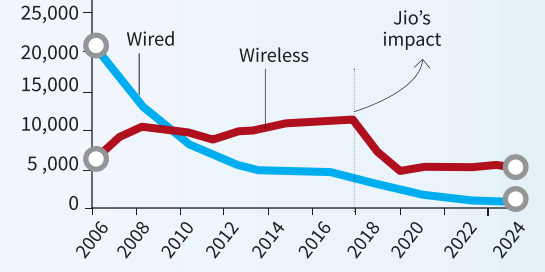
**Chart 3 :** The chart shows the number of employees at BSNL between 2014 and 2024



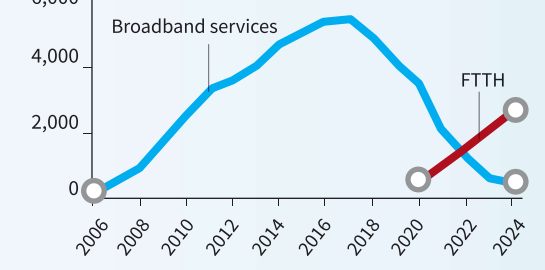
**Chart 4 :** The chart shows the break-up of BSNL’s expenses from 2006 to 2024



**Chart 5A :** The chart shows BSNL’s revenue from sales of wired and wireless services from 2006 to 2024 (in ₹ crore)



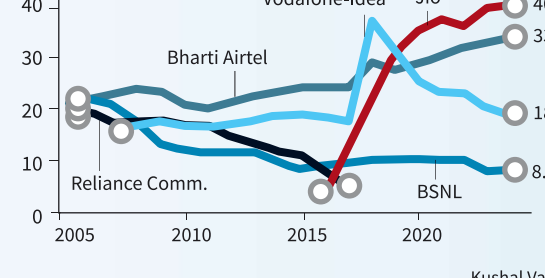
**Chart 5B :** BSNL’s revenue from the sales of broadband services and Fibre-to-the-home (FTTH) (in ₹ crore)



**Chart 5C :** The chart shows BSNL’s revenue from leased lines and leased infrastructure (in ₹ crore)



**Chart 6 :** The chart shows the Indian wireless subscriber market share (%) between 2005 and 2024



Kushal Varma J V is interning with The Hindu Data Team

## FROM THE ARCHIVES

### The Hindu

FIFTY YEARS AGO FEBRUARY 25, 1975

## Colourful coronation of Nepal King

Kathmandu, Feb. 24: Birendra Vikram Shah was this morning formally proclaimed King of Nepal at an elaborate function in his ancestral Hanuman Dhoka Palace in the ancient city. The colourful ceremony was performed with traditional Hindu rites by the chief royal priest.

The 29-year-old King donned the royal crown, studded with pearls, rubbies and emeralds and plumed with the feathers of the rare bird of paradise, after the royal priest tied the pair of golden plates, symbolising sovereignty, around his forehead and proclaimed him, amid the chanting of Vedic hymns, monarch.

The King, repeating the oath of office administered to him in Sanskrit by the priest, promised solemnly that he would act as the sentinel of the nation and hold the sovereignty of the country as sacred as divinity, love and protect his people and be just to them. The King then ascended the lotus-shaped throne embossed with figures of writhing snakes. The priest also placed a diamond tiara on the head of the Queen, seated beside the King.

Earlier, holy water was sprinkled on the King from 10 jars and flowers were showered on him. He was anointed by representatives of the four Hindu caste orders, symbolising caste unity in the person of the monarch and their rapport with one another.

A HUNDRED YEARS AGO FEBRUARY 25, 1925

## New water cure for burns

Recently one of the American medical journals reported all kinds of good things regarding the therapeutic value of distilled water in certain diseases when given by injection. Now, John Hopkins University Hospital reports remarkable success with their new water cure for serious burns. A man suffering from burns extending over two-thirds of his body was put at once into a bath filled with water, and kept there for six days and nights. The water was changed frequently, and the man was forced to drink great quantities of water. Nothing definite as to the action of this treatment is given, but the hospital claims, according to the “Chemist and Druggist”, that where heretofore a person burnt as badly as this case was regarded as hopeless, this man will leave the institution within a week restored to health.

# Text & Context

THE HINDU

NEWS IN NUMBERS

Number of Hindu pilgrims who arrived in Pakistan from India

**109** Over 100 Hindu pilgrims from India arrived in Lahore on Monday to attend religious festivities at Shri Katas Raj temples in Pakistan's Punjab province. The Hindu pilgrims have come from Delhi, Uttar Pradesh, Maharashtra, Haryana, and Rajasthan to visit their holy places. PTI

Saudi Arabia's commitment to polio eradication efforts

**500** In \$ million. Saudi Arabia has reaffirmed its \$500 million pledge to the Global Polio Eradication Initiative, the WHO said. The funds, pledged in April 2024, will be used to help end the wild form of polio in Pakistan and Afghanistan, and stop outbreaks of variant polio. REUTERS

The population of Iraq, as per its first Census in 40 years

**46.1** million persons. The final results of Iraq's first Census in nearly 40 years released on Monday show the population has reached 46.1 million. In 2009, an unofficial count estimated the population at 31.6 million. Officials have called the count a milestone. AP

Number of people killed in eastern DRC since January

**7,000** The Congolese premier said that violence raging in the eastern Democratic Republic of Congo has killed "more than 7,000 compatriots", many of them civilians. The M23 armed group has seized large swathes of eastern DRC. AFP

The increase in growth of shipments of personal computers

**3.8** In per cent. The growth in the Indian consumer PC market has been on an upward trajectory, driven by gaming and AI-powered PCs. HP led the market with a 30.1% market share in 2024 and a 30% share in the December quarter. PTI

COMPILED BY THE HINDU DATA TEAM

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## Why are pilots asking for more rest hours?

Why were the relaxed rules brought out by the Directorate General of Civil Aviation in 2024 opposed by airlines? How many days of leave do pilots get? What has the Delhi High Court ruled with respect to duty norms for pilots?

EXPLAINER

Jagriti Chandra

The story so far:

After at least a year-long tussle over the new relaxed duty norms for pilots brought out by the Directorate General of Civil Aviation (DGCA), the Delhi High Court on February 24, ruled that a vast chunk of these rules would come into effect from July 1, 2025. This brings to a close a six-year battle in Delhi High Court waged by pilot unions against the punitive provisions of the DGCA's 2019 norms that raised permissible night flying from one night to two consecutive nights, slashed rest periods including for ultra-long range flights, and allowed airlines special dispensation for utilising pilots during unforeseen circumstances such as inclement weather or emergencies.

What did the High Court rule?

The Delhi High Court ruled that a vast chunk of the liberalised duty and rest norms for pilots that were unveiled in January 2024, but put under abeyance after opposition from airlines, would come into effect from July 1, 2025. These include provisions such as increased weekly rest from 36 hours to 48 hours. Airlines would also be required to submit quarterly reports of fatigue complaints filed by pilots as well as subsequent action taken by airlines to the DGCA.

Some of the more contentious provisions have been postponed for implementation on or before November 1. This includes the new definition of night duty – 00:00 hrs to 05:00 hours being widened to 06:00 hours – which would bring down the quantum of night flying as pilots can't be rostered for more than two consecutive nights of flying. The number of landings for flights encroaching night duty will be capped to two; while on night duty pilots can also not be assigned more than eight hours of flying duty or 10 hours of total duty that encompasses pre and post flight tasks. The special dispensation given to airlines in the event of unforeseen circumstances has been tightened where the additional duration for which pilots can be utilised has been brought down from three hours to two hours, and their rest in such events has been raised.

Pilots were forced to go to Delhi High Court in May 2024, after the DGCA put its own January 2024 rules on hold because of stiff opposition from airlines. Several airlines had told the DGCA that provisioning for more rest and reduced flying would require them to hire more pilots which would need time, in the absence of which there could be flight cancellations and increase in airfare.

The volte face from the DGCA though came after it had admonished airlines for engaging in scaremongering and pressed for an urgent "wake-up call" as there had been incidents of pilot deaths "ostensibly due to punishing rosters". On August 17, 2023, IndiGo's Captain Manoj Balasubramani died due to a cardiac arrest at the boarding gate of Nagpur airport minutes before his flight to Pune.

Why are there demands for rest?

Following the resurgence in travel post COVID-19, pilots say their share of daily flying has increased considerably, which includes upto four landings in a day that entail a flying duty of upto 10 hours and total duty period of 12-13 hours. As approaches and landings demand a higher level of concentration and complex decision-making, more flights



Long hours: An Air India aircraft takes off as an IndiGo aircraft waits at the Sardar Vallabhbhai Patel International Airport in Ahmedabad, in 2017. REUTERS

mean a substantial increase in workload.

Since a change in DGCA's rules in 2019, airlines are also allowed to deploy pilots on two consecutive nights of flying, which is one of the most staunchly opposed provisions because it requires pilots to stay awake against their natural body clock, with the window of circadian low, between 2am and 6am, being the toughest. When these night flights are combined with 3-4 landings per day involving a duty period of 10 to 13 hours, pilots are often at their tether's end. With low-cost carriers massively increasing their short-haul international flying over the past decade, there has been a spurt in night flying. Over the years, this has become more hectic with airlines removing hotel rest at the destination, and requiring pilots to operate the return leg to improve cost and manpower efficiency. Pilots are known to overshoot their mandatory duty hours on routes in the Gulf such as to Bahrain and Jeddah.

While pilots typically fly between 50 to 90 hours in a month, their monthly duty period that include pre and post flight tasks could be upto 140-150 hours. While this may seem like a much lighter schedule than the average 200 hours a month for anyone working a 9-5 job, there are many factors that need to be considered. For instance, the legal entitlement of weekly rest within 168 hours provided by the DGCA implies that pilots get their weekly off only on the eighth day. There are no public or government holidays and only six casual leaves, 12 sick leaves and 30 privilege leaves (Air India) which have to be applied for a year in advance. IndiGo provides 42 PLs to pilots in command, and 22 to First Officers. This may also be due to the nature of the business that requires rostering and commercial teams to ensure sanctity of flight schedules which have been sold to passengers.

Then there is the cockpit environment that makes flying fatiguing. These include factors such as movement restriction, poor air flow, low light levels, background

noise, and vibration as well as multiple cycles of changes in oxygen pressurisation requiring one's body to constantly adjust to rapid shifts resulting in fatigue. Automation has replaced hands-on flying in the cockpit, making greater demands on the crew to perform vigilant monitoring which is tiring.

Erratic or unstable rosters in some airlines are widely infamous for disturbing how pilots plan their rest. For example, a 10am reporting time could be rescheduled to 4pm duty time that concludes at 2am allowing one little window for rejigging their pre-flight rest after waking up at 6am or 7am. Alternating night and day shifts, unlike a fixed night or duty shift for a specific number of days, where the human body's natural circadian rhythm struggles to adjust to disruptions, does take its toll.

While the DGCA norms are broadly based on those framed by the U.S. and European aviation regulators, the Federation Aviation Administration and European Union Aviation Safety Agency, pilot unions underline that these are only prescriptive outer limits that are further negotiated by various airline unions, whereas cockpit crew in India have no such negotiating power as their unions are not recognised by airlines, who enforce only the upper thresholds laid down by the DGCA.

The impact of the exacting rosters is such that pilots are known to sleep inside the cockpit for 1.5 to 2.5 hours even on domestic and short-haul international flights of upto five hours

Add to these, the revised contract implemented by Air India and Air India Express since 2023, where pilots get a fixed pay equivalent to 40-hours of flying, down from 70-hours earlier, further pushing pilots to fly more to earn more.

What do the airlines say?

"Air India is committed to the safety and wellbeing of its crew members and has been implementing robust fatigue management protocols. Fatigue

Management is a key area of our operation, and we follow a comprehensive Fatigue Risk Management (FRM) process to assess any such report. This involves engaging the bio-mathematical fatigue tool (Jeppesen Boeing Alertness Model -BAM) for risk analysis and a dedicated review committee – Fatigue Safety Action Group (F-SAG) – besides, sustained monitoring by the regulator," the airline spokesperson told *The Hindu*. They added that they also have a non-punitive, confidential nature of fatigue reporting system for proactive and transparent feedback from the pilots. There was no response from IndiGo on its fatigue management practices.

Air India has over 3,500 pilots, which it said was more than adequate for the existing fleet and the "current" DGCA norms on pilot rest and duty times.

While there is a surge in travel demand, allowing airlines to raise airfares and witness record profits, they are also faced with the need to closely watch their costs as airport tariffs have gone up post-pandemic and an acute shortage of new aircraft due to supply-chain challenges has pushed the cost of the few available on lease by 20-30% higher than in 2019. Profit margins in airline business are slim, and according to the International Air Transport Association (IATA), net profits are expected to be \$36.6 billion in 2025 with a 3.6% net profit margin which translates into average net profit per passenger being \$7.0. Flight crew salaries and expenses account for the third biggest cost for airlines globally at 8.7% of the total cost.

There were 11,775 pilots employed across airlines in the country as of November 2024, with a fleet size of nearly 800 aircraft. As the world's fastest growing aviation market, which has 1,000 aircraft on order between Air India and IndiGo alone set to be delivered by 2035, the demand for more pilots is expected to continue to grow and so will efforts to optimise their utilisation.

THE GIST

The Delhi High Court ruled that a vast chunk of the liberalised duty and rest norms for pilots that were unveiled in January 2024, but put under abeyance after opposition from airlines would come into effect from July 1, 2025.

Following the resurgence in travel post COVID-19, pilots say their share of daily flying has increased considerably, which includes upto four landings in a day that entail a flying duty of upto 10 hours and total duty period of 12-13 hours.

The impact of the exacting rosters is such that pilots are known to sleep inside the cockpit for 1.5 to 2.5 hours even on domestic and short-haul international flights of upto five hours

KEYWORD

Surveillance capitalism: the power to control personal data

A look at how surveillance capitalism relies on the commodification of personal data; its impact on privacy and autonomy; and its deep ties to state surveillance

Rebecca Rose Varghese

As I was chatting with B and C in a social media group about an upcoming wedding she was attending. She casually mentioned needing a new dress and some accessories. Later that evening, as she scrolled through her social media feed, she was bombarded with advertisements for dresses, shoes, and jewellery – precisely like the ones she had described. Have you ever experienced this? And if you have, do you wonder how and why this happens, and whether your private conversations can be accessed by some other entity?

In simple terms, this is exactly what happens under surveillance capitalism. Surveillance capitalism is an economic system in which personal data is collected, analysed, and sold by tech conglomerates to predict and manipulate human behaviour. This system is so integral to the digital economy that it has reshaped capitalism itself, as American author and professor Shoshana Zuboff argues in her 2018 book *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power*. She describes surveillance capitalism as a new economic order that expropriates human experience for data-driven profit, and compares it to earlier exploitative systems like colonialism and industrial capitalism.

**The concept**  
Unlike traditional capitalism, which revolves around goods and services, surveillance capitalism extracts human experience as raw material to mine data, predict behaviour, and influence decisions. This data is sold to advertisers, political campaigns, and other entities. Companies like Google, Meta, and Amazon have turned the internet into a vast surveillance machine, tracking and monetising every click, search, purchase, and in some cases even offline movements.

Zuboff describes the power from extensive data collection as instrumental power – control that does not rely on coercion but which subtly shapes behaviour. This is achieved through predictive analytics, recommendation algorithms, and targeted content, nudging individuals towards actions that benefit corporations. Alex Pentland’s concept of social physics further illustrates how analysing vast datasets of human interactions reveals patterns, allowing corporations and policymakers to model, predict, and influence collective behaviour. This makes individuals more predictable economic actors, reinforcing surveillance capitalism’s role in shaping consumer choices and social trends while prioritising profit over autonomy.

**Different from past forms**  
Surveillance capitalism differs fundamentally from industrial capitalism. While industrial capitalism relies on labour and material production, surveillance capitalism profits from behavioural data extraction. Instead of tangible goods, companies commodify human experience, making users both consumers and raw material for



GETTY IMAGES

data-driven predictions. Under industrial capitalism, companies focus on efficiency, productivity, and the exploitation and control of labour in manufacturing. Surveillance capitalism, however, is about controlling behaviour. Algorithms keep users engaged and guide them toward choices that benefit tech giants. This system prioritises data collection over autonomy, making every interaction a chance for monetisation. One of the most concerning aspects of surveillance capitalism is its entanglement with state surveillance. Governments increasingly rely on private tech companies for intelligence gathering, policing, and social control. Instead of developing independent surveillance infrastructures, states now have access to

vast amounts of privately collected data, which they can obtain through legal means such as data-sharing agreements or extra-legal methods. The collaboration between corporations and states creates a system where the private sector’s profit motives and public security interests align, at the expense of individual privacy and civil liberties. This reduces democratic accountability, as much of this surveillance happens within private corporations, beyond public scrutiny. Policies that favour deregulation and corporate autonomy allow this model to persist with minimal oversight, reinforcing a structure where both states and corporations benefit from mass surveillance while individuals face increasing risks of data exploitation and

loss of autonomy.

**Eroding autonomy**  
Surveillance capitalism’s reliance on extensive data collection has created a fragile and interconnected digital network. The sheer volume of data flowing through corporate and state surveillance systems mean that disruptions in one area can lead to cascading failures across multiple sectors. This systemic fragility becomes evident during major data breaches and algorithmic failures, which have led to real-world consequences such as financial instability and misinformation crises. A notable example is the Cambridge Analytica scandal, where vast amounts of Facebook user data were harvested without consent in 2014, and used to build a system that could target voters in the U.S. with personalised political advertisements. This demonstrated how personal data, when exploited, can influence democratic processes, reinforcing concerns over the unchecked power of surveillance capitalism.

The pervasive data monitoring and predictive analytics employed by corporations further erode personal autonomy. Every action online is recorded, analysed, and used to refine behavioural predictions. Over time, users are subtly conditioned by algorithmic content, influencing their preferences and decisions in ways that serve the interests of advertisers and tech corporations rather than their own. While this seems harmless, it slowly erodes autonomy, allowing those in power to shape individual thinking for their benefit.

**Challenges in regulation**  
Despite growing awareness of the dangers of surveillance capitalism, regulatory frameworks struggle to keep pace with technological advancements. Laws such as the European Union’s General Data Protection Regulation (GDPR) and India’s Digital Personal Data Protection Act (DPDPA) attempt to give users more control over their data. However, these regulations fail to address the core issue – the commodification of personal information. This is largely because existing legal frameworks are designed to manage data privacy within traditional capitalist models rather than protect individuals from the structural impact of surveillance capitalism. Moreover, corporate lobbying and political interests, particularly those in power, bungle these efforts as surveillance capitalism is highly beneficial for them. The rise of tech leaders as politicians is also an example of the interplay between surveillance capitalism and the surveillance state. When tech giants gain increasing influence over policymaking, they ensure that regulations remain favourable to their business interests. This dynamic makes it difficult to implement meaningful restrictions on data collection and behavioural manipulation. The blurred lines between political authority and corporate power reinforce the dominance of surveillance capitalism, limiting accountability and individual autonomy. The concept of surveillance capitalism is crucial as our lives become increasingly entangled with technology. It serves as a warning of the potential dangers if we are not cautious and if states fail to implement proper regulations and restrictions on what private companies can access and use. This is an academic concept that must be widely discussed to bring about meaningful policy changes. Recognising its impact enables individuals to critically engage with digital platforms and demand stronger protections for their privacy and autonomy. Rebecca Rose Varghese is a freelance journalist.



FROM THE ARCHIVES

Know Your English

K. Subrahmanian  
S. Upendran

“Urvasi wants to become an aCAademic.”  
“It’s not aCAademic, but acaDEmic. The stress is on the third syllable ‘de’. The ‘a’ in the first syllable is pronounced like the ‘a’ in cat and the ‘a’ in the second syllable sounds like the a’ in ‘China’. ‘dem’ rhymes with ‘them’.”  
“I see. So, it’s acaDEmic. Correct?”  
“Yes. that’s right.”  
“Anyway, as I was saying, Urvasi wants to become an academic.”  
“I wouldn’t take anything she says seriously. She is an airhead.”  
“An airhead! What does it mean?”  
“An airhead is ‘a stupid person: someone who speaks or acts unintelligently’.”  
“You’re right. Well, Urvasi may be an airhead, but she is a rich airhead. Do you know she has a house by the lake?”  
“ ‘By’ the lake, or ‘near’ the lake?”  
“What’s the difference?”  
“When you say you live ‘by the lake’, it means you’re very close to the lake. It is possible to see the lake from your house.”  
“And when you say you live ‘near the lake’, it means you’re a little distance away. Is that correct?”  
“Right. You could be as far as five or ten miles away You see, ‘near’ is a relative concept. For example, I can say, ‘Madras is near Hyderabad’ although there are hundreds of miles separating the two cities. But I can’t say, ‘Madras is by Hyderabad’.”  
“In other words, something that is ‘by’ you is closer than something that is ‘near’ you.”  
“Oh!”  
“Urvasi is celebrating her birthday at the Taj this weekend.”  
“I know.”  
“Are you planning to go?”  
“No. I don’t plan to go.”  
“Which is correct? ‘planning to go’ or plan to go?”  
“Both are acceptable. You can say, ‘I am planning to see Lion King’ or ‘I plan to see Lion King’. You could also say, ‘I am planning on seeing Lion King’ and ‘I plan on seeing Lion King’. But remember, when you use ‘on’ the verb that follows it takes the ‘ing’ form. I plan on going to Atlanta next week. I plan on buying a new pair of jeans.”  
“But you don’t plan on attending Urvasi’s party?”  
“No.”  
“Do you want me to tell her anything?”  
Yes. Tell her ‘Urvasi, Urvasi, take it easy Urvasi’.”  
“Ha. Ha.”  
Published in *The Hindu* on July 25, 1995.

THE DAILY QUIZ

India beat Pakistan by six wickets in the ICC Champions Trophy on Sunday. Here is a quiz on one of the most heated rivalries in cricket

Vighnesh P. Venkitesh

- ❏ **QUESTION 1**  
In which year did India and Pakistan face off in a world cup for the first time?
- ❏ **QUESTION 2**  
How many players have appeared for both countries? Who are they?
- ❏ **QUESTION 3**  
Who has scored the most ODI runs in the fixture?
- ❏ **QUESTION 4**  
Who has the highest score in a single ODI match between the two nations?
- ❏ **QUESTION 5**  
How many times has Pakistan won a match between the two in an ICC tournament?



❏ **Visual question:**  
Name this batsman who hit a six on the last ball of the match to win the 1986 Austral-Asia cup?

- Questions and Answers to the previous day’s daily quiz:** 1. The relevance of Joanne Carole Schieble and Abdulfattah Jandali to Steve Job’s life. **Ans: They were his biological parents and he was adopted by Paul Reinhold and Clara Jobs**  
2. The 1971 book by spiritual teacher Ram Dass. **Ans: Be Here Now**  
3. Jobs took a job as a video game designer in early 1974 at this company. **Ans: Atari Corporation**  
4. This person said, “He did not know technology. He’d never designed anything as a hardware engineer, and he didn’t know software. He wanted to be important...”. **Ans: His Apple co-founder Steve Wozniak**  
5. Jobs dated this music icon of the 1960s. **Ans: Joan Baez**  
6. The ‘1984’ commercial was shown at this sporting event. **Ans: Super Bowl**  
7. Name the company Jobs founded in 1985 and the studio from which he bought Pixar. **Ans: NeXT and Lucasfilm**  
8. The significance of the words ‘Oh wow. Oh wow. Oh wow’. **Ans: According to his sister Mona Simpson, these were the last words spoken by Jobs**  
Visual: Name the designer who created the famous turtleneck top. **Ans: Issey Miyake**  
**Early Birds:** Shivam Yadav| Dodo Jayaditya| Rajib Ganguly| Siddhartha Viswanathan| Barnali Biswas

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

Word of the day

**Contiguous:**  
very close or connected in space or time; connecting without a break; within a common boundary; having a common boundary or edge; abutting; touching  
**Synonyms:** immediate, conterminous, adjacent, neighbouring  
**Usage:** *These were contiguous events but I have no recollection of them.*  
**Pronunciation:** newsth.live/ contiguouspro  
**International Phonetic Alphabet:** /kən'tɪɡ.ju.əs/

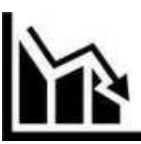
**Correction**  
In the article titled ‘Theory and practice: the ethical core in Amartya Sen’s Wetanschauung’, dated February 20, the name of Shudraka’s play should have been *Mricchakatika*, and not *Mudrarakshasa*, as mentioned, which was written by Vishakhadatta. The error is regretted

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

Bourse correction

Stock market fall is a cyclical phenomenon

The relentless decline in the Indian stock market since last September is causing concern all around. The large cap-oriented bellwether indices, the Sensex and the Nifty 50, have lost around 14 per cent in the last five months. But the magnitude of the correction so far has been quite limited, compared with the decline in 2008 when the large cap indices had declined 64 per cent or in the Covid-induced crash in 2020, when the decline was 40 per cent. Other corrections in Indian market such as those in 2010 and 2015 had also dragged the indices more than 20 per cent from their peaks.



The ongoing correction is just a phase in the stock market cycle — of rallies followed by declines. Such declines are needed to drain out the speculative froth created by the preceding bull run. The ostensible reasons for the ongoing correction are foreign portfolio investors pulling money out of India due to slowing corporate profitability, weakness in the rupee and the negative impact of the US President Donald Trump’s policies on India. But India is among the worst performing stock markets this year because of institutional investors selling stocks to book profits made since 2020. The Indian stock market has been a stellar performer since the pandemic. While other emerging markets witnessed severe declines after the Russia-Ukraine conflict in 2022, the Indian stock market recovered quickly and went into a frenzied run thereafter.

The rally over the last two years has been led by the seven crore individual investors, who entered the stock market during or after the pandemic. Penny stocks, stocks with questionable fundamentals, stocks on the SME platform and IPOs witnessed feverish activity as new investors looked for avenues to make money quickly. Turnover in equity futures and options has been doubling every year since 2020-21. With domestic funds chasing stocks, India became one of the most expensive equity markets globally. While the ongoing correction has pulled the price-earnings multiple of the Nifty50 down from 24 in September 2024 to 20 now, it is still trading at a significant premium to other emerging market indices. The valuation in many pockets such as FMCG, MNCs, and consumer non-durables sectors continue at exorbitant levels.

With the Indian stock market still trading at lofty valuations, the correction could continue until prices align with fundamentals. New investors should heed the perils of chasing high-risk stocks. The stock market regulator, stock exchanges and other intermediaries should increase investor awareness outreach over the coming months, educating them about the way stock markets evolve, and the wisdom in long-term investing. It would be a pity if retail investors who entered stock market after Covid move away from equity investing due to this correction. The regulator should not respond in any knee-jerk fashion, by increasing trading margins, collateral requirements or surveillance. It is best to let this correction run its course.

POCKET

RAVIKANTH



GETTY IMAGES

Energy as a bargaining chip in US trade talks

While dealing with the US on tricky trade issues, India will have to deftly play the energy card

CAPITAL IDEAS.



RICHA MISHRA

The Valentine week saw the Indian and the American heads of states meet in the US and ‘energy security’ was a key topic of discussion. So will energy be used as a tool to sort out ticklish tariff issues between the two countries?

Prime Minister Narendra Modi’s visit came soon after Donald Trump was sworn in on January 20. Some see it as a smart move by the Indian Prime Minister to get straight to the negotiations.

The joint statement issued by the two countries after the meeting states, “The leaders agreed that energy security is fundamental to economic growth, social well-being and technical innovation in both countries.”

They underscored the importance of the US-India collaboration to ensure energy affordability, reliability, and availability and stable energy markets. Realising the consequential role that the US and India play as leading producers and consumers in driving the global energy landscape, the leaders re-committed to the US-India Energy Security Partnership, including in oil, gas, and civil nuclear energy, it said.

They also underscored the value of strategic petroleum reserves to preserve economic stability during crises and resolved to work with key partners to expand strategic oil reserve arrangements. “In this context, the US side affirmed its firm support for India to join the International Energy Agency as a full member,” the statement read. There was also a mention of their

commitment to the US-India 123 Civil Nuclear Agreement by moving forward with plans to work together to build US-designed nuclear reactors in India through large scale localisation and possible technology transfer.

More importantly they reaffirmed their commitment to increase energy trade and to establish US as a leading supplier of crude oil and petroleum products and liquefied natural gas to India.

THE IMPLICATIONS

What does this mean? Will it be used as a tool for negotiations?

Today, the US is already among the top suppliers of oil and gas to India. India also exports refined products to the US.

GAIL (India) Ltd in 2011 had signed a 20-year LNG supply contract with Sabine Pass Liquefaction LLC, a unit of Cheniere Energy Partners, for supply of 3.5 MMTPA natural gas, which commenced in 2018. The company also signed a terminal service agreement with Dominion through its subsidiary GAIL Global (USA) LNG LLC for booking 2.3 MMTPA liquefaction capacity in the Cove Point LNG liquefaction terminal project, located at Lusby, Maryland.

The US has gained importance as a formidable supplier for oil and LNG, while India too has gained prominence as the growth driver for both global oil and LNG imports in the last few years

According to Lauri Myllyvirta, lead analyst, Centre for Research on Energy and Clean Air, “Energy will play a crucial role in any attempt to ward off Trump’s trade measures, and is the most obvious place to start if Trump is looking for another quick deal he can boast of, but no one can predict what will work with him.”

“It’s hard to see any advantage for India from any commitment to buy the US fossil fuels, other than improving the bilateral relationship and avoiding trade measures by the US. To the extent that imports from the US replace the imports from Russia that have been reduced by the recent stricter sanctions, it of course reduces reliance on Russia and India’s role in propping up Russia,” he said.

According to Vandana Hari, founder of Vanda Insights, which tracks energy markets, “Trump’s threat of reciprocal tariffs is big for India, considering the trade gap between the countries and India’s sizeably bigger levies on imports from the US. But a few things need to be kept in mind here are: India is lower down the list of the US’ trade partners that Trump is prioritising to get even with, so there’s some time to negotiate.”

“Second, even the more serious threats — the 25 per cent tariffs against Canada and Mexico for instance — actually morphed into deals, which is what Trump really wants. Prime Minister Modi was trying to pre-empt and prevent the ugly tit-for-tat threats by getting straight to the negotiation part. Offering to buy more US crude and LNG is an obvious bargaining chip for India. But it’s a price-sensitive importer,” she said.

And rightly so. The landed cost of oil from the US will be at least \$2-3 a barrel higher, according to traders.

“The landed cost of US crude is higher than comparable grades as it incurs

higher freight cost. Promising increased LNG imports makes more sense, as those are long-term deals and buys India some time to manoeuvre,” Hari said.

Pulkit Agarwal, Head of India Content (cross commodities) S&P Global Commodity Insights, says, “The US has gained imporne as a formidable supplier for oil and LNG, while India too has gained prominence as the growth driver for both global oil and LNG imports in the last few years. The energy trade between India and the US is thus poised to grow naturally.”

OIL: US VS RUSSIA

There is anecdotal evidence from the first Trump administration too on the push for oil buying, which was then picked up by Indian refiners mostly on the merit of economics, Agarwal said.

“The fate of the US oil flow changed thereafter post Russian invasion of Ukraine as Europe which shunned Russian oil, picked up US crude oil heavily instead, while India found the lowest value crude oil supplier in Russia. With the recent sanctions-induced hiccups in Russian oil flows, US oil flows could be a viable diversification option for Indian refiners,” he said.

In a price sensitive Indian market, Indian refiners will be driven by the economy factor. Besides, it will depend on how fossil fuel will be sourced – on delivery or pick up basis. Russia sells to Indian refiners mostly on delivery basis which means that chartering of tankers and associated procedures are the responsibility of the supplier. And here in comes in negotiations for final price.

While taking bets on Trump’s next move is just as risky predicting oil price, the buck will stop with the best negotiator. According to industry observers, Indian refiners have mastered this craft.

India’s GCCs can lead the AI economy

Global Capability Centres can achieve this through right mix of AI adoption, cost-efficient innovation, and strong governance

Sindhu Gangadharan

Over the past decade, India has emerged as the global epicentre for technology and innovation through its thriving Global Capability Centres (GCCs).

The next wave of this evolution, powered by AI, presents India with a once-in-a-generation opportunity to establish itself as the undisputed leader in the global technology ecosystem.

In their early days, GCCs primarily focused on IT infrastructure management, ERP, and business process outsourcing.

However, as global organisations sought to optimise operations, the role of GCCs expanded. The adoption of cloud computing, robotic process automation (RPA), and big data analytics between 2010 and 2020 enabled them to drive efficiency and enhance decision-making.

Today, AI and automation are the key drivers of transformation, positioning India’s GCCs as the innovation engines for global enterprises.

As global businesses strive for reinvention, India’s GCCs are at the forefront, not just implementing AI solutions but developing them. They are now the R&D powerhouses, co-creating next-generation AI products, platforms, and solutions that will shape the future of industries worldwide.

THE DEEPSEEK DISRUPTION

The recent emergence of cost-efficient AI models like DeepSeek has further changed the game. DeepSeek, has demonstrated that it is possible to develop a high-quality AI model at a fraction of the cost — \$5.6 million compared to OpenAI’s reported \$100 million.

For India’s GCCs, this breakthrough presents a unique opportunity. Historically, many GCCs have relied on established AI providers like OpenAI to power their AI-driven transformations. However, DeepSeek’s success signals the democratisation of AI — making advanced AI capabilities more accessible to organisations of all sizes.

With AI development becoming more cost-effective, India’s GCCs can take greater control of their AI strategies. They can explore custom-built AI models tailored to their specific needs rather than solely depending on external providers. This shift has the potential to unlock new efficiencies, reduce dependency on expensive third-party models, and accelerate AI adoption across industries.

BALANCING INNOVATION

While the prospect of cost-efficient AI innovation is exciting, it is imperative for organisations to strike a balance between rapid AI adoption and responsible governance. AI models, especially open-weight models like



AI. Opportunities galore GETTY IMAGES

DeepSeek, bring unparalleled customisation opportunities but also raise concerns around bias detection, compliance, and data security.

For GCCs, which handle vast amounts of sensitive data, this necessitates a robust governance framework. Strong validation processes, rigorous security protocols, and compliance with global AI ethics standards will be crucial to ensuring that AI deployments are both effective and responsible. Organisations must invest in AI governance mechanisms that prioritise data privacy, fairness, and transparency while maintaining high-performance standards.

As AI continues to disrupt industries worldwide, India’s GCCs are uniquely positioned to lead this transformation.

In financial services, AI-driven risk assessment and fraud detection are enabling global banks to improve

regulatory compliance. In healthcare, AI is accelerating drug discovery and optimising patient care. In retail, AI-powered analytics are redefining personalised shopping experiences and inventory management. The potential is limitless.

With the right mix of AI adoption, cost-efficient innovation, and strong governance, India’s GCCs can become the architects of the future AI economy. The country has the talent, the ecosystem, and the momentum to lead the next digital revolution.

India’s GCCs stand at the cusp of a transformative era. The convergence of AI innovation and the booming GCC landscape present an unprecedented opportunity to redefine India’s role in the global technology ecosystem. By embracing cost-efficient AI models, driving innovation-led growth, and upholding the highest standards of governance, India can not only reinforce its position as the global hub for GCCs but also lead the AI revolution on the world stage.

The time to act is now. AI is not just a technological evolution — it is the defining force of the next industrial revolution. India has the potential, the capability, and the vision to lead from the front. The question is: Are we ready to seize this opportunity?

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Bullet hurdles

This refers to the report “Bullet train project hits hurdle again” (February 24). With various roadblocks looming, it may take years before the train becomes operational. It is difficult to deny that the Modi government fell for the pricey train just for optics, underestimating the challenging terrain that lay ahead in its execution. Since its foundation stone was laid in 2017, the project has moved so slowly that people appear to be losing interest while alternate modes of fast transport are gaining ground.

It is expected that by the time curtains are up for the train, the project will have suffered significant cost overruns, virtually threatening its feasibility and viability.  
Kamal Laddha  
Bengaluru

FM radio rules

Apropos the news item ‘FM radio hangs on to ad revenue share of 2.3% in 2024 despite digital competition’ (February 24), in the digitalised world, FM radio has come to stay. Gone are the days when listeners were tuning on their favourite

stations on AM frequency for better clarity. Many key radio stations have dropped the AM tag and migrated to FM which even now maintains their sound quality and listing of programmes. There were die hard listeners of BBC, Radio Moscow, Radio Peking, Ceylon and Radio Singapore in Short waves on 49, 41, 31, 25 and 19 mhz. With the onset of FM radio, both AM and SW have become a thing of the past. Many world level broadcasters such as BBC and Radio Moscoew have shut down their services citing huge drop in listeners and the cost of

maintaining it. However, the present day commercial FMs have become a major cacophony. Commercial ads with blaring noise test the listeners’ eardrums. Most of the RJs have their own dialect which is not understandable to many.  
RV Baskaran  
Chennai

Trade tangle

This refers to ‘Trump tariffs set to charge up FTA...’ (February 24). At this juncture of Trump’s tariff strike on India, hampering the flow of trade between the two, the resumption of

free trade talks with UK is welcome. India enjoys a trade surplus with the UK. The European Union also is a potential bloc with feasible tariffs and India can tap this market through inking FTAs. Trump seems firm on his stand in imposing tariff on Indian exports and there is a need to search for new markets. The proposed bilateral trade deals with UK and EU are good opportunities for India in balancing the trade loss if any with the US and also to reduce US dependence.  
NR Nagarajan  
Sivakasi

# Crowd control derailed

Lessons from New Delhi station stampede

Arun Kumar Das

The stampede at New Delhi station last week has raised many questions. One wonders whether our railway stations are equipped to handle such a crisis. Though Indian Railways claims that all necessary precautions were in place on that day to handle the surging crowd with adequate numbers of additional trains and personnel, CCTV footage reveals the absence of RPF or commercial staff at the time of the stampede.

Railway Protection Force, a para-military force meant to protect railway property, has a crucial role to play during the rush hour at stations. But are the RPF personnel being adequately trained to handle such mammoth crowds at rail premises? It is being said that the announcement of changing platforms at the last minute caused the stampede at the staircase as the entire platform and staircases were overcrowded due to the Maha Kumbh rush.

The swelling number of passengers not only choked the platforms but also escalators and even the foot over bridge. The unprecedented influx of passengers was not in sync with the carrying capacity of the trains already on platforms and those expected to be placed thereafter. The stampede claimed a total of 18 lives including 11 women and three children.

## PIVOTAL ROLE

Prayagraj has already witnessed an astonishing 53 crore sacred baths, making it the largest religious gathering in the world. With millions of devotees arriving daily, the Railways is playing a pivotal role in transportation. While roads leading to Prayagraj are all congested, the airfare to Sangam city is also skyrocketing. So the trains are becoming the means for the seamless transportation of pilgrims.

Though stations including New Delhi handle large crowds during Holi and Chhat festivals year after year, the Maha Kumbh rush is unprecedented. The primary problem with crowd management in India is the lack of proper planning and infrastructure at large gatherings, often leading to overcrowding, bottlenecks, and a high risk of stampedes due to inadequate entry/exit points and narrow pathways. Using a specially created simulation programme, the staff should be trained to deal with the crowds. Major stations must have



CROWD MANAGEMENT.  
Mounting challenge ANI

airport-like access control and many more satellite stations need to be developed around major cities to decongest central terminals. Like airports, stations must have separate entry and exit gates for incoming and outgoing passengers like airports. Incidentally, Railways has undertaken a massive drive to redevelop all major stations as world class, which will have upgraded passenger amenities and separate entry and exit for arrival and departure of rail users.

For the Maha Kumbh, the Railways has over 13,000 trains scheduled to be run till February 26, 2025, out of which 12,583 had already run by February 16, 2025, a record in itself. But it goes without saying that one needs an advanced crowd management system to handle such a huge situation. It is a must for frontal staff including RPF personnel to be trained for handling huge crowds which requires clearing bottlenecks at foot over bridge, staircase and platforms on a real time basis.

It was found that though many stampede victims died due to asphyxiation, there was no oxygen facility at the platform. So there should be provision for emergency medical service with modern facilities at platforms. A constant drive is required to educate rail users to behave in a disciplined way, follow signages and cooperate with the authorities.

Another important factor is not to panic and create chaos during such situations. Lessons should be learnt from past mistakes as in 2013, a stampede at the Allahabad station during Kumbh had claimed more than 40 lives. In 2010 also two lives were lost at New Delhi station due to change of the platform which caused a stampede. Railways must fix the responsibility and accountability after a thorough and transparent probe.

The writer is a senior journalist



MANAS R DAS  
GANGA NARAYAN RATH

That yet another Urban Co-operative Bank (UCB) — the New India Co-operative Bank, based in Maharashtra, has failed is not a ‘new’ occurrence, since the history of UCBs is replete with such failures due to several factors. Incidentally, Maharashtra is home to almost a third of the UCBs in the country.

Poor governance, lack of transparency and vigil in operations (especially, loan operations), absence of proper risk management systems, external meddling, uneconomic sizes, poor quality manpower and high concentration risk are some of the factors responsible for fragility of several UCBs.

This is evidenced from the fact that during the five-year period 2019-20 to 2023-24, the RBI had cancelled licences of 50 UCBs. It had also imposed ₹495 million as penalties for 588 instances of regulatory violations predominantly by the UCBs.

Basically, the UCBs are repositories of savings from low- and middle-income households. The extra one per cent rate of interest offered by the UCBs (over and above the rate that commercial banks offer) attracts most of these households to them. Ethnic connections and persuasion also matters in deposit mobilisation by the UCBs.

## INSURED UCBS

The Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly-owned subsidiary of the RBI, is the official deposit insurance agency for all banks operating in India. At March-end 2024:

\* 1,472 UCBs were registered with the DICGC.

\* The insured deposits of the registered UCBs stood at ₹3,718.6 billion and the insured deposits/assessable deposits ratio (i.e., extent of protection) was 66.8 per cent.

\* The share of insured deposits of the registered UCBs in the system-wide insured deposits stood at four per cent.

\* The co-operative banks contributed 5.6 per cent to the total premium received by the DICGC (during 2023-24).

\* The DICGC had settled claims of 431 UCBs involving an amount of ₹160.3 billion.

Paradoxically, the current Deposit Insurance System (DIS) in India, which aims at protecting depositors and ensuring financial stability, has certain features in it that adds to the banks’ stress or failure.

Although Section 15 (1) of the DICGC Act, 1961 provides for a variable

# Urban co-op banks and the deposit insurance issue

## ‘RISKY’ BIZ.

The current flat rate premium across banks must be replaced with risk-based premium system to price risks properly



GETTY IMAGES/ISTOCKPHOTO

premium system, the DICGC follows a flat-rate system, i.e., the premium rate is same for all banks — strong (say, commercial banks) or weak (say, co-operative banks). The flat-rate system continues despite several committees starting from the 1998 Narasimham Committee-II Report to those constituted thereafter by the RBI/DICGC recommending introduction of a risk-based premium system.

The flat-rate system has led to under-pricing of risks (to the deposit insurance fund or DIF) in respect of the vulnerable co-operative banking sector. This encourages overly aggressive behaviour by the co-operative banks.

Further, fungibility of the DIF balance between the commercial and co-operative banks potentially incentivises the DICGC to meet losses, if any, arising out of co-operative bank failures in future, out of the funding (of the DIF) by the commercial banks.

Combined, both make the co-operative banks lackadaisical about the safety of their depositors’ money.

A 1999 RBI report’s suggestion to have two deposit insurance funds — one for commercial banks and the other for urban coop banks — must be implemented soon

Lack of ‘depositor discipline’ exacerbates the situation further.

At times, it is argued that some cross-subsidisation is ‘inherent’ in any kind of insurance, but as far as the co-operative banks and commercial banks interface in this regard is concerned, it has been going on for too long. Therefore, it would make eminent sense if the cross-subsidisation of risks are eliminated.

## POLICY PROPOSALS

\* The DICGC should quickly act on implementing a risk-based premium system. For some co-operative banks, if a risk-based system cannot be implemented fast, the flat-rate system may continue, but with a time-bound plan for phasing in a risk-based system.

However, under both flat-rate and risk-based systems, the premium rates for the co-operative banks need to be higher than those for the commercial banks. This will likely cause some churning in the co-operative banking system, but would jettison the unprofitable and inefficient ones, thereby improving systemic efficiency.

\* The RBI Report on Reforms in Deposit Insurance in India (1999) had recommended instituting two DIFs, one for the commercial banks and the other for the co-operative banks and this should be implemented.

\* Increasing the deposit insurance limit as and when a problem strikes typifies panic reaction, which pacifies the bank’s depositors temporarily. It neither prevents future crises nor solves

the psychological and financial trauma that small depositors undergo until they get their full deposits back.

The large depositors, who are privileged to monitor their bank’s activities continuously and have enough contacts in their banks, run at the first sign of trouble, and hence, they remain safe.

The limit revisions need to be rule-based and carried out at fixed time intervals.

\* The coverage of DIS in terms of types of (a) institutions, (b) deposit accounts and (c) deposit owners needs to be reassessed.

\* The DICGC should adapt the globally-practised and time-tested resolution strategies which would result in speedier deposit reimbursement.

\* The RBI/DICGC should be more aggressive about their depositor awareness programmes.

Some of the above-mentioned recommendations were favoured by three RBI deputy governors in the International Conference of the International Association of Deposit Insurers-Asia Pacific Regional Committee hosted by the DICGC on August 14, 2024. Therefore, one may expect some changes in the Indian DIS in near future that would bolster safety of deposits in the entire banking sector and enhance banking sector stability – goal of the DISs.

Das, a former senior economist of SBI, has worked on deputation with DICGC; Rath is a former central banker. Views expressed are personal

thehindubusinessline.

## TWENTY YEARS AGO TODAY.

February 25, 2005

### Govt allows 100% FDI in construction sector

Big time foreign investment flowing into the real estate sector could soon be reality with the Government today substantially easing the foreign direct investment (FDI) norms in the construction and real estate development sector. The Cabinet Committee on Economic Affairs (CCEA) today decided to permit 100 per cent FDI in all forms of housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure in order to attract higher investments.

### Scrutiny of self-assessed excise returns likely from April 1

Come April 1 and self-assessed excise returns may come under the scrutiny of the revenue department. The coverage of selective audit under the Cenvat credit rules, now confined to manufacturers, may be expanded to include dealers.

### Obscenity: ‘General laws won’t help online media’

The application of the general law to the electronic media has given rise to results which may lead to patent injustice, says a review of the Information Technology Act 2000 prepared by the law firm Cyril Amarchand and Mangaldas and Suresh A Shroff & Co.

# Merz needs forced marriage with SPD to form German govt

Michael Nienaber, Arne Delfs and Kamil Kowalcze

German conservative leader Friedrich Merz is almost certain to become chancellor, but first he needs to win over the Social Democrats, setting up tense negotiations to bridge their differences in areas like government borrowing and welfare spending.

An alliance of Merz’s Christian Democrat-led bloc and the SPD — which slumped to its worst result since World War II in Sunday’s election — is the only viable path to power, strengthening the SPD’s bargaining position.

“Whether the SPD enters a government isn’t yet clear,” SPD Co-leader Lars Klingbeil said Monday at a news conference in Berlin.

“These are decisions that will be

taken in the coming weeks and months but I would say very clearly that the ball is now in Friedrich Merz’s court,” he added. “Then the SPD members will decide.”

The other two-party option for Merz to secure a Bundestag majority would be an alliance of his CDU/CSU with the far-right Alternative for Germany, or AfD, which the 69-year-old Merz has categorically ruled out.

A revival of Germany’s so-called “grand coalition,” a combination Angela Merkel presided over in three of her four terms, might seem safe and familiar. But the rifts have widened since Merz took charge of the Christian Democrats in 2022 and dragged them to the right.

That was highlighted at the end of January, when the CDU leader defied SPD opposition by seeking to force a migration crackdown through

parliament with AfD support.

The Social Democrats need to regroup after their support tumbled by a third to 16.4 per cent. With Chancellor Olaf Scholz stepping aside following his failed reelection bid, a new leadership team has started to take shape.

Defense Minister Boris Pistorius is set to play a significant role, alongside Klingbeil, who has signalled that the party will take a tough stance in negotiations.

Despite the posturing, the SPD and the CDU have little option but to enter a forced marriage. Europe’s biggest economy is contending with two years of contraction, Russia’s war on Ukraine and US President Donald Trump threatening a global trade war that could hobble Germany’s struggling industrial sector.

During the campaign, Merz warned

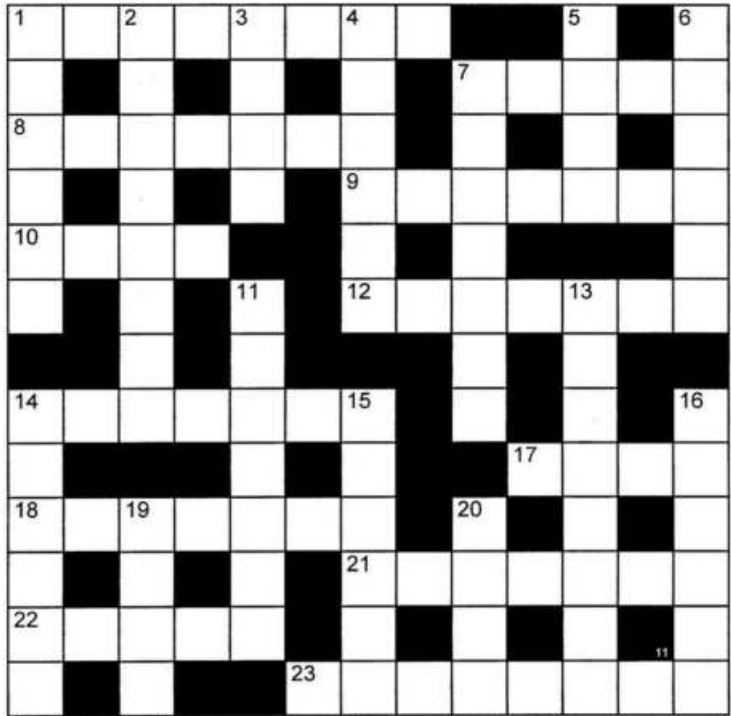
that if the incoming government fails to revive the economy and get immigration under control, the AfD could take power after the next election, putting Germany’s position in the European Union at risk. He has suggested he wants a coalition agreement in place within two months.

Germany’s Greens, meanwhile, are preparing for an overhaul of their party leadership even though its share of the vote held up relatively well compared with the 2021 election.

Robert Habeck, the current vice chancellor and economy minister who was the Greens’ chancellor candidate, said Monday he’ll no longer seek a leading role in the party after it secured 11.6 per cent, down from 14.7 per cent in 2021.

“It’s not a good result, I wanted more and we wanted more,” Habeck said at a news conference. BLOOMBERG

## BL TWO-WAY CROSSWORD 2639



### EASY

#### ACROSS

- To paint, paper etc (8)
- Seat (5)
- Get-together (7)
- Glinted (7)
- Category (4)
- Apparent (7)
- Brimstone (7)
- Depressed (4)
- Fever (7)
- To con (7)
- Hangs around in shadows (5)
- Unilateral (3-5)

#### DOWN

- Death (6)
- Happy in disposition (8)
- Shower (4)
- Fastener (6)
- Unruffled (4)
- Place to one’s favour (6)
- Chink (7)
- Globes (7)
- Detonated (8)
- Uncomplicated (6)
- The ‘why’ (6)
- Rely on (6)
- Enticement (4)
- Feel the absence of (4)

### NOT SO EASY

#### ACROSS

- A month to make speeches on how to bestow medal (8)
- Professorial appointment for one taken in by daily (5)
- A tryst that makes me, for example, carry the can (7)
- The French in sport before December 1st showed polish (7)
- Alternative to be found in way one will classify (4)
- It’s apparent I had entered item in race-programme (7)
- Acceptable record in form of rush that’s yellow (7)
- Sky, say, with only half the luck to be around (4)
- Fever of wings in reverse of intention (7)
- How to cheat 550 among the pigs (7)
- After endless 19 kiss is out as one lies in wait (5)
- Being partial is only right, perhaps? (3-5)

#### DOWN

- Distinguished death as being part of crude misery (6)
- Happy to yell approval when not quite replete (8)
- One honoured by Burlington House is at home in the wet (4)
- With which to fasten, having got up with broken leg (6)
- State that at the beginning of May isn’t stormy (4)
- Is mis-cited about right to add it to one’s account (6)
- Chink perhaps gives little 6 to Eastern depravity (7)
- Here, instead of an entry in bridge sections, are orbs (7)
- Divorcee will walk wearily to weed we left, having burst (8)
- Such as Simon, man at Westminster involved in awkward lies (6)
- Logic, as found in one version after the right beginning (6)
- Rely on one extreme of swimming-pool being abandoned by East (6)
- It will entice one to fail finally, certain not to have begun (4)
- Be sorry she isn’t there? (4)

### SOLUTION: BL TWO-WAY CROSSWORD 2638

ACROSS 7. Change of heart 8. Pressganged 12. Postal 14. Denial 16. Prints 18. Strong 19. Secretaries 23. Filing cabinet

DOWN 1. Shop 2. Once 3. Vessel 4. Afraid 5. Berg 6. Trod 9. Respite 10. Episode 11. Plug 12. Pope 13. Act 15. Eat 17. Sleigh 18. Seaman 19. Slip 20. Crib 21. Ibis 22. Slew

## The Tesla factor

Its entry as a disruptor would be limited

After abortive attempts in 2022 and 2024, Tesla could finally be making its debut on Indian roads in the second quarter this year. An unusual one-to-one meeting between Tesla chief Elon Musk and Prime Minister Narendra Modi during the latter's recent visit to Washington appears to have galvanised the world's second-largest electric-car manufacturer to take a definitive gamble on India. In the bigger picture, the negotiations around Tesla can be seen as part of the Indian government's agenda of re-examining the tariff regime, partly in response to American President Donald Trump's threats of imposing reciprocal high tariffs on Indian exports to the United States. But a shift was already evident last year, with India introducing a policy permitting electric-vehicle makers to import up to 40,000 completely built units (CBUs) at a reduced Customs duty of 15 per cent (from 100 per cent previously) for five years with a maximum import limit of 8,000 vehicles per year. The caveats here are that the manufacturer must invest \$500 million, including setting up a factory; 50 per cent of this investment has to be made within three years. With Tesla reportedly moving ahead to scout for assembly locations and hiring retail workers, the question is whether this development would disrupt the Indian electric-car industry in a significant way.

As yet, this looks unlikely for a number of reasons. The first is the displeasure expressed by Mr Trump, to whom Mr Musk reports in his capacity as head of the Department of Government Efficiency, at the prospect of Tesla investing in a factory in India rather than in the US. The second factor is the demand paradigms in India. The electric-car market is minuscule, accounting for 2.3 per cent of the market last year. Though Tesla's models undoubtedly have a unique badge value that would attract a certain kind of clientele, it is doubtful if such buyers would create the critical mass the car manufacturer would need to set up a full-fledged production unit in India. At the lower duty rate, the price of Tesla's CBUs, which will reportedly be imported from its Berlin Gigafactory, will be steep.

Tesla's prices are expected to range from ₹50 lakh for the Tesla Cybertruck to ₹2 crore for the Tesla Model X (a five-seater sport utility vehicle). Its best-selling model globally, the Model Y, is estimated to cost ₹70 lakh. This keeps Tesla firmly at the upper end of the average price range of electric vehicles in India at ₹6 lakh to ₹3 crore. The most expensive electric vehicle in India is the Rolls-Royce Spectre at ₹7.5-7.8 crore but the price of most luxury electric cars range between ₹1.65 crore and ₹3 crore. With the exception of Mercedes, most luxury electric-car makers saw stagnant or negative growth in India last year. With Tesla's sales falling globally, too, its India bet will be tough. The possible game changer could lie in the fact that Tesla reportedly sources components from India worth \$1 billion a year. Investing in a factory with the objective of offering a car for ₹21 lakh could well entail significant value addition to the Indian supply chain. As with early liberalisation in the country's car industry, this could be the bigger game changer India is looking for.

## Germany's options

The new chancellor has a tough test ahead

The preliminary results from snap elections in Germany, Europe's largest economy, could have a profound effect on the European Union, its relations with the United States, immigration policies, and climate change. The Christian Democratic Union (CDU) and its Bavarian sister party, the Christian Social Union (CSU), have emerged as the largest party in the 630-seat Bundestag. But it is the strong showing of the Alternative für Deutschland (AfD) that surpassed expectations — it clinched 21 per cent of the vote, nearly doubling its vote share from the last election in 2021. Though the centre-right CDU-CSU is still short of a majority, Friedrich Merz, chancellor in waiting, and the mainstream parties in the Bundestag have pledged to create a "firewall" against the anti-migrant, pro-Kremlin AfD, which recently won endorsements from US President Donald Trump's cost-cutting czar Elon Musk, and Vice-President JD Vance. Coalition talks have begun. Assuming that the AfD is kept out of government, the alt-right party, with the second-largest vote share in the Bundestag, and an overwhelming dominance of the rust belt of the east, is likely to have a significant influence on the government's policy agenda. In some respects, it may find itself in closer understanding with the CDU than other parties.

To start with the CDU under Mr Merz, a former chair of the German subsidiary of US asset management advisor BlackRock, with distinctly conservative social views, is unlikely to offer a continuance of Angela Merkel's broadly liberal stance. One of the reasons for its strong showing in this election lies in its strict anti-immigration agenda, which, in fact, controversially won AfD support in the last Parliament. Beyond that, Mr Merz, 69, the oldest chancellor to take charge since Konrad Adenauer, the first chancellor of the newly formed Federal Republic (who took charge in 1949 at age 73), has resolved to prepare Europe for a future without US support for the North Atlantic Treaty Organization (Nato), given Mr Trump's proclivities in this respect, and a significant expansion of support for Ukraine. He has already held discussions with France and Britain, Europe's two nuclear powers, on the possibility of extending nuclear security to Germany. He has spoken of policies to scale up Germany's defence industry, including reversing his predecessor Olaf Scholz's block on sending long-range Taurus cruise missiles to Ukraine for attacks on Russia. He has resolved to significantly up the Defence Budget above the agreed upon 2 per cent of gross domestic product. On climate change, though he has spoken of consistently using renewable energy, his base within the CDU, the European People's Party, a transnational grouping, is likely to push back on a broader renewable agenda.

Much of Mr Merz's leadership of Europe, however, depends on how fast he can revive Germany's economy. The German economy shrank in 2024 and is forecast to contract again in 2025. Once the envy of Europe, high energy, labour costs, and an ageing population are eroding its high-tech manufacturing base. The economy's dependence on exports, especially to a slowing China, has also acted as a drag on the economy. Mr Merz wants to link Germany to high-growth hotspots such as Mexico or Southeast Asia and is looking at a French-German axis to make inroads into South American markets via a deal with Mercosur. In a uniquely turbulent moment in European geopolitics, Germany may be facing its toughest test yet.

# Market realities and bubbles

Are we at Peak America? Even if it's not a bubble, US conditions point to poor returns ahead

ILLUSTRATION:BINAY SINHA



There is considerable debate among investors as to whether the US equity markets are in a bubble? Are we experiencing another 1999/2000 internet bubble all over again, this time with artificial intelligence (AI) being the focus? This issue is relevant for all markets because if the US is in la-la land, a steep market fall is inevitable, with obvious consequences for asset allocation and all financial markets. For context, after the bubble burst in March 2000, the Nasdaq fell by 78 per cent and the S&P 500 by 49 per cent over a 30-month period. It took 15 years for the Nasdaq to cross its year 2000 bubble peak of 5,000, such was the extent of damage.

The case for the bubble is straightforward. On the classic Shiller cyclically adjusted price-to-earnings (CAPE) ratio, which takes rolling 10-year real earnings as its denominator, current US valuations are excessive at about 40 times, having only been higher in the 2000 bubble at 45 times. We are today well above the 1929 peak of 32 times. This is clear bubble territory.

Market concentration has never been higher, whether we look at the top five or 10 stocks, or even the top decile of companies. Today, the top 10 stocks in the S&P 500 account for almost 40 per cent of the index, much higher than 25 per cent in 2000. The top decile of companies makes up 75 per cent of the market, an all-time high.

The US now has nine companies (eight of them technology firms) with market capitalisations exceeding \$1 trillion, and three valued at over \$3 trillion. There are also three technology companies earning about \$100 billion in annual profits each. Yet, despite this scale of absolute profits, analysts expect earnings for these giants to grow at 15 per cent per annum over the coming five years.

The market has also been highly bifurcated, with the average stock rising only 13 per cent in 2024, despite the S&P rising by 25 per cent. This 12 per cent performance gap between the market-cap-weighted and equal-weighted S&P was also seen in 2023, but it is unusual. Over longer periods, there is typically little difference between the two index constructs. The last time we witnessed such

a large divergence was in 1998–99.

We also have the surge in capex on AI. Just four companies (Alphabet, Amazon, Microsoft and Meta) have plans to spend \$320 billion on technology capital in 2025, the majority of which will go for chips and data centre infrastructure. Including smaller companies like Oracle and others, this figure will exceed \$400 billion. For context, this is 10 per cent of India's gross domestic product (GDP) being spent by a few large US technology companies in just one year, solely on AI. What is the return on this capital expenditure? No one knows, beyond the assertion that the risks of underspending are far greater than those of overspending.

These companies are now spending all of their annual free cash flow and about 20 per cent of sales. Thankfully, no debt. Does this not smell like the over-investment in fiber optics and telecom that sowed the seeds for the tech bust of 2000? No one knows and only time will tell, but we can see the bear argument.

Similarly, profit margins for corporate America are near all-time highs, and we have had more than a decade of earnings growth exceeding nominal GDP by almost 4 per cent per annum. If you go back to look at longer data series, over the last 70 years, corporate profits always lagged nominal GDP. The median nonfinancial company in the S&P has a net profit margin of 12.5 per cent, this was

5 per cent in 1995. We seem to be in a period of corporate overearning.

The US economy is running a fiscal deficit of 7 per cent at full employment, with a debt/GDP ratio of 100 per cent, \$28 trillion of federal government debt, with an absurdly short average maturity. Amazingly, back in 2000, the expectation was that the US government would go debt free by 2013, and have zero debt even in 2025! How wrong were the analysts!

This, in a nutshell, is the bear argument: All-time high valuations on above-trend earnings, a massive capex boom with unclear returns, and an economy running above trend — supercharged by massive fiscal indiscipline and AI investment.

American exceptionalism is taken for granted, and



AKASH PRAKASH

# Opportunity trumps tariffs

US President Donald Trump's America First stance has increased trade policy uncertainty and threatens to disrupt the global trade order. A web of tariffs is being wielded to correct what the US sees as unfair and unbalanced trade. How will this affect India?

Three aspects of Mr Trump's trade policy agenda appear negative for India.

**Reciprocal tariffs:** President Trump has called for imposing reciprocal taxes on countries with unfair trade practices. These tariffs will not only mirror tariffs imposed by partner countries on US goods, but also consider other factors seen as discriminatory, including value-added taxes and non-tariff barriers, such as import policies, technical barriers to trade, and digital trade barriers.

The process of determining the exact reciprocal tariff is a "black box", but our analysis suggests India ranks high on both tariff and non-tariff barriers. While estimates vary depending on the methodology, in aggregate, the weighted average effective tariff rate on US exports to India is about 9.5 per cent, compared to 3 per cent on Indian exports to the US — implying a gap of over 5 percentage points. At the sectoral level, this disparity is more pronounced in agriculture, automobiles, gems and jewellery, and chemical and pharmaceuticals, where India maintains relatively high tariffs.

Non-tariff barriers are harder to quantify, but data from the World Trade Organization shows India ranked second in Asia, after China, in announcing the highest number of antidumping measures against the US. This means India remains in Mr Trump's line of fire on reciprocal tariffs. To avert them, the government can further lower tariffs on specific products. While feasible in the auto and chemical sectors, lower import tariffs on agricultural products would be politically difficult.

Lower tariffs create other challenges too. India will need to consider how to navigate the most-favoured nation (MFN) clause, which dictates that any tariff reductions for one country be extended to other trading partners. It also means more competition for domestic players.

**Sectoral tariffs:** Mr Trump has already announced a 25 per cent tariff on all steel and aluminium imports, to be levied from March 12. More tariffs are likely in the pipeline, including on automobiles, pharmaceuticals and semiconductors. These sectors account for around 16 per cent of India's goods exports to the US, with pharmaceuticals the most important. The US is India's biggest pharma market, accounting for over 35 per cent of total pharma exports. However, India mainly exports lower-margin generics, and US tariffs will also be imposed on other countries, so costs will likely be borne by US consumers.

While steel, aluminium and autos comprise a smaller share of overall exports to the US, risks emanate from the redirection of global exports to

India that exert downward pressure on domestic prices (i.e., dumping). Overall, sectoral tariffs increase the vulnerability of India's exports, but goods exports to the US account for only 2.2 per cent of India's gross domestic product (GDP), so the impact should be manageable.

**Trade imbalances:** India also runs a trade surplus with the US. At \$38 billion in 2024, this puts India in the list of the top 12 nations with whom the US runs a trade deficit.

Although increased purchases of US energy and defence equipment can partly address this, it would only shift the composition of India's trade balance between the US and rest of the world; the overall impact would be minor.

Against the above three negatives, there are also positives to consider.

**An alternative to China:** President Trump is revisiting US economic and trade relations with China. He has already imposed an additional 10 per cent tariff on China, including on consumer products that were exempted under Trump 1.0. His team is assessing Permanent Normal Trade Relations with China, which could result in revoking China's MFN status. During his campaign, he threatened 60 per cent tariffs on imported goods from China and proposed rolling out a four-year plan to phase out



SONAL VARMA

# China's overlooked reformer



## BOOK REVIEW

SHYAM SARAN

Robert Suettinger has written a definitive biography of one of China's important reformist leaders, Hu Yaobang, whose role has been overshadowed by the much greater attention scholars have paid to the contribution of the more senior Deng Xiaoping. Deng is credited with implementing the path-breaking economic reforms and liberalisation policies in China in the decade of the 1980s. Mr Suettinger documents in some detail how Hu Yaobang, as chairman and later general secretary of the Communist Party of China (CPC), between 1981 and

1987, promoted the household contract responsibility system in agriculture, restoring farming on individual plots and sale of produce beyond the quota set by the state in the open market. This marked the end of the commune system imposed by Mao Zedong that had led to rural distress and stagnant grain production. This was followed by the promotion of the village and township enterprise system and informal local markets, which sowed the seeds of the dynamic private sector economy that powered China's later and rapid economic transformation.

More importantly, the author profiles Hu as a political reformer, who led the way to distancing the CPC from government and the military, enabling their professionalisation after years of favouring "red over expert". As head of the party, Hu not only led the campaign to rehabilitate scores of veteran party cadres who had fallen victim to the violent purges perpetrated by Mao during the Cultural Revolution (1966-1976), but also the many

intellectuals, academics and professionals who had been purged during earlier mass political campaigns. These rehabilitated cadres and professionals became the human resource base for the country's modernisation drive. Within the party, Hu sought to dispense with life-time tenures of senior leadership, urging veteran cadres to retire and make way for younger leaders. It is this stance that alienated veteran cadres, including many of those rehabilitated, thanks to Hu's efforts. Deng Xiaoping was able to engineer his removal from party leadership by mobilising the geriatric but still influential party leaders.

According to the author, Hu Yaobang's break with the senior party leadership came after he showed sympathy for the student demonstrations that erupted in December 1986, targeting corruption in the party, protesting high rates of inflation and urging democratic reforms. The more conservative party leaders, including Deng, faulted Hu for not having taken strong, repressive action against the

student demonstrations. Hu was dismissed from office in 1987 though he retained his Politburo position. He died in April 1989.

In death, Hu became something of a hero to China's youth and public mourning for him became the trigger for the much larger student demonstrations that took place at the historic Tiananmen Square in April 1989 that led inexorably to their brutal and bloody repression on June 4, 1989. China's economic reforms would be temporarily rolled back as they were seen by some veteran party leaders as the reason for the opposition to the party's centralised and undisputed authority. It was only in 1992 that Deng Xiaoping undertook his much publicised "southern tour" to validate the economic reforms, in particular, the setting up of special economic zones and the promotion of foreign investment. It is



**THE CONSCIENCE OF THE PARTY: Hu Yaobang, China's Communist Reformer**  
Author: Robert L. Suettinger  
Publisher: Harvard  
Pages: 480  
Price: ₹4,121

began to be reversed in later years. On foreign policy, the author points out that Hu initiated a shift away from a virtual alliance with the US towards a more centrist stance, taking measures to improve relations with the then Soviet

with a 70 per cent weight in global indices, we may be at peak US. This may or may not be a bubble, but it is certainly a recipe for poor prospective returns.

The bulls argue that inflated valuations are primarily driven by mega-cap stocks. While the top 10 companies in the US trade at 27 times forward earnings, the remaining 490 companies trade at only 20 times. They also contend that investment in AI will lead to a sustained uptick in labour productivity, signs of which are already visible. A productivity surge could drive sustainably higher GDP and earnings growth.

The US has energy security and the lowest costs, is the leader in technology and AI, has the best long-term equity returns in the world, and is about to enter an era of much lower taxes. It still has the best demographics among the large Western powers. Bulls argue that the Shiller CAPE ratio is backwards looking and does not take into account the surge in productivity and earnings that AI will bring. Earnings will surpass trend. With more than 50 per cent of US equity mutual fund and ETF assets now passive, we are not seeing the rampant speculation and day trading witnessed in 1999-2000. This market continues to climb a wall of worry and Nvidia of today is not Cisco of 2000. There remains no alternative to the US given the structural weaknesses of the EU, Japan and China. The US deserves to trade at a premium and will continue to do so.

The bulls also point to price action. The Nasdaq had tripled between 1995 and 1998, and then went up by 86 per cent in 1999 (remains its best annual return). In the final five months before the Nasdaq peaked in March 2000, it had risen by 88 per cent. While tech has done well, we are nowhere near this type of steep price acceleration today. They also point out that when the crack happened, we saw the Nasdaq declining by more than a third within the first month. It lost 10 per cent in the first week. Again, despite the shock of the Deepseek model, we have not seen this type of draw-down. The Nasdaq ultimately succumbed to rising rates and a recession hitting the US in 2001. We seem to have gone through this phase unscathed. Investors expect the Fed to cut rates from here onwards, not raise them, and there seems to be little risk of a recession on the horizon.

I remain unconvinced by the bull arguments. I believe we are at "Peak America." Ideally, we would see a gradual derating of US assets, allowing risk appetite to remain healthy and capital to flow overseas. A sharp de-risking episode could trigger volatility and drag down all markets. I hope the US is not a bubble, as a bubble burst could lead to a 40-50 per cent decline. When a bubble pops, all bets are off — global markets and investors would reduce risk exposure, benefiting no one.

It is far better for the US to gradually underperform global markets, as we have seen from the beginning of 2025.

The author is with Amansa Capital

imports of essential goods from China, including electronics, steel and pharmaceuticals.

These tariff proposals can create trade and investment opportunities for India, as suppliers focus on de-risking from China and moving from a just-in-time to a just-in-case inventory strategy. Our analysis shows that India remains at the forefront of the global value chains shifting away from China, partly owing to its large domestic consumer market. In addition, the diversification of sources of investment funding is an added advantage for India.

We found that foreign direct investment in Southeast Asia has been led by Chinese firms, likely to relocate production, whereas most companies relocating to India are from the US, Europe and developed Asia, as we discuss in "India among Asia's new flying geese" (<https://shorturl.at/leFaV>).

**Third country risk:** Indeed, under Trump 2.0, the United States Trade Representative is reviewing China's circumvention of US tariffs by exporting through third countries. This could be negative for some economies in Southeast Asia, as existing loopholes are plugged, but it also represents an opportunity for India through more trade diversion.

**Strategically:** In strategic sectors, the US is likely to shift manufacturing onshore or to allies. In semiconductors, this is a long-term challenge for the developed Asian economies of Taiwan and South Korea, since the US intends to increase its share in advanced fab manufacturing. However, India is more focused on low- to mid-tech manufacturing, which complements rather than competes with the US focus on high-end, strategic sectors. This means there is still room to grow export market share.

**Every cloud has a silver lining:** Overall, Trump tariffs are both negative and positive for India. It is at risk from reciprocal tariffs and there could be margin pressure for some sectors. However, there are also indirect benefits in store, due to trade diversion and supply-chain shifts.

In a world where Trump 2.0 is negative for most countries, the mixed impact of Mr Trump's tariff web could still make India a relative winner.

The author is chief economist (India and Asia ex-Japan) at Nomura

Union and emphasising China's Third World credentials. This aspect of Hu's leadership is not well known, but I do recall that our embassy reporting at the time had noted these shifts.

Mr Suettinger had studied China as a CIA analyst for several years and brings a rigorous analytical approach to this very detailed biography. He has drawn from a vast array of original Chinese language sources and covered Hu's life and legacy in considerable detail. If there is a downside to this book, it is that it has too much detail. We get a potted history of the CPC through this narrative of the life and times of Hu. The focus on his role as a party leader and the significance of his efforts towards creating a more democratic, more responsive party are somewhat lost in the details. Nevertheless, this is a timely corrective to the inordinate and often adulatory depiction of Deng Xiaoping's role as the wise, pragmatic and decisive reformist leader to the exclusion of the important role played by others and is, therefore, welcome.

The reviewer is a former foreign secretary

{ OUR TAKE }

# The rise of the German right

It mirrors a global trend of populist nationalist agendas finding significant electoral traction

Germany's centre-right Christian Democratic Union (CDU) and its sister party Christian Social Union (CSU) are set to form the government following Sunday's election, whose results also show a surge in support for the far-right, populist Alternative for Germany (AfD), with one in five Germans voting for it. To be sure, this is contingent on the CDU/CSU managing to form a coalition, with the most likely partner being the SPD (the Social Democrats) which came in third. AfD came in second, with its strong showing fuelled by young voters amid growing concerns about migration and Germany's asylum policy, especially at a time when United States-Europe relations have been dealt a body blow by the policies of US President Donald Trump. The AfD, parts of which are officially classified as right-wing extremist, doubled its vote share.

The result points to a shift on the ground in favour of conservative agendas, such as anti-immigration policies and climate scepticism. The impact of the Russia-Ukraine war on the German economy, which has stagnated for the past two years, a weak manufacturing sector, lone wolf attacks by immigrants and the influx of refugees have all become contentious issues that the liberals and centrists failed to address convincingly.

The man expected to be Germany's next chancellor, Friedrich Merz, will now have to engage in delicate negotiations to put together the next government while keeping the far-right forces at bay. The next government of Europe's largest economy and most populous country will also have to contend with the disruptive policies of the US, which are upending decades of gains from American security guarantees. Trump's overtures to Russian strongman Vladimir Putin too have exacerbated European security concerns and it is no wonder that Merz is talking about Europe achieving "independence" from the US.

The growing support for far-right forces in Germany, France and other European countries shows the momentum has changed towards the right. Read with Italian Prime Minister (PM) Giorgia Meloni's remarks, who clubbed herself, Trump and PM Narendra Modi in the same basket and portrayed them as nationalists under attack from liberals, the contours of the axis of global right politics become clear — national self-interest seems to be the defining trait. This could be significant geopolitically. For starters, India may have to prepare for a more inward-looking Europe, at a time when the US is increasingly turning protectionist and ceding its central role on the global stage.

# Tackling farm distress in a focussed manner

The ministry of agriculture has developed a Farmers' Distress Index (FDI), this newspaper reported on Sunday. The index, the report says, will factor in multiple indicators to give local-level estimates of farm distress. To be sure, the government is yet to come up with more details and we do not know whether the new FDI will generate an individual (for every farmer) indicator of distress or lead to some sort of data that can be tracked to ascertain a generic state of the farm sector in the country.

But, an earlier study on the issue by A Amarendra Reddy — he is one of the key architects of the index — in 2021 in the journal *Land* ([tinyurl.com/2bafebmw](https://tinyurl.com/2bafebmw)) suggests that the idea of what could be described as a pilot version of FDI was to create a multidimensional index at the farmer and sub-district levels. "Based on the result, the study recommends a location-specific distress management package based on various dimensions of the FDI," the paper says. "Although the Indian government has allocated more resources to agriculture and several programs were initiated to improve the agricultural sector, agrarian distress is silently spreading across all the states. It seems that all these programmes and schemes are disjointed and function independently of each other. Therefore, agrarian challenges and various ongoing programs should be brought together under one umbrella," it says.

Prima facie, this seems like a good idea that could dovetail a lot of existing spending by the states and the Centre to boost farmer incomes. However, care should be taken on at least two fronts. One, the federal structure should be dealt with sensitively in tying government spending to movements in FDI. Two, optimising existing spending on farming via the new FDI should not be confused with the larger transformation challenge of creating better non-paying jobs outside agriculture.

# What the court missed in the Allahbadia case

The judiciary's role is to test speech-restricting laws on the anvil of the Constitution's fundamental rights — not to egg on the State to bring in such laws

On February 18, the Supreme Court made headlines after its oral remarks about the You-Tuber Ranveer Allahbadia, who was seeking legal protection after a crass joke that he had made on his channel sparked outrage and led to police proceedings against him in multiple states. Before the Supreme Court, Allahbadia made a very basic prayer: As there were police FIRs against him in more than one state for making the same joke online (a tactic that is often used by states to harass individuals by making them run from place to place when summoned by the police), he asked that these FIRs be "clubbed" together so that he could defend himself in one place rather than be dragged from pillar to post.

This is a very common-sense relief that should have been given for the asking. However, the Supreme Court instead chose to lash out at Allahbadia, stating that he had a "perverted" and "dirty" mind and that his joke would have shamed the "mothers, sisters, and younger brothers" of society. This is unfortunate, as the role of the Court is to dispassionately consider the case before it on the touchstone of law and the Constitution, instead of taking up the cudgels of outrage on behalf of society at large. A joke may be crass and distasteful, but there is a reason why the law does not criminalise such jokes: if it did so, most of the country would be behind bars at some point or the other.

What is more unfortunate, however, is that the Court's sense of outrage appears to have crept into the judicial order that it passed. Allahbadia was granted limited relief: Protection from arrest and a direction that further FIRs would not be filed against him for the same joke. However, the Court did not immediately allow his request for clubbing the FIRs, which means that until further orders, he will have to travel to the states where the police investigation is ongoing if asked. The Court's unwillingness to grant relief sets a bad precedent for future cases, where individuals may be harassed through the filing of multiple FIRs in different states for something that

they say on the internet. Furthermore, the Court directed Allahbadia to surrender his passport and banned him from travelling abroad without the Court's permission. This appears to be both punitive and unnecessary. However, what is even more punitive was the Court's final direction, which was to ban Allahbadia or "his associates" from airing any show on YouTube or any other audio/visual mode of communication till further orders. This, it should be clear, is manifest judicial overreach, where the Court essentially acted as an advance censor, shutting down Allahbadia's right to free speech not as a legally mandated punishment for something that he had done, but as a pre-emptive ban for something that he might go on to do in the future. There is no warrant in the Constitution or in law for such advance censorship, and once again, it sets a disturbing precedent for the future.

Finally, the Court's sense of outrage revealed itself in an alarming sense of oral remarks, which did not find their way into the judicial order. The Court expressed a necessity for "regulating" online content, and invited the Attorney-General, on behalf of the State, to come up with

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It is unclear why the apex court saw fit to grant protection to Allahbadia from coercive proceedings under the existing legal regime, while at the same time calling for further legal restrictions upon online content.

"regulations" (the Court said that it would be very happy if the State did so). While "regulation" may sound like an innocuous word, it is worth remembering that the State's previous proposed legal framework — the Broadcast Bill — was so draconian that it was criticised across the board and was shelved. The Court's oral remarks, however, now raise the worry that it has given an advance imprimatur to the return of the Broadcast Bill, in some form or the other. It is worth noting that the Court's role is to test speech-restricting laws on the anvil of the Constitution's fundamental rights — not to egg on the State to bring in such laws! Indeed, it is ironic that the Court made these remarks in a case where a YouTuber was facing harsh legal proceedings under the existing legal framework — which is what drove him to come to the Supreme Court in the first place! It is, therefore, unclear why the Supreme Court, on the one

hand, saw fit to grant protection to Allahbadia from coercive proceedings under the existing legal regime (harsh enough as it is), while at the same time calling for further legal restrictions upon online content.

It is important to note that the issue goes beyond Allahbadia and his freedom of speech (important though that is). It concerns the freedom of speech of journalists, dissidents, satirists and humourists, and all those who use the Internet to communicate their points of view. When these are the stakes, the Supreme Court should remember that its primary role is to protect our fundamental rights under the Constitution — and not to be swept away by a moment of outrage and invite a regime of censorship.

Gautam Bhatia is a New Delhi-based advocate. The views expressed are personal

# Paris & Delhi: Partnering for stability in a volatile world

Prime Minister Narendra Modi's visit to France earlier this month, comprised two components — the Artificial Intelligence (AI) Action Summit, and a deepening of Indo-French bilateral ties. Building on the summits that took place in the UK and South Korea, the Paris Summit endeavoured to reinforce the development of AI research and applications for the public good.

In line with the human-centric framework advocated during its G20 presidency, India aims to distribute the benefits of AI equitably amongst its population, while advocating for the AI needs of the wider Global South. India's National AI Mission draws from similar principles of openness and accessibility underpinning India's successful Digital Public Infrastructure that is rapidly transforming its society and economy. The International Monetary Fund estimates that more Indians will use AI every day than in any other country before the end of this decade, making India central to any global framework on AI.

By partnering now on AI and launching an India-France AI Roadmap, the two countries are embarking on a joint path to shaping the future of responsible AI development, while also attempting to bridge the North-South AI divide. Combining both experiences, the two countries are also well-positioned to ideate solutions mitigating AI's growing carbon footprint based on its high energy needs.

However, it's important to keep in mind fundamental divergences in approaches. As a member of the European Union (EU), France adheres to the EU AI Act, which uses a risk-based approach to AI systems and is the world's most comprehensive and stringent legislation so far on AI regulation. On the other hand, India is wary of over-regulation stifling its innovation ecosystem. Yet domestic debates demonstrate India's willingness to adopt a regulatory framework on AI that balances the twin imperatives of safety and innovation while protecting individual rights. Here the European model offers a useful case study.

Bilateral discussions this time took place on Macron's presidential aircraft from Paris to Marseille, where a new Indian Consulate was inaugurated. France, which last year appointed a Special Envoy to the India-Middle East-Europe Economic Corridor (IMEEC), has proposed Marseilles as the IMEEC's gateway into European markets based on the city's strategic location in the Mediterranean Sea. The two leaders visited the control centre of CMA-CGM, a Marseille-based logistics and shipping company that controls 11.5% of Indian shipping activity and has a 34-year-old presence in India. However, Marseille faces competition from the Trieste in Italy and Greece. Despite tensions in West Asia, geopolitical global uncertainties have only strengthened the case for alternative routes.

Defence and security have long remained the mainstay of the partnership. France is

BOTH INDIA AND FRANCE ARE GUIDED BY FIERCELY AUTONOMOUS FOREIGN POLICIES THAT ARE PAYING THEIR DIVIDENDS IN TODAY'S TRANSACTIONAL AND VOLATILE WORLD.

now amongst the top three customers of Indian defence equipment, and during this visit, India urged France to consider purchases of its Pinaka multi-barrel rocket launcher system. A defence industrial road-map was launched in early 2024 aimed at the co-production of military equipment, critical to Indian indigenous defence production where France stands out as a country less hesitant to engage in technology transfers to India, coupled with contracts involving the P-75 Scorpene submarines, Rafale aircrafts and helicopter and jet engines. Security cooperation has also been on an upswing with the stopover of the French Carrier Strike Group Charles De Gaulle in India in January 2025 and in the form of joint exercises such as the Indian Navy's involvement in multinational exercise La Perouse and the upcoming bilateral Varuna naval exercise scheduled for March. Deepening trilateral cooperation with Australia and the UAE in the military, maritime, energy, and health spaces was also emphasised along with development projects in three countries in the Indo-Pacific region.

What is equally promising is that the contours of engagement for India's oldest strategic partnership are rapidly moving beyond the traditional defence pillars to include trade, innovation, digitalisation, and people-to-people relations. Indian startups will now be included at the French Startup Incubator Station F, and 2026 is being officially hailed as the India-France Year of Innovation. Last year, France became the first European country to launch the Indian United Payments Interface (UPI), with the service starting at the Eiffel Tower. As the US gears to exit the Paris Agreement, Indo-French robust collaboration on climate and renewables can be further stepped up to fill the vacuum.

Paris and New Delhi are also expanding cooperation in the civil nuclear energy sector, particularly in Small and Advanced Modular Reactors, with a Special Task Force on Civil Nuclear Energy working towards this. Efforts are on towards building a nuclear power project in Jaitapur, Maharashtra. France derives 70% of its energy needs from nuclear sources, with the country producing the highest nuclear power per capita globally. With India aiming to substantially expand its nuclear energy capacity by 2047 in its transition towards a low-carbon economy, collaboration with France is a natural step forward.

With an India-France CEOs forum held in Paris, following a similar forum held in November 2024 in New Delhi, the two countries are trying to ramp up economic ties. The value of bilateral trade rose from \$15 billion in the 2022-23 period to \$20 billion in 2024. The joint statement mentions the need to increase the number of Indian students in France to 30,000 by 2030 — currently 10,000 compared to Germany's 35,000. At the same time, Paris may need to ensure a less hostile political environment for foreign students and immigrants.

Both India and France are guided by fiercely autonomous foreign policies that are paying their dividends in today's transactional and volatile world, and an accelerating US-China strategic rivalry. A broadened India-France partnership can represent "a third way" away from such uncertainties.

Harsh V Pant is vice president, Observer Research Foundation, New Delhi. Shairee Malhotra is deputy director, Strategic Studies Programme, ORF. The views expressed are personal

{ XI JINPING } PRESIDENT, CHINA



China-Russia relations have a strong internal driving force and unique strategic value, and are not aimed at, nor are they influenced by, any third party

# Need to shun the politics of patronage and clientelism

With the elections in the national capital territory done and dusted and the new government was sworn in, it is time to reflect on the role of freebies that played a role in shaping the people's voting choices and the unprecedented rise of patronage in electoral politics. Besides reducing a large section of the electorate to mere clients, freebies do not provide a structural solution to poverty.

It is argued that the Aam Aadmi Party (AAP)'s electoral success in the previous two assembly polls was primarily due to subsidised utilities, free public transportation for women, and free access to public health services for the marginalised sections of society. The party promised freebies this time too; in fact, at a much larger scale. However, the other parties in contention, especially the Bharatiya Janata Party (BJP), surpassed the AAP in the bouquet of freebies it offered. The AAP promised to implement the Mahila Samman Yojana giving women ₹2,100 per month. In response, the BJP promised ₹2,500 monthly to women under its Mahila Samridhi Yojana. Similarly, the Congress announced the Pyari Didi Yojana, offering ₹2,500 per month to women. While the AAP promised ₹18,000 every month to temple priests and gurdwara *granthis*, the BJP said it would give a free gas cylinder to the poor during Holi and Diwali. The BJP promised ₹21,000 for nutritional support to pregnant women, and the Congress health cover of ₹25 lakh for Delhi residents.

As for the failure of the AAP to win for the third time, the argument is that the Delhi electorate, acting like rational voters, preferred the BJP to the AAP; it was argued that the former, being in power at the Centre, was viewed as relatively better poised to fulfil promises, which, in any case, were more lucrative. The voters also doubted the AAP's ability to deliver on the sops, as its top leaders are caught in legal wrangles and are facing the possibility of being imprisoned again. They, of course, also might have factored in the AAP government's failure in Punjab to fulfil its poll promises, especially the cash transfer to women, given they were constantly reminded of this by both the BJP and Congress; both parties, otherwise adversaries, were intent on decimating the incumbent.

The politics of competitive populism, which Delhi witnessed, was not exceptional, as the recent assembly elections held in Madhya Pradesh, Haryana, Jharkhand, and Maharashtra showed. In all these elections, freebies offered by the contending parties were said to have an electoral impact. Such tall promises are being made knowingly in a routine manner, even when the economy of the concerned state is in a precarious condition, which is more often the norm than the exception. There is no doubt that direct cash transfer or free/subsidised access to

public goods and services creates immediate voter appeal, especially among underprivileged voters, living in unauthorised colonies and slums, who are in large numbers in any urban space of India. As the CSDS-Lokniti surveys show, they also vote in large percentages, though unfortunately not as poor.

Let us think about the larger implications of the entrenched political culture of freebies, which has taken patronage and clientelism that was always present to an ominous level. While transient populist schemes, if implemented on the ground, do provide quick relief to the poor and mitigate hardships of poverty, there is always a question mark about their long-term impact in eradicating poverty by providing enabling opportunity structures. Parties in power hand out incremental doses of freebies and, consequently, tend to neglect the underlying long-term structural issues that are responsible for widespread poverty and inequality. These freebies risk becoming superficial remedies and fail to improve the long-term social and economic conditions of the poor.

The largesse, which passes on as welfare measures, needs to be integrated with planned development, which would require long-term investment of public resources in the primary sector like education, health, sanitation, infrastructure, affordable housing, and employment generation. Over-reliance on short-term incentives by vote-seeking parties obscures the urgency of structural reforms and makes the parties complacent as they look forward to using State resources recklessly for handing out doles when elections are imminent. This is also much easier for governments. To make it worse, these populist schemes are often personalised, in the form of "guarantees" in the name of the party leader, promoting person-centred leadership to the detriment of intra-party democracy.

Welfare economics suggests that policy effectiveness is dependent on context. In urban spaces like Delhi, with chronic deprivation and large-scale inequality, short-term incentives may serve as necessary stopgap measures. However, without parallel investments in infrastructure and human capital, these measures are unlikely to produce lasting improvements. Electoral strategies must, therefore, prioritise both immediate welfare and long-term development to address the multifaceted challenges faced by the urban poor. The parties need to realise that the electorate's behaviour, particularly among the marginalised communities, would reflect a demand for accountability and lasting welfare over transient benefits.

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OUR VIEW



# Influencers mustn't get to flex artificial muscles

*Amid selective outrage over the BeerBiceps fiasco, let's not forget the role of other interested parties in fostering wide disregard of truth and civility. Will the right lessons be learnt?*

Emerging media platforms and traditional moral values never make for good bedfellows. The controversy that erupted over online influencer and podcaster Ranveer Allahbadia, his curiously named company BeerBiceps and some of his fellow travellers has consumed India's content devouring population, evoking strong emotions and extreme views online. Allahbadia's soaring popularity came crashing down earlier this month when, as a judge on an online talent show, he indulged in a now-familiar trope: insulting and demeaning participants, all in the hope of getting a laugh from his audience. This is common on reality shows: profanities and slurs hurled in the name of humour. These barbs are mostly harmless, occasionally stinging and almost always risqué in their attempt to extract a chuckle. Some observers felt that Allahbadia crossed a limit that day, misusing India's constitutionally-granted freedom of speech, and filed police complaints; another complainant's objection, that his show is watched by children of all ages and his comments could be morally corrupting for them, seemed curiously comfortable with its previous episodes where expletives invoking the human anatomy were banded about freely.

The courts seem convinced of Allahbadia's guilt. But should he alone be held responsible? What about society's role? Sure, Allahbadia did make objectionable comments, but it might be worthwhile to pause and think about how various stakeholders in society might have encouraged him down that path. Indignation is easy and cheap, but introspection is tough; it requires society to look inward, identify flaws and correct course. In recent years, various sections of society have lionized influencers for

their legions of followers without any concern for the quality of their content. Advertisers of consumer products instigated some of them to side-step ethics of responsible communication. Politicians sought them out before the 2024 general elections, even bestowing Allahbadia with an award. Literature festivals, book publishers and film/TV studios have all rooted for influencers with large followings in their desire to reach out to the largest number of people at the lowest cost. When acquiring audiences offers a path to quick riches, cheered on by vast segments of society, some influencers will surely be inclined to go down a slippery slope.

Freedom of expression is an elastic concept. Its stretch limits depend on the audience's subjective evaluation. There are two ways of looking at it. The liberal-democratic canon demands that regulators and courts grant enough latitude to the offender, and not respond only to those who take offence all too selectively. On the other hand, there is enough evidence to show how disruptive forces use fake news and untruths to divide society, sow disharmony and harvest votes based on hate. A new show, *Zero Day*, exemplifies how an influencer with extreme political views traffics toxicity with the help of half-truths and outright lies to acquire followers and accumulate wealth offshore. In the end, the burden of responsibility should lie with viewers/listeners and the autonomy of their thumb on the on-off switch. They have the option of not following a particular show that hurts their sentiments. Beyond that, though, the ultimate responsibility for abysmal standards on the internet lies with the country's political class that has courted and emboldened producers of suspect content in the hope of gaining short-term electoral dividends.

MY VIEW | MUSING MACRO

# Much gold buying reflects a move away from the dollar

AJIT RANADE



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On India's Independence Day of 1971, US president Richard Nixon announced to the world that America was unhitching from the gold standard. This unilateral action spelt the end of the 1944-instituted Bretton Woods system, which had been set up in the wake of World War II to stabilize international finance and encourage global trade. It worked by pegging the dollar to gold as part of an international system of fixed exchange rates with all settlements in dollars. This served very well for a couple of decades. The world saw high economic and trade growth with relatively low inflation. The dollar enjoyed hegemony since all trade invoicing was in dollars. But there was a price to pay for that hegemony. The US ran a widening trade deficit even as gold investors got an arbitrage opportunity. Since the dollar price of gold was fixed at \$35 per ounce, one could take an unlimited amount of gold out of the US by exchanging dollars for the metal at a fixed price, and make a profit. As economic imbalances and

inflation worsened across the world, with the US fiscal deficit growing (given the Vietnam War's rising cost), this became unsustainable. The dollar was highly overvalued. Meanwhile, central banks were profitably amassing gold by converting their dollar reserves. Gold in the US was fast depleting and the world started anticipating a devaluation, causing more frenzied gold buying. And sure enough, the system collapsed in August 1971. Since then, the world has dealt with only fiat currencies, unstable market-determined exchange rates and continued dollar hegemony. Without gold backing, the world has seen recurrent currency crises and drastic devaluations, causing big quakes in the financial system and real economy. India's 1991 balance-of-payments crisis too was followed by a big devaluation. The current financial and currency instability makes some people, including backers of US President Donald Trump, pine for the older days of gold-standard stability. Steve Forbes has observed that the US had a gold standard for 180 years prior to 1971, due to which the country enjoyed price stability and high growth. The Heritage Foundation authored report *Project 2025*, which is supposed to be a blueprint for Trump's second term, included a chapter on the idea of going back

to gold. That suggestion is driven by a desire to diminish the US Federal Reserve System's authority. This debate may not be raging, but the idea is gaining ground. In today's fragmented world, though, such a consensus would be nearly impossible to achieve. Besides, the financial system is much more complex, interconnected and digitalized than in 1944. Cryptocurrencies are a reality and potential competition. Central banks are now active managers of financial systems and monetary policy. Moreover, the world simply does not have enough gold stocks to back the international stock of money. So, why is there so much talk of re-adopting the gold standard now?

For starters, take the actions of central bankers. For three years in a row, we have seen a gold-buying spree, with central banks mopping up more than 1,000 tonnes every year. In 2024, India was the second-largest buyer. It has also begun moving large quantities of physical gold back home from England. At a time when

gold prices are at all-time highs, this enhances foreign-exchange reserves. With adequate gold held onshore, India could consider continuing with gold-backed sovereign bonds, which provided an attractive investment option and helped reduce our import bill. Dollar-buying is indicative of a desire to move away from reliance on the dollar as a reserve currency.

The freezing of Russian foreign exchange assets by the US also pointed to the risk of holding all reserves in dollars. The persistence of inflation caused by fiscal deficits and supply chain disruptions, in addition to mounting debts, all point to the fragility of fiat currencies.

Brics nations have been discussing a gold-backed settlement system or a multi-currency system to challenge the dollar's dominance. This has elicited a sharp rebuke from Trump, who threatened punitive tariff action if Brics nations moved away from the dollar. On the other extreme is Argentina's President Javier Milei. His radical policies

have hinted of a move towards a dollar peg to help stabilize the Argentinian peso. One year after he assumed office, inflation is down, growth is up and the budget has a surplus. His success might inspire others to go for a gold or dollar peg. As gold-buying picks up, its price will rise. Global uncertainty and geopolitics, in addition to a rush for safe haven assets and a shortage of the precious metal, will also drive gold prices up.

For the world to switch to a gold standard, the quantum of gold required to back money supply would be at least 20 times more than what's available. Hence, it is not even a remote possibility. But a partial dollar-linked 1944-style arrangement cannot be ruled out. Trump has a dual and somewhat contradictory objective. He wants the dollar to retain its hegemony and be the only trade-invoicing currency. But he also desires a Nixon-style devaluation, which cannot be done unilaterally in a fiat currency world. Hence, he may push for a Plaza Accord-type arrangement, under which G7 currencies could be collectively revalued. Some of Trump's tariff threats may be aimed at forcing the world towards a weaker but still hegemonic dollar. Will Brics respond with a hybrid gold-based currency arrangement? Only time will tell. Meanwhile, gold is a sure bet.

THEIR VIEW

# BITs shouldn't bite: Let's rethink our bilateral investment treaties

*Such a revamp of India's model BIT should focus on regulatory certainty and dispute prevention*



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India's budget for 2025-26 lays out a two-pronged approach to enhancing foreign investments: revamping India's model Bilateral Investment Treaty (BIT) to "encourage sustained foreign investment" and undertaking necessary "regulatory reforms" to ensure a light-touch regulatory framework based on principles and trust to "unleash productivity and employment." Both must go hand in hand.

The "model BIT" referred to is the one released by the government in 2016 to overhaul India's approach to BITs. While India had signed over 80 BITs between 1994 to 2011, it terminated 68 of them in 2016-17. Other countries did likewise, as the 1990s model followed globally was widely seen as outdated. India's reworked model BIT, however, did not find many takers. This is why the budget has proposed a relook.

A BIT is an agreement between two countries for the promotion of mutual investments that assures protection from arbitrary governmental action, compensation in the event of expropriation (or damage), guarantees of smooth fund transfers and dispute settlement mechanisms to resolve disputes between the governments of both countries, as well as between a country and a foreign investor.

This ability of a foreign investor to initiate disputes, called investor-state dispute settlement (ISDS), has been one

of the most controversial aspects of BITs. Its chief architect was the US, but the US itself, under both the Trump and Biden presidencies, has disavowed it. This mechanism provides foreign companies a higher level of protection and exclusive access to special supranational tribunals for arbitration. In the absence of multilateral checks and balances, ISDS has led to fragmented jurisprudence and extensive trials without meaningful scope for appeal. A renowned practitioner has called it the "wild wild west of international law."

The sectors most prone to ISDS litigation worldwide, such as energy, defence, mining, telecom, financial services, water and sanitation, transport and construction, are precisely the ones where India is seeking greater private investment. These are also sectors where laws are constantly evolving to keep pace with emerging technologies and public policy changes.

India has had a spate of investor-state disputes. Retrospective taxes levied on Vodafone's and Cairn Energy's investments in India were challenged, for example, and both cases were settled after prolonged litigation. As a reaction, India's model BIT of 2015 excluded tax related disputes and expanded the mandate for investors to exhaust all domestically available remedies for five years before initiating ISDS arbitration abroad. These aspects, among others, have not been accepted in any new BIT. India has wasted much energy on their defence, but the bigger question is whether ISDS is necessary for a BIT.

A study by the World Bank in 2003 concluded that ISDS results in superior rights for foreign investors than what domestic investors have. More importantly, it exposes the state to potentially large liabilities and also poses hurdles for policy reforms.

Strong investor protection commitments in BITs can exist without the ISDS mechanism. Brazil has remained an attractive investment destination without it by focusing its bilateral pacts

on investment facilitation and conflict prevention. The Brazil-India Investment Cooperation and Facilitation Treaty, for instance, provides for a three-step alternative to ISDS: (a) national-level ombudsmen dedicated to supporting each other's investors through a collaborative approach to dispute prevention, (b) matters that get escalated can be referred to a joint committee with representatives of both countries; and (c) arbitration for disputes that still persist.

Dispute pre-emption can be achieved by having ombudsmen, with processes for conciliation and mediation, as part of the reforms that the finance minister spoke about. Equally important is the 'dispute-proofing' of sensitive sectors through institutionalized risk assessments of legislative and executive proposals. This would help India design laws and take executive action in ways that are consistent with BIT obligations and achieve policy objectives in a manner that is compatible with the same.

This would be invaluable to India's growth story, especially if coupled with other proposals, from overhauling regulations, certifications, licences and permissions to the development of an Investment Friendliness Index of States, trade facilitation through voluntary compliance devices, streamlining of cargo screening, creation of warehousing facilities, establishment of a national framework for global capability centres and the setting up of Bharat-TradeNet, a unified platform for trade documentation and finance solutions.

India's range of bilateral as well as multilateral trade and investment agreements has been expanding, with important signals being sent out to assure investors and traders of a predictable and investor-friendly regulatory regime in the country. No law, however, is static, and we need policy space for achieving legitimate goals. BITs need to be revised in a manner that is mindful of what serves India best.

*These are the authors' personal views*



THEIR VIEW

# Do not let techno-optimism over AI crowd out concerns of equity

The rise of this technology has left us staring at greater inequality in a world that's already distorted by the power of wealth



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No business or government would like to be left behind in the artificial intelligence (AI) race. They are excited with the potential of AI to improve the efficiencies of their processes. AI will not increase equity in society, however. *The Economist* points out. The London-based publication has compiled the forecasts of many experts on the impact of AI on the future of work (*The Economist*, 13 February 2025). It reveals that inequity in wages is likely to increase further. Lower-skilled jobs will be broken up and eliminated. The best educated will be able to earn even more. Techno-enthusiasts want the world to "push on" because "creative destruction" is the way to progress. Ultimately, everyone will be better off somehow. They ignore the destruction of jobs, lives and communities during this transition to a new technology, which could take more than a generation. Developing countries with large numbers of less educated and poor citizens, like India, where wealth and income inequalities are already very large, must remain wary of the societal and political disruptions that AI will create.

The problem is not what a new technology can do, it is the purpose for which it is used, and for whose benefit. Who will own new technologies and who will control their use are crucial for good governance. It is ominous that Elon Musk, the world's richest man who has accumulated billions of dollars from technology ventures, has taken charge of deregulating the US economy to make it easier for capitalists to make more money. India's Prime Minister Narendra Modi has reportedly discussed the Indian government's mission of 'Minimum government, maximum governance' with Musk.

The global economy is going through an ideological crisis. Corporate capitalism (under the Washington Consensus) overpowered social democracies in Europe—and also India—after the collapse of the Berlin Wall in 1989. The US took effective control of the World Trade Organization and global financial systems. Capital was given freedom to roam the world for profits. Democratic countries were forced to reduce tariffs and abandon policies aimed at building their domestic industries. Citizens benefited as consumers because they could buy the best from around the world. However, insufficient domestic jobs and incomes, together with inadequate social security, frustrated their aspirations for a good life. Political reactions from the Right and Left against neo-liberalism are now shaking up political systems in many countries, including the US.

*The one who pays the piper calls the tune:* Societal challenges in the 21st century require us to reform the institutions of corporate capitalism and electoral democracy. The limited-liability business cor-



REUTERS

poration, which is the growth engine of capitalist economies, is a human invention. Corporations are given the same legal rights as human citizens—the right to own property, to free speech, to sue others (corporations, individuals and governments too), and to protect their own rights. Like the pigs in *Animal Farm*, George Orwell's literary exposure of the application of power in governance, wealthy persons and corporations have become 'more equal' than common citizens in democracies.

The limited-liability business corporation is a legally created, selfish citizen of society. It is designed to attract investments in risky ventures by limiting the liability of investors. The fiduciary duty of the board and CEO of a company is to protect the equity of its investors. The only other equity the board is responsible for is equity among investors in proportion to their investments. It is not legally responsible for broader societal or environmental equity.

The US Supreme Court lifted the limits on the use of money for political expenditure on the grounds of free speech in its landmark 2010 decision in the *Citizens United vs Federal Election Commission* case. Now Musk, an unelected person, has taken charge of the US Department of Government Efficiency with a mission to reduce the federal government's size. In an electoral democracy, political parties need money to perform their legitimate function of canvassing support. Parties and candidates that have the most money raise the bar for others. Moreover, a government in power must keep citizens engaged all the time and modern communication channels are expensive. Citizens also need money to lobby a government. Thus, the wealthy control most aspects of the communication between governments and the governed: by providing funds to parties for elections and by

financing think-tanks and lobbies.

*Efficiency, equity and ethics:* The government of a country, whether it is democratically elected or not, is responsible to citizens for ensuring societal and environmental equity. It must treat all citizens equally. However, corporations, being 'more equal' than others, have persuaded administrations to relieve them of regulations that interfere with their freedom to make profits. The ease of doing business, a capitalist idea, is driving government policies, trumping the ease of living of common citizens—a 'socialist' approach. US corporate leaders who once championed Environmental, Social and Governance causes and an agenda of Diversity, Equity and Inclusion are abandoning these to embrace the policies of Trump and Musk.

Tools of technology have no in-built ethics. While they can improve the efficiency of enterprises and improve the productivity of economies through widespread adoption, they follow the ethics of corporations that are, by design, selfish. It is the job of a government to ensure equity among citizens. But when governments engage technologists and management consultants or consult businesses to reform governance, that role suffers.

Global governance has broken down. We need better regulation in many spheres for economies to grow more equitably and sustainably. We require better governance of natural resources, financial and trade systems. We must also ensure human rights and equity for workers, and the regulation of social media and AI. What the world needs is not deregulation but better regulation; not more efficiency, but more equity; not minimum government, but superior governance. All this demands that we reform the process of reforms. The public must drive this effort for its own good and special interests must not be allowed to dominate it.

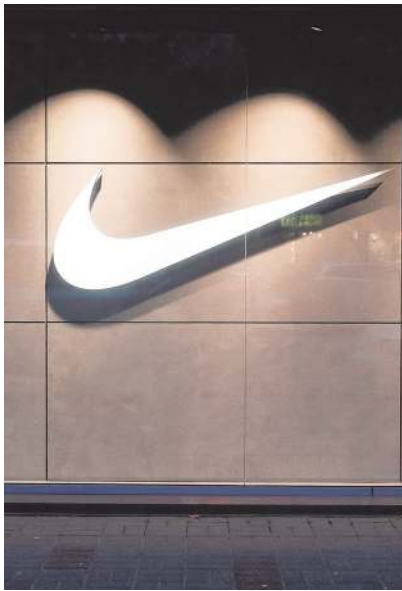
MINT CURATOR

## Kim Kardashian's Skims label might just do it for brand Nike

With its new NikeSkims range, Nike could see the revival it needs



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There is a lot riding on the Kardashian deal for both sides.

REUTERS

Two years ago, the storied American sportswear company Nike unveiled a new sneaker design in collaboration with jeweller Tiffany & Company. It was a symbol of former CEO John Donahoe's efforts to turn Nike into a luxury brand, bypassing retailers and selling direct to customers, just like the world's bling behemoths.

Last week, Nike's new CEO Elliott Hill announced a partnership with Kim Kardashian's Skims clothing brand in an effort to reconnect with consumers. The deal had been in the works for over a year, so it likely had its inception under Donahoe, but the fact that Hill has been able to bring it to fruition is promising.

The new partnership, along with signs that Nike is starting to challenge Adidas with its retro sneaker offerings, should give investors confidence that Hill is beginning to turn the juggernaut around. Shares rose as much as 6% on the Skims news, the most since Hill was appointed in September.

Nike said it would create a new brand—NikeSkims—with the shapewear label co-founded by Kardashian.

This isn't a one-off collaboration, but a multi-year tie-up, more akin to the sports giant's arrangement with Michael Jordan than, say, a limited-edition line with a luxury house. The first products under this deal will arrive in the US shortly, with a global expansion following next year.

NikeSkims will include clothing, shoes and accessories. The range will be focused on apparel that enhances the wearer's performance on the running track or yoga mat, the types of venues where Nike is seeking to regain its prowess.

Hill told investors in December that the company had lost its "obsession with sport." That a recent ski-wear collaboration between Skims and outdoor brand The North Face quickly sold out is encouraging news for Nike.

But Nike, like its rival Adidas, is also a fashion company, something that is often overlooked. With Skims, which has pioneered bodycon styles in flesh-coloured tones, it has the chance to create garments, or sneakers, that move out of the gym to become fashion favourites. And of course, Skims is fronted by one of the most famous women in the world, guaranteeing acres of press coverage and a tonne of social media chatter. Kardashian has managed to tap her contacts to create other high-profile partnerships, including LVMH's Fendi, and most recently, Italian house Dolce & Gabbana.

In line with Skims' commitment to

inclusivity, the new products will come in an extended size range. Meanwhile, as Hill seeks to win back retailers, they will be sold in third-party retail stores, as well as some of Nike's and Skims' own shops and on their websites.

NikeSkims is also a way for the sportswear company to capture more women shoppers, a category where it still punches below its weight. While Nike's overall women's sales have stalled at about \$8.6 billion, its women's sports business has enjoyed double-digit growth over the past two years. Other efforts to reach female customers include its \$28 million, eight-year contract with basketball player Caitlin Clark. Earlier this month, Nike returned to the Super Bowl for the first time in almost 30 years with an ad featuring a roster of female athletes, including Clark.

No financial details of NikeSkims have been disclosed. But there is a lot riding on the deal for both sides. As one of Hill's first big strategic moves, it needs to work. The hype around the partnership means there can be no room for products that miss the style mark, or that don't hold up under intense training. Remember those Nike Olympic uniforms that were criticized for being too revealing? Sport and women's fashion aren't always an easy combination.

Adidas ended its partnership with Beyoncé two years ago, after the singer's Ivy Park athleisure line failed to live up to its potential. NikeSkims has a better chance of success. Not only has Kardashian created huge recognition for the business, but Skims and Nike built the new collaboration from the ground up. Adidas took over from Ivy Park's previous partner, and so had to relaunch the label.

For Kim Kardashian as well as Skims co-founder and CEO Jens Grede, eventually selling to Nike could be an alternative to an initial public offer. Skims was valued at \$4 billion in a 2023 funding round.

Hill still has much to do—for example, clearing out unwanted Jordan and Dunk sneakers and replacing them with a raft of must-have shoes. But the agility he has shown in ramping up the brand's retro styles—a market where Nike lost out to Adidas for so long—and now, in launching this surprise association with Skims, might help him give Nike's sales a literal and metaphorical lift.

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MY VIEW | A VISIBLE HAND

# DOGE won't help the US dodge a national debt problem

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The United States Federal budget for 2025 will be about \$7 trillion. That makes it roughly 12 times the size of the Indian government's annual budget and about 75% more than the Chinese one. The top five spending categories in order of size are: Social Security (21%), Medicare (15%), defence (13%), interest payments (13%) and health (13%). On the revenue side, individual income taxes, social security and Medicare taxes and corporate income taxes make up over 90% of the federal revenue.

The US operates on a fiscal year that goes from 1 October to 30 September. Its budget for fiscal year 2024-25 is likely to run a deficit of about \$2 trillion on revenues of roughly \$5 trillion (with outlays of above \$7 trillion). To fund an ever-increasing deficit, which got materially worse after the covid pandemic, US federal debt has now touched 125% of gross domestic product (GDP), breaching its post-World War II high of 106%. The US national debt in 2025 will exceed \$36 trillion at an average interest rate

of about 3.3%, resulting in an annual debt-service requirement of about \$1 trillion. Alarmingly, this debt is growing at a faster rate than the US economy, implying that it is unlikely to shrink in relative terms anytime soon.

Enter the Department of Government Efficiency (DOGE). The stated goal of this extra-constitutional entity is to eliminate waste and fraud in the way the US government operates and in so doing cut the deficit in half (i.e., identify and eliminate \$1 trillion of expenditure). As for tackling the other half of the deficit, the longer-term goal is to use deregulation and innovation to spur output growth, raising revenue and reducing the gap as a proportion of GDP.

There exists an unofficial online tracker of DOGE's activities, fed by what appears to be a remarkably close information source. In the one month since the start of DOGE, the *Doge-tracker.com* website shows \$55 billion in savings on 1,200 activities. The biggest chunk of savings, at \$6.5 billion, is shown as having come from the widely publicized USAID cuts. While it is not possible to validate these measures, some of the activities that are listed on the tracker make for rather amusing reading. In a section called 'Wasteful Taxpayer Funding (WTF)' my favourites

are \$204,000 in savings from a "remote darting wild horse fertility program" and \$2.7 million in savings related to an "NIH Study on Russian Cats Walking on Treadmills."

While these actions invite headlines and may indeed identify wasteful spending and eliminate frivolous activities, they are unlikely to add up to a significant percentage of the US budget. The US constitution gives Congress the power to create a federal budget; this is in part the reason the budget year is not coincident with the beginning of a presidential term. The Congress's budget is approved by the president, while the White House working with members of his party can propose bills that are consistent with his priorities. The budget itself is made up of two major parts: mandatory expenditure and discretionary spending. Congress decides the amount and type of the latter and provides resources for mandatory outlays.

Mandatory programmes are those that are required by law. These span entitlements,

schemes for war veterans, etc., and are automatically available to those who meet their eligibility criteria. Medicare, Medicaid, Social Security and unemployment insurance are examples of these. Over two-thirds of the US annual budget goes to mandatory programmes. In other words, on a spending

base of \$7 trillion, the overall portion that DOGE can consider for slashing without detailed Congressional collaboration is about \$2.3 trillion, almost half of which must be clipped out if the goal of \$1 trillion in expenditure cuts is to be met. Discretionary outlays are determined each year by the president in consultation with Congress and typically refers to spending on defence, education and transportation. So, as a case in point, even within the discretionary category, it is difficult to imagine a 50% cut in defence expenditure.

Of course, in politics, being exact or literal is not the point. Success will be tracked by directional progress and the government's ability to claim momentum. The unfortu-

nate implication of this is that the US deficit is unlikely to reduce meaningfully, and the US national debt will inexorably increase as a proportion of GDP. This does not augur well for US long bond rates, the dollar and the country's sovereign credit rating in the long-term. But for the fact that the dollar remains unshakably the world's reserve currency, a bond-market crisis would be inevitable, like the one that was triggered in the UK by its former prime minister Liz Truss's unfunded tax cuts in 2022.

What lessons does DOGE have for countries like India? Elimination of wasteful spending should be a periodic exercise in every democracy. On the expenditure side, any new welfare programme should be born with a sunset clause. It is better to review and renew a spending scheme than have it continue for decades. This will serve the cause of both efficiency and effectiveness. Once encrusted, budgetary expenditure is difficult to reduce. Fiscal goals such as 'primary deficit elimination' and budget balancing must return to favour.

*P.S.: "Keep only those things that speak to your heart. Then take the plunge and discard all the rest. By doing this, you can reset your life and embark on a new lifestyle," said Marie Kondo, inspired by Shintoism.*



The Indian EXPRESS  
FOUNDED BY  
RAMNATH GOENKA  
BECAUSE THE TRUTH INVOLVES US ALL

THE NEW RIGHT

‘Liberal values’ of ‘the West’ are being challenged at source. A response can only come from understanding, not denigration

THE INSTITUTIONS AND values firmed up in Europe and the US — the West — in the last decade of the 20th century are facing a crucial moment of reckoning. Western liberalism and the much-touted “rules-based order” championed by Washington and Brussels arguably reached their pinnacle after the G7 was expanded to include Russia in 1998. The “end of history” moment, though, now seems a thing of the past. The economic vision articulated as the “Washington Consensus” — with a focus on free markets, trade liberalisation, fiscal discipline — began eroding with the 2008 financial crisis and the rise of China. It is now being challenged by Donald Trump in the very place of its origin. It can be said to be framed by recent political events — the election results in Germany, and the speeches by Italian Prime Minister Giorgia Meloni at the Conservative Political Action Conference in the US and by US V-P J D Vance at the Munich Security Conference. Rather than ignore — or denigrate — the political-ideological frameworks that are being writ large on the global landscape, liberal politics needs to understand and engage with them.

Even as he “bore full responsibility” for the poor showing of the Social Democratic Party (SDP), German Chancellor Olaf Scholz rejected the possibility of even speaking to the AfD: Germany’s far-right outfit — riding on an anti-immigrant campaign — is now the second-largest party in the legislature. The upward climb of the AfD is of a piece with the rise and rise of many other parties once thought to be on the fringe. The question, though, is, why. Conservative leaders like Meloni have an explanation — it would not do to merely dismiss it as self-serving. While liberal leaders like Bill Clinton and Tony Blair were hailed as statesmen when they worked together, she says, “when Trump, Meloni, ... Modi talk, they are called a threat to democracy. This is the Left’s double standard... but we are used to it, and the good news is people no longer believe in their lies, despite all the mud they throw at us. Citizens keep voting for us”. Vance, for his part, has pointed to issues that have defined the culture wars in the US — free speech vs hate speech, abortion, prayer in public spaces — and urged Europe to look at the hypocrisies and inconsistencies within.

There are now ascendant political parties across Europe and beyond that will echo Meloni and Vance. The despondency shown by Scholz, and the “basket of deplorables” view of those who voted for the right, however, is myopic and self-defeating. It is important to acknowledge that a once-formidable consensus is under siege and that there are several complicities in its apparent breakdown. It is vital to recognise that the challenger also contains multitudes, there is no singular right-wing. Abortion and gun control might be divisive issues in the US, for instance, but they are not a major feature of the political conversation on the right in India. The crisis for liberal politics is also born of its own lack of agility and imagination. Any way out of it must begin with fresh ideas, a much-needed rethink.

TALK IT OUT

Flaring of tension between Karnataka and Maharashtra over Belagavi points to need for effective dispute resolution

THE ALTERCATION LAST week between two Marathi students and a bus conductor of the Karnataka State Road Transport Corporation (KSRTC) has reignited a decades-old debate between Karnataka and Maharashtra over Belagavi, formerly known as Belgaum, a district located at the northern border of Karnataka. The students allegedly assaulted the conductor for not speaking in Marathi — on Saturday, a similar incident took place in Chitradurga. Bus services in the region have been suspended, and the issue was also raised at the Akhil Bharatiya Sahitya Sammelan in Delhi. Since Independence, both states have been laying claim to Belagavi. The dispute has persisted, through different political dispensations, occasionally rising to the forefront of political contention in the border districts. The matter raises a larger question of dispute resolution — its processes and mechanisms — within a federal framework.

During the colonial period, Belagavi was part of the Bombay Presidency. According to the 1881 census, Kannada speakers comprised 64.39 per cent of Belagavi’s population, while 26.04 per cent spoke Marathi. The State Reorganisation Commission in 1956 included Belgaum and 10 other Marathi-dominated talukas in the Mysore state. The Maharashtra government submitted a memorandum to the Ministry of Home Affairs demanding 814 villages, including the urban settlements of Belgaum, Karwar, and Nippani. In 1966, the central government established the Mahajan Commission, which upheld Karnataka’s claims. In 2004, the Maharashtra government filed a petition in the Supreme Court under Article 131 (b), saying that the Marathi-speaking population in Karnataka felt “insecure” — the case is still pending. In 2021, Maharashtra CM Uddhav Thackeray released a book titled Maharashtra-Karnataka Seemavadi: Sangharsh Aani Sankalp, to make Maharashtra’s case. The following year, the Karnataka Assembly passed a resolution that said that no land would be ceded to Maharashtra, prompting a similar resolution from the Eknath Shinde government. The Shinde government’s decision to include the Marathi-speaking areas of Karnataka, along with the families of Belagavi’s freedom fighters, under the Jyotiba Phule Jan Arogya Scheme further muddled the situation.

The Inter-State Council was mandated to “support Centre-State and Inter-State coordination and cooperation in India”. But since its formation in 1990, it has had 11 meetings — the last meeting was held in 2016. Though the body was reconstituted in 2022, no meeting has been held. Tamil Nadu CMM K Stalin has demanded that the Council should meet thrice every year to “strengthen the spirit of cooperative federalism”. For now, the two chief ministers should step in to urge calm, and talk it out.

100 OR 36?

If Virat Kohli, 36 years old, can take India to a win, while also scoring a ton, then what number would you rather remember?

WHAT ARE KINGS supposed to do after their coronation? Rule. Win. Virat Kohli (36) and LeBron James (40) have been writing the playbook on that one, while cocking a snook at age-obsessed snipers. Yes, the joints that Kohli didn’t know existed at 18, occasionally creak at 36, and he would have certainly welcomed the week-long break after his energy-sapping century against Pakistan in the crucial Champions Trophy game in Dubai on Sunday. Sure, LeBron would miss the NBA’s All-Star game after 20 straight years of featuring in it, because the ankle groaned. But the two kings keep wooing statistics, and keep the fans’ attention in times when there are so many competing claims on it.

Kohli crossed 14,000 runs in fewer ODIs than anyone else. James recorded 12 games, the most posted by anyone scoring more than 25 points after crossing age 40. Kohli got to his 51st century and elevated Sunday’s Indo-Pak game into a spectacle. He reminded Indians why it’s rude to tell players who play a mean game to walk into the dusk.

In the NBA, Slovenian giant Luka Doncic, heir apparent to King James, finally delivered for the LA Lakers. Like Shubman Gill in the India-Pakistan game, he fulfilled the duties of crown prince. But James is still averaging 8.8 assists and 7.7 rebounds. He even had two 40-point games since turning 40 last December. Only pettiness will stop Americans from being excited about the next countdown he’s started — for 50,000 career points in regular season and playoffs. For him, 40 is ambient noise. If Kohli, too, can still take India to a win, and help himself to a ton, then what number would you remember — 100 or 36?

Three low-hanging reforms



MANISH SABHARWAL

CMs can help raise numbers of high-wage employers by digitisation, decriminalisation, rationalisation

MOST EMPLOYERS RELATE to Bahadur Shah Zafar’s lament, “Umr-e daraz maangkar laaye the chaar din, do aarzu mein kat gaye, do intezaar mein” (after negotiating a life of four days, two were spent dreaming and two waiting) in their wait for easing of the crushing compliance burden. State governments account for 80 per cent of criminal provisions, 65 per cent of filings, and 63 per cent of compliances for employers. Chief ministers can raise the number of high-wage employers through three flick-of-a-pen reforms: Decriminalising, digitising, and rationalising employer compliance.

History suggests there are no poor people, only people in poor places: Your wages depend on where you live (country, state and city) and where you work (sector, company, and skill). CMs have their plates full of capacity-building (education, healthcare) and institutional (law, infrastructure) reforms. These take years. Legislative or flick-of-a-pen reforms to the one lakh plus compliances/filings/jail provisions foisted on employers may be quicker and impactful because they address irrational workflows, interpretation subjectivity and uncertainty (difference between how the law is written, interpreted and enforced). Let’s dive deeper into these reforms.

**Decriminalisation:** Eighty per cent of India’s 26,134 employer jail provisions can be removed by CMs. For instance, the innovative Jan Vishwas Bill delivered meagre outcomes — only 110 of 5,239 central employer jail provisions were removed — because of vested interests, a status quo bias, and bureaucratic incentives for no punishment for doing nothing, but hounding for something going wrong (inquiries no longer distinguish between fraud, incompetence, bad luck and bad judgement). CMs should adopt a “reversing the gaze” philosophy which mandates the removal of all criminal provisions except for three criteria: Physical harm to individuals; intentional fraud against any stakeholder; societal externalities so significant that the violator cannot provide

adequate compensation, such as issues related to public order, national integrity, or trust in property rights. There should be no jail provisions in general clauses that don’t specify a crime or define it too broadly as well as in instances of delay or inaccuracies in filings, procedural infractions, incorrect calculations, and wrong formats. These five criteria should be applied retroactively to all existing laws and should become the filter for future legislation and regulations. Jan Vishwas 2.0, coming soon, could eliminate about 40 per cent or the 2,000 plus employer criminal provisions using these criteria. Madhya Pradesh and Tamil Nadu have made small starts, while Gujarat, Karnataka, and Odisha are considering projects.

**Digitisation:** Sixty-five per cent of India’s 69,233 employer compliances can be made paperless, presenceless and cashless by CMs. India’s unique Digital Public Infrastructure framework has delivered vaccine certificates, highway tolls, de-duplicated welfare records, and payments (RBI’s initial UPI target of a billion monthly transactions has now been revised to a billion daily transactions). Using the DPI framework for compliance got a boost with recent announcements on PAN 2.0 and the EntityLocker (a single source of truth, tamper-proof, and authenticated document repository for all government-issued licenses, registrations, and permissions).

CMs should implement State Employer Compliance Grids (SECG) replicating the non-profit open architecture technology layer of DPI to facilitate filing periodic returns and issuing licences, registrations, permissions, NOCs, and consent orders. SECG would also enable the extraction of distributed and diverse compliance data that currently hinder the government’s ability to sniff defaults, delays and frauds. State grids should connect to national initiatives when they are ready. The DPI framework combines with the new world of software as a service to enable CMs to go live with an SECG in 180 days. SECGs are being considered by Gujarat, Maharashtra, and

Andhra Pradesh with varying glide paths for individual department’s back-end integration based on digital maturity.

**Rationalisation:** Sardar Patel’s steel frame — the civil service — has become a steel cage when India’s needs are shifting from integration and stabilisation to accountability and growth. Many of the 20 million civil servants of state governments inhabit toxic thought worlds where things are prohibited till permitted and people are guilty till innocent.

Civil service reform is complex, so tighter structures are the best place to start. Japan, UK and the US have only 15, 22 and 25 cabinet members, respectively. My guesstimate of government departments are 72 in UP, 63 in Uttarakhand, 54 in Assam, 51 in Punjab and 47 in Madhya Pradesh. This isn’t a big state disease; Maharashtra has 35, Andhra Pradesh has 31, and Gujarat has 27.

The philosopher Karl Polanyi argued that all economic systems are shaped by society, culture, and politics and suggested that well-functioning labour, product and capital markets are hardly inevitable. Prime Minister Modi’s suggestion that 29 chief ministers matter more than one prime minister reinforces Polanyi’s thesis; labour markets are local, and a worm’s eye view of the daily life of entrepreneurs offers more specific, finite and actionable policy insights than a bird’s eye view.

India’s problem of “employed poverty” arises from too many people working on farms, too many self-employed people, too few cities with two to four million people, too few megacities, too few people working in factories, and too few non-farm employers with the productivity to pay higher wages. The best advice for ambitious CMs aiming to deliver the “great transformation” of mass prosperity comes from Nobel Prize-winning economist Daniel Kahneman: “We instinctively step on the accelerator to go faster, but get better results by taking our foot off the brake”.

The writer is with Teamlease Services

A SWERVE TO THE RIGHT

In Germany, discontent over economy, immigration seeks new political calibration



GURJIT SINGH

THE GERMAN ELECTIONS resulted in a victory for the centre-right Christian Democratic Union (CDU) in alliance with the Bavarian Christian Social Union (CSU). As anticipated, the right-wing Alternative for Germany (AfD) has secured second place, reflecting a shift to the right in German politics. Meanwhile, the ruling Social Democratic Party (SPD) has suffered a significant setback, losing over 9 per cent of its vote share and falling to third place. Their coalition partner, the Greens, have declined further, while the Free Democrats (FDP) have failed to cross the threshold required to enter the Bundestag.

Despite their victory, the CDU’s performance is underwhelming, failing to surpass the 30 per cent mark. The AfD, on the other hand, has doubled its strength. It is a notable achievement and underscores a strong reaction against the SPD-Green-FDP coalition government, which has struggled with economic and immigration challenges.

Under Friedrich Merz, the CDU has shifted further to the right, moving away from Angela Merkel’s centrist open immigration stance and economic strategies to a more conservative approach. Now, the CDU faces the challenge of forming a stable coalition. Exit polls suggest a CDU-SPD coalition could secure a majority, reducing reliance on smaller parties.

Coalition negotiations in Germany typically take two months. However, the urgency of the current economic and geopolitical situation demands swift action. Germany’s economy, the largest in Europe, is stagnating, with a growth rate of just 0.3 per cent. Rising unemployment, inflation, and recession fears dominate public discourse. Many voters attribute welfare cuts to government overspending, particularly on immigration. Economic recovery is

the foremost priority, with the Federation of German Industries (BDI) calling for structural reforms rather than minor adjustments. Incremental policies have sustained Germany’s economic model for too long, but the current crisis requires decisive action.

Beyond economic concerns, immigration has become a critical issue. Recent terrorist attacks involving immigrants who were not deported despite legal grounds have intensified calls for stricter asylum regulations and enhanced border controls, even at the risk of conflict with EU norms. With relative stability returning to Syria, Afghanistan, and Iraq, Germany is expected to adopt a tougher stance on asylum, potentially increasing deportations.

Although the AfD is Eurosceptic, its strong performance does not signify broad rejection of Germany’s EU role or foreign policy commitments. However, its energy policy diverges significantly, advocating for the resumption of Russian gas imports, even if it violates EU directives. While the new government is unlikely to follow this path, the AfD’s rising influence highlights public dissatisfaction with Germany’s economic and bureaucratic framework.

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The Greens’ setback likely removes them from power for the foreseeable future, prompting a reassessment of their national strategy. Many critics blame green policies for exacerbating Germany’s economic and energy challenges. A period outside government might allow the Greens to refine their approach and regain public trust.

In eastern Germany, where the AfD has gained ground, the Left Party — descended from the former East German Communist Party — has surpassed the 5 per cent threshold, ensuring Bundestag representation. Surprisingly, the breakaway faction BSW, which had performed well in regional elections, failed to cross the 5 per cent mark. The Bundestag will now consist of five major parties shaping Germany’s future direction.

Germany’s ability to restore economic vitality is critical to maintaining its leadership role in Europe. As the second-largest contributor to Ukraine’s defence after the United States, Germany’s role may expand if US support for Ukraine wanes. However, fulfilling these commitments requires a robust domestic economy, a challenge the next government must urgently address.

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Additionally, Germany must recalibrate its European and transatlantic relations. A potential US-Russia rapprochement under Trump could shift Germany’s strategic landscape. In response, Germany may consider reengaging with Russia on its own terms, potentially through renewed energy imports. Berlin must also balance its economic reliance on China, as German industry depends heavily on Chinese markets. Striking a balance between transatlantic alignment and economic pragmatism will be crucial for long-term stability. The new government’s ability to address these issues will determine Germany’s domestic stability and global standing.

The writer is former Indian ambassador to Germany, Indonesia, Ethiopia, ASEAN and the African Union

FEBRUARY 25, 1985, FORTY YEARS AGO

CUTS TO AID

THE WORLD BANK is likely to slash its aid to India just a few years hence, possibly to half its current level. The Bank is believed to be of the view that its loans to any country should not exceed 10 per cent of its outstanding loans. In recent years, India has been getting a much bigger percentage of the Bank’s sanctions.

GUJARAT QUOTA

THE GUJARAT HIGH Court has restrained the state from issuing a resolution raising the quota of reservation in higher education and government services from 10 to 28 per cent

for other backward communities. The petitioner, a higher secondary student, has submitted that the increase will adversely affect his prospects, and that the decision has no rational nexus because it has been taken without assessing the adequacy of representation for OBCs in reservation schemes.

RAJASTHAN VIOLENCE

FOUR PERSONS WERE killed and several injured in the towns of Deeg and Bharatpur when the police opened fire to contain mobs that had turned violent in protest against the killing of Man Singh, one of the two senior-most legislators of Rajasthan. The one-day-

old Hiralal Deopura government, faced with its first severe test, blamed the Rashtriya Janata Party leader, Raj Narain, a former associate of Charan Singh, for “instigating” the crowd.

MARTIAL LAW IN PAK

MARTIAL LAW WILL continue in Pakistan even after the restricted elections to the National Assembly. President Ziaul Haq says it is “next to impossible” for a military regime to hand over power to a civilian government and that he would lift martial law after assessing the stability of the civilian government. Zia said Pakistan was in a “crucial transition period” after seven-and-a-half years of military rule.

# THE IDEAS PAGE

## The languages we speak

We need to open up the tired political debate and focus on multilingualism rather than Hindi



DESHKAAL  
BY YOGENDRA YADAV

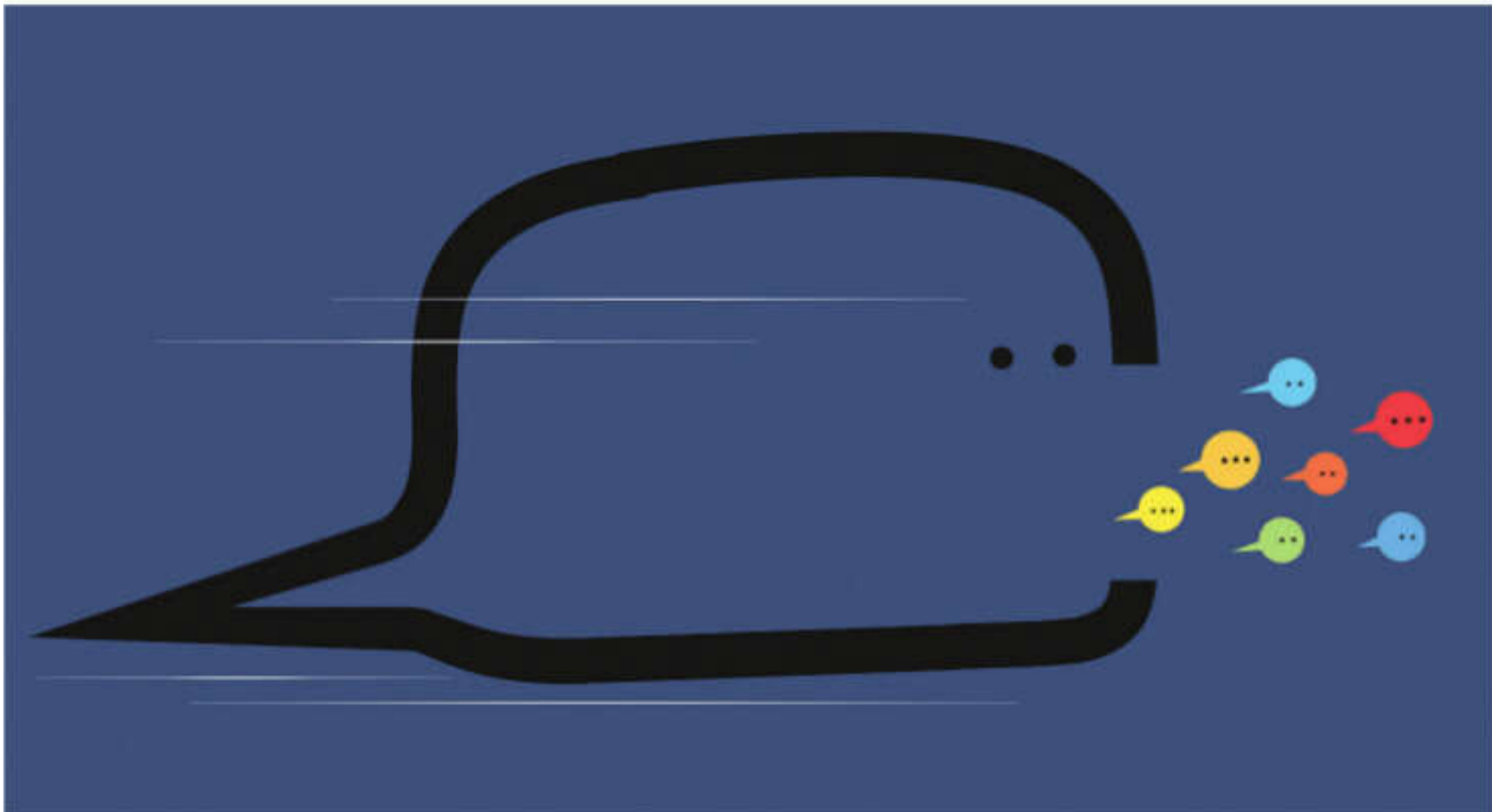
THE STAGE IS set for another round of political debate on the three-language formula (TLF). Ironically, our policy makers will debate the merits of three versus two languages just as the country sleepwalks into a de-facto one language policy, an English Only policy that flies in the face of common sense and expert wisdom on education. Worse, this state-sponsored cognitive, cultural and civilisational regress from multilingualism to monolingualism is being celebrated as modernity.

TLF is the official name for a policy that schoolchildren should be taught three languages. The 1968 compromise suggested the following: "Hindi, English and modern Indian language (preferably one of the southern languages) in the Hindi speaking states and Hindi, English and the Regional language in the non-Hindi speaking States." This compromise was arrived at when the chief ministers of the country sat together to work out a language policy in the wake of anti-Hindi protests in the South. First mooted by the Radhakrishnan Commission in 1948-49 and accepted by the first education commission, the Kothari Commission, the formula was incorporated in the first and second Education Policy formulated by the Congress governments in the 1960s and 1980s.

Here is the basic rationale for TLF: India is not just plurilingual, in that Indians speak different languages. India is multilingual in that most of the communities and individuals in our country use more than one language. Therefore, our education system must be geared towards survival and promotion of the multilingualism that is constitutive of Indian identity. There is considerable evidence now to show that multilingual education helps cognitive flexibility, divergent thinking, scholastic achievement, creativity and social tolerance. TLF is just a convenient way of operationalising multilingualism.

An expert group of linguists and educators — including D P Pattanayak and Ramakant Agnihotri — concluded that "The three-language formula is not a goal or a limiting factor in language acquisition, but rather a convenient launching pad for the exploration of the expanding horizon of knowledge and the emotional integration of the country." ("Position paper of the National Focus Group on Teaching of Indian Languages", National Curriculum Framework, 2005 by the NCERT). This group recommended that children can learn, step by step, more than three languages, as learning additional languages actually helps the learning of the first and second language.

What's the debate, then? The Union government has withheld a substantial grant under the Samagra Shiksha Scheme from Tamil Nadu for its non-compliance with the National Education Policy (NEP). The Chief Minister of Tamil Nadu, M K Stalin, has re-



C R Sasikumar

fused to accept this diktat on the ground that his party is opposed to the TLF. The state has always taught two languages — Tamil and English. Insisting on a third language, he says, is a pretext to impose Hindi. Union Minister Dharmendra Pradhan says the TN government will have to abide by the Constitution. Stalin has asked Pradhan to cite the relevant provision of the Constitution. Given its emotional overtones and the assembly election in Tamil Nadu next year, this confrontation is likely to be played out when Parliament resumes its Budget Session.

No doubt, the DMK government has good reasons to be offended and suspicious. The Narendra Modi government has repeatedly violated the letter and spirit of federalism. The Tamil Nadu Governor is brazenly acting on behalf of the BJP. The Modi government has repeatedly encroached upon the powers of state governments in the education sector, the policy of appointment of vice-chancellors being the latest instance. Besides, the Union government cannot use central funds as a stick to force state governments to adopt education policies, that too on sensitive issues like language choice.

Having said that, there are many issues with the NEP, but the TLF is not one of them. The fact is that the NEP has simply reiterated the TLF, which was an integral part of the first and second education policy documents as well. If anything, the NEP of 2020 actually dilutes the formula by omitting any mention of Hindi. Now the TLF is that children should be taught any three languages chosen by the state, provided two of these three languages should be "native Indian" languages. And it allows classical languages like Sanskrit and Tamil to be counted within the two Indian languages. So, if Tamil Nadu wants, it can teach Tamil plus Malayalam or Telugu or Kannada, and English. It could even teach Tamil, classical Tamil and English to meet the requirements of the new TLF. So, Tamil Nadu can now consider TLF without any fear of Hindi imposition.

So, instead of opposing the TLF, the Tamil Nadu Chief Minister could offer to accept it, provided it is uniformly implemented across

It is not Tamil Nadu but Hindi states that have sabotaged the TLF. The original consensus was for Hindi-speaking states to teach another modern Indian language, preferably a South Indian language. Initially, there were some plans of teaching Tamil in UP, Telugu in Haryana, etc. But soon the Hindi states found a short-cut. Sanskrit, or rather a rudimentary and mechanical rote learning of the language, was presented as the 'third language', thus bypassing the need to learn any other script or language. So, effectively, the TLF became an unequal bargain.

all states of the Indian union. He could offer to introduce Hindi in Tamil Nadu schools provided all the Hindi-speaking states adopt Tamil or any other South Indian language as the "third language", as was indeed envisaged in the original formula. Or else, the state could introduce Classical Tamil as the third language, besides English and Tamil, just as Hindi-speaking states have introduced Sanskrit as the third language.

Such a move could highlight the simple fact that it is not Tamil Nadu but Hindi states that have sabotaged the TLF. The original consensus was for Hindi-speaking states to teach another modern Indian language, preferably a South Indian language. Initially, there were some plans of teaching Tamil in UP, Telugu in Haryana, etc. But soon the Hindi states found a short-cut. Sanskrit, or rather a rudimentary and mechanical rote learning of the language, was presented as the "third language", thus bypassing the need to learn any other script or language. So, effectively, the TLF became an unequal bargain: While non-Hindi speakers were required to learn Hindi, Hindi speakers were not required to reciprocate. Hence, the political resentment against the TLF. It is time to call this bluff.

If the central government is serious about TLF, and about not imposing Hindi, it should not make TLF a condition for release of central grant. Instead it should call a meeting of chief ministers, on the same lines as in 1968, and evolve a national consensus. And it must not allow Hindi-speaking states to get away with Sanskrit as a substitute for third language. This could help open up the tired political debate on language and focus on multilingualism rather than Hindi.

This would be a test of our political class to take on the elephant in the room, the hegemony of English in our education system. It may be easier to resist a repressive and authoritarian state or to stand up to an industrial-military complex than to break free of the dense web of power that is the rule of the English language.

Yadav is member, Swaraj India, and national convenor of Bharat Jodo Abhiyaan

## WHAT THE OTHERS SAY

"For the president of the United States to dismiss the appalling sacrifices of the Ukrainians as their own fault... to make deals without Ukrainian or NATO involvement, and to indulge in his admiration of the tyrant in the Kremlin goes far beyond any behavior that Americans should tolerate." — THE WASHINGTON POST

## Tackling terror together

Tahawwur Rana's extradition to India could foster conversation on need for cooperation between Delhi and global partners



ANJU GUPTA

THE OCTOBER 2009 arrests of two individuals of Pakistani origin — David Coleman Headley, also known as Daood Gilani, a US citizen, and Tahawwur Hussain Rana, a naturalised Canadian citizen — by US officials unravelled key strands of global terror networks rooted in Pakistan and the Af-Pak border region. The roles of these two, alongside senior leaders of Pakistan-based Al-Qaeda and its affiliates, Lashkar-e-Taiba (LeT) and Harkat-ul-Jihadi Islami (HUJI), under the direction of the Pakistani deep state, were clearly exposed in the chilling testimonies of Headley, who became an "accused turned approver" before US and Indian courts.

For India, key members of this network were responsible for the deadly Mumbai attacks from November 26-28, 2008, as well as for planning the terror attacks across Delhi and Mumbai between 2006 and 2009. The hard evidence presented by US prosecutors has resulted in a 35-year prison sentence for Headley and 14 years for Rana. Headley, who pleaded guilty, is serving his sentence, while Rana, who did not plead guilty, has completed his 14-year sentence in the US. Rana's extradition to India has been approved by US courts. It is unlikely that Rana will plead guilty before Indian courts. However, his trials could potentially foster an informed public discourse on the threats posed by Pakistan-based global networks, not only to India but to the global community.

Following the 9/11 attacks in the US, Pakistan became a reluctant ally in the US's "war on terror" in the region. Having cultivated Al-Qaeda-led and supported terrorist and extremist networks across the region for decades, the Pakistani deep state, unsurprisingly, did not sever those ties. There is widespread knowledge that, while acting against select targets for US reward money, the deep state continued to strengthen proxies to undermine the "war on terror" in the region and beyond. The network aligned with Headley and Rana is a prime example of Pakistan's duplicity as a counter-terrorism ally.

Headley, a drug smuggler who became an agent for the US Drug Enforcement Agency, thereby avoiding closer scrutiny, connected with Al-Qaeda, Lashkar-e-Taiba, and Pakistani army officers in the Af-Pak region around 2000, all working in tandem. Their targets included Western and Jewish individuals and locations in Pakistan, India, Europe, and the US. Using a US passport and traveling freely as a Westerner attempting to establish international branches of a business run by Rana, Headley visited India and Denmark even after the 2008 Mumbai at-

tacks. In Denmark, the plan included Mumbai-style attacks to avenge the publication of cartoons depicting Prophet Muhammad. Western media extensively reported the details of the plans in Europe, involving sleeper cells cultivated across the US, the UK, Sweden, France, Germany, and Denmark.

In his testimonies and other evidence provided to US prosecutors, Headley identified Ilyas Kashmiri, a former Pakistani army commando, as al-Qaeda's kingpin for external operations against the West, among other senior terrorist leaders. In January 2010, a US federal jury indicted Kashmiri for offences related to planning the attack in Denmark. Subsequently, the US State Department declared him as a Specially Designated Global Terrorist in August. Notably, the reward for information leading to Kashmiri's location was increased to \$5 million in April 2011, and he was killed in a US drone strike in South Waziristan, Pakistan, in June 2011. It cannot be confirmed whether Headley's cooperation with officials, as agreed to in his guilty plea, led to Kashmiri's targeting. However, Headley likely provided valuable information on the matter.

It is important to recognise that other individuals within this network may have roles that remain undiscovered in investigations across the US, India, and Europe. There is substantial reason to believe that the network contains additional nodes, possibly operating independently. For example, over a year after Headley's arrest, his plan was being replicated by four ethnic North African operatives based in Sweden, holding citizenships or resident permits of Sweden or Denmark. Mounir Dhahir, Sahbi Zalouti, Munir Awad, and Omar Abdalla were arrested while on their way to carry out Mumbai-style attacks on the Jyllands-Posten newspaper, which had published the Prophet's cartoons. The media has reported on the training and connections of some of these operatives in Pakistan and, at least, one common contact with Headley.

There is a compelling case for the global community to fully expose and disrupt all such networks operating from Pakistan to prevent future attacks. The Financial Action Task Force's sanction regime against Pakistan elicited some cooperation from the Pakistani deep state concerning the network involving Headley. However, recent attacks in Jammu and Kashmir demonstrate that the Pakistani deep state has not abandoned its terror projects. While such networks may be more readily visible in India, their clandestine planning against other countries or targets in the region will be difficult to detect before damage is inflicted. Therefore, only in-depth and sustained counter-terrorism cooperation between India and global partners can disrupt these invisible networks. Further, only shared threat perceptions, uninfluenced by geopolitical dynamics, can sustain such partnerships.

The writer is a security analyst and former Director General of Police



SANJAY KUMAR JHA

MAKHANAS ARE A significant agricultural product of Bihar, accounting for 85 per cent of the world's production. In the past decade, its cultivation has undergone a remarkable transformation, shifting from the traditional pond-based farming system to a more efficient field-based system. As a result, the area under cultivation has expanded to over 35,000 hectares, and production has more than doubled, currently at over 56,000 tonnes.

The announcement of the creation of the Makhana Board in Union Budget 2025-26 marks a pivotal moment for the sector. This has the potential to transform the makhana's brand identity, domestically and globally, and enhance farmers' incomes and the state's GDP. In addition, the Board will provide farmers with training, resources, and financial assistance to enable them to adopt modern cultivation techniques.

Makhanas have been an integral part of Bihar's cultural and social fabric. Its presence in rituals and festivals reflects its cultural importance and its growing recognition as a health superfood underscores its commercial potential. However, due to lack of food processing technology and limited market access, raw makhanas are sold at cheap prices.

During her recent visit to Bihar in November of 2024, Finance Minister Nirmala Sitharaman witnessed firsthand the immense potential of makhanas. The vision behind the Board is to tackle the challenges by focusing on three key areas: Production, processing, and marketing. Through targeted research and development, the Board will in-

## From Bihar to the world

Makhana Board announced in Budget will empower farmers, boost exports

roduce high-yielding varieties of makhanas, improve farming practices, and offer training on modern techniques for better productivity. The subsidy schemes put in place by the Bihar government have been crucial in incentivising farmers.

But we must go further, ensuring that farmers adopt modern cultivation techniques that minimise labour and increase yield per hectare. The Makhana Board will also assist farmers in securing access to the necessary tools, equipment, and technology.

This comprehensive approach will address the gap between the traditional, labour-intensive methods currently used and the more efficient practices that can boost productivity and profitability. The Centre is also establishing the National Institute of Food Technology in Bihar which will provide a strong fillip to makhana processing activities. The Geographical Indication (GI) tag for Mithila Makhana was a significant milestone — it guarantees the unique quality and place of origin of the product, making it more appealing to international buyers.

In tandem with the Makhana Board, the creation of Farmer Producer Organisations (FPOs) will empower farmers to tackle challenges collectively, access resources, and leverage economies of scale. FPOs offer comprehensive support to small farmers, providing end-to-end services that cover nearly every aspect of cultivation. They will increase farmers' bargaining power and facilitate the exchange of knowledge and best practices. This will lead to higher incomes and reduced

dependency on intermediaries, ultimately strengthening the economic position of makhana farmers.

Bihar has made remarkable progress, with over 1,000 FPOs established across the state. Among these, 689 have been created under the Central Sector Scheme, 296 as part of the Jaivik Corridor Scheme and 19 supported by the Bihar State Horticulture Produce Development scheme. The Bihar Rural Livelihoods Promotion Society has facilitated the formation of 61 FPOs, while NABARD (National Bank for Agriculture and Rural Development) has contributed to the establishment of more than 200 of them. This robust development underscores the state's commitment to boosting agricultural productivity and empowering its farmers.

The agriculture department of the Bihar government aims to expand the cultivation area of makhanas to 70,000 hectares by 2035, with seed production expected to nearly double in the next three years. This growth will drive the production of popped makhanas from 23,000 to 78,000 metric tons (MT) over the same period. The sector's value at the farmer level is projected to rise from over Rs 550 crore to 3,900 crore by 2035. The market value for popped makhanas is anticipated to surge from Rs 2,000 crore to Rs 13,260 crore in the next decade, reflecting increased domestic and international demand.

This expansion will enhance the sector's contribution to the national economy. Employment opportunities will also expand, with farm-level engagement expected to

grow from 20,000 to 50,000 families by 2035. Post-production value chain employment is set to increase from 5,00,000 to 7,00,000 individuals.

Chief Minister Nitish Kumar once said, "One day, every plate in the world will have a Bihari dish." This dream is beginning to come true. There are many countries where makhanas are exported. With the Makhana Board's support, Bihar will be able to increase its share in the global market and create new business opportunities for farmers and exporters alike. Further, the creation of export infrastructure will be vital. Darbhanga's airport and the upcoming Purnea airport will facilitate smooth cargo handling domestically, and Patna's new greenfield airport will open new markets for healthy snacks such as makhanas in the US, Europe, and Middle East.

As Prime Minister Narendra Modi said in Parliament, "Bihar's makhana is about to reach the world".

The Makhana Board is a game-changer for Bihar. It holds the potential to transform the makhana industry from a traditional farming activity into a modern, export-oriented, and profitable sector. By providing training, support, and infrastructure, the Board will empower farmers, create jobs, boost exports, and contribute to Bihar's overall economic growth. With collective effort of the government, farmers, and private sector, we can ensure that Bihar's makhana industry thrives for generations to come.

The writer is MP, Rajya Sabha and National Working President, JDU

## LETTERS TO THE EDITOR

### FREEDOM VS POWER

THIS REFERS TO the report, 'Meloni slams left...' (IE, February 24). Since World War II, left-liberal political thought has enjoyed the moral high ground. However, it is clear from utterances at the Conservative Political Action Conference in the US that the pendulum of dominant world political opinion has now swung to the right. A lot of ultra-wokeism in the last decade has clearly not gone down well with the world in general. It will be very interesting to see whether and how conservative leaders balance the inevitable need for personal freedom vis-a-vis the highly structured edifices of power they love so much.

Rahul Gaur, Gurgaon

### OUTDATED TACTICS

THIS REFERS TO the report, 'Even those against Cong vote for me... that's what party needs: Tharoor' (IE, February 23). I wholeheartedly agree with Shashi Tharoor's perspective on transcending party politics to support the commendable initiatives of opponents. Regrettably, many of our 'legacy politicians' remain entrenched in the outdated notion that the role of the Opposition is simply to "oppose" the government, regardless of its actions. Ironically, when these same parties are in power, they expect the new Opposition to abandon such tactics. As a result, they are not only going against the national/state interest but also undermining their own credibility.

Michael Jom, Thiruvananthapuram

### LOPSIDED PROGRESS

THIS REFERS TO the report, 'Broken benches, dirty toilets and playground littered with garbage: A Jewar school struggles' (IE, February 2). The construction of Noida International Airport has indeed added a feather to the cap of UP Chief Minister Yogi Adityanath, but the report on the dilapidated condition of a school puts a blot on his much-touted rosy claims of Uttar Pradesh making rapid strides in development in all sectors. It is a sad commentary on the lopsided nature of development, in the state and beyond. The concerned government should take this report very seriously and shift gears to work towards improving infrastructure in the education sector.

Ravi Mathur, Noida

### MORAL ARBITERS

THIS REFERS TO the report, 'Govt examines if new framework is needed to regulate digital platforms' (IE, February 23). The SC's sharp condemnation of Ranveer Allahbadia's words, along with a gag order restricting his content creation, signals a broader shift in India's approach to digital expression. The blanket gag order on Allahbadia, even if his comments were distasteful, risks setting a precedent where courts act as moral arbiters rather than defenders of free speech. While content moderation is essential in a digital ecosystem flooded with unfiltered material, regulation must be clear, consistent and mindful of constitutional freedoms.

SS Paul, Nadia



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If there are questions of current or contemporary relevance that you would like explained, please write to [explained@indianexpress.com](mailto:explained@indianexpress.com)

# Why far-right AfD is popular in once-communist East Germany

YASHEE  
NEW DELHI, FEBRUARY 24

THE FAR-RIGHT Alternative for Germany (AfD) will be the second largest party in the Bundestag after it secured almost 21% of the vote in Germany's federal election on Sunday.

The AfD will likely be kept out of government by the number 1 and the number 3 parties in parliament, the Christian Democratic Union (CDU)/Christian Social Union (CSU) and the Social Democratic Party (SDP) respectively.

Yet, the performance of the party that has long been treated as untouchable by the political mainstream marks a dramatic shift in the political landscape of Germany — the AfD has doubled its vote share from 10.4% in 2021.

The AfD won 36.2% of the vote in eastern Germany, and 18% in the west (*see map*). While it has got votes in almost every constituency in this election, the party has traditionally enjoyed greater popularity in the east of the country — in areas that made up the

communist German Democratic Republic (GDR) before the reunification. Why?

### Party and ideology

Formed in 2013, the AfD started out as a party that opposed Germany bailing out other countries, mainly Greece, during the eurozone crisis. It won 4.7% of the vote in the election of that year.

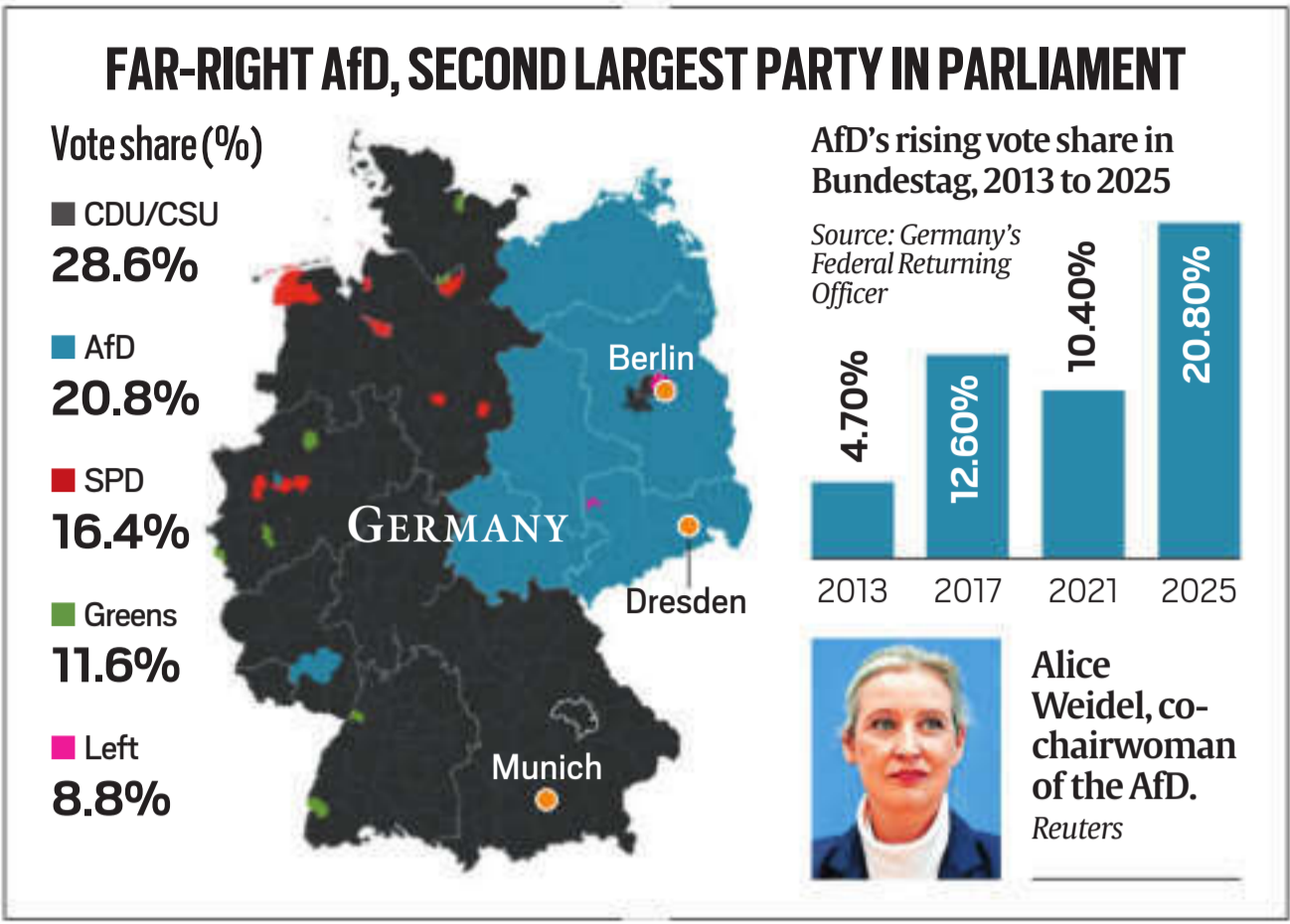
The AfD has since adopted various far right, populist, and nativist positions, opposing migrants, especially Muslim migrants, rejecting climate action, and arguing that Germany suffered from excessive guilt for Nazi-era atrocities.

Its campaign message in the current election focused on immigration control and deportations, abandoning the euro, leaving the NATO alliance, and returning to nuclear energy.

The party has also opposed Germany sending more aid to Ukraine in its ongoing war with Russia.

### AfD's support base

The AfD's message has resonated espe-



cially in the former East Germany, whose economy has historically been worse off than the West, and whose younger population of-

ten moves to the west in search of better education and job opportunities. This disparity is to a large extent the prod-

uct of the east's specific needs not getting enough attention after reunification in 1990. Resentment against former Chancellor Angela Merkel's policy of spending money on helping other European countries — when many of Germany's own citizens needed attention and aid — was the highest in the east.

The economic gap has persisted, and as the ageing population of the east finds itself at odds with the more multicultural, prosperous, and younger west, the AfD has capitalised on the discontent. It has also sought to portray the east as more authentically German than the mixed-up west.

In 2014, the AfD, then a very new outfit, won seven seats in the European Parliament. In September 2015, it won 12.2% of the vote in Brandenburg, 10.6% in Thuringia, and 9.7% in Saxony, all in the former East Germany. Last year, the AfD won almost a third of the vote in Thuringia, the first win for a far right party in a German state parliament election since World War II.

stealing the jobs of local people and altering German life and culture is more popular in the east. So is its stand on climate action. But some experts say that economic factors explain the AfD's popularity in the formerly communist region only in part.

"In its election campaigns, the AfD very effectively tapped into an experience that is widely shared among east Germans. That you don't make yourself heard through voting, by engaging yourself in political parties, civic groups or unions, but by mobilising the masses for street protests," GDR-born historian Christina Morina told *The Guardian*.

Also, it has been argued that West Germany worked harder on moving away from the country's Nazi past, and thus became more resistant to far right ideologies. The East German regime, on the other hand, tended to treat the postwar socialist state as a new beginning altogether, a clear break from fascism.

Yet other experts see the success of the AfD as consistent with the rise of the right in much of Europe — to them, the resistance to the far right in the west appears as a more remarkable phenomenon than its gains in the east.

## Parents have a favourite child, finds large study

THEY MAY not admit it but parents really do have a favourite child — they treat some children more favourably based on things such as gender, birth order, and temperament, a newly published study found.

"It is not about the parents loving one child and hating the other... It is about being more affectionate with one of them, having more conflict with one of them, or spending more time with one of them," study co-author Alexander Jensen, an associate professor in the School of Family Life at Brigham Young University (Utah, USA) told *Live Science*.

Titled 'Parents Favor Daughters: A Meta-Analysis of Gender and Other Predictors of Parental Differential Treatment', the study was published last month in the journal *Psychological Bulletin*.

more time with?"

### The findings

The researchers found that parents in their dataset tended to favour daughters, although the same may not be true in all cultures, Jensen told *The Post*. "There are a couple of older studies that suggested that fathers are going to favour sons, and mothers are going to favour daughters, so that's what we were expecting to find — but it turns out fathers favour daughters, too."

The new study also revealed that older siblings are favoured "Older siblings were given more freedom and more autonomy... Even as adults, parents still give more freedom to their older kids," Jensen said.

Parents also tend to favour children who are agreeable and conscientious, according to the study.

### Significance, caveats

Previous studies have shown that children who are less favoured tend to have poorer life outcomes — they are more likely to be depressed or anxious, and may get in trouble at school, etc.

Researchers hope that their findings will be valuable to therapists, social workers or clinicians who support families, and help parents reflect on how they interact with their children. Jensen told *The Post* that he wanted parents to "recognise that sometimes differences in treatment can be problematic."

However, such a study cannot be used to make inferences for the world. Attitudes towards children, and social norms about rearing them are deeply rooted in culture. For instance, there are multiple studies in India that show that boys receive more favourable treatment — in terms of nutrition, schooling opportunities, care, etc. — than girls. **ENS**



HARISH DAMODARAN

CAPPING OR reducing the consumption of urea, di-ammonium phosphate (DAP) and muriate of potash (MOP) has become a strategic imperative of sorts for India.

The reason: all these fertilisers are imported, whether directly or as inputs for domestic manufacturing.

MOP is wholly imported from countries such as Canada, Russia, Jordan, Israel, Turkmenistan and Belarus, as India has no mineable potash reserves.

In urea, India's production meets over 85% of its consumption demand, but the plants mostly run on liquefied natural gas (LNG) imported from Qatar, the US, UAE, or Angola.

DAP is imported in the form of finished fertiliser (mainly from Saudi Arabia, China, Morocco, Russia and Jordan) as well as raw material (rock phosphate from Jordan, Morocco, Togo, Egypt and Algeria; sulphur from UAE, Qatar and Oman) and intermediate chemicals (phosphoric acid from Jordan, Morocco, Senegal and Tunisia; ammonia from Saudi, Qatar, Oman, and Indonesia).

Besides import dependence — made worse by the depreciation of the rupee — a second reason for limiting urea, DAP and MOP usage is that they are "high-analysis" fertilisers: urea and MOP contain 46% nitrogen (N) and 60% potash (P) respectively. DAP has 46% phosphorus (P) plus 18% N.

Most crops don't require fertilisers with such a high percentage of individual nutrients. They need balanced fertilisation — products with nutrients in the right quantities and ratios for effective absorption through the plant roots and leaves. These include not only N, P and K, but also secondary nutrients (sulphur, calcium and magnesium) and micronutrients (zinc, iron, copper, boron, manganese and molybdenum).

Weaning away farmers from high-analysis fertilisers also translates into more effi-

## EXPLAINED ECONOMICS

# Strategy on fertilisers

How can India cut urea, DAP, MOP consumption? The shortage of DAP has given a boost to the sales of APS, a complex fertiliser that has become India's third largest-selling plant nutrient product after urea and DAP

CONSUMPTION/SALE OF MAJOR FERTILISER PRODUCTS						
	UREA	DAP	20:20:0:13@	SSP	MOP	NPKS*
2013-14	306	73.57	33.37	38.79	22.8	72.64
2014-15	306.1	76.26	38.02	39.89	28.53	82.78
2015-16	306.35	91.07	37.82	42.53	24.67	88.21
2016-17	296.14	89.64	37.14	37.57	28.63	84.14
2017-18	298.94	92.94	35.47	34.39	31.58	85.96
2018-19	314.18	92.11	36.9	35.79	29.57	90.28
2019-20	336.95	101	42.25	44.03	27.87	98.57
2020-21	350.43	119.11	51.63	44.89	34.25	118.11
2021-22	341.8	92.72	50.7	56.81	24.56	114.79
2022-23	357.25	104.18	50.42	50.17	16.32	100.74
2023-24	357.8	108.12	53.94	45.44	16.45	110.73
Apr-Jan '23-24	317.5	101.47	49.1	42.37	13.96	100.12
Apr-Jan '24-25	345.73	87.13	65	45.12	18.76	128.38

Figures in lakh tonnes; \*Includes 20:20:0:13; @Includes 20:20:0:0  
Source: The Fertiliser Association of India

cient use of imported material and scarce foreign exchange.

### Effective DAP replacement

A good example is 20:20:0:13 or ammonium phosphate sulphate (APS). A complex fertiliser with 20% N, 20% P, 0% K and 13% sulphur (S), it has emerged as an effective substitute for DAP, despite having less than half of the latter's P content.

DAP is manufactured by importing merchant-grade phosphoric acid with 52-54% P content and reacting it with ammonia (the source of N). The end product has 18% N and 46% P.

But companies can instead import rock phosphate with 28-36% P and react it with sulphuric acid. The resultant "weak" phosphoric acid, with only 27-29% P, is further reacted with ammonia and sulphuric acid to produce 20:20:0:13.

Alternatively, they can import normal "strong" phosphoric acid, while using less of it for simultaneously reacting with sulphuric acid (the source of S) and ammonia to make APS.

"The idea is to not waste expensive phos-

phoric acid. Making one tonne of DAP requires about 460 kg of phosphoric acid and 220 kg of ammonia. Here, you use only 220-230 kg of phosphoric acid, 220 kg of ammonia and 1,200 kg of sulphuric acid to get one tonne of 20:20:0:13," G Ravi Prasad, a fertiliser industry veteran, said.

Drivers of substitution

APS, according to Prasad, is good for oilseeds, pulses, maize, cotton, onion, chilli and other "sulphur-hungry" crops. Even the P and K nutrient requirement of potato can be effectively met through 10:26:26:0 or 12:32:16:0 complex fertilisers. "We should reserve DAP use only for wheat, rice and sugarcane," he said.

Sales of 20:20:0:13 recorded a 32.4% jump from 4.9 million tonnes (mt) in April-January 2024-25 to 6.5 mt in April-January 2023-24, while dipping by 14.1% for DAP (see table). The current fiscal (April-March) could end with all-time-high APS sales of 7 mt and DAP at 9 mt, the lowest since 2016-17.

APS has become India's third largest-consumed fertiliser after urea and DAP. It has overtaken single super phosphate (SSP), pre-

viously the most popular alternative to DAP. SSP, which contains 16% P and 11% S, is manufactured by reacting rock phosphate directly with sulphuric acid.

"APS was traditionally consumed in the South (60% share) and West (Maharashtra, Madhya Pradesh and Gujarat). But in the last 4-5 years, its acceptability has increased in the East and even North, and across crops. It is a stable product with P in water-soluble form, besides having N (not present in SSP) and S (absent in DAP)," said N Suresh Krishnan, chairman of the Fertiliser Association of India.

A key driver has been the short supply of DAP and the government not providing enough subsidy to cover import/production costs.

The Centre has informally fixed a maximum retail price (MRP) of Rs 27,000 per tonne for DAP. That, along with a subsidy of Rs 21,911 and a special concession of Rs 3,500, takes the gross realisation to Rs 52,411 per tonne. As against this, the ruling landed price of imported DAP alone is around \$636 or Rs 55,150 per tonne.

Adding customs duty, port handling, bagging, interest, dealer margin and other expenses pushes up the total cost to over Rs 65,000 per tonne, making imports unviable. These have fallen, from 5.1 mt in April-January 2023-24 to 4.3 mt in April-January 2024-25.

On the other hand, the MRP of APS is just Rs 1,000 lower at Rs 26,000 per tonne. And by selling twice the number of bags from the same quantity of phosphoric acid, companies are making some money — not losing, as they are with DAP now.

### The road ahead

This fiscal (2024-25) will likely see sales of NPKS complex fertilisers touch 14 mt, almost double the 7.3 mt of 2013-14. Much of it is courtesy of 20:20:0:13, which is steadily replacing DAP.

A similar marketing push is necessary for 10:26:26:0, 12:32:16:0, 15:15:15:0 and 14:35:14:0, so as to minimise direct application of MOP and selling only after incorporating into these complexes.

The ultimate goal must be to cap, if not reduce, consumption of all high-analysis fertilisers. And that includes urea.

# The historic Tea Horse Road, connecting India and China through Tibet

RISHIKA SINGH  
NEW DELHI, FEBRUARY 24

CHINA'S AMBASSADOR to India Xu Feihong on Sunday posted on X about the historic Tea Horse Road which spanned more than 2,000 km, and connected China to India via Tibet.

"The Ancient Tea-Horse Road witnesses the exchanges and interaction between China and India throughout the long river of history," he wrote.

Although not as well-known as the Silk Road, which linked China and Europe, the Tea Horse Road was a crucial commercial pathway for centuries.

"Tea from across China was transported to Xizang [Tibet], then shipped to Kolkata via the Himalayan passes, and sold in Europe and Asia on a massive scale," the Ambassador wrote.

### A network of roads

The Tea Horse Road does not refer to a single road but a network of branching

paths that began in southwest China and ended in the Indian subcontinent.

The two main pathways passed through cities like Dali and Lijiang in Yunnan province, reached Lhasa in Tibet, before entering the Indian subcontinent where they branched into present-day India, Nepal, and Bangladesh. These routes were perilous to travel on, passed through difficult terrain, and reached an elevation of up to 10,000 feet.

The origin of the Tea Horse Road can be traced to the rule of the Tang dynasty in China (618-907 CE). The writings of Buddhist monk Yijing (635-713 CE) — who gave some of the most detailed descriptions of Nalanda university available to — mention products like sugar, textiles, and rice noodles being transported from southwestern China to Tibet and India while horses, leather, Tibetan gold, saffron and other medicine herbs went to China, (Shaochen Wang, 'The Protection, Designation and Management of Cultural Routes: A Case Study of the Tea & Horse Road in China', 2021).

Over time, the trade focused on teas and horses, as official documents from the Song



dynasty (960-1279 CE) show.

### Tea and horses

The main driver for this is believed to be the demand for tea among Tibetan nomads, living in cold and unforgiving conditions.

As an article in the *National Geographic* put it, "[Tea] was a hot beverage in a cold climate... A cup of yak butter tea — with its dis-



Carrying tea in Sichuan (left), along Tea Horse Road, 1908. Wikimedia Commons

tinctive salty, slightly oily, sharp taste — provided a mini-meal for herders warming themselves over yak dung fires in a windswept hinterland."

At the same time, horses were a vital military resource as well as a means for transportation. But the central plains of China did not produce horses, meaning that they had to be imported from neighbour-

ing Tibet and Yunnan.

"The geographical features of the commercial goods tea and horse, in this case, promoted the complementary exchange activities and formed the tea and horse exchange market," Shaochen Wang wrote.

In fact, by the 10th century, official facilities were established along the border counties in China to control and supervise the trade trade. With the rise and fall of kingdoms, trade ebbed and flowed over the next few centuries.

For instance, tea was pressed together and packed into "bricks" — a form of packing that remains popular till date, and was akin to currency in medieval Tibet, scholars say. Meanwhile, sturdy Tibetan steeds became central to China's fights against nomadic tribes from Mongolia, the predecessors of the mighty Genghis Khan.

### In modern times

In 1912, as the time of the Qing dynasty came to an end, the Horse Tea Road would continue to remain significant. Domestic "turmoil and foreign aggressions" provided a "unique opportunity for the trading systems

in southwest China", Shaochen Wang wrote.

Through the road, new techniques and goods were brought to the less-developed mountainous regions of Yunnan. Additionally, with China now being in greater contact with the world market, Yunnan's tea industry rapidly expanded.

Later, during World War II, the road played a significant role in transporting supplies to the frontline battlefield in China, with Japan controlling almost all of the Chinese coastline and airspace.

With the establishment of the People's Republic in 1949, the Tea Horse Road witnessed gradual decline. Most notably, porters who would carry loads of up to 150 kg mostly stopped the backbreaking work following Mao Zedong's land reforms.

Of late, China has promoted tourism along the historic path. Lijiang became a UNESCO World Heritage Site in 1997. The UNESCO website says, "From the 12th century onward, the Old Town of Lijiang was an important goods distribution center for trade between Sichuan, Yunnan and Tibet, and is where the Silk Road in the south joins the Ancient Chama (Tea and Horse) Roads."

Fair deal for borrowers

RBI plan to waive foreclosure charges will help MSMEs, but NBFCs may find the going tough

TECHPROOF EXPRESS

THE KEY FOR BUSINESSES TO COLLECT ONLY THE DATA THAT DIRECTLY CONTRIBUTES TO SOLVING A PROBLEM

Insight drought in data deluge

THE RESERVE BANK of India (RBI)'s proposal to ask lenders — banks as well as shadow banks — to refrain from imposing a pre-payment penalty should make life easier for micro and small enterprises. This would be essentially for floating rate loans of up to ₹7.5 crore typically taken by small enterprises to run their businesses and to individuals for products such as loans against property. In fact, the central bank doesn't want even a minimum lock-in period before the pre-payment penalty kicks in. The RBI's stance on foreclosure penalties for floating rate home loans to individuals was similar and it had barred lenders from imposing such charges. While acknowledging that small enterprises need to be supported with affordable credit that they can easily access, the RBI has highlighted that lenders appear to have varying rules when it comes to levying pre-payment penalties and these have left customers unhappy and resulted in disputes. In particular, the central bank's draft circular speaks of "restrictive clauses" that are built into the loan agreements by some lenders. These riders prevent borrowers from switching to another lender either for lower interest rates or better services.

Even as feedback on the circular is awaited, disallowing foreclosure or pre-payment charges is a good move and will undoubtedly benefit borrowers. Most large banks do not charge penalties or foreclosure charges on floating rate loans though many smaller ones do. However, it is largely the non-banking financial companies (NBFCs) which lend to small enterprises and also offer products like loans against property that levy penalties. The absence of pre-payment charges will prompt many borrowers to switch to other lenders that offer better terms via what is commonly known as balance transfers. While the larger banks typically cater to the slightly bigger medium enterprises — loans above ₹7.5 crore — some of the smaller banks might wean away customers from NBFCs by offering customers finer rates. Inherently banks have an advantage over NBFCs in that their cost of funds is lower. As such, the intensifying competition should see rates moderating.

There is no doubt that smaller enterprises deserve the best possible terms and it is unfair that lenders should try to hold on to them by imposing pre-payment charges. At the same time, shadow lenders and housing finance companies are playing an important role in reaching out to borrowers who have not been able to access formal funding. If their fee incomes take a hit — as they will — they might become less inclined to lend to weaker borrowers or those without a good credit history. As experts point out, assessing the creditworthiness of relatively weak borrowers can be expensive as there is usually not much of a track record and much of the due diligence is done manually. If they lose these customers within a few years they could incur losses.

To make up for the loss of profitability on fees, lenders might raise processing charges, and even spreads, across customers. That would impact rates for all borrowers which is clearly not desirable. As it is the RBI's stricter rules on bank lending to NBFCs have hurt their businesses. In general, with credit flows tapering off with the central bank frowning on too much unsecured lending, NBFCs need some succour. They need to be compensated, in some manner. Else credit flows to un-banked sections will continue to slow down.

Russian commodities never really left

THE RETURN OF Russian commodities to the global market isn't a question of if, but when — and under which conditions. That moment is approaching, yet the lifting of sanctions by the West and the normalisation of trade won't be as bearish for prices as it looks at first sight.

As US-Russia negotiations over the Ukraine-Russia war start, there are two competing views in the market. One says the talks will be long and winding, thus, sanctions will remain in place for months, perhaps years. The other says that relief is around the corner.

I believe the latter is more likely. Moreover, what really matters is not the sanctions, but their enforcement. And after last week, does anyone really believe the US Treasury will prioritise policing, say, Russia oil exports? Or that US diplomats are lobbying Asian countries to avoid commodities from Russia? Or that the White House isn't cherishing for the return of American oil companies into Russia? The sanctions regime is crumbling — in reality if not in law yet.

The stakes are huge. Russia is a commodities superpower, ranking among the top five in many markets, from crude to aluminum to wheat, and is a key supplier to its neighbours. Before Vladimir Putin invaded Ukraine in 2022, disrupting flows, Russia supplied Europe with 25% of its oil; another 50% of its coal, plus nearly 40% of its gas.

The war turned the trade upside down, but Russian commodity production didn't change much. In a few cases, output is today higher than in 2021.

That was, in part, by design. Washington, London, and Brussels faced an ugly choice: Embargo Russian commodities, and witness sky-high inflation, or allow the trade to continue, financing the Kremlin in its war against Ukraine. Instead, they took an impossible third way: Impose sanctions but with enough loopholes so the flow continues. Hence, lifting the sanctions may not drive down prices — at least, not in the very short term. Take oil. Russian crude production isn't constrained by Western sanctions,

but rather by its own choices as a member of the OPEC+ cartel. True, Russian oil output is lower than it was in late 2021, running at about 9.7 million barrels a day, compared to 10.6 million barrels. But the output of other leading OPEC+ nations, such as Saudi Arabia, is down by a similar amount, if not even more.

Agricultural commodities are another example of a corner of the commodity market that won't be affected. Beyond the friction created by banking sanctions, Russia has been able to export as much of its crops as it wanted. In effect, wheat exports in 2023-24 reached an all-time high of 55 million metric tonnes, up 60% from 2021-22. The metallurgical sector is similar. Russian aluminium production rose last year to 3.8 million tonnes, the highest in more than a decade. The exception is natural gas. Ironically, the sanctions on gas are Russian — not Western. It was Moscow that, by and large, stopped selling its gas to Europe. Wherever the commodity is still available, such as in the form of liquefied natural gas, Europe remains a willing buyer. In fact, some European countries are buying Russian LNG in record amounts, more than 1,000 days after the invasion.

While I don't expect Europe to ever buy as much Russian gas as once it did, it's clear that when it flows again, even if only to a small group of countries, the impact would be large. European benchmark wholesale natural gas prices could drop 25%, if not more, by next year if Russian gas is available. That, in turn, will push electricity prices also down. I have consistently anticipated that Germany and others will again buy Russian gas, even if Putin remains in the Kremlin. Nothing so far makes me think that's not the case.

For every other commodity, the biggest change wrought by the Russia-Ukraine war wasn't in production, but in destination. Rather than flow to their natural buyers, based on geographical proximity, Russian commodities went mostly to China and India. If lifting sanctions won't change supply for commodities immediately, it does open the door for future hikes. First, a deal could alter Moscow's stance versus OPEC+. For now, all suggest that the Russia-Saudi alliance is strong. But Putin himself has advocated including the US in triparty talks about the energy market, alongside Riyadh and Moscow. President Donald Trump has publicly asked OPEC+ to lift output.

Beyond that, lifting sanctions — and particularly, the return of US money — could boost Russian production capacity, particularly for oil. But that's the stuff of years, rather than weeks.

THE METAPHOR OF "data as the new oil" gained traction in the 2010s, emphasising that raw data, like crude oil, requires refinement to become valuable. Wired magazine once compared data to oil in the 18th century, suggesting that those who learn to extract and use it effectively will amass wealth. In India, the launch of Reliance Jio on September 5, 2016, symbolised this transition from physical oil to digital data. But with rise of more refined artificial intelligence (AI), it is becoming clearer that the "data is oil" analogy has its limits. First, while oil is a finite, geographically concentrated resource, data is abundant, widely distributed, and constantly generated. Unlike oil, which is depleted upon use, data can be used repeatedly without loss, shared without being exhausted, and even combined with other data to create new insights. This unique characteristic makes data a non-rivalrous and self-propagating resource. The more it is analysed, the more it fuels further discoveries, creating a cycle of continuous value generation.

Merely possessing vast amounts of data does not automatically translate into valuable insights. In the past, collecting data was expensive and labour-intensive, requiring manual record-keeping and surveys. Today, storage costs have plummeted, computational power has surged, and businesses have embraced the belief that the combination of sophisticated algorithms and massive data sets guarantees success. This assumption, however, leads to the risk of data overload, where an excess of information, rather than enabling better decision-making, results in confusion, inefficiency, and flawed conclusions. I had written about this phenomenon some years ago, when I suggested that most data was

SIDDHARTH PAI

Technology consultant and venture capitalist  
By invitation

dead-on-arrival, and the best thing may be to throw non-usable data sets out immediately rather than collect them ad infinitum simply because it is cheap to store vast amounts of data.

This challenge is encapsulated in the classic "garbage in, garbage out" problem. If businesses gather vast amounts of data without a clear strategy, they may find themselves drowning in irrelevant, redundant, or even misleading information. Even the most advanced algorithms cannot compensate for poor-quality data. The key is not the quantity of data but its relevance to the problem at hand. It is akin to asking whether one is digging a pit in the ground just to dig a pit or to build something meaningful on top of the pit — the purpose behind data collection is critical.

One way to understand the importance of relevant data is through the concept of information entropy. Entropy, in an informational context, measures the level of disorder or unpredictability in data. When disorder is high, it indicates a lack of clear patterns, making analysis difficult. A data set filled with irrelevant information contributes to this disorder, increasing noise rather than clarity. For example, if a business collects thousands of customer reviews but fails to filter out

spam and off-topic comments, identifying genuine patterns in customer sentiment becomes significantly harder. Similarly, in predictive modelling, an excessive number of variables — many of them irrelevant — can make it more difficult to build accurate and reliable models.

The key, then, is for businesses to collect only the data that directly contributes to solving a problem rather than hoarding everything available. Consider digital platforms dealing with fraud detection. A common tactic among fraudsters is to use newly created phone numbers and email addresses to exploit loopholes. Instead of gathering an overwhelming amount of personal data when a seemingly new user (who is actually a fraudster) signs on, a simple linkage of just

three data points — phone numbers, emails, and names — can be far more effective in identifying fraudulent behaviour. Of course, while a 360-degree customer profile may be useful for marketing, it is largely irrelevant when addressing fraud. In other words, when using data begin with the end in mind. The opposite of beginning with the end in mind is a structured approach to data analysis often begins with a null hypothesis — the simplest possible

From an investment perspective, data is an incredibly powerful asset, but it is not a magic wand

India's digital future: Beyond innovation



RAJESH NAMBIAR

President, Nasscom

IS THIS THE most opportune time to be in tech or the most uncertain? This question continues to dominate industry discussions as the sector experiences profound shifts. On the one hand, headlines are filled with concerns about shifting market dynamics, workforce transitions, economic slowdowns, artificial intelligence (AI) agents, and geopolitical tech rivalries. On the other, the demand for talent has never been higher. The reality is clear. Upskilling is no longer just a competitive edge — it is a necessity for professional survival.

The past few years have been a period of rapid change, marked by evolving business priorities, industry realignments, and leadership transitions. But amid the chaos, new opportunities are emerging. Smaller and mid-sized tech firms are now attracting top-tier talent that once gravitated towards the industry giants. The need for tech expertise remains strong, and the job market is showing signs of resilience as technology becomes deeply ingrained in every aspect of our lives. Regardless of the economic uncertainty, two things remain constant — technology is a human-driven endeavour, and skill-based talent continues to be the driving force behind innovation, growth, and competitive advantage across industries.

Today, we stand at a critical juncture where opportunity, uncertainty, and necessity converge. The way we innovate, lead, and build for the future needs a fundamental reset.

Rethinking role of technologist

Modern technologists are no longer confined to being just a software devel-

oper, AI researcher, or data scientist. These titles no longer fully encapsulate the evolving expectations placed on tech professionals. Businesses and industries now seek professionals who can seamlessly blend technical skills with ethics, design thinking, policy awareness, and human-centred innovation.

Investing in skill development is not just about preparing for the future, it is about staying ahead of the rapid transformations happening today. To ensure India's leadership in the global tech landscape, we must continue to strengthen our expertise in high-tech skills such as AI, automation, data analytics, and beyond. But at the same time, technical expertise alone is not enough. The ability to adapt, think critically, and solve problems across disciplines will define the next generation of leaders in tech.

From fragmented tech initiatives to a unified vision

India's tech revolution is no longer a distant possibility — it is unfolding in real time. From start-ups to research institutions, groundbreaking AI applications are being developed with far-reaching global impact. Yet, despite these individual success stories, India's AI ecosystem remains fragmented. The question is, how do we unify these innovations to establish India's leadership in AI?

India has never been a passive player in technological progress. We set the

trends. The success of Unified Payments Interface is a testament to this. While the world debated the complexities of digital payments, India leapfrogged with an open, interoperable, and inclusive model that has now become a global benchmark. Similarly, in AI, rather than replicating Western models, India must carve its own path — one that leverages our unique strengths of scale, diversity, and frugal innovation — to build an ecosystem that is robust, inclusive, and distinctly our own.

Strengthening tech ecosystem for global leadership

In today's world, global influence is no longer defined solely by economic power but it hinges on technological leadership. The divide is widening between countries pioneering AI, quantum computing, and advanced semiconductors, and those struggling to keep pace. India has already demonstrated its commitment to future-ready innovation with the National Mission for AI, the Semiconductor Mission, and the Quantum Mission, signalling a strong commitment to building a future-ready tech ecosystem. However, if we want to be in the driver's seat, our technology landscape must evolve from a collection of promising projects into a purpose-driven, long-term strategy that ensures sustained impact across all segments and technologies.

Success won't be measured by who builds the most advanced AI models, but by who seamlessly integrates technology and technologists into society, governance, and industry

To achieve this, we must focus on key pillars of innovation:

**Future-ready digital infrastructure:** Investing in smarter, more connected systems such as 5G-powered networks, digital models for better city planning, and secure cloud platforms to support AI development.

**Next-gen computing:** Advancing research in quantum technology to strengthen cybersecurity, improve financial forecasting, and scientific discovery.

**Smarter AI with stronger privacy:** Developing AI systems that prioritise data security and ethical learning, especially in critical sectors such as banking, healthcare, and education.

**Expanding space and biotech frontiers:** From the Indian Space Research Organisation's ambitious space missions to space-tech start-ups pushing aerospace innovation, India is driving bold advancements. Meanwhile, breakthroughs in biotech, such as AI-driven genetic research, could transform healthcare, food production, and climate resilience.

In the race for global tech dominance, success will not be measured by who builds the most advanced AI models, but by who seamlessly integrates technology and technologists most effectively into society, governance, and industry. India's strength lies in creating scalable, inclusive, and secure digital solutions.

This is India's moment. Not to follow existing blueprints, but to craft our own vision. A model built on our unique strengths, designed to empower our people, our economy, and the world.

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## PAK NEEDS TO UP ITS GAME TO SUSTAIN RIVALRY WITH INDIA

AS soon as the Champions Trophy matches were announced, the entire cricketing world looked forward to one particular fixture. India vs Pakistan is more than just an on-field rivalry—it's a rousing phenomenon on par with some of the greatest sporting matchups like that between Brazil and Argentina in football. But the way things are going, it seems to be an earlier generation's obsession. The last few matches have been tilted to one side—India's. This Sunday's clash showed a stark difference in quality between the two. For any sporting rivalry to survive, the level of competition has to match the hyped-up anticipation. It's a rule of sports that if you only have the latter, the buzz will fizzle out sooner or later.

Take the case of hockey. In that sport too, an India vs Pakistan fixture was something to look forward to for a long time. These days though, it's just another match because of India's dominance. Cricket may be headed the same way. Not just against India; the hosts also failed to beat New Zealand in Karachi and are now battling to avoid elimination from the tournament. Since Pakistan's win at the 2021 T20 World Cup, India have emerged victorious five times in seven matches. Sure, the likes of Virat Kohli and Jasprit Bumrah have scripted new chapters in this rivalry, but it need not be this predictable.

There was an extra dose of excitement this time, because these two nations do not play each other than at tournaments organised by the international and Asian cricket councils. Even when they play, geopolitical considerations often force matches to be held at neutral venues. And bilateral series between the two do not feature on the ICC calendar. The rarity of the fixture adds to the hype. But for the romance to stay alive, both sides have to add colour. The games used to mean a lot because players from both sides produced heroics and added their own touches to the storied rivalry. That's missing now. For the romance to be rekindled, Pakistan will have to meet the standards they set for themselves in the past. Otherwise, the world will move on. No wonder India vs Australia seems to be the new flavour in the world of cricket.

## ODISHA MUST KEEP TAB ON PRIVATE EDU INSTITUTES

THE controversy surrounding the Kalinga Institute of Industrial Technology is not good for Odisha's education sector. While its aftermath opened a Pandora's box for the private education group run by a former member of parliament, the state's image took most of the beating. Triggering a diplomatic crisis of sorts with Nepal, the incident sent the BJP government on a damage-control mode. The circumstances of a 20-year-old Nepali student's death by suicide were tragic and troublesome. But the way her fellow students' loud cry for justice was dealt with was much more shocking. Singling out students from a foreign country and threatening their eviction is not how an institution is expected to treat its own. The story of the students' suffering had travelled far, thanks to social media; but it was Nepal's Prime Minister K P Sharma Oli's intervention that jolted the Mohan Charan Majhi administration out of its slumber. Awareness of the situation could have saved the state government the blushes, but it chose to look the other way.

The government has now formed a panel of three IAS officers to probe the allegations regarding a series of events, but the mistrust that has crept into the student community would take time to go. Since the incident involved foreign nationals, the government would have to walk an extra mile to earn back trust. The state's technical and professional education sector is dominated by private entities that attract a large number of students from African and Asian countries. The latest incident has highlighted the near-complete absence of oversight by the government, which was found shirking its responsibility till the diplomatic pressure became too hot to handle.

As a confidence-building measure, the state would do well to establish a dedicated cell for international students, so that their concerns can be addressed in time. As Odisha aspires to be an educational powerhouse, incidents like this are like taking several steps back. Educational groups have to be sensitive and proactive towards all student issues, not just academics. Even as it rightly preserves the autonomy of private institutions, the government must establish a mechanism to keep track of the goings-on on campuses and ensure accountability. The KIIT incident should be a major learning for all.

### QUICK TAKE

#### MULTI-DIMENSIONAL TROUBLE

3D-printed houses have arrived in India. The first such building was a post office in Bengaluru's Cambridge Layout set up last year. Now, private builders are offering luxury villas built by robotic arms spraying construction materials. Given the limits imposed by cost and technology, it's still a novelty used to grab attention and prove engineering prowess. Pre-fabricated structures are not new in the country—bridges and whole townships have been built that way for years. We can understand the new technology's use in emergencies that require quick construction. But does India, with its huge problem of unemployment, want to make this a fad and replace lakhs of construction workers?

THE speed at which US President Donald Trump has worked in the last 30 days has left even his strongest critics numbed in wonder. The most meaningful message that appears to have been conveyed is the notion of 'no wars'. It resonates with the words of our own Prime Minister Narendra Modi to the Russian president on the sidelines of the Shanghai Cooperation Organization's Tashkent summit, where he stated, "I know that today's era is not an era of war."

Trump's worldview of strategic interests does not follow the traditional US perception of attempting to police the entire planet to secure it against several threats, many of which could be classified as imaginary.

At the end of the second world war, the US confronted the tide of communism. It invested heavily in the defence of Europe through the creation of the North Atlantic Treaty Organization or NATO, which it majorly funded, resourced and manned. It fought in Korea and Vietnam to prevent the march of 'red ideology' by acting as a bulwark, with both hard and soft power.

After the victory in the Cold War, many argued against persisting with NATO. Yet, confidence wasn't as high as today and none could predict which way the former Warsaw Pact countries would go. NATO, under US stewardship, wanted to consolidate by absorbing maximum East European nations, and Russia was hardly in a state to protest. Most analysts agree that NATO perhaps went too far in attempting to secure its interests.

It was tolerable for a while. Romania, Bulgaria and Poland joining NATO was acceptable to Russia, but Ukraine was not—and a geography class could tell you why. The Black Sea region was the bone of contention. Russia would lose Sevastopol where its Black Sea fleet rested, and many of ethnically Russian-majority areas in the Donbas area.

Russia could not afford to lose control of the Black Sea, its only warm-water access. Besides, Ukraine was always a contended territory, with its transformational agriculture production, granaries, the gas pipelines through its territory, rare earth deposits and the precision ancillaries it manufactured. Normally, it's the kind of nation no one would like to part company with. Vladimir Putin thought so too, and decided to resist the NATO thrust after being pushed to the hilt. The US and NATO backed Ukraine in a proxy war against Russia.

Trump thinks it was a waste of time and

Cold War strategies like economic pressure, military deterrence & tougher competition may be back in play as Trump revises the geopolitical playbook. The Palestinian issue needs fresh ideas

## PIERCING THE NEW CURTAIN FALLING ACROSS THE WORLD

LT GEN SYED ATA HASNAIN (RETD)

Former Commander, Srinagar-based 15 Corps; Chancellor, Central University of Kashmir



SOURAV ROY

resources, and it's far better to have a 'live and let live' approach with Russia. This essentially militates against the long-term US strategy of fully restricting Russia's options towards Europe and West Asia.

In Trump's belief, Russia will remain hamstrung with no aspirations towards Europe. If, at a later stage, Russia does acquire the economic and military muscle to aspire towards rebuilding its empire, NATO, without the US, would be the tripwire for a response, just as America responded in the past. Thus, Russia in full control of the parts of Donbas it has captured is an acceptable notion for him. He has to make it acceptable to the Ukrainians, too.

The hangover of countering the dominance of alternative ideologies, both com-

munist and Islamist, is now finally receding from US threat perception. The intent of making America great again, even in spheres it had outsourced to the rest of the world, is gaining ground. How far correct Trump is and whether the risk he is taking is worth it will be realised much later. There is evident clarity that by looking inwards and not being obsessed about the role the nation plays worldwide as a geopolitical policeman, Trump is redefining the concept of power as we understand it in conventional terms.

In economic terms, he wants to bring manufacturing back to the US. He argues this will create jobs and reduce dependence on other countries, especially China. In the all-important national security segment, he believes that relying on oth-

## TREAT AIR POLLUTION AS PUBLIC HEALTH EMERGENCY

THE global mortality data associated with air pollution is staggering. The World Health Organization says air pollution is linked to one in nine deaths and 7 million premature deaths every year. According to the State of Global Air 2024 report, air pollution caused 8.1 million deaths in 2021, making it the second most important risk for mortality, especially among children under five. Every year, 6.7 million people lose their lives prematurely due to the combined impact of poor indoor and outdoor air. Outdoor pollution accounted for 4.2 million of these deaths, primarily from cancer, respiratory infections and cardiovascular disorders.

Almost 90 percent of these deaths occur in low- and middle-income countries like India, which are disproportionately affected. In 2023, India was the second-most polluted country in the world. One of the key indices is particulate matter (PM), which is not a single pollutant, but a dangerous concoction of solids and aerosols. It contains inorganic ions, metallic and organic compounds and carbon. PM with a diameter of 10 microns or less (PM10) are inhalable and thus have serious health implications. Emissions from vehicles produce much of the PM2.5 found in outdoor air, as well as a significant proportion of PM10. Both of these induce tissue damage, lung inflammation and trigger DNA mutations leading to cancer.

Though it's not the only cause, vehicular emissions play a significant role in escalating air pollution. In the national capital, vehicular pollution accounted for 40 percent of PM2.5 emissions. In 2024, Delhi recorded an annual average PM2.5 level of 107 micrograms per cubic metre (µg/m³)—over two-and-a-half times the safe limit of 40µg/m³.

The rising levels of PM2.5, which penetrate deep into our lungs and bloodstream, pose a grave health risk, especially for children, elderly and other vulnerable groups with existing conditions. In children, PM2.5 has also been linked to sub-optimal cognitive development and other mental health issues like anxiety.

As a pulmonologist practising for 25 years, I have witnessed a distressing rise in the number of respiratory and other issues, likely linked to air pollution in the last few years, across the board in children, adults and the elderly. There is



DR RAVINDRA MEHTA

Head of integrated pulmonology department, Apollo Hospitals

a rise in air pollution-related life-threatening health issues such as severe asthma and other pulmonary diseases, cancer and several cardiovascular issues.

About 1.1 billion Indians currently live in areas where the PM2.5 levels exceed the National Ambient Air Quality Standards. It will, therefore, not be an exaggeration to say that the rising air



Air pollution is linked to one in nine deaths around the world. In India, over a billion people live in areas where dangerous particulate matters exceed national quality standards. We must treat it as a public health emergency and act to reduce at least one main source: vehicular pollution

pollution is not just a regulatory or governance issue. It is a public health emergency of grave significance, as it hampers the overall quality of life of billions, causing endless human suffering and lowering our productivity and contribution to the society.

On the economic front, air pollution has a debilitating impact on GDP growth and per-capita income levels. The problem manifests itself in myriad ways: lower labour productivity, lower consumer footfall, premature mortality, lower asset productivity, higher health expenses and welfare losses. According to a 2019 report by Dalberg, air pollution costs Indian businesses about \$95 billion every year, around 3 percent of GDP.

### MAILBAG

WRITE TO: [letters@newindianexpress.com](mailto:letters@newindianexpress.com)

#### EV infrastructure

Ref: *Tesla's entry must not distract focus from domestic EV industry* (Feb 24). Tesla's entry into India is exciting, but it's not the solution to our EV woes. To support widespread EV adoption, a reliable network of charging stations and a steady battery supply are essential.

Archana S, Kottayam

#### Kumbh grandeur

Ref: *When the meek turn, there will be havoc* (Feb 24). The author rightly highlighted the grandeur of the Maha Kumbh festival. It is the confluence of the mammoth gathering from staunch believers in Hinduism and its epics. The religious fervour, wholesome dedication and unflinching faith are the main characteristics of this great spiritual festival.

Ramalingeswara Rao, email

#### Mourning losses

The critiques of the Maha Kumbh did not come from opposition parties only but also from those who felt the safety of innocent countrymen and women should not be compromised for the sake of religious fervour. Instead of holding the critics to ridicule, the author could have mourned the loss of innocent lives in the stampedes in the Kumbh and also in the New Delhi railway station.

P Vinayagam, Chennai

#### Kerala's development

Ref: *Encash good vibes at Kerala investor show* (Feb 24). The Invest Kerala summit sent a strong message about the state's commitment to economic development. The real challenge lies ahead—turning these commitments into reality. Kerala must work to shed its reputation as a difficult place for businesses and ensure political issues do not stall progress.

Gowri Nayak, Mumbai

#### Young scientists

Ref: *C'garh to harness Isro technology innovations to boost key sectors* (Feb 24). A scientific approach to resolve key challenges and make advanced data analytics to raise productivity is wonderful. This also creates a lot of opportunities for young scientists to contribute to nation-building.

Gangadadi Poojitha, Hyderabad

#### Russia relations

As the world commemorates three years of the Russia-Ukraine war, it is evident both countries are losers in a war that never should have been fought. But the questions remain: Will the US-Russia negotiations really bring peace without the participation of Ukraine? How will India balance its relationship with Russia in these realignments?

Anshu Bharti, Begusarai

### THE NEW INDIAN EXPRESS

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# Cruising at the Right Speed on AI Highway

Strategy focused on tech dispersal will work

Nirmala Sitharaman is promising AI entrepreneurs adequate policy, fiscal and credit support. Speaking at a technology institute in Kerala recently, she said that India is not just leading in the adoption of AI but also shaping how it is governed. Media reports suggest many companies have shown interest in building large and small language models. Ashwini Vaishnaw is confident the country will have its own AI foundation model this year. Domestic computing capacity is adequate for work on building large and small (sector-specific) language models. While having an indigenous foundation for AI is beneficial, the focus doesn't need to be concentrated on it. AI training hardware developed is now becoming a commodity. The value addition is in applications.

This is where India, with its deep pool of talent, can create a vibrant ecosystem that speeds up tech dispersal.



Nandan Nilekani strikes the right balance in suggesting that India need not join the race for core AI models. His reasoning is to conserve computing power for use cases to bring down the cost of intelligence. Computing is energy-hungry, another constraint for a deficient nation. Cost-effective tech solutions have served India well in the past, and this could be the trajectory of domestic AI development as well. Tech dispersal in a price-sensitive market will depend on working around the computing and energy cost hurdles.

India stack of DPI creates a strong platform to deploy AI to solve population-scale problems. This is on display with Microsoft reporting that farmers in Maharashtra are making data-driven decisions for sustainable agriculture. India's large informal economy presents a bigger opportunity for AI deployment, which could offset reservations enterprises have to productivity enhancements. The pitch for India's role in AI development would be to train its sights on the use cases, while building core AI strength as it goes along. This should carve out a unique place for the country in the AI race.

# Start Preparing for Maha Kumbh 2037

It is the last day of Maha Kumbh tomorrow. The next iteration falls in 2037, 12 years from now — a decade before the target year for Bharat to be 'viksit'. Which makes now a good time for the administration to undertake a review of what worked, and what did not. Crowd management not just at the site of the Kumbh but at spaces leading to and from it clearly has to be rethought by authorities.

Tackling scale is obviously the key ask for delivery. Managing high flows and crowds has not been India's forte as stampedes in Prayagraj and at New Delhi Railway Station tragically demonstrated. Crowd modelling needs to be incorporated to foresee crowd size, disruptive factors and sudden surges.



Systems and facilities need to be stress-tested according to worst-case scenarios ensuring that redundancies are built in. Adjustments — including caps in numbers of pilgrims — need to be made if required, to allow for a massive influx of non-residents. The UP government must create this review platform. The Prayagraj administration must take the lead in making a system assessment and identify issues where serious attention is required, working with other agencies to create the playbook for a system that is agile and responsive, critical for mega events.

Cleaning up after an event is sometimes a bigger task than preparing for it. A huge influx of visitors requires a measure of adjustment from even the best provisioned cities. The secret to success is to make the right projections, ensuring satisfied visitors and contented locals, opportunities for local businesses that do not leave visitors feeling taken advantage of. That requires an administration that makes provision for surprises. Preparing for Maha Kumbh 2037 will provide that opportunity.



## JUST IN JEST

Amrika ki DOGE will find an inspiring case study in our good ole Punjab

# It's Something to Be Minister of Nothing

Even DOGEraj Don T will be happy with this news. Because he has been proved right — yet again. It would also make the staff at POTUS' favourite Department of Government Efficiency, with his favourite Tex-Tes-tech assistance at the helm, rub their hands with glee and opportunity. But the reason for such unadulterated happiness from the artful DOGErs isn't in the US. It's in our very own state of the union, Punjab. Earlier this month, we got to know that the AAP government of 'Udta' Punjab spent nearly 20 months assigning a minister, the fifth most senior in the state's cabinet, no less, to a department that never existed. If that isn't peak DOGE dodging, we don't know what is. The honourable minister Kuldeep Singh Dhaliwal was in charge of 'department of administrative reforms', an entity that had, it turns out, never been created. No staff, no meetings, no paperwork. Nothing. For nearly two years, no one noticed.

After it surfaced, Dhaliwal was 'stripped' of the department and left with only the NRI affairs department, which — balle balle! — actually exists. Punjab basically admitted it was running a meme department. No files, no clerks, no pointless review meetings. Just a minister with a fancy title overseeing a bureaucratic black hole. And, somewhere, an imaginary undersecretary is still waiting for the first task to land on his phantom desk.

STATE OF PLAY How should India navigate Trump's time-bound reciprocal tariff gauntlet?

# To Trade Softly on US Toes



Pranab Dhal Samanta

Donald Trump has put India on a tough timeline on trade and reciprocal tariffs. While India and the US agreed on Feb 13 to conclude the first tranche of a bilateral trade agreement (BTA) by Sept-Oct, US Trade Representative (USTR) has simultaneously put into motion actions on reciprocal tariffs with an April 1 deadline, also set by Trump.

Through a Feb 20 notification, USTR has asked for information by Mar 11 from 'any interested party' on unfair trade practices owing to non-reciprocal trading arrangements. It specifically names India as an economy having large trade deficit in goods with the US, stating that USTR is 'particularly interested in submissions' on these economies. Others include key G20 countries, which together account for 88% of total goods traded with the US.

Further, USTR has stated that unfair trade practices can encompass an 'expansive range of practices, such as policies, measures, or barriers that undermine or harm US production, or exports', including a 'non-market policy or practice'.

For India, this presents an immediate problem as it makes the period post-April tricky. Can India get the US to hold off on imposing any reciprocal tariffs till the negotiations on BTA, as identified in the Feb 13 India-US joint statement, are completed? This is a political question, which can only be answered in economic terms — essentially, concessions.

But here's where the problem gets complicated. Take mobile phones, India's fastest-growing segment in exports to the US, now estimated at over \$10 bn and growing, where US import duties are currently about 'nil', while India has just brought down its import tariff from 20% to 15% in this



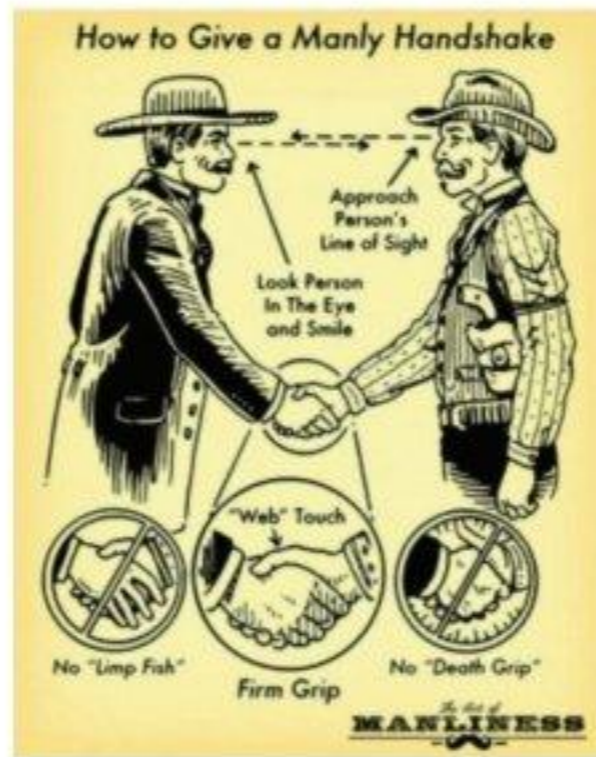
Be nimble, be quick

budget. The differential tariff is still high. But New Delhi would want Washington to recognise this downward trend, and take an accommodating view given that Apple's iPhones have played a big role in this surge.

In Trump 2.0, however, this comfort can't be assumed. Hence, uncertainty on how reciprocal tariffs will be imposed on mobile phones remains. The hope is it won't be an item-to-item approach. Else, it could have a debilitating impact on this growing segment of exports. And the impact will be felt across sectors. After all, the US is one

threat is not the same as China. Automobiles, where India has very high import tariff, is an example that broadly falls in this category.

The MFN (Most Favoured Nation) principle in WTO requires a member country to treat all trading partners equally. Which is why what India imposes on China, also applies on the US and others. Countries have found a way around this through separate FTAs, which is allowed under WTO as long as it liberalises substantially all trade among participant countries and is reciprocal, like the EU.



Do a bilateral trade deal with reduced tariffs at the earliest. But that doesn't come without complications

In Trump 1.0, an effort was first made to carve out a deal within WTO's MFN confines. But that would require extending benefits to all other countries. So, work was done on stretching WTO limits, especially after the 2019 US-Japan trade agreement, which reduced tariffs on just 241 lines on the US side and about 10% tariff lines for US exporters in the Japanese schedule.

This was a deal driven by US interests under Trump 1.0. It was even argued that the agreement violated WTO rules because liberalisation was not substantial. And if tariff reduction had to be on limited lines, the benefit must also be extended to other trading partners based on the MFN principle. But politics weighed heavier: No country officially approached WTO, avoiding any confrontation with the US.

In fact, there's been no challenge to this principle yet. So, there's no WTO ruling either on what exactly defines 'substantial trade'. This is a grey area, which the US and Japan explored. So can India. But GoI will first have to take some important calls: ▶ A trade deal with the US is worth any risk with WTO. Essentially, MFN must not be an obstacle to a bilateral deal. ▶ Broadbase negotiations with the US to avoid item-to-item reciprocity, especially when it has adopted an all-encompassing understanding of 'unfair trade practices'. This would mean adding the \$8-10 bn Indian students bring annually to the US, also roughly the \$5-6 bn contribution to the US social security system. Plus, defence and energy purchases. Essentially, commerce ministry will have to adopt an integrated approach to the negotiations to answer what now are Trump's transactional questions. ▶ Be ambitious in reducing tariffs for the US and focus, instead, on raising standards. This will also help further negotiations with others on FTAs.

The earlier template envisaged a deal in two phases by which initial commitments were to be made on goods and services, excluding digital and e-commerce in the first phase, followed by a fully liberalised second phase. These will have to be relooked expeditiously to suit the present context.

At a larger level, there's the significance of Trump's timelines. He has 18-20 months of Congressional majority before the next elections, and will want to make it count domestically. So, the only margin for exception is to work out a deal, because efforts at buying time will come with in-built costs of uncertainty that, in turn, will adversely impact ongoing economic and business interaction. An outcome least desirable to India.

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# How Not to Get Gobbled Up by AI



Anjana Menon

It's been a busy first two months for AI. And fiercely competitive ones. In a show of one-upmanship, China released DeepSeek in January, triggering Elon Musk to unveil the latest version of Grok, which ostensibly plotted a trip to Mars and back in minutes. Stung by laggard syndrome, India upped the rhetoric on developing indigenous models, ignoring the elephant in the room — AI's impact on India as the world's back office, and an impending unemployability crisis.

The world's largest tech companies have poured hundreds of billions into making machines smarter. They will want to see tangible returns by putting machine aptitude to work. They will engineer adoption and deployment of AI tools across businesses that rely on human intervention. It would be hard to resist productivity gains of machines that deliver tasks at a fraction of the cost and time of humans. And even harder to stall AI's march to tackle complex tasks with general intelligence we attribute to humans.

Machines can now perform, with greater ease, speed and accuracy, the tasks that India's middling workforce in business and knowledge outsourcing farms has long handled. It can do more. AlphaFold, an AI program of DeepMind, predicted structures of 200 mn proteins in two years, in what would have taken scientists centuries, using traditional experimental methods.

Tech czars of the world have hinted at the fallout of rapidly developing ML. Mark Zuckerberg declared that this year, most middle-level coding would be done by machines. Bill Gates casually remarked that AI's capabilities would free up people to do more 'creative tasks'. Neither prospect bodes well for India's white-collar backend workers on the wrong side of the talent divide.

Our brightest emigrate overseas, where they learn to think creatively, access millions of dollars in research, and compete with the world's best talent to stay relevant. The code they write has helped power some of the world's leading AI tools, from ChatGPT to Devin AI, showcasing Indian talent's potential when given the right opportunities.

Back home, hordes of young adults in computing end up in Hyderabad and Bengaluru in steady but monotonous jobs, ranging from scanning code for errors, tallying, data entry

and, at the bottom end, managing call centres. Some help write software for programmes their companies sell to customers worldwide. Non-engineering graduates do financial analysis, manage patient records and map procurement documents.

Until recently, this seemed a fairly comfortable trajectory for millions finishing college each year. They could hope for a job after graduation, beefed up by on-the-job training. After all, India, with its democratic credentials, lower-wage arbitrage and English language skills, had a pretty good advantage over other countries. With current developments in AI, however, these advantages have become blurred.

Our education system, which prizes high test scores over creative thinking, leaves most of our graduates ill-equipped for an AI-driven world. A



All the better to take your job, dear

better future awaits those who can innovate to leverage AI applications to scale, or those who can apply attributes AI cannot easily replicate, like empathy — which our schools rarely nurture.

The low and middle segment of India's backend industry may be on the edge of redundancy, never mind the general unemployability crisis plaguing India's youth. We must shift gears into finding solutions to this instead of putting all our resources into developing our own AI.

Immediate survival of this business will depend on our ability to use existing AI technologies to streamline and improve productivity of businesses, applying AI to improve efficiency of everything, from healthcare diagnostics to fraud detection and public services, and being masters of AI usage.

Our priority should be to apply what's already out there to serve the industry and population to stay useful and relevant. Industry must reskill the workforce to carve out new opportunities in the age of AI. Any mass layoffs will knock back decades of hard-won prosperity for middle-class India. Ignoring this has other risks, too. Job losses are politically inconvenient for those who want to stay in power.

The writer works with leadership on strategic communications and stakeholder audits

# India-Pakistan Cricket Rivalry, RIP



Boria Majumdar

India vs Pakistan as a rivalry is dead. As a sports competition, it has been reduced to a no-contest. Pakistan is no better than Bangladesh. They will beat India once in a blue moon. And that can't be enough to sustain cricket's greatest rivalry. As a cricketing brand, it now has become hyped and artificially propped up. And that's simply because broadcasters and organisers need it. The money it can generate remains of great significance to the ecosystem.

The only reason this exaggerated cricket contest sells today is because of the political history of the two countries. Pakistan, in India's collective mind, is equated with Partition and all that has transpired in the last 76 years. So, it comes retrofitted with another layer added to the rivalry.

Sports and politics always mix, the remaining raison d'être for an India v Pakistan match. Take the political backstory away from it and it is no different from an India-Zimbabwe or Australia-Bangladesh match. This was best summed up by Muhammad Rizwan's post-match press meet in Dubai on Sunday. As skipper, he ought to have been depressed. For him, it was time for introspection. At least so we all thought. Instead, he turned into a Virat Kohli fanboy. It was stunning to see the silliness of the whole thing. Imagine an Imran Khan or a Wasim Akram doing this to a Kapil Dev or Sachin Tendulkar after a loss against India. It would have been out of line. Rizwan should have remembered the position he holds in Pakistan cricket.

A lot of elite high-performance sport is played in the mind. In the early 1990s, for example, Pakistan had a mental edge over India. That explained why they held the upper hand in

matches. The tables turned under Sourav Ganguly. Thereafter, it has only gone in one direction. Pakistan looks scared, timid, overawed. It's as if they don't want to play India because they know they'd lose.

A century or a 5-wicket haul in an India-Pakistan game once assured the player overnight immortality. Now, it's pretty much a walkover, too easy to be the stuff of pride.

Take Virat Kohli. He wasn't this usual self. And, yet, when an India-Pakistan contest came along, he won it for India with a century. Babar Azam or anyone else in the current Pakistan squad isn't even remotely close to it. What is alarming is what the future holds. With Pakistan's economy in a mess and political landscape unstable, there's not much hope for Pakistan's team to catch up with Team India in the future. Add the irrational obstinacy on the part of Pakistan Cricket Board to try and match India (read: BCCI), and you will know that the future is grim. What explains the scheduling of PSL at the same time as IPL? Will the best players in the world ever want to give up IPL for PSL? Without the best players playing, will Pakistan cricket benefit much from PSL? Will young cricketers back home get the exposure that Indian domestic youngsters get from IPL? It's a no on all counts.

What could be the fix, then? ▶ Keep them apart ICC shouldn't



Lame before wicket

keep putting both teams in the same group. Inevitably, Pakistan will lose, and all the charm is over at the start of a tournament. At least by placing them in separate groups, there's that element of chance that Pakistan will reach the knockout stage and face India.

If that happens, the interest in the tournament gets sustained for a few more weeks. Now, with Pakistan almost out, 2025 ICC Champions Trophy has already lost its sheen. As hosts, Pakistan's players have failed their fans. The tournament can only go downhill from here on.

▶ New lifeline India vs Pakistan bouts badly need a new lifeline, fresh blood. Babar is no Kohli, and Shaheen Afridi is no Wasim Akram. PCB will do well to shake things up and transform Pakistan cricket. Till then, let's search for a new rival.

Australia fits the bill, for they are competitive and will push India. We also play bilateral cricket with them. This is one rivalry that can replace India vs Pakistan as cricket's foremost rivalry — if it hasn't already. While the political back-story is missing, the actual action on the field can more than make up for it.

Pakistan as a cricketing opponent is a lost cause. The sooner broadcasters and media understand that, the better it is for the sport going forward.

The writer is a sports historian and journalist



THE SPEAKING TREE

## Embrace Silence

K V RAGHUPATHI

Connecting to Shiv transforms one into Satyam, Shivam, Sundaram. Our minds are constantly being distracted, and we are often used to juggling many things. Our senses are bombarded much more frequently than we are consciously aware of. It is not a surprise, then, that when we sit quietly, we don't feel comfortable. We become familiar with what we are surrounded by and habits we form. We almost crave distractions we have made for ourselves and feel safe within. Therefore, if we are used to being on the go, it's natural to find it hard to rest and rejuvenate.

For most people, quieting the mind and body and connecting to stillness deep within is scary and overwhelming. We're not used to living in stillness for a few seconds. We have become so conditioned by modern society to think that being busy means being successful that we no longer feel guilt-free when relaxing. Nature is there to heal us. It's the place where our connection to Satyam, Shivam, Sundaram is the most apparent. Nature is the source, not the material world we have built.

Sages used to live in nature with very few material possessions to connect with Shiv. We may not be able to do it, but we can connect with triple aspects of Shiv for a few moments, embracing silence while performing our tasks. The practice changes something fundamental in our routine, and our minds eventually learn a new way of life. This way, we can symbolically transform ourselves into Satyam, Shivam, Sundaram.



## Malice

Keigo Higashino

In the end, my entire morning was spent fielding interviews, and I didn't even get to eat a proper breakfast. Finally, a little after noon, I retreated back inside my apartment. I was eating some instant udon noodles and watching TV when I saw a close-up of my face on the screen. I choked on my noodles.

I couldn't believe they were already playing the footage they had taken just a couple of hours before. 'You were friends from elementary school, correct? What sort of person would you say Mr Hidaka was?' the female reporter asked in a shrill voice.

On the screen, I seem to be thinking far too deeply about the question. I had noticed at the time that my silence was uncomfortably long. I guessed they hadn't had the time to edit out this awkward pause in the footage. You could see the reporters around me growing impatient. 'He had a strong personality,' the me on the screen said at last. 'He was a real individual. Sometimes you'd think he was the most amazing guy, then other times you'd be surprised by his coldness. But perhaps you can say that about anyone.'

Translated from Japanese by Alexander O Smith & Elvye Alexander

## Chat Room

## Trump's Figure Of Screech

Apropos the Edit, 'Take Trump Ki Baat With Fitting Sobriety' (Feb 24), borderline senility is nowadays common among stressed septuagenarians. Caregivers across the world are perhaps aware of this. It's too much to expect the entire world to always give the benefit of the doubt, even if the person concerned is the first citizen of the nation with maximum debt. India knows how to handle nonsense even if it's more than it can manage sense. So far, the country has ignored the infirmities in post-Joe Biden US behaviour with patience and tact. MEA should not allow its sobriety to dilute despite provocations, and ensure there's no knee-jerk official response to Donald Trump's inviting gestures.

M G Warrior  
Mumbai



A thought for today

The drugs consume the sanity of those who abuse them like a fire burns when kerosene is poured on it

AN OFFICIAL IN GHANA

Ballot Points

Poll results in Western countries hold lessons for politicians everywhere, including India

German voters didn't surprise in Sunday's election. Since no party has a clear majority, long coalition talks lie ahead, but far-right AfD will remain out of govt even though it has over a fifth of the vote, exactly double its 2021 share. When the far-right or a Trump-like leader surges, it means voters are hurting. And Germany's economic troubles are well-known. After shrinking for two straight years, the economy is back at its 2019 level. Low unemployment and moderate fiscal deficit are virtues ordinarily, but not when voters wake up feeling poorer every day. And voter pessimism certainly isn't conducive to re-election – ask Kamala Harris and Rishi Sunak.

Sunak called an early election counting on British economy's unexpected growth last year. Inflation was cooling finally, so were interest rates. But as far as voters were concerned, prices were about 20% too high and their EMIs had ballooned. A survey found only one in five Britons thought the economy was in good shape. The same popular mood ousted Democrats in US. Before the Nov election, about half of US voters said they were worse off than they had been at the end of Trump's first term, even though inflation had slumped from 9% in 2022 to around 2% by late last year. China, despite its one-party dictatorship, is also worried about public mood. A survey by Harvard-Stanford academics in 2023 showed less than 30% of Chinese felt they were better off than they had been five years earlier – a huge fall from 75% in 2014. China's trying everything to fire up the economy, with sub-5% growth predicted for 2025 and 2026.

It's time Indian leaders also paid heed to the public mood. Their increasing reliance on doles and direct benefit transfers to win polls is bad economics, even if it wins polls in the short-term. As state after state, from Himachal to Punjab, Maharashtra and Karnataka, has realised, delivering freebies – whatever form it takes – and generous cash handouts is hard to maintain. Maharashtra's 50% fare concession to women and senior citizens, for instance, is costing the state transport corporation ₹3cr a day. Besides, doles don't address voters' need to feel better off over a longer period of time. A cash transfer generates a small amount of feel-good. It doesn't buy economic security. Only rapid economic growth plus good jobs can deliver that.

Opioid Warning

India's weak drug regulation is spreading a problem from Africa to America. Reputational damage can be big

India's drug regulators have been caught napping once again. Various pills made by Maharashtra-based Aveo Pharmaceuticals have been linked to the opioid mayhem in Ghana, Nigeria and Côte d'Ivoire. But it took a BBC documentary for the state and central regulators to conduct a raid, then announce manufacturing and export curbs. These, however, hardly amount to the systemic overhaul that experts have been crying for, in the face of one regulatory fiasco after another. Remember that Indian cough syrups have also led to children's deaths in Gambia, Uzbekistan and Cameroon. At this rate, the days when India actually earned vast goodwill in Africa, by saving lives with cheap generics against AIDS, will soon become a distant memory.

The opioid story also risks putting India directly in Trumpian crosshairs. US has found Indian companies trafficking precursor chemicals for fentanyl, which ultimately kills Americans and devastates their communities. On the Africa front, Indian authorities have often taken the position that importing countries need to toughen regulations. But Indian regulators themselves have been shown up as incompetent at best, and compromised at worst, by US FDA. Even keeping aside the ethics, or business effects, of exporting substandard, even dangerous, drugs, the idea that the domestic market can be firewalled from such doctoring, is silly.

A Haridwar lab supplies govt hospitals antibiotics that turn out to be just talcum powder mixed with starch, patients fear buying medicines from any but trusted pharmacies, significant proportions of officially tested samples are found to be substandard, repeatedly. As for fentanyl, with China taking US complaints on this more seriously, drug mafia will have extra incentive to source illegal precursors from India. Weaker governance here won't increase addiction in US alone. Proactive, as opposed to reactive, regulation, which needs better coordination between central and state agencies, is urgently needed to prevent fentanyl addiction from getting to Indians as well.

Screen test

On keeping calm through a digital arrest



Anupam Srivastava

It started with an innocuous phone call and in no time I was face-to-face with a fearsome man on my laptop screen. "You are under digital arrest," he said.

Not one to run away from trouble, I collected my thoughts and replied that, not just me, everybody is under digital arrest. They have been for years. You talk to people, but they hem and haw, their eyes glued to their screens. Even young lovers sit together looking at their phones. Not just them, car drivers, traffic cops, walkers, sellers who should be looking out for customers, they are all under digital arrest. Nobody does a thing these days except that!

The man looked agitated. "You don't understand. This is far more serious than you think." Overcome by a wave of honesty, I admitted that I cannot go to sleep until I down two episodes of my ongoing series – neat, as in without a break or ads. The man shook his head and threw up his hands in the air. "You have no idea what you are talking about, and the trouble you are in," he said.

Then he reached out for a piece of paper and read out that I had laundered money on foreign trips. That made me think. It seems on my recent trip to London and its neighbouring cities, supported by my generous wife, I had been under his watch. Even though I had avoided the pubs and taverns, perhaps I had made some errors of judgement. I had admired a few houses, and clean, quiet neighbourhoods like St John's Wood and Hampstead, but was that a crime? I had gambled a little at the pier and laid a few bets, so what? But I could be wrong. My knowledge of lawful actions could be outdated.

As he rattled off the gravity of my crime, I realised I had always been afraid of the authorities. Wasn't I aware of what went on in police stations? Which ordinary citizen in their right minds would want to have anything to do with any govt department? I would be bankrupt, paying legal fees to rich lawyers, or be behind bars in this just and fair country.

I paid up, and praised the govt. He said I was off the hook. Relieved, I at once switched on the TV to watch my favourite show and erase the memory of the arrest.

Germane: Trump 2.0 Zeitgeist

That the incoming German leader spoke of 'independence' from US shows Europe can't any longer be only a lifestyle superpower. But acquiring hard power quickly will be hard

all at the same time, if needed.

**Rashmee Roshan Lal**

Within hours of Germany's election results, its chancellor-in-waiting Friedrich Merz's first comment captured Europe's sentiment on Trump the Second. Merz, a long-time Atlanticist, spoke in terms never heard from a German leader.

He would seek "independence" from US, he said. From "Trump's latest comments in the last week, it is clear the Americans, or at least this portion of the Americans, this govt, care very little about the fate of Europe," he added. He even wondered if it were time "to establish an independent European defence capability much more quickly".

Once, Europe may have feared Germany rearming itself; now, it fears a future in which it doesn't. In short, it is pointless to wonder whether Europe is minded to work on defence rearmament and to re-school itself on the benefits of guns over butter. It has no choice.

The Ukraine conflict has entered its fourth year with Trump's America sweet-talking the Russians and talking tough to the Europeans and Ukrainians.

Trump's defence secretary Pete Hegseth has said his boss won't let anyone "turn Uncle Sam into Uncle Sucker". It is a harsh reference to Europe's propensity to pick butter over gun oil, all the while sheltering under the US nuclear umbrella and protected by America's conventional military power. Meanwhile, Trump's Vice-President JD Vance stood in Munich and plunged a dagger into Europe's heart. It is too weak, too liberal and too ideologically diverse to be worth protecting any longer, he said, deeming the primary threat to come "from within".

The European response has been a mix of shock, sadness and sharp anger, with the last emotion serving as a spur for lots of talk and limited action. As Europe sees it, Trump the Second is providing a masterclass in 21st century imperialism of the most unreconstructed sort.

This, in meekly acquiescing to Ukraine's territorial carve-up by Kremlin, whimsically undoing 80 years of the transatlantic alliance and basely arguing for liberal democracy to be unmade by far-right nationalists.

The subtext is MAGAverse's war on 'woke' but Europe also fears a physical challenge beyond culture skirmishes. This involves the approximately 100,000 US troops stationed across Europe.

Long considered a major deterrent against Russia, it's thought that Europe would struggle to defend itself against attack if US suddenly pulled its forces. Despite having more than a million full-time troops of its own, Europe cannot be sure they'll be battle-ready and adequately equipped,

How has it come to this? The real story is told in numbers.

After the cold war ended, EU countries made it a habit to pare military spending to the bone, even as they passed around generous pats of butter (spending on health, education, pensions etc) to fatten the welfare state. By 2014, today's 27 EU member states were spending under 1.4% of their collective GDP on defence.

Brexit or not, the British still largely adhere to this most European of traits. In 1945, UK spent over half its GDP – a massive 52% – on defence.



‘Not comfortable with stampede inquiry committee manned by officers from departments that’ll be probed’

Former director general of Railway Protection Force (RPF), Arun Kumar, who was additional director general (law & order) in UP during purna Kumbh at Prayagraj in 2013, and served as DG-RPF at ardh Kumbh Prayagraj (2019), speaks to **Dipak Dash** on the recent stampede at New Delhi railway station that killed 18.

● **There were serious lapses at New Delhi railway station.**

Every nook and corner of NDLS is under CCTV coverage. So how was the build-up not noticed at the command centre? If it was noticed, was there a lack of coordination between RPF and operational staff? Why were red flags not raised at the right time to stop trains at previous stations? Why was the platform switched? These are questions the inquiry commission will be asking.

● **Any thoughts on the inquiry committee?**

Sale of tickets is handled by the commercial department and safety of passengers is RPF's responsibility. Inquiry has been entrusted to the zonal head of commercial department and the committee includes a senior RPF officer of IG rank. How judicious is this, when there are so many senior experienced officers on railways board at Rail Bhavan.

Ministry must be sensitive to the dictum that justice not only needs to be done but must also be seen to be done, both internally and for public. I'm not comfortable with a committee of senior officers from the very departments whose actions are under the lens.

● **Given India's population, increased mobility & train travel, should RPF be overhauled?**

Indian Railways has three tiers of security. District police, govt railway police (GRP) and RPF. District police are less mobile. RPF used to have only a watch & ward

role in protecting rail infra/property while GRP was more the law & order wing, tasked with passenger safety. Over the decades, RPF's role, under the railways, has taken on all aspects of security, while GRP has become redundant. GRP police stations can actually directly be supervised by district police – it's a state force and policing, law & order is a state subject, so it'll work better. The three-tier system is clearly creating more confusion as to responsibilities. It's high time to review railway security through a high-powered committee.

There's also a dire need for improved coordination



among various wings like commercial, operations and security. If 2,600 tickets were sold in a rush, did the command centre not know of it?

● **Is RPF sufficiently staffed?**

More than extra personnel, it has been policy to equip the force with tech aids for efficiency. CCTV cameras, their close monitoring and maintenance, body cameras, and other tech tools, are a force multiplier, better than more personnel. But, on occasion, like festivals for

In 2025, it devotes roughly 2.3% to military matters. After the 1956 Suez crisis, when Egypt seized control of the canal from the British- and French-owned company that managed it, UK turned its face to the wall in metaphorical recognition it was no longer a global power, military or otherwise. Finding security in its so-called "special relationship" with Washington, it renounced much of its self-reliance. Indeed, its nuclear power rests on a delicate reality – those leased Trident missiles could technically be disabled by US.

Until now, Europe's public spending habits seemed like a prose version of John Lennon's poetic anthem of peace. Butter was the peace dividend, earned in the wake of two devastating world wars.

A bloodied continent, infamous for religious and sectarian wars, laboured over the world's biggest experiment in peacebuilding, creating a system for multinational exchanges, governance, regulation and trade. And European countries started to spend their money on schools and well-being schemes rather than soldiers and military supplies.

It made sense, so long as the Americans, with their vast resources and stated commitment to the western alliance, were willing to safeguard the status quo.

Now, those decades seem short-sighted, self-indulgent, sybaritic even. As an aphorism attributed to a high-ranking Nazi official put it, "guns will make us powerful; butter will only make us fat."

Clearly, Europe needs less Isigny Sainte-Mère, Kerrygold, Lurpak or any other of its many excellent brands of butter, but to invest in its own defence. Merz's defining mission – of "independence" from US – will need money. Discussions on how to raise European national military budgets and find new financial mechanisms have thrown up some ideas that could be viable.

These include an existing pandemic-era template for bond-issuance and a 'rearmament bank' modelled on European Bank for Reconstruction and Development to draw in non-EU members such as UK and Norway. The founder of Nato Innovation Fund has suggested another banking structure that would be open to partners beyond Europe.

Some countries are already shopping for hardware. Announcing its biggest military investment in half a century, Denmark recently took defence spending to more than 3% of economic output by dropping the usual tender processes for arms procurement. Britain has promised to swiftly raise its defence spending by at least £5bn a year, which is roughly equivalent to 10% of the core schools' budget in England.

Seeking hard power after decades of being a lifestyle superpower may not be an optional add-on to the European way any longer. It is an existential issue. With or without the butter.

instance, human resources will necessarily have to be supplemented.

● **How can RPF improve station management in metros, on migrant routes and during festivals?**

On special days RPF is supplemented with men from specialised armed unit railway protection special force (RPSF). Holding areas are set up at the outer sides of platforms. Every part is under CCTV coverage for 24x7 monitoring. Holding areas for passengers at stations in Prayagraj have been successful. Even during Chhath such arrangements are made to regulate passenger flow.

Where were the holding areas at NDLS? They should've been constructed both in the direction of ingress and egress of crowds. It's not unknown that crowds have to be monitored from their places of origin. It was evident Delhi was a huge place of origin. Did railways not anticipate such crowd pressure? After the 2010 Delhi station stampede, the whole system was revamped, platforms expanded. During Chhath and Diwali, holding areas are always created outside platforms and arrangements often overseen by railways minister himself.

● **Delhi has several large stations. Should trains headed to Prayagraj have been decentralised?**

Certainly. They should've been decentralised. It's all part of festival management process, particularly as the size of the crowds is anticipated.

● **What has been your experience of Kumbh?**

A challenge in those days (2013) was to manage the akharas as they were quite hostile to the then SP govt. On the day of *mauni amavasya*, all went well at the site but a stampede at Allahabad railway station was reported. More than 42 people were killed. It was finally attributed to the collapse of a railing at the station. The point is to learn from tragedies, and improve systems to avoid a repeat. Lessons have to be learnt.

Calvin & Hobbes



Perfect Master Serves The Whole Universe

**Avatar Meher Baba**

Selfless service is unaffected by results. It is like rays of the sun that serve the world by shining alike on all creation: grass, fields, birds, mankind; saint and sinner, rich and poor, strong and weak – wholly impervious to their attitude or reaction. It is of vital importance, however, that service, though utterly selfless, be guided by spiritual understanding, for even selfless service unintelligently handled often creates complications and chaos. To be a pure blessing to humanity, the most selfless act of service must be born of absolute understanding of life and governed by faultless wisdom.

Selfless service consists of rendering service to others without thought of gain, reward, or result; it is free from

the idea of placing others under obligation. One does not put him under obligation when serving a fellow human being in the spirit of spontaneous, selfless love. On the contrary, the one helped confers upon the helper the blessing of an opportunity to serve his true Self. There is complete disregard for one's convenience or welfare in selfless service; it is characterised by absolute subjugation of one's happiness – by unalloyed joy in sacrificing everything for the well-being of others. In selfless service, the comfort of others is one's convenience, health, healing, happiness, and delight. By giving one's life to others, one gains a glorious life for oneself. Sheltering others in one's heart makes one inhabit theirs. An act of helpfulness, a word of

comfort, the spontaneous warmth of selfless love, give to others what they greatly need. Their thoughts of gratitude and goodwill, the heightened surge of their spirit and the increased flow of God-love released by the selfless act bring to the giver infinitely more than he can ever give.

From a spiritual point of view, the real danger in service lies more in the possibility of your rendering it from a false motive. If you render service to oblige a person and feel proud of doing it, you are doing spiritual harm to the recipient of your service and yourself. If, while serving, you take delight in it and develop pride in doing a good thing, you are getting attached to your act and thereby binding yourself. Hence, the way to remain free from karma is to stay comp-

Sacredspace



You speak of doing good to the world...And who are you, pray, to do good to the world?

First realise God, see Him by means of spiritual discipline. If He imparts power, you can do good to others; otherwise not.

Sri Ramakrishna

letely detached in service. The consciousness that, 'I am obliging someone,' is the first to occur during the process of serving; but it can be annulled by the contrary thought, 'I am obliged by being given this opportunity of serving.' This latter thought facilitates the attitude of detachment and secures freedom from bondage of actions. Service based upon comprehensive understanding is not only selfless and adjusted to the spiritual demands of the recipient but is rendered with complete detachment. Such a service takes the aspirant to the goal most rapidly.

The perfect master serves the whole universe out of finality of his infinite consciousness; those who serve the master or submit to his guidance share in his universal work.

Today is Avatar Meher Baba's 131st birth anniversary

## The Tribune

ESTABLISHED IN 1881

### USAID row

Political slugfest in India reflects naivet 

IN his zeal to Make America Great Again, US President Donald Trump is demonising and crippling an institution that has done well as a global benefactor for decades—the United States Agency for International Development (USAID). Trump and his much-touted Department of Government Efficiency (DOGE), headed by Elon Musk, have no qualms about making false claims to push their narrative. Efficiency is obviously their top priority, not accuracy or transparency. One typically unsubstantiated claim triggered a political slugfest in India. The BJP jumped to a conclusion when Trump and DOGE accused USAID of allocating \$21 million to India for enhancing ‘voter turnout’. The ruling party regarded it as proof—though none was furnished by the US—that the Congress had sought foreign funding to influence India’s electoral exercise. The Congress, in turn, pointed a finger at the BJP. It was a huge anti-climax when reports indicated that the money was sanctioned to Bangladesh, not India. And it’s nothing short of absurd that Trump and Musk got two distinct subcontinental nations mixed up.

The NDA government has avoided hitting back at Trump, perhaps because he never tires of calling PM Narendra Modi his ‘friend’. An annual report of the Finance Ministry has ruled out the diversion of USAID money for political funding in India. It shows that \$750 million provided by the US agency was used for government projects linked to food, agriculture, rural development, energy and environment during 2023-24. So, all this has turned out to be much ado about nothing.

The lesson for India from this avoidable controversy is loud and clear: Let facts do the talking instead of treating Trumpspeak as the gospel truth. Strict regulation of foreign contributions is no doubt vital to weed out agencies bent on destabilising the nation, but the entire process should be marked by accuracy, transparency and fairness. Efficiency can wait.

## Asphalt over art

HC’s shortsighted ruling on Rock Garden

THE Punjab and Haryana High Court’s directive to demolish a section of the Rock Garden’s wall for road widening and parking expansion raises serious concerns about the balance between infrastructure and heritage conservation. The decision, executed by the UT Administration, not only erases a part of Nek Chand’s artistic legacy but also sets a troubling precedent for how India treats its cultural and forest heritage in the name of ‘development.’ For decades, the Rock Garden has stood as a testament to human ingenuity, turning waste into wonder. However, in what can only be described as an ironic injustice, a part of this artistic and cherished landmark is being razed to make space for asphalt and use by polluting vehicles. The claim that the demolished wall was not part of Nek Chand’s original structure does little to justify the destruction. A landmark’s significance is not merely in its blueprint but in the cultural and emotional connection it holds for the people.

The rationale for this demolition is flawed on multiple levels. First, traffic congestion around the high court is largely due to poor management, not the presence of the Rock Garden. Sustainable alternatives, such as better public transport and shuttle services, have been overlooked. Plus, a systematic restructuring of case lists by the HC can reduce daily footfall at the court, addressing traffic concerns. Second, the administration’s promise of ‘relocating’ the wall and replanting trees does not compensate for the irreversible loss of an ecosystem. Chandigarh’s famed tree-lined landscape is already under siege; removing century-old trees for road widening is another nail in the coffin of its ecological balance.

The larger question remains: If courts, meant to be guardians of justice, do not defend public heritage and environmental integrity, who will? Chandigarh deserves sustainable urban planning, not thoughtless destruction disguised as progress.

ON THIS DAY...100 YEARS AGO

## The Tribune.

LAHORE, WEDNESDAY, FEBRUARY 25, 1925

Dr Besant’s view on panel discussions

IN the course of an interview with a representative of the *Advocate of India*, Dr Annie Besant supplemented the statements and observations she made to our representative during her brief stay at Lahore. Regarding the sub-committee appointed by the Committee of the All-Parties Conference, she said it had branched off into two smaller sub-committees, one for framing a scheme of Swaraj and the other for settling the Hindu-Muslim question, and that while the latter had adjourned without doing any tangible work, the former had finished its labours within the prescribed time and submitted a unanimous report to the General Secretary, which would, however, not be issued to the Press until the other branch of the sub-committee had finished its work. We do not know if this does not mean an indefinite postponement of the publication of the report, because so far as the Hindu-Muslim branch of the sub-committee was concerned, Dr Besant said in the same breath that its ‘discussions could really never end if they were conducted as at present by both sides.’ ‘After all the discussions that had taken place,’ she added, ‘we were no wiser than we were before, and when the committee met again on the 28th instant, it would probably begin its work afresh. Of the nature of the difficulties that confronted this branch of the sub-committee, she incidentally gave some idea to the interviewer: ‘The way Mr Jinnah put his case,’ she said, ‘was indeed very clever; but it really in substance amounted to this, that the Mussalmans ought to have representation on the population basis where they were in a majority and special representation where they were in a minority.’

# OPINION

## Europe unsure if US is still an ally

The first task for the Europeans is to prevent Ukraine from being railroaded by the Americans



MANOJ JOSHI  
DISTINGUISHED FELLOW, OBSERVER  
RESEARCH FOUNDATION, NEW DELHI

SINCE the end of World War II, America’s grand strategy was to ensure that no hostile power arose on either flank of Eurasia. To this end, the US initiated the Marshall Plan and helped rebuild ruined Europe. This, in turn, became an important factor in raising US prosperity in the 1950s and 1960s. It also shaped the North Atlantic Treaty Organisation (NATO) alliance and provided men and material to ensure the security of Europe.

In the east, the US went further in the pursuit of its goal. It fought a war in Korea that cost it over 35,000 lives and another in Vietnam, where it lost over 58,000 soldiers. The US occupied Japan till 1952 and completely remade its society and government in its own image, and it still retains substantial forces in the country at over a dozen bases.

American President Donald Trump seems to be wanting to turn this policy inside out. He seems to want to make deals with the Eurasian powers the US targeted—Russia and China—and write off America’s erstwhile friends. His pursuit of territorial expansion with regard to Canada, Panama and Denmark looks like a ‘sphere of influence’ policy where the US will be the dominant Western Hemisphere power, while Eurasia will be left to the tender mercies of Vladimir Putin and Xi Jinping.

His new posture is manifesting itself in his approach to the war in Ukraine, where he has adopted what can, at best, be



OVERTURES: A US delegation led by Vice-President JD Vance (right) met the Ukrainians on the sidelines of the Munich Security Conference earlier this month. AP/PTI

termed as a ‘Russia-leaning neutrality’. This is apparent in the stark difference visible in a US draft resolution circulated at the United Nations to mark the third anniversary of the Russian invasion. The draft has mourned the loss of life in the ‘Russia-Ukraine conflict’ and sought ‘a swift end to the conflict, including by addressing its root causes’, while calling for a lasting peace between Ukraine and Russia. This is a rival resolution to the one that Ukraine and Europe have backed, which speaks of Russian aggression and the implementation of past resolutions demanding that the Russians end the war and withdraw from Ukraine’s internationally recognised territory.

Trump has adopted a hard approach towards Kyiv. After freezing out Volodymyr Zelenskyy from the first US talks with Russia, Trump falsely accused Ukraine of starting the war that has ravaged that nation and killed thousands of people. When Zelenskyy criticised him for living in a ‘disinformation bubble’, Trump

A world where the US, China and Russia have détente is a more realistic multipolar world that suits India.

lashed out, calling the Ukrainian President a ‘dictator’. He attacked Ukraine for tricking the US into spending \$350 billion ‘to fight a war that couldn’t be won’. And he has demanded a deal through which the US would control half the mineral rights of Ukraine to repay the money

that Washington has spent in supporting Kyiv. According to US News & World Report, the US has actually spent around \$100 billion, while the Europeans have put in nearly \$400 billion till now.

The Trump plan is based on delivering a systemic shock to Europe and Ukraine to destabilise, if not destroy, the older system where the US was a firm NATO ally and a key backer of Ukraine in its war with Russia. The second objective has been to freeze out Europe and embrace Russia as a partner in making peace in Ukraine, even while blaming it for causing the war. Earlier this month, Trump called Putin and talked to him about ending the war without consulting either Ukraine or its European allies.

As for China, things seem to be moving towards a major trade deal which would take up from where the Phase I trade deal between the US and China in the last year of his previous administration left off. His advisers such as Treasury Secretary Scott Bessent

have been pushing a new deal, while his new alter ego, Elon Musk, has extensive business interests in China.

Just how deep the shift against Europe is was manifested by the speech of US Vice-President JD Vance at the Munich Security Conference last week. He said free speech and democracy were under attack in Europe, but not from Russia or China, but mainstream political parties that were attacking European right-wing parties like the Alternative for Germany (AfD). It is no coincidence that the Far Right in Europe is soft towards Putin.

The shift in Ukraine has huge implications for America’s relationship with NATO and EU. The big question the Europeans are asking themselves now is: Is the US still an ally? Has it actually become an adversary? An emergency summit of European leaders did not throw much light on the murky situation, and now plans are afoot for a second summit. Money for Ukraine is not the issue; the Europeans are spending a lot. Clearly, the first task is to show resolve to prevent Ukraine from being railroaded by the Americans. Then they must move towards an independent defence system. Incoming German Chancellor Friedrich Merz has questioned whether NATO will survive in its present form and has spoken of establishing an independent European defence capability.

As for India, there are both opportunities and risks. For one thing, a world where the US, China and Russia have détente is a more realistic multipolar world that suits India. But it would be a world where each pole is for itself. India will not be able to rely on the US for geopolitical support against China, much less for a military partnership that was outlined by the recent Trump-Modi joint statement.

### THOUGHT FOR THE DAY

The Europeans must be round the table in the negotiations with Russia. —Emmanuel Macron

## The daily battle against hunger

RAVINDER KUMAR JAIN

HUNGER is such a burning issue that people often find themselves running from pillar to post, day and night, searching for employment to provide food for themselves and their families. At times, there is so much desperation that they have to clutch at straws. During the Covid-19 pandemic, the Prime Minister appeared on television and urged well-off people to continue paying gig workers or daily-wagers even if they missed a few days of work due to the lockdown. His appeal must have resonated with many, and undoubtedly, some did the needful.

The gesture reminded me of an incident that took place about two decades ago, when I decided to renovate my house. The contractor who handled the work lived in our neighbourhood. I approached him, asking for an estimate of the renovation cost, including his labour charges, so that I could apply for a loan from my employer. After providing the details, he started the work, bringing along a mason and three labourers every day. He worked from 8 am to 5 pm. During the lunch break around noon, he would go home for his meal. His house was only a short walk away from mine, while the other workers had lunch on the first floor of my house.

At the time, I had taken leave to supervise the construction along with my wife. One day, during the lunch break, I decided to go upstairs to inspect the work and chat with the mason and the labourers. Three of them were eating together, while one older worker was sitting alone in a corner, having his meal in silence. Out of curiosity, I glanced at his food and was shocked. He had two or three rotis wrapped in a piece of paper; instead of *sabzi* or *daal*, he was eating them with salt. I immediately rushed downstairs and asked my wife, ‘‘Do we have any vegetable dish right now? The old labourer is eating rotis with just salt!’’

She told me that she hadn’t prepared anything yet, but there was some leftover *sabzi* from the previous night in the fridge. I asked her to warm it up so I that could give it to the old man. That day, it dawned on me what food meant to a hungry person. I also realised the enormity of a daily-wage worker’s struggle, especially if he or she misses even a single day of work. It was a stark reminder of the harsh realities some people faced every day—truly, it was food for thought.

### LETTERS TO THE EDITOR

#### Attempt at polarisation

Refer to ‘When Trump, Modi and I talk, it’s called threat to democracy: Italian PM’; Giorgia Meloni’s remarks smell of polarisation. By accusing the Left of ‘hysteria’ and ‘double standards’, she is painting the political opposition as irrational rather than engaging in a constructive debate. Her assertion that rightists like Trump, Modi and herself are unfairly labelled ‘a threat to democracy’ overlooks genuine concerns about governance and democratic principles. Instead of uniting people, her rhetoric may deepen ideological rifts by portraying conservatives as victims of a systemic bias. Democracy thrives on dialogue and accountability, not grievance politics. Leaders should inspire trust and cooperation, not amplify discord.

BALBIR SINGH KAKKAR, JALANDHAR

#### Need more factories in Punjab

Apropos of ‘Spare a thought for the unwanted migration’, the writer has given a historical perspective to the three waves of migration from Punjab. The area under agriculture is shrinking and the youth find working in fields neither lucrative nor attractive. Farmers, too, are struggling for a fair price for their agricultural produce. An end to their struggle seems distant. The state industry needs an impetus, beginning with the revival of the Dhariwal woollen factory and iron foundries in Batala. The deportees definitely need a helping hand and a rehabilitation plan at this juncture to come out of their trauma. Launching a comprehensive employment policy, along with the revival of closed units or setting up of new industries, is the need of the hour to reverse the migration trend.

RAVI SHARMA, DHARIWAL

#### Talk to stakeholders

Refer to ‘Quick retreat’; one of the reasons for the long pendency of cases in courts across India is the frequent strikes by lawyers. The proposed Advocates (Amendment) Bill is well-intentioned. However, the problem is that it was being pushed without taking into consideration the views of all stakeholders. Another side of the coin is that sometimes, the judges grant adjournments liberally to keep the Bar in good humour. In Sajjan Kumar’s case, the trial took 40 years to

reach its logical end. This is a poor reflection on the functioning of courts. The Bar Council of India should take stringent measures, including cancellation of licences, against lawyers who resort to frequent strikes.

MD SHARMA, SHIMLA

#### Uttarakhand’s misplaced priorities

Refers to ‘Laptops over trees’; funds meant for forest conservation were directed towards non-essential expenditure. It is ironic that it is happening in Uttarakhand, which houses the prestigious Forest Research Institute and the Lal Bahadur Shastri National Academy of Administration that trains administrators to serve the people. The neglect of forests is worrisome as the 2013 Kedarnath disaster may strike again if deforestation continues. There is an urgent need to increase the green cover to save the flora and fauna of Uttarakhand before any catastrophe occurs again.

SUBHASH VAID, NEW DELHI

#### Anti-ragging awareness

With reference to ‘6 Jindal varsity students booked for ragging’; despite a ban on ragging, it is still prevalent in many institutes. Parents invest significant amounts of money in their wards’ education and do not want to see them tortured physically and mentally. Educational institutions must create awareness among students about the consequences of ragging. If institutions enforce strict rules, it may bring about some change. The menace should be tackled with severe penalties, including imprisonment, as it can scar young minds permanently and endanger their lives too.

BHAVYA GULATI, PANCHKULA

#### Vulgarity in the name of comedy

Apropos of ‘Outrage, obscenity and our selective morality’; there is too much vulgarity going on in the name of comedy. Sexist jokes and innuendo have become essential ingredients of stand-up comedy. What was once spoken in whispers is now being spoken openly in our society. However, the violent reactions to Ranveer Allahbadia’s comments is a matter of concern. Death threats and attacks on the family cannot be justified, however offended one may feel.

ANTHONY HENRIQUES, MUMBAI

# Deadly cost of hyper-competitive education



AVIJIT PATHAK  
SOCIOLOGIST

ISN'T it absurd that we can't think of anything beyond a set of technical solutions — say, the installation of 'suicide proofing' fans in hostel rooms, or nets in balconies and lobbies — to the recurring problem of suicides or the abrupt end of the life-journey of broken/shattered/disillusioned young students in Kota, which is a site of the demonic coaching industry? Well, in recent times, the business of the Kota coaching industry has somewhat declined because of the 'bad' name it got as newspapers began to report regularly about the pathetic mental health of young aspirants. In fact, the number of students in Kota is falling and, as a report reveals, the annual revenue of this business enterprise has been reduced to Rs 3,500 crore from Rs 7,000 crore. However, nothing seems to have changed as far as the agony of young minds is concerned. In this year only, seven students have ended their lives by suicide and sought to convey the message that they

could not bear the pressure and fulfil the parental aspirations for 'good' careers/lucrative salary packages. It is sad that we are not yet ready to think of a meaningful solution to this sort of suicide beyond the parameters of the typical 'law and order' discourse or even a set of routine 'counselling sessions'. In fact, it is high time some of us began to raise certain critical issues we seldom talk about. In this context, as a teacher and concerned citizen, let me make four observations. First, what has severely damaged the intellectual/psychic growth of our children is the faulty pattern of education that has attached almost one-sided importance to one's performance in standardised tests, like the JEE, NEET and CUET. It has systematically devalued what really matters for the intellectual, aesthetic and moral development of the child. And, I have no hesitation in saying that these standardised tests destroy the joy of learning and kill the ecstasy of a creatively nuanced critical pedagogy. Instead of arousing the learner's curiosity or activating his/her ability to think, interpret, contemplate and go deeper into the exciting domain of sciences and humanities, these problematic MCQ-centric tests transform him/her into a 'war strategist', continually mas-



CRIPPLING: As education is increasingly marketed, it loses its libertarian potential. TRIBUNE PHOTO

tering the 'technique' of identifying the 'one and only one correct answer' — instantly and mechanically. Second, in addition to the obsession with standardised tests, we are witnessing another disturbing phenomenon — the growth of 'dummy schools'. As these schools have a setting with coaching centres, young students need not attend regular classes and take part in the dynamics of school culture. Instead, they do what coaching centres dictate — say, the act of mastering the 'success manuals' or all sorts of strategies for cracking such tests as the JEE and NEET. Be it physics or mathematics, biology or chemistry,

What has severely damaged the intellectual growth of our kids is the one-sided importance to one's performance in tests like the JEE, NEET and CUET.

everything is reduced to an MCQ question. No wonder, the formative years of these youngsters are spent in an environment that promotes endless drilling, mental fatigue and hyper-competitiveness and the chronic fear of failure. It destroys the joy of learning, or the art exploring the domains of science, culture and aesthetics holistically, creatively and mindfully. No wonder, they miss what a comprehensive school culture provides — say, a life-long relationship with good teachers, a spirit of fellow feeling and the joy of music, theatre, sports and other 'non-utilitarian' creative pursuits. Third, it is equally impor-

tant on the part of the parents to accept a set of fundamental facts about their children's unique aptitudes, inclinations, capabilities and mental orientations. For instance, there is no harm if your child is not particularly inclined to science and mathematics. Likewise, it is possible for a child to have deep interests in the so-called 'soft' domains — say, music, literature, aesthetics, theatre or social work. And, it is not a mistake on the part of your child if she/he needs some breathing space for exploring and understanding what she/he really wishes to do in life. However, as the anxiety-ridden middle class parents abhor any 'risk', they want their kids to follow what is seen as the standardised path towards a 'secure' career. So, these youngsters, irrespective of their inclinations and capabilities, are compelled to nurture the same ambition that is seen as 'acceptable': the desire to become a software engineer or a doctor. Quite often, it becomes exceedingly difficult for them to bear the resultant psychic pressure and fulfil the unnatural parental ambitions. No wonder, it is now common to find a suicide note like this: 'I am the worst daughter. Sorry mummy, papa. Yahi lasts option hai.' And finally, let us accept that the routinised acts like *pariksha pe charcha* or a set

of counselling sessions fail to address the real issue. The fact is that these youngsters are suffering because we live in an overpopulated society of perpetual scarcity. Moreover, because of the neoliberal/market-driven doctrine of hyper-competitiveness and the resultant logic of the 'survival of the fittest', the commodification of almost every aspect of life seems to have become normal. As education is increasingly commodified and marketed, it loses its libertarian potential. Nobody joins the coaching industry to think critically or activate the faculties that make us truly humane, compassionate and sensitive. Likewise, these days, the worth of being educated is measured primarily in terms of 'placement and salary package.' And this reckless pressure to emerge as a saleable commodity or a 'resource' that the market needs to use tends to cripple one from deep inside. Alienation or chronic nervousness is the price of 'success'. Indeed, as the latest National Crime Records Bureau data suggests, with 13,044 student suicides in a year, an "epidemic is sweeping India." When will we wake up, initiate a movement for structural and cultural transformation and give a life-affirming vision of education and vocation to our children?

# How a legal loophole shields marital rape in India



SHARAD S CHAUHAN  
MD, PUNJAB POLICE  
HOUSING CORPORATION

THE Chhattisgarh High Court acquitted a man convicted under Sections 304 (culpable homicide), 375 (rape) and 377 (unnatural sexual offence) of the IPC of the death of his wife. The court ruled that non-consensual sex and unnatural acts within marriage do not constitute offences due to the marital rape exception under Section 375. The court extended this exception to Section 377, relying on the SC's decriminalisation of homosexuality. While the judgment is legally sound, it is disheartening that a woman lost her life after enduring extremely gruesome violations — details of which cannot be reproduced. This resulted in the loss of her honour, dignity and self-esteem, an outcome that sends chills down the spine, leaving a sense that something deeply wrong remains unaddressed. Marriage has evolved from a contractual bond to a partnership of equals, built on mutual respect and consent. Yet, the marital rape exception contradicts this shift, perpetuating

abuse and denying women legal recourse. By presuming perpetual consent, the law disregards modern understandings of dignity, autonomy and human rights. Legalising non-consensual sex within marriage undermines individual freedom and the principle that a wife's bodily autonomy is as vital as that of a husband. Globally, about one in three women have experienced sexual intimate partner violence or non-partner sexual violence in their lifetime (WHO, 2021). A study has found that sexual violence from intimate partners in women aged 15-49 ranged 6.59 per cent across 10 countries (WHO, 2005). The National Family Health Surveys (NFHS) and National Crime Records Bureau (NCRB) are primary sources of national-level data on violence against women in India. However, the data includes only reported cases and marital rape is not legally recognised, leading to less than 1 per cent of such cases being reported. Resolving marital rape in India is complex due to cultural norms surrounding marriage and sexuality. Unlike western societies that emphasise individual autonomy, the Indian society tends to be more conservative, with limited open discussion on sexual matters. Women face societal pressure to conform to traditional roles and any deviation is often seen as a threat to the institution of marriage. The concept of consent within marriage is complicated by cultural and



FACT: A society that denies women dignity and autonomy imperils its own moral foundation. FILE PHOTO

moral implications, where, in more conservative areas, men may feel a strong expectation to fulfill their sexual needs within marriage as sex outside of it is either unavailable or morally rejected. This can blur the line between entitlement and mutual consent. According to a study by Deosthali et al, which analyses data, a 2010 survey found that one in five men reported forcing their wives into sex. In rural Karnataka, 36 per cent women agreed that husbands might force sex even if their wives refused. A Chennai study found 31 per cent women reported sexual violence by husbands while a survey in UP found 32 per cent husbands admitted to forcing sex. The NFHS (2019-2020) shows that 29 per cent married women have experienced

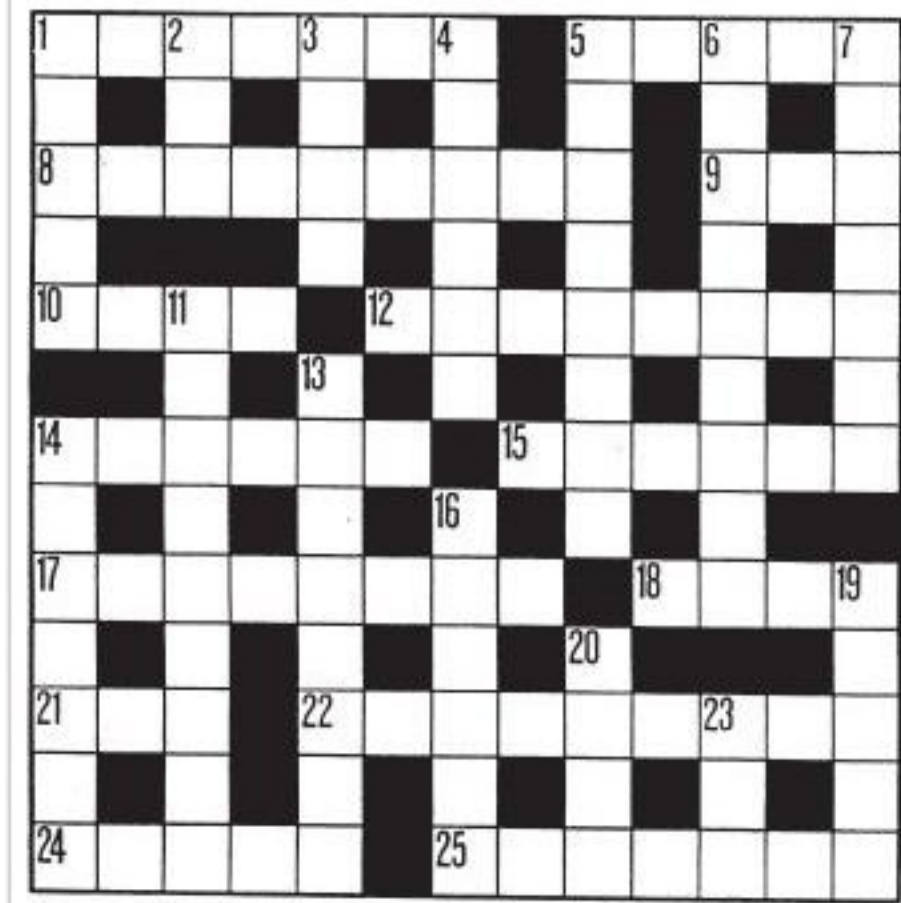
Marriage has evolved from a contractual bond to a partnership of equals, built on mutual respect and consent. Yet, the marital rape exception contradicts this shift.

physical or sexual violence from their husbands. Studies also highlight high rates of sexual violence during pregnancy, with 40 per cent women reporting violence during pregnancy, experiencing sexual violence. These figures likely under-report the prevalence of marital rape due to stigma. Marital rape leads to severe physical, sexual, reproductive and psychological health issues for women. Research shows that abusive husbands are more likely to engage in extramarital sex, have sexually transmitted infections and expose their spouses to increased health risks. Sexual violence is linked to stillbirths, pelvic inflammatory diseases, limited access to prenatal care and even suicide attempts by women. These findings raise serious questions about the cost

women have to pay to 'save' the institution of marriage, often cited as a reason to exempt marital rape. Sweden criminalised marital rape in 1965, leading to a rise in reported cases and public awareness. A 2013 study by the Swedish National Council for Crime Prevention showed that this legal change, coupled with public education on consent, helped women identify non-consensual sex as rape. It also empowered women to seek help from authorities and support organisations, redefining marriage as a partnership based on equality and mutual respect, which fostered broader social changes. The criminalisation of marital rape has brought about significant shifts in societal attitudes and increased reporting. In the UK (1991), it empowered women to recognise marital rape as an abuse of power, leading to higher reporting rates (Kelly & Gavey, 2001). In the US (1993), legal reforms raised awareness, reduced tolerance and underscored a woman's right to refuse sex in marriage (*Journal of Interpersonal Violence*, 2005). In Australia (1981), it resulted in higher reporting and prosecution, with a shift in societal views from seeing forced sex as a private matter to acknowledging it as a violation of personal rights (Australian Institute of Criminology, 2008). Though initially met with opposition, these legal changes gradually fostered greater recognition of women's rights and helped instill more

progressive values in society. The Justice Verma Committee (2013), the 2014 Special Rapporteur on Violence Against Women, and the Pam Rajput Committee (2015) recommended criminalising marital rape, saying that marriage does not imply consent. While international law recognises marital rape, 36 countries, including India, do not. Its criminalisation would ensure proper law enforcement response, survivor support and alignment with global human rights norms. Recognising and criminalising marital rape in India faces challenges like cultural resistance, potential misuse, inadequate support systems, judicial burden and marital tensions. While legal recognition is vital, a holistic approach is equally crucial — encompassing comprehensive sex education, stronger marriage counselling, legal literacy, victim support, gender sensitisation, open discussions on consent, community interventions and reinforced legal protections. A multifaceted strategy combining education, legal reform and societal support is essential for lasting change. Even the *Mahabharata*, despite its narratives of wronged women, upholds an undeniable truth in the *Anushasana Parva* (The Book of Precepts): "The righteousness of men depends upon women." A society that denies women dignity and autonomy imperils its own moral foundation.

## QUICK CROSSWORD



- ACROSS**
- 1 Distraught (7)
  - 5 Illuminated (3,2)
  - 8 Be successful in (4,1,2,2)
  - 9 Disfigure (3)
  - 10 Silly (4)
  - 12 A journalist (8)
  - 14 Allowable margin of variation (6)
  - 15 Bequest (6)
  - 17 An uncontested victory (8)
  - 18 Intelligence (4)
  - 21 Acknowledge (3)
  - 22 Wife of Othello (9)
  - 24 A female relative (5)
  - 25 Without pausing (7)

**Yesterday's solution**  
**Across:** 1 Doggedly, 5 Stab, 9 Panic, 10 Curtail, 11 Troublemaker, 13 Recoil, 14 Morbid, 17 From the heart, 20 Intense, 21 Award, 22 Gate, 23 By chance.  
**Down:** 1 Dupe, 2 Generic, 3 Excruciating, 4 Locale, 6 Track, 7 Belgrade, 8 Primrose path, 12 Trifling, 15 Bargain, 16 Heresy, 18 Octet, 19 Idle..

- DOWN**
- 1 Widely and well known (5)
  - 2 Inquire (3)
  - 3 Title of emperor of Russia (4)
  - 4 A fodder plant (6)
  - 5 A survival (8)
  - 6 Risk inviting disaster (5,4)
  - 7 Depict (7)
  - 11 Self-employed person (9)
  - 13 Collection (8)
  - 14 The full facts (7)
  - 16 British naval hero (6)
  - 19 Punctually (5)
  - 20 Entail (4)
  - 23 Unconscious (3)

## SU DO KU



HARD

**YESTERDAY'S SOLUTION**

1	4	9	3	6	7	8	5	2
8	6	5	2	1	9	7	4	3
3	7	2	5	4	8	9	6	1
9	1	7	4	3	5	2	8	6
4	8	3	6	7	2	1	9	5
5	2	6	9	8	1	3	7	4
2	3	8	7	5	6	4	1	9
7	5	4	1	9	3	6	2	8
6	9	1	8	2	4	5	3	7

**CALENDAR**  
**FEBRUARY 25, 2025, TUESDAY**

- Shaka Samvat 1946
- Phalgun Shaka 6
- Phalgun Purnimika 14
- Hijari 1446
- Krishna Paksha Tithi 12, up to 12:48 pm
- Vyathapata Yoga up to 8.15 am
- Varayan Yoga up to 5.51 am
- Uttarashadha Nakshatra up to 6.31 pm
- Moon in Capricorn sign

## FORECAST

SUNSET:	TUESDAY	18:18 HRS
SUNRISE:	WEDNESDAY	06:52 HRS
CITY	MAX	MIN
Chandigarh	27	12
New Delhi	28	12
Amritsar	21	12
Bathinda	24	12
Jalandhar	21	11
Ludhiana	23	12
Bhiwani	26	12
Hisar	27	10
Sirsa	26	11
Dharamsala	19	05
Manali	13	02
Shimla	16	06
Srinagar	12	02
Jammu	20	12
Kargil	-01	-13
Leh	0	-14
Dehradun	24	08
Mussoorie	16	06

TEMPERATURE IN °C

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PAPER WITH PASSION

## German election Tik Toked

As Germany votes to elect its new chancellor, far right may make substantial gains thanks to its Tik Tok campaign

Germany votes in a snap federal election, a political shake-up triggered by the collapse of the three-party coalition government at the end of last year. With 59.2 million eligible voters, this election is set to reshape the country's political landscape, potentially heralding a shift towards conservatism and a stronger far-right presence. At the forefront of the race is Friedrich Merz, the 69-year-old leader of the conservative Christian Democratic Union (CDU). Merz has emerged as the frontrunner to become Germany's next chancellor, advocating for economic stability, stricter immigration policies, and a reassertion of Germany's leadership in Europe. The far-right Alternative for Germany (AfD) is poised to make historic gains, emerging as the second-largest political force. This comes at the expense of Chancellor Olaf Scholz's Social Democratic Party (SPD), which has suffered due to economic stagnation and dissatisfaction with the previous coalition government. The Green Party and the Free Democrats (FDP), both



part of the fallen coalition, have also struggled to maintain voter confidence. Meanwhile, the Left Party is fighting to remain relevant amid internal divisions and the broader shift in political sentiment.

This election is taking place at a critical juncture for Germany, with pressing domestic and international challenges shaping the national narrative. Germany, the EU's largest economy, is grappling with slow growth, rising inflation, and concerns about industrial competitiveness. Many voters are looking for a leader who can restore economic stability and drive innovation. Besides, the country has faced growing debates over migration policies, with many Germans expressing concerns about integration and border security. The AfD has capitalised on this sentiment, calling for stricter immigration controls. With growing geopolitical tensions, including relations with China, Russia, and the United States, Germany's next leader will need to navigate foreign policy challenges carefully. But the biggest factor that is being analysed is why the AfD is gaining ground? Indeed, the rise of the AfD can be attributed to several factors. Firstly, economic dissatisfaction has pushed voters towards populist rhetoric, with the AfD portraying itself as the party of change. Secondly, frustration with the previous coalition's handling of immigration and energy policy has bolstered nationalist sentiments. An interesting aspect of this election has been the role played by social media, particularly TikTok. The AfD has effectively leveraged TikTok to reach younger audiences, spreading populist messages through short, engaging videos, often laced with negative content. Meanwhile, mainstream parties have struggled to counteract misinformation and viral narratives that favor the far-right. This election underscores the growing influence of digital platforms in modern politics, raising questions about regulation and the impact of algorithm-driven content on democratic processes. Whatever the outcome, it will have far-reaching implications for Germany, the EU and beyond.

### PICTALK



A parrot perches on a 'Palas' flower, in Bastar

PTI

## Navigating differences: Lessons in collaboration from a life in leadership

My experiences have taught me that to find common ground one must show patience, open to dialogue and accomodate perspectives different from your own

I have been trying to set up a small library within my condominium complex. A lady was apprehensive about the criticism from a select few for the expenditure on this noble venture. Her sharp rejoinder that she could never stoop so low to my simple solution of inviting the critics to inaugurate the library left me seething. In another instance, a lady unequivocally told me that she would not work with another lady in the Art and Literature Festival I am organizing within my society. I found their response irrational. I have worked in the government sector for more than 30 years out of the 35 years of an active professional life. The initial 17 years were spent in handling big teams of literate or semi-literate staff. My success depended upon their performance. I could not achieve much without the support of subordinates, peers, and superiors. I did not have the luxury of going back to my seniors to shift a person if he did not perform. I also could not go back asking for a transfer if I felt overwhelmed by the people who



had strong unions, and who would not hesitate to run me down even at the slightest hint of weakness. I was taking stock of the previous day's performance with my senior supervisor in my very first posting in a maintenance shed that had more than 1,000 staff. A group of staff and their leaders barged into the room to air their grievances. An unruly element from the crowd threw an earthen tea cup to landed right in front of me on the table. I had to gulp down the insult to present a brave face as I thundered in the most authoritative voice I could muster that the meeting was over and I would not discuss any further. It turned out that they were testing me and the leaders

tried their best to be on my right side. A senior visited my shop floor during lunch hours in another posting in a production unit a few years later. A place where a lot of grease was used was usually quite gloomy with layers of the sticky substance accumulating over years. The shop floor would also not be the cleanest of the places at lunchtime. Railways was an extremely hierarchical organisation with the seniors considering themselves masters at insulting the subordinates, particularly the officers, who would not retaliate in front of the staff out of a sense of propriety. This senior gentleman shouted at me that if the cleaning staff was not available, then I should have cleaned myself.



SANJAY CHANDRA

My supervisor and the staff showed more compassion as they rushed around. There were many such incidents when I felt degraded and insulted. I did not have the same options that the two young ladies wanted to exercise. To give credit to both, they are well educated, one of them having studied psychology in college, the other is a medical professional. I find a similar unwillingness in other younger professionals. They are rigid in their approach to daily problems and would rather not talk to a person with contrary opinions than sit down to resolve them. The attitude often spills into the personal lives also. There would always be some difficult times. There is a need to discuss and find a middle ground. I would like to bring their attention to the famous words of Abraham Lincoln, "I do not like that man. I must get to know him better." It will take a lot of time and effort. But in the end, it will be worth it. (The author is an electrical engineer with the Indian Railways and conducts classes in creative writing; views are personal)

## New VC appointment rules undermine State autonomy

The UGC's draft guidelines, while ostensibly aimed at ensuring uniformity in VC appointments, have opened a Pandora's box of political and constitutional concerns

The University Grants Commission's (UGC) draft guidelines proposing a shift in the appointment of Vice-Chancellors (VCs) have ignited a political storm. By granting Chancellors—predominantly Governors—the authority to constitute search-cum-selection committees for appointing VCs, the UGC has stirred concerns about federalism, state autonomy, and academic independence. Adding to the controversy, non-compliance with these guidelines could disqualify state universities from UGC funding schemes, creating a direct clash between the Centre and opposition-ruled states such as Tamil Nadu, Kerala, West Bengal, Punjab, and Himachal Pradesh. This move, seen as a veiled attempt to centralise power over state universities, places the spotlight on India's federal structure and the simmering tension between state governments and Governors, especially in opposition-led states. At the core of the debate is the growing role of Governors, often viewed as proxies of the Centre, in state governance. Historically, state governments have played a central role in appointing VCs by constituting independent search committees. However, the UGC's draft proposes a shift, granting Governors—functioning as Chancellors of state universities—control over these committees. Governors, constitutionally expected to act as neutral figures, have increasingly been accused of serving partisan interests, particularly in states like Tamil Nadu, Kerala, and West Bengal. By formalizing the Governor's role in academic appointments, the UGC guidelines risk politicising the process, potentially undermining academic independence and turning universities into ideological battlegrounds. The fears of state governments are not unfounded. In Tamil Nadu, for example, the DMK has accused the Governor of deliberately delaying VC appointments to push candidates aligned with the ruling party at the Centre. Similarly, Kerala has witnessed repeated stand-offs between the Governor and the state government over academic



appointments. The new guidelines only add fuel to these already volatile relationships. The UGC's draft guidelines also raise significant constitutional questions. Education, as a subject under the Concurrent List, allows both the Centre and states to legislate on it. However, the Constitution also upholds federal principles, granting states substantial control over their universities. The new guidelines, by empowering Governors to dominate the VC appointment process, are being viewed as an encroachment on states' jurisdiction. Several states may challenge these guidelines in court, arguing that they violate the federal structure enshrined in the Constitution. States like Tamil Nadu have already passed laws to curtail the Governor's powers in academic governance, reflecting a broader pushback against what they see as an overreach by the Centre.

For opposition-ruled states, where educational institutions are often viewed as bastions of intellectual and political autonomy, the UGC's guidelines have deepened fears of central overreach. The ruling dispensations in states like Tamil Nadu, Kerala, and West Bengal have expressed strong apprehensions about Governors using this newfound authority as an extension of the Centre's political influence. In West Bengal, Chief Minister Mamata Banerjee's government has long accused the Governor of interfering in the state's affairs, particularly in



THE FEAR IS THAT SUCH INTERFERENCE COULD STIFLE INTELLECTUAL DIVERSITY, WITH UNIVERSITIES BECOMING VEHICLES FOR PROPAGATING THE CENTRAL GOVERNMENT'S POLITICAL AGENDA

the educational domain. The UGC guidelines could exacerbate this friction, allowing the Governor to influence appointments to academic institutions. Such moves, critics argue, undermine the intellectual independence that universities in the state have historically enjoyed. In Kerala, where the Left Democratic Front (LDF) government has vociferously defended educational autonomy, the guidelines are being seen as an outright encroachment on the state's constitutional rights. The state government fears that politicised appointments could compromise the ideological neutrality and academic standards of its universities. The DMK-led Tamil Nadu government has also repeatedly opposed the Governor's increasing interference in educational appointments. The state has even passed legislation to reduce the Governor's control over the VC selection process, only to have it stalled by the Governor. For Tamil Nadu, these new guidelines are a direct challenge to the state's efforts to safeguard its educational institutions from external political influence. Universities, as centres of higher learning, thrive on autonomy and academic freedom. The UGC's intervention threatens to compromise these principles by potentially turning VCs into political appointees. Critics argue that such appointments could erode academic independence, with VCs prioritising political allegiance over edu-

cational excellence. In opposition-led states, this concern is particularly acute. The fear is that such interference could stifle intellectual diversity, with universities becoming vehicles for propagating the central government's political agenda. This interference also undermines the confidence of academicians and researchers. Scholars worry that political considerations will outweigh merit in appointments, leading to a decline in the quality of higher education. The resulting chilling effect could discourage free thought and innovation in academic institutions. The controversy over VC appointments is emblematic of a larger tussle between the Centre and states over federalism. For states like Tamil Nadu, Kerala, and West Bengal, the guidelines represent an erosion of their autonomy in managing critical domains such as education. This growing centralisation also poses questions about the role of Governors in a federal structure. A balanced approach, one that respects state autonomy while ensuring accountability in academic governance, is the need of the hour. Without such a resolution, the guidelines risk becoming another flashpoint in the Centre-state relationship, with significant implications for India's federal structure and the future of its education system.

(The writer is a senior political analyst and strategic affairs columnist)

### LETTERS TO THE EDITOR

#### FARMERS DESERVE FAIR PRICES

Madam — The Union Agriculture Minister talking about the government working out schemes (February 23) to prevent distress sale of farm produce is welcome. India continues to be predominantly an agrarian country. It's contribution to the country's GDP was around 51 per cent at the time the country got freedom. Still, we had to depend on aids like PL480 to feed the poor. Thanks to the green revolution taken up with all by the government as well as the farming community with all sincerity the country is upgraded to food surplus status. But due to the shifting of focus from agriculture to industry, agriculture is suffering the worst, facing all sorts of odds at every level. Though every commodity's price is fixed by the producer, it doesn't hold good for the farm produce. The government doesn't volunteer to take the ground reality into account and fix the cost, leaving it to the market dynamics. This policy has allowed the middlemen to play havoc. This reality, coupled with the apathetic moves of the government, has resulted in millions of farmers resorting to committing suicide. Many small farmers are deserting their farming activities and migrating to cities seeking daily wage jobs for their livelihood. The government is still not sensitised to address the issues but comes out with plans to monopolise farming by a few private corporations. It is good that the minister has now talked about the woes of the farmers who fail to get reasonable returns and the consumers who fail to get the benefit of the plenty. It would be a meaningful act of the government to discuss with the farmers and address their woes without attaching any political strings. Farmers are the real wealth creators and providers of food security.

A G Rajmohan | Anantapur

#### MEDIA TARGETS KIIT UNIVERSITY

Madam — After the suicide of a Nepali student at Odisha's KIIT University following an unhealthy relationship, some sections of the media are targeting the university

### Virat shines as India beats Pakistan



India has beaten its archrival Pakistan by six wickets in their group A match of the ICC Champions Trophy 2025 at the Dubai International Cricket stadium. Virat Kohli has once again proved his supremacy against Pakistan in the ICC tournaments, delivering a scintillating unbeaten century with a memorable knock off 111 balls. The win propelled India to the top of Group A with 4 points,

virtually securing a semifinal berth, while Pakistan faced the threat of an early exit, suffering their second consecutive defeat. Kohli's knock featuring seven exquisite boundaries dismantled Pakistan's hopes as their premier pacers Shaheen Shah Afridi and Haris Rauf struggled to make an impact after Afridi dismissed Rohit Sharma (20 off 15) early with a fiery yorker. It is Kohli's 51st ODI tonne by becoming the fastest batter to reach 14000 ODI runs during his innings. With 51 centuries in ODIs and 30 in Tests, with 7 double centuries in international cricket, Kohli is regarded as one of the greatest batsmen of all time. Kohli is often referred to as the King Kohli by his fans and supporters due to his achievements and contributions to the game.

P Victor Selvaraj | Tirunelveli

to satisfy their agenda. Now, the context of justice for the deceased girl has been diverted to their own vendetta. As a result, the last couple of days have been very dramatic for the student fraternity. Other students in KIIT who have come for higher studies from outside and their parents have been in a distributing mind state. They should not suffer from the media trial. Considering the incident, the state government formed a high-level committee to probe into it. Now it's become a political farce; every day different political outfits are staging protests in the evening in front of the main gate like a daily routine, which is ruining the academic environment on the campus. Amid all of this, we should not forget the contributions of this university to the sports and education systems of the state. Let's make a healthy environment for the other students of KIIT and have faith in the law.

Susant Pal | Bhubaneshwar

#### TRUMP DISRUPTING WORLD ORDER

Madam — US President Donald Trump's economic and geopolitical decisions have

raised global concerns. His imposition of tariffs on Mexico, Canada, Brazil, and China has strained trade relations. His remarks about annexing Canada and Panama are alarming, while his characterisation of India as the highest tariff-imposing nation risks diplomatic tensions. On foreign policy, Trump's abandonment of Ukraine, despite US Democrats pushing it into conflict with Russia, has left the nation vulnerable. His call for Palestinians to vacate Gaza and seek refuge in Egypt and Jordan adds to Middle East instability. If America alienates nations through unilateral policies, it risks losing global leadership. A hostile US stance could push China and Russia closer. No country, not even the US, can remain strong forever without allies. For America to truly remain great, Trump must adopt a more cooperative and balanced approach to international relations.

Gopalaswamy J | Chennai

Send your feedback to: letterstopioneer@gmail.com

FIRST COLUMN

THE HANDWRITING BLUES:  
A STORY OF DECLINE

Some see handwriting as a reflection of character, but it shifts, evolves and often declines beyond recognition



Some conjecture that a person's handwriting can give a glimpse into that person's character. But I am a sceptic in this regard, because, in my opinion, the handwriting of an individual is not a constant, but keeps on morphing as time goes by. A case in point is your humble friend, who has seen his handwriting deteriorate over the past few decades, till now, in my fifth decade, it is nothing more than a painstaking, almost illegible scrawl- although, with the advent of the now ubiquitous personal computer and other sundry devices, the negative impact of this deterioration has been minimised, especially in official work. Because today, when I write a note on any file with my hand, others find it rather difficult to 'decrypt'. Even filling simple financial documents like a cheque is a nightmare now, a stiff challenge, that is increasingly being left to my better half to handle, as bank people, on a few occasions, have raised doubts about the authenticity of my signature. But before the readers start commiserating about the sad and agonising state of my handwriting, I will share with them that this was not always the case. In the early years of school, I was the darling of my teachers because of my neat and clean handwriting, which made me the cynosure of my peers. Writing on four-line copies, I would get full marks in English handwriting. The slide commenced from middle school onwards, when I shifted from writing with a pencil to writing with a ball pen, and the copy changed from one with four lines to that with two lines. But the hand was still steady, and teachers did not have any problem reading my answer sheets, as was evident from the good grades I continued to get in my exams. But I am sure, that as I entered college and the university in the mid-eighties, the good professors would have become



increasingly impatient in poring over my messy answer sheets, with scribbles galore. Throughout, my father, a diligent and thorough gentleman, with very precise and beautiful handwriting, kept counselling me to stem the rot, even as I secured a job in the public sector in 1991. He gently warned that it would adversely impact my prospects of growth in the corporate world, especially when this was the period when all office work was conducted on well-defined sheets of paper- which, in my case, were to be yellow pages. Before leaving for Bombay (as Mumbai was then called), I scoffed at Dad's gentle, but consistent reprimands. It was only when I took my first, tentative steps in the company did I realise that what Dad had been emphasising over the years was not an iota away from the truth. I faced a mild, personal nudge from some bosses on this account, but others were not so kind, and their reaction bordered on outright contempt, reprimand and disapproval. But Dad was an eternal optimist. He still harboured a strong wish to get my handwriting back on track, even at this stage, for which he purchased a book- 'Techniques to improve your handwriting'. I was back in kindergarten. So, whenever I came home to Delhi for a break, he would insist that I sit with him, at least for some time, and practice on ways to improve my, by now abominable handwriting. But by this point, my mind, like that of all young men, was engrossed in finer things of life than improving my writing ability, which, I realised, was destined to be an exercise in futility. This cat-and-mouse game continued even after I got married in 1993. It was only after I became a father in 1995 did Dad finally buried his desire to improve my handwriting to a decent level.

(The author is a freelance writer; views are personal)

# RBI should go for an 'accommodative' stance



While inflation has been steadily declining, the RBI opted to retain its 'neutral' stance, signaling a measured approach rather than give push to boost liquidity and demand



On February 7, 2025, the Reserve Bank of India (RBI) Governor Sanjay Malhotra announced the decisions taken by the six-member Monetary Policy Committee (MPC) in its sixth bi-monthly meeting of the current financial year (FY). It has reduced the policy rate or the repo rate (the interest rate at which the RBI lends to banks) by 25 basis points to 6.25 per cent. This marks the first repo rate cut in nearly five years. Moreover, it has continued with a neutral stance which it shifted in its fourth bi-monthly review/announcement on October 10, 2024, from its earlier stance of "withdrawal of accommodation". In 2016, the Union Government put in place an institutionalized framework to enable the MPC to formulate monetary policy and determine the key interest rates including the policy rate for inflation targeting. It mandated the RBI to fix the policy rate in such a manner as to maintain the Consumer Price Index or CPI (it corresponds to a basket that includes food, fuel, manufactured goods, and select services) within the target range of 4 per cent (+/- 2 per cent). The RBI decides the policy rates once in two months during each FY. The mandate initially given for five years ending March 31, 2021, has since been extended for a further period of five years. The current mandate will continue till March 31, 2026. The other crucial policy instrument the RBI uses for targeting inflation is Liquidity - jargon for the quantum of credit available in the banking system. Pumping more liquidity along with a reduction in the policy rate represents a scenario which in jargon is described as an accommodative policy stance. The terminology was coined by the outgoing governor Shaktikanta Das in June 2019 when he started going for aggressive cuts in the policy rate and an increase in credit availability. Since June 2022 the RBI changed its stance to "withdrawal of accommodation" and had stuck to it till October 9, 2024, when in the fourth bi-monthly review, the MPC decided to go for a "neutral" stance. A



THE PROBLEM IS RBI'S OBSESSION WITH INFLATION. MALHOTRA RECOGNISES THAT INFLATION IS ON A DOWNWARD TRAJECTORY. YET, HE DOESN'T WANT TO RELINQUISH HIS NEUTRAL STANCE CITING GLOBAL ECONOMIC CHALLENGES "PROGRESS IN GLOBAL DISINFLATION IS STALLING"

"neutral" stance connotes that the RBI has vowed to keep its options flexible meaning it will neither squeeze liquidity by restricting credit availability and keeping policy rates high nor go for unrestrained lending at low interest rates. While inflation targeting is important, it is equally necessary to dovetail the monetary policy to sustain the momentum of high growth. During the second quarter of the current FY, growth in GDP plummeted to a low of 5.4 per cent down from a high of 8.1 per cent during the second Qr of FY 2023-24. For the current FY 2024-25, it is estimated at 6.4 percent as against 8.2 percent recorded during FY 2023-24. Seen in this backdrop and an overarching need to achieve a growth of 8 per cent on a sustained basis in line to make India a 'developed economy' by 2047, the RBI could have given the desired push. It could have gone for an 'accommodative' policy stance by opting for a significant cut in the policy rate and pumping sufficient cash into the banking system. However, it has stuck to a "neutral" stance while reducing the repo rate by a small 0.25 per cent. RBI's reluctance has to do with a mindset that was reflected in ex-Governor Das's observation while announcing the first bi-monthly policy of the current FY. He had said "The elephant has now gone out for a walk and appears to be returning to the forest. We would like the elephant to return to the forest and remain there on a durable basis." Put simply, he meant there was no need to start reducing interest rates until inflation reached the target of 4 per cent and stayed at that level. The incumbent Governor has continued with this mindset. In February 2023, the policy rate was at a peak of 6.5 per cent. During FY 2022-23, the CPI inflation was hovering around 8 percent.

In the following year, it started decreasing from 7.4 per cent in July 2023 to 5 per cent in September 2023, 4.8 per cent in October 2023 and 5.1 per cent during January/February 2024. For FY 2023-24, it was 5.4 percent. During the current FY also, it has kept low; 5.08 percent in June 2024 and 3.54 percent in July of 2024. After a brief spurt of 6.2 per cent in October 2024, in January 2025, it declined to 4.3 per cent. During FY 2024-25, the RBI has estimated it at 4.8 percent. Given the above, from the third quarter of FY 2023-24, the CPI inflation has remained well within the target range of 4 per cent (+/- 2 per cent). This position continues during the current FY. For FY 2025-26, the RBI expects it to be 4.2 per cent. Thus, there was a strong case for a significant reduction in the repo rate besides the injection of sufficient liquidity. This would have helped in stimulating demand thereby giving a boost to economic growth besides helping millions of borrowers reduce their EMIs and helping industries, especially MSMEs reduce the cost of servicing their loans. But, this was not to be. The problem is RBI's obsession with inflation. Malhotra recognizes that inflation is on a downward trajectory. Yet, he doesn't want to relinquish his neutral stance citing global economic challenges "progress in global disinflation is stalling". Put simply, he fears imported inflation impacting CPI hence, a "neutral stance will provide MPC flexibility to respond to evolving macro-economic environment." A major factor contributing to wide variations in CPI inflation is food inflation which has a weight of around 40 per cent and is impacted predominantly by supply side/seasonal factors whereas monetary policy instruments work on the demand side. Invariably, food inflation main-

tains an upward trend even as a small disruption in supply caused by seasonal factors can lead to spiralling prices. As long as food remains a part of the CPI basket, inflation targeting will always remain a problem. There is an urgent need to exclude it while setting benchmark interest rates, an idea that was mooted by the Chief Economic Advisor in the Economic Survey (ES) for 2023-24. The CEA argued that monetary policy has no bearing on the prices of food items, which are dictated by supply-side pressures. For instance, during 2021-22, wheat output was affected by unusually high temperatures. During 2022-23, rains accompanied by hailstorms acted as a spoiler. During the first half of FY 2023-24, food inflation went up due to a spike in the prices of vegetables caused by seasonal factors. The spurt in food prices during October 2024 also had to do with supply-side pressures only. The RBI can achieve little to control them by keeping the policy rate high. The RBI should take the idea mooted in the ES - 2023-24 on board. Meanwhile, it should consider reducing the weight of food inflation in CPI to reflect the contemporary reality. The current 40 per cent weight is based on the Consumption Expenditure Survey (CES) of 2011-12 whereas Summary Statistics from the 2022-23 CES point towards a significant reduction. While formulating its monetary policy, the RBI's prime responsibility is to ensure macro-economic stability its pivotal focus being on keeping inflation within reasonable bounds. However, it can't be oblivious of the dire need to support economic growth which could be adversely impacted if it doesn't relax the credit environment. (The writer is a policy analyst; views are personal)

## M23 rebellion and Rwanda's role: The escalating crisis in Eastern Democratic Republic of Congo

### At the heart of this conflict lies a web of ethnic tensions, political grievances, and economic exploitation, particularly vast mineral wealth of DRC

The recent escalation of violence in the eastern Democratic Republic of the Congo (DRC) is a stark reminder of the region's deep-rooted instability. The resurgence of the M23 rebellion, which led to the seizure of Goma and further advances into South Kivu, is not merely an internal Congolese crisis—it is a conflict with significant regional and international implications. Rwanda's involvement, whether direct or indirect, remains contentious, as accusations of its support for M23 persist. While Kigali denies these allegations, the sophistication of M23's operations raises serious questions about its backing. At the heart of this crisis lies a complex mix of ethnic tensions, political grievances, and



economic exploitation, particularly concerning the DRC's vast mineral wealth. For years, Rwanda has been accused of providing M23 with financial and military support, a claim reinforced by multiple UN reports and statements from Western governments. Kigali, however, insists that it is acting in self-defence, citing the threat posed by the Democratic Forces for the

Liberation of Rwanda (FDLR), a Hutu militia operating in eastern DRC with historical ties to the perpetrators of the 1994 Rwandan genocide. Yet, Rwanda's actions go beyond border security. The conflict's economic dimension cannot be ignored, with Rwanda being accused of profiting from the illicit exploitation of Congolese minerals, particularly coltan, a key component in electronic devices. The capture of Rubaya, a coltan-rich area, by M23 last year suggests that economic interests play a crucial role in shaping the rebellion's trajectory. M23 claims to be fighting for the rights of ethnic Tutsis in eastern DRC, arguing that the Congolese government has failed to protect them from persecution. While

there is historical evidence of ethnic violence against Tutsis in the region, M23's actions undermine its credibility. Rather than advocating for political rights through diplomatic means, the group has engaged in violence, forced displacement, and human rights violations. Its strategy of seizing key cities and resource-rich territories suggests an agenda extending far beyond self-defence. The DRC, backed by the international community, has dismissed M23's claims, arguing that the group is acting as a proxy for Rwanda's regional ambitions. The latest attempt by regional leaders to broker peace, with the Southern African Development Community (SADC) and the East African Community



(EAC) calling for an immediate ceasefire, reflects a growing recognition that the crisis cannot be resolved through military means alone. However, the reality on the ground tells a different story. M23 had briefly declared a ceasefire before resuming attacks, signalling that diplomatic efforts are struggling to keep up with battlefield developments. The DRC's call for UN sanctions against Rwanda, coupled with protests in Kinshasa

where demonstrators burned portraits of President Paul Kagame, indicates a deepening rift between the two countries. With diplomatic ties severed and hostilities intensifying, the prospects for a negotiated settlement remain bleak. A purely military solution is unlikely to yield lasting peace. The Congolese army has historically struggled to contain well-equipped rebel groups, and the presence of the UN peacekeeping mission, MONUSCO, has done little to prevent the latest wave of violence. Foreign military intervention, whether from regional forces or international actors, risks escalating the situation rather than resolving it. The most viable path forward is a combination of military containment and political

engagement. Strengthening the DRC's security forces to prevent further territorial losses is crucial, but diplomatic efforts must also address the root causes of the conflict, including ethnic grievances and economic exploitation. The global demand for coltan and other precious resources ensures that armed groups can sustain themselves through illegal mining operations. Without stronger international regulations and accountability measures, companies sourcing minerals from conflict zones will remain complicit in financing violence. Holding both state and non-state actors accountable for their role in resource exploitation is essential for breaking the cycle of conflict. The ongoing crisis in eastern

DRC is not just about M23 or Rwanda's alleged involvement—it is part of a larger geopolitical struggle that has plagued the region for decades. Unless regional actors commit to genuine peace efforts and the international community enforces stricter measures against illegal mineral trade, the conflict will persist. The path to stability requires addressing both security concerns and economic incentives that drive armed groups. Without meaningful action, eastern DRC will remain trapped in a cycle of violence, with its people bearing the brunt of a war that serves the interests of powerful actors far beyond its borders. (The writer is a foreign policy researcher; views are personal)