Descent into farce

Ad hoc changes and poor implementation mar the ECI's SIR

The Election Commission of India (ECI)'s Special Intensive Revision (SIR) of electoral rolls across 12 States and Union Territories (UT) is fast descending into a farce. Take the case of West Bengal, where furore over elderly residents having to attend eligibility hearings in remote locations even after submitting their enrolment forms forced the ECI to order home verification. Or, the fact that it had to conditionally halt hearings of "unmapped" voters (those whose names or parents' names were not mapped with the 2002 SIR). Summons were in the form of software notices, but this software was not used in Bihar. An association of civil servants complained that this "*suo motu* system-driven deletion of electors from the draft electoral rolls in West Bengal in the ongoing SIR process [bypassed] the statutory role of the [Electoral Registration Officers]". The procedural chaos could have been avoided had the ECI not rushed into the SIR just before Assembly elections in States/UTs such as West Bengal, Tamil Nadu, Kerala and Puducherry. Its ad hoc use of software – the ECI junked its de-duplication software in Bihar and told the Supreme Court why it was not using it, but reportedly used it alongside another software to flag "unmapped" voters without proper protocol – is creating confusion and distress. The suspicion that the ECI is using an exercise of updating electoral rolls as a de facto citizenship screening exercise seems to be confirmed by the manner in which it is going about things.

There are inconsistencies and anomalies in the draft electoral rolls, many of which have been flagged by *The Hindu*'s data-driven investigations. The over 6.5 crore deletions, according to provisional numbers, suggest methodological problems in and poor implementation of the exercise. In Uttar Pradesh, provisional figures show that 2.89 crore names have been deleted, which could possibly explain why the ECI has postponed publication of the draft roll to January 6. In Tamil Nadu and Gujarat, which are relatively urbanised States with net in-migration of electors, 97 lakh and 73.7 lakh electors, respectively, have been taken off the draft rolls. That both States have since seen the furious inclusion of lakhs of names – added incomprehensibly as fresh additions in another procedural flaw – suggests that the enumeration phase was concluded haphazardly. This situation could have been avoided had the Court gone beyond limited interventions – which were salves for Bihar electors – to properly vet the new SIR procedure for constitutionality. It is still not too late for the Court to take note of the infirmities and to decide firmly in favour of the electorate. The fate of the very idea of universal adult franchise hangs in the balance.

Hold the centre

Bangladesh needs a leader who can keep extremists at bay

The death of Khaleda Zia, Bangladesh's first woman Prime Minister, on December 30, closes one of the most consequential chapters in the South Asian country's turbulent political history. Zia, who entered politics after her husband, Gen. Ziaur Rahman, was assassinated in 1981, played a pivotal role in ending the military dictatorship in 1990. She initially joined hands with Awami League leader Sheikh Hasina in the struggle to restore democracy, but their subsequent feud, the 'Battle of the Begums', came to define Bangladesh's politics for decades. With Zia's passing and Ms. Hasina, deposed in an uprising in 2024 and now in exile in India, Bangladesh is poised for a generational shift as it prepares to hold elections on February 12, 2026. But this transition is unfolding amid chaos and uncertainty. Tarique Rahman, Zia's 60-year-old son and the acting chairman of the Bangladesh Nationalist Party (BNP), returned after over 17 years of self-imposed exile. His immediate task is to unify the party's fractious factions and articulate an inclusive vision for the electorate. In a massive rally in Dhaka, he avoided the language of vendetta and stressed unity and inclusivity, but the BNP's violent past and Bangladesh's present instability cast a doubt on the prospects of any swift turnaround in the country's fortunes.

The interim government led by Muhammad Yunus has struggled to restore stability. Mobs continue to rule the streets, as evidenced by a recent lynching of a Hindu youth and arson attacks on two newspaper offices. Local reports also suggest that operatives of the banned Jama'atul Mujahideen Bangladesh may be becoming active again, heightening security risks. Mr. Yunus has also banned the Awami League, one of the country's two largest parties, from political activity – this renders the legitimacy of the election deeply contentious. The BNP is the other major force but its leaders and operatives have been accused of extortion rackets and political violence. The National Citizen Party, which emerged from the 2024 student uprising, promising a break with traditional politics, has formed an electoral alliance with the Islamist Jamaat-e-Islami. If the Jamaat, which sided with the genocidal Pakistani military in 1971, emerges as a major political player or a power broker after the elections, it would mark a seismic shift, with uncertain implications for Bangladesh's secular constitutional order. What Bangladesh needs is a leader who can break the cycle of chaos, rebuild public trust, restore law and order and keep fundamentalist groups at bay. The responsibility for rebuilding the centre of Bangladesh's political spectrum rests largely with Tarique Rahman and the BNP. Whether he can shoulder that burden effectively will shape the country's near future.

India's space programme, a people's space journey

S. Somanath

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India is not only an active participant in the space age but is also shaping it

India's space journey has evolved beyond a string of spectacular missions. It has the national pulse and is a source of daily inspiration. In June 2025, when Group Captain Shubhanshu Shukla displayed the Tricolour aboard the International Space Station (ISS) and spoke to Prime Minister Narendra Modi, it was a moment of pride for every Indian. The Prime Minister called it a "defining chapter" of *Amrit Kaal* ('era of nectar'), and for many, that moment felt like India's ascent was a part of their own heartbeat. It was not just science. It was identity being reshaped through vision and purposeful programmes.

That same spirit has been echoed earlier, on August 23, 2023, when Chandrayaan-3 made India the first nation to land near the lunar south pole. "India is now on the Moon," declared Mr. Modi – words which rippled through classrooms, villages and living rooms alike. India's lunar programme has been truly path breaking: Chandrayaan-1 (2008) confirmed the presence of water molecules; Chandrayaan-2 (2019) mapped the moon with high precision and prepared the ground for Chandrayaan-3 (2023), which achieved the world's first soft landing near the south pole. When the Vikram lander and Pragyan rover explored the lunar surface for a full moon day, this led children to draw depictions of lunar landscapes in notebooks, it left researchers feeling vindicated, and inspired citizens who saw India's story in space as also their own future.

India has become a trusted global partner in space. Over 400 foreign satellites have been launched aboard Indian rockets. In 2014, India became the first Asian nation and only the fourth in the world to reach Mars orbit – and on its maiden attempt, with the Mars Orbiter Mission (Mangalyaan). The Aditya-L1 mission (2023), built through multi-institutional collaboration, is providing unprecedented insights into the sun's corona and its impact on space weather. XPoSat (2024) is studying black holes, while SpaDeX (2024) has demonstrated in-orbit docking for future space stations and lunar missions.

A new space vision

These milestones are reshaping policy, culture, and aspiration. The road map is bold: continuation of the Gaganyaan programme for human spaceflight, Chandrayaan-4 and 5 for deeper lunar exploration, a dedicated Venus mission, a Bharatiya Antariksh Station (BAS) by 2035, and an Indian human landing on the Moon by 2040. These are not distant dreams but national goals, aligned with the spirit of *Amrit Kaal*.

The Prime Minister has called for building a pool of 40 to 50 trained astronauts for future missions. On National Space Day 2025 (August 23), he urged young citizens to see themselves as participants in India's human space programme. Gaganyaan, with an approved outlay of over ₹20,000 crore, is advancing steadily. Four Indian Air Force test pilots are undergoing training, and a series of uncrewed and crewed flights will culminate in India's first indigenous human space mission, presently targeted for 2027.

Space technology today is woven into the fabric of governance and daily life. Satellites deliver disaster warnings, guide fishermen, assess crop yields and insurance claims, enhance railway safety, and power the geospatial backbone of the PM Gati Shakti programme. Space is no longer a distant luxury but a democratic utility – accessible to every citizen.

At the same time, space exploration fuels Science, Technology, Engineering and Mathematics (STEM) education, advanced research, and workforce development. Future-ready technologies in space operations autonomy, robotics, in-space manufacturing, surveillance and interplanetary travel are being developed, ensuring that India retains leadership in this strategic frontier.

The transformation of India's space sector is deliberate and ambitious. The opening of the field to private players, creating a thriving ecosystem of more than 350 startups building satellites, launch vehicles, and ground systems. The space budget has nearly tripled – from ₹5,615 crore in 2013-14 to ₹13,416 crore in 2025-26 – and has been augmented by nearly ₹5,000 crore in user funds. India's space economy, currently valued at $8 billion, is projected to grow to $44 billion in the years ahead, creating jobs, industries and innovations that orbit around this sector.

Inspiring the next generation

The Prime Minister has challenged the ecosystem to deliver five space unicorns within the next five years and to scale up annual launches, nearly ten-fold, to 50 a year. With private participation, India is advancing technologies related to semi-cryogenics, electric propulsion, quantum communication and in-orbit servicing.

Youth are at the heart of this vision. The International Olympiad on Astronomy and Astrophysics hosted in India (August 2025) drew nearly 300 participants from over 60 countries, with Indian students winning medals. Initiatives such as the ISRO Robotics Challenge and Indian Space Hackathon/Bharatiya Antariksh Hackathon are bringing school and college students into direct contact with rovers, satellites and rockets, building confidence that the laboratories and launchpads of tomorrow are theirs to claim.

At the policy level, the National Meet 2.0 held just before National Space Day produced 5,000-plus pages of documentation across 300 user interactions. This 15-year road map aligns every mission with the vision of Viksit Bharat 2047.

Global collaborations and leadership

Space has been consistently projected as a global commons, where India's leadership translates into shared progress. The South Asia Satellite has provided neighbours with communication capacity, while during India's G-20 Presidency in 2023, India announced a "G20 satellite" for climate and environmental monitoring with data shared with all nations. Collaborative missions such as NASA-ISRO Synthetic Aperture Radar (NISAR) with the National Aeronautics and Space Administration (NASA), Thermal infraRed Imaging Satellite for High-resolution Natural resource Assessment (TRISHNA) with CNES (French space agency), Lunar Polar Exploration (LUPEX) with Japan Aerospace Exploration Agency (JAXA), and India's participation in the European Space Agency (ESA)'s Proba-3 demonstrate India's rise as a global partner, guided by the ethos of *Vasudhaiva Kutumbakam* ('the world is one family').

India's space journey is more than rockets and satellites. It is about a nation discovering new ways to see itself. The salute of Shubhanshu Shukla aboard the ISS, the landing of Chandrayaan-3, 350 startups from small towns designing space systems, young students competing in Olympiads, and satellites quietly serving national security and citizen services are all part of the same story.

In this *Amrit Kaal*, India is not simply participating in the space age. It is shaping it. With ambition, confidence, and purpose, Bharat looks to the stars knowing that the horizon belongs to it too.

The views expressed are personal

The U.S. tariff shock, India's pharma future

R.H. Pavithra

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For India, its strength in generics acts as a buffer, but diversification and reforms are a necessity

In September 2025, U.S. President Donald Trump's sweeping announcement imposing a 100% tariff on branded and patented pharmaceutical imports from October 1, 2025, saw India's pharmaceutical industry, which has long been hailed as the "pharmacy of the world", standing at a crossroads. The U.S.'s move, ostensibly aimed at bolstering domestic manufacturing, threatens to disrupt supply chains that have saved the U.S. health-care system billions of dollars while also fuelling India's export-led growth.

Yet, as tariffs ripple through global markets, India's dominance in generics offers a vital buffer, even as it underscores the urgent need for diversified partnerships and domestic reforms. With pharma exports to the U.S. alone reaching close to $9 billion in fiscal 2025 – a 14.29% surge year-on-year – the stakes could not be higher for India's $50 billion pharmaceutical sector, which contributes nearly 1.72% to the nation's GDP.

A global perspective

Global pharmaceutical exports, valued at over $850 billion in 2024, thrive on aging populations, chronic diseases, and post-COVID-19 pandemic innovation. Germany ($119.85 billion), Switzerland ($99.08 billion), and the U.S. ($90.30 billion) were lead exporters in 2023-24, while the U.S. ($212.67 billion in imports in 2024), Switzerland, Germany, Belgium, and China top importers. The European Union (EU)'s €313.4 billion in medicinal exports in 2024, up 13.5%, reflects resilience amid geopolitical tensions. India, the third-largest exporter by volume, shipped $27 billion in 2023, rising to $30.47 billion in FY25.

Generics dominate, with 70% of exports to the U.S. and Europe. However, $5 billion in annual imports, mainly active pharmaceutical ingredients (API) from China (72% share), exposes supply chain risks. The sector's 10%-12% CAGR adds 0.5%-1% to GDP growth annually, bolstering forex reserves. The U.S. tariff, which has spared generics for now, targets branded drugs unless made domestically. India supplies 40% of U.S. generics, saving payers $219 billion in 2022. Yet, the market jitters were immediate with the shares of pharma majors falling and erasing millions in market cap. An escalation to generics could cut export revenues by 10%-15%, trimming GDP growth by 0.2%-0.3% in FY26. Some firms with over 30% U.S. exposure, face rerouting costs, regulatory hurdles, API inflation (up 5%-7%), and stalled research and development. This could spur "China-plus-one" strategies, redirecting exports to Africa and Southeast Asia, potentially raising India's regulated market share from 3% to 3.5% by 2030.

India's Goods and Services Tax (GST) rationalisation, effective September 22, 2025, provides domestic ballast. Drug and medicine rates dropped from 12% to 5%, with 36 essential items at nil, saving consumers $1.2 billion annually. Medical device rates fell from 18% to 5%, easing $5 billion in imports. No re-labelling for pre-September stocks minimises disruptions. Aligned with Ayushman Bharat, this boosts consumption by 8%-10%, insulating markets from tariff-driven hikes.

On eastern scale

Global trade pits western innovation against eastern scale. Under the U.S.-EU pact, EU exports of medicinal and pharmaceutical products to the U.S. ($65.7 billion from Ireland in 2024), prioritises supply chain security. China's 2025 agreements, capturing 32% of Q1 global biotech deals, and $2.5 billion in U.S. molecule licensing in H1 2025, signal eastern strength. India's diplomacy has seen the signing of six memoranda of understanding (MoU) with Trinidad and Tobago in July 2025 (it includes cooperation in pharmaceuticals), a Singapore API pact, and Serum Institute's dengue treatment collaboration for low-middle-income nations. These, alongside iPHEX (the international pharmaceutical exhibition) could double exports to Africa significantly. With 35% of pharmaceutical exports U.S.-bound, eastern alliances could offset 20%-25% of tariff risks.

Bullish forecasts

Forecasts paint a bullish canvas: India's pharma market, valued at $50 billion in 2023-24, has a goal of reaching $130 billion by 2030 (11%-12% CAGR), with exports surging to $120-$130 billion. Globally, spending could hit $1.5 trillion by 2029, fuelled by biosimilars and precision medicine. India's API sector could grow to ₹1.82 trillion by 2030 ($22 billion), with PLI schemes reclaiming 20% domestic production.

Challenges such as IP disputes and API dependency persist, but resilience shines through initiatives such as Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP). Under the PMBJP, a total of 16,912 Jan Aushadhi Kendras have been opened (June 2025), with 2,110 medicines and 315 surgicals, medical consumables and devices under the scheme product basket.

Tariffs threaten affordability, with U.S. cancer therapy costs potentially rising $8,000-$10,000 for a 24-week course, mirroring India's 60% out-of-pocket burden. Generics, 80% cheaper, enable 20 million treatments yearly, though quality concerns and disruptions risk delaying surgeries by 15%-20%. PMBJP's oncology basket, cutting costs by 70%, proves that domestic buffers work.

U.S. tariffs risk causing shortages if India's 40% generic supply frays. India must leverage MoUs, invest $10 billion in APIs via PLI 2.0, and push WTO reforms. With global pharma eyeing $450 billion for India by 2047, collaboration in the form of east-west hybrids, innovation, and equitable access is key. Policymakers must diversify boldly, reform swiftly, and secure India's pharma supremacy.

LETTERS TO THE EDITOR

Khaleda Zia, Bangladesh

The passing of Khaleda Zia, Bangladesh's first woman Prime Minister and long-time chief of the Bangladesh Nationalist Party (BNP), marks the end of an era in the country's post-Independence political history.

Her decades-long rivalry with Sheikh Hasina was not merely personal but was also a continuation of an older ideological struggle over Bangladesh's identity and political destiny — one rooted in the competing legacies of Ziaur Rahman and Sheikh Mujibur Rahman. For years, the persistent tension between Bengali nationalism and Islamist forces has prevented Bangladesh from fully realising its economic and democratic potential. Khaleda Zia's passing coincides with the return of her son, Tarique Rahman. He now faces the formidable task of charting an independent course for the BNP while playing a stabilising role in national politics.

M. Jeyaram,
Sholavandan, Tamil Nadu

The concern now is less about legacy and more about the present vacuum. Bangladesh needs institutions that rise above personalities. Ensuring credible elections, judicial independence and space for dissent will honour her stated commitment to democratic norms. For neighbours, including India, a stable and plural Bangladesh is what matters. Quiet diplomatic engagement that supports democratic processes, not factions, is the most practical way forward at this sensitive moment.

A. Myilsami,
Coimbatore

As the BNP confronts its biggest test, the nation itself faces a larger issue: how to steer its future away from the perils of mismanagement, restore institutional trust, and build a political environment worthy of its democratic inheritance. History will judge Khaleda Zia with complexity.

Vijay Singh Adhikari,
Nainital, Uttarakhand

China's signal

China has scaled up its intimidation of Taiwan and its claim rests on an unresolved civil war and contested history. In contrast, Russia's claim over Ukrainian territory rests on neither consent nor law. Yet, precedent matters more than nuance in geopolitics. If Ukraine's sovereignty can be partitioned under ongoing "peace" initiatives and sanctified by diplomacy under duress, China could cite time, power and persistence to justify reunification by coercion. The danger lies in the erosion of a core principle: borders cannot be changed by force. Ukraine, then, is not only defending its territory. It is defending a tenet whose collapse would echo in the Taiwan Strait and beyond.

R. Narayanan,
Navi Mumbai

Corrections & Clarifications

The Aravalli range geographically extends across Rajasthan, Gujarat, Haryana, and Delhi, and does not include Uttar Pradesh as mentioned in a front-page report, "SC pauses its judgment on Aravalli, moots new panel" (December 30, 2025).

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Ensuring that the value of all lives is the same

Shubham Kumar

Academic, lawyer and public policy consultant

Every year, on New Year's Eve, a revelry results in a number of road accidents across India. Some of these result in fatalities.

John Donne wrote, "Each man's death diminishes me, for I am involved in mankind." His words remind us that every death carries a weight greater than its statistics. Yet, when a family loses someone in a road accident, the language of justice turns into the language of arithmetic. The Motor Accident Claims Tribunal multiplies income by an age-based factor, adds modest sums for love, care, and funeral expenses, and announces the result as 'just compensation'.

What begins as a legal exercise often ends as a moral puzzle. A doctor and a homemaker may lose their lives in the same accident, yet the law values their absence differently. The doctor's family receives several lakhs of rupees more than the vendor's, and the homemaker's loss is often measured in token figures. The problem lies not in the intent of the law but in its method. A welfare statute that was meant to bring relief has quietly absorbed the habits of the marketplace, where worth is measured by earning, not by being.

The arithmetic of loss

Section 168 of the Motor Vehicles Act, 1988, empowers tribunals to award compensation that "appears to be just." To bring consistency, the Supreme Court in *Sarla Verma v. DTC* and later in *National Insurance Co. v. Pranay Sethi* introduced the multiplier method. The formula multiplies a victim's annual income by an age-based factor and adds fixed sums under standard categories such as loss of consortium, loss of estate, and funeral costs. The goal was fairness through uniformity.

In practice, uniformity has produced hierarchy. When a victim has no formal income, tribunals assign a "notional income," often a symbolic amount detached from real contribution. Children, homemakers, and informal workers are thus treated as marginal lives in the eyes of arithmetic. The *Supreme Court, in Kirti v. Oriental Insurance*, recognised unpaid domestic work as genuine labour and sought to correct the imbalance, but the structure remains tethered to income. In a system that counts only what can be measured, those who build, teach, care, and nurture are often valued least.

Article 14 of the Constitution promises equality before the law, yet a system that compensates the salaried more generously than the self-employed or the unwaged risks violating that promise. Equality cannot depend on economic visibility. Article 21, which protects the right to life with dignity, faces a similar tension. Dignity is intrinsic, not conditional. When compensation fluctuates with income, dignity becomes a privilege rather than a principle. The mason who built the city and the child who never drew a salary deserve recognition beyond their wage potential.

The contrast with other modes of transport is revealing. Under the Railways Act, 1989, the death of any passenger attracts a fixed sum of ₹8 lakh. Under the Carriage by Air Act, 1972, airlines pay a uniform amount for every deceased passenger. On the road, however, the law insists on knowing one's income before assigning value to one's life.

Even the notion of unlimited liability offers little comfort. Section 147 of the Motor Vehicles Act requires insurers to cover "the amount of liability incurred" for death or bodily injury. There is no statutory ceiling. In theory, the liability is unlimited. In reality, it remains bounded by income. The absence of a cap matters little when the base figure is drawn from an unequal scale.

The difficulty is not only procedural but philosophical. The American philosopher, Lon Fuller, described the inner morality of law as its duty to be coherent and fair. A formula that equates life with livelihood cannot satisfy either. The American legal philosopher and jurist, Ronald Dworkin, envisioned law as integrity, a system that treats every person with equal concern and respect. When tribunals attach greater value to some lives over others, they move from integrity to inequity. For the American philosopher, Martha Nussbaum, dignity lies in capability – the real freedom to live, love, and flourish. Income may enlarge these freedoms, but it cannot define them. The law, by tying worth to wages, narrows the meaning of both justice and life.

Towards a fairer formula

A fairer design must begin with a universal baseline. Every life should attract a fixed "dignity floor," an amount payable in every case of fatality or grievous injury, irrespective of income. Beyond that, income-linked additions can address actual financial loss, preserving fairness without eroding equality. The law should also carve out a separate category of "dignity damages" to recognise grief, companionship, and emotional harm. These amounts must evolve with inflation and social conditions. Equally important is the need for process reform. The Delhi High Court's Motor Accident Claims Annuity Deposit model, which integrates police, hospitals, and banks, shows that technology can deliver compensation swiftly and transparently.

Defenders of the current model often argue that compensation must restore dependents to their previous standard of living and that income is a neutral measure of loss. This reasoning fits private contracts better than public welfare. The goal of social law is not to mirror the market but to correct its distortions. A universal floor can guarantee recognition for all, while proportional increments can accommodate differences. In this balance between adequacy and equity lies the true meaning of 'just compensation.'

When road accidents occur, the law insists on knowing one's income before assigning value to one's life. This violates the promise of equality and dignity

A churning in Tamil Nadu

The DMK sits pretty amid a fragmented political landscape

STATE OF PLAY

B. Kolappan
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The political situation in Tamil Nadu today offers a throwback to 1989. At that time, the All India Anna Dravida Munnetra Kazhagam (AIADMK) was split into two factions – one led by M.G. Ramachandran's wife, V. N. Janaki, and the other by Jayalalithaa. The Dravida Munnetra Kazhagam (DMK) and the Congress also chose to test the electoral waters independently in 1989. Adding to the fragmentation was the entry of a new political party, the Tamizhaga Munnetra Munnani, founded by thespian Sivaji Ganesan, a Congressman. This fractured political landscape ultimately benefited the DMK, which returned to power after a gap of 13 years.

Today, Tamil Nadu's political arena is once again overcrowded. Actor Vijay has launched the Tamilaga Vetri Kazhagam (TVK); actor Seeman's Naam Tamilar Katchi has secured sufficient votes to gain recognition from the Election Commission; the Desiya Murpokku Dravida Kazhagam (DMDK), founded by actor Vijayakant and now led by his wife, Premalatha, remains in the fray; the Bharatiya Janata Party (BJP) is striving to establish a foothold; and the Pattali Makkal Katchi (PMK) stands divided between two factions – one led by Dr. S. Ramadoss and the other by his estranged son and former Union Minister, Anbumani Ramadoss.

Amid this fragmentation, the ruling DMK appears comfortably placed, as its principal rival, the AIADMK, is riddled with factionalism. Former Chief Minister Edappadi K. Palaniswami commands the support of a majority of MLAs and MPs, while another former Chief Minister, O. Panneerselvam, leads a smaller faction with a handful of MLAs. However, Mr. Palaniswami, who enjoys a strong base in the Kongu region of western Tamil Nadu, recently suffered a setback when former Minister K. A. Sengottaiyan, another heavyweight from the region, left his camp to join actor Mr. Vijay's new party. In the Panneerselvam camp, P. Manoj Pandian, the MLA from Alangulam, has switched allegiance to the DMK.

The BJP is eager to stitch together a strong alliance against the DMK and has roped in the AIADMK led by Mr. Palaniswami. Although Mr. Panneerselvam met Chief Minister M. K. Stalin, triggering speculation that he could join hands with the DMK, the possibility of his aligning with the ruling party is ruled out, as it would be seen as a betrayal of the very anti-DMK sentiment that led to the birth of the AIADMK. Even DMK leaders do not harbour any expectations that he will join their alliance. Despite differences, stemming largely from oversized egos on both sides, Mr. Panneerselvam is likely to align with the AIADMK-BJP combine headed by Mr. Palaniswami.

This renewed fragmentation and the arrival of fresh players in an already crowded political landscape has emboldened a section of the Congress to demand a share in power. Girish Chodankar, the Congress in-charge for Tamil Nadu, made the demand public, but it was promptly rejected by the DMK leadership. Praveen Chakravarty, who heads the Professionals' Congress and Data Analytics, met Mr. Vijay, though it is unclear whether he had the blessing of the party high command. However, the Tamil Nadu Congress Committee president, Selvaperunthagai, castigated Mr. Chakravarty for the move.

Though Mr. Stalin and Congress leader Rajiv Gandhi shared a rare bond, and the DMK supports Rahul Gandhi's candidature for prime ministership during the Lok Sabha elections, the DMK is not prepared to entertain the Congress's ambition for a share in the State government. Senior DMK leaders do not believe their alliance would suffer any setback even if the Congress exits it. "The DMK and Tamil Nadu have borne the brunt of the BJP government at the Centre because we have the Congress in our alliance. But we are steadfast in our commitment to secularism and our support for the Congress. In fact, the BJP may tone down its criticism if we snap ties with the Congress," one of them said.

The situation remains fluid. The BJP will do everything possible to build a strong alliance against the DMK and its allies in Tamil Nadu. The DMK needs to worry only if Mr. Vijay, who has taken cues from MGR and Jayalalithaa and has described the DMK as an "evil force", and pointedly targets the DMK in his public meetings, decides to join the BJP-led combine. That, however, remains a distant possibility.

West Bengal SIR: Unusual patterns in deleted electors list

Several areas show abnormal deletions in categories such as gender and for reasons such as deaths

DATA POINT

Areena Arora
Nitika Francis
Devyanshi Bihani
Srinivasan Ramani

In West Bengal, like in Tamil Nadu and Bihar, more women than men were deleted during the Special Intensive Revision (SIR) of the electoral rolls, an analysis of polling station-level data shows. While 58 lakh electors were deleted from the elector list, this analysis is based on the 56 lakh deleted electors for whom polling station-level data were available on the Chief Electoral Officer's website.

Nearly 4 lakh more women were deleted than men in the State, analysis shows. Notably, in over 850 polling stations, over 75% of those deleted were women, which hints at gender-bias in deletions. Seven other such anomalies were seen in West Bengal's deleted rolls data when analysed at the polling-station level. From excessive deletions to unusually high young deaths, here some of the key findings:

1. 17 stations show unusually high proportions of young deaths
2. 856 stations show high gender bias in deletions
3. 2,915 stations have abnormally high deletion rates
4. 2,423 stations report excessive deaths
5. 192 stations report excessive deletions for a single reason
6. 132 stations show suspicious patterns of "deceased" women
7. 2,463 stations show a high number of "absent" electors
8. 41 polling stations show gender bias in the "permanently shifted" category

In the lists provided below, the names of the polling stations, the name of the Assembly constituency, and the name of the district are mentioned in that order.

Unusually high young deaths

Pattern: Polling stations where more than 30 people were recorded as "deceased", with at least half of those deleted being under 50 years of age. In 17 polling stations, such an unusually high proportion of young deaths was reported. The average number of deletions due to deaths in one polling station in West Bengal was 30 and so the number was chosen as the baseline for this analysis.

Select stations:

- Krishnapally Samz Bhaban, Maniktola, Kolkata North: 48 total deaths, 79% under the age of 50
- Dagapur Tea Garden Primary School, Matigara-Naxalbari, Darjeeling: 34 total deaths, 68% under the age of 50
- New Line SSK, Madarihat, Alipurduar: 38 total deaths, 61% under the age of 50
- Harijan Jnanprakash Vidyalaya Ground, Kolkata Port, Kolkata South: 37 total deaths, 57% under the age of 50
- Gairkata R.R. Primary School, Madarihat, Alipurduar: 45 total deaths, 56% under the age of 50

High gender bias in deletions

Pattern: Polling stations where at least 36 women were deleted, with women comprising 75% or more of all deletions. Data show that there were 856 such polling stations. An average of 36 women were deleted per polling station and so the number was chosen as the baseline for this analysis.

Select stations:

- Bajitnagar Jahanara Khatun Smriti F.P. school, Deganga, North 24 Parganas: 40 total deletions, 95% were women
- Jaharpur F. P. School, Harirampur, Dakshin Dinajpur: 39 total deletions, 95% were women
- Elme Noor Barkatia High Madrasa, Amdanga, North 24 Parganas: 45 total deletions, 91% were women
- Rangamati F.P. School, Tapan, Dakshin Dinajpur: 45 total deletions, 91% were women
- Aushara Udgara C. R. K. Shikshaniketan, Raina, Purba Bardhaman: 42 total deletions, 90% were women

Unusually high deletions

Pattern: On average, 73 electors were deleted in each polling station in West Bengal. In 2,915 stations, more than thrice the average or over 219 electors were deleted.

Select stations:

- Sambhu Vidyalaya, Kolkata Port, Kolkata South: 732 deletions
- Sri Jain Swetambar Terapanthi Vidyalaya, Jorasanko, Kolkata North: 718 deletions
- Maulana Azad Urdu School, Kolkata Port, Kolkata South: 714 deletions
- Alliance Jute Mill Canteen, Bhatpara, North 24 Parganas: 704 deletions
- Meghna Jute Mills, Jagatdal, North 24 Parganas: 677 deletions

Excessive death reports

Pattern: Polling stations where more than 90 deaths – thrice the average number of deletions due to deaths in one station in West Bengal – have been reported. This pattern is observed in 2,423 stations.

Select stations:

- Shikarapur Tea Garden Prathamik Bidyalaya, Rajganj, Jalpaiguri: 236 electors were deleted due to death
- Huldibari Cha Bagan Madhyamik Shiksha Kendra, Madarihat, Alipurduar: 236 deaths
- Danguajhar T. G. New School, Rajganj, Jalpaiguri: 236 deaths
- Sodepur Girls High School, Behala Purba, South 24 Parganas: 206 deaths
- Huldibari Cha Bagan Prathamik Bidyalay, Madarihat, Alipurduar: 202 were deleted due to deaths

Excessive deletions for single reason

Pattern: In 192 polling stations, where at least 73 electors (average number of deletions per polling station) were deleted, 90% or more of deletions were for a single reason.

Select stations:

- Shalaban Jamdoba, Asansol Dakshin, Paschim Bardhaman: 208 deleted, 100% marked not found or absent
- Bhagaban Chandra Narada Bala Khatik Pry, Kasba, South 24 Parganas: 293 deleted, 99% marked not found or absent
- J. K. Nagar F. P. School, Galsi, Purba Bardhaman: 390 deleted, 99% marked not found or absent
- Bhagaban Chandra Narada Bala Khatik Primary School, Kasba, South 24 Parganas: 371 deleted, 99% marked not found or absent
- J. K. Nagar F. P. School, Galsi, Purba Bardhaman: 659 deleted, 99% marked not found or absent

High gender bias in death related deletions

Pattern: Stations where at least 30 voters were deleted due to death and at least 75% of those deleted were women. There were 132 such stations.

Select stations:

- Aandharu Primary School, Ratua, Malda: 31 deaths, of whom 85% were women
- Ula Kalsara F.P. School, Deganga, North 24 Parganas: 33 deaths, of whom 85% were women
- Lahugachh Junior Basic School, Phansidewa, Darjeeling: 34 deaths, of whom 84% were women
- Anantapur F. P., Raiganj, Uttar Dinajpur: 32 deaths, of whom 84% were women
- Bilkumari Uchcha Vidyalay, Palashipara, Nadia: 33 deaths, of whom 83% were women

Excessive "absent" voters

Pattern: Stations where at least 100 electors were marked absent. There were 2,463 such stations. An average of 20 electors were deleted per polling station as they were absent and so five times that number was chosen as the baseline for this analysis.

Select stations:

- J. K. Nagar F. P. School, Galsi, Purba Bardhaman: 651 voters absent
- Sri Jain Swetambar Terapanthi Vidyalaya (217), Jorasanko, Kolkata North: 578 voters absent
- Sri Jain Swetambar Terapanthi Vidyalaya (223), Jorasanko, Kolkata North: 577 voters absent
- Sri Jain Swetambar Terapanthi Vidyalaya (216), Jorasanko, Kolkata North: 537 voters absent
- Shree Kishore Vidyalaya, Kolkata Port, Kolkata South: 531 voters absent

Excessive gender bias among relocated electors

Pattern: In 41 polling stations, all those who were deleted for permanently shifting out were women. An average of 25 electors were deleted per polling station for permanently shifting and so the number was chosen as the baseline for this analysis.

Select stations:

- Sahabanchak M.S.K., Baisnabnagar, Malda: 43 permanent relocation deletions, all women
- Baliyaghati Primary School, Suti, Murshidabad: 37 permanent relocation deletions, all women.
- Belpukur High Madrasha, Harirampur, Dakshin Dinajpur: 33 permanent relocation deletions, all women.
- Jaharpur F School, Harirampur, Dakshin Dinajpur: 33 permanent relocation deletions, all women.
- Durgapur Shishu Shiksha Kendra, Chanchal, Malda: 33 permanent relocation deletions, all women

FROM THE ARCHIVES

The Hindu.

FIFTY YEARS AGO JANUARY 1, 1976

BARC isolates and purifies curium-242

Bombay, Dec. 31: Small quantities of curium-242 – the heaviest man-made element prepared and isolated so far in India – have been isolated and purified at the Radio Chemistry Division of the Bhabha Atomic Research Centre, Trombay, for the first time, according to the latest issue of Nuclear India.

Curium (element number 96) being four elements higher than the naturally occurring uranium (element number 92) is usually prepared starting with heavy element targets. At Trombay, indigenously prepared Americium-241 was irradiated with neutrons at the Cirus reactor in encapsulated containers. The intensely radioactive product was processed in glove boxes to separate curium-242 from Americium and a host of unwanted highly radioactive fission products. The final product, estimated as 30 micrograms of curium-242, was identified by its characteristic alpha energies of 6.11 and 6.07 MEV.

Small quantities of curium thus produced is useful in the study of its chemical behaviour, knowledge of which is essential for the recovery of its longer lived useful sister isotope curium-244, produced as a byproduct in significant quantities in power reactors. This in turn will serve as a starting material for preparation of still heavier transplutonium elements in future.

Curium-242 is a useful isotope as an alpha source of high specific activity (3,297 curies per gramme) and was in fact the first man-made element to land on the moon on September 13, 1967 through Surveyor V, for direct analysis of lunar soil by alpha scattering. With a heat output of 120 watts per gramme and a half life of 163 days, curium-242 is an excellent source for compact and reliable power sources for remote applications of short duration.

A HUNDRED YEARS AGO JANUARY 1, 1926

New Governor for French India

Pondicherry, Dec. 31: M. Gerbinis, the Governor of French India stands transferred and in his place Monsieur Didelot, Lieutenant-Governor of Senegal is posted. M. Gerbinis will be leaving Pondicherry for Colombo by the 15th of January.

Text&Context

THE HINDU

NEWS IN NUMBERS

Highest number of FIRs registered annually in Jammu

67 During 2025, the Economic Offences Wing of Jammu Crime Branch disposed of a record number of cases, resolved 1,186 complaints and registered 67 new cases, the highest in the last 25 years, an agency spokesman said. The monetary value of the disposed cases chargesheeted by the agency stood at ₹20 crore during the year, he said. PTI

Cases registered in Telangana's Anti-Corruption Bureau

199 Out of the 199 cases, 157 were trap cases leading to the arrest of 224 accused, including 176 government servants. Furthermore, the bureau unearthed properties worth over ₹96 crore in the 15 DA cases. It also conducted 26 regular enquiries into allegations of corruption and carried out 54 surprise inspections of various offices. PTI

People injured in Uttarakhand local train collision

88 Chamoli District Magistrate Gaurav Kumar said that the accident occurred around 8.30 p.m. on Tuesday at the Tunnel Boring Machine site. He said 109 people were on board, most of them labourers. None of the injured was serious, he said. He said 70 labourers were brought to the district hospital, of whom 66 were given discharge, while four are under treatment. PTI

Drug trafficking bust: heroin seized by Delhi Police

10 In ₹ crores. Delhi Police seized over 2kg of heroin valued at more than ₹10 crore and arrested two men linked to an inter-State drug trafficking syndicate. The contraband was recovered during raids in Dwarka and Laxmi Nagar following intelligence inputs. Police said the drugs were sourced from Bareilly in Uttar Pradesh and supplied across Delhi-NCR. PTI

Additional tariffs announced on beef imports by China

55 In per cent. China will impose additional tariffs of up to 55% on certain beef imports starting January 1. The move applies to fresh and frozen, bone-in and boneless beef shipments exceeding a specified quota from some countries. Beijing said a probe found rising beef imports were harming China's domestic industry. AFP

COMPILED BY THE HINDU DATA TEAM

On property registration and title

What did the Supreme Court rule in *Samiullah vs State of Bihar*? Why did the court strike down Bihar's mutation-linked registration rules? Why is registration legally distinct from title or ownership? What structural flaws make land transactions 'traumatic' in India?

EXPLAINER

Girija Bhosale
Malini Mallikarjun

The story so far:

The Supreme Court of India, in its recent decision in *Samiullah vs State of Bihar*, described the process of buying and selling property as "traumatic" for many Indians. The observation resonates widely, reflecting the complex and often challenging realities of land transactions in the country.

What did the Supreme Court rule in the Samiullah case?

The Supreme Court examined the validity of sub-rules introduced under the Bihar Registration Rules in 2019, which empowered the registering authorities to refuse the registration of documents transferring property, such as sale or gift deeds, if the seller could not provide proof of mutation, including documents like a *Jamabandi* or holding allotment.

The court struck down these sub-rules as ultra vires and arbitrary for three reasons.

First, the rules went beyond the powers granted to the Inspector General of Registration under the Registration Act. Second, by making the sellers produce proof of mutation as a precondition for registering a document, the rules effectively demanded evidence of title. This was held to be contrary to the object of the Registration Act. It curtailed the ability to freely transfer property, thereby significantly impacting the constitutionally protected right to property. Third, with the Bihar Mutation Act and the Bihar Special Survey and Settlement Act far from completion, obtaining proof of mutation was virtually impossible.

The court reaffirmed that the registration of a transfer deed is distinct from establishing title or ownership. The enquiry into questions of title and ownership falls within the scope of civil courts and not registration offices. The court concluded that the preconditions for registration pertain to the identification of the property and the seller. References to maps or surveys are made only for this purpose, if it is practicable.

Why is registration different from title?

The State of Bihar argued that mandatory proof of mutation would ensure the integrity of sale transactions by aligning registration with the actual title. While the court acknowledged the merit in synchronisation, it cited the lack of nationwide land surveys since 1950 and insufficient digitisation of land records as significant obstacles.

The court observed that, until a conclusive titling is integrated with the registration process, it remains the responsibility of constitutional courts to strike a balance between individuals' freedom to buy and sell property and the government's obligation to maintain the integrity of property transactions.

In June, in *K.Gopi vs Sub-Registrar*, the Supreme Court had clarified the position of law on registration and title by holding that the Sub-Registrar is not concerned with the title of the property as he lacks the adjudicatory power to decide ownership-related questions. Thereby, it struck down a rule framed by the State of Tamil Nadu that empowered Sub-Registrars to refuse registration of

GETTY IMAGES

sale deeds on the ground that the seller had not established title or ownership. The rule mandated the seller to produce the original deed through which ownership was acquired.

A similar line of reasoning is evident in the court's successive judgment in *Samiullah*.

Both decisions underscore that the Registration Act is concerned solely with the registration of documents. Registration creates only a rebuttable presumption of ownership, not conclusive proof. The forthcoming Registration Bill, 2025 – which seeks to replace the Registration Act of 1908 – is consistent with this position. The premise of these regulations is that the power to refuse registration cannot be construed as empowering registering officers to adjudicate upon questions of title or ownership of property, which are within the jurisdiction of a competent court.

While this position merely reinforces a long-established principle, it is still a timely reminder of the complexity of land administration and the need to reform it.

Why has buying and selling property become 'traumatic' in India?

Land governance in India is a mixture of colonial legislation, complex administrative set-ups, and an overburdened judiciary. This often results in prolonged battles for land, be it bureaucratic or judicial.

Three separate domains – Registration, Survey and Settlement, and Revenue – operate independently, making synchronisation of records a persistent challenge. Each department is governed by a separate legislative and administrative mandate. Further, the current system creates only a presumption of title, which can be challenged in court using evidence such as previous deeds, revenue receipts, mutation records, proof of possession, or even competing sale deeds. This places a heavy burden on buyers to conduct exhaustive due diligence before purchasing property.

Along with understanding legislative and administrative designs on land records, it is important to recognise the complexities that stem from the historical inconsistencies in land governance across the Indian subcontinent. Over centuries, the region has been governed by various rulers, each implementing distinct revenue systems. The legacy of diverse administrative practices, colonial rule, separate rules applied in princely states, the creation of different types of titles, and significant post-independence reforms, such as land ceiling acts, has resulted in a highly intricate and regionally varied socio-legal framework for land.

What is the way forward for land administration reform?

The solution lies in large-scale administrative reform. The focus needs to be on creating an integrated and synchronised record-keeping system that minimises the risk of fraud. Efforts are under way at both the Union and State levels to digitise and modernise land records.

For instance, Karnataka's Bhoomi and KAVERI systems link records of rights with registration, automatically updating ownership records upon the registration of transfer deeds. Similar integration efforts are being attempted for spatial data and revenue records, though primarily for agricultural land.

Technology is playing a key role in these reform initiatives. From digitising records to making workflow processes tech-enabled, there is also growing discussion on the role of artificial intelligence and blockchain technologies. In fact, in its recent decision, the Supreme Court suggested exploring blockchain technology to create secure, transparent, and tamper-proof land records. Andhra Pradesh's pilot project using blockchain for land records has reportedly halved land disputes and improved transaction efficiency by 30%.

How would blockchains work?

Blockchain, as its moniker suggests, is a chain of blocks of data linked into an uneditable, digital chain. This information is stored in an open-source, decentralised environment, in which each block's information is confirmable by every participating computer. Unlike traditional hierarchical systems, it's designed to have decentralised management, which is intended to build trust and stability.

Blocks are the ledgers that are being updated and added to, filled with permanently recorded data. Transactions are added to this database and synced across all nodes. These blocks operate on a distributed ledger, meaning that all information and transactions are shared between parties regardless of geography or status.

These ledgers can be permissioned or unpermissioned, depending on who is allowed to view them. The nature of this decentralised block database system keeps hackers from tampering with or changing information on the blockchain, as altering a single piece of code would be immediately recognisable. Attempting to double-spend, fraudulently duplicating the digital currency or asset, is difficult to do because of the distributed ledger transaction system.

In this way, the distributed ledger is an immutable record that is consistent and chronologically organised. If we apply this system to land records, we could create a block for a single piece of land containing all its historical records, title, heirs of title holders, geographic location, survey details, its map, water resources, crops, along with all registered documents associated with the particular land. Any further transactions of the same land will create another connected block of information, creating a constantly updated, transparent and immutable network of land records. However, we must also ensure that information stored in these blocks is accurate, else it would create an additional burden on owners to correct such data. More importantly, existing land administration and related structures need to be accounted for before the introduction of newer technologies.

The Supreme Court's recent decision highlights the urgent need for administrative and technological reforms. Understanding the deep-rooted complexities of India's land governance is the first step towards meaningful solutions that secure the right to property for all.

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THE GIST

The Supreme Court struck down Bihar's mutation-linked registration rules as ultra vires and arbitrary, reaffirming that registration of a transfer deed is distinct from establishing title or ownership, which lies within the jurisdiction of civil courts.

The rulings in Samiullah and K. Gopi underscore that the Registration Act is concerned solely with the registration of documents and creates only a rebuttable presumption of ownership, not conclusive proof.

By describing property transactions as 'traumatic', the court said the deeper problems of fragmented land governance, unsynchronised records and the urgent need for administrative and technological reform, including integrated and digitised land records.

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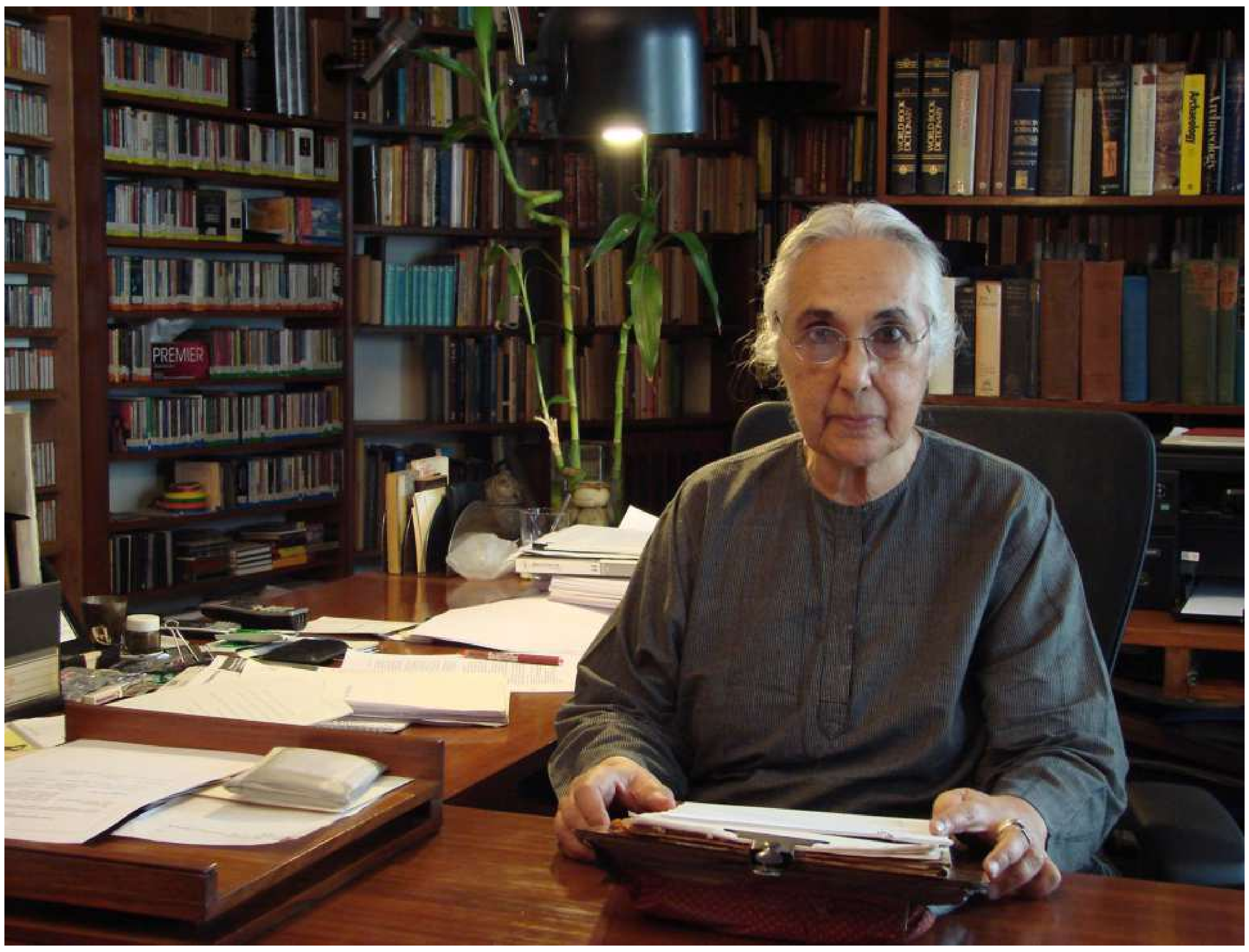

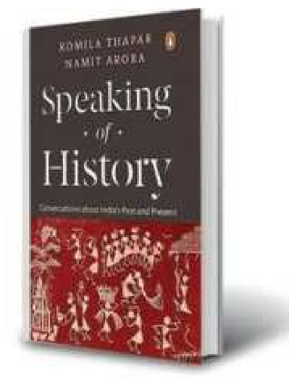

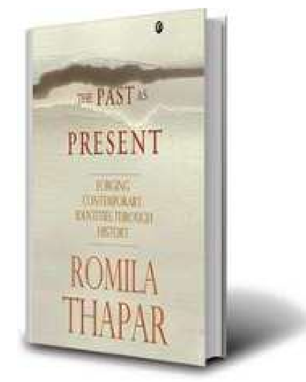

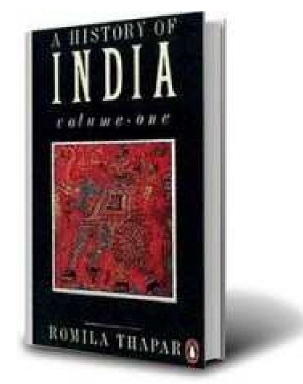

Romila Thapar

Past, present, future: the dangerous path of distorted history

Romila Thapar always relied on rigorous analysis and credible sources to write about the past and explain its ties with the present; in her new book, she has a conversation with Namit Arora on why history is misunderstood and the perils of learning about the past from WhatsApp forwards

Ziya Us Salam

Many years ago, when we first dipped into Romila Thapar's defining work, *A History of India*, the lasting impression was that here was a historian who presented facts cogently, persuasively, and by the end of a chapter managed to convince you to read more on the subject.

Not much has changed in the intervening years, and her collections, *The Past as Present: Forging Contemporary Identities Through History, The Future in the Past: Essays and Reflections*, *Somanatha: The Many Voices of History*, provide an understanding on how the present draws on the past, "not necessarily always to better understand the past but to use the past to legitimise the present."

Her latest tome, *Speaking of History: Conversations about the Past and the Present*, co-authored with Namit Arora, dissects contemporary trends and expresses the concerns of a discerning Indian.

Anguished at the way things have shaped up in Indian society and polity over the last few years, she opens up to Arora, stating, "It used to be claimed that Indian culture was different from other world cultures because the people of India were concerned with values such as non-violence and tolerance, and the ethics of a situation. It was almost automatic to invoke the words of Gautam Buddha and Ashok Maurya in this context. Yet today, few associate these values with India... if you have a society in which ethical values are no longer even discussed, let alone practised, then you're in for a society that... will be ruled by mobs and demagogues."

WhatsApp history

Unlike most of us who fail to put a finger to the root cause of the problem, Thapar feels the growth of the so-called WhatsApp brand of history does a lot of damage to the social fabric of the nation. "There are at least two features specific to our society that are responsible for the rise of 'WhatsApp history'. The first is our abysmally poor standard of education. Even our so-called educated middle classes lack a basic understanding of any social science discipline... Textbooks are mauled and courses are chopped up into unconnected, indigestible bits... The second reason is that in our times, politics is impinging far more on our lives than ever before. Hindutva has a theory about the past that draws from texts on mythology, on the colonial view of Indian history and a believed fantasy history....Those who question it are dubbed Marxists."

Colonial duplicity

The rise of the WhatsApp history factory, in turn, can be traced to the British days of easy, if inaccurate and lazy, division of Indian history into Hindu Ancient India and Muslim Medieval India. This falsification emanated from another myth, that Indians did not have written history!

In her latest book, where conversation flows nice and easy and myths are busted regularly, Thapar writes, "In the late eighteenth-early nineteenth century, colonial power assumed that Indians had no written history and that they would have to create it." So this creation came out in the form of a history divided into periods of two religious communities, which James Mill referred to as Hindu and Muslim.

"He attributed to these highly diverse socio-religious communities a perpetual, permanent hostility towards each other, which is his own invention. The communities as nations are his invention, as is the hostility," feels Thapar. This division of history into two religious watertight departments has, in many ways, led to our times when a large section of society consumes 'WhatsApp history', and peddles it as fact.

At the preliminary stage, it presents all Muslim rulers as invaders and blood thirsty tyrants. Then come the attempts to appropriate all Aryans as the original inhabitants of India. Writes Thapar, "Most scholars today agree that the speakers of Indo-Aryan originated outside the boundaries of British India, arriving from Central Asia... Indo-Aryan used in north-western India was a cognate of Iranian-Aryan used in north-eastern Iran. It was a close relationship... If the Vedic Indo-Aryans were performing the Soma ritual, the Iranian-Aryans were performing what they called the Homa ritual, the 's' sound being replaced by the 'h' sound from one language to the other. Hence, the river Sindhu (Indus) in the Indo-Aryan becomes Hindu/Hind(h)u in the Iranian-Aryan, and the Iranians refer to the people who live beyond the Sindhu as Hindus, which is a geographic and not a religious descriptor." Of course, the term 'Hindu' to describe people with a particular religious belief came into use later.

Sindhu or Hindu, patriarchy was strong in the Indo-Aryan culture. As the veteran historian points out in the book, "Dharmashastras permitted upper caste women hardly any freedom, as they were to be controlled by their father, husband and son, in the three phases of their life as daughter, wife and widowed mother."

The exceptions

Inevitably, there were exceptions. Like Prabhavati Gupta, who ruled as the Queen Regent in the fourth century after her husband died, and her son was yet to come of age. Much like Rani Laxmibai, many a century later. Then there were women Bhakti saints like Andal in South India, Lal Ded in Kashmir and Mirabai in Rajasthan. But they were isolated instances with little ripple effect. Even the latter marriages between the Mughals and Rajputs were largely political alliances where women were treated as mere property.

In reality, ours has been a male-dominated history. Add to that the present communal toxicity. And it becomes a recipe for disaster. Thapar provides a note of comfort, "If there is one thing I have learnt in my long life, it is that nothing... will last forever. There are periods when things work well and others when they don't. One has to accept the constant change."

THE DAILY QUIZ

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

As we turn to a new page in 2026, here's a quiz on major personalities who breathed their last in 2025

Srinivasan Ramani

QUESTION 1

Formerly a professor of organisational behaviour at the Indian Institute of Management, Ahmedabad (1986-2006), this person was the co-founder of a major non-profit organisation that played a critical role in enhancing transparency in Indian elections in the last two decades. Name him and the organisation.

QUESTION 2

Beginning his activism as a 16-year-old against feudal and colonial practices in Alappuzha, this veteran political activist went on to become a major mass leader in Kerala and the Chief Minister of the State. When he died in 2025, he was the only surviving founding member of the Communist Party of India (Marxist). Name him.

QUESTION 3

Author of many bestsellers, he covered the attempted assassination of French President Charles De Gaulle as a journalist and then used that incident to inspire a best-selling thriller novel that was later made into films and, recently, an adapted web series. Name this former U.K. Royal Air Force pilot.

QUESTION 4

One of India's foremost astrophysicists and someone who also wrote popularly on astrophysics, astronomy and science fiction, he was a persistent critic of the Big Bang Theory despite its widespread acceptance. Name him.

QUESTION 5

One of three pioneering women primatologists who studied different great apes — the person in question was an expert on chimpanzees — she went on from being a primatologist to also be a major climate advocate. Name her.

Visual Question:
Identify this Padma Vibhushan-winning vocalist and a towering figure in Hindustani classical music. PTI

Questions and Answers to the previous day's daily quiz: 1. In which country can one normally see people throwing dishes against the door and banging pots to scare away 'bad spirits'? **Ans: Denmark**
2. In this Spanish tradition that has recently become popular, what fruit do people eat 12 of for good luck in the New Year? **Ans: Grapes**
3. In which country is New Year's eve called 'Hogmanay'? **Ans: Scotland**
4. Name the spiced apple drink served in parts of England to toast good health for the New Year? **Ans: Wassail**
5. What do the Greeks hang on their doors on New Year's eve to symbolise rebirth? **Ans: Onions**
Name the country where one could see people observing 12 seconds of silence at midnight as a tribute to the year gone by? **Ans: Russia**
Visual: Name this effigy and the place in Kerala where it is burned at the stroke of midnight on New Year's eve to welcome the new year? **Ans: Pappanji, Fort Kochi**
Early Birds: K.N. Viswanathan | Parimal Das | Tamal Biswas | Arjun Debnath | Sukdev Shet

FROM THE ARCHIVES

Know your English

S. Upendran

What is the word used to refer to a former student of a college or a university? (P. Venu Gopal, Gaddiannaram, Hyderabad)

A former male student of a school, college, or university is called an 'alumnus'. For example, Ramu is an alumnus of Osmania University. The 'a' in the first syllable and the 'u' in the final syllable are pronounced like the 'a' in 'about' and 'amount'. The 'u' in the second syllable 'mun' sounds like the 'u' in words like 'but', 'cut' and 'hut'. As you have probably guessed, the stress is on the second syllable.

The plural of 'alumnus' is 'alumni'. Most colleges and universities have an alumni association. The first two syllables of this word are pronounced like the first two syllables of the word 'aluminous'. The final syllable 'ni', however, is pronounced differently. It rhymes with the words 'high', 'sigh' and 'fly'.

The word 'alumna' is used to refer to a former female student of a school, college or university. For example: Usha is an alumna of Church Park High School. The 'a' in the first and last syllable of 'alumna' is pronounced like the 'a' in 'amount' and 'about'. The second syllable 'lum' is like the second syllable in 'alumnus'. The main stress once again is on the second syllable. The plural of 'alumna' is 'alumnae'. The final 'ae' is pronounced like the 'ee' in words like 'fee', 'bee' and 'see'. The stress is on the second syllable.

When referring to both male and female graduates, the masculine form 'alumni' is used.

What is the meaning of "across the board"? (P. K. Venkatachary, K.K. Nagar, Chennai)

When you say that a particular policy or scheme will apply across the board, it means that it will affect everyone or everything equally. Here is an example:. The Chairman said that there would be a salary increase across the board.

Public sector companies should aim at increasing productivity across the board. The Minister of Education has promised to increase the pay of teachers across the board. The word 'board' here refers to a table.

What is the meaning of "vis-a-vis" and how do we use it? (Dr. K. Sankara Saravanan, Nandyal)

In French, 'vis-a-vis' means 'face to face'. This meaning is retained in English as well. For example, we can say, 'the two lovers sat vis-a-vis'. In English, however, vis-a-vis has other meanings as well. It is often used to mean 'in relation to', 'in comparison with someone or something'.

The 's' in the first 'vis' is pronounced like the 'z' in words like 'zip' and 'zoo'. The 'i' sounds like the 'ee' in 'feel'. 'v' and 'w'. The 'i' is pronounced like the 'i' in 'bit'. The 'a' sounds like the 'a' in 'bat' and 'path'. Unlike in the first 'vis' the 's' in the second one is silent. The main stress is on the second 'vis'.

Is it correct to say "This type of education was opted by high caste Indians?"
(J. Singh, Dungarpur, Rajasthan)

You don't usually 'opt' something; you 'opt for' something. You can also 'opt to do something'. For example: The teachers opted to help the Principal in running the workshop. My lazy cousin opted to stay at home and watch television.

Published in The Hindu on March 2, 1999

Word of the day

Fortuitous:
happening by chance rather than by intention

Synonyms: coincidental, fortunate, unexpected

Usage: *The timing was fortuitous for both sides.*

Pronunciation:
newsth.live/fortuitouspro

International Phonetic Alphabet: /fɔːtjuːɪtəs/

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

CABINET APPROVAL

Govt freezes Vodafone Idea's AGR dues of Rs 87,695 crore for 5 years

Soumyarendra Barik
New Delhi, December 31

THE UNION Cabinet Wednesday approved a relief package for beleaguered telecom operator Vodafone Idea, freezing its hefty adjusted gross revenue (AGR) dues of Rs 87,695 crore and rescheduling their repayment over a 10-year period from FY32 to FY41, sources said. This comes after the Supreme Court allowed the government to reassess the telco's statutory dues earlier this year.

Of the AGR dues that Vodafone Idea owes to the government, annual payments of Rs 18,000 crore were supposed to start in March 2026. However, the company had approached the Supreme Court related to the AGR issue, and said that if it was not able to secure relief from the payments, it would pose a big question mark over its financial stability and jeopardise the government's stake in the telco.

As part of the fresh relief package, the Cabinet has decided to freeze the AGR dues of Vodafone Idea as on December 31 at Rs 87,695 crore, with the payment amount being rescheduled over financial years 2031-32 and 2040-41. The AGR dues for FY18 and FY19 shall be payable by the telco over the period FY26 to FY31 without any change.

"In October and November, the top court said that there shall be no impediment in reconsidering the AGR issue, keeping in view the public interest, substantial stake of Government of India in Vodafone Idea. In pursuance of the court's observation, the relief package has been approved," a senior government official said. "These steps will protect the interest of the government, enable orderly payment of dues, and ensure competition in the sector".

The AGR dues frozen as on December 31 shall also be reassessed by the Department of Telecommunications (DoT).

> *Of the adjusted gross revenue dues that Vodafone Idea owes to the government, annual payments of Rs 18,000 crore were supposed to start in March 2026*

The outcome shall be decided by a committee appointed by the government and that shall be binding on both parties.

Queries sent to the DoT remained unanswered until publication.

Vodafone Idea is among the three privately-owned telecom operators in the country, with the government seemingly intent on keeping India's telecom ecosystem a three-horse race. However, Vi's precarious financial situation raises concerns about its longevity in the market.

"The telecom sector is highly concentrated and the government would, in the interest of consumers and competition, like to have multiple players in such critical sectors and therefore, survival of Vodafone Idea as a viable player is critical for the sector," the official said.

In a petition in the Supreme Court earlier this year, Vodafone Idea had contended that it needed the relaxation, failing which its planned investments will not happen and any hopes of an improvement in its operational performance would be dashed.

Including penalties and interest, its total liabilities to the government are estimated at around Rs 2 trillion.

With such a heavy cash burden and declining revenues and subscriber base, the company may not have enough cash flows to pay the dues. Hence, the Cabinet decision is being seen as a big boost for the company, which has been struggling to raise money from the market as investors stay away due to its high AGR obligations.

The Indian government also has a vested interest in keeping the telecom company afloat, given that it now owns close to 49 per cent of the debt-ridden telecom operator. This is after the company received another lifeline from the Centre, which converted an additional Rs 36,950 crore worth of the company's dues into equity. The government is the single largest shareholder in Vi.

This was the second lifeline that the government has offered to the struggling telco.

As part of its 2021 relief package for the company, the government in February 2023 had approved the conversion of Rs 6,133 crore of Vi's interest dues into equity.

As on December 2024, Vodafone Idea's total debt was around Rs 2.3 lakh crore. Of this, Rs 77,000 crore was AGR liability and Rs 1.4 lakh crore was spectrum liability.

Behind gig workers' strike on New Year's eve: A call for ban on 10-minute deliveries

Soumyarendra Barik
New Delhi, December 31

FILE

AFTER A first round of strikes on Christmas, gig workers engaged with companies such as Swiggy, Zomato, Blinkit, and Zepto, that saw some impact on operations, went on a second wave of boycott on New Year's eve, calling for a ban on 10-minute deliveries.

In a letter to Union Labour Minister Mansukh Mandaviya, the Indian Federation of App-based Transport Workers (IFAT) – the key union behind the strikes – the workers have called for a ban on unsafe 10-minute delivery models, fair and transparent wages, regulation of the companies under the recently notified labour codes, and recognise their right to organise and collectively bargain, among other things.

"The government must intervene immediately. Regulate platform companies, stop worker victimisation, and ensure fair wages, safety, and social protection. The gig economy cannot be built on the broken bodies and silenced voices of workers," said Shaik Salauddin, co-founder and national general secretary of IFAT.

Swiggy and Zomato have both announced higher incentives for delivery workers during peak hours and year-end days, presumably to ensure that workers have a reason to continue working through the night leading to the new year.

The strikes mark the latest flashpoint in the rising conflict between gig workers and platform companies, after years of brimming discontent. As companies and lawmakers have romanticised the concept of firms offering "gig" work to people becoming an attractive avenue for employment, workers at these firms have been, for long, silently fighting many battles.

With an uncertain income, a low base pay, algorithms that they say pushes them to ride for hundreds of kilometres a day in return for disproportionately low cash, compounded by rising fuel costs, no social security benefits, and a faceless management, the money left in their hand at the end of each month is on a steady decline. The introduction of the 10 minute delivery model, championed by companies like Blinkit, Swiggy, and Zepto, has also added speed into the mixture, as workers rush to complete deliveries within a stipulated time.

The choice of the dates to organise the strikes – December 25 and December 31 – is a notable part of the process, as these are among the busiest days for home deliveries, and with workers choosing to boycott deliveries, customers could face long wait times.

First round of strikes

Salauddin said that December 25 saw approximately 40,000 delivery workers from major platforms participate in the strike, protesting unsafe working conditions, unfair pay, algorithmic control, ID blocking, and denial of dignity and social security.

He said that during the strike, delivery workers faced "serious intimidation and harassment" by the companies, including blocking of IDs of key leaders, team leaders, and active workers. The first round of strikes on Christmas day saw between 50-60 per cent of orders delayed or disputed across multiple cities, Salauddin said, adding that companies attempted to break the strike by deploying third-party delivery companies such as Shadowfax and Rapido, offered extra incentive pay and also temporarily reactivated inactive IDs to manage operations. Among the most affected regions were Delhi, Karnataka, Hyderabad, Mumbai.

Regulating companies under the labour codes

Earlier this year, the government notified the Code on Social Security, bringing gig and platform workers under a formal welfare framework for the first time. It enables their registration on a national database and opens access to schemes covering health, disability, accident insurance and old-age support. It aims to give millions of workers basic protections despite their non-traditional employment structure.

Under the Code on Social Security, 2020, 'gig workers', 'platform workers', and 'aggregators' have been defined for the first time, as a person who performs work outside of the traditional employer-employee relationship. It envisions the creation of a Social Security Fund for gig and platform workers with contribution from Central and state governments, corporate social responsibility, fines collected due to compounding, etc.

Aggregators like Amazon, Flipkart, Swiggy and Zomato will have to contribute 1–2 per cent of their annual turnover towards this fund, with the total contribution capped at 5 per cent of the amount payable by them to the workers.

'Brain drain' could give way to a significant 'brain gain': Mahindra

ENS Economic Bureau
Mumbai, December 31

AS EDUCATION policies in the West evolve and visa regimes tighten, the long-standing "brain drain" from India could give way to a significant "brain gain", Mahindra Group Chairman Anand Mahindra said on Tuesday, calling it a historic opportunity for the country.

In his year-end address, Mahindra said the shift in the nature of work is coinciding with a tectonic change in global talent mobility. "For decades, the world's brightest minds looked to the West for best-in-class education and career opportunities. "Today, as those doors narrow, India's own potential is expanding," he said. "This is not just a challenge; it is an opportunity to pivot from being the world's 'back office' to becoming its premier 'think tank'."

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Indian economy poised for strong growth despite global headwinds: RBI Governor

Hitesh Vyas
Mumbai, December 31

AMID UNCERTAIN and challenging global economic conditions, the Indian economy is expected to show robust growth, supported by resilient domestic demand, low inflation and prudent macroeconomic policies, Reserve Bank of India (RBI) Governor Sanjay Malhotra said on Wednesday.

However, geopolitical and trade-related uncertainties pose near-term risks, Malhotra said.

"Despite a volatile and unfavourable external environment, the Indian economy is projected to register high growth, driven by strong domestic consumption and investment," Malhotra said in his foreword to the December 2025 edition of the Financial Stability Report (FSR), released on Wednesday.

"Nonetheless, we recognise the near-term challenges from external spillovers and continue to build strong guardrails to safeguard the economy and the financial system from potential shocks," he said.

> **"The outlook for 2026 and beyond, however, is shrouded in uncertainty as the contours of policies that are reshaping the global economic landscape remain fluid and untested"**
>
> SANJAY MALHOTRA, GOVERNOR, RESERVE BANK OF INDIA

Malhotra said that the year 2025 was challenging as geopolitical conflicts, trade tensions, and persistent policy uncertainty cast a shadow over the global economy and the financial system. Amid these developments, he said, the world economy has proven to be more resilient than anticipated and the financial system has remained steady. "The outlook for 2026 and beyond, however, is shrouded in uncertainty as the contours of policies that are reshaping the global economic landscape remain fluid and untested," the Governor said. In this challenging backdrop, the global financial system remains vulnerable to stretched valuations of risk assets, expanding public debt and growing interconnectedness among banks and non-bank financial institutions (NBFIs). Alongside, the financial landscape is evolving rapidly, driven by profound technological advances and the continued rise of non-bank financial intermediation, he added.

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Stablecoins could pose risks, warns RBI

Mumbai: The Reserve Bank of India (RBI) on Wednesday warned that widespread adoption of stablecoins could pose significant risks to the country's monetary sovereignty and financial stability.

The RBI has urged other countries to prioritise central bank digital currencies (CBDCs) over privately issued stablecoins to ensure financial stability.

"The RBI maintains a cautious stance on crypto assets, including stablecoins, prioritising sovereign digital infrastructure to safeguard monetary sovereignty amid global shifts and preserve financial stability," the RBI said in its Financial Stability Report (FSR). **ENS**

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RBI STRESS TEST

Banks' gross NPAs likely to improve to 1.9% by FY27

From 2.1% in September 2025

Hitesh Vyas
Mumbai, December 31

IN THE event of a potential macroeconomic shock, India's scheduled commercial banks (SCBs) are likely to show better resilience going forward, according to the findings of the Reserve Bank of India's (RBI) stress test for the banking system.

The gross non-performing assets (GNPA) ratio of scheduled commercial banks (SCBs) may improve to 1.9 per cent in March 2027 from 2.1 per cent in September 2025, the RBI's Financial Stability Report (FSR) showed. On Tuesday, data from the RBI's annual Trends and Progress of Banking in India report showed that GNPAs of SCBs in India hit multi-year lows of 2.1 per cent as at September-end 2025, from 2.2 per cent at the end of March. The estimate for GNPA ratio for March 2027 is based on the macro stress tests that assess the resilience of banks under adverse macroeconomic shocks.

"The aggregate GNPA ratio of the 46 banks' may improve from 2.1 per cent in September 2025 to 1.9 per cent in March 2027 under the baseline scenario," the RBI said in the report.

GNPA is calculated by dividing a bank's gross non-performing assets (interest/principal overdue for 90+ days) by the bank's total lending portfolio.

Key scenarios

The test also assessed GNPAs under two other scenarios — adverse 1 and adverse 2. The GNPA may rise to 3.2 per cent and 4.2 per cent, under adverse scenarios 1 and 2, respectively, the report said.

Projection of GNPA Ratio

01/09/25	
Actual scenario	2.1%
01/03/27	
Baseline scenario	1.9%
Adverse scenario 1	3.2%
Adverse scenario 2	4.2%

NOTE: FOR A SYSTEM OF 46 SELECT BANKS
SOURCES: RBI SUPERVISORY RETURNS; AND STAFF ESTIMATES

The adverse scenario 1 assumed that a gradual slowdown in global growth, on account of heightened economic uncertainty as well as lingering geopolitical conflicts, would lead to a gradual drop in domestic GDP growth and a moderate rise in domestic inflation over time. In adverse scenario 2, it is assumed that global trade uncertainties, unfavourable trade deals and higher trade gap would result in a sharp dent in the domestic GDP growth. Further, capital outflows, currency depreciation and supply dislocations would push up inflation beyond the tolerance band over time, leading to a tight monetary policy, it assumed. The macro stress results further showed that the aggregate capital to risk-weighted assets ratio (CRAR) — which measures a bank's financial strength — of 46 major banks may decline from 17.1 per cent in September 2025 to 16.8 per cent by March 2027 under the baseline scenario. It may further fall to 14.5 per cent and 14.1 per cent under the adverse scenarios 1 and 2, respectively. However, none of the banks would fall short of the minimum CRAR requirement of 9 per cent even under the adverse scenarios.

Potential impact on CET1 ratio

The tests revealed that the Common Equity Tier 1 (CET1) ratio — which measures a lender's core capital against risk weighted-assets — of banks may marginally improve from 14.6 per cent in September 2025 to 14.8 per cent by March 2027 under the baseline scenario. It may, however, decrease to 12.7 per cent and 12.3 per cent under adverse scenario 1 and adverse scenario 2, respectively. All banks would be able to meet the minimum CET1 ratio requirement, the report said.

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DGCA seeks explanation from AI for operating Dreamliner despite snags

Mumbai: Aviation watchdog DGCA has sought an explanation from Air India for operating a Boeing 787-8 Dreamliner despite repetitive technical snags, according to sources.

In a show-cause notice issued this week, the Directorate General of Civil Aviation (DGCA) has flagged snags pertaining to Dreamliner VT-ANI.

Non-compliance with the Minimum Equipment List (MEL) for the flight operated on June 28 this year has also been mentioned in the notice. According to sources, the regulator has flagged that there were safety concerns related to aircraft dispatch, MEL compliance and flight crew decision-making during the operation of flights AI 258 and AI 357.

While details about the dates of operations for these flights could not be immediately ascertained, these flights operate on the Delhi-Tokyo route.

There was no comment from Air India. **PTI**

BRIEFLY

From Jan 1, star ratings must for appliances

New Delhi: The government has made energy efficiency star-labelling mandatory on a host of appliances, including refrigerators, televisions, LPG gas stoves, cooling tower, and chillers from January 1. According to a gazette notification issued by the Bureau of Energy Efficiency, the new regulation for energy efficiency star-labelling will also apply on deep freezers, distribution transformers and grid connected solar inverter. **PTI**

Small savings schemes interest rates unchanged

New Delhi: The government on Wednesday left interest rates unchanged for various small savings schemes, including PPF and NSC, for the seventh straight quarter, beginning January 1, 2026. "The rates of interest on various Small Savings Schemes for the fourth quarter of FY 2025-26, starting from January 1, 2026, and ending on March 31, 2026, shall remain unchanged from those notified for the third quarter (September 1, 2025 to December 31, 2025) of FY 2025-26," the finance ministry said in a notification. **PTI**

Hyundai Motor India to hike prices from Jan 1

New Delhi: Hyundai Motor India Ltd on Wednesday said it will increase prices by around 0.6 per cent across its model range, effective from January 1, 2026, citing a rise in the cost of precious metals and commodities. The company will implement a weighted-average price increase of around 0.6 per cent across its model range due to the rise in the cost of precious metals and commodities. **PTI**

Govt rolls out Rs 4,531-cr support for exporters

New Delhi: The government on Wednesday launched Rs 4,531 crore market access support for exporters under which financial support will be provided to participate in activities such as international fairs and exhibitions. It will help exporters at a time when they are facing a steep 50 per cent tariff by the US. The step is a part of the Rs 25,060-crore export promotion mission, which is aimed at enhancing competitiveness of exporters. It has 11 components. Market Access Support is the first component of the mission that has been operationalised from Wednesday. **PTI**

GST cut impact: Fiscal deficit widens on lagging tax collections

Siddharth Upasani
New Delhi, December 31

THE INDIAN government's fiscal deficit — the excess of its expenditure over revenue – widened sharply in November as the impact of the Goods and Services Tax (GST) cuts took their toll. Data released on Wednesday by the Controller General of Accounts (CGA) showed the fiscal deficit for the first eight months of 2025-26 stood at 62.3 per cent of the full-year target, almost 10 percentage points higher than a year ago.

India is targeting a fiscal deficit of Rs 15.69 lakh crore, or 4.4 per cent of GDP, for the current fiscal. In April-October 2025, the government's fiscal deficit stood at 52.6 per cent of the full-year target, around 6 percentage points higher than the figure for the first seven months of 2024-25. According to Madan Sabnavis, Bank of Baroda's Chief Economist, the rise in the fiscal deficit is a sign that while expenditure has been in line with last year, "revenue collection has lagged".

While total expenditure in November rose 12 per cent year-on-year to take the total for the first eight months of 2025-26 to Rs 29.26 lakh crore – or 7 per cent higher from last year – total revenue was 13 per cent lower in November and just 3 per cent higher cumulatively. As per the Union Budget for 2025-26, the Centre's spending estimate for the year is Rs 50.65 lakh crore.

> *The government's total expenditure rose 12% YoY in November and 7% in April-November, while total revenue was 13% lower in November and just 3% higher cumulatively*

"The issue has been more on the tax front where tax revenue has been lower at 49 per cent of budgeted amount compared with 56 per cent last year. The impact of GST is hence visible here. There would be some reversal especially on the direct taxation front in December when advance tax payments were made especially by corporates. The lower GST collections is also getting reflected in the monthly data released on the tax," Sabnavis noted.

The impact of the sweeping GST rate cuts that came into effect on September 22 is also visible in the monthly indirect tax data, too. In November – which is reflective of goods and services sold in October – GST collections amounted to Rs 1.7 lakh crore, largely unchanged from November 2024's Rs 1.69 lakh crore. Including compensation cess, which was earlier counted as part of the gross GST mop-up, collections in November were down 4 per cent at Rs 1.75 lakh crore. GST data for December is scheduled to be released on Thursday.

The Centre's net tax revenue – which is gross tax collections after adjusting for refunds and transfers to states – was down 14 per cent in November and 3 per cent for April-November. The Budget estimated a 14 per cent growth in net tax revenue from 2024-25 to Rs 28.37 lakh crore. On the whole, the Centre's total receipts, excluding borrowing, have been kept afloat by non-tax revenue, which is up 21 per cent, largely due to the Reserve Bank of India transferring a record dividend of Rs 2.69 lakh crore to the central government in May 2025. For April-November, non-tax revenues stand at Rs 5.16 lakh crore, not far from the full-year target of Rs 5.83 lakh crore.

On the expenditure front, total spending was up 12 per cent in November and 7 per cent in April-November.

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MARKETS TODAY

Sensex	NIFTY	Gold ▼	US Dollar ▼
85,220.60	26,129.60	₹1,33,195	₹89.88
545.52	190.75	Silver ▼	Oil ▲
0.64%	0.74%	₹2,30,420	$61.90

NOTE: GOLD, SILVER RATES AS PER INDIA BULLION AND JEWELLERS ASSOCIATION DATA GOLD PER 10G, SILVER PER 1 KG; CRUDE OIL (INDIAN BASKET) AS OF DECEMBER 30, 2025

The Indian EXPRESS
~ FOUNDED BY ~
RAMNATH GOENKA
IN 1932
BECAUSE THE TRUTH INVOLVES US ALL

From the parents in Bareilly, Happy New Year

OFTEN, JUST outside the frame of the video that goes viral, there is a quiet and resolute presence. Take the incident, in the closing days of 2025, in a cafe in Bareilly. Vigilantes attacked a birthday party of a 22-year-old woman, purportedly because two young people in the group belonged to the Muslim community. And yet listen to her, three days later, and amid the bleakness, there is reason to hope. It lies in her refusal to let the goons have the last word: "I cannot understand who gave these assailants the authority to judge people and decide who I should be friends with," she told this newspaper. It lies, too, in her description of the unselfconsciously open rhythms of her home. Her parents and relatives have never dictated to her the religion of her friends, she said. "They know who my friends are. If they have no objections..." Long after the noise made by the vigilantes has died down, captured as "news" and amplified by its algorithms, the quiet assertion of the young woman and the low-key decency of her relatives and parents will endure. It makes up the middle space of a diverse country, where it holds and lives and breathes together, even as the day's headlines are made by the raucous extremes.

This is a challenge for the new year — to see what lies in the middle, and beneath. To hear the low and humdrum voices that articulate the shared stakes and values and concerns. To seize the unspectacular common ground, where lives intersect and people meet. Because, amid the shrill polarisation, it is all too easy to lose sight of these. The dominant politics of the day emboldens enactments of conflict and intolerance, promises them a climate of impunity. The prism of news itself has become distortionary — it preys upon faultlines and divisions. It rewards performances of anger and hate. After all, acts of everyday compassion and kindness are not the stuff of viral videos.

It will not be easy. But especially after news comes in, in the year's last month, of attacks on churches and Christian congregations, the killing of a student from Tripura studying in Dehradun because he is from the Northeast, attacks on Kashmiri shawl sellers in Haryana and Himachal Pradesh, it is necessary to widen the frame of the viewfinder. To include those who stand up, outside the frame, choosing, again and again, in the quotidian routine of their days, to reject hate and prejudice. Like the parents of the young woman in Bareilly, who have never decided the religion of her friends, and who she invites to her birthday party. They ensure, and protect, a Happy New Year.

Despite Trump, no turning back on climate

A LITTLE OVER a decade ago, in Paris, climate delegates inked a pact that was seen as a ray of hope for a world unsettled by ecological upheavals. 2025 began with US President Donald Trump pulling out the country responsible for more than a quarter of all GHG emissions since 1750 from the landmark treaty. In the months that followed, Trump delivered on his campaign promise of increased support to the fossil fuel sector aggressively. However, if there's one positive takeaway from a year in which the scientific community's warning about nations defaulting on the Paris Pact's goals grew in urgency and alarm, it's this: A global warming sceptic at the helm in the US has not meant a setback for climate diplomacy. Instead, at COP30 in Brazil, developing countries made it clear that attempts to overturn the Paris Pact's architecture will not succeed. Developed countries committed to triple adaptation finance by 2035 and set up a fund to help the Global South finance climate action.

Renewable energy use has increased appreciably in the last decade. Last year, green fuels edged out coal as the biggest source of electricity. The clean energy graph moved northwards in large parts of the Global South, including India. However, 2025 also exposed the precarity of green technologies. Poor wind conditions and drought exposed the weaknesses in Europe's ageing energy infrastructure. In the wake of Trump's clampdown on renewables, the International Energy Agency has lowered America's green energy capacity growth expectations by 50 per cent compared to last year.

The salience of emissions cuts cannot be overstated. At the same time, the destruction caused by extreme weather events underscored the need to prepare for an increasingly unstable climate. In India, scientists are joining the dots between the pollution crisis and climate vagaries. The country is way ahead in terms of meeting its global climate commitments. Upscaling its green ambition should also be about enhancing people's well-being — minimising the impact of adverse weather events, mitigating public-health challenges and enhancing the competitiveness of industry. In 2026, governments in India should make efforts in this direction.

The year of talking big, saying nothing

IN THE year 2025 of the Common Era, as with so many of its predecessors, there was a scramble in the last few months by publishers of dictionaries (a tool that was made obsolete long before AI, by the internet) to find a "word of the year". From "rage bait" (Oxford) and "slop" (Merriam-Webster) to "parasocial" (Cambridge) and "agentic" (Dictionary.com), each tried to find a word that spoke to the year gone by. Well tried, and half done. For a long time, before artificial intelligence, the true "slop" has been jargon and cliché, the ultimate rage bait. And in 2025, too, there were words that were constantly deployed to say mostly nothing.

Perhaps the biggest red herring was a simple word, used by laypeople every day when they strike a bargain. In 2025, every "deal" became a mystery, an announcement followed by a waiting game. The man with the orange tan has announced deals — on peace and trade — but wars continue, and the "strong fundamentals" of bilateral ties continue not to deliver. But, policy wonks and mandarins tell us, there is nothing much to worry about. "Navigating uncertainty" is something India is apparently excellent at, and "walking the diplomatic tightrope" isn't the same as sitting on the sidelines. And then, a new "multilateralism" can save the "rules-based order". Phew. Then, of course, there is the promise and panic around AI. People who are otherwise unable to start a task manager on Windows XP will tell the world how to set up "guardrails" around cutting-edge technology.

Why are such fancy words used to say so little? The answer may lie in a phenomenon that young people discover as they start "adulting". No one really knows the why or even the how of what goes on. Some people just fake it better.

India's test in 2026 will be to remain, in a world of fissures, a bridge

THAROORTHINK
BY SHASHI THAROOR

AS THE curtain rises on 2026, the global landscape resembles less a cohesive portrait gallery of national foreign policies and more a jagged mosaic of competing interests protruding into one another. The stage reveals the world at an inflection point: Geopolitical turbulence, AI- and tariff-driven economic uncertainty, and climate urgency are all reshaping the global order. For New Delhi, these developments are both challenges and opportunities to assert its role and promote its interests in a multipolar world.

For India, this year has been an object lesson in the dextrous statecraft required to manage an era of turbulence. We find ourselves in an era defined by maximal interdependence and minimal trust — a world where cherished partnerships have turned transactional, strategic assumptions suddenly have asterisks attached and economic ties are a new source of leverage and coercion. From the vantage point of New Delhi, 2025 was the year India truly tested the resilience of its "multi-alignment" strategy, proving that a nation can indeed be a "friend to all" while remaining beholden to none.

The defining geopolitical shock of the year arrived not from a traditional battlefield, but through the silent tightening of supply chains and the collapse of markets. When China throttled the export of critical rare earth minerals in April, the ripple effects threatened the very heart of India's "green transition" and its burgeoning electric vehicle industry; and when President Donald Trump imposed 50 per cent tariffs on India's exports, the bottom fell out of the US market for most of India's labour-intensive industries. This was "weaponised interdependence" in its purest form, and trust was an evident casualty.

Yet, India's response signalled a new confidence: Redoubling negotiations for free trade agreements with an impressive variety of partners, from the UK to New Zealand (and taking in the European Union and Oman in between), diversifying markets and extending support to exporters. By fast-tracking the National Critical Mineral Mission and deepening partnerships with the "Mineral Security Partnership" (MSP) alongside the US and Australia, New Delhi demonstrated that strategic autonomy in 2025 is synonymous with supply-chain resilience.

On the economic front, the year was a study in contrasts. While the return of protectionist rhetoric and negative tariff surprises from Washington created significant pressure on the rupee, India's domestic fundamentals remained remarkably buoyant. India's relatively stable fiscal trajectory stands out, though the much weaker rupee could lead to inflation from energy imports. The enactment of the four long-awaited labour codes in November, and the potentially transformative SHANTI Act for nuclear energy private investment (though with worrying liability implications for the Indian taxpayer) the following month, the government underscored that it's no longer waiting for global tides to lift our boat; it's building a more nimble, "fortress-like" economy capable of withstanding external shocks. Even as the IMF adjusted the timeline for the $5-trillion milestone to 2028-29, India's position as the world's fourth-largest economy — nudging past Japan this year — is a testament to a "golden period" of structural reform. We cannot be complacent amidst global turbulence, but we don't need to be "tariffied" either.

> From the vantage point of New Delhi, 2025 was the year India truly tested the resilience of its 'multi-alignment' strategy, proving that a nation can indeed be a 'friend to all' while remaining beholden to none

India's diplomatic calendar in 2025 further illustrated the art of the adept diplomatic embrace. Geopolitical instability underscored the fragility of the international system and highlighted the importance of multi-alignment. New Delhi has deepened ties with the Global South while balancing relations with Washington, Moscow, and Beijing. The visit of the Russian President to New Delhi, occurring despite intense Western scrutiny, was a bold assertion of sovereign autonomy. It served as a reminder that India refuses to be a "spoke" in anyone else's wheel. Simultaneously, the 15th India-Japan Annual Summit in August and the launch of the Africa-India Key Maritime Engagement (AIKEYME) naval exercise signalled India's intent to lead as a "*vishwa bandhu*".

By positioning itself as the voice of the Global South at COP 30 in Brazil, India championed equitable climate action, demanding that developed nations move beyond targets toward the actual delivery of predictable support. India's leadership in the International Solar Alliance gained traction, as global demand for clean energy surged. Yet, India continues a tightrope walk: Coal dependency persists, even as solar and wind investments expand, reflecting the tension between growth and sustainability. The world looks to India not just as a participant but as a leader in shaping a green future.

However, the most profound challenge of 2025 for many developing countries remained the "Digital Iron Curtain". As global giants dominate the World Wide Web and the internet splinters into sovereign fragments, India has begun to pioneer a unique "tech-diplomacy" footprint. By exporting the "India Stack" and linking the UPI payment network with partners from the UAE to Nepal, New Delhi is offering a democratic, transparent alternative to the opaque digital architectures of its rivals. In this low-trust environment, India has realised that providing public goods to the world is the most effective way to build the trust that traditional geopolitics currently lacks.

Technology has been a defining force of 2025, as AI accelerated its impact on labour markets and energy systems. India, with its vast IT workforce, is both vulnerable and poised to capitalise. Automation risks displacing millions of low-skilled jobs, yet our IT sector and digital public infrastructure position us to lead in AI innovation. India's push into AI innovation hubs and digital public infrastructure offers a pathway to global leadership. At home, we must invest in reskilling, education, and inclusive digital ecosystems. The challenge lies in ensuring inclusive growth, preventing a widening gap between urban tech elites and the rural poor.

As we look towards 2026, the phenomenon of interdependence without trust continues. India has shown that the path forward is not to retreat from the world, but to engage with a clear vision that prioritises national interest without abandoning global responsibility. The task is not simple: To navigate these inflection points with prudence, ambition, and inclusivity. By choosing multi-alignment over binary allegiances, India has ensured that in a fractured world, it remains the most stable bridge across the fissures.

The writer is Member of Parliament for Thiruvananthapuram, Lok Sabha and Chairman, Parliamentary Standing Committee on External Affairs

Tariffs are gone. Now, let's build on India-Australia pact

PHILIP GREEN

As of today, January 1, 2026, no Indian goods face any tariff entering Australia. None. Zilch, nada, zippo across the board. No asterisk. No hash. No fine print.

Three years after the Australia-India Economic Cooperation and Trade Agreement (ECTA) came into force, Australia has eliminated every last tariff on Indian exports. That's completely free access to Australia's nearly $2-trillion economy. And in return, many Australian goods now enter India under reduced or zero duties.

That's good for both countries. Driven by ECTA, trade between Australia and India has crossed 50 billion Australian dollars, or Rs 3 lakh crore, for the first time. Over the past five years, our two-way goods trade has doubled. And Australian commodity exports to India have grown strongly, fuelling "Make in India".

Meanwhile, India's exports to Australia have expanded much faster than to the rest of the world. Consider this: Over the last five years, India's global goods exports have grown 40 per cent. Not bad, right? Yes, but over the same period, India's goods exports to Australia were up 200 per cent. So, India is benefiting from trade with Australia five times faster than it is from the rest of the world. Ripper.

And these aren't just numbers. They mean economic activity — and jobs for Indians and Australians. One in four jobs in Australia is linked to trade, and with billions in Australian exports now going to India each year, I estimate around 200,000 jobs in my country are tied to trade with India.

In this country, Minister of Commerce and Industry Piyush Goyal has said ECTA will create 1 million jobs. And with the growth we've seen, I'd be surprised if we hadn't hit that number already.

This isn't unexpected. Our economies are a natural fit. They click. Australia has what India needs: The critical minerals, rare earths and skilling expertise that will supersize Indian manufacturing. And India has what Australia needs: Quality manufactures and bonza agriculture products that suit the tastes of modern Australia.

> Over the years, trade with Australia has helped power some of the Indo-Pacific's biggest economies to prosperity. Australia can help India do the same

You can see that complementarity when walking the streets of Australian cities. You will see Mahindra selling cars in showrooms. You will see supermarkets stocking produce from Indian farms. And you will see Indian-made garments for sale at major retailers. These products aren't just consumed by our Indian diaspora, now more than 1 million strong. They are enjoyed by Australians at large.

This success matters even more today. As global trade becomes unpredictable, Australia remains a reliable and committed partner for India. Three days ago, Minister Goyal said that India's relationship with Australia anchors India's economic engagement in the Indo-Pacific. As he put it, "India and Australia are building a future of shared prosperity and trusted trade." I couldn't agree more.

That's why Australia and India want to go farther. We're working to upgrade ECTA into a Comprehensive Economic Cooperation Agreement, or CECA. This can strengthen trade and investment ties across goods and services, and support new critical minerals supply chains. In November, Goyal and Australia's Minister Farrell reaffirmed their commitment to conclude CECA as soon as possible.

And that's not all: Last year ,my Prime Minister released *A New Roadmap for Australia's Economic Engagement with India*, which details how Australia can contribute to and benefit from India's economic rise.

Looking back, it's clear ECTA has given Australia and India an excellent start — and that we have a lot more to do together. I can be frank with you: Over the years, trade with Australia has helped power some of the Indo-Pacific's biggest economies to prosperity. Australia can help India do the same, to the benefit of both our great nations.

That's fair dinkum!

The writer is Australia's High Commissioner to India

Justice has not been rescued in Akhlaq case

BURHAN MAJID

DEAR EDITOR
I disagree
A fortnightly column in which we invite readers to tell us why, when they differ with the editorial positions or news coverage of 'The Indian Express'

A RECENT *Indian Express* editorial ('Court rescues due process in Akhlaq case', December 24) rightly welcomes the Surajpur court's refusal to allow the Uttar Pradesh government to withdraw prosecution in the lynching of Mohammad Akhlaq. Yet, precisely because the lynching of Akhlaq has come to symbolise something far deeper than an isolated crime, the editorial's framing is incomplete. While it recognises the violence involved, it stops short of engaging with the wider culture of impunity.

First, the lynching of Akhlaq in 2015 inaugurated a phase in which lynchings became routinised violence against Muslims. Over the past decade, mob attacks on minorities — often justified through allegations of cow slaughter or interfaith relationships — have followed a familiar script. Accusations are publicly amplified, violence is inflicted in full view, and investigations are routinely stalled or diluted by the police. Even after the SC's 2018 reminder, political leaders have continued to praise "*gau raksha*" groups, while victims' families face harassment.

Second, the delay in bringing the perpetrators in Akhlaq's case to book is an injustice in itself. Even this limited judicial assertion has taken nearly a decade. In this context, delay is a mechanism of impunity where witnesses turn hostile, evidence degrades, and families are exhausted emotionally and financially. That the court has now directed daily hearings and protection of evidence underscores the significant damage already done.

Third, the UP government's attempt to withdraw prosecution is not an isolated "failure", but part of a broader pattern of state sanction legitimising vigilante violence. Treating it as a deviation from ordinary criminal process obscures its political character. As Mahmood Mamdani argues in a different context, the way violence is framed shapes the remedies it invites. A criminal frame confines responsibility to individuals and procedural lapses, yielding case-specific responses. A political frame, by contrast, exposes lynching as violence sustained by a culture of impunity.

> The UP government's attempt to withdraw prosecution is not an isolated 'failure', but part of a broader pattern of state sanction legitimising vigilante violence

Fourth, when the state aligns itself, implicitly or explicitly, with perpetrators of violence, it signals active protection of those behind it. The BJP-led UP government's bid to abandon prosecution in a mob lynching case reflects this. It is rare for elected governments to align so openly with those accused of such acts. This convergence of political power and vigilante violence poses a grave threat to constitutional governance and the rule of law.

Fifth justice in the Akhlaq case cannot just come through "social healing". Without accountability that is timely and insulated from political pressure, the rule of law risks being performative.

The UP government's attempt to withdraw prosecution therefore raises a question about constitutional governance in an era of majoritarian mobilisation: Can the criminal justice system meaningfully address politically incentivised crimes? So long as lynching is treated as episodic lawlessness rather than a structural form of political violence, individual court orders — however welcome — will remain palliative rather than transformative.

The writer teaches at the School of Law, Jamia Hamdard, New Delhi

40 YEARS AGO
January 1, 1986


INDIAN EXPRESS
India asks Lanka to study TULF formula
Meaningful compromise urged

New Year may not be rosy

New Year may not be all that happy for those who will indulge in extravagant festivities to show off their ill-gotten wealth. Sources said intelligence officials from the Directorate of Revenue Intelligence have been making discreet inquiries about the bookings made in posh city hotels to herald the new year.

TULF formula

India has urged Sri Lanka to give "early consideration" to the Tamil United Liberation Front's proposals to resolve the island's ethnic problem and offer a meaningful compromise, responsive to Tamil aspirations. India has, at the same time, reassured Sri Lanka that it remains committed to cooperating with it to find a political solution.

Ershad to lift open politics ban

Bangladesh President H M Ershad will lift the 10-month-old ban on open politics and withdraw trade restrictions on New Year's Day after almost four years of martial law, officials said. This will coincide with Ershad launching a new party to fight in April's elections.

IDF blows up Lebanese homes

Israeli army demolition units blew up dozens of homes in the Lebanese village of Kounin after expelling its 2,000 inhabitants, a police report said. This coincided with gun battles between the Israeli-backed South Lebanon Army and Muslim militiamen in the hills overlooking the city of Sidon, police said

Once upon a time in Dehradun, a Chinese man, an Indian wedding

DEVYANI ONIAL

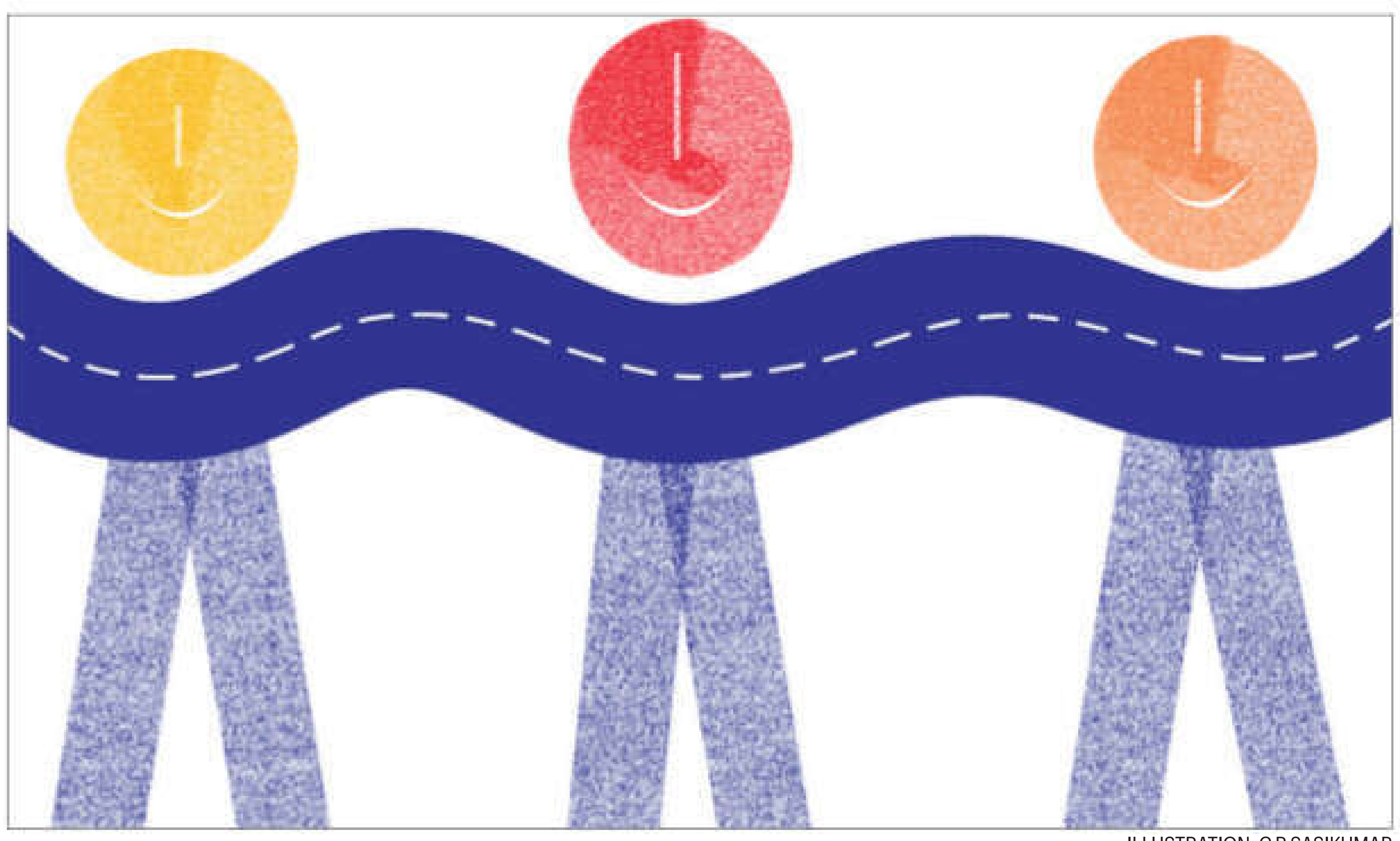

ILLUSTRATION: C R SASIKUMAR

WHEN MY parents got married in Dehradun many decades ago, my mother was surprised to see the owner of the shop where she regularly bought her shoes dancing enthusiastically in the wedding procession. My father introduced him to her as one of his closest friends who belonged to a Chinese family settled in Dehradun, one of the leading shoemakers in the city. When we were growing up, among the many boyhood stories my father recounted of his friends, our favourite was of a young Kekua uncle watching the late night show of Ashok Kumar's *Kismet* some 80 times in a row, coming out of the hall and heading to the Parade Ground to sleep out in the open instead of going home and risking his sleeping family's anger. A young Chinese-Indian boy spending the night at the park in the centre of the town apparently attracted little attention, definitely no derision, mild curiosity at best and that too probably wore off by the second day of his sleepover-under-the-stars.

Nearly eight decades later as 2025 began its gradual slide into the past, residents of Dehradun gathered at a library at the same Parade Ground in the heart of the city on December 30 for a citizens' condolence meeting for Anjel Chakma, the young student from Tripura who along with his brother was attacked by a group of boys and who later died in hospital. On December 9, when the 24-year-old was out in Dehradun with his younger brother Michael, a group of six, including two juveniles, picked a fight with them and allegedly hurled racial slurs at them, calling them "Chinese" and "momo". A town that prided itself on its cosmopolitanism suddenly found itself in the midst of the most primitive of all crimes: Picking on someone who you think doesn't belong.

With people from the hills, a large Nepali population, Tibetans who made their homes and monasteries there after they left Tibet, Punjabi refugees who settled there after Partition and found immense success, a now-dwindling Anglo-Indian community and the many government officers and staffers from all over India who after being posted to Doon decided to put down roots there, it is, ironically, a town where Anjel should have felt at home. It is a city known for its institutions, including the elite Doon School, which with its legacy and pedigree, became a byword for aspiration, spawning a rash of schools called "Doon School" in unlikely lanes and bylanes in towns that had no connection to either the school or the town. Ever since Uttarakhand was carved out of UP in 2000 and Dehradun elevated as its capital, the city has seen a phenomenal growth in private colleges and universities, drawing students from all over the country and even from countries in Africa. But much before this boom, its government colleges got a steady flow of students from the Northeast. It was — and is — common for homes in the neighbourhood of these colleges to rent out to students from the Northeast, primarily from Nagaland and Manipur.

From then to now, the city has changed as has its rhythm and tone. There is more young blood in the city of retirees than ever before but it has also come with a certain brashness, with fights between locals and tourists becoming more frequent. New shiny cafes and restaurants have mushroomed everywhere and Dehradun's narrow lanes struggle to accommodate its growing traffic. The breakneck pace of so-called development has meant the loss of so many things but it has also spelt opportunities for young boys and girls, from the hills as well as from all over the country. A town already used to being cosmopolitan and modern is now trying to keep pace with New India.

> It is no coincidence that the recent shrill political labelling of outsiders and the constant statements against minorities in the state have created an environment where it's easy to lash out at anyone you think is an outsider

But behind the facade of modernity lies the same tired stereotyping. It is no coincidence that the recent shrill political labelling of outsiders and the constant statements against minorities in the state have created an environment where it's easy to lash out at anyone you think is an outsider. It's not as if prejudice didn't exist earlier, it's just that it's so much easier to articulate it publicly and act on it now.

Earlier this year, after the terror attack on tourists in Pahalgam in April, Kashmiri students were heckled by local residents, served an ultimatum to leave over video by a man belonging to an outfit called the Hindu Raksha Dal, prompting them to leave overnight. In Mussoorie, many shawl sellers from Kashmir left after two vendors were attacked, allegedly by locals. In 2023, in another part of Uttarakhand, an abduction case was transformed into one of "love jihad", a term right-wing organisations use to label marriages of Muslim men and Hindu women, unspooling a chain of events that led to calls for Muslims to leave. In Dehradun, any altercation with a member of the minority community routinely leads to calls for them to leave. In a town where once there were so many outsiders and yet no one was an outsider, new fault lines have been etched.

But there have been pushbacks. This October, when the president of an outfit called the Rashtriya Hindu Shakti Sangathan barged into a room in Rishikesh where a group of girls was rehearsing for the Miss Rishikesh pageant and lectured them about wearing clothes that were against the culture of Uttarakhand, the girls stood their ground. Meanwhile, the murder of Ankita Bhandari, a young receptionist working in Rishikesh, in 2022 has brought together people across the state, demanding justice for her.

This new year, as the snazzy Delhi-Dehradun Expressway gets ready to open, promising to cut the distance between the two capitals and bring more visitors and economic prosperity to the region, let's hope Dehradun can also build a road that takes it back to its old-world cosmopolitanism and forward to become an inclusive modern city.

The writer is national features editor, The Indian Express.
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In 2026, questions the young should ask themselves

NANDITESH NILAY

My dear son,

NEXT YEAR you will step into ninth grade, and with that step begins a long corridor marked Class 10, 11, 12… and then, perhaps, engineering, medicine, law, academics, research, the civil services, or paths we have not yet named. Your childhood habits and laughter will still walk beside you, but soon the echoes of syllabus, results, percentages and comparisons will start interrupting your days.

As a father, and sometimes a teacher, I want you to know this: I am happy to walk a few extra miles quietly with you. Not ahead of you, not to pull you back, but alongside.

So, in the spirit of Socratic wisdom, I leave you with questions. In searching for their answers, you may begin to understand your own becoming.

What should be our habits? What kind of person do you wish to remain? What will be your values? Why do we need to study? Is it worth it to remain a good human being?

Habits quietly decide both the present and the future. What you eat, how you sleep, how you speak, how long you stay online — all these count. Try to build habits that do not live only inside a phone. Play a little. Read books that are not in the syllabus, and slowly frame the syllabus of your life.

Travel with your sister, parents and grandparents. Travel is not only about places; it is about shared happiness. One day, a photograph of you and your sister in a park near mountains and rivers will mean more than you imagine today. So will a smiling picture with your parents, and one enlarged lovingly for your grandparents. Staying healthy is also a habit. So is caring for the body your parents gave you.

As for the second question, remember your personality is shaped by your virtues. Virtues are the quiet gravity of a person. Truthfulness, the courage to recognise wrong, respect for time, and self-discipline. These decide who you are. Keep a capital "NO" for what is wrong. Right is what you can share without fear with your parents, sister, grandparents and juniors. Wrong is what you would never want to pass on. And "not right" is that dangerous space justified by "only once". Your ability to tell these apart will become your identity.

The third question is harder in a noisy world. Society will measure you by money, position, and brands. Measure yourself by values. Trust, care and courage will shape your worth. Trust makes you reliable. Care allows you to change lives through action. Courage grows only in those who care. Even the Avengers, after all, need a moral compass.

Now the fourth question. Education is not merely an exam or a race. It is an opportunity. Not everyone gets books, uniforms, classrooms, teachers, PTMs, or even a school ID. Study hard, not just for yourself but also for those who never got this chance. Read everything.

Before the fifth question, remember this one word: *Sangat* — association. Habits lead to virtues, virtues to values, values to ethics, and ethics return us to habits. Choose your company wisely; happiness follows quietly. Many of those who follow you on Insta may not even exist. To answer the fifth, you must remember the letter I once wrote to your sister. She asked me, "Who is a good person?" I told her: A good person helps without hesitation, avoids arrogance and jealousy. It's hard to do — that's why a good person is never weak. From Vivekananda to Gandhi, goodness walked hand in hand with courage.

Your sister has framed my letter to her on her wall. You may place this one beside it. Think of your father as a wall, too, standing firm, plain, but soft enough to hold you both.

This is my Happy New Year note to you. I seek comfort in the fact that it echoes the note from all parents to all their children, written and unwritten, texted on phones or kept in the heart.

The Prime Minister reminded the nation, in his first year as PM, that we must speak to our sons rather than lecture our daughters. You may already know far more than I did at 14; this may well sound like an old man's rant. If so, forgive me. Fathers are allowed one or two.

Nilay is the author of Being Good, Aaiye, Insaan Banen *and* Ethikos. *He teaches and trains courses on ethics, values and behaviour*

LETTERS TO THE EDITOR

Fragmented world

THIS REFERS to the article, 'History doesn't end today, our old compass has run its course. Here's a new one for India' (*IE*, December 31). N K Singh and Nicholas Stern sketch a new strategic compass for India as the old global order fragments. They prescribe subtle diplomacy through engagement with diverse partners while insisting on principled stances, paired with economic resilience, enforceable AI governance, and climate-led growth. Practical measures to be undertaken for EVs, green hydrogen, and decarbonisation are framed as engines of development rather than trade-offs. The article marries realism with that aspiration.

Abhinav Shah, Lucknow

Hate crime

THIS REFERS to the editorial 'Anjel Chakma's murder isn't just one murder' (*IE*, December 31). The dying words of 24-year-old Anjel Chakma — "We are not Chinese… we are Indians" — should haunt our collective conscience. As a nation, we remain perpetually vigilant against external strikes in places like Pahalgam, yet fail to recognise the internal enemies gnawing at our unity: Racism and prejudice. The editorial rightly suggests curricular changes, but textbooks alone cannot teach what the heart refuses to learn. The cure lies in responsible behaviour by every citizen and, more importantly, our political leadership.

Krishan Kumar Chugh, New Delhi

THIS REFERS to the editorial 'Anjel Chakma's murder isn't just one murder' (*IE*, December 31). Racism against the people from Northeast India is rising across the country. Despite being Indian citizens, people from the region are often judged by their appearance, labelled outsiders, and subjected to harassment and violence. Such incidents threaten their safety and weaken national unity. I urge the government and law-enforcement agencies to ensure strict punishment for the culprits and take strong measures to prevent racial crimes in the future.

Md Hammad, Mumbai

What weight-loss drugs can't do

RINKU GHOSH

FOR THE past couple of years, weight-loss drugs have been an elite privilege, creating a class system among those battling obesity and diabetes and setting new aspirational benchmarks for a healthy life. This year, manufacturers lowered their prices, tapping into a booming diabetes and obesity market in India. Given that the trials showing the drugs' cascading benefits — protection of the heart and kidneys — were largely industry-sponsored, has the medicalisation of obesity hijacked our understanding of body image?

For starters, a once-a-week jab is seen as a saviour drug that makes any other effort at weight loss seem unnecessary, especially to those averse to a gym routine. Despite repeated clarifications that the efficacy of the drug is co-dependent on diet, lifestyle corrections, fitness routines and, most importantly, baseline fitness and health, it is seen as the manna that can melt fat without heaving off the couch. Such an approach disempowers the individual, chipping away at their will to take physical charge of their lives. That's surrender to convenience, not effort

The obvious fallout of such an attitude can be seen in the Benjamin Buttonish experiments of techpreneur Bryan Johnson, who has built an empire around body obsession, even finding ways of tackling the side effects of drugs, muscle wasting and a droopy face. Be it gene therapy to build muscle mass or the "Baby Face" photo showing how donor-derived fat was used to restore facial volume, weight loss drugs are laying the foundation of Johnson's belief that the body is God, not the mind.

Societally, weight-loss drugs "healthified" thinness. At red-carpet events, celebrities dressed to show off their thin, age-defying bodies. It didn't matter that their faces drooped from loss of fat, had deeper wrinkles and that they looked visibly older. Or that the appetite-killing drugs had robbed them of sensory joys. None other than tennis ace Serena Williams came under the pressure of the "thin and fit" grammar as she promoted a weight-loss injectable in her role as a healthcare company's brand ambassador. This helped propagate the myth that even an athlete needed a jab to feel better about herself.

This equating of the cosmetic with the clinical has undone the entire concept of body positivity and acceptance. While body positivity cannot be used to justify obesity, it does lead to self-acceptance and helps demolish stigmas. Defining the body in terms of clinical constructs like BMI may inadvertently reinforce thinness as the only acceptable self-image metric and toss all larger body types into the "unhealthy" basket. This has already percolated down to the daily economy. Plus-size sections are fast disappearing at brand outlets, which politely suggest going online for bigger sizes.

> Defining the body in terms of clinical constructs like BMI may inadvertently reinforce thinness as the only acceptable self-image metric and toss all larger body types into the 'unhealthy' basket

But the price of the drug is the biggest demotivator, with many in the US giving up the medication midway through their course because of the cost burden. Besides, let's not forget the dark side: The suits against manufacturers over insufficient warning about side effects, including gastrointestinal issues, muscle wasting and vision problems. A public interest litigation (PIL) in the Delhi High Court has raised concerns about the licences for certain weight-loss drug combinations without India-specific trials, overlooking regional health and genetic factors.

The use of weight-loss drugs, whose benefits outweigh the risks in those who are on the edge, has unfortunately also created a new sense of inadequacy. Some users report mood changes, increased anxiety, or anhedonia (inability to feel pleasure), which can be related to the brain's adjustment to lower calorie intake or changes in the dopamine reward system. For sedentary Indians, who may not be overweight but have belly fat, the use of the drug might lead to severe muscle wasting, which tends to be replaced by more fat.

Traditionally, fitness often implied building strength and overall well-being through physical activity. The use of weight-loss drugs primarily targets fat mass, which may or may not directly correlate with overall physical fitness and functional health. Ultimately, the obsession with quick fixes, like weight-loss drugs, is a magic-pill approach, taken without understanding the science of our individual bodies. That change must come from within our minds.

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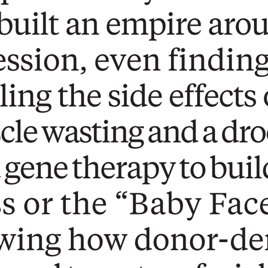
The exam has a cottage industry



SHOBHIT MAHAJAN

THE YOUNG girl stopped me during my morning walk, asking me if there was a cyber café nearby. She was carrying an infant, and her husband was walking behind her with a huge backpack. She had come from Prayagraj and had lost her wallet with her Aadhaar card in the train. She needed to download and print out a copy so that she could appear for the exam. I told her the way to the shop, but added that it would possibly be closed so early on a cold and foggy morning.

The exam was a computer-based test conducted by the Staff Selection Commission for the recruitment of 7,500 Delhi Police constables. The centre was a school in our colony whose owners have figured out that hosting entrance and recruitment exams is big business. The exams were held for 15 days in multiple shifts, which meant that all through the day, the whole neighbourhood was taken over by thousands of candidates and their relatives who had come with them.

The collateral effect of this jamboree was a huge uptick in local business. Makeshift tea-stalls, chaat and bhelpuri carts, shared autos and cabs as well as bike taxis thronged the place through the day. And since the testing agencies have decided that the candidate needs to go through as much inconvenience as possible, the assigned exam centre is rarely in or even near one's hometown. This, of course, meant that candidates usually had to come a day in advance and spend the night in a Dharamshala or a cheap OYO hotel.

The train/bus fare, the local transport by cabs/autos, the cost of boarding and lodging must all be adding up. And this was just one exam at one centre. If one takes the number of examinations conducted by the various agencies (UPSC, SSC, NTA, railways, defence services, public service commissions of various states, UGC, CSIR etc.) and multiplies that by the number of centres for each examination, the economic benefits of having our youth go through multiple exams to become a government servant are immense. And this is without taking into account the coaching industry, which has been and remains a sunshine industry — it is estimated to add Rs 30,000 crore to Kota's economy alone, with places like Sikar fast catching up. One frequently reads about a few million appearing for the lowest-level government jobs. What is more, jobs for which the qualification is Class XII have people with PhD and Master's degrees appearing for them.

> The collateral effect of this jamboree was a huge uptick in local business. Makeshift tea-stalls, chaat and bhelpuri carts, shared autos and cabs as well as bike taxis thronged the place through the day

The silver lining in this unending circle of examinations is that some entrepreneurs have discovered an opportunity. A student of mine, frustrated after several years of appearing unsuccessfully for various exams, realised that there is money to be made from them. His house is close to one of the exam centres. Apart from using his laptop and printer to download and print the various documents needed by the candidates, he has spied another niche. Candidates are not allowed to carry their phones or any other belongings to the exam. And the centre has no provision for safekeeping them. So, he allows them to keep their phones etc. with him for a small sum.

The writer is professor of Physics and Astrophysics, University of Delhi

● ECONOMICS

Behind copper's record 2025 rally: Tariffs, supply hit, AI demand

Pratyush Deep
New Delhi, December 31

COPPER PRICES recorded a fresh all-time high in December, with the benchmark price climbing to more than $12,000 per tonne on the London Metal Exchange (LME). The metal surged over 35% in 2025, marking its biggest annual jump since 2009.

Although copper has been on an upward trajectory for much of the year, its spike in recent weeks has pushed prices beyond most market forecasts for 2025.

Copper is essential to the modern economy, with uses ranging from housing and manufacturing to power grids, clean energy, artificial intelligence and defence. Thus, it is often seen as a barometer of economic health. A rise in copper prices is considered a signal of robust economic growth, while falling prices tend to raise concerns about an economic slowdown. This is why the latest rally has raised eyebrows. The surge is coming at a time when global economic growth is steady but far from strong.

Impact of Trump's tariffs

While a combination of factors is responsible, the global trade disruptions resulting from US President Donald Trump's tariffs have been a key driver. In August, President Trump imposed a 50% tariff on semi-finished and derivative copper imports, prompting US buyers to stockpile the metal ahead of the tariff's implementation on August 1. The possibility that refined copper — thus far exempt from these duties — could potentially be subject to these tariffs has been a key driver of the price rise this year. US buyers have aggressively purchased and stockpiled copper reserves in warehouses, steadily building up their inventories, to avoid facing potentially higher costs.

These tariff expectations have also created arbitrage opportunities in the market, *Bloomberg* reported. An arbitrage opportunity arises when the same commodity is priced differently in two markets. Copper is traded on multiple exchanges, including the London Metal Exchange (LME) and US markets such as COMEX. When prices are lower in one market and higher in another, traders can buy copper in the cheaper market and sell it simultaneously in the more expensive one, profiting from the price gap.

Since January, copper prices have risen much faster in the US than in London, widening the gap between the two markets, *The Economist* reported in October.

THE FORECAST

● Citigroup has said that copper prices could climb to $15,000 a tonne if the dollar continues to weaken. JPMorgan said that the rally could extend into this year on supply disruptions.

● But the rally has its sceptics. Goldman Sachs Research said it expects prices to decline in 2026 as a modest global surplus of supply is likely to persist. Over the longer term, the firm said demand from electricity infra would support prices.

Tightening supply, growing demand

Another key factor is the tightening supply caused by disruptions at major copper mines in countries such as Indonesia, Chile, and the Democratic Republic of Congo.

These disruptions have squeezed global copper supply at a time when demand is rising sharply, driven in part by the rapid expansion of artificial intelligence and the resulting proliferation of data centres. A typical data centre uses between 5,000 and 15,000 tons of copper. A hyperscale data centre, — the kind being built to run AI — can require up to 50,000 tons per facility.

The transition to clean mobility is adding to copper demand. Electric vehicles use (53.2 kg) more than twice the amount used by conventional cars. The global push for power grid infrastructure expansion and the energy transition is also driving a significant surge in copper demand.

The dollar effect

Apart from supply constraints, a weakening US dollar has also added upward pressure on copper prices. The dollar has been softening amid growing expectations that the US Federal Reserve will begin cutting interest rates next year. Lower interest rates typically reduce the dollar's appeal, causing it to weaken against other currencies. Since copper is priced in US dollars, expectations of a weaker dollar tend to push up dollar-denominated copper prices.

Before top court in 2026: Matters of religion, citizenship, liberty

In 2025, the conversation on the judiciary was dominated by off-court controversies. In 2026, the focus shifts back to the courtroom as the SC takes up several important issues related to citizens' rights, freedoms and religious beliefs

APURVA VISHWANATH

THE CONVERSATION on the conduct of judges dominated the legal landscape in 2025, with a series of incidents turning the glare on the judiciary: Allegations of cash being found at the official residence of then Delhi High Court judge Yashwant Varma; the failed impeachment motion against Allahabad High Court judge Justice Shekhar Yadav over his controversial speech; and controversies surrounding two former Chief Justices of India (CJIs) defending their judgements in post-retirement interviews.

From within the courtroom, the Supreme Court delivered significant decisions, reversing its earlier verdicts where the executive was the litigant. A two-judge bench's order on timelines for the Governor and President in the legislative process were effectively undone through a Presidential reference. The top court also overturned its judgment banning retrospective environmental clearances.

The year also saw a series of arbitration and commercial rulings that clarified the limits of judicial power in private disputes.

So, as 2025 winds down, what does 2026 look like for India's top court?

ILLUSTRATION: SURAJIT PATRO

Judges under the glare

IMPEACHMENT

The Justice Varma case has moved from an internal judicial inquiry to the political arena. The judge has denied the allegations and is likely to challenge every move in Parliament. The Supreme Court has agreed to hear Justice Varma's petition challenging the action of Lok Sabha Speaker Om Birla to "unilaterally" constitute a committee under the Judges (Inquiry) Act to investigate him. If Parliament follows through, 2026 would see the first impeachment of a judge of a constitutional court.

The other impeachment motion, against Justice Yadav, fell through, testing the limits of judicial accountability that politicians can enforce. The case showed that impeachment, the high constitutional bar for the removal of judges, is a process that is entirely politically negotiated.

PUBLIC SCRUTINY AND LIVE-STREAMING

The pandemic-era experiment with virtual hearings has now settled into a hybrid system, making proceedings more accessible to lawyers and litigants across the country. But it has also lowered the barrier to observing and critiquing judges in real time.

Throwaway oral observations or courtroom humour routinely escaped into social media virality, often stripped of context and sometimes weaponised in political debates.

In an unfortunate incident, a lawyer attacked CJI Gavai in the courtroom, allegedly upset with his remarks in a particular case. The SC intervention in the management of stray dogs and post-retirement interviews of former CJIs D Y Chandrachud and B R Gavai defending their rulings opened up the institution to unprecedented scrutiny. Justice Chandrachud explained the court's rationale in the Babri Masjid-Ram Janmabhoomi case verdict, while Justice Gavai, just weeks after his retirement, defended his Aravalli verdict, in which he accepted the government's 100-metre definition of the hills.

The coming year is likely to see continued institutional scrutiny and sharper transparency demands.

COLLEGIUM AND INTERNAL DISSENT

The Collegium's functioning in 2025 continued to attract criticism of non-transparency. But its recommendation of Justice Vipul Manubhai Pancholi for the Supreme Court also sparked questions from within. Justice B N Nagarathna, who is set to be the first woman CJI in 2027, penned a dissent note against Justice Pancholi's recommendation, which was not included in the official collegium notes that were made public. Given that CJI Surya Kant has a tenure till February 2027, he will head the Collegium in 2026. With at least five SC judges demitting office in 2026, CJI Kant's Collegium will have to make fresh appointments. His tenure will be shaped by the consensus he builds with his Collegium colleagues.

NEW IN THE NEW YEAR

CJI's Tenure

CJI Surya Kant's observations and decisions in cases involving free speech indicate that these will make headlines during his tenure.

●

With at least five SC judges demitting office in 2026, his tenure will also be shaped by the consensus he builds with his new Collegium colleagues.

Matters before the top court

RELIGION

● In an interim order, the top court stayed two key provisions of the 2025 Waqf law. The court said that although it is not inclined to stay the entire law, it limited the powers of the district collector in determining the status of a waqf property and capped non-Muslim representation in Waqf Boards. A larger challenge to the contentious law — among other aspects, it makes the government the arbiter of whether a property is waqf property and includes non-Muslims in waqf boards — is likely to be heard in 2026.

● Challenge to the Places of Worship Act. The 1991 law froze the religious character of all places of worship except the then-disputed structure in Ayodhya as they stood on August 15, 1947.

● Challenge to the Karnataka hijab ban, which touches upon questions of autonomy and the state's power to regulate freedoms.

● A review of the SC's 2018 ruling allowing entry of women into Sabarimala, which will re-evaluate the "essential religious practice test", a contentious doctrine developed by the court to protect only such religious practices that are essential and integral to the religion.

CITIZENS AND THE STATE

● In June, the Election Commission announced a "special intensive revision" of the electoral roll in Bihar ahead of polls. In the exercise, all existing electors who were not on the rolls in 2003 had to once again provide documentation proving their eligibility for voting. The EC provided a list of 11 documents that excluded the most commonly held ones — the voter ID and Aadhaar. The move was immediately challenged before the SC. The Bihar SIR was conducted under the watchful eyes of the SC, even as the court said that prima facie EC had the power to conduct such an exercise. The SC directed the EC to consider Aadhaar as the "12th document" to establish proof of identity, effectively raising the bar for the EC to exclude an individual from the voter rolls.

● As the nationwide Special Intensive Revision (SIR) of electoral rolls is implemented by the Election Commission, it is likely to be litigated in courts, especially by opposition-ruled states like West Bengal, which goes to the polls in mid-2026.

● Challenge to the Citizenship (Amendment) Act. The Act seeks to grant citizenship to a class of migrants belonging to the Hindu, Sikh, Buddhist, Jain, Parsi, and Christian communities — but not Muslims — who entered India before December 31, 2014, from three Muslim-majority neighbouring countries: Pakistan, Afghanistan, and Bangladesh.

● The SC is also hearing the bail plea of Umar Khalid and others accused in the 2020 Delhi riots. Khalid's bail case, which has seen multiple judges hear the matter without passing orders, has become emblematic of how delays in the system impact the liberty of a citizen. Along with Khalid's bail case, the SC will also consider a plea challenging the wide ambit of how Section 15 of the UAPA, which defines a terrorist act, is interpreted.

FREE SPEECH

● CJI Surya Kant's stern oral observations and decisions in cases involving free speech indicate that such cases will continue to make headlines during his tenure. In a case involving former BJP spokesperson Nupur Sharma in 2022, while refusing to grant protection, Justice Kant had said that she was "single-handedly responsible for what is happening in the country." While granting interim protection from arrest to podcaster-influencer Ranveer Allahbadia for his comments on a YouTube show, a bench headed by Justice Kant observed that "there is something that is dirty in his mind..." Later, a bench he headed as CJI suggested that an autonomous body "free from influence" oversee social media platforms while ensuring protection of free speech. The bench also suggested using the Aadhaar number or the income tax PAN to verify the age of the user. In two other cases of hate speech in May, involving Ashoka University professor Ali Khan Mahmudabad and Madhya Pradesh minister Vijay Shah, Justice Kant directed the setting up of an SIT investigation to ascertain whether the FIRs must be quashed.

QUESTIONS OF POLICY

● The government passed the Promotion and Regulation of Online Gaming Act, 2025, which banned online money games. The law blurs the decades-long distinction the court had made between games of skill and chance. The law was challenged before the High Courts of Delhi, Karnataka, and Madhya Pradesh. However, the SC transferred the cases to itself.

● The air pollution crisis in Delhi-NCR is also likely to remain a focus of the judiciary. The SC is holding monthly hearings and is playing a key role in policy determination on the issue.

Important new legislation

● The Constitution (130th Amendment) Bill 2025 seeks to remove a central or state minister who is facing allegations of corruption or serious offences and has been detained for at least 30 days consecutively. The Bill was introduced in Lok Sabha and referred to a Joint Committee. The contentious part of the Bill is that it seeks to create varying yardsticks for the removal of a minister and a legislator under the law. Currently, under the Representation of the People Act, 1951, legislators are disqualified from contesting elections or continuing in office upon conviction for certain criminal offences and being sentenced to imprisonment for at least two years. The proposed amendment, however, makes arrest and detention— the primary steps in a criminal investigation — the grounds for removal of ministers.

● Several provisions of the much-awaited Digital Personal Data Protection (DPDP) Act, 2023, will be implemented in 2026. The DPDP Act, 2023, and the DPDP Rules, 2025, establish a framework for protecting digital personal data in India, outlining the rights of individuals (Data Principals) and the obligations of entities handling data (Data Fiduciaries). As the phased implementation of the law takes off, several facets of privacy and data protection could be litigated.

● The One Nation, One Election (ONOE) Bill, to hold simultaneous elections to the Lok Sabha and state and Union Territory Assemblies, has been widely discussed. Former Chief Justices of India Justice J S Khehar, Ranjan Gogoi, Justice Chandrachud and Justice UU Lalit have appeared before the Joint Committee of Parliament on the ONOE Bill. While Justices Khehar and Chandrachud are learnt to have said that the Bill does not violate the basic structure of the Constitution, Justices Gogoi and Lalit are learnt to have raised the issue of possible legal challenges.

● CULTURE

Rage bait, AI slop: Words of the year show how digital world shapes emotion, connection

Aishwarya Khosla
New Delhi, December 31

COME DECEMBER, dictionaries attempt to capture the texture of a year through our most searched words, and finally declare their Words of the Year. In 2025, across English-language dictionaries, the focus settled on our digital lives and the emotional behaviour shaped by online platforms. The year's vocabulary mapped how people are relating to that great disrupter, artificial intelligence.

The Indian Express speaks to Professor Simone Schnall, Professor of Experimental Social Psychology at the University of Cambridge, about why terms such as parasocial, rage bait and AI slop resonated in 2025.

Parasocial relationships and modern intimacy

Cambridge Dictionary's selection of parasocial brought renewed attention to one-sided emotional bonds, often formed with public figures, fictional characters or artificial intelligence. While the term feels current, Schnall placed the experience in a much longer historical context.

"People have always been, to some extent, infatuated with celebrities," she said. "It could have been actors on television, or even before that, powerful personalities like a king or an emperor. People felt a sense of connection or admiration even though there were no direct interactions."

Digital platforms have only altered the setting. Constant access to personal content creates a stronger sense of proximity, even when interaction remains one-sided. "There are basically no two-way interactions," Schnall said. "But there is still a sense of a relationship, and parasocial captures that phenomenon very succinctly."

Rage bait and the economics of outrage

Oxford University Press's Word of the Year, rage bait, describes content created to provoke anger or outrage in order to increase engagement. Schnall linked its success to well-established psychological patterns. "It is known that inflammatory content, content that induces a lot of negative emotion, is what takes off on social media," she said. "That kind of content gets shared and generates engagement."

Anger and moral outrage spread quickly online, and platforms reward such responses through visibility. Over time, emotional provocation becomes an effective way to command attention, shaping both what is produced and what circulates most widely.

AI slop and limits of attention

Macquarie Dictionary's choice of AI slop focused on the flood of low-quality content generated by artificial intelligence. For Schnall, the main concern is the cognitive overload. "Any kind of slop clogs up our attentional capacities," she said. "There is only so much information a person can process."

When large volumes of mediocre content compete for attention, they consume time and focus that might otherwise be spent on more meaningful material. "It takes up people's cognitive bandwidth," Schnall said.

Public explanations for compulsive scrolling often invoke the idea of dopamine-driven reward cycles. But Schnall said: "There is no direct evidence where people have captured a dopamine 'hit' from scrolling... The brain is very complex."

A shared vocabulary for digital life

Other dictionaries arrived at different words, but not different conclusions. Merriam-Webster selected slop. Collins chose vibe coding, a term for prompting AI in natural language to write computer code.

The language of 2025 suggests a growing awareness of how digital systems shape emotion, focus and connection. By naming these experiences, the words of the year offer insight into the psychological landscape that now frames everyday life.

Steel safeguard duty imposed for 3 yrs

Move aimed at curbing cheap imports coming from China

SAKET KUMAR
New Delhi, 31 December

The Centre has imposed a safeguard duty of up to 12 per cent on import of some steel products for three years, aiming to shield domestic producers from low-priced steel products from China and some other countries.

The Central government had in April this year imposed a 12 per cent "provisional" safeguard duty on these steel imports, which expired on 7 November. According to experts, it pulled down monthly volumes by around 33 per cent year-on-year.

Safeguard duties are temporary trade remedies allowed under WTO norms to protect domestic industries from import surges.

The move comes after the Directorate General of Trade Remedies' (DGTR's) final findings in August, which concluded that imports of key steel flat products had risen in a "recent, sudden and significant manner, threatening serious injury to the domestic industry".

The Centre's "provisional" safeguard duty was based on DGTR's preliminary findings.

The Tuesday notification — issued by the Union finance ministry — says that the safeguard duty applies to a broad range of steel flat products including hot-rolled coils, sheets and plates, hot-rolled plate mill plates, cold-rolled coils and sheets, metallic coated steel and other colour-coated products classified under the Customs Tariff Act.

The duty will be levied at 12 per cent from April 21, 2025 to April 20, 2026. The rate will taper to 11.5 per cent in the second year and 11 per cent in the third year, with the safeguard protection ending on April 20, 2028.

Country-specific exemptions have also been provided for imports from certain developing nations, though China and, for some selected products, Vietnam and Nepal, have been excluded from these relaxations. Several specialised steel products including stainless steel, electrical steel, tinplate and aluminium-coated steel are excluded from the scope of the duty.

Imports priced above specified threshold levels on a Cost, Insurance and Freight (CIF) basis will be exempt from this recent levy.

These include hot-rolled coils, sheets and plates priced at or above $675 per tonne, cold-rolled coils and sheets priced at or above $824 per tonne, metallic coated steel priced at or above $861 per tonne, and colour-coated products priced at or above $964 per tonne. The extension comes at a time when domestic steelmakers are facing margin pressure despite steady domestic demand. However, muted global demand and threat of routing of surplus steel into the country continue to be a worry. Earnings are expected to remain subdued as margins have tightened due to softer prices, Sumit Jhunjhunwala, vice-president and sector head at Icra, said during the rating agency's recent webinar on steel industry trends and outlook.

Domestic steel prices have been trading at unusually steep discounts to import parity. Hot-rolled coil prices were around ₹46,000 per tonne in early December, compared with landed import costs of around ₹54,000 per tonne, implying a discount of nearly $93 per tonne.

Jhunjhunwala described the situation as "historically unusual", noting that domestic prices typically trade at parity or at a slight premium when demand is strong.

He said Ebitda per tonne is expected to be around $108 in FY26, at the lower end of Icra's $100-$150 per tonne range for a stable outlook, and cautioned that further cost, price or demand headwinds in FY27 could lead to a revision of the sector outlook to negative.

More on business-standard.com

CBAM may force steel, aluminium firms to cut prices by 22%: GTRI

Indian steel and aluminium exporters may be forced to cut prices by 15-22 per cent to retain access to the European Union (EU) market from January 1, 2026, when the EU's Carbon Border Adjustment Mechanism (CBAM) enters its payment phase, according to a report by the Global Trade Research Initiative (GTRI).

Under CBAM, every shipment of steel and aluminium entering the EU will carry a carbon cost linked to the emissions generated during production. While the tax will be formally paid by EU-based importers through the purchase of CBAM certificates, the financial burden is expected to be passed back to Indian exporters through lower prices and tighter contract terms, the report said.

GTRI warned that exporters using high emission production routes, particularly blast furnace-basic oxygen furnace (BF-BOF) steelmaking and coal based power for aluminium, will face the steepest loss of competitiveness. In contrast, producers using gas based direct reduced iron, scrap based electric arc furnaces or cleaner electricity could gain market share by becoming "cheaper after carbon". BS REPORTER

Centre launches ₹4,531 cr mkt access support scheme

SHREYA NANDI
New Delhi, 31 December

The government on Wednesday launched ₹4,531 crore market access support (MAS) intervention scheme for a six-year period (FY26-31) to improve global reach, visibility and competitiveness of Indian exporters through 'structured and outcome-oriented' interventions.

The scheme is aimed at benefiting first-time exporters, firms from priority sectors such as agriculture, leather, handloom, toys and micro, small and medium enterprises (MSME) exporters. The MAS was launched under ₹25,060 export promotion mission that was approved by the Union Cabinet in November.

The launch of the scheme came against the backdrop of exporters grappling with challenges due to the imposition of 50 per cent tariff by the United States (US) on several Indian products. Department of Commerce additional secretary and Directorate General of Foreign Trade (DGFT) Ajay Bhadoo told reporters that the scheme mainly aims to resolve the long-term disabilities or challenges faced by exporters and should not be seen as a measure to counter US tariffs.

During the current fiscal, ₹500 crore has been allocated towards the scheme. To begin with, arrears worth ₹330 crore will be cleared at the earliest.

Bhadoo also said that the scheme will have an MSME-bias as it not only focuses on export product and market diversification, but also on the diversification of beneficiaries, so that more exporters can benefit from the scheme.

THE SCHEME IS AIMED AT BENEFITING FIRST-TIME EXPORTERS, FIRMS FROM PRIORITY SECTORS SUCH AS AGRICULTURE, LEATHER, AND MSME EXPORTERS

The government has also planned over ₹5,000 crore interest equalisation scheme, which will be notified soon, Bhadoo said.

Under MAS, structured financial and institutional support will be provided for buyer-seller meets, participation in international trade fairs and exhibitions, mega reverse buyer-seller meets organised in India, and trade delegations to priority and emerging export markets. A forward-looking three-to-five-year calendar of major market access events will be prepared and approved in advance, enabling exporters and organising agencies to plan participation well ahead of time.

"A minimum participation of 35 per cent MSMEs has been mandated for supported events, with special prioritisation being accorded to new geographies and smaller markets to encourage export diversification. Event-level financial support ceilings and cost-sharing ratios have been rationalised, with preferential support being extended to priority sectors and markets. Small exporters with export turnover of up to ₹75 lakh in the preceding year will be provided partial airfare support to encourage participation by new and small exporters," the commerce department said.

Fiscal deficit hits 62.3% of full-yr Budget target in Nov

RUCHIKA CHITRAVANSHI
New Delhi, 31 December

ILLUSTRATION: BINAY SINHA

The government's fiscal deficit for April-November of 2025-26 widened to ₹9.77 trillion, or 62.3 per cent of the budget estimates (BE), with capital expenditure increasing by 28 per cent year-on-year (Y-o-Y) for the same period, latest data of the Controller General of Accounts showed.

"Fiscal deficit numbers signal that while overall spending in particular has been in line with what it was last year, revenue collection has lagged... The government will now be in a better position to manage the budgetary numbers with the level of uncertainty on account of the tariff impact now being absorbed fully by the system," said Madan Sabnavis, chief economist, Bank of Baroda.

The gross tax revenue increased by 3.3 per cent in April-November compared to the corresponding period last year. Net tax revenue contracted by 3.4 per cent in the same period reaching 49.1 per cent of the BE of FY26 compared to 56 per cent in April-November FY25.

Non-tax revenue expanded by 20.8 per cent at 88.6 per cent of FY26 BE compared to 78 per cent in the same period last year. "Interestingly, integrated goods and services tax (IGST) settlement between the Centre and states over the recent months appears to have dampened the gross tax revenues of the government in the first eight months of FY26. We now anticipate a shortfall of ₹1.5 trillion in gross tax revenues in the current financial year," said Aditi Nayar, chief economist, Icra.

Capital expenditure for the first eight months was ₹6.58 trillion, which was 59 per cent of FY26 BE against 49 per cent in April-November of last financial year.

The government's revenue expenditure was 57.5 per cent of BE in April-November against 60 per cent last year.

Experts feel that there would be some reversal on the direct taxation front in December. This is when advance tax payments are made, especially by corporates, even though lower GST collections are getting reflected in the monthly numbers.

Numbers talk

	BE FY26 (₹ trn)	Apr-Nov FY26 (₹ trn)	% of BE FY26
Revenue receipts	34.2	19.1	55.9
Revenue expenditure	39.44	22.67	57.5
Capital expenditure	11.21	6.58	58.7
Fiscal deficit	15.68	9.76	62.3
Non-debt capital receipts	0.76	0.38	51.2

Source: CGA

Credit growth nears 12%, deposit slows to 9.35%

SUBRATA PANDA
Mumbai, 31 December

Credit growth in the period ended December 15 expanded to nearly 12 per cent year-on-year (Y-o-Y), while deposit growth slowed further to 9.35 per cent, according to revised data released by the Reserve Bank of India (RBI) on Wednesday.

This resulted in a credit–deposit growth gap of 263 basis points (bps), underscoring persistent deposit tightness in the banking system. Last week, the RBI had released scheduled banks' statement of position data as of December 12, which showed deposit growth in the fortnight ended December 12 slowing to 9.7 per cent Y-o-Y, while credit growth picked up to 11.7 per cent Y-o-Y.

The RBI has aligned credit and deposit growth reporting to the 15th and 30th of each month. The corresponding reporting periods will continue to follow the earlier fortnight definition.

According to the revised data, overall bank credit expanded to ₹196.69 trillion as of December 15, compared with about ₹175.86 trillion in the same period last year. Credit grew by ₹1.65 trillion during the fortnight. Total deposits stood at ₹241.31 trillion in the December 15 fortnight, up from about ₹220.06 trillion a year ago. However, deposits declined by ₹1.28 trillion during the fortnight.

In the previous fortnight ended November 28, credit growth stood at 11.5 per cent, while deposit growth was 10.2 per cent.

Persistent deposit tightness has put Indian banks in a bind- they need to lower deposit rates to protect net interest margins (NIMs), while simultaneously mobilising deposits to fund credit growth that is picking up in the economy and expected to remain robust into the fourth quarter beginning January 2026. This leaves banks with limited room to cut deposit rates at a time when lower returns are already pushing savers away from bank deposits towards equity markets.

Bankers said that adequate system liquidity would enable them to cut deposit rates further while also supporting an acceleration in credit growth. RBI has announced a fresh round of liquidity measures through open market operations (OMOs) and a foreign exchange buy–sell swap, under which it will inject close to ₹3 trillion into the banking system.

The RBI has cut the repo rate by 125 bps in the current easing cycle. In response to a cumulative 100-bps cut in the policy repo rate, the weighted average lending rate (WALR) on fresh rupee loans declined by 69 bps during February–October 2025 (the interest rate effect was 78 bps).

₹3.84 trillion proposals for weapon, equipment acquisition okayed in '25

BS REPORTER
NEw Delhi, 31 December

Proposals for acquiring military weapons and equipment worth over ₹3.84 trillion were approved by the government in calendar year 2025, the Ministry of Defence (MoD) said on Tuesday.

These capital acquisition proposals were approved by the Defence Acquisition Council (DAC), chaired by Defence Minister Rajnath Singh, "to enhance the country's defence readiness, with a focus on modernisation through indigenisation", said the MoD release.

The largest tranche came in July, in the wake of Operation Sindoor, with the DAC according acceptance of necessity (AoN) — or initial approval — for 10 capital acquisition proposals amounting to approximately ₹1.05 trillion through indigenous sourcing. These included proposals for armoured recovery vehicles, electronic warfare systems, an integrated common inventory management system for the tri-services, and surface-to-air missiles. "These procurements will provide higher mobility, more effective air defence, improved supply chain management, and will augment the operational preparedness of the armed forces," said the MoD.

AoNs were also accorded for the procurement of moored mines, mine countermeasure vessels, a super rapid gun mount, and submersible autonomous vessels.

Two tranches, each worth about ₹79,000 crore, were approved in December and October. Proposals cleared in December included loiter munition systems for artillery regiments, low-level lightweight radars, long-range guided rocket ammunition for the Pinaka multiple launch rocket system, and an integrated drone detection and interdiction system.

Northern borders 'stable yet sensitive': Defence ministry

The situation along India's northern borders "remains stable yet sensitive", the Ministry of Defence said in a media statement on Wednesday. As part of the ministry's review of 2025, the statement said the year witnessed reduced deployment levels of the People's Liberation Army (PLA) both opposite the country's northern borders and in traditional training areas after India and China agreed on disengagement in 2024.

The PLA maintained 10 Combined Arms Brigade-size forces each in tactical or operational depth opposite the northern borders and in the training areas, the statement said.

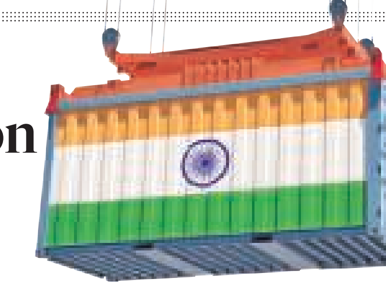
It said the deployment of the Army in all sectors along the Line of Actual Control (LAC), the de facto border between India and China, is "robust, well poised and prepared to deal with any emerging contingency". The Army's own preparedness has also been enhanced with new-generation equipment and deployment of the newly created Rudra brigades, Divyastra batteries (for hybrid warfare) and Bhairav battalions along the northern borders.

"Bilateral interactions between India and China at political, diplomatic and military levels have facilitated positive developments and stabilisation" along the northern borders, the statement said.

BS REPORTER

DATANOMICS

India's trade diversification a mixed bag so far



India has had to scramble for new markets to diversify its exports, following the 50 per cent tariffs levied by the United States (US) since August. While India has succeeded in its diversification efforts for some product groups, it has been unable to completely offset the export losses in the US market.

YASH KUMAR SINGHAL

Diversification successful for auto parts, marine products and garments

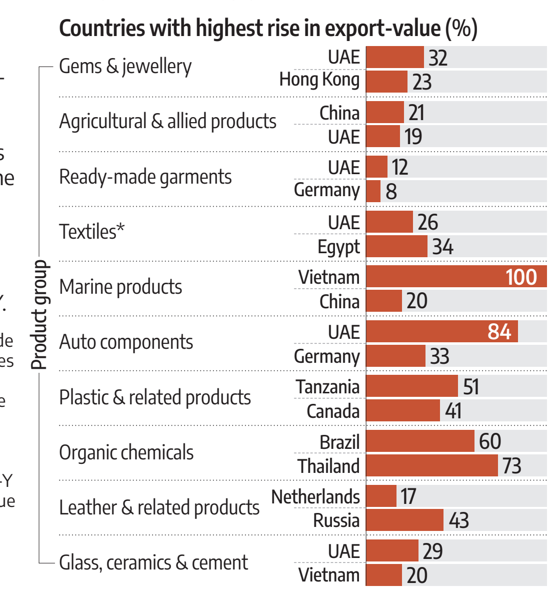
India's exports to the US increased by nearly $6 billion in FY26 (Apr-Nov) year-on-year (Y-o-Y). Exports of telecom instruments, led by smartphones on which the tariffs were not imposed, increased by over $8.4 billion alone Y-o-Y, in the first eight months of FY26. However, India's US-bound outward shipments of gems and jewellery, agricultural products and textiles declined significantly Y-o-Y between April and November in FY26. Further, the exports of gems and jewellery, textiles, glass, cement and ceramics to non-US economies were unable to counteract the export losses of these products in the US.

	(Apr-Nov)			
	Exports to US ($ bn)		Exports to other countries ($ bn)	
Product group	FY25	FY26	FY25	FY26
Gems & jewellery	6.29	3.53	12.97	15.61
Agricultural & allied products	3.68	3.48	28.44	30.82
Ready-made garments	3.32	3.26	6.53	6.82
Textiles*	3.35	3.00	9.35	9.61
Marine products	1.80	1.70	3.15	4.05
Auto components	1.22	1.14	4.17	4.57
Plastic & related products	0.86	0.74	3.75	3.65
Organic chemicals	0.78	0.71	4.44	4.27
Leather & related products	0.68	0.66	2.40	2.43
Glass, ceramics & cement	0.79	0.64	2.29	2.41

*Excludes ready-made garments and includes textile fibres, yarns and carpets. Only those product groups have been considered on which the US has levied tariffs
Sources: CMIE, Department of Commerce, BS calculations

Exports to UAE and China rise

Exports of gems and jewellery, textiles and ready-made garments, auto components, glass and ceramics to the UAE saw the highest spike in absolute export-value of these products in Apr-Nov in FY26 Y-o-Y.



*Excludes ready-made garments and includes textile fibres, yarns and carpets. The time period in consideration is Apr-Nov of FY25 and FY26. Brackets denote Y-o-Y growth in export value
Sources: CMIE, Department of Commerce, BS calculations

Centre notifies revised draft rules for labour codes, seeks stakeholders' responses

AUHONA MUKHERJEE
New Delhi, 31 December

The Ministry of Labour and Employment on Wednesday notified the revised draft rules for the four new Labour Codes, providing clarity on certain provisions such as gratuity payments and retrenchment of workers.

The four new Codes were implemented on November 21, followed by consultations with stakeholders before publishing the draft rules on December 31. The government has called upon stakeholders for any objections and suggestions for a period of 30 to 45 days, which will be considered while finalising the rules, according to the notifications published on the labour ministry's website.

After this period of consultations, the government will notify the finalised rules to fulfil the labour ministry's target of making the provisions of the Codes fully effective from April 1, 2026.

The draft rules provide clarification on certain issues raised by industry stakeholders in previous consultations, including calculation of gratuity payments. Experts say that the draft rules will help clear out doubts, which employers have been waiting for.

"The Code on Social Security rules specify that gratuity will be calculated on 'wages' last drawn, excluding components such as annual performance-linked pay, medical reimbursements, stock options, and meal vouchers. This clarification will help organisations estimate their gratuity liability more effectively," said Puneet Gupta, Partner at EY India.

An FAQ published by the ministry has also clarified that the old rules will remain in force till final notification of the new rules under the Code, to the extent these are in line with Codes. The FAQs also give clarity on the definition of wages and the calculation of gratuity payments.

"Compliance costs for organised employers will rise in the short term because of expanded reporting, registration of gig and platform workers, and higher social security linkage, but in my view this is more a compliance-reallocation than a net cost explosion, especially for companies already digitised," said Keyur D. Gandhi, Managing Partner at Gandhi Law Associates.

Govt notifies rules to enable 100% FDI in insurance sector

HARSH KUMAR
New Delhi, 31 December

Following the notification allowing 100 per cent foreign direct investment (FDI) in the insurance sector, the Finance Ministry has revised norms to remove the requirement that a majority of directors and key management personnel in an insurance company with foreign investment be Indian residents.

However, the revised rules stipulate that at least one of the top leadership positions — Chairperson, Chief Executive Officer (CEO), or Managing Director — must be held by an Indian resident. "These are part of comprehensive reforms undertaken by the government to promote ease of doing business. These reforms will help India attract more foreign Investment in insurance sector," said Department of Financial Services (DFS) secretary M Nagaraju to *Business Standard*. "In an Indian Insurance Company having foreign Investment, at least one amongst the Chief Executive Officer, managing director and chairperson of its Board, shall be Resident Indian Citizens," said a Gazette notification released on Tuesday.

The Finance Ministry has notified the final rules after consultations on the draft issued in August. The move is aimed at facilitating the implementation of the new Insurance law, which was passed by Parliament during the recently concluded Winter Session, subsequently assented to by the President and notified by the government. The new rules "shall come into force on the date of their publication in the official gazette," which is December 30, 2025.

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Year of hope

India must aim to sustain the growth momentum

History will likely record 2025 as the year the world's largest economy decided to upend the global trade order built over decades. The imposition of the so-called reciprocal tariffs by the United States (US) and trade negotiations with individual trading partners created enormous uncertainty and confusion. The impact of the shift in US policies, which will play out over time, will be analysed for years to come. For now, the US economy is doing reasonably well. It is being argued that the artificial intelligence-related investment boom is pushing up growth. India was particularly singled out by the US as President Donald Trump decided to mix trade and geopolitical objectives, without much basis, and hit India with a 50 per cent tariff. Since the US is India's most important trade partner, the key thing to watch out for this year will be a mutually beneficial trade agreement. In fact, developments on the trade front in 2026 will significantly influence India's prospects.

Also, India is reportedly close to signing a trade deal with the European Union (EU). Similarly, the country is negotiating with several other trading partners, which should help Indian exporters. Policy openness to trade must be welcomed, and India must aim to go the distance this year. The government has withdrawn a number of quality-control orders, which are essentially import barriers. Since India is aiming to sign trade deals with large trading partners such as the US and EU, it should also reduce tariffs in general, which will enable it to get into global value chains. India will benefit from trade agreements only if the domestic business environment improves in a sustained manner. Committees have been set up to push deregulation, and it would be interesting to see the pace and scale of intervention this year.

There will be important changes this year in the way the Indian economy is gauged and managed. A new series each for the consumer price index (CPI) and gross domestic product (GDP) will be released in February. The weighting of food in the CPI will likely reduce, making it more stable and predictable. Several issues have been pointed out by economists and experts in the current GDP series over the years, including the way activity in the informal sector is measured and how estimates of nominal output are deflated to arrive at real output. India is on course to become the fourth-largest economy in the world, and it's important that measures designed to gauge economic activity and prices reflect the position on the ground. It is thus crucial that GDP and inflation series are updated at regular intervals.

In terms of outcome, growth over the last two quarters surprised on the upside, and the policy objective should be to sustain the momentum. The Indian economy grew by 8 per cent during April-September. Meanwhile, the inflation rate in 2025 surprised on the downside and is currently running below the lower end of the Reserve Bank of India's tolerance band. The inflation rate is expected to go up this year and remain around the target of 4 per cent. It will help push up nominal growth a bit, which is important in the context of fiscal management, among other things. The Union government will adopt debt to GDP as the fiscal anchor from the next financial year. It will be crucial to observe how financial markets respond to this shift. In terms of macroeconomic management, as things stand, the external account may pose some challenges. The rupee is under pressure, largely owing to capital outflows. A lot will depend on how quickly a trade deal with the US is sealed. Besides, geopolitical developments could pose challenges.

Bangladesh in flux

Begum Zia's death ends old political dualities

The death of Begum Khaleda Zia, Bangladesh's first woman Prime Minister, has added a new dynamic to the country's parliamentary elections, scheduled for February 12. Her death brings to an end a long phase of Bangladesh politics in which she and Sheikh Hasina, popularly dubbed "the Battling Begums", vied for power in a high-profile standoff. Now, after being in limbo for 15 years under Sheikh Hasina's systematic anti-corruption campaign against it, the Bangladesh National Party (BNP), which Begum Zia led after her husband's assassination in 1981, has emerged as a credible contender to gain a majority in the Jatiya Sangsad.

Though her party had faced fluctuating fortunes in elections in the past, Begum Zia herself remained a popular figure, winning all the seats she contested since 1991. As Prime Minister, she presided over the transition from a presidential to parliamentary system of government and upgraded the taxation system by introducing value-added tax. But her authoritarian style and allegations of corruption and dodgy deal-making linked to her son Tarique Rahman dimmed her party's popularity to the advantage of Sheikh Hasina's Awami League. With Tarique Rahman returning from a 17-year exile to take over the reins at the BNP and the Awami League out of the electoral equation, the political landscape has shifted.

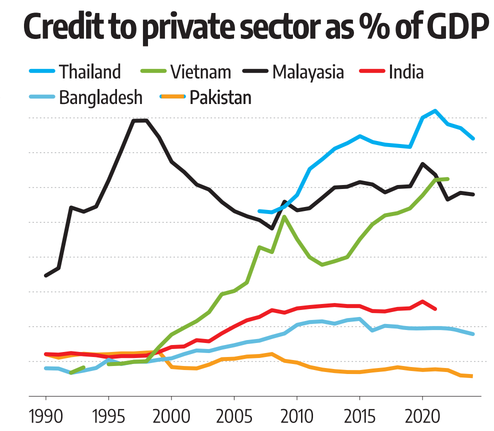
The contest now is between two former allies, the BNP and the Jamaat-e-Islami, ending a decades-old alliance. The centre-right BNP's promise to build an inclusive Bangladesh irrespective of religion is at odds with the Jamaat's Islamic fundamentalism, which appeared to have gathered traction after the assassination of a prominent anti-Indian youth leader and escalating communal violence. In earlier elections, the Jamaat garnered only a handful of seats. But recent opinion polls had suggested the party, which was created after the partition of Pakistan and developed a strong anti-Indian stance after the 1971 War of Liberation, had gained in popularity since 2024. But earlier this week, 30 leaders of the student-led National Citizen Party, which had spearheaded the movement for Sheikh Hasina's ouster, have opposed an electoral alliance with the Jamaat on grounds that the latter did not conform to its party values. It is possible, therefore, that apart from an anticipated sympathy vote, an increasingly fragmented Opposition may work in the BNP's favour.

Unlike the strong ties New Delhi enjoyed with Sheikh Hasina, relations with Begum Zia and the BNP were often tricky. There have been spurts of personal cordiality but constant tensions owing to the BNP's ties with the Jamaat, the free run her government allowed for northeastern insurgents, denying India transit rights, and a refusal to renew the 1972 friendship treaty. Since Sheikh Hasina's exile to India, however, the Indian government has taken care to reach out to the BNP. Official contacts were resumed in September last year, when the Indian high commissioner officially met senior BNP leaders in Dhaka. India's statement that it would view Mr Rahman's return to Dhaka in the context of "free, fair and inclusive" elections in Bangladesh signalled a willingness to further its agenda of protecting Hindu minorities and deepening traditional political and economic ties. The Prime Minister's condolence message and the fact that Foreign Minister S Jaishankar attended Begum Zia's funeral add to this momentum. The February elections will determine how this diplomatic thaw will play out.

Disentangling RBI-govt ties

The relationship between the central bank and the government is holding back India's financial sector

ILLUSTRATION: BINAY SINHA



Source: World Bank Database

As we enter 2026, the Reserve Bank of India (RBI) governor calls India a "Goldilocks" economy, with robust growth and low inflation. After labour reforms, the next target should be reducing the cost of capital by deepening the financial markets. This might therefore be a good time to untangle the web of nested relationships between the Ministry of Finance (MoF) and Mint Street (RBI), which has created huge conflicts of interest and needs to be disentangled if India wants to deepen and modernise its financial system.

The relationship is often described as a traditional marriage between a husband (MoF) and wife (RBI), with the government playing the proverbial mother-in-law. Disputes are usually settled at home, not in public, and there is no question of divorce. If disputes do arise, the government — like most mothers-in-law — typically sides with the son, that is, the MoF. But sometimes, disputes do spill out.

IF TRUTH BE TOLD

AJAY CHHIBBER

One such incident was when the huge fraud of ₹13,000 crore (approximately \$2 billion) at the government-owned Punjab National Bank (PNB) came to light in early 2018, involving still absconding merchants Nirav Modi and Mehul Choksi. The then finance minister Arun Jaitley blamed the RBI for poor regulatory oversight, and the RBI governor shot back in a public lecture arguing that the RBI's regulatory powers over public sector banks (PSBs) are very weak. PSBs have written off ₹12 trillion of loans (over \$30 billion) between FY2015-16 and FY2024-25, suggesting huge regulatory and oversight problems in them. Another fraud has just been reported at PNB. Private commercial banks have had problems as well but not on the scale seen in PSBs.

The RBI's oversight of PSBs is weak because, while it approves the appointment of private bank chief executive officers (CEOs) to ensure they are "fit and proper," it does not have that power over PSBs. PSB CEOs know that they must follow directives from the MoF, not their official regulator, the RBI. What makes this regulatory relationship even more complicated is that RBI officials sit on the board of each PSB and are therefore implicitly complicit in the decisions taken by the board, while also being the regulator. Waves of non-performing loans have repeatedly surfaced in PSBs, suggesting that this arrangement does not help their oversight functions. A few RBI governors have felt this arrangement is not healthy, but others are comfortable with it. A solution was provided by the Narasimham Committee-II of 1998, which recommended that the RBI not sit on PSB boards and pushed for greater professionalisation of PSB boards — but this has so far not been accepted by both the MoF and the RBI.

A second major problem in the RBI's relations with the MoF and the government more broadly is that the RBI is also the debt manager for the government, which creates a huge conflict of interest with its monetary policy role. As debt manager, the RBI would like to keep interest rates low to ensure the government is able to borrow at the lowest possible cost. It also forces banks to hold government bonds, which start to interfere with their liquidity requirements. Since India has unusually high public sector borrowing requirements — because central and state governments run exceedingly high deficits — to keep borrowing costs down, it imposes a statutory liquidity ratio (SLR), which requires banks to hold government bonds (considered a form of liquidity).

India's SLR has come down from 40 per cent in the 1980s to 18 per cent, but India, along with Bangladesh at 13 per cent and Pakistan at 15 per cent, remains among the only countries still using this outdated instrument. This financial repression hurts the development of a commercial bond market and crowds out private credit growth. India's private credit-to-gross domestic product (GDP) remains extremely low at around 50 per cent of GDP — better than Bangladesh and Pakistan, but far below countries like Vietnam, Thailand, and Malaysia, where it is over 100 per cent of GDP.

A related problem is that the RBI both regulates the government bond market and operates in it as a trader. The Securities and Exchange Board of India (Sebi) regulates the commercial bond market. But if Sebi were to be given the responsibility of regulating the government bond market, and the RBI trades in that market, it would then come under Sebi regulation, resulting in a case of one regulator regulating another regulator. The obvious solution is not to have the RBI as the government's debt manager.

Twice — first in 2007 and again in 2015 — finance ministers P Chidambaram and Jaitley, belonging to two different parties, announced that the public debt management function would be moved from the RBI and managed by a National Treasury Debt Office, but both times the announcement was inexplicably withdrawn. A debt management unit was established in the finance ministry in 2015 to prepare debt strategies and analyse risks, and consultations are held twice annually between the RBI and the MoF on the management of debt. But the Comptroller and Auditor General of India has given this unit poor scores and, in any case, the underlying conflicts of interest in having the RBI manage public debt remain.

Why reform has been so difficult is because of extremely high combined fiscal deficits of the centre and the states. The RBI's former deputy governor Viral Acharya has documented the costs of this fiscal dominance. He has shown its crowding-out impact through the credit and bond market channels, and even how it harms monetary transmission and hampers the deepening of the financial system. There is no better time than now to address these issues. Inflation is down, even below the FIT (flexible inflation targeting) regime's lower limit and the economy is growing well — despite Trump's tariffs. The RBI has just lowered interest rates, so more fiscal spending to boost growth — a common demand of business lobbies and politicians — is currently not needed.

The upcoming Budget is an opportunity for serious fiscal consolidation and to start disentangling this unhealthy relationship between the RBI and the government, which is hurting the deepening and effectiveness of India's financial sector. A good place to start would be removing the SLR, thereby putting additional pressure on the MoF to rein in the fiscal deficit. A friendly, clean divorce is often healthier than a messy marriage.

The author is a distinguished visiting scholar at the Institute for International Economic Policy, George Washington University. His book Unshackling India (HarperCollins India) was declared the best new book in economics by the Financial Times in 2022

India's chance to shape the AI world

Over recent decades, the norms and standards shaping new technologies have shifted away from traditional multilateral bodies such as the United Nations, the International Organization for Standardization, the International Electrotechnical Commission, and the International Telecommunication Union. They are now increasingly set by smaller, influential groupings that define strategic road maps. Internet governance has been driven by bodies like World Wide Web Consortium and Internet Corporation for Assigned Names and Numbers; cybersecurity by the Five Eyes and the North Atlantic Treaty Organization; and mobile standards such as 4G and 5G by the Third Generation Partnership Project. However, India did not have a decision-making role in any of these.

OFF THE GRID

AJAY KUMAR

Therefore, hosting the India-AI Impact Summit in February 2026 is more than a diplomatic milestone. For the first time since Independence, India has a convening role in a global discourse on an emerging technology. Drawing on its active participation in the three previous summits on AI, the Delhi summit underscores India's rising technological and geopolitical stature, alongside growing international confidence in its leadership. Pre-summit events have witnessed an unprecedented presence of heads of state, minister-level delegations, and a large cohort of global chief executive officers, conferring legitimacy and political capital to propel the global AI agenda decisively forward. To make the summit count for India, six outcome-driven strategies are outlined below.

India as Global South's voice in AI governance: This is both an imperative and a widely held expectation. India must position itself as a trusted bridge between advanced and developing economies. The three guiding *sutras* of the summit: People, Planet and Progress reflect the philosophy of *Vasudhaiva Kutumbakam*, placing collective progress at the centre of the summit's agenda and providing a strong foundation for the balanced role India must play.

While institutionalising the participation of the Global South through dedicated working groups under the summit framework, India should also support principle-based frameworks that preserve domestic policy space while remaining aligned with global norms. This would place Global South issues such as access to compute, data scarcity, informal economies at the centre of the discussions. The debate on data bias should extend beyond race and gender to include caste, religion, region, and language. India can further build trust by offering its digital public infrastructure (DPI), safety toolkits, and shared compute resources.

Moving from statements to action: The summit should focus on launching a small set of practical, shared platforms that developing countries can use together instead of duplicating effort. This is especially critical for small-population nations trying to solve common problems of health or local language. Even starting with 5–10 countries is enough; others will join once value is clear. India could seed these platforms with 5,000–10,000 GPUs (graphics processing units) initially, and scale up further through partner funding. The focus should reflect the needs of emerging economies and draw on India's strengths in scale, startups, and DPI. Some suggestions for these platforms include open-source AI models for agriculture, health, and education; shared compute access for startups; and multilingual datasets powered by Bhashini.

Show results, not just ideas: India must demonstrate scalable, inclusive AI through clear, evidence-based casebooks. In Paris, India focused on Vision. Delhi should spotlight Impact. The five flagship efforts chosen by the government — AI for Energy with the International Energy Agency, health care with the World Health Organization, gender-focused AI with UN Women India, an education casebook, and agriculture with the Government of Maharashtra and the World Bank — are well conceived. By showcasing its own practical, scalable, and replicable AI solutions in these compendiums, India can set a global developmental AI agenda that resonates with other emerging economies.

Showcase India's vast AI talent: The aim must be to move India from being a talent supplier to a global AI capability partner. Through global challenges, research forums, and a showcase of nearly 100 homegrown AI applications, the summit is proposing to highlight Indian researchers, startups, and practitioners as problem-solvers. Pre-summit programmes have already mobilised thousands of innovators. The momentum needs to be sustained. The summit could also consider Global AI Talent Corridors linking Indian skills to global needs, and co-funded AI skilling programmes. Securing bilateral understandings, for example with the United States and the European Union, on talent mobility, visa facilitation, and joint skilling initiatives could emerge as a significant outcome.

Channelise investments for AI: A dedicated expo showcasing deployment-ready AI in health, agriculture, education, and governance can attract direct pledges for compute, data centres, and infrastructure through public–private partnerships. Investor matchmaking and startup pitch sessions can turn interest into real deals. Announcing co-funded, multi-country AI investment vehicles, possibly in GIFT City, along with clear policy signals can mobilise long-term capital.

A boost for domestic AI ecosystem: Finally, the summit must deliver a quantum leap for India's domestic AI ecosystem by driving key regulatory reforms — standardising data storage, enabling seamless data sharing, and expanding access to compute, testbeds, and sandboxes. Government-led hackathons and assured procurement of AI solutions can drive innovation to new heights. The summit is India's real chance to lead the global AI conversation. Not with words, but with action! If India seizes this moment it can become the global AI hub by 2035. Opportunities like this do not come twice. The iron is hot, India must strike now.

The author is chairman, UPSC, and former defence secretary of India. The views are personal

A potted history of global revolts

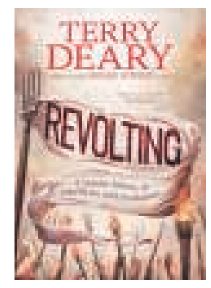
BOOK REVIEW

SNEHA PATHAK

Most well-known for his *Horrible Histories* books written for children, Terry Deary is a writer with more than 300 titles to his name. His latest book, *Revolting: A History of the World in 77 Rebellions*, is aimed at a more mature audience than the *Horrible Histories* series but is written in the quintessential Deary style — with black humour and a sense of irony.

Through its accounts of various revolts in the course of history, *Revolting* takes readers on a tour around the world. The book is divided into 10 chapters, with each chapter further divided into two sections: Reason to Revolt, and Lesson from History. The reasons for revolts include — but are not limited to — money, revenge, slavery, hunger, religion and injustice. The lessons from history, on the other hand, are as varied as choosing the right leader, gathering intelligence, fighting for the cause, and even hoisting one's flag. Not surprisingly, Mr Deary manages to find multiple rebellions that can be grouped under a single heading and every chapter gives a short historical account of more than one rebellion. The chapters still manage to stay on the shorter side, making it possible for busy readers to finish reading a section and then pick the book again at a later date without feeling lost in the narrative. On the other hand, this also means that reading the entire book in a single go makes it difficult to retain the details of most of these historical events.

One of the strengths of *Revolting* lies in Mr Deary's choice of including lesser-known rebellions and episodes from history. Ancient history finds ample space in the book and we learn of rebellions as old as the Red Eyebrow Rebellion of the Chinese Peasants in 17 AD, the St Scholastica Day Riot of Oxford in 1355, The Taborite Rebels in Bohemia in 1420 and the assassination of Caracalla in imperial Rome in AD 217, to name a few. This isn't to say that Mr Deary ignores the more contemporary or the more well-known revolts altogether, but his focus is on bringing the unknown and lesser-known acts of rebellion to light. He also sets facts straight, drawing readers' attention to the atrocities committed and truths misrepresented by the victors for a long period in history. By going into details of the punishments devised by the "civilised" nations for the rebellious people of their colonies, Mr Deary brings home the truth of these practices.



Revolting: A History of the World in 77 Rebellions
by Terry Deary
Published by Bantam
276 pages ₹999

Unsung heroes of the past, such as Olympe de Gouges, who worked relentlessly for women's rights during the French Revolution, also find a place of prominence here. In the same vein, *Revolting* also corrects the facts about historical figures who have been unequivocally declared heroes by posterity, their chequered history forgotten or deliberately ignored to suit the narrative. Mr Deary also sets the record straight in other ways. For instance, he points out that there is no proof that Ned Ludd, after whom the Luddite movement was named, ever existed. He further manages to capture readers' interest through the use of historical trivia and "conspiracy theories" for his readers, such as the theory that Queen Elizabeth I died when she was a child and was replaced by a boy.

Though entertaining, *Revolting* isn't without its flaws. Its short chapters filled with interesting trivia and historical details make for easy reading, but it's equally easy to forget them or get them mixed up as it focuses on giving readers a broader perspective rather than covering historical events in depth. Although it features rebellions from around the world, events from European history dominate the numbers, making it a more rewarding read for those with a greater familiarity with the continent's past.

Mr Deary's writing style isn't for everyone either. While *Revolting* is a book for older readers, the tone and humour of the book along with its focus on details of gruesome punishments — even with his light touch and levity — can alienate a serious history enthusiast. There are moments when his writing style seems more suitable for a YA (young adult) audience. In fact, given the similarities in the writing style, it is possible to look at *Revolting* as a Horrible History book written for older readers. *Revolting* is not a book meant for a scholarly glimpse into history. But its humorous writing, short chapters and accessible style make it suitable for someone who is intrigued by the past and wants a non-sanitised version without being bogged down by too many details.

The reviewer is an independent writer and translator

The Tribune
ESTABLISHED IN 1881

Hope for Haryana

Improvement in sex ratio is a welcome sign

A significant improvement in the sex ratio at birth (SRB) bodes well for Haryana, whose remarkable economic progress in recent decades has been undermined by gender imbalance. The state government has cited a crackdown on illegal abortions as a key reason for the turnaround. A special task force, set up in 2025 to closely monitor the SRB, has made its presence felt through periodic reviews and raids. Regulating the sale of MTP (medical termination of pregnancy) kits seems to have made a noticeable difference. It was from Haryana that Prime Minister Narendra Modi had launched the 'Beti Bachao, Beti Padhao' scheme in 2015. The initiative delivered good results in the early years as the sex ratio went up, but the negative trend resurfaced after 2019, inviting criticism from the Opposition. Barely a month ago, Congress MP Deepender Singh Hooda had flagged the burning issue in the Lok Sabha.

The signs of recovery are promising, but there is no room for laxity. Only half of Haryana's 22 districts are performing better than the state SRB average. Laggard districts like Rewari, Rohtak, Sonepat and Gurugram need special attention. Even leading ones such as Panchkula, Fatehabad and Panipat cannot afford to let down their guard.

Public awareness campaigns can play a major role in combating deep-rooted gender bias. Close coordination between the health, police and women & child development departments holds the key to sustained monitoring and strict enforcement. The reverse tracking system, which is used to keep tabs on women undergoing abortion — especially those who already have one or more daughters — needs to be strengthened. The governments of Haryana, Rajasthan and Uttar Pradesh should keep working in tandem to dismantle inter-state abortion networks. Haryana, which is renowned for its champion sportswomen, must ensure that efforts to save the girl child and promote gender equality don't lose momentum.

New sports order

Bindra panel report offers a chance to clean up

THE Abhinav Bindra-led task force's recommendations for a comprehensive reset of the Indian sports setup now face the ultimate test — what happens next? The Union Sports Minister's assurance that the report would be fully implemented sounds promising, but putting in place an entirely new system of sports governance is a mammoth and complicated task. Set up by the sports ministry, the panel has pointed out systemic deficits. Olympic champion Bindra's preface sets the tone for a transformative blueprint. The report, he says, is both diagnostic and prescriptive, identifying the structural, functional and systemic gaps that currently constrain sports administration. As India nurtures the dream of hosting the Olympics, a broad framework has been provided to address the prerequisite of setting the house in order.

The report points to the lack of a professional cadre of sports administrators, and outdated training opportunities for them. Most athletes are ill-equipped to transition into administrative roles. It has called for the setting up of an autonomous statutory body to train a specialised cadre. IAS and state cadre officers, it says, must be trained in structured sports governance modules given their central role in implementation. Considering the bureaucratic hold in the well-entrenched lobbies running sports federations, the proposal to institutionalise their role and make them accountable offers a fresh perspective. It's worth serious consideration.

The report is candid about what ails the backbone of Indian sports: the Sports Authority of India, National Sports Federations and state departments. Systemic and capacity challenges have been highlighted. The onus is now on the Centre. Having stakeholders on board, laying out more precise reorganisation strategies, and a phased implementation of the recommendations appear to be the pragmatic way forward. A much-required cleanup is hopefully on the cards, though to what extent is an open-ended question.

Headwinds will shape the world this year

Delhi should go all out to protect its interests and remain an attractive trade & investment partner

SHYAM SARAN
FORMER FOREIGN SECRETARY

HEGEMONS: China went head-to-head in its trade war with the US in 2025. REUTERS

OUR world witnessed unprecedented changes in 2025. Some may be ephemeral like a flood in a river which dissipates once the rainy season has passed. But at times there may be a massive surge in its waters that changes the course of the river and takes its flow in a different direction. There is little doubt that the world crossed such an inflection point in 2025 with multiple drivers rearranging the global landscape. Despite the fluidity inherent in these changes, is it possible to imagine the shape of things to come in 2026 and beyond?

We are squarely in an era where the line separating geoeconomics and geopolitics has been mostly erased. This line was never rigid and there were occasions when countries, particularly powerful ones such as the US, used economic levers for geopolitical ends. But these were exceptions while global trade and investment in general followed well-established rules and also norms which may have been unwritten but sanctioned by long usage and observance.

National security considerations now influence the trade basket and the direction of trade and investment. This trend began amid the crisis triggered by the shortage of drugs and medical devices during the Covid-19 pandemic of 2020-21. Considerations of efficiency gave way to notions of resilience. "Just in time" made way for "just in case".

Friend-shoring, near-shoring and on-shoring reoriented the direction of investment from the economically most competitive destinations to the most reliable ones. This opened the door to the widespread use of industrial policies. The year gone by was significant as the world's largest and most powerful economy as well as the biggest consumer market, the US, decided to go unabashedly mercantilist. It used economic levers, such as access to its market, to obtain both economic as well as geopolitical objectives.

It has done so before, but it's different this time because the levers have been applied globally and indiscriminately to allies, partners and adversaries. There are currently no rules of the game in global trade and investment and it is only within existing regional trade arrangements such as the European Union, the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) that rules-based trade and investment takes place.

Thus, in order to safeguard its interests and remain an attractive trade and investment partner, India cannot remain outside such arrangements in its own region and should conclude, as it has begun to do more recently, free trade agreements with various trade partners. This will hold true even if the US finally decides to remove the penal tariffs it has imposed on India and concludes a bilateral trade deal. India's economic and commercial relations with the US will now be in a very different framework than before, more insistently reciprocal — or even non-reciprocal in favour of the US — and subject to political considerations of the day.

> A possible global financial crisis would provide even more leverage to China.

In 2025, we witnessed the possible return of a bipolar world and an incipient Cold War 2.0. China went head-to-head in its trade war with the US and compelled the latter to climb down and accept a one-year truce. This reflects a significant change in the balance of power with China emerging as co-hegemon. If the US claims an exclusive sphere of influence in the Western hemisphere as it does, then it can hardly deny China its claim of pre-eminence in Asia.

Conceptually, such a trade-off seems possible, though the situation is much more complex than during Cold War 1.0. China may hold leverage through the considerable economic and infrastructure presence it has built in Latin America. The US has its alliances and security partnerships in Asia. Taiwan is a key lever. There will inevitably be political jousting between the two powers, but there appears to be a changed perception in the US with regard to Asia.

There is a difference in Washington seeking predominance in Asia as a source of its global hegemony and it taking on, instead, the role of an off-shore balancer. In the latter case, alliances and partnerships may, over time, take on the character of tactical instrumentalities, rather than integral components of a strategic arrangement. The Quadrilateral among India, the US, Australia and Japan may survive, but will likely become more of a bargaining chip in dealings with China rather than part of a countervailing coalition anchored in US pre-eminence. Indo-Pacific may revert to being Asia-Pacific in the first instance.

India may find common cause with Japan, South Korea and Australia in creating a coalition against Chinese assertion of power in Asia, even though the US may no longer be the leading and driving power. This is worth exploring as these countries, formally allied with the US, are experiencing their own fear of American abandonment. The possibility of Japan and South Korea becoming nuclear weapon states is no longer out of the realm of possibility. How should India react in that contingency?

It is not possible to consider all possible changes that are transforming our world, but the state of the global economy is of major concern. Technology, in particular artificial intelligence (AI), has become a major driver of growth and of geopolitical power and influence. Both the US and China are engaged in an AI race, though they are following different strategies. American high-tech companies are pouring billions of dollars into creating more advanced models and technological upgrades, while Chinese state and private companies are seeking superior models and productive applications in parallel.

The "Sputnik syndrome" of the 1950s is very much in evidence in the AI race. However, the scale of investment in AI, including R&D into more powerful models and the building of data centres and power plants to run them, is massive — about $300 billion in 2025 and projected at $350 billion in 2026. These investments are not yet backed by productivity gains in various industrial and commercial activities. If the latter are slow to materialise or are less than expected, then there could be a massive market crash in the US which will reverberate throughout the global economy.

Analysts expected that the financial crisis this time will be much bigger in scale and intensity than the 2007-08 global financial crisis. India will be seriously impacted by these headwinds and should be prepared with contingency plans. What such a meltdown will also mean for geopolitical equations is worth considering. At the least, it would provide even more leverage to China.

While there may be several other drivers of change at work in 2026, the aforementioned ones appear to be particularly important from India's standpoint.

THOUGHT FOR THE DAY

> Building India is a job that we have to continue doing for the next 30 years. — Raghuram Rajan

The arithmetic of ordinary days

SURESH CHANDER KUMAR

THE new year announces itself with admirable confidence. It arrives polished and punctual, trailing promises like price tags. Farewells are exchanged, forecasts circulated, calendars flip obediently. We count seconds, calories, steps, followers. We count efficiently. Living, meanwhile, waits just offstage, scrolling patiently.

On a city bus, faces glow with devotion once reserved for prayer. News, reels, recipes, opinions, wars and weddings arrive together, demanding nothing except attention. An elderly woman is offered a seat; the gesture appears briefly and vanishes. No one photographs it. No one forwards it. We speak constantly now, yet miss moments that might have ripened into stories — stories once retold later, improved generously by memory.

At home, tables are fuller than conversations. Plates clink, phones buzz, laughter erupts from different screens at slightly different moments, like poorly synchronised subtitles. Families eat together while dining separately. Once, meals stretched; stories wandered; silence was allowed to loiter without explanation. Now even nostalgia runs on a timer, neatly wedged between alerts. We have perfected speed with sincerity and patience with visible impatience.

Outside, shop windows rehearse persuasion with professional enthusiasm. Buy more, save more, promise more. Cupboards comply obediently. Drawers fill with objects bought for convenience and kept out of guilt. Somewhere, a perfectly serviceable pen lies abandoned while newer ones multiply like distant cousins at a wedding — present, plentiful, faintly unnecessary. Possessions expand confidently; values quietly downsize.

We manage living efficiently — charts aligned, alarms armed, schedules sealed — while life itself remains stubbornly analogue, suspicious of shortcuts and indifferent to announcements. I notice this most in queues, elevators, waiting rooms, at the traffic lights — places designed for pause yet colonised by screens. We fidget, scroll, sigh, as if stillness were a software bug. Earlier, waiting produced observations, overheard lines, accidental intimacy. Now it produces notifications. We leave these pockets untouched, like coins forgotten in a pocket, later surprised that the day felt expensive.

The arithmetic is simple, the cost invisible, the habit addictive. The cure is unspectacular, requiring attention, attendance and a willingness to wait. The year will turn. Calendars will behave. Morning papers will arrive smelling of ink. Tea will cool unnoticed. Outside, a stray dog will sleep through predictions and promises, while life continues at its preferred pace, slipping meaning into ordinary moments and leaving us richer without noticing the addition at the day's end.

LETTERS TO THE EDITOR

End of an era in Bangladesh

The death of Bangladesh's first female Prime Minister marks the end of an important chapter in the country's political history. Her leadership played a defining role in shaping the nation's democratic journey. As the leader of the Bangladesh Nationalist Party, Khaleda Zia emerged as a powerful symbol of women's leadership in a deeply challenging political environment. Her career was marked by achievements, resilience and intense political rivalries, reflecting the broader complexities of governance in Bangladesh. While her tenure was not without controversy, her impact on Bangladesh's political discourse and democratic evolution will endure.

RUKMA SHARMA, JALANDHAR

Transparency weakened in banks

Apropos of 'How India banks'; while the sharp fall in NPAs and robust profitability point to a healthier banking system, an uncomfortable reality is emerging beneath the surface. The cost of this stability increasingly appears to be borne by ordinary customers through higher service charges, shrinking free facilities and complex, often opaque, fee structures. As banks shift toward rapid digitisation, personal engagement and transparency have weakened, marginalising seniors and less tech-savvy users. True banking resilience requires trust built on fairness, clarity and accessible redress, not just strong headline numbers.

K KUMAR, PANCHKULA

Resilient India rising

Refer to 'Terror keeps India on its toes'; despite persistent cross-border terrorism and regional tensions, India's economic momentum remains robust, placing it among the fastest-growing major economies. Pakistan and Bangladesh may continue to create strategic discomfort, but they cannot obstruct India's progress. India must support democratic forces in its neighbourhood. Engagement with the US is beneficial, yet strategic autonomy is essential amid policy fluctuations. India must steadily match China's economic strength and military capability. The new year offers hope for diplomatic breakthroughs — ending the Russia-Ukraine war and the prolonged conflicts in West Asia.

VIJAY KUMAR KATIAL, PANCHKULA

Neighbourhood challenges

India is surrounded by a hostile neighbourhood. Bangladesh was the lone exception until August 2024 and was widely regarded as India's only friend in an otherwise unfriendly region. That perception has now changed. Bangladesh may emerge as a bigger challenge than Pakistan in the near future. There are growing fears that Bangladeshi territory could be used to export terror into India and fan separatist sentiments in northeastern states. The alarming developments in Bangladesh point to a clear failure of India's foreign and security policies.

VINAY KUMAR MALHOTRA, AMBALA CANTT

Democracy without choice

Apropos of 'Indian elections plagued by Hobson's choice'; the article captures the hollowing out of India's electoral democracy. While the right to vote formally survives, the right to contest and exercise a meaningful choice has been effectively denied to the vast majority. Elections have become so prohibitively expensive that a genuine individual with political will but without vast financial backing is structurally excluded. The electoral process is increasingly choreographed to suit a handful of parties and individuals. Elections today are fought on caste, religious hatred and manufactured narratives, rather than on unemployment, inflation, health, education or poverty.

RAMPHAL KATARIA, KURUKSHETRA

Politics over principles

It is a matter of grave concern that candidates are often imposed on the electorate by political parties. The most deserving grassroots candidates, often the voters' preferred choice, are relegated to the background. As a result, voters are left with a Hobson's choice when exercising their franchise. More troubling is the fact that political parties indulge in horse-trading, announce freebies and even transfer cash directly into voters' bank accounts during elections to woo them.

MD SHARMA, SHIMLA

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

ON THIS DAY...50 YEARS AGO

The Tribune.

CHANDIGARH, THURSDAY, JANUARY 1, 1976

Left, not right

THE sum and substance of the Economic Policy Resolution approved by the 75th Congress session's Subjects Committee is that there would be no shift to the right. Such a shift would have implied a reversal of the left-of-centre policies adopted by the Government of India in national interest. Catchy slogans and lengthy resolutions, however, are of little significance. What really matters is the elimination of obstacles to national progress, from whatever quarter they emanate. Implicit in this is safeguarding of the public interest as the topmost priority. Besides, continued control of the commanding heights of the economy by the public sector is a commitment from which there should be no backsliding. A return to capitalism is thus ruled out. In their speeches on the resolution, both the Prime Minister and TA Pai specified the role of the private sector in planned national development which was defined as the goal in the early fifties. But on the plea of increasing production, the captains of industry have been pleading for more concessions and are exerting pressure in various forms to extend their sphere of activity. The real motive in most cases is to enhance profits with every industrial expansion of the domestic market and elimination of the sellers' sway that are vital to the consumer. To those who are insidiously working for perpetuation of the lopsided commercial structure, the government will deny artificial props. The resolution points to the useful role of a "socially conscious" private sector in accelerating development, and states that "the private sector must shed anti-social practices such as hoarding, black marketing and tax evasion".

Tu Mann *na* Mann, Punjab is sinking deep in debt

NIRMAL SANDHU
SENIOR JOURNALIST

PUNJAB is set to witness a flurry of political activity this year in the run-up to the February 2027 elections. To make a judicious choice of their representatives, people need to assess carefully various claimants to power and their past performance. None of the contesting parties have an unblemished track record. None have delivered sufficiently on their poll promises.

Economically, Punjab is yet to regain its lost glory. Rising above personal prejudices, they need to look at the larger picture, particularly at financial management of the state. Long years of misgovernance have crippled Punjab and public disenchantment is widespread. Extravagance, unproductive expenditure and unlimited as well as misguided subsidies have pushed Punjab into a debt trap.

In the last election, for the first time, a new party of largely administrative novices and untested and unheard-of candidates was swept to power in a state which the Akali-BJP combine and the Congress had ruled, or rather misruled, by turns. The Aam Aadmi Party (AAP) stormed to power riding the wave of disillusionment and got a massive mandate from an electorate desperately looking for an alternative. However, power's intoxicating effect has changed AAP from what it promised to be — a different party.

Delhi had a surplus budget when AAP took to distributing *revdis*. The party's Delhi model based on liberal subsidies has pushed up Punjab's debt to Rs 4 lakh crore. As a consequence, the state ranks among the lowest in the NITI Aayog Fiscal Health Index 2025. The debt-to-GSDP ratio, 46.6 per cent, is unacceptably high. Punjab has become the second most indebted state in the country after Arunachal Pradesh. Instead of debating this issue, special Vidhan Sabha sessions are called to discuss politically useful matters.

To be fair, AAP has inherited an empty treasury. A large amount is required annually to service the legacy loans which amounted to Rs 3 lakh crore.

Like other Opposition-ruled states, Punjab has suffered from a steady erosion of resources in the past 10 years. Centralisation of tax revenue by the Modi government and discrimination and delays in the release of funds have worsened the state's fiscal stress. The NDA government headed by Atal Bihari Vajpayee had undermined Punjab's efforts to boost industry by giving a tax holiday to neighbouring hill states. The present BJP-led dispensation has further hit Punjab's trade and tourism with Pakistan and other countries by shutting the Attari-Wagah border.

EXTRAVAGANT: AAP's subsidy-driven Delhi model has raised Punjab's debt to Rs 4 lakh crore. FILE PHOTO

But AAP's contribution to the fiscal mess is no less significant. VIP culture is back. AAP's non-Punjabi guests from Delhi, including those getting plum posts, annoy its political opponents no end apart from burdening the state exchequer. The use of helicopters for campaigning in various state elections is no less irritating.

Prior to the polls, AAP had vowed to stop illegal mining and generate revenue to fund freebies, but the problem continues to persist after almost four years in power. Revenue generation attempts are being made with plans to acquire and sell PSPCL properties in Bathinda and village land in Mohali.

> Successive state govts have pursued vote-first politics in the absence of a credible development model.

After 2000, almost every government in Punjab has lacked fiscal discipline, relied heavily on subsidies and accumulated debt. What can a near-bankrupt government do for people? Problems kept multiplying. Free power to farmers has encouraged paddy cultivation and deepened the groundwater crisis. Fund-starved universities and colleges have been forced to hire contractual staff and raise fees, pushing higher education beyond the reach of less privileged students. Private educational and healthcare institutions have flourished. Inadequate public transport has led to proliferation of private vehicles and chaotic traffic in every city.

Cities and towns stink as garbage disposal is poor and unscientific. The state's rivers have not been desilted for long, partly due to paucity of funds and partly due to lack of political will, resulting in floods last year. The victims have not got adequate compensation. The old pension scheme has not been revived. Contractual roadways staff keep protesting for regular jobs. All this because politicians divert money from development works to freebies for votes.

Despite successive wins — the latest being the Tarn Taran bypoll and zila parishad and panchayat samiti elections — AAP is unrelenting in its pursuit of a second term. Also helping it is the opposition parties' state of disarray. The BJP is a minor player in Punjab and its leaders — Sunil Jakhar and Capt Amarinder Singh — are thinking aloud about renewing the alliance with the Shiromani Akali Dal (SAD), indicating a lack of confidence in the party going it alone.

The Sukhbir Badal-led SAD has regained part of its lost ground due to good flood relief work, but its once-strong vote bank stands depleted with the growing influence of a rival outfit, Waris Punjab De, and Giani Harpreet Singh-led Akali Dal. The Congress has several district-level leaders aspiring to occupy the Chief Minister's chair. Groupism is rampant. The party is set to remain faction-ridden ahead of the elections unless its central leadership in Delhi decides to intervene decisively and reinvent the state unit.

Despite all shortcomings, the Bhagwant Mann-led AAP government has done some good work, but there is more over-projection than concrete results on the ground. The rise of gangsters happened during the SAD-BJP and Congress regimes. So did the spread of drugs to every street corner. Mercifully, there are few allegations now of politician/police protection to gangsters and drug peddlers. The "Majha Jarnail" has been caged. Hitherto untouched police officers are being put in the dock. The net has been cast wide to catch the big fish.

Also commendable is the party's focus on health and education. The announcement of free treatment up to Rs 10 lakh will provide much-needed relief to Punjabis. Subsidies come at a price. Either the government should have enough money to fund them or limit these to the underprivileged. However, the cost of AAP's please-all freebies is met largely with borrowed money. Had it generated enough revenue from legitimate sources within the state, none would have complained.

Debt has seldom been a serious poll issue. This is partly because SAD-BJP and Congress governments, too, did not give much priority to tackling the challenge. Pursuing vote-first politics, they had no credible development model to follow. AAP is no different.

Aravallis, like old parents, can't be abandoned

ASHOK LAVASA
EX-SECRETARY, ENVIRONMENT, FOREST & CLIMATE CHANGE

NOW that the warring factions have returned to their tents at the sounding of the retreat by the honourable Supreme Court's (SC) order of December 29, it is time to dispassionately dissect the battle of the Aravallis.

Has the design of vested interests of turning a mountain into a molehill been defeated or have the saviours of the Aravallis succeeded in making a mountain of a molehill? Will the SC holding its own November 20 order in abeyance stop the alleged destructive mining that has been the bane of these mountains or are the crusaders fighting a lost cause?

Before we dig deep (pun unintended), let it be acknowledged that the goddess of Justice, hitherto blindfolded, has demonstrated that it can both 'see' and 'hear' when it is under vehement, largely justified, attack. The SC found itself in the eye of the storm as people believed it turned a blind eye to environment protection, and cleared the way for the Thar desert sands to travel to the national capital, which is unable to carry the burden of its own smog and mortifying air quality.

It may not serve much purpose to ask if the SC reviewed its earlier order in a fit of contrition or it played to the galleries, or if its unprecedented and uncharacteristic concern for public outcry is an apology without remorse? Cynics might argue that the honourable judges want to be seen running with the hare, having failed to hunt with the hounds.

Even if its suo motu review is seen by many as a judicious move to defuse political tension, the material question is whether it can pave the way for a sensible resolution to a knotty problem. The euphoria of temporary triumph shouldn't cloud the larger concern for legal consistency and judicial fairness.

The Aravallis are geologically categorised as 'residual' mountains, their diminishing caused by millions of years of differential erosion due to the constant flow of water and untrammelled blows of winds.

They are among the oldest mountains in the world, giving India the distinction of being home to the oldest and the youngest, the Himalayas, called the 'fold' mountains. The folds are the result of the upward thrust of colliding tectonic plates, while the residual character is due to their gradual losing of height and denudation. Both are distinct geographical features illustrating natural phenomena that can become catastrophic by anthropogenic activities. The Aravallis have seen withering in the face of natural forces. Man, as a vital instrument of Nature, need not hasten that process.

DISAPPROVAL: The SC's November 20 order on the Aravallis' definition triggered protests. FILE

There is an old saying, "If the mountain will not come to Mahomet, then Mahomet must go to the mountain." In modern times, he has been going to the mountain too often, not to worship it, but to bring back with him its riches, the minerals, severely wounding its ecology in the process and upsetting its natural rhythm. The Aravalli hills and range, spread over Gujarat, Rajasthan, Haryana and Delhi, contain important metallic/industrial minerals such as copper, zinc, lead, silver, tungsten, rock phosphate, gypsum, mica, asbestos and bauxite, and building materials like marble, granite, sandstone and limestone. While there is a complete ban on mining in Delhi and a minuscule portion is mined in Haryana, the bulk of the extractive mining takes place in Rajasthan.

> While locals revere the mountains, mining contractors and the govt have found different ways of exploiting them.

While the locals revere the mountains and depend on them for their livelihood, mining contractors and governments have found different, sometimes devious, ways of exploiting them through deficient policies and efficient technologies. In the bargain, they provide material so essentially needed for infrastructure development and economic growth.

Landforms are created by Nature; their taxonomy is manmade; so are the definitions and delineations. The issue of defining the forest and the Aravallis has lingered because of its inherent complexity. In this case, the SC perhaps grappled with the question of how a sustainable mining plan could be made without first identifying the areas in which it could be permitted and was seemingly persuaded by pragmatism induced by a moral anaesthesia while passing its controversial order.

The concerns outlined by the SC now, in its December 29 order, are valid. They echo those voiced by the protesters. It is, however, bothersome why they were not kept in view while announcing the November 20 order. How could the court accept a definition without understanding its impact on the ground, both in terms of the extent of actual area covered by the definition and the effect of the permitted activities on the environment?

It would now be critical to prepare models of possible scenarios before arriving at a workable definition for regulating activities in the mountainous range without violating its ecological integrity. If the recommendations on height, slope and distance made by the Forest Survey of India (FSI) in its 2010 report seem too restrictive, let the FSI itself suggest viable alternatives. If there are none, we must learn to live with those restrictions and pay the price of preserving our heritage.

Those with surplus capital, not always using it imaginatively, find it easy to use it for converting public resources into private goods. It is the duty of the government and regulators to ensure that such public resources are used judiciously for the creation of public goods that lead to public welfare.

The popular outrage at the continuing depredation of Nature got aggravated by the perceived fallibility of the very institutions responsible for protecting public interest and human rights. People expect constitutional institutions to go out of the way to protect them against the might of the vested interests that people can't fight. That is the message, and that possibly will obviate the need for them to 'explain' or defend their judgments through the media. The judges have a right to defend themselves but they have a more fundamental duty to appear fair and just.

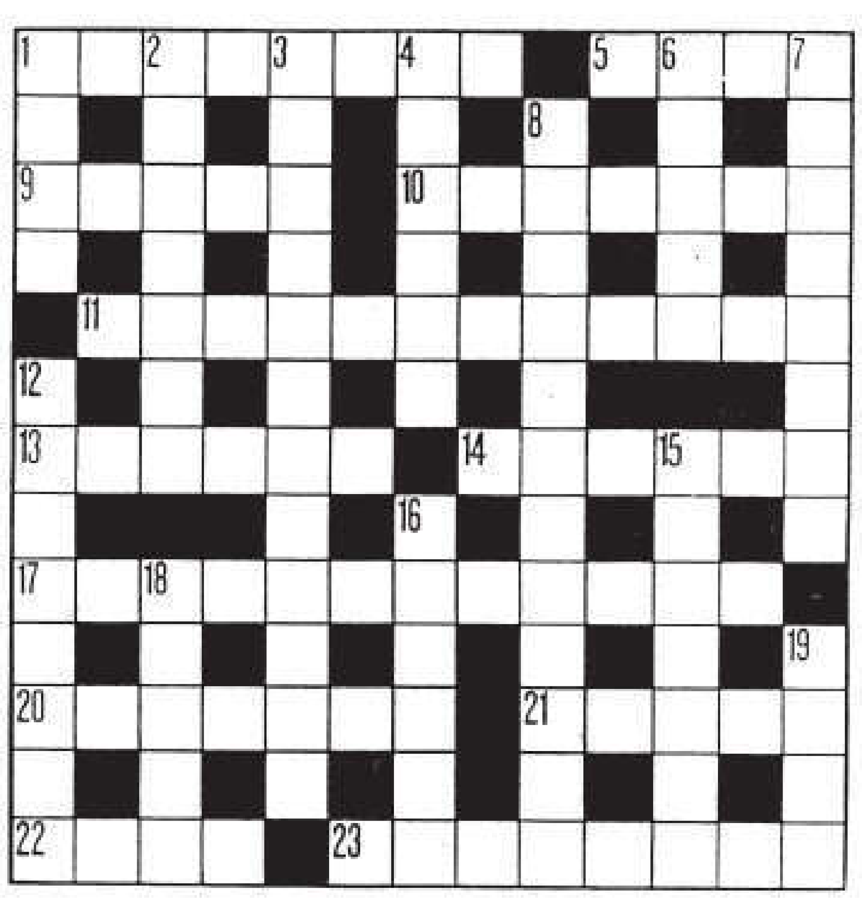
The admitted ambiguities in the SC's earlier orders, or the acknowledgment of an error by 'competent' judges in the Unnao rape case, might project the highest judiciary in an introspective mood. However, that doesn't behove its exalted calling and belies popular expectation based on its past stellar record as a saviour of the environment.

Those who work to protect the environment and nurture ecology need a divine sense of altruism because the earth or the trees are incapable of expressing gratitude in words that humans easily understand. They show their benevolence and bounty in ways that sustain life, not please egos.

Aravallis, like old parents, can't be abandoned because they are weak and withering.

The author served as Election Commissioner of India

QUICK CROSSWORD



ACROSS

1 Small freshwater crustacean (8)
5 Of heroic proportions (4)
9 To outrage (5)
10 Ominously close (7)
11 Explain wrongly (12)
13 Peculiar trait (6)
14 Balk (6)
17 Attract most admiration (5,3,4)
20 Halted (5,2)
21 In imitation of (5)
22 Assign a value to (4)
23 A stake (8)

DOWN

1 Informal conversation (4)
2 Put to practical use (7)
3 Conform to general will (4,4,4)
4 Greet respectfully (6)
6 Earlier (5)
7 Ponder (8)
8 The press (6,6)
12 Take into account (8)
15 Champion of a cause (7)
16 Polish-born composer and pianist (6)
18 Demand and obtain (5)
19 Particles of stone or sand (4)

Yesterday's Solution

Across: 1 Checkmate, 8 Quail, 9 Built-in, 10 Tinpot, 11 Permit, 12 Abeyance, 15 Alliance, 18 Measly, 20 Remiss, 21 Plateau, 22 Sheen, 23 Third-rate.

Down: 2 House, 3 Column, 4 Maintain, 5 Equity, 6 Rampant, 7 All the way, 11 Put across, 13 Exemplar, 14 Climber, 16 Absent, 17 Master, 19 Least.

SU DO KU

		3					2	7
7			8	4		6		3
6							4	
	3		9		8			
			1		2		5	
	6							5
9		7		6	5			2
3	2					8		

MEDIUM

YESTERDAY'S SOLUTION

3	9	8	2	4	7	5	1	6
2	5	4	6	9	1	8	3	7
6	1	7	3	5	8	4	9	2
4	7	2	9	8	6	3	5	1
1	6	3	4	2	5	9	7	8
5	8	9	1	7	3	2	6	4
8	4	5	7	1	9	6	2	3
7	2	6	5	3	4	1	8	9
9	3	1	8	6	2	7	4	5

CALENDAR

JANUARY 1, 2026, THURSDAY

- Shaka Samvat 1947
- Posh Shaka 11
- Posh Parvishte 18
- Hijari 1447
- Shukla Paksha Tithi 13, up to 10:23 pm
- Shubh Yoga up to 5:13 pm
- Rohini Nakshatra up to 10:49 pm
- Moon in Taurus sign

FORECAST

SUNSET: THURSDAY 17:34 HRS
SUNRISE: FRIDAY 07:19 HRS

CITY	MAX	MIN
Chandigarh	15	08
New Delhi	15	10
Amritsar	14	06
Bathinda	15	08
Jalandhar	14	06
Ludhiana	15	06
Bhiwani	16	06
Hisar	16	07
Sirsa	15	08
Dharamsala	16	07
Manali	11	03
Shimla	15	08
Srinagar	08	02
Jammu	18	11
Kargil	03	–05
Leh	02	–06
Dehradun	19	07
Mussoorie	17	08

TEMPERATURE IN ^{0}C

Lower GST on air purifiers can't contain air pollution

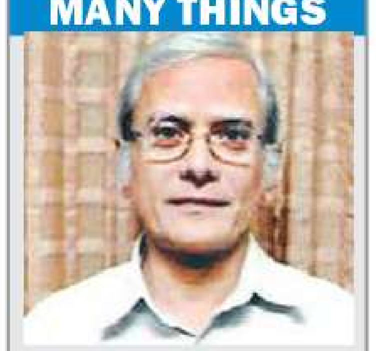
It is anyone's guess whether people will be happy or sad to hear the news that the Goods and Services Tax Council may consider cutting GST on air and water purifiers for domestic use. The proposal is to reduce the rate from 18 per cent to five per cent by reclassifying these items as essential rather than discretionary consumer goods. Cheaper goods always bring a smile on everyone's lips, but in this case reduction in the tax rate and the corresponding price structure will come with a tacit acceptance-that air pollution in Delhi and the surrounding regions is something nothing can be done about, that the people of north India are condemned to suffer toxic air at least in winter, that the government is helpless and the best it can do is make air purifiers less costly. Last week, the Delhi High Court had directed the Central government to respond within 10 days to a public interest litigation (PIL) seeking lower GST on air purifiers, owing to the worsening air quality in the national capital. The government's initial response was negative. It maintained that only the GST Council, which has representatives from the Central and State governments, could take a call on GST rates. A few days later, however, the government seems to have changed its mind.

Whatever the final decision over the question may be, it is certain that either way, this will have very little effect on the situation. To begin with, almost all poor people will not benefit, because the nature of their jobs and their homes is not conducive to enjoying the health benefits of air purifiers. And even all among the non-poor—traffic police constables, for instance—cannot get this shield. One must understand that prevention is better than cure. Instead of reducing the GST rate on air purifiers, the government must get serious about checking, if not eradicating, air pollution. It should look for real solutions, like flue gas desulfurization (FGD). According to a study by the Centre for Research on Energy and Clean Air (CREA), sulphur dioxide (SO2) emissions of 12 coal-based thermal power plants located in a 300-km radius of Delhi can be reduced by as much as 67 per cent if these facilities adopt the FGD technology. This seems to be the potential to ameliorate the situation, but the Central government did the opposite earlier this year.

In a bid to bring down electricity costs by 25-30 paise per unit, it eased sulphur emission rules for most coal-fired power plants. It placed cheaper electricity over public health. Unsurprisingly, the air pollution emergency in the national capital continues to plague its citizens, despite the city being under 'triple-engine sarkar'—the Bharatiya Janata Party in power at the Central, state, and municipal levels. If a triple-engine sarkar was expected to result in policy coherence and smooth decision making, that has not happened. The consequences of the desulfurization decision, and other acts of omission and commission, are evident: schools shut, construction halted, hospitals reporting spikes in respiratory illnesses, and many businesses, like tourism, are adversely affected, as the authorities jump from one GRAP (graded response action plan) level to the other. Lowering GST on air purifiers fits perfectly into this pattern: the government doing nothing while appearing to be active and concerned about people's health.

Chequered journey marks a centenary of Communism in India

TALKING OF MANY THINGS



DR MOHAN KANDA

The Communist Movement in India was first conceived by Indian émigrés in Tashkent, (then part of Soviet Russia and now in Uzbekistan), in 1920. Later, Communist groups from India met in Kanpur on December 26, 1925, to make the first concerted effort on Indian soil, towards forming an All-India Communist party, the day that is now considered s the party's founding date.

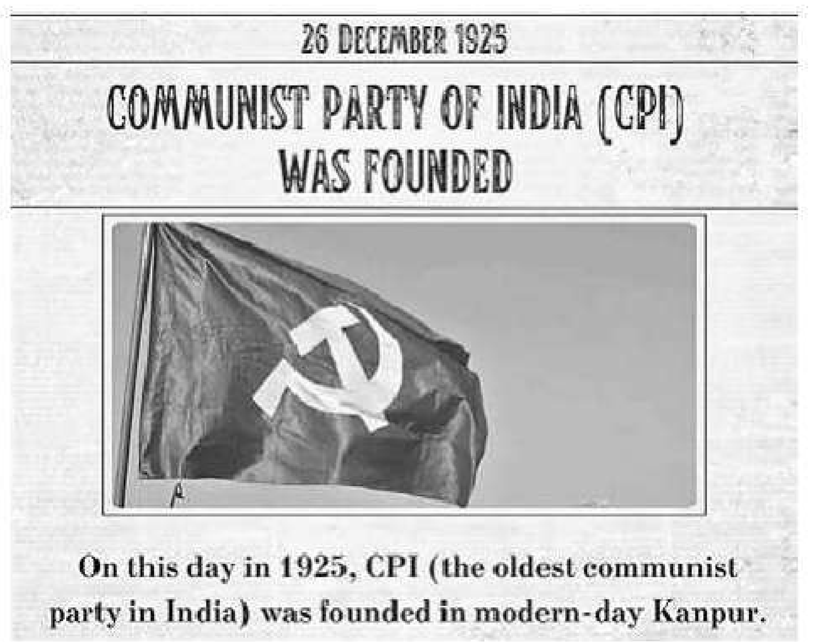
The Communist Party of India (CPI), and its splinter group, the CPI (M), have strong historical and ideological grounding in proletarian internationalism and principles of Marxism. Deriving from Marxism – Leninism, their ideology advocates a socialist society free from class exploitation. Viewing the world in terms of the fundamental contradictions between the forces of socialism and imperialism, it advocates for a 'new democratic revolution'.

The two parties have established friendly relations with their counterparts and other working parties as well as progressive and democratic movements in many countries; relationships based on the principles of mutual respect and non-interference, which have provided consistent assistance to national liberation movements against imperial powers, to establish democracies. The position taken by CPI, such as labelling World War II as a 'people's war', in the wake of involvement of the Soviet Union, had a crucial influence on its national strategy. In modern days, the two parties have maintained international dialogues and coordination with like-minded parties in the world.

The Communist Party has a major political presence in five countries as the sole ruling party, including in China, Cuba, Laos, North Korea and Vietnam, which are considered 'Socialist States under Communist party leadership', rather than as fully communist nations.

Within India, however, the history of the Communist movement presents a mixed bag. Most people recognize that its contribution to labour and peasant mobilisation was substantial. It was, after all, among the first to demand 'purna swaraj', from the British. Easily the most significant impact of the movement was the establishment of the India Trade Union Congress (ITUC) and the establishment of the All India Kisan Sabha (AIKS), apart from organising strikes and movements like the 1928 Bombay textile strike and the Telangana armed rebellion.

However, despite the highly vocal opposition to British imperialism, and evils such as feudalism and caste discrimination, CPI's opposition to the Quit India movement and, in what was to be termed as an 'extra-territorial' loyalty, its alignment with the Allied Forces in Second World War and the withdrawal of support for the Nationalist Movement were tactical mistakes which eliminated them from the mainstream of national sentiment.



On this day in 1925, CPI (the oldest communist party in India) was founded in modern-day Kanpur.

The Communist Party has a major political presence in five countries as the sole ruling party, including in China, Cuba, Laos, North Korea and Vietnam, which are considered 'Socialist States under Communist party leadership', rather than as fully communist nations. Within India, however, the history of the Communist movement presents a mixed bag. Most people recognize that its contribution to labour and peasant mobilisation was substantial. It was, after all, among the first to demand 'purna swaraj', from the British

Despite the controversy over their stance on certain issues, the party's sacrifices and contributions to mass movements played major part in eroding the moral basis of the British Raj and hastened the process of Independence.

At different stages in my life, both professionally, and personally, I have had interesting experiences with CPI and CPI(M).

I recall, for instance, travelling to Coimbatore by train in 1951, with my mother escorting me, while I was to debut as a child actor in the trilingual movie 'Manohara'. I had heard that a couple of days ago, a train had been derailed on account of sabotage by some anti-British elements, alleged to be Communist sympathisers. I spent a sleepless night worrying that something similar may happen to us. In 1975, after being posted as Deputy Commissioner Commercial Taxes at Kurnool, my nephew, Sitaram Yechury, had to go underground for some time, on account of a warrant of arrest issued against him, following his suspected involvement in anti-government activities. My parents sent him to stay with me for a while, so that I could disabuse him of his political inclinations and persuade him to pursue a normal life, pursuing a career outside politics. After a month or so, however, I had to call my parents and tell them that, far from being able to succeed in my mission, I was in danger of being indoctrinated into Communist philosophy, if he continued with me!

Sitaram, on his part, not only continued in his profession of Communist philosophy, but was to rise to national and international importance.

Much later, in different capacities in the Union Ministry of Agriculture, I had the privilege and honour of working with leaders from different political parties of the country, as they had joined the coalition of the United Front government at the center. I have fond memories of working with Chturanan Mishra, who was the Minister in charge. I found him to be the very personification of affection and gentlemanly behaviour.

Another person who was a great friend and a college contemporary, was Chand Joshi, son of P C Joshi, the first General Secretary of CPI, Chand continued the family's legacy of journalism and was famous for his authorship of 'Bhindranwale: Myth and Reality'.

I remember fondly how he came to our house in Hyderabad in the 1980s. We spent an evening reminiscing about good old college days and the state-of-affairs of the country.

Another person for whom I had great regard and respect was C V K Rao, a prominent figure associated with Communist politics. A respected Member of the Legislative Assembly (MLA), Rao was greatly admired for his honesty and upright posture in the Assembly.

Yet another person, known for his close connections with CPI was Vavilala Gopalakrishnaiah, the legendary member of the Andhra Pradesh Legislative Assembly. A bachelor, he was an ascetic, and only a choir bag containing a dhoti and kurta were his known earthly possessions. I recall with great pride and happiness when he dropped in for lunch, in the 1980s.

I was posted as Collector of Krishna district when I first had the honour and privilege of moving closely with the respected Communist leader, Puchalapalli Sundarayya, an MLA from the district.

And to round off this week's article, here is a joke I heard about Communism, which circulated in Russia in 1992. "What takes five years to build, is the size of a bus, takes four men to operate and cuts an apple into three pieces"?

A Russian machine designed to cut an apple into four pieces!

(The writer was formerly Chief Secretary, Government of Andhra Pradesh)

Political corruption and shifting public gaze typify Indian 'democracy'

NOMULA SRINIVAS RAO

As India navigates the mid-2020s, the electorate's relationship with graft is evolving from passive resignation to a complex mix of digital scrutiny and transactional pragmatism.

As the dust settles on a tumultuous year for South Asia, India stands as an island of relative political stability. Yet, beneath macroeconomic optimism and geostrategic posturing, an old, persistent malaise continues to corrode the structural integrity of the republic: political corruption. For decades, the Indian voter's relationship with corruption was defined by a cynical fatalism—a belief that hamam mein sab nange hain (everyone is naked in the bathhouse). However, a subtle but profound shift is underway. As we stand on the threshold of 2026, the nature of corruption is changing, but more importantly, the public's perception of it is undergoing a digital-age metamorphosis. The "chalta hai" attitude is being replaced not necessarily by moral outrage, but by a sharp, transactional, and often cynical accounting of governance.

Persistence of the scourge:

To understand the changing perception, one must first acknowledge the changing anatomy of the beast. Political corruption in India has graduated from the crude "briefcase politics" of the 1990s to sophisticated financial engineering. The Supreme Court's striking down of the Electoral Bonds scheme in 2024 was a watershed moment, yet the opacity of political funding remains the elephant in the room. Data from 2025 reveals that while the instruments have changed—shifting toward electoral trusts and opaque corporate donations—the asymmetry remains. The ruling dispensations, both at the Centre and in States, continue to corner the lion's share of resources, creating an uneven playing field that fundamentally distorts democratic competition.

This grand corruption - the nexus between policy-making and capital - often remains invisible to the daily wage earner. However, it is the "petty corruption" of the interface between the citizens and the state that has traditionally driven public anger. Here, technology has been a disruptor. The aggressive push for Direct Benefit Transfers (DBT) and digitization of public services has undoubtedly reduced leakage in welfare schemes. The middleman who siphoned off pensions or ration supplies is getting obsolete. For a significant section of the electorate, this reduction in daily friction is conflated with a reduction in corruption overall.

For decades, the Indian voter's relationship with corruption was defined by a cynical fatalism—a belief that hamam mein sab nange hain (everyone is naked in the bathhouse)

Legal labyrinth and public trust:

However, this perception of cleanliness is frequently shattered by the conduct of the political class itself. The recent judicial tussles, such as the Supreme Court's intervention in the Kuldeep Singh Sengar case regarding the definition of a public servant, highlight the precarious nature of accountability. When high courts split hairs over whether an elected MLA falls under the ambit of anti-corruption or child protection laws based on technicalities, the message sent to the public is devastating. It reinforces the belief that the law is a spider's web—catching the small flies while letting the hornets tear through.

Chhattisgarh government's move in late 2025 to abolish the colonial 'guard of honour' for ministers was a symbolic but potent acknowledgment of this resentment. The modern Indian citizens are asking a fundamental question: If we are the masters in a democracy, why do our servants live like kings?

The 'transactional' voter:

Perhaps the most significant shift is in the psychology of the voter. We are witnessing the rise of the 'transactional voter.' In the past, corruption charges could bring down governments—the Bofors scandal or the India against corruption movement of 2011 are prime examples. Today, however, corruption allegations often fail to stick electorally.

The answer lies in a new social contract. The electorate, battered by inflation and employment anxiety, has increasingly decoupled "personal honesty" from "political efficacy." A leader accused of amassing wealth is often forgiven if they are seen as delivering tangible goods—roads, bridges, welfare cheques, or cultural pride. Corruption is no longer viewed as a moral failing but as an overhead cost of doing business. The voter thinks: "If they are all corrupt, I might as well vote for the one who shares the spoils with me."

This normalization is dangerous. It suggests that the electorate has internalized corruption as an immutable feature of the state, shifting their focus from "eradicating graft" to "navigating it".

The Gen Z digital reckoning:

If the older generation has become transactional, the younger generation—Gen Z—is becoming the wild card. Born into a digital-first world, their perception of corruption is not shaped by newspapers or TV debates but by memes, Instagram reels, and leaked WhatsApp chats. For them, corruption is not just financial; it is the corruption of opportunity.

When the public sees a politician accused of corruption joining the ruling coalition and suddenly finds the files dusted and stored away, the credibility of the "fight against corruption" evaporates.

Institutional hygiene:

So, where does India go from here? The path to changing perception lies in structural, not just optical, reform.

First, the funding of elections needs radical transparency. As long as the source of political money remains hidden, the public will rightly assume that policy is for sale. The Election Commission must be empowered to audit party finances with the rigor applied to public limited companies.

Second, the judicial system must prioritize cases involving elected representatives. Special fast-track courts for legislators must be fast.

Third, and perhaps most importantly, the definition of corruption must expand in public discourse. It is not just about bribes; it is about the decay of institutions.

The Indian voter is watching, not with the wide-eyed innocence of the past, but with a narrow-eyed scrutiny. They are willing to tolerate some rot for the sake of development, but their patience is not infinite. The hygiene of democracy depends not just on cleaning the floor, but on ensuring the people believe the mop is clean.

(The author is former OSD to former Union Civil Aviation Minister)

MEDLEY

LETTERS

Fiscal prudence is the best way forward

This refers to the editorial "Central govt seems committed to fiscal prudence" (THI, Dec 31), which rightly highlights the government's focus on reducing debt while sustaining growth. The emphasis on keeping the deficit under control, even in an election cycle, shows a welcome shift towards rule-based budgeting rather than ad hoc populism. Yet, fiscal discipline must not rely mainly on indirect taxes and disinvestment, which burden consumers and create one-off gains. A more durable path lies in broadening the direct tax base, improving expenditure quality, and publishing clearer medium-term targets so that citizens can track progress and hold policy makers accountable.

K Sakunthala, Coimbatore-641016

Answer is in striving for self-sufficiency

Apropos of 'Central govt seems committed to fiscal prudence' (THI Dec 31). The article alluding to economics and budget was Greek and Latin to an average reader, who only knows that the country is going through tough times economically due to Trump's tariffs, and additional financial demands caused by military exercises like Operation Sindoor. In such a scenario, fostering self-sufficiency is paramount as this translates to less dependence on imports. One can't see why India that can deploy satellites in space depends on other nations for practically everything-from salt to camphor. Now that the license raj is history, the country's doors should welcome foreign investors. More importantly, States must encourage investor-friendly climate so that their dependence on the centre gets decreased.

Dr George Jacob, Kochi

Fiscal discipline restores business confidence

Apropos "Centre's commitment to fiscal prudence"(THI Dec 31), the steady reduction in deficits and focus on debt sustainability are reassuring signals. However, prudence should not slide into complacency. The concern is that weak private investment and policy uncertainty could blunt the benefits of a stable macro framework. Beyond annual targets, the government must prioritise regulatory clarity, faster contract enforcement and timely land acquisition. Sustained capital expenditure, coupled with structural reforms, can crowd in private investment. Fiscal discipline is valuable, but it must work alongside reforms that restore business confidence and lift long-term growth.

S M Jeeva, Chennai-32

Revanth must pursue his well-laid out plans

With reference to "Govt to go tough on encroachments", I wish to add that Telangana Chief Minister A Revanth Reddy's decisions are commendable as they focus on sustainable development and environmental protection in Hyderabad. His plans include making Hyderabad plastic-free, replacing diesel buses with electric vehicles, and tackling encroachments on lakes and nalas. Restructuring of Greater Hyderabad Municipal Corporation (GHMC) is a significant step towards decentralisation as it can ensure the city's comprehensive development. The Telangana Rising 2047 vision document outlines ambitious goals that are achievable. Hopefully, Revanth Reddy will continue to drive positive change in the state all through 2026.

Dr Venkat Avula, MASS

Need to change oneself, not the calendar

As we welcome a new year, let us not just change the calendar but strive to change our mindset and look beyond personal comfort. Indians must confront the deepening rot around us and hold those in power accountable, regardless of who governs. Our primary education and healthcare systems are collapsing. Schools and hospitals demand exorbitant fees yet deliver shockingly poor outcomes. Silence worsens this decay. Celebrating a new year without demanding better governance is self-deception. Real change begins when we raise our voices. Let's not allow the elected government to use our taxes to enhance their own popularity and fame along with that of their party.

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BENGALURU ONLINE

State plans revival of campus elections after 37 years

BENGALURU: n a major move aimed at nurturing leadership qualities among youth and identifying future political talent, the Karnataka government has decided to revive student union elections after a gap of 37 years.

To study the framework, feasibility and implications of reintroducing campus polls, the government has constituted a high-level 11-member committee comprising ministers, legislators and youth leaders. Medical Education Minister Sharanprakash Patil has been appointed as the convener of the committee.

Read more at https://epaper.thehansindia.com

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Editor's TAKE

Lessons from 2025: Imperatives for 2026

As 2025 closes, its crises and fragile recoveries reveal urgent lessons, demanding resolve, climate action, and growth in 2026

Georg Wilhelm Friedrich Hegel once observed that "the only thing we learn from history is that we learn nothing from history." Though the phrasing varies across translations and popular retellings, the essence of his insight remains unchanged: humanity repeatedly fails to absorb the lessons of its own past, choosing instead to repeat its mistakes. This observation rings painfully true in the times we inhabit. As another year draws to a close – whether we pause to reflect or not – it will be remembered for wars and conflicts, economic disruptions, and violations of human rights, with human greed, ego, and recklessness written large across them all. Yet, as if in balance, the year also bore witness to hope and resilience – to rebuilding and constructive impulses, and to the creativity that so deeply defines the human spirit.

Economically, 2025 offered cautious optimism. Several major economies showed signs of stabilisation as inflationary pressures eased and growth projections improved. India, in particular, consolidated its position as one of the fastest-growing large economies, driven by infrastructure spending, digital expansion, and a growing manufacturing base. Yet job creation, income inequality, and rural distress remained persistent challenges, reminding policymakers that growth figures alone do not translate into shared prosperity.

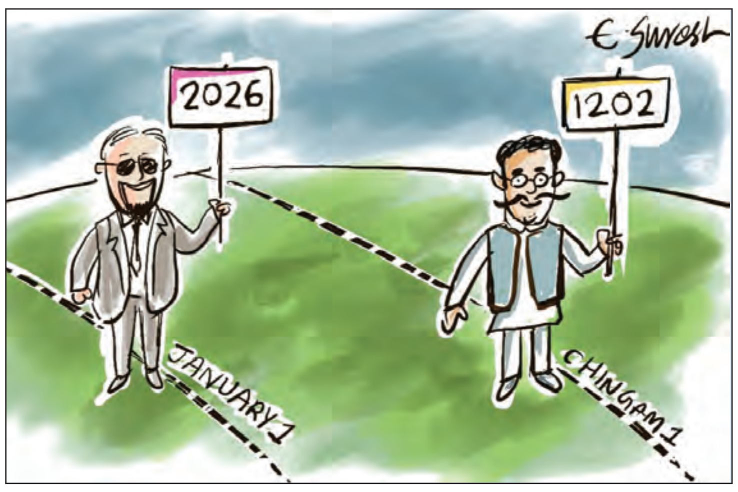
Geopolitically, the year was fraught with uncertainty. Prolonged conflicts in Gaza and Ukraine continued at great cost to human life, while new fault lines emerged in trade, technology, and energy politics. Multilateral institutions appeared increasingly strained, struggling to keep consensus intact in a world drifting towards strategic fragmentation. On the environmental front, 2025 was sobering. Despite renewed climate pledges and advances in renewable-energy adoption, the gap between commitments and implementation remained wide. If 2025 was a year of reckoning, 2026 must be a year of resolve. The most pressing challenge remains the climate and environmental crisis. The coming year will demand sharper action – stronger climate-adaptation strategies, faster energy transitions, and serious investment in water security, biodiversity conservation, and sustainable agriculture. For countries like India, balancing development needs with ecological limits will be crucial.

As power continues to shift and multipolarity becomes more pronounced, 2026 must prioritise dialogue over division. The world cannot afford endless conflicts draining resources and heaping misery on human beings. Reviving faith in multilateralism – through reform, not rhetoric – will be one of the defining tasks of the year ahead. Economically, 2026 presents both opportunity and risk. Technological advances, especially in artificial intelligence, clean energy, and digital infrastructure, could unlock new growth pathways. The focus must shift towards human-centric growth – ensuring that technological progress enhances, rather than erodes, livelihoods. The lessons of 2025 are clear: complacency is costly, delay is dangerous, and half-measures are insufficient.

Why the Hindu new year matters to India

The Hindu New Year represents harmony with nature, respect for cosmic order, spiritual renewal, and social unity. Reclaiming its rightful place in public life is not a step backwards but a reaffirmation of India's timeless civilisational wisdom

VIJENDER GUPTA



India is not merely a nation defined by geographical boundaries; it is an ancient and living civilisation whose cultural consciousness has evolved over thousands of years. One of the most profound expressions of any civilisation lies in how it perceives, measures, and celebrates time. Timekeeping is not only a technical or administrative exercise but also a reflection of a society's philosophy, spirituality, agricultural wisdom, and relationship with nature. In modern India, however, there is a growing tendency to celebrate the English New Year on December 31, with great enthusiasm, even though this date has little connection with India's civilisational ethos, seasonal rhythms, or cultural traditions.

The English New Year is based on the Gregorian calendar, which was introduced in Europe in the sixteenth century and later imposed across much of the world during the colonial era. India adopted this calendar primarily for administrative convenience under British rule, not as a result of cultural acceptance or civilisational continuity. While the Gregorian calendar continues to serve a practical role in global coordination today, its elevation as the primary marker of celebration and renewal in Indian society reflects a deeper legacy of colonial influence that still shapes our social behaviour and mindset.

It is important to recognise that the date of January 1, does not signify any natural, agricultural, or spiritual transition in the Indian subcontinent. It falls in the middle of winter, when nature is largely dormant and agricultural activity is limited. The celebration of this date is largely driven by modern consumer culture, entertainment industries, and social imitation rather than by any intrinsic cultural meaning. Over time, the celebration has increasingly taken the form of late-night parties, noise, and excess, which stand in contrast to India's traditional values of balance, reflection, and harmony.

In contrast, the Hindu system of timekeeping is deeply scientific, ecological, and spiritually aligned. Indian calendars are based on precise astronomical observations of the movement of the Sun, Moon, and Earth. Systems such as Vikram Samvat, Shaka Samvat, Kali Samvat, and various regional calendars demonstrate a sophisticated understanding of cosmic cycles that predates modern astronomy by centuries. These calendars were not created arbitrarily but were designed to align human life with natural and cosmic rhythms.

Across most of India, the Hindu New Year begins around March or April, coinciding with the arrival of spring. This period marks the end of harsh winter conditions and the beginning of renewal in nature. Trees blossom, crops are harvested, daylight increases, and the environment visibly rejuvenates. This natural transition makes the Hindu New Year a logical and meaningful point for beginning a new cycle, reflecting the Indian worldview that human life should remain in harmony with nature rather than detached from it.

> THE HINDU NEW YEAR DOES NOT IMPLY REJECTION OF THE GREGORIAN CALENDAR OR HOSTILITY TOWARDS GLOBAL PRACTICES. INDIA HAS ALWAYS BEEN INCLUSIVE AND PLURALISTIC IN SPIRIT, ACCOMMODATING DIVERSE BELIEFS AND TRADITIONS

The celebration of the Hindu New Year takes diverse regional forms across the country, reflecting India's unity in diversity. Festivals such as Gudi Padwa, Ugadi, Navreh, Cheti Chand, Baisakhi, Pohela Boishakh, Puthandu, and Vishu may differ in rituals, cuisine, and local customs, but they share a common philosophical foundation. Each emphasises gratitude, hope, renewal, and collective well-being. Families gather, elders bless the younger generation, prayers are offered, and charity is encouraged, reinforcing social bonds and moral values.

In Hindu tradition, time is regarded as sacred and cyclical rather than linear and disposable. The concept of 'Kala' is deeply embedded in Indian philosophy, where every cycle of time presents an opportunity for self-reflection, righteous conduct, and spiritual growth. The Hindu New Year is not merely a change of date; it is an invitation to introspect on one's actions, renew ethical commitments, and realign life with the principles of dharma. Such an approach nurtures both individual responsibility and collective harmony.

Unfortunately, as Indian society becomes increasingly influenced by Western cultural symbols, there is a visible erosion of awareness about indigenous traditions. The widespread prominence of December 31, celebrations, particularly in urban areas, has overshadowed the cultural significance of the Hindu New Year. This shift does not represent progress or modernisation but rather a gradual detachment from cultural roots. True modernity lies in the ability to engage with the world while remaining grounded in one's own heritage.

Several nations with ancient civilisations have demonstrated that it is possible to preserve traditional calendars alongside global systems. Countries such as China, Israel, Iran, and Thailand continue to celebrate their traditional New Years with pride and official recognition, without compromising their economic or technological progress. These societies understand that cultural confidence strengthens national identity and social cohesion. India, with its far older and richer civilisational heritage, should display similar confidence in honouring its own traditions.

It is also significant that India already possesses an officially recognised national calendar, the Shaka Samvat, which is used alongside the Gregorian calendar in government documents and communications. However, this recognition remains largely symbolic, as public awareness and social participation in its observance are limited. Bridging this gap requires conscious efforts through education, cultural initiatives, and public engagement so that traditional timekeeping becomes a lived reality rather than a mere constitutional reference.

Advocating the Hindu New Year does not imply rejection of the Gregorian calendar or hostility towards global practices. India has always been inclusive and pluralistic in spirit, accommodating diverse beliefs and traditions. The objective is not exclusion but balance, not imposition but restoration. Indigenous traditions should not be marginalised in their own land, especially when they offer profound ecological wisdom, ethical guidance, and cultural continuity.

Public institutions and leadership play a vital role in preserving and promoting cultural heritage. Legislative bodies, educational institutions, and cultural organisations can lead by example by acknowledging the Hindu New Year through official messages, cultural programmes, and public discourse. Such initiatives reinforce cultural self-respect and inspire younger generations to take pride in their heritage.

As India moves forward as a confident and self-reliant nation, it must ensure that progress is rooted in cultural consciousness rather than cultural amnesia. The Hindu New Year represents harmony with nature, respect for cosmic order, spiritual renewal, and social unity. Reclaiming its rightful place in public life is not a step backwards but a reaffirmation of India's timeless civilisational wisdom. Celebrating our own New Year alongside global calendars reflects a mature, confident society that honours its past while shaping its future with clarity and pride.

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The Pioneer

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PIC TALK

A vendor arranges flower garlands for sale amid dense fog on a winter morning in Prayagraj.

PHOTO: PTI

How video games shape generations of minds

SHAINY SHARMA

2ND OPINION
THE PIONEER

In an age where smartphones feel like a biological extension of the human body, an intriguing debate has resurfaced among psychologists, educators, and sociologists: did the video games of the 1990s unknowingly train an entire generation's cognitive muscles, and are today's technologically sophisticated games quietly undoing some of that training? What may sound whimsical is increasingly supported by research suggesting that the digital playgrounds of the '90s — populated by Mario, Sonic, Prince of Persia, Doom, and Zelda — offered far more than casual entertainment. They fostered patience, discipline, strategic reasoning, and emotional resilience, often without players realising that their brains were engaged in a rigorous neurological workout. Games of that era were unapologetically difficult. With limited lives, almost no tutorials, scarce save points, and no glowing arrows to guide the way, failure was not an exception but the default setting. Mastery came only through repetition. Neuroscientists note that such trial-and-error learning activates the hippocampus, the brain region responsible for spatial memory and navigation. A 2017 study published in *Nature* found that players of navigation-heavy games like *The Legend of Zelda* showed increased hippocampal grey matter — evidence of strengthened neural pathways.

In practical terms, hours spent navigating pixelated dungeons sharpened memory, mapping skills, and strategic thinking. Players learned patience as loading screens tested endurance, frustration tolerance as characters repeatedly died, and problem-solving because no in-game assistant appeared with hints. The American Psychological Association notes that challenge-based gaming can increase persistence by nearly 30 per cent. It is unsurprising that many children of the '90s now navigate instinctively without GPS — they memorised labyrinths long before Google Maps existed. Gen Z, however, inhabits a very different digital universe. Modern games feature hyper-realistic graphics, constant auto-saves, guided missions, and tutorials designed to prevent failure rather than teach recovery. While these make gaming more accessible, they also reduce cognitive struggle. Pew Research Center data show that 95 per cent of teenagers play games, with over 70 per cent preferring online multiplayer formats. Yet psychologists warn of rising loneliness among young gamers, suggesting that virtual proximity does not guarantee emotional connection. A University of California study also reports that Gen Z's average attention span is about eight seconds — shorter than that of millennials — reflecting an environment saturated with rapid stimulation and dopamine-driven rewards. This is not to dismiss modern gaming as harmful. Contemporary titles offer real cognitive benefits: action games can improve reaction times by up to 25 per cent, while multiplayer platforms encourage teamwork, communication, and global collaboration. Sandbox games like *Minecraft* nurture creativity, problem-solving, and even early coding skills. Gen Z may not memorise dungeon maps, but they can design entire digital cities from scratch.

Convenience has its costs. Endless retries and constant guidance can blunt focus and resilience. The real question isn't who is better - '90s gamers or Gen Z — but how technology is shaping young minds. Children must learn not only creativity and speed, but also struggle and perseverance. Real life offers no glowing arrows — and no infinite checkpoints.

The writer is an educator

TRUMP DECLARES HIMSELF MAN OF THE YEAR 2025

In the ever-expanding universe of self-regard, it seems only natural that Donald Trump should be declared Man of the Year 2025 – by Donald Trump, for Donald Trump, with unanimous approval from Donald Trump.

He repeatedly reminds the world that he possesses the power to do anything, at any time, to anyone, preferably through ALL-CAPS posts. Waving tariffs like magic wands, he insists the United States is now the most superior nation in history, while world peace, he assures us, rests comfortably at his fingertips, ready for delivery along with the Nobel Peace Prize he believes is long overdue.

His unpredictability, he argues, is not chaos but brilliance carefully bottled. The liberal use of the famous 'F' word is, apparently, not crude language but rhetoric. No other American president, in his telling, has matched his intelligence or courage. According to this narrative, the United States was stumbling until he arrived to make it great again – again and again, as often as required.

One must concede this: if limitless self-confidence, booming self-praise, and theatrical certainty were the criteria, the award committee could save time – competition would be purely ceremonial.

In the end, the applause he hears most loudly is his own. And in that echo chamber, he is always the winner.

N SADHASIVA REDDY | BENGALURU

Please send your letter to the info@dailypioneer.com.
In not more than 250 words. We appreciate your feedback.

LETTERS TO THE EDITOR

Supreme Court restores public faith

The Supreme Court has done justice to the victim of a heinous crime by staying the Delhi High Court's order passed on a mere technicality.

The High Court had suspended the life sentence awarded by the trial court and granted bail to the convicted former legislator, Sengar, in the Unnao rape case of 2017. Citing ambiguity over the definition of a public servant and its application under the POCSO Act, the court took a lenient view in favour of the guilty. This amounted to injustice to the survivor and to the very idea of justice. The apex court has now corrected the imbalance and ensured that public faith in the justice-delivery system remains intact. Courts must be cautious when technical questions overshadow moral responsibility and the gravity of the offence. Survivors of sexual violence deserve certainty that influential offenders will not escape the law through loopholes.

By intervening promptly, the Supreme Court has upheld judicial accountability and reaffirmed that the rule of law must protect the vulnerable above the powerful. This clarity strengthens confidence in institutions and signals that crimes against women are not minimised. Justice must not yield to power — especially when the vulnerable seek protection.

VG SANKARA RAO | ANDHRA PRADESH

Drunk driving threatens New Year

It is welcome that people in Mumbai are preparing to celebrate the New Year in style — but celebration must not become fatal.

Recent drinking parties during Christmas caused deaths in the city, sounding alarm bells for New Year's Eve, when rash and negligent driving could create more chaos.

Drink-driving has already claimed many lives in the Metro. It is high time we obey traffic rules and control speed, especially on highways and crowded streets. Observing speed limits keeps everyone safer than speeding after consuming alcohol. Traffic regulations are often ignored, and speed kills pedestrians and other road users.

Major accidents occur due to carelessness. Heavy fines are rightly being imposed on erring drivers: jumping a signal may cost ₹5,000, and drunk driving can attract penalties up to ₹50,000. A high fine for causing a child's death is also appropriate.

With stricter enforcement and responsible behaviour, we can hope to see safer, accident-free roads. Caution and alert policing must go hand in hand, while drivers should show patience and responsibility to ensure safe journeys.

CK SUBRAMANIAM | NAVI MUMBAI

Safer standards for incense sticks

Who does not love incense sticks — *agarbattis* — when their fragrance fills the air? India is the world's largest producer and exporter, supplying nearly 150 countries and generating a turnover of more than ₹1,200 crore. The industry also provides vital employment, especially for women.

However, an important question arises: do these products meet required safety standards? Concerns have long been raised about synthetic substances and chemicals used in some agarbattis, with several studies warning of health risks such as airway problems and skin infections.

In this context, the Centre has rightly decided to ban certain toxic chemicals to protect public health and ensure a cleaner, safer environment.

Allethrin, permethrin, cypermethrin, benzyl cyanide, and ethyl acetate are among the chemicals proposed to be removed. The Consumer Affairs Ministry also plans strict oversight of raw materials and burning quality.

A refined 'Indian standard' for incense production will build consumer confidence, support responsible manufacturers, and help ensure that something meant for prayer and peace does not become a silent health hazard.

GANAPATHI BHAT | AKOLA

The Pioneer
NEW DELHI | THURSDAY | JANUARY 1, 2026

The burden of selective outrage

The turn of the calendar often brings with it the comforting illusion of closure, as though unresolved questions can be neatly left behind with the old year. Yet time does not work in compartments. The past bleeds into the present, shaping the debates that inevitably travel with us into the future

FIRST Column

BALBIR PUNJ

A very happy New Year to all readers! Time is a fascinating tapestry in which the past, present, and future intertwine seamlessly, each influencing the others in complex ways. Interestingly, this column has subtly become a sequel to the previous one, carrying forward the controversies, hopes, and expectations for 2025 into the new year.

In response to '*A season under siege: When festivity gives way to fear*' — published last Thursday — a retired IAS friend wrote, "I wish, however, you had at least in passing rapped the VHP's continuing stance against Christmas celebrations, particularly those involving Hindu participation, proclaimed as a threat to Hindu culture and religious purity. The recent happenings are completely at variance with the way the IAS officer trainees at the National Academy of Administration sing Christmas carols (minus any religious connotation), which is how a tolerant society ought to behave."

While her concern for interfaith harmony is touching, her observations reveal a deeper imbalance that plagues Indian society. It's hard to imagine a similar level of institutional enthusiasm for festivals like Krishna Janmashtami, Hanuman Jayanti, Ram Navami, or Gurpurabs.

Does the Academy organise bhajans and shabad kirtans for the birthdays of Hindu deities or Sikh Gurus? More often than not, silence or deliberate indifference prevails in the face of such glaring contradictions in our attitudes, calling for reflection rather than resentment.

The issue is not opposition to the Christian sacred narrative itself. It concerns broader questions of cultural confidence and civilisational self-perception, reflecting how societies view their core identities. When a majority community becomes hesitant, even apologetic, about publicly acknowledging its own sacred traditions, the imbalance is not imposed externally; it is also internalised within the community's collective mindset.

Such silence is not genuine pluralism; it is self-effacement that undermines the vibrancy of timeless cultural heritage.

THE ANGLICAN CHURCH AND BRITISH IMPERIALISTS PERPETUATED A DANGEROUS NARRATIVE, CLAIMING THAT GANDHIJI'S FREEDOM MOVEMENT WAS A DISGUISE FOR ESTABLISHING A 'BRAHMIN RAJ' WHERE OTHER CASTES WOULD BE EXCLUDED

Despite double standards in public life regarding inter-community relations, recent incidents targeting Christmas celebrations in parts of the country call for serious introspection within the Hindu community.

Any act of vandalism or intimidation carried out in the name of Hinduism does grave injustice to a civilisation whose defining strength has always been its capacity for acceptance of diversity. Any boorish conduct in the name of Hinduism is not an assertion of faith but a betrayal of it.

At the same time, sections of Christian clergy and self-styled left-liberal commentators — who rushed to project these episodes as proof of an allegedly intolerant Hindu society and a persecutory Indian state — would also do well to pause and reflect.

The Pioneer SINCE 1865

Selective outrage has consequences. It is no coincidence that an online Wikipedia page titled '*2025 Christmas violence in India*' appeared within days, aggregating unrelated and geographically dispersed incidents into a single, ominous narrative.

Such hurried compilation, devoid of historical proportion or comparative context, serves less to inform and more to tarnish India's image and caricature the Hindu community.

Prime Minister Narendra Modi's participation in a Christmas service at Delhi's Cathedral Church of the Redemption on December 25, carried symbolic weight. He spoke of love, peace, and compassion, hoping the Christmas spirit would inspire harmony and goodwill.

This was not an isolated gesture — recently, he addressed a Catholic Bishops' Conference celebration, attended an Easter event at Sacred Heart Cathedral, and hosted Christmas programmes at his residence.

Such initiatives are consistent with India's civilisational ethos. The land that welcomed Jews fleeing Roman persecution, Zoroastrians escaping Islamic conquest, Syrian Christians arriving centuries before European colonialism, and early Muslim traders — allowing them to practise their faiths freely — has no cultural space for hostility towards Christmas.

Perspective, however, is essential. In my last column, I had pointed out how, amid rising jihadist threats, several Christian-majority countries in Europe curtailed or cancelled Christmas and New Year celebrations. No such situation exists in India, despite the subcontinent having endured centuries of jihadist violence. The atrocities committed by the Catholic Church against Hindus in Goa were no less horrendous. After the East India Company's takeover of India, the Anglican Church joined hands with the colonists, vilified Hinduism, and sought to convert Hindus through deceit and allurement. Christianity's presence in India unfolded in three distinct phases. The earliest phase dates to St Thomas the Apostle, believed to have arrived on the Malabar Coast around 52 CE, giving rise to the Syrian Christians of Kerala. This community remained culturally Indian, socially integrated, and theologically Eastern, coexisting peacefully without political power or coercion.

A sharp rupture came with Vasco da Gama's arrival in 1498, when Christianity fused with Portuguese imperial expansion. Under Francis Xavier and through the Goa Inquisition (1560-1812), missionary activity involved coercion, destruction of temples, and forced conversions. As historians Heta Pandit and Annabelle Mascarenhas note in their book Houses of Goa, churches rose where temples once stood, Hindu priests were banished, festivals were prohibited, and social interaction between Hindus and converts was criminalised.

Under British rule, Christianity was imposed on India through a strategic alliance between the Anglican Church and the colonial administration. Through relentless evangelism, the Church rallied Indians to support the British Empire.

During the 1857 uprising, the only Indian community that wholeheartedly sided with the British was the newly converted Christians. The British rulers reciprocated generously. It's hard to miss that the Church still holds some of the most valuable pieces of real estate in major cities across India — a disproportionate share given the Christian population.

The Anglican Church and British imperialists perpetuated a dangerous narrative, claiming that Gandhiji's freedom movement was a disguise for establishing a 'Brahmin Raj' where other castes would be excluded.

Shockingly, the Church even supported the 1919 Jallianwala Bagh massacre in Amritsar and played a role in facilitating General Dyer. In short, they tried to denationalise Indians — or kill the Indian in Indians. The sins of the Church are too vast to be discussed in a newspaper article.

Certainly, clinging to past baggage offers little value. Those who have erred can at least apologise, commit to change, and open the door to renewal.

Christians worldwide and civil society are successfully seeking atonement from the Church for its sins and vow to make amends. The Roman Catholic Church itself has acknowledged many of its historical wrongdoings. Pope Francis apologised in Canada in 2022 for the 'catastrophic' impact of Catholic-run residential schools. In 2021, he described as 'shameful' revelations from France exposing the sexual abuse of nearly 330,000 children by clergy over seven decades, with French bishops publicly kneeling in repentance. Pope Benedict XVI apologised in 2008; Pope Francis again in 2018.

The Church was forced to seek forgiveness under pressure from Christians and civil society activists in countries that had suffered injustice at its hands in the past. The real question isn't about justifying any misdeeds today, by either side. It is about highlighting a stark double standard. Those calling for apologies from Hindu society for acts of vandalism must ask themselves: are they ready to urge the Vatican and the current Pope to apologise for the medieval and colonial religious destruction inflicted upon Indian society, and to put a stop to the ongoing, relentless proselytising operations that break families and communities and spur social unrest?

The writer is an eminent columnist, former Chairman of the Indian Institute of Mass Communication (IIMC), and the author of 'Tryst with Ayodhya: Decolonisation of India' and 'Narrative ka Mayajaal'

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Lead as health hazard: When the climate instability and social vulnerability intersect

INDU BHUSHAN

Lead exposure remains one of the most neglected public health threats of our time. There is no known safe level of lead in the human body. Even low exposure can irreversibly damage children's brain development, impair learning, and increase lifelong risks of cardiovascular disease. Despite the phase-out of leaded petrol and some regulatory progress, exposure continues through contaminated water, food, soil, household dust, informal recycling, and poorly managed waste. India bears a disproportionate share of this burden. UNICEF and Pure Earth estimates suggest that about half of Indian children have blood lead levels above recommended thresholds, with the highest risks concentrated among poorer households and informal workers. The impacts extend beyond health, undermining education outcomes and long-term economic productivity.

At the same time, climate change has emerged as one of the defining public health challenges of the 21st century. India is already experiencing more frequent and intense heatwaves, prolonged droughts, severe floods, cyclones, and coastal inundation. These hazards damage infrastructure, disrupt water and food systems, and strain health services. What is less recognised is that climate change does not act alone. It amplifies existing environmental risks, including exposure to toxic metals such as lead. Climate extremes increasingly disturb long-standing environmental reservoirs of lead. Heatwaves accelerate the deterioration of ageing urban infrastructure, including old water pipes and lead-based paints, especially in informal settlements and older housing. This increases contamination of household dust and drinking water. Heat stress and dehydration can also enhance the body's absorption of lead, raising risks for children and pregnant women.

Droughts and desertification resuspend contaminated soils as fine dust, increasing inhalation exposure from legacy lead originating in industrial activity, mining, smelting, waste dumping, and historical traffic emissions. Reduced water availability can concentrate lead in soils and crops, heightening dietary exposure in food-insecure regions.

Floods and extreme rainfall present a different but equally serious pathway. Floodwaters mobilise lead stored in soils, sediments, landfills, e-waste sites, and industrial zones, spreading contamination across residential areas and agricultural land. Drinking water sources can be compromised, and post-flood clean-up often exposes families to toxic debris. Along India's long coastline, cyclones damage housing, power systems, and waste infrastructure, dispersing lead-containing materials. Sea-level rise and saltwater intrusion further increase the risk of lead leaching into groundwater in vulnerable coastal districts.

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Even the energy transition, if poorly governed, can aggravate the problem. Renewable energy expansion is essential for climate mitigation, yet lead-acid batteries remain widely used in solar backup systems, vehicles, and emergency power supplies due to their low cost and availability. Informal battery recycling and unsafe dismantling release lead into air, soil, and water, exposing workers and nearby communities. Without strong regulation and safe recycling systems, climate solutions risk shifting pollution rather than eliminating it.

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These intersecting risks demand integrated policy responses, and India already has much of the necessary policy architecture. The National Programme for Climate Change and Human Health (NPCCHH) already recognises health as a cross-cutting concern and is now in the process of integrating toxic exposures such as lead. Similarly, flagship health initiatives — including the National Health Mission and Ayushman Bharat — focus on service delivery but are now working towards integrating environmental risk reduction into routine care, surveillance, and disaster preparedness.

Urban policy offers a critical entry point. Housing schemes and urban renewal missions provide opportunities to remove lead-based paints, replace ageing water pipes, and enforce safer construction standards — especially in low-income settlements where exposure risks are highest. Climate-resilient housing must also be toxin-safe housing. Disaster management plans, increasingly invoked during heatwaves, floods, and cyclones, should explicitly include protection against toxic exposures, prioritising children, pregnant women, and informal workers during emergencies and recovery. Addressing lead exposure alongside the response to the climate-change challenge is not merely a technical fix; it is a matter of equity. Climate hazards and toxic pollution disproportionately affect the same populations — those with the least resources to protect themselves and the least access to health care. Public awareness is therefore essential. Communities need clear information on how climate extremes can increase toxic exposure and how risks can be reduced before, during, and after climate-related events.

The link between climate change and lead pollution reflects a broader planetary health crisis, where climate instability, chemical pollution, and social vulnerability intersect. Treating these challenges in silos will blunt the effectiveness of India's climate and health investments. Integrating lead elimination into climate action, health missions, and urban development is both feasible and necessary. Protecting children from lead exposure while responding to climate change is not an added burden — it is an investment in India's resilience, human capital, and future.

Indu Bhushan is President i-LEAP and a former Indian bureaucrat and economist.
Inputs by Vasuki Rayapati, Nitish Dogra

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Power sector: A turning point

RAJIB K MISHRA

The year 2025 will be remembered as a decisive moment in India's power sector not because of a single policy announcement or a headline-grabbing capacity milestone, but because it marked a deeper shift in national thinking. India's electricity transition has moved beyond the simpler question of how much power the country can generate to a far more complex and consequential challenge: how reliably, flexibly and intelligently the power system can be managed. Over the past decade, India has built one of the world's most ambitious renewable energy programmes. Installed electricity capacity is now approaching 500 GW, and non-fossil sources crossed the 50 per cent mark well ahead of the COP26 commitment. On paper, these numbers inspire confidence.

Yet 2025 exposed a critical structural reality. Despite massive renewable additions, coal continues to supply nearly three-fourths of actual electricity consumption. The growing gap between installed capacity and dependable, round-the-clock supply has become the central issue of India's power transition. This gap is rooted in the very nature of renewable energy. Solar generation peaks during midday hours and falls sharply after sunset, while wind power varies across seasons and regions. As renewable penetration rises, these fluctuations increasingly stress the grid, leading to price volatility, curtailment of clean power and operational complexity for system operators. The events and experiences of 2025 made it unmistakably clear that the next phase of India's energy journey is no longer about generation alone — it is about system design. One of the most significant shifts during the year was the transition of energy storage from a policy aspiration to a practical necessity. Storage is no longer treated as an optional add-on to renewable projects; it is now recognised as core grid infrastructure. A defining moment was the Solar Energy Corporation of India's tender for 1.2 GW of renewable capacity bundled with 4.8 GWh of battery storage.

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The message was clear: future renewable growth in India will be inseparable from storage. Energy storage allows the grid to absorb surplus renewable power and release it during periods of high demand. Short-duration batteries help manage daily variability, while long-duration solutions — such as pumped hydro, flow batteries and, eventually, green hydrogen-based storage — will be essential for seasonal balancing. Yet storage remains capital-intensive, and investor confidence depends on policy clarity. What India now needs is not sporadic mega-auctions, but a steady, predictable pipeline of storage-linked tenders. Policy continuity will be critical to building domestic manufacturing capacity and driving costs down. At the same time, 2025 underlined a profound transformation on the demand side. India's fast-expanding digital economy is creating a new class of electricity consumers — data centres and AI-driven infrastructure. Hyperscale data centres are clustering around Mumbai, Chennai and Hyderabad, and by 2030 they are expected to add nearly 5-6 GW of continuous power demand. Unlike traditional consumers, data centres operate 24/7 and are acutely sensitive to power quality. Even brief voltage fluctuations can disrupt operations. This changes the planning paradigm for utilities and policymakers. The objective can no longer be limited to meeting peak demand.

Instead, the grid must deliver uninterrupted, high-quality power at all times. Achieving this requires stronger transmission networks, reinforced substations, advanced automation and real-time digital monitoring. Data centres are also accelerating the sustainability agenda. Many operators have net-zero commitments and are actively procuring green power through renewable power purchase agreements, placing new responsibility on utilities to ensure credible scheduling, wheeling and verification of clean energy. Transmission infrastructure - often overlooked in public debate — has emerged as the silent enabler of the entire transition. India invested around ₹2.5 lakh crore in transmission over the past five years, and planned investments up to 2030 are even larger.

High-voltage corridors, including HVDC links, are essential to move renewable power from resource-rich regions to demand centres and to balance variability across states. Without adequate transmission, neither renewable capacity nor storage can deliver their full value. Another clear lesson from 2025 is the strategic importance of domestic manufacturing. Local production of transformers, switchgear and high-voltage equipment reduces supply-chain risks, shortens delivery timelines and strengthens system resilience. Companies that have invested in Indian manufacturing are better positioned to support rapid grid expansion while also contributing to exports and employment. Sustainability itself has matured. The focus has shifted from intent to outcomes. Technology providers and utilities are increasingly judged by measurable progress - emissions reduction, clean energy use and resource efficiency. This evolution is essential, because a net-zero power system must be built by organisations that are themselves transitioning responsibly. Looking ahead to 2030, India's success will not be defined solely by reaching 500 GW of renewable capacity. True success means reliable, affordable, continuous power delivered through a flexible, digital, well-integrated grid. The year 2025 showed that India's energy transition has entered its most demanding phase. Ambition brought the country this far; the future will be decided by execution — at system scale.

Rajib K Mishra is a power sector expert and former CMD, PTC India

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OUR VIEW

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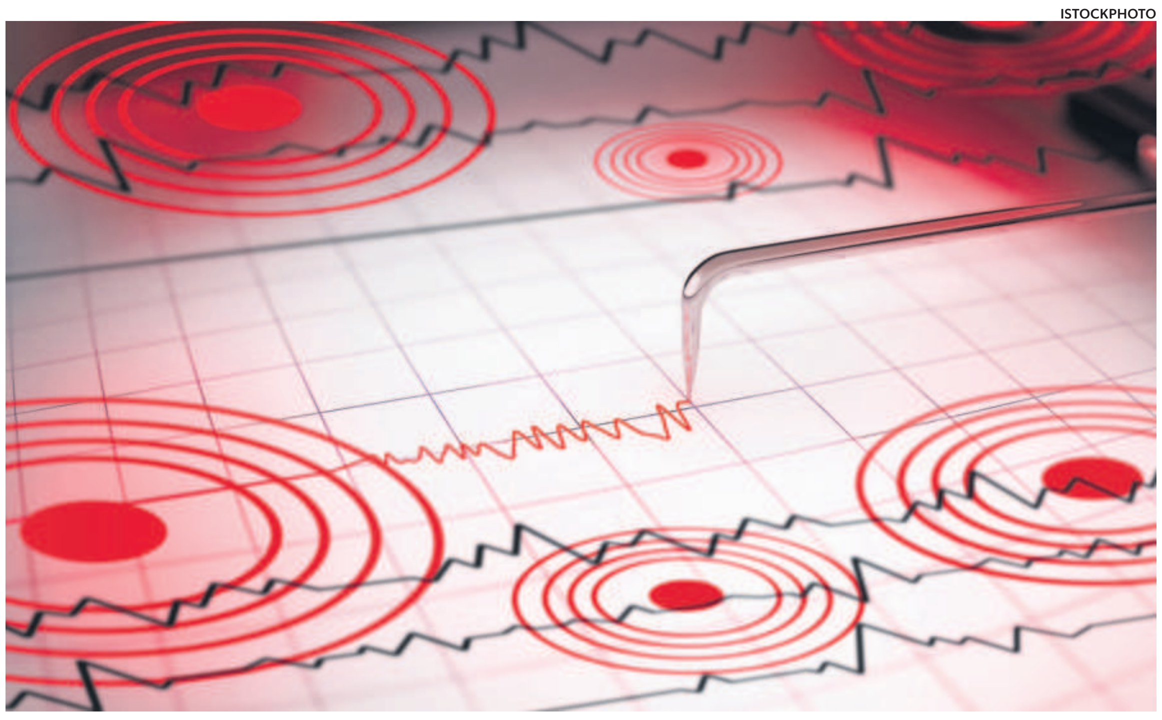

Even a tremor-free 2026 would test our resolve

In a world shaken up by tariffs, wars and AI, India's economy fared well in 2025. The public policy response was sharp but the private sector must display much greater determination

John Lennon wrote and recorded a song in 1975 with these evocative lyrics: *So this is Christmas/ What have you done?/ Another year over/ And a new one just begun*. This song was part of his anti-war activism, but the words could apply to various causes. As the sun sets on 2025 and the calendar gets reset for 2026, it might be worthwhile to take a moment to reflect upon what whizzed past as a means of getting a better handle on what awaits us. Two big-picture events and one big technology trend monopolized headlines over the past year. The sharpest dissonance was caused by US President Donald Trump's illogical and unilateral tariff impositions against a host of countries that disrupted global trade flows and dampened growth impulses. This came on top of existing geopolitical frictions that had erupted into armed conflicts: Russia-Ukraine and Israel-Palestine, among others. But capital markets shrugged all this off in their zest for artificial intelligence (AI), a productivity tool that bullish traders expect will reshape the economy—like how electricity and the internet did—and enable significantly faster growth in the near future. The jury is still out on the scale of any such AI boost, however.

It must be said that India has shown remarkable resilience amid global turbulence. The economy managed to not only notch up impressive growth, but also meet its tariff challenge head-on. India's merchandise plus services export receipts went up by over 5% during April-November 2025, marginally higher than import growth over the same period. This is reflective of how the government leveraged the trade crisis to overhaul its export strategy, both in terms of products and markets. Over the past year, the commerce ministry sealed trade deals with the UK, Oman and New Zealand, fast-tracked one with the EU and expanded ties with Mercosur. We can also expect the early harvests of pacts signed earlier with Australia and the European Free Trade Association. The broad gains of all this should show up in GDP data. The government also reformed some aspects of import policy that were keeping inputs for export products costly. Reformist moves were made in many other spheres too. Both inflation and the rupee dropped in 2025, even as consumption perked up in many sectors. Of course, monetary and fiscal enablers—such as low rates of interest and GST—deserve macro-level credit for brightening the economy's growth prospects.

Yet, we must also point out that it was not all hunky-dory. The private sector has been largely missing from the action, with the government still doing the heavy lifting to foster growth. With private players holding back investment, the economy's expansion remains sub-optimal. Oddly, most of Corporate India's demands have been met, with a revision of labour codes just the latest to ease long-cited bugbears. Private businesses must now start investing at home rather than overseas. They should also update their governance systems to improve plans for everything from cyber-security and climate action to social responsibility and succession. It might be time for the private sector to renew its commitment to our economy, polity and society. We began with a song and it might be appropriate to end with another, this time from the indie rock band Death Cab for Cutie: *So this is the new year/ And I have no resolutions/ Or self-assigned penance/ For problems with easy solutions.*

MY VIEW | MYTHS AND MANTRAS

The principles of investing don't change but portfolios often must

Investors must check if their investments align with their goals and make clinical decisions in 2026

DEVINA MEHRA
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The year 2025 has gone by as quick as a wink—I dare say so has the first quarter of this century. It's 26 years since Y2K!

This is a time to look back and look forward. So what is it that you should be doing as far as your investing life is concerned? Some of what I suggest may reiterate what I have spoken about because good investing is boring. Core investing advice does not change every two weeks and even every two years.

First off, use all annual market forecasts of where the index will be and the five best stocks for next year as pure entertainment. Because data in every single market shows that these projections have absolutely no correlation with reality. A study in *Mint* illustrated how stock picks by experts and well-known financial institutions did worse over the years than the average stock. You are literally better off throwing darts at a board. *Bloomberg* analysed annual US index projections over several decades from all well-known banks and Wall Street firms and found them to be off by an average of 15 percentage points—meaning they were not worth the paper they were written on.

However, for this year, there is something that gives me a pointer to what may happen in Indian markets. Lately, most media people and experts have been enumerating risks in the market. Also, most investors are questioning themselves as to why they are investing in Indian stock markets when everything from fixed deposits and gold to US markets has given better returns this year. After all, the Indian market has been in the bottom 10% globally.

The sentiment is downbeat partly because the average stock has not even done as well as the index. Here is the kicker: sentiment is a contra indicator. When there is uncertainty, fear, anxiety, and questions like this abound, the next period's returns are usually above normal. When 30% returns appear to be available for the taking, as was the case in the first 8-9 months of 2024, you should be wary.

By this yardstick, the returns in 2026 may well be better than what we have seen of late because history shows that sharp market rises come at a time of such despondency. So, the lesson is to stay invested to the extent of your equity allocation, which should not be 100% of your investment portfolio.

Then comes the hard part. Once the new year festivities have died down, take out a couple of hours and look at all your investments. Where are you invested currently? How much in equity, whether directly or via mutual funds, portfolio management services, etc, and how much in fixed income via fixed deposits, tax saving schemes and fixed income mutual funds? Similarly for gold, real estate, cryptocurrency or any other asset that you may have.

Now see whether this is the ideal asset allocation for your goals, when you need the money and so on. If not, decide what changes you want to make and make them latest by the end of January.

Now come to the equity space. Dig out your Depository Participant (DP) statement, grit your teeth and go through it right till the end. I can guarantee there will be many entries that would make you want to squeeze your eyes shut and not think about them. But get rid of all the junk. Anything you will not buy today at today's price, you should not be holding at all.

Most investors hold on to losers for too long instead of moving on to what are the best investments as of today. For the same reason, you should never wait for a stock to return to your purchase price. Book the loss, invest in a better place and move on. The market doesn't care what price you bought it at and many stocks (for example, those that may have done well in the small- and micro-cap boom of 2024) will never come back to those prices again. Your objective is to maximize wealth from your portfolio. It does not have to come from the same stocks. Be clinical.

At a core level, for your equity investments, ask: What is the criteria you are using to pick stocks? Do you even have one? And if you do, such as certain growth numbers, return ratios and governance parameters, do the stocks you have in your portfolio reflect that criteria or have they been bought mostly based on whims and tips? Some reflection is needed on this. It will bring you to the question of whether you should be a do-it-yourself investor or not—something I wrote about in my last column, 'Should you invest yourself or let professionals do the job for you.'

If you want to make an investment resolution for the year, tell yourself that you will never invest in anything because of FOMO (fear of missing out), because that is the beginning of many investing mistakes. Chasing yesterday's hot theme, asset class, sector or stock is a surefire way of ensuring under-performance. Unfortunately, financial services companies prey on this. Related to this is the question of whether someone selling you a product actually has the relevant expertise.

As someone who has been advocating global diversification for a while, I watch with trepidation many with no background in global markets launching global products simply because of FOMO feelings among investors.

Step back. Be deliberate and objective in your investment decisions.

Have a great 2026!

10 YEARS AGO

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SENSEX 25,960.03 ▼ 119.45 NIFTY 7,896.25 ▼ 32.70 DOLLAR ₹66.39 ▼ ₹0.01 EURO ₹72.54 ▲ ₹0.24 GOLD ₹25,155 ▼ ₹55 OIL $36.63 ▼ $1.16

ChrysCap plans to exit Eris with 4x returns

MARKET VALUE

A mixed year for India's biggest firms

Five of India's top 10 conglomerates have delivered positive returns, helped by consumer-driven units

VARYING DEGREES

The aggregate market capitalization of the top 10 conglomerates remained largely unchanged at ₹24.57 trillion as of 30 December, but within the set, the stock performances diverged widely.

TOP 10 GROUPS BY MARKET CAPITALIZATION

Group (number of listed firms)	Market cap as on 30 Dec 2015 (₹ crore)	% change (year-on-year)
Tata group	769,192	-7.94
Reliance Industries Ltd	340,821.46	13.1
ITC Group	265,062.92	-10.9
Bharti Group	214,039.83	4.57
Aditya Birla Group	209,602.88	-3.13
Bajaj Group	165,499.33	23.09
Mahindra Group	157,249.82	-4.22
L&T Group	131,044.29	-13.01
Shiv Nadar Group	120,000.96	5.95
Hinduja Group	84,852.24	44.43

PM, Jaitley to start meetings for budget blueprint

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JUST A THOUGHT

Thousands of experts study overbought indicators, head-and-shoulder patterns, put-call ratios, the Fed's policy... and they can't predict markets with any useful consistency, any more than the gizzard squeezers could tell the Roman emperors when the Huns would attack.

PETER LYNCH

MY VIEW | WORLD APART

A wish list for the government as a new year beckons

RAHUL JACOB

is a Mint columnist and a former Financial Times foreign correspondent.

At the end of a tumultuous year for India's economy, especially its labour-intensive industries reeling from US President Donald Trump's tariffs, William Shakespeare's words seem apt. "There is a tide in the affairs of men, Which, taken at the flood, leads on to fortune... On such a full sea are we now afloat." In that spirit, here's a wish list for the Indian government as it confronts its many challenges.

'Make in India' needs to be comprehensively evaluated and then downsized. The ever growing list of incentivized industries—more than 25—makes a mockery of the claim that they are all strategic. Instead of this mission creep, we should focus on reducing our dependence on China. The Trump tariffs are prompting Chinese firms to tighten their stranglehold over developing-world markets, leading to the progressive hollowing out of industry in Indonesia and India. Our data shows lower numbers for imports from China than Beijing's export figures do, which suggests some under-invoicing. Our bilateral trade deficit is about $100 billion.

Let's redefine nationalism as spending less time abusing each other on social media and instead buying products made in India or at least from countries other than China. We need consistent public messaging to stop buying Chinese goods simply because they are cheaper. A way to help that process and our exporters in the bargain is to let the rupee slide to a level of ₹100 to the dollar. Former chief economic advisor Arvind Subramanian argued this week in the *Indian Express* that ₹100 per dollar is a worthy new-year resolution for the Reserve Bank of India (RBI), not least because China and East Asia have kept their currencies cheap to exploit foreign markets: "The markets are trying to do a desirable job that policymakers have been unable or unwilling to do." Indian companies are savvy enough to hedge their currency exposure.

We should do more to help our most labour-intensive industries: 'Make in India' needs to be rebranded as 'Hand-Make in India.' A much-needed pen-stroke reform, says Laila Tyabji, founder of Dastkar, is to "simply remove GST on handlooms; it needlessly increases the paperwork and end price." I buy handloom or hand-dyed cotton and walk 400 metres from my apartment to a tailor who adeptly makes shirts out of Kerala *mundu* material and even delicate *jamdani* that looks like candyfloss.

Consider renaming Ease of Doing Business as a more truthful 'unease of doing business,' thus focusing on reducing the complexity of dealing with the government. It is wonderful, of course, that we can pay our taxes online almost as easily as buying a book off Amazon, but our tax system is still too complex and does little to widen the tax base. In fact, the last budget arguably narrowed it by raising the income threshold for income tax. In a country as unequal as ours, we need an inheritance tax. Most G8 countries have one.

There's a lot that could be done in 2026 and much of it may sound unrealistic. But that's part of the New Year spirit

Those of us with considerable amounts of disposable income need to spend and donate more. In the spirit of Henry Ford raising wages in 1914 to raise productivity and turn factory workers into customers, we should regard paying employees more, viewing them as an investment as much as a cost. That starts at home. Recently, I couldn't help noticing the astonishment of visiting American relatives at how little the clothes-ironing person is paid. We won't 'spoil' help and service providers by paying them more or tipping a delivery 'partner' more generously. Instead, we will help alleviate the country's demand problem that is holding back corporate investment.

The government could do its bit by thinking more like a service provider and less a judge, jury and overlord. Says Arvind Singhal, chairman and founder of Technopak, "The bureaucracy, especially the IAS/ IPS/IRS, needs to reform fundamentally, so that it can align with our present and future (rather than being a remnant of our British past)." RBI governor Sanjay Malhotra is proving a good role model. Not only has RBI made it easier for foreign companies to invest in Indian banks, it has also made it easier for banks to make loans for mergers and acquisitions. While it still spends tens of billions more than it should propping up the rupee, 5,673 circulars have been scrapped by RBI since he took over, *CNBC* reports.

The problem, at every level of government, is that mind-numbing references to precedent abound. Mumbai airport's Terminal 1 is a relief for its sensibly sized trays for security checks, which are less than half the size of those in Delhi and Bengaluru and thus allow much faster clearance. Even so, I counted at least 10 notebook registers being maintained by security personnel. One can't help wondering what the "Tools In/Out register" tabulates or the "Dispatch English outgoing register" records.

India's 48-hour weekly rest rules for pilots are among the most generous globally, while all around us are inefficient Indian companies demanding 13-hour workdays, often for six days a week. Meanwhile, according to a column in *The Hindu* by R. Geetha and Prithi Narayan, protections for construction workers are "threatened or entirely repealed" by the country's labour code revisions. A new central code is to replace existing (mostly ineffectual) site inspections with "web-based" compliance, which makes little sense in this context. Construction workers work in pre-Dickensian conditions. It is not just airline pilots who deserve well-regulated work conditions. Much of this is naïve and over-optimistic, but a new year beckons.

GUEST VIEW

Why the Fed must not function as a lender of immediate resort

A bias in favour of launching rescues could undermine its credibility, harm monetary policy and weaken its independence

AMIT SERU
is professor of finance at the Stanford Graduate School of Business and a senior fellow at the Hoover Institution.

AP

The greatest threat to the independence of the US Federal Reserve does not come from President Donald Trump's attacks or a Supreme Court ruling that might expand his authority. It is the Fed's longer-term shift from lender of last resort to lender of immediate resort. Without a clear distinction between temporary liquidity support and protection for insolvent institutions, the Fed's independence turns into cover for *ad hoc* bailouts and monetary policy becomes a hostage of weak institutions and authorities' reluctance to admit supervisory failure.

With each successive crisis over the past decade and a half, from 2007-08 to the 2020 covid shock and the mid-size bank turmoil of 2023, the Fed has steadily expanded the scope and scale of its interventions. What began as emergency liquidity support has become a recurring feature of financial-market management.

When every disruption is said to generate 'spillovers' and every balance-sheet wobble prompts intervention, the distinction between containing panics and propping up failing institutions blurs, and with it goes the discipline that keeps moral hazard in check. At that point, independence can no longer enforce restraint; it merely shields open-ended emergency measures.

The benchmark for central-bank restraint was set by Walter Bagehot more than a century ago: lend early and freely, but only to solvent institutions, against good collateral, and at a penalty rate. Under this elegant framework, the central bank supplies liquidity, the fiscal authority provides capital and markets impose accountability. Viable institutions are insulated from liquidity panics, while insolvent ones are restructured or shut down.

That framework endured so long as the boundaries between regulated banks and the rest of the financial system were clearly defined, and the line between liquidity and solvency was easier to draw. Modern crises have made it harder to sustain the latter distinction, as sharp asset-price declines can quickly undermine institutions that appear stable.

With non-bank entities increasingly performing bank-like functions without comparable oversight, the Fed extended its reach in 2008 and again in 2020, broadening collateral standards and creating new lending facilities on the fly. By the time the pandemic hit, interventions once seen as extraordinary had become routine. While each step may have been defensible in isolation, together they pushed the Fed beyond the limits that preserved its legitimacy.

Whereas illiquidity is a short-term funding problem, insolvency reflects long-term balance-sheet weaknesses that can be addressed only through new equity, mergers or orderly resolution. The key challenge facing policymakers is to determine whether an institution is solvent yet temporarily illiquid, or insolvent and therefore in need of restructuring. If regulators cannot draw this distinction for banks, despite having granular supervisory data, they certainly cannot do so for non-banks, where visibility is limited.

The turmoil of 2023 underscored the risks created by the Fed's mission creep. My co-authors and I estimated that hundreds of banks faced large mark-to-market losses on long-duration assets, operated with thin capital buffers, and relied heavily on uninsured deposits. Yet, instead of calling for restructuring or new equity, the episode was widely framed as a liquidity crisis. New facilities effectively extended support to roughly $9 trillion in uninsured deposits, vastly expanding the safety net.

By acting as a lender of immediate resort, the Fed may have steadied markets, but it also left the underlying incentives unchanged, setting the stage for the next crisis and putting its independence under strain. Higher interest rates, though necessary to rein in inflation, exposed widespread interest-rate risk across the banking system. This left the Fed in a bind: raise rates dramatically and risk breaking the weakest banks, or hold back and allow inflation to run wild. Financial fragility, in effect, became an undeclared ceiling on monetary tightening.

The Fed's dual role as bank supervisor and monetary authority magnifies the conflict. The problem is that admitting supervisory failures or concealed solvency problems is politically costly. That creates an incentive for the Fed to characterize balance-sheet weaknesses as liquidity issues, leading to a pro-intervention bias that runs counter to the very purpose of central-bank independence.

The answer is not to abandon Bagehot's framework, but to update it. The Fed should set clear conditions for when emergency facilities can be activated, publish transparent eligibility rules that restrict lending to solvent institutions, impose robust penalty rates and haircuts, and publicly disclose how each facility was used once it is wound down. Most importantly, the Fed should limit itself to liquidity support and leave solvency issues to markets and fiscal authorities. Without that separation, the Fed will continue to drift toward industrial policy, undermining its legitimacy.

While some may argue that these safeguards already exist, recent interventions have lacked the one constraint capable of limiting moral hazard: automatic mechanisms that force markets to determine whether an institution deserves to survive. Banks that get liquidity support should be required to raise equity commensurate with that support within a defined window or face restructuring or consolidation. If markets are unwilling to provide capital, the institution is not illiquid, but insolvent.

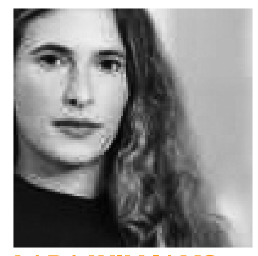
Central-bank independence must rest on sound governance, transparency and accountability. That includes acknowledging supervisory failures when a solvency problem is misjudged as a liquidity one and explaining how those failures will be addressed. After all, a central bank that cannot refuse intervention during a crisis cannot be expected to hold its ground when tightening monetary policy.

To protect its credibility, the Fed must resist the temptation to treat every problem as systemic. Otherwise, the financial system will remain fragile by design and the Fed's credibility will erode every time it rescues another institution that should have been allowed to fail.

MINT CURATOR

Emissions still rising does not mean climate action has failed

The Paris pact catalysed clean-tech advances that are paying off



LARA WILLIAMS
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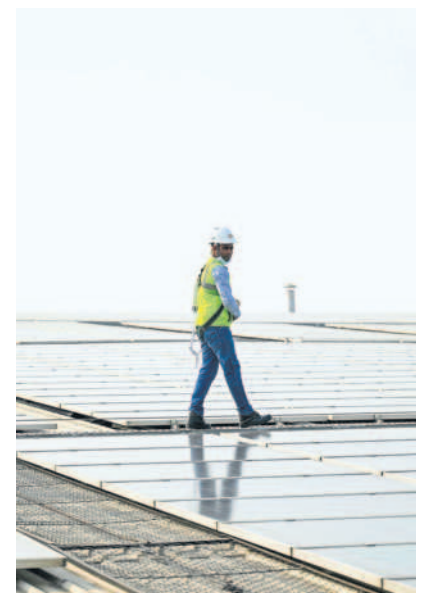


Green-technology adoption means that emissions could peak by 2030.

AFP

When 196 nations adopted the 2015 Paris climate accord, the UK prime minister at the time, David Cameron, wrote on Twitter: "Our grandchildren will see we did our duty." Ten years on, what would those grandkids think? The pact has started to look like a failure. But that only holds true if you're fixated on the end goal rather than the journey. The legally binding treaty aims to limit climate change to "well below 2° Celsius above pre-industrial levels" and pursue efforts to keep the increase close to 1.5° Celsius. It specifies that countries should reach a "global peaking of greenhouse gas emissions" as soon as possible. But carbon emissions and anti-climate sentiments are both on the rise.

In 2025, the US, responsible for about 24% of all emissions ever pumped into the atmosphere, withdrew from the treaty for the second time under President Donald Trump. The EU has weakened key regulations as well, including its 2035 combustion engine ban and pollution reporting requirements. Elsewhere, greenhushing, which plays down environmental efforts to avoid political scrutiny, is on the rise among companies. Many experts seem almost certain that the 1.5° target is toast. Copernicus, the EU's Earth observation service, said the last three years are set to be the first period when average temperature rise would exceed that goal. And we're nowhere near net-zero emissions.

But then, were our expectations too high? The treaty gave us a multi-prisoners' dilemma. Part of the problem is that the Paris pact has no penalties for inadequate plans or action, so the incentive to free ride is high: While only those parties cutting emissions bear the costs, everyone benefits from their efforts. Meanwhile, petro-states want to keep squeezing profits out of their businesses. Oil and gas companies have been making about $2.5 billion a day in profit for the last 50 years, according to a 2022 analysis of World Bank data. Why would they give up that revenue?

Yet, the Paris Agreement has put us in a far better position than we would have been without it. In October 2015, Climate Action Tracker calculated that policies and actions at the time put the world on track for 3.6° Celsius of warming by 2100 but projected warming is now 2.6°. This signals progress. The idea of a net-zero goal has also sparked a flurry of innovation. If researchers didn't believe that anyone would want green technologies, then why would they invest in them? The accord sent a signal [of net-zero-aimed demand].

Ever since, research and money have been flowing into green transition sectors at an ever-increasing pace. The EU's Innovation Fund, created to help the bloc meet its treaty commitments, has supported the development of batteries, carbon-negative cement and advanced recycling.

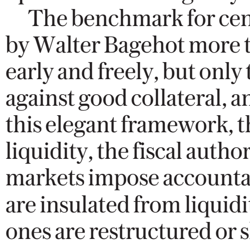
But fossil-fuel emissions will dictate the fate of the planet. Demand remains at an all-time high and though the International Energy Agency forecasts that fossil-fuel use will peak before 2030, it acknowledges that if governments abandon their stated intentions, oil and gas demand will continue to rise. Still, there is optimism that emissions would likely peak by 2030. With renewables increasingly available cheaply, it could happen. Also, consider trends in various parts of the world. Pakistan is seeing a massive solar boom. Driven by frustration with soaring electricity prices and power failures, rooftop generation is expected to exceed demand on the grid during daytime hours in some large industrial regions for the first time next year. Many African countries are set to replicate that expansion with solar panel imports from China. Records were set in 20 countries, Kenya, Algeria and Nigeria included. Though Africa is responsible for only about 4% of global emissions, it has a rapidly growing population and is industrializing. Switching to cleantech now avoids huge future growth in carbon emissions. Ethiopia and Nepal are embracing electric vehicles (EVs) like never before. More than 70% of four-wheeled passenger vehicles imported to Nepal last year were electric, and the adoption is helping to reduce Kathmandu's air pollution crisis. Although the Paris Agreement no doubt kickstarted the EV industry's rapid development, in Ethiopia, the driving force behind widespread adoption is the desire to save money. The nation spends roughly $4.5 billion importing fuel every year, while drivers have had to put up with chronic fuel shortages and rising prices. EVs eliminate that problem.

It's shifts like these, where cleantech makes economic sense, that will power the climate transition. Whether or not the Paris Agreement still exists in its current form by then, it has done a remarkable job of sparking a green revolution, which is only just beginning to take off. That's not a failure to me.

MY VIEW | EX MACHINA

Will the next 25 years surprise us like the last 25 did?

RAHUL MATTHAN



is a partner at Trilegal and the author of 'The Third Way: India's Revolutionary Approach to Data Governance'. His X handle is @matthan.

On the last day of the year 2000, the future looked bright. The world had survived the Y2K bug, and early signs seemed to indicate that the rapid proliferation of internet access points would dramatically benefit society. We ended the year with optimism, hopeful that the impending digital revolution would democratize knowledge, erode authoritarian regimes and enable global prosperity. We believed we were on the cusp of a period of sustained technological acceleration that we prematurely christened the 'Long Boom.'

Twenty-five years later, it is clear that our optimism was misplaced. Not only did the internet not create a 'Global Village,' it weaponized connectivity, leading to a world divided by the Great Firewall of China, European regulations and American corporate silos. Social media made things worse, optimizing engagement over information to the point where, in less than a decade, friends and neighbours were divided along tribal lines and forced to operate in echo chambers that presented divergent versions of the same reality. Rather than coming together, nations have drifted apart, riven by concerns of digital neo-colonialism and the rapacious intentions of technologically advanced nations, as represented by the global corporations that serve as the spearhead of their ambitions.

Given our poor performance, it seems futile to attempt similar predictions today. But this article appears in print on the very last day of 2025 and I couldn't resist reflecting on how I believe technology will shape society over the next 25 years. Here, then, are the four axes along which I believe change will occur.

By far, the most significant technological shift will be in the biological realm, as synthetic biology starts being used to replace the chemical processes we currently rely on. This means that we will soon be able to 'brew' what we need by using precision fermentation and cell-free enzymatic systems, allowing us to 'manufacture' on demand whatever chemicals, fabrics, fuels and food we need. This will disrupt the current industrialized production system as we shift to distributed bio-manufacturing ecosystems in which neighbourhood 'brewers' produce our pharmaceuticals, fabrics and food. When this happens, our economic growth could finally be decoupled from resource extraction, marking the end of the 'Age of Oil.'

The second axis of tech transformation is intelligence—not necessarily the large language models that are all the rage right now, but some form of machine intelligence that will permeate everything we do in society. This will accelerate once cognition becomes commoditized and we all get our own personal AI systems. When that happens, always-on medical diagnosis intelligence will be able to detect health concerns well before they become a threat, transforming medicine from a reactive to a predictive science. It will ensure that every student has a tutor who knows exactly how this individual learns best, transforming today's 'one-to-many' teaching environment into a 'one-on-one' approach. It will also enable various micro-efficiencies—traffic lights that 'watch' roads and coordinate with every other light in the city, devices that negotiate with the grid to buy power when it is most efficient and refrigerators that re-stock themselves—which will allow us to stop worrying about *how* to do things and focus on *what* needs to be done.

We over-expect technological change and underestimate its second-order effects. This may happen again

The third axis of transformation will be space, with technology opening up a brand new dimension in which our planetary civilization can operate. Even if we do not reach Mars by 2050, we would by then have begun to use space for industrial activity, leveraging microgravity for the manufacture of high-value materials that can't be produced on Earth and augmenting our supply chains by mining asteroids.

This will likely be closely connected to the fourth and final axis of innovation, which is energy. I believe that in the coming years, it will finally cease to be the challenge it is today as we begin to use orbital platforms to access space-based solar power, collecting energy continuously and beaming it back to Earth. Unlike traditional terrestrial renewables, this system would be free of weather, seasonal and land constraints, providing us with uninterrupted carbon-free baseload power.

As transformative as these technologies will be, they will necessitate finding new answers to old questions. Synthetic biology will raise new ethical concerns around engineering life, just as commoditized intelligence will force institutions to determine where human agency ends and automated decision-making begins. And as global superpowers compete to establish dominance in new economic zones beyond the atmosphere, space will cease to be a 'global commons' and instead become a new battleground where conflicts over orbital slots and transmission corridors abound.

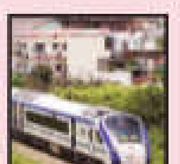
If the year 2000 taught us anything, it is that we overestimate the speed of technological change almost as much as we underestimate its second-order effects. This means that the real story of the next quarter-century may not be as much about what these new technologies enable as the extent to which we can redesign our geopolitical and institutional architectures to take advantage of them. Whether this period is remembered as the start of a 'New Long Boom' or the moment new sources of abundance further fractured the global order will depend on how our institutions adapt.

Economy

THURSDAY, JANUARY 1, 2026

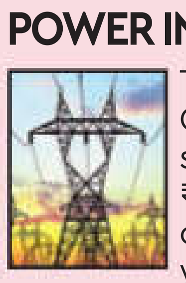
IN THE NEWS

VANDE BHARAT SLEEPER'S FINAL TRIAL COMPLETED



INDIAN RAILWAYS HAS achieved a significant milestone in its journey towards self-reliant rail tech with the successful completion of the final high-speed trial of the indigenously designed Vande Bharat sleeper train, ministry officials said on Wednesday.

DELHI TO SPEND ₹17K CR TO BOOST POWER INFRA



THE DELHI GOVT will spend ₹17,000 crore over three years to boost power infra and ensure uninterrupted power supply in every part of NCR. A high-level review meeting on the power sector was recently chaired by CM Rekha Gupta to discuss ongoing works in the power sector.

ESIC scheme SPREE extended by a month

EMPLOYEES' STATE INSURANCE Corporation (ESIC) has extended the deadline for the Scheme for Promotion of Registration of Employers and Employees (SPREE) by one month till January 31, 2026, the labour ministry said.

Sugar output up 23.43% during Oct-Dec period

INDIA'S SUGAR PRODUCTION rose 23.43% to 11.83 million tonne (MT) in the first three months of the ongoing 2025-26 season due to a sharp rise in Maharashtra output, cooperative body NFCSF said on Wednesday.

Six RoCs to be operational from Feb 2026

THE CORPORATE AFFAIRS ministry on Wednesday said three regional directorates and six registrar of companies will be operational from February 16, 2026.

DRDO launches 2 Pralay missiles off Odisha coast

INDIA HAS SUCCESSFULLY test-fired two Pralay missiles in quick succession off the Odisha coast. Pralay is an indigenously developed quasi-ballistic missile.

AGENCIES

JSW, TATA STEEL STOCKS SURGE AFTER GOVT'S DECISION

Safeguard duties on steel imports for 3 more years

- Move to stabilise domestic prices; keep low-priced imports at bay

URVI MALVANIA
Mumbai, December 31

CURRENT STEEL PRICE V/S IMPORT PARITY

India: Hot-rolled coil (HRC) import price scenario

Particulars	China	Japan
WITHOUT SAFEGUARD DUTY		
Landed Cost of Imports	₹49,166	₹48,717
Current domestic prices (exy-Mumbai, excluding GST at 18%) as on 30 December 2025	₹50,000	₹50,000
WITH SAFEGUARD DUTY		
Landed Cost of Imports	₹55,383	₹54,933
Current domestic prices (exy-Mumbai, excluding GST at 18%) as on 2 December 2025	₹50,000	₹50,000

Note: Cost Insurance Freight (CIF) prices would be extra by 0.1-0.3% over the Cost and Freight (CFR) tag
Source: BigMint

SHARES OF JSW Steel and Tata Steel rallied on Wednesday with the government imposing final safeguard duties on imports of non-alloy and alloy steel flat products for three years through April 2028.

The move will help stabilise the domestic steel prices and improve medium-term profitability of primary and secondary steel makers, by keeping competition from low-priced imports at bay. However, for assorted users of steel, including the automobile industry, costs could inch up.

According to a finance ministry notification issued on Tuesday, a 12% provisional duty imposed on April 21, 2025 will now remain as definitive tax till April 20, 2026. The duty will be reduced to 11.5% in the second year (till April 20 2027) and further to 11% in the third year (till April 20, 2028).

The decision follows the final findings of the Directorate General of Trade Remedies, which concluded that imports of the subject goods had risen sharply in a short span, harming domestic producers.

The new regime also includes a price-based exemption mechanism, to ensure that relatively high-priced imports don't suffer the additional impost. In the case of hot rolled coil, for example, the safeguard duty will apply only if imports are priced at $675 a tonne or below, while the corresponding threshold for cold-rolled coils will be $824 a tonne.

The government had earlier imposed a provisional safeguard duty for 200 days starting April 21, 2025, following preliminary findings by the trade remedies authority. It has now clarified that the duty will not be levied for the period between the lapse of the provisional safeguard duty and the publication of the final notification.

The RBI in October had highlighted the vulnerability of India's steel industry from competitive pricing by major steel-producing nations, increased imports.

While this and the emphasis in the article on the need to increase the competitiveness of India's steel sector are relevant, imports have not been rising in recent months, analysts reckon.

There was a 29% fall in steel imports in the first half of the current fiscal year owing to various tariff and non-tariff barriers.

According to BigMiInt, imports of HRC in April-November 2025 from South Korea remained stable y-o-y at 1.87 mnt. Chinese exports to India plunged by 51% y-o-y to 1.14 mnt, while shipments from Japan fell 22% to 1.01 mnt, it added.

Industry body Indian Steel Association (ISA) welcomed the government's move, saying it would help stabilise the domestic market amid global supply pressures.

EU carbon tax: Aluminium, steel players face price cut

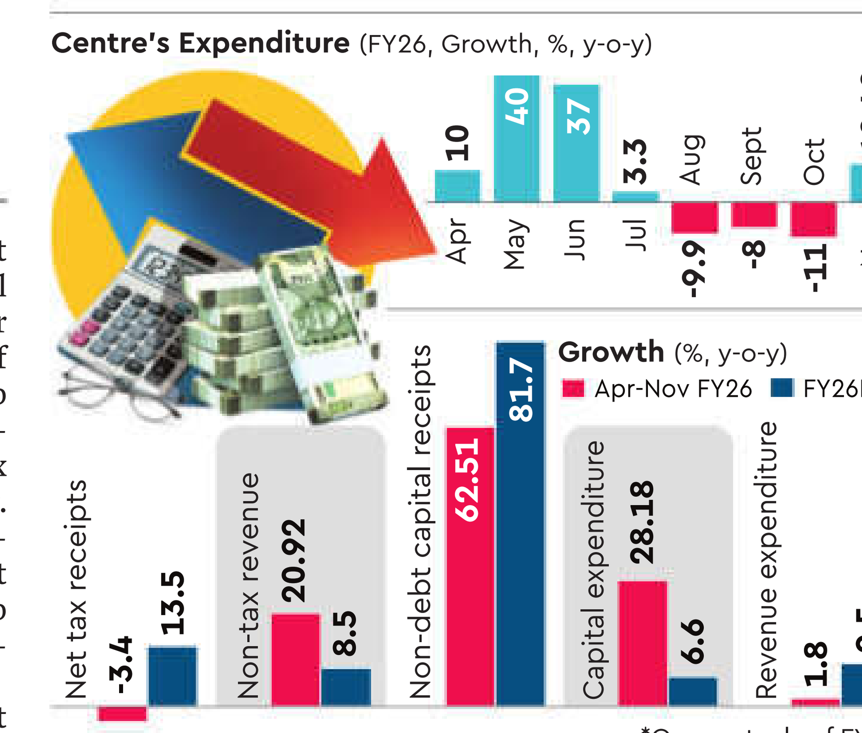
INDIAN EXPORTERS OF products covered by the EU carbon tax, which is to take effect today, will have to cut prices by 15-22% to remain competitive in the 27-country market, according to Global Trade Research Initiative. This cut will be necessary to enable the importers to use the resultant margin to pay carbon tax. The Carbon Border Adjustment Mechanism will initially apply to iron & steel, aluminium, fertilisers, cement, electricity and hydrogen. —FE BUREAU

Fiscal deficit during April-Nov widens to 62.3% of FY26 BE

- Net taxes down 3.4% while capex rises 28%

FE BUREAU
New Delhi, December 31

REVENUE SPENDING REINED IN



*Over actuals of FY25

THE CENTRE'S FISCAL deficit widened to 62.3% of the annual target during April-November period, compared to 52.5% of the respective target a year ago due to a surge in capital expenditure growth while the net tax revenues continued to contract.

The fiscal deficit in April-November of FY26 stood at ₹9.76 lakh crore compared to ₹8.46 lakh crore in the year-ago period.

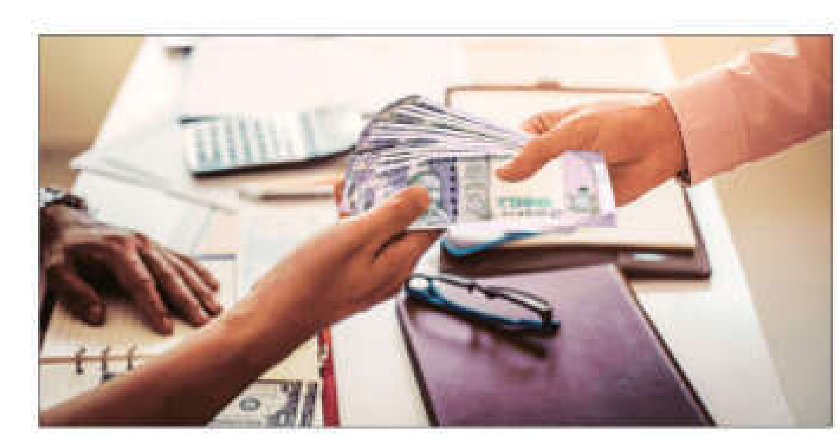
However, analysts don't expect a fiscal slippage given that potential shortfall in tax receipts could be offset by higher-than-budgeted non-tax revenues and savings in revenue expenditure.

The fiscal deficit for the current fiscal is targeted at 4.4% of the GDP.

During the period under review, capex rose 28% on year to ₹6.58 lakh crore or 58.7% of the annual target as against 46.2% of the relevant target achieved in the year-ago period. Given the frontloading seen in the first half, capex needs to contract by 14% in the remaining four months to remain within the FY26 BE of ₹11.2 lakh crore.

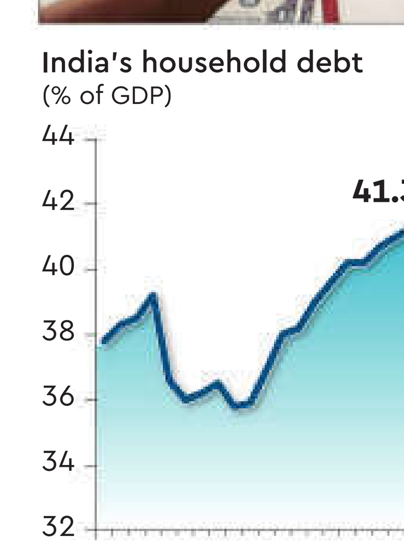
Aditi Nayar, Chief Economist at Icra, anticipates the government to enhance the allocation for capex somewhat, limiting the contraction in the last four months of the fiscal.

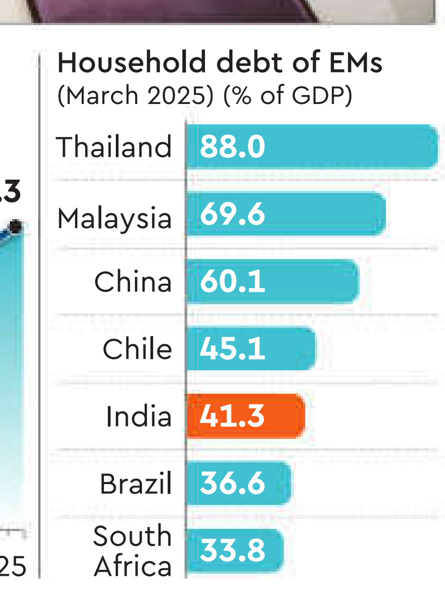
Household debt at 41.3%, retail loans key driver

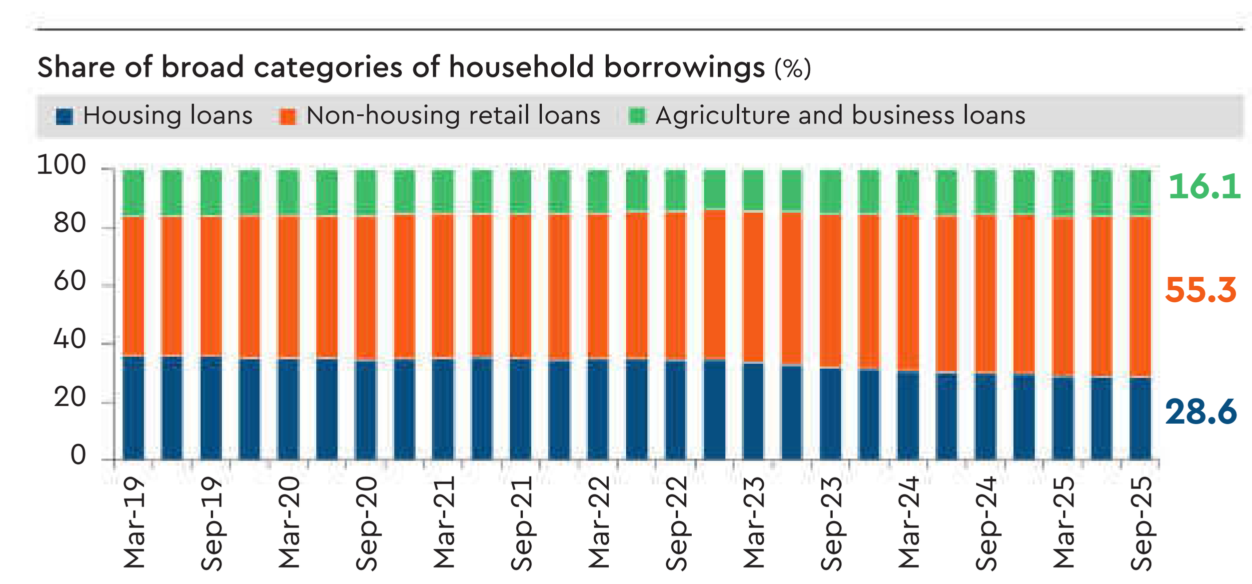


HOUSEHOLD DEBT STOOD at 41.3% of GDP at the end of March 2025, marking a sustained increase compared to its five-year average of 38.3%, data from RBI's Financial Stability Report show. However, relative to most of the peer emerging markets, India's household debt is still lower. For instance, it is 88% in Thailand and 69.6% in China. However, in India's case, among broad categories of household borrowings, non-housing retail loans, meant mostly for consumption purposes, accounted for 55.3% of total household borrowing from financial institutions as of September 2025. Their share has risen over the years, with the growth surpassing that of housing, agriculture and business loans.

—SAIKAT NEOGI







Source: RBI

Centre bans popular painkiller nimesulide on safety concerns

MUKESH JAGOTA
New Delhi, December 31

PRECAUTIONARY MOVE

- Govt is satisfied that it is necessary and expedient in public interest to prohibit nimesulide above 100 mg
- As of November, the annual sales of drugs containing nimesulide in both single-drug and fixed-dose combination formulations stood at **₹489 crore**
- After consulting DTAB, ICMR recommended banning all formulations above 100 mg in addition to mandating a "black box" warning

THE GOVERNMENT HAS banned popular painkiller nimesulide above 100 mg in tablets and syrup forms with immediate effect. According to a notification issued by the Ministry of Health and Family Welfare, the government is satisfied that it is necessary and expedient in the public interest to prohibit nimesulide above 100 mg in the country for human use.

As of November, the annual sales of drugs containing Nimesulide in both single-drug and fixed-dose combination formulations stood at ₹489 crore, according to Pharmarack. Over the past three years, the drug has reported a compounded annual growth rate (CAGR) of 8.4%. Nimesulide is currently sold across hundreds of SKUs – in strengths of 50mg, 100mg and 200mg – by various pharma companies, including Sun Pharma, Dr Reddy's, Lupin, Cipla, Intas and Zydus.

The ban has come after the central government asked the Indian Council of Medical Research (ICMR) last year to assess the drug's safety concerns in adults, specifically analysing liver safety concerns.

After consultation with DTAB, ICMR recommended banning all formulations above 100 mg in addition to mandating a "black box" warning on products containing this specific drug.

"In exercise of the powers conferred by section 26A of the Drugs and Cosmetics Act, 1940, and after consultation with the Drugs Technical Advisory Board (DTAB), the central government hereby prohibits the manufacture, sale and distribution of all oral formulations of the following drug (Nimesulide), with immediate effect," the notification said.

Section 26A grants powers to the central government to regulate, restrict, or prohibit the manufacture, sale, and distribution of any drug or cosmetic if it poses risks to humans or animals without necessarily consulting with DTAB.

FY26 fertiliser subsidy projected at ₹1.9 lakh cr

THE GOVERNMENT'S FERTILISER subsidy is projected at ₹1.9 lakh crore in the current fiscal, 14% higher than the budget estimate of ₹1.67 lakh crore, according to rating agency Icra. Actual subsidy outgo on accounting of supplying highly subsidised soil nutrients supplied to farmers in 2024-25 was ₹1.91 lakh crore.

"The fertiliser subsidy outgo is expected to be around ₹1.9 lakh crore for FY27. The profitability of phosphorus (P) and potassium (K) fertilisers is expected to remain stable, with the government likely to keep subsidy rates under the NBS scheme remunerative to ensure comfortable availability of non-urea fertilisers for farmers," Varun Gogia, assistant vice president & sector head, Icra said.

The higher nutrient-based subsidy rates for the rabi season of FY26 will support domestic nitrogen, phosphorus, and potassic (NPK) manufacturers. —FE BUREAU

Winter demand drives egg prices up 25-50%

SANDIP DAS
New Delhi, December 31

SEASONAL RISE

Source: Mospi

RETAIL PRICES OF eggs have crossed ₹800 per 100 units across several major urban centres including Delhi, Mumbai, Kolkata on account of spike in demand because of winter months while production has not been able to match, trade sources said.

Compared to August and September, egg prices have increased by 25-50% across several centres. Traders say that price would remain firm in the coming six to eight weeks as demand continues to rise in the winter months.

The wholesale eggs prices may cross ₹8,500 per 100 units in January, 2026 while the prices are expected to soften only from February onwards.

"Demand has spiked in the winter months while the consumption is steadily rising and there is an urgent need to boost egg production in the country," Ricky Thapar, joint-secretary, poultry federation of India, told *FE*. Thapar said that current wholesale prices is atleast ₹1 costlier for each egg compared to last year, while firms are ramping up production to meet the demand,

According to traders the cold weather has an impact on production which affects supply. Maharashtra currently has an estimated shortfall of 15 million eggs per day, against a demand of nearly 30 units in winter season. Currently Bengaluru's daily consumption of 9 million eggs daily while the city can source only 2.7 units, and the rest of the demand currently met from Tamil Nadu.

According to national egg coordination committee (NECC), the monthly price index is found to reach a higher index value during November and December, 2025.

Marketing assistance scheme for exporters launched

- Scheme outlay at ₹4,531 crore

MUKESH JAGOTA
New Delhi, December 31

SIX-YEAR PLAN

- The **₹4,531 cr** Market Access Support (MAS) component of Export Promotion Mission (EPM) will support exporters' participation in trade fairs, product demonstrations
- MAS will run for next six years as part of the **₹25,060-cr** EPM that has 11 components
- The EPM nodded by the Cabinet in Nov has two components - Niryat Protsahan and Niryat Disha

THE GOVERNMENT ON Wednesday launched the ₹4,531 crore Market Access Support (MAS) component of the Export Promotion Mission (EPM) that will support participation of exporters in marketing opportunities like trade fairs and product demonstrations.

The MAS will run for next six years as part of the ₹25,060-crore EPM that has 11 components to increase the competitiveness of Indian exports. This is the first component of the mission that has been operationalised and rest will be rolled out by January-end, Director General of Foreign Trade (DGFT) Ajay Badhoo said.

For this year ₹500 crore has been allocated for MAS as just three months remain. Of the total ₹330 crore is for clearing the dues of the Market Access Initiative (MAI) that was functional as a standalone scheme till last financial year.

Under the MAS the support will be for organising and participating in buyer-seller meetings (BSM), reverse buyer-seller meetings (RBSM) where the buyers visit India to meet exporters and trade delegations. For BSM ₹5 crore assistance per event will be provided while for RBSM support has been capped at ₹10 crore. For trade delegations the cap is ₹5 crore. For each event the government will bear 60% of the costs and 40% will be shouldered by the private sector.

For priority areas the government support can go up to 80%, Badhoo said. For participating in BSM and trade delegations, 35% has been reserved for micro small and medium enterprises (MSMEs). Within goods the priority sectors are agriculture and allied industries, handicraft, handlooms, leather, sports goods, telecom, defence and other emerging technology sectors. Within services the priority sectors under MAI are tourism, medical, logistics, legal, audio visual, communications, construction and environment-related services.

A new component for Proofs-of-Concept and Product Demonstrations to potential overseas buyers, particularly in technology-intensive, emerging and sunrise sectors, will be notified shortly to complement existing market access interventions, the DGFT said. This has been brought in on the request of ministries of telecom, IT and electronics.

"Mandatory online feedback mechanisms will be instituted for exporters participating in each supported event, covering parameters such as buyer quality, business leads generated and market relevance. Based on feedback and implementation learnings, the MAS guidelines will be progressively refined and institutionalised," Badhoo said.

The EPM approved by the Cabinet in November has two components - Niryat Protsahan and Niryat Disha. The outlay for Niryat Protsahan is ₹10,401 crore while for Niryat Disha ₹14,659 crore has been kept aside.

Niryat Protsahan is for reducing the cost of credit and includes schemes like interest subvention for micro small and medium exporters (MSMEs).

Opinion

THURSDAY, JANUARY 1, 2026

LOOKING AT 2026

President Droupadi Murmu

The New Year symbolises renewed energy and positive change. It is also an opportunity for self-reflection and fresh resolutions. On this occasion, let us further strengthen our commitment to the nation's development, social harmony, and environmental protection

AI at scale

2026 promises to make artificial intelligence affordable, embedded, and ubiquitous in India

2026 PROMISES TO be the year artificial intelligence (AI) becomes affordable in India. Not in the narrow sense of promotional pricing or free trials, but in the deeper way electricity, mobile data, and digital payments became cheap, reliable, and ubiquitous once scale economics kicked in. What began in 2025 as curiosity-driven experimentation with generative AI tools is now set to transform into large-scale adoption, driven less by novelty and more by cost, distribution, and embedded use. Last year marked the first point of mass exposure. Platforms such as ChatGPT, Gemini, and Perplexity reached Indian users either free or at marginal prices, often bundled with telecom subscriptions. That mattered because price barriers fell early. But consumer access was only the most visible layer of a broader shift. The more important transition is now underway beneath the surface as AI moves from being an application people try to an infrastructure businesses depend on.

India's digital track record suggests why this matters. The country has rarely led the world in inventing core technologies, but it has consistently demonstrated how scale reshapes economics. The telecom transformation was not about creating 4G but about proving that ultra-low prices, high volumes, and relentless usage could sustain heavy infrastructure investment. Once data became cheap, adoption surged, new business models emerged, and productivity gains followed across sectors. AI now appears set to follow the same path. This logic is most clearly articulated in Reliance Industries Chairman Mukesh Ambani's call for affordable AI for every Indian. The underlying idea is to treat AI as basic infrastructure rather than a premium capability, build it at industrial scale, deploy it internally to drive efficiency, and then offer it externally at prices that expand usage rather than restrict it.

RIL's plan reflects this approach. Large AI data centres proposed at Jamnagar powered by the group's renewable energy assets are intended to function as computing factories. Alongside them, smaller inference facilities across the country are meant to bring AI services closer to users, improving speed and reliability. This is not about showcasing technological novelty, but about lowering the unit cost of computing through scale and utilisation. Equally important is how this infrastructure is used within the group. The push to make telecom, retail, energy, media, and financial services AI-native is designed to reset internal cost structures.

The spillover effects extend well beyond one conglomerate. For consumers, this could mean AI features bundled invisibly into everyday services, from customer support and content discovery to education and health tools in Indian languages. For small businesses and developers, it lowers entry barriers by offering access to computing power and India-trained models without large upfront investment. This is why 2026 matters. Once large players absorb the fixed costs of AI infrastructure and drive high utilisation internally, marginal costs fall. Competitive pressure then forces diffusion. As with telecom, the result is unlikely to be frontier innovation, but something more consequential for the economy—widespread, affordable and routine use. India may not define the cutting edge of AI. But if it repeats its telecom playbook, it could define how AI becomes affordable at scale and how that affordability reshapes productivity across an entire economy. If digital India was about giving people an identity and a bank account, AI India must be about giving them intelligence on tap—affordable, accountable and useful. That is a New Year promise worth holding policymakers and companies to.

Buckle up for a volatile year of Trump-Xi, Taiwan, Kim

THIS IS THE season when columnists turn to prophecy, and then congratulate themselves a year later for getting some of it right. I'm afraid I'm about to join the club.

As I predicted at the end of last year, Asia in 2025 revolved around three main forces: the blossoming bromance between President Donald Trump and China's Xi Jinping, rising pressure on Taiwan, and a newly emboldened Kim Jong Un drawing closer to both Moscow and Beijing. These dynamics will only get more obvious in 2026. The region is heading into an increasingly precarious year, with deepening tensions that will have a cascading effect on all of us.

Trump-Xi bromance could go sour: On the surface, Trump and Xi have found a new warmth — but it's fragile. Xi was the winner of the trade war in 2025, which means Trump is going into this next year on the back foot. That won't be lost in Washington, no matter how loud the bluster. They will have the opportunity to meet as many as four times in 2026, providing multiple occasions for relations to head south.

And even if they don't, they'll likely remain tense, according to a 2026 forecast for US-China relations from the Berlin-based Mercator Institute for China Studies. That's despite Trump's most recent decision to allow Nvidia Corp. to sell advanced chips to China, watering down years of national security safeguards. Washington says Nvidia's top products will still be restricted, but the move gives Beijing access to semiconductors at least a generation ahead of its best technology.

KARISHMA VASWANI

Bloomberg

China-Japan relations: Tokyo has become more vocal about the link between its own security and stability in the Taiwan Strait, a position Beijing views as provocative. The Chinese leader will see how much he can push Trump on Taiwan, the self-governed democratic island Beijing claims as its own. That will make Taipei more vulnerable.

Taiwan will feel the heat even more: President Lai Ching-te has his work cut out. He'll need to navigate a politically gridlocked legislature while trying to pass a $40 billion supplementary defence budget aimed at modernising the military and strengthening deterrence to defend against the rising threat from China. The island has already pledged to lift defence spending to 5% of GDP by 2030, up from over 3%. But more money alone may not be enough.

US intelligence sources believe that Xi wants the People's Liberation Army to be capable of an invasion by 2027. However, many military strategists suggest a full-scale invasion then is unlikely, as China's economy grapples with a slowdown and the PLA reels from corruption probes and purges.

Beijing, which has vowed to take control of Taiwan through peaceful means but has refused to rule out doing so by using force, has ramped up military and political pressure in recent years to assert its claims. The PLA conducted a second day of live-fire military drills to Taiwan's north Tuesday, while China's gray-zone tactics are now near-daily events. These will almost certainly continue in 2026.

Kim Jong Un getting more confident: North Korea is among the most serious risks on Asia's security landscape. A 2025 briefing from the US Defense Intelligence Agency notes that Pyongyang has now developed an intercontinental ballistic missile capable of reaching the continental US.

Kim has repeatedly rejected denuclearisation negotiations since the most recent talks (2019) with Trump broke down. The former leader views nuclear weapons as a guarantor of his security and has no intention of renouncing them. He's also being emboldened by his deepening ties with Russia and steady support from China.

South Korean officials have hinted at the chance of a summit with the North in 2026, something unimaginable over a year ago. This gives Kim leverage he's been looking for to potentially get sanctions relief, or extract tacit approval from the US that denuclearisation has been a failure and he can continue his nuclear program.

Asia in 2026 is not on the brink of war. But the region will be more volatile than it has been in recent memory. Buckle up.

POWER POINT

NEW YEAR'S DAY IS MEANT FOR OPTIMISM. BUT REALISM IS PROBABLY THE WISER COMPANION FOR 2026

The year the easy answers ended

SHYAMAL MAJUMDAR

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INDIA BEGINS THE new year in a curious mood—not euphoric, not anxious, but mildly alert—like a seasoned commuter who has learned that every green signal could still hide a pothole. Growth is steady, inflation is mostly behaving, corporate balance sheets look fitter than they have in years, and yet the breathless inevitability once attached to India's rise has softened. The world has turned noisier, capital more judgmental, and policy choices far less forgiving.

2025 was the year when several comforting assumptions were quietly escorted out of the room. For example, markets learnt—again—that liquidity is not a guaranteed elevator, only an unreliable escalator that occasionally goes in reverse. Corporate leaders discovered that PowerPoint optimism ages badly without spreadsheets to back it up. Governments were reminded that ambition must now wrestle not just with economics, but geopolitics, climate anxieties, and voters who have Google.

For much of the last decade, India enjoyed a helpful global tailwind—cheap money, expanding trade and a demographic dividend expected to do much of the heavy lifting. That era is fading. What replaces it will decide whether the next decade is one of steady compounding—or periodic explainers.

Consider the markets. 2025 was a masterclass in how headline indices can smile politely while the rest of the market quietly grimaces. Benchmarks ended with respectable single-digit gains, but three out of four listed stocks finished the year in the red. The once-popular idea that buying "India growth" was a single-click trade finally met reality. Investors were forced to rediscover old-fashioned skills—like reading balance sheets, distinguishing leverage from genius, and recognising that "vision" is not a substitute for cash flow.

The initial public offering (IPO) boom delivered its own paradox. While secondary markets struggled, the primary market flourished, clocking record fundraising even as listing gains cooled sharply. Promoters learnt that markets are still generous—but less gullible. Investors, meanwhile, began separating businesses that were merely large from those that were actually durable. The age of indiscriminate exuberance hasn't ended, but it now requires stronger justification.

India Inc enters 2026 slimmer, sturdier, and quietly more confident. Debt levels are lower, capacity utilisation is inching up, and banks are lending without flinching at every quarterly result. The credit cycle has moved from therapy to ambition.

> The easy gains—from macro stability, balance-sheet repair, and global liquidity—are behind us. The next phase will be harder and slower

That is precisely where the difficult decisions begin. Public investment has carried the economy for several years—roads, ports, railways, digital plumbing. The returns are visible, as logistics costs are easing; supply chains are thickening; and manufacturing is no longer just a slogan shouted at conferences—it exists, noisily, on the ground. But public capex cannot be the economy's permanent gym instructor. Fiscal space is tightening. Voters want pay slips, not just flyovers. The baton must now pass to private investment.

That handover will not be automatic. It needs regulatory predictability, faster dispute resolution, and a clearer social contract around land, labour, and capital. Progress has been made—but not enough to unleash animal spirits at scale. Reform, like that gym membership everyone renews in January, remains unfinished business.

Globally, the mood music is less friendly. Protectionism is no longer an exception; it is policy. Supply chains are splitting along political lines. Energy security has joined defence policy at the grown-ups' table. For India, this is both opportunity and stress test. The country is well-positioned to benefit from diversification away from China—but only if it can offer consistency, speed, and scale at the same time. Partial competitiveness, sadly, is no longer competitive.

Then comes technology—the great accelerant and occasional prankster. Artificial intelligence (AI) went from curiosity to compulsion in 2025. India became one of the world's largest AI user bases almost overnight, powered by cheap data, smartphones and an enthusiasm for asking machines questions we once reserved for relatives. Banks deployed it, startups embedded it, consumers embraced it. What India did not yet do at scale was invent it.

That gap matters. Adoption without innovation creates dependence. Scale without intellectual property limits long-term value. India's challenge in 2026 is to turn usage into research, talent into breakthroughs, and startups into deep-tech companies that don't need to explain themselves with footnotes. That requires patience, capital, and a willingness to fund failure—still an uncomfortable idea in boardrooms and ministries alike.

AI will also test India's labour model. Services employ millions, directly and indirectly. Automation will not erase jobs overnight, but it will quietly rewrite job descriptions. The real risk is not unemployment; it is underemployment. Preparing workers for that transition—through skilling, mobility, and credible safety nets—will be one of the decade's most underestimated challenges.

At the household level, consumption tells a subtler story. Premiumisation coexists with price sensitivity. Urban consumers are selective; rural consumers are careful. Aspirations remain high, but spending is increasingly deliberate. This is not pessimism. It is adulthood.

None of this negates the positives. India remains among the world's fastest growing large economies. Its demographic advantage, though narrowing, still offers momentum. Its digital public infrastructure is admired globally. Its financial system is stronger than it has been in decades. And perhaps most importantly, its current failures are failures of execution, not of direction.

As 2026 begins, India stands at a threshold. The easy gains—from macro stability, balance-sheet repair, and global liquidity—are largely behind it. The next phase will be harder, slower and less forgiving. It will reward competence over charisma, patience over hype, and institutions over individuals. That may sound sobering. It is also a sign of maturity.

New Year's Day is for resolutions. India's, at least economically, should be simple to state and difficult to achieve—to grow not just faster, but better; to create not just wealth, but resilience; and to finally accept that there are no shortcuts left. If it manages that—preferably without tripping over its own optimism—the decade ahead may still belong to it.

Microgrids to the rescue

GAURAV BHATIANI
SOUMYA P GARNAIK

Respectively senior fellow, Ashoka Centre for a People-centric Energy Transition and country representative–India, Global Green Growth Institute (GGGI)

Low-voltage direct current solar microgrids are the answer to support India's overburdened grid as well as the green transition

GIVEN LIMITED PROGRESS at COP30 on mitigation goals, resilience can no longer be a peripheral chapter in climate discourse. For India, this shift is significant. According to the ministry of power, the country has already electrified almost all villages and accelerated clean energy transition. Yet power supply remains unreliable when most needed. The next task, thus, is to enhance reliability and resilience in the face of climate extremes.

India must reimagine its electricity network architecture. Strengthening the grid and raising standards are critical but will require time and investment. Further, most distribution companies are cash-strapped and have limited technical expertise. Even when enhanced standards are implemented, they will not eliminate damage. A decentralised, climate-resilient supply that activates when the main network falters is required. Low-voltage direct current solar microgrids offer an economical solution.

Microgrids are resilient by design—elevated solar panels, batteries and robust wiring systems that can withstand extreme conditions. They can function as a secondary supply. This approach offers dual advantages—it is climate resilient and development-oriented.

India has the ambition to become a developed economy by 2047. To get there, every household, school, shop, and small business needs reliable electricity. The economic dividends of reliability far exceed the cost of microgrids.

Reliability underpins productivity, and productivity drives growth. Steady power expands consumption, supports digital commerce, strengthens education, improves public health, and spurs rural entrepreneurship. Climate resilience thus becomes a doorway to development.

Microgrids should be designed such that communities play a key role in ownership, operations and maintenance. Local ownership builds trust and ensures accountability. Trained villagers respond first when issues arise, reducing downtime and costs.

Community involvement also enhances climate preparedness. In coastal and flood-prone regions, local committees can identify safe sites for panels and batteries, identify protective structures, and coordinate with disaster-response authorities. Their knowledge makes microgrid planning resilient and sustainable. During grid failure, a community-managed microgrid can be a social anchor supporting communication, safety, and essential services.

> By elevating microgrids as a central element of its climate-resilience strategy, India can capture their full potential

Microgrids do not require large capital outlays. A system serving 200-300 households costs ₹30-50 lakhs. Hybrid financing, or commercial finance blended with philanthropic capital or corporate social responsibility (CSR) funds and modest contributions from households can enable upfront funding. Public-sector energy companies can contribute a part of their annual CSR budgets (exceeding ₹2,000 crore) for microgrid development.

Rural and development banks and financial institutions play a pivotal role in providing long-term financing. Specialised lending products tailored to microgrid cash-flow profiles supported by credit guarantees and risk-sharing mechanisms can reduce perceived risks.

Local discoms can provide technical oversight for procurement and installation, while communities can take responsibility for day-to-day operations. These steps make the financial burden on households negligible, often lower than the cost of coping with unreliable supply.

To enable microgrids, they should be formally recognised as resilience infrastructure. Disaster-management plans should integrate them as essential assets capable of sustaining communication, lighting, and basic services during emergencies. The Central Electricity Authority can set standards that ensure quality and safety without imposing utility-scale regulation.

Discom-community partnerships should be encouraged by clarifying that microgrids complement the grid. A layered architecture that complements a core grid with community-managed decentralised microgrids will enhance reliability and resilience.

Microgrid deployment should be prioritised in states where electricity deficits and climate vulnerabilities are maximum. An analysis of rural hours of supply and climate-risk indicators reveals Uttar Pradesh, Bihar, Karnataka, Haryana, Uttarakhand, and Rajasthan as high-priority. These states typically receive less than 22 hours of electricity and rank high on climate vulnerability. They also have large populations and relatively lower per-capita income and electricity consumption, particularly in rural areas.

A phased approach focused on high-need states aligns equity and efficient resource allocation. Other states such as Tamil Nadu, Maharashtra, Andhra Pradesh, Kerala and Gujarat also face high climate risks but have significantly better supply. A data-driven district level assessment in these states would enable identification of high priority districts, advancing sustainable energy access and climate adaptation.

Much of the global conversation is centered on pursuing ambitious energy transition goals. India has an opportunity to present a narrative that acknowledges climate risks and responds with grounded, locally appropriate solutions.

Microgrids offer an appropriate and decentralised response. They protect the poorest without requiring complex technology or large capital. A nationwide commitment to microgrids would demonstrate a model of adaptation that is scalable and rooted in community ownership.

By elevating microgrids as a central element of its climate-resilience strategy, India can capture their full potential and lead global efforts toward sustainable energy systems. Such a step would not only strengthen India's adaptation agenda but enhance its international credibility and leadership.

LETTERS TO THE EDITOR

A paradoxical legacy

Khaleda Zia's long and eventful political career embodies the many contradictions that have defined Bangladesh's modern political history. Thrust into public life after the assassination of Ziaur Rahman, she emerged as a formidable mass leader and played a decisive role in mobilising popular opposition against military rule. Her contribution to institutional politics, including strengthening the Bangladesh Nationalist Party (BNP) and promoting initiatives such as free education for girls, merits due acknowledgement. At the same time, her years in power coincided with deep political polarisation and declining trust in governance. Her legacy ultimately serves as a reminder of how personal rivalries can profoundly shape—and strain—a nation's democratic journey.
—Sanjay Chopra, Mohali

The Aravallis protected

The Supreme Court's stay on its own order from November 20 has given temporary relief to environmentalists. Logically, it is incorrect to have a yardstick of length concerning hill ranges and allowing mining. Bureaucrats who framed it failed to recognise that the Aravalli hill ranges support 22 wildlife sanctuaries, three tiger reserves, and house many flora, fauna, and other species. The proposed committee should have experts and must undertake rigorous analysis to ensure the best outcome.
—RV Baskaran, Pune

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Trumping the odds

After last year's chaos, 2026 actually looks better

It might seem droll to say at the dawn of the New Year that 'when things get really bad, they can only get better'. The year gone by has seen its share of tumult and more, in global trade and geopolitics. The dust could actually settle, as nations adjust to new alliances, adversaries and above all to those who cannot be easily bracketed as friends or foes — such as India.

The mercurial US President Donald Trump is likely to be the top 'mover and shaker' for 2026, just as he was in 2025. But he may face a world that is better prepared to deal with his policy of using trade as a weapon to expand US influence — and that includes India which is negotiating a trade deal with the US. Trump has raised average US tariffs from 2 per cent to 18 per cent (50 per cent on India); and whipped up white supremacism to turn away immigrants, including Indian professionals and students. Interestingly, the effects of trade policy on US growth and inflation have not been as drastic as predicted — but that could also have been because of buyers and sellers acting in anticipation. In that case, an increase in US inflation from 2.7 per cent as of November cannot be ruled out. This could impact US growth and markets.

Besides Trump's calisthenics, there are two big global forces shaping trade, finance and geopolitics: the AI rush and the scramble to secure critical minerals. The AI-driven markets boom betrays a sense of brittleness. A market tremor cannot be ruled out in a highly leveraged industry. Interestingly, US global power rests considerably on its AI dominance, which has emerged as a lever in its tussle with China. China, in turn, derives some of its heft from its critical mineral deposits and near-total control over their processing. The new year affirms paradigm shifts over which there can be no uncertainty whatsoever — the reordering of 'globalisation', or global value chains with outsourcing being replaced by 'near-shoring'; and the threat to rules based trade based on MFN tariffs. As a response, free trade pacts have become *de rigeur* to secure predictable and reasonable terms of trade. This shall continue in 2026, as nations and blocs, including India seek to broadbase their partners.

The Indian economy seems well prepared to weather shocks. While India's exports to the US fell 21 per cent between May and November, exports to other destinations picked up 5.5 per cent, indicating that a process of diversification has begun. However, rupee volatility remains a concern; capital inflows have been unreliable in 2025, but this could ease as a new trade and financial normal takes shape. The government should address global governance concerns, such as managing AI with guardrails and enabling a digital transition that checks financial fraud and data theft. Its oversight of civic and environmental issues could improve. Our foreign policy of multi-alignment has seen us through these fractious times. The new year could be one of relative peace — of calm after the storm.

POCKET

RAVIKANTH

AJAY SRIVASTAVA

Path forward for Indian trade

2026 OUTLOOK. Global trade rules are driven by geopolitics. Raising domestic industry competitiveness is vital for exports

India enters 2026 in an exceptionally difficult external trade environment, the most challenging in decades. Traditional engines of globalisation are weakening, trade rules are fragmenting, and economic power is increasingly shaped by geopolitics.

For India, the challenge is no longer just expanding market access, but protecting existing trade, and building the resilience needed to compete in a hostile global economy.

EXPORTS UNDER PRESSURE

India's export growth in FY26 is expected to remain modest. Total exports stood at about $825 billion in FY25 —$438 billion from goods and $387 billion from services. In FY26, merchandise exports are likely to stay flat due to weak global demand and continued US tariff pressure, while services exports may cross $400 billion. This would take total exports to around $850 billion, still well short of the $1 trillion target, which now looks unrealistic in a protectionist global environment.

Exports to the US followed a clear two-phase pattern. Shipments fell sharply between May and September 2025, then partially recovered by November. Nearly 85 per cent of November exports came from sectors that had earlier declined and then rebounded. For example, gems and jewellery exports fell from $500.2 million in May to $202.8 million in September, before recovering to $406.2 million in November.

A better understanding of US tariff rules partly drove this rebound. When Indian exporters use US-origin inputs, the 50 per cent tariff applies only to the value added in India, not the full shipment value. For instance, jewellery made using US-sourced gold or rough diamonds is taxed only on the 5-10 per cent value added in India. As exporters adapted to this rule, shipments began to recover.

One positive trend is diversification. Between May and November 2025, exports to markets outside the US rose by 5.5 per cent, even as shipments to the US fell by 20.7 per cent. This shows exporters are gradually reducing dependence on a single market and adjusting to trade barriers.

From great-power trade conflicts to regulatory barriers and financial stress, exporters face a more complex and fragile global environment.

GEOPOLITICS REWRITES TRADE RULES

The three powers that once drove globalisation — the US, the European Union and China — are now its main disruptors.

The US, India's biggest market, and biggest risk: A 50 per cent reciprocal tariff has made Indian exports among the most heavily taxed globally. Between May and November 2025, exports to the US fell by 21 per cent, hitting labour-intensive sectors such as apparel, gems and jewellery, and seafood.

Tighter visa rules are likely to weaken services exports and remittance flows. With no trade deal in sight, India's access to its largest export market increasingly depends on US political decisions rather than commercial logic.

Europe's green barriers tighten: India exported $91 billion worth of goods to the EU in 2024. Still, from January 2026, the Carbon Border Adjustment Mechanism (CBAM) will impose carbon costs on steel and aluminium, with more sectors likely to follow.

New EU deforestation rules further threaten agriculture-linked exports. Without meaningful carve-outs under ongoing FTA talks, these measures risk eroding India's competitiveness.

China, the structural challenge: India's trade deficit with China now exceeds $100 billion. Exports fell from $23 billion in 2021 to about $15 billion in 2024, while imports surged to nearly $110 billion and are expected to reach $123.5 billion in 2025. This reflects China's dominance in electronics, machinery, batteries and critical minerals, built through scale, pricing power and control over supply chains. For India, the challenge is no longer managing imports, but building the capacity to compete.

Trade pressures beyond major powers. From January 2026, Mexico will impose tariffs of up to 50 per cent on imports from non-FTA partners, affecting nearly 75 per cent of India's $5.75 billion exports to that market, particularly autos, auto components, steel and machinery.

Similar risks are emerging across West Asia and South Asia, where geopolitical instability is disrupting energy flows, logistics routes and diaspora-linked trade.

> **As trade becomes more fragmented and politicised, India must focus** on diversification, adaptation, and the development of domestic capacity

CURRENCY VOLATILITY

Currency volatility is becoming a growing threat to export competitiveness. A weaker and unstable rupee raises input costs for import-dependent sectors while offering limited export gains in a weak global market.

At the same time, higher international interest rates are increasing borrowing costs. Managing currency risks and improving access to export credit will be critical to sustaining trade momentum.

COMPLIANCE, A TRADE HURDLE

Rising compliance costs — from EU's carbon reporting and quality standards to customs paperwork — are hitting MSMEs the hardest. For example, an MSME producing steel pipes using steel sourced from large manufacturers may not have access to the detailed carbon-emission data required under the EU's CBAM rules.

In such cases, the EU may assume the highest emission intensity and charge the maximum carbon cost, even if the actual emissions are lower.

Without more straightforward rules, predictable enforcement and targeted support, many smaller exporters risk being pushed out of global trade.

MAKING FTAS WORK

Free trade agreements have become India's primary trade policy tool, and 2026 could see the finalisation of FTAs with key trade partners. Over the past four years, India has signed eight FTAs — with Mauritius, the UAE, Australia, New Zealand, Oman, EFTA, the UK and the Indo-Pacific Economic Framework led by the US. Looking ahead, India may conclude deals with the European Union, the US, the Eurasian Economic Union, Mexico, Chile and Mercosur. If these materialize, India would have trade agreements with almost every major economy — except China, where engagement remains limited to the Asia-Pacific Trade Agreement.

The real challenge now is to make FTAs work on the ground — so they drive real export growth rather than remain diplomatic milestones.

WHAT INDIA MUST DO NOW

As trade becomes more fragmented and politicised, India must focus on diversification, adaptation, and the development of domestic capacity.

Exporters are already reducing dependence on the US by expanding into other markets and adjusting to complex rules such as value-added thresholds under US tariffs.

India is also relying more on signing more FTAs. However, trade agreements deliver results only when domestic production is strong.

India must move beyond assembly and build deep manufacturing capacity in electronics, machinery and intermediate goods, backed by stronger component ecosystems, better design and tooling, and process innovation.

To remain competitive, logistics costs must fall, and customs clearance must become faster and more predictable. Services exports also need to move up the value chain into engineering, R&D, design and digital services.

In the near term, reviving export incentives through a fully operational Export Promotion Mission and securing relief from punitive US tariffs@25 per cent linked to Russian oil are essential.

In a world where trade is increasingly shaped by power rather than rules, India's success in 2026 will depend less on diplomacy abroad and more on competitiveness at home.

The writer is the founder GTRI

Perils of a ruthless pursuit of trade surpluses

Trade without reciprocity is a humanitarian mistake. Huge trade surpluses of some nations only leads to generalised misery

PVS Suryakumar

Trade is vital for prosperity, but excessive reliance on it by any one nation is perilous.

In this regard, Michael Every (Global Strategist, Rabobank) makes a remarkable categorisation of mercantilists and neo-mercantilists. He has said that the old mercantilists were traders of earlier empires who measured strength by how much gold and silver they could hoard: export more, import less, and keep the treasure at home.

The neo-mercantilists of today follow the same instinct — they hoard dollars, technology, and manufacturing capacity instead of bullion. Economist Joseph Schumpeter and Nobel laureate Joel Mokyr remind us that innovation itself has become a new form of accumulation. The logic hasn't changed, only the scale — and that is where problems begin.

Civilizations exchanged what they lacked: spices for silk, copper for cotton, grain for gold. These exchanges were small and personal; no one seemed to speak of deficits or surpluses. Trade enriched both sides, and the balance of need kept it humane.

Everything changed when industrialisation turned production into a measure of national power. From the 1960s and 1970s, several East-Asian economies — Japan, South Korea, Taiwan, and later China — adopted export-led growth as their principal strategy for rapid development. Selling abroad became the route to building factories, creating jobs, and earning foreign exchange.

PRICE OF SUCCESS

For a time, this worked spectacularly well: it transformed economies and lifted millions out of poverty. But as export volumes and values exploded, the imbalance deepened. Surpluses grew into lasting asymmetries, as exporters used their earnings to fund the debt of the very markets they sold to. As the old saying goes, more of anything — even success — can turn toxic.

Success has snowballed into unsustainable global debt, currency disputes, and tariff wars. The liberal faith that open markets would benefit all has run into political and social limits. Even the role of the reserve currency is under stress.

Gold, and now digital assets like Bitcoin, are rising not only as

GLOBAL TRADE. Sustainable path needed /ISTOCKPHOTO

investments but as hedges against a system losing coherence.

History offers quiet lessons. After the Second World War, the US recycled its surpluses through the Marshall Plan — a rare moment when power chose generosity. Decades later, Michael Porter's theory of competitive advantage showed how nations could build on their strengths, yet it also revealed a risk: when efficiency becomes the sole goal, weaker regions are left behind.

Within nations, too, prosperity often concentrates — some States industrialise while others supply the migrant labour that keeps them running. The same asymmetry plays out globally, where large nations and corporations set the rules and smaller ones absorb the strain. The enduring question, then, is whether growth without reciprocity can ever remain stable.

Trade must rest on both efficiency and empathy. Surplus nations must learn to give back — not as charity, but out of enlightened self-interest. As Adam Smith, the father of modern economics, reminded us in *The Theory of Moral Sentiments*, concern for others forms the foundations of any humane economy. Perhaps it is time to reimagine global trade as an act of reciprocity — where nations are measured not only by what they earn but by the stability they help create. In Sanskrit, there is a concept — *rna* — meaning debt, but also obligation and reciprocity: every exchange creates a duty to give back.

Modern trade has largely forgotten this truth. When mercantilists act with a heart — investing in their buyers' resilience and allowing room for others to grow — the system endures.

The writer is former deputy managing director, NABARD. Views are personal

LETTERS TO EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Gold rush

Apropos, "Deceptive sheen," (December 31), gold prices are skyrocketing mainly because investors and central banks are seeking safety amid layered uncertainties. Persistent geopolitical conflicts, and volatile equity and bond markets have increased demand for gold as a hedge against risk, currency depreciation, and financial instability.

Central banks diversifying reserves away from dominant currencies have added strong structural demand, while expectations of easier monetary policy and lower real interest rates further boost prices. Weakening currencies in several economies also make gold comparatively attractive as a store of value.

This surge ultimately signals caution: beneath headline growth figures, markets anticipate potential shocks, question policy credibility, and prefer the security of tangible assets over purely financial promises.

N Sadhasiva Reddy
Bengaluru

Apropos "Deceptive sheen" (December 31), the strong rally in gold and silver alongside buoyant equity markets does raise a timely caution. When safe-haven assets surge despite healthy growth numbers, it often signals hidden anxieties rather than confidence. Policymakers should respond with practical steps, not alarm. Encouraging orderly monetisation of household gold through well-regulated gold loans can unlock idle savings without pushing people into distress sales.

For retail investors, financial literacy efforts must stress diversification and realistic returns, especially as ETFs gain popularity. A steady policy hand, better data transparency and prudent lending norms can ensure that precious metals remain a stabiliser, not a source of new risks for the economy.

A Myilsami
Coimbatore

Incentivise investment, savings

The news report 'Budget: Economists ask govt to cut capex to not crowd out pvt investment' (December 31) raises hope for balancing government and private capital investment by the Finance Ministry.

However, it is imperative that the private capital and infrastructure investment and personal savings should be incentivised through tax laws.

The Finance Ministry must work in tandem with the departments under it to address the issues at hand.

NITI Ayog bigwigs sometimes voice divergent views on economy in their press releases and articles published in various newspapers and media.

There is scepticism in the FinMin and NITI Aayog over economic targets and achievements.

Vinod Johri
New Delhi

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Knowledge revolution

The potential of Viksit Bharat Shiksha Adhishthan

S Vaidhyasubramaniam

HIGHER EDUCATION. Radical renewal/ISTOCKPHOTO

The age-old quest for a perpetual motion machine or elixir of immortality or an universal solvent still continues to be humanity's longest wait. On the other hand, Indian higher education's panacea is undergoing its pregnancy stages to become a hale and healthy new-born soon with its triple pillar anatomy designed to provide multi-polar opportunities for Indian higher educations institutions (HEIs).

Contemporary challenges for HEIs are still characterised by a confrontational tug of war between regulators and HEIs. Despite certain reforms, HEIs still have the 'Oliver wants more' feeling. While Oliver's Mr Bumble was unwilling to budge when asked for more, but Viksit Bharat Shiksha Adhishthan (VBSA) may become HEIs Akshaya Patra.

Currently, there are three types of higher educational institutions. Firstly, the Institutions of National Importance (INIs) for whom there are almost no rules framed by regulatory or statutory bodies. The second category is the Institutions of Eminence (IoEs) for whom full rules are only partly applicable. The third is the Institutions of Endurance, an IoE of a different type for whom it is only rules that need to be followed with endured patience.

Moving away from this importance-eminence-endurance triad, VBSA's new trio – Regulatory Council, Standards Council and Accreditation Council is a paradigmatic inflection point that promises to dismantle the ossified silos and procedural morass burdened by legacy footprints and replace them with futuristic blueprints that charter the contours of Bharat's educational sovereignty.

The proposed Bill has a commission aided by three councils with the combined wisdom of over 50 intellectuals from different fields. This G-50+ shall lay down the route for Indian higher education's civilizational march of supremacy in a manner unparalleled. The composition of the council and commission ensures diversity to include members from Central, State and Private HEIs & other experts in a manner that silences the stentorian chorus that the Bill is exclusive.

As much as VBSA's leadership structure is comprehensive, the policy cannulation by the councils shall be organised through different regulations, rules, guidelines, framework, etc. The aggregating of various redundant activities to build a harmonious construct between UGC, AICTE & NCTE (between the three falls 80 per cent of India's higher education ecosystem), will be a major relief that shall take the ease of running HEIs to new highs. It is unfortunate that the Pharmacy Council, Veterinary Council, Dental Council, etc. are outside the ambit of VBSA.

However, the positive impact that VBSA is bound to create, other councils may launch their entry into the VBSA orbit later. But more importantly the boundaries between public-private, Central-State, University-Deemed University shall be disappearing as the new dawn promises autonomy with accountability, incentives with performance and innovation through flexibility.

From the multi-stakeholders' perspective — students, faculty, industry, social entrepreneurs — the VBSA is a goldmine of opportunities. It is for the stakeholders to dig deep to make pit stops for hidden treasures and keep moving to the top spot. VBSA offers such a promise to build sustainable relationship that makes learning, skilling and innovating a continuous and life-long process. It is this open-ended value generation cycle that makes VBSA global with an Indian touch, aspirational with a facilitating couch and a game changer that everybody shall vouch. In sum, the Viksit Bharat Shiksha Adhishthan is not merely an administrative reform but a civilizational project that aligns Indian higher education policy canvas with some of the best global peers to celebrate the second coming of its first leadership position by 2047. In short, VBSA is the second coming of an ex-numero uno.

The writer is Vice-Chancellor & Tata Sons Chair Professor of Management, SASTRA University Views are personal

thehindu businessline.

TWENTY YEARS AGO TODAY.

January 1, 2006

SEBI goes easy on takeover norms

The Securities and Exchange Board of India (SEBI) amendment to the takeover regulations has given more flexibility to promoters for hiking their stakes from 55 per cent to 75 per cent and beyond, in a move to help companies that go for corporate restructuring. Earlier, promoters were not allowed to breach the 75 per cent limit as 25 per cent mini mum public shareholding was mandatory.

Surcharge, tax can make you pay more for flying cheap

The next time you see an eye catching low airfare offer, it may be a good idea to read the fine print before you rush to your travel agent. Otherwise, you may find yourself paying more than the tempting offer being made. And playing party pooper will be the taxes and surcharge that most airlines charge.

Cos rush to comply with Clause 49

As the last day for complying with Clause 49 for appointing independent directors ends on Saturday, several companies called for their board meeting to meet with the SEBI requirement. Notice with stock exchanges said that several companies, especially smaller ones, held their board meeting on Saturday to comply with Clause 49.

SANTOSH PAI

Lessons from the Haier deal

Bharti-Warburg Pincus consortium's 49% stake buy in Haier India raises questions over our manufacturing ambitions

A week after the US Tiktok deal was signed, Haier, a Chinese household appliance major, announced a deal in India. The Bharti-Warburg Pincus consortium acquired 49 per cent of Haier India, with a 2 per cent stake being reserved for Indian management. This leaves Haier with a minority stake of 49 per cent in its Indian subsidiary that houses two manufacturing plants in India.

The subsidiary is valued at $1.5 billion with a growing market share in the household appliances segment comprising freezers, refrigerators, washing machines and air conditioners. Details such as Haier's income from sale of shares, funds being infused by new shareholders and the extent of control Haier retains remain unknown.

Despite differences, both deals represent global continuity in certain aspects of deal making involving Chinese firms. First, the trend of surrendering Chinese control in exchange for market access is gaining acceptance. Second is the role of private equity as a geopolitical buffer. Third, there is convergence among democratic countries in the stance that, owing to attributes of China's political system and dominant position in the manufacturing sector, benefits of equal treatment afforded by the multilateral trade and investment frameworks can be withheld to Chinese firms on the grounds of national security or self-reliance.

Simply put, we can expect more instances of Trump-style bargains that face Chinese companies with overseas ambitions.

These trends come at a time when space for domestic policy making to sustain economic growth is shrinking for China. The IMF has warned China that a transition towards consumption-led growth is essential to reduce dependency on its export growth model. Excess manufacturing capacity caused due to excessive investment in technology is also a drag. Against this context, a forced expansion of China's manufacturing footprint abroad will make domestic policy making more difficult.

From a bilateral perspective, the Haier deal illustrates ambition of Chinese companies to tap potential of the Indian market despite geopolitical and regulatory challenges. It will help stabilise India-China economic ties which have been on the mend since Prime Minister Modi and President Xi met in Kazan in October 2024.

Approval granted by China's government to this transaction indicates that there is a grudging acknowledgement that India is a significant contributor towards global market share of Chinese players in certain industries. It is an admission from China that developing a manufacturing footprint abroad is essential despite excess industrial capacity at home. It also provides succour to the discomfort faced by countries with manufacturing ambitions in the face of China's trade surplus of $1 trillion.

> **The Haier deal helps the Chinese to navigate our regulatory maze and access the Indian market.** But this must lead to a more rigorous model of engagement with Chinese industry

THE QUESTIONS

Yet there is something about this deal that leaves more to be desired on the Indian policy front. Despite the big picture commonalities, there was a sharp contrast in the tactics employed. The US had to legislate a ban on Tiktok to force the deal. Indian policymakers achieved a similar outcome by withholding bureaucratic approval for Haier's proposed capital infusion under Press Note 3, a Covid-era FDI screening mechanism.

This divergence is not insignificant. Both from a rule of law perspective and as an effective strategy to promote national interest.

The Haier deal follows in the wake of similar joint ventures in the automobile and electronics industries. Several prominent business families and private investors are reported to have engaged in protracted negotiations with Haier for more than six months. During this period, Haier's FDI application was kept in abeyance starving an expanding business of capital and potentially risking manufacturing jobs.

Such tactics give an appearance that joint ventures are being orchestrated between Indian business groups and Chinese companies by an invisible hand. This begs the question of how such tactics impact India's attractiveness among foreign investors.

The lazy answer is that India is borrowing tricks from China's playbook that forced foreign companies to part with technology in exchange for market access. And hence Chinese firms are being served just desserts. Might be so.

What if we adopt a grander ambition of nation building? We have a large enough domestic market to nurture homegrown global champions. Are joint ventures involving a handful of business houses an adequate solution to meet the nation's China-facing challenges on economic security issues? The FDI screening mechanism aimed at Chinese investors does not spell out desirable sectoral priorities, investment models or governance structures even after five years of implementation.

Will the Haier deal give more confidence to Indian policymakers in articulating their preferences? Can we absorb global best practices and evolve a more rigorous model of engagement with Chinese industry that is worthy of emulation by other developing countries? Are we confident enough to distill positive lessons from China's experience in industrialisation and innovation to turbocharge our vision of a Viksit Bharat, in a manner that befits the largest democracy of the world?

The writer is Partner, Dentons Link Legal, and Honorary Fellow, Institute of Chinese Studies

VB-G-RAM-G: State finances may come under stress

States are now expected to fund 40% of the scheme. This will hit States that rely on this scheme harder

Kiran Kumar Kakarlapudi
Aswathy Rachel Varughese

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was a Constitutional assertion of responsibility, designed to shield rural livelihoods from economic distress.

The transition from MGNREGA to the Viksit Bharat–Guarantee for Rozgar and Ajeevika Mission (Gramin) (VB-G-RAM-G) appears, at first glance, to deepen this commitment. The guaranteed number of workdays has been raised from 100 to 125, and policy rhetoric now foregrounds productivity, asset creation, and long-term rural transformation.

But beneath the language of reform lies a fundamental fiscal reworking of the employment guarantee. VB-G-RAM-G moves away from a centrally funded, demand-driven entitlement towards a shared-cost, normatively allocated scheme, significantly altering the fiscal responsibilities of States. Now can States absorb the additional financial burden without undermining the guarantee itself?

Official data show that in 2023-24, total MGNREGS spending across States and Union Territories amounted to approximately ₹88,555 crore, underscoring the continuing centrality of public employment to rural livelihoods. Under the earlier regime, the Centre bore almost the entire wage bill and a substantial portion of other costs, leaving States with limited fiscal exposure.

Under VB-G-RAM-G, assuming similar demand for employment and a modest increase in costs due to the expansion in workdays, total programme expenditure could reasonably remain above ₹1 lakh crore. With a 60:40 cost-sharing arrangement, States would collectively be expected to fund around ₹40,000 crore or more each year, adding to their fiscal burden.

UNEVEN FISCAL IMPACT

The fiscal strain imposed by VB-G-RAM-G will fall most heavily on States with high programme utilisation, large rural populations, and limited fiscal capacity. In 2023-24, States such as Uttar Pradesh (₹11,396 crore), Bihar (₹7,896 crore), Madhya Pradesh (₹7,131 crore), Odisha (₹5,433 crore), and Jharkhand (₹3,781 crore) accounted for a substantial share of national MGNREGS expenditure. Under a 60:40 cost-sharing framework, these spending levels imply annual State obligations of around ₹4,500 crore for Uttar Pradesh, over ₹3,000 crore for Bihar and Madhya Pradesh, and more than ₹2,000 crore for Odisha, assuming similar demand. For fiscally weaker States, absorbing such commitments would significantly compress already narrow budgetary space.

Southern States present a different but equally demanding picture. Tamil Nadu (₹13,393 crore), Andhra Pradesh (₹8,941 crore), Telangana (₹4,073 crore), and Kerala (₹3,969 crore) were among the largest spenders in 2023–24, reflecting sustained demand and effective implementation. Under VB-G-RAM-G, these totals translate into implied State contributions of over ₹5,000 crore for Tamil Nadu, nearly ₹3,600 crore for Andhra Pradesh, and around ₹1,600 crore each for Telangana and Kerala. With deficits already close to recommended limits and high committed expenditure on salaries, pensions, and interest payments, these States have little room to absorb higher co-financing without cutting back elsewhere.

MGNREGA. State stress

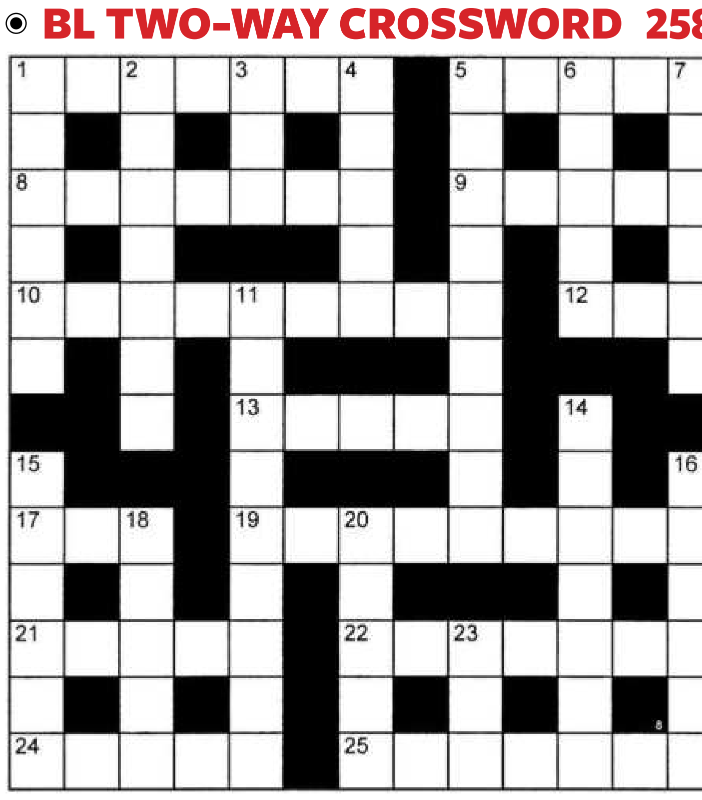
Climate-vulnerable States such as Rajasthan (₹9,356 crore), Maharashtra (₹4,464 crore), and Karnataka (₹6,612 crore) illustrate the counter-cyclical risk embedded in the new framework. In years of agrarian distress, when employment demand rises sharply, a 60:40 split would require States like Rajasthan to mobilise nearly ₹3,700 crore and Karnataka over ₹2,600 crore to sustain comparable levels of work.

But the deeper concern raised by VB-G-RAM-G is fiscal federalism. Employment generation and poverty alleviation are constitutionally shared responsibilities, yet revenue mobilisation remains highly centralised. When the Centre redesigns a national entitlement while shifting costs downward, it risks creating unfunded mandates. Unlike discretionary schemes, a legal employment guarantee cannot be quietly scaled back without social and political consequences. Fiscally weaker States may respond through informal rationing fewer workdays, delayed payments, or restricted registrations producing uneven implementation across the country.

VB-G-RAM-G seeks to reorient rural employment towards asset creation and long-term development. Yet its fiscal design places States at the frontline of risk absorption. By expanding guarantees while decentralising costs, the Centre has shifted responsibility without matching capacity. Whether this transition strengthens cooperative federalism or deepens regional inequality will depend on how India finances its social commitments. Employment guarantees cannot survive on intent alone; they require stable and equitable funding. For fiscally stretched States, VB-G-RAM-G is less a reform than a test of endurance.

The writers are Assistant Professors at Gulati Institute of Finance and Taxation (GIFT), Thiruvananthapuram.

BL TWO-WAY CROSSWORD 2588



EASY

ACROSS

01. Given, allowed (7)
05. Discussion-meeting (5)
08. One who rows (7)
09. Is out of bed (5)
10. Device indicating tempi (9)
12. To solidify (3)
13. Rubbish (5)
17. Used to be (3)
19. With something on either side (2,7)
21. Slack, free (5)
22. Have to endure (7)
24. Stairs (5)
25. Former county division (7)

DOWN

01. Prepares, trains (6)
02. Frothy, charged with air (7)
03. Male cat (3)
04. Australian wild dog (5)
05. Highly seasoned stuffing (9)
06. Takes a chance (5)
07. Small; time division (6)
11. Unfancied runners (9)
14. More easy to see (7)
15. Distends (6)
16. Take within one's arms (6)
18. Push rudely (5)
20. To become red (5)
23. Great noise, racket (3)

NOT SO EASY

ACROSS

01. It's allowed to go round garden and top of terrace (7)
05. Discussion meeting at which there's a return of spirit (5)
08. Bow, say, has a right to be held by Turkish empire-builder (7)
09. Is among the last three of the children to be up (5)
10. It gives player time to get more men moving (9)
12. A number of games posed as examination questions (3)
13. It may be honeycomb? What nonsense! (5)
17. It is past the way one understood the reverse (3)
19. Being sandwiched, wager there s very little in a tavern (2,7)
21. Is not tight, so will misplace nothing at the centre (5)
22. Suffer a French Communist comeback and quit (7)
24. One setting things in motion takes this flight (5)
25. One of Attila's people to dread a loss of so many (7)

DOWN

01. Men marrying people in stables (6)
02. Are heartless and assessed as being full of bubbles (7)
03. The cat would repeatedly get beaten (3)
04. Wild animal in the Antipodes doing it wrong (5)
05. Stuffing will make people take beef perhaps (9)
06. Chances skiers missing end of piste getting upset (5)
07. This bell sounded in mourning for a short while (6)
11. Cads are at long odds (9)
14. Is more intelligible, racer being put out about the French (7)
15. In a ship the oil supply spreads (6)
16. A way to fondle and clasp one in one's arms (6)
18. The day before Ash Wednesday it's not right to be pushy (5)
20. Local leader in uncultivated country will change colour (5)
23. Go from 4 and create a racket (3)

SOLUTION: BL TWO-WAY CROSSWORD 2587

ACROSS 1. Blood sports 8. Utter 9. Retired 10. Dwindle 11. Nurse 12. Resist 14. Seldom 18. Forge 19. Teapots 21. Teashop 23. Demur 24. Discrepancy

DOWN 1. Boulder 2. Obtains 3. Dared 4. Purser 5. Retinue 6. Sir 7. Wedge 13. Seethes 15. Doorman 16. Miserly 17. Stupor 18. Fetch 20. Add up 22. Aid

2026, Year of Consumer as Queen

They'll push back against fracturing trade

Decades of globalisation has exposed consumers to a standardised set of goods and services. 2026 could be the year for them to push back against fracturing trade. Tariff policies that impose additional costs on consumption will lead to reactions that economies may find difficult to manage. Household spending is turning anxious during a truce in the trade war. This could turn downright nervous if hostilities erupt. A deterioration in consumer sentiment in the US will have a domino effect on consumption in Asia's export-oriented economies. Asia's fast-growing consumer markets are critical to the global economic momentum. These markets, particularly China and India, are being supported by expansionary policies that may not be adequate in the event of a full-blown trade war.

Trade negotiations will have to be conducted in a less charged atmosphere than last year. Luckily, realisation has dawned after the first salvos were fired as the prospect of a buyer revolt for all manner of stuff from cars to cellphones forced a dialling down of the mercantilist rhetoric. Global manufacturing companies are taking the hit of tariffs and export controls. However, they will have to eventually pass on to consumers the effects of trade fragmentation. That should serve as a check on the protectionist ambitions of governments.

Consumers are also feeding the technology race with providers trying to make their offerings ever more engaging. Users get to decide the way technology evolves, and through that process impose limits on the clamour against immigration that emerged as 2025's other big threat to globalisation. Tech companies need both global reach and innovation to keep commanding investor interest. They also need access to the global talent pool, and will find their way around obstacles set up by governments to provide jobs to locals. The world economy should be safe so long as the consumer remains queen. It is time for the buyer to exercise sovereignty over globalisation. It's no longer just 'caveat emptor', but a full-blown 'emptor regina'.

Make 2026 Year Of the Citizen

For most of India's citizens, voting is seen as the only manifestation of civic sense. The state is also only too happy to see voting as the only endorsement of democracy being in tiptop condition. The truth, however, is there's more to upholding the citizen-state contract (read: democracy) than going out to cast votes. Whether it's about creating and pursuing an agenda — better maintenance of roads in the area, hygienic conditions in local eateries, or implementation of pollution (noise, air, etc) regulations in the neighbourhood — citizens tend to either ignore their part in the upkeep of their cities, or expect authorities alone to do the needful. This has to change if 'viksit' has to have any meaning beyond sloganeering.

A functioning civil society, the *nous* of a modern democracy, is a two-way street for its citizenry and institutions of governance. It relies on continuous, informed citizen engagement that does away with the mai-baap governance model of over-dependence. Governance is not merely a service delivered from 'above'. It's a shared duty of demand and delivery, checks on performance, the ultimate PPP.

Let this new year be that of a citizenry that steps up beyond superficial, 'my backyard only' RWA-style engagement. Genuine participation means asking questions about policies, scrutinising budgets and demanding representatives of governance deliver on quality outcomes. It also means engaging in regular citizen audits and AGM-style dialogues with civic bodies. Democracy can't flourish on delegation and outsourcing accountability pegged on hope and promise. Citizens must embrace their role in shaping governance. Water seeks its own level. Blaming 'government' for everything should be called out for the cop-out that it is.

JUST IN JEST

This cause-effect is physically palpable like no other effect

Not Colonial, or 2025, But THE Hangover

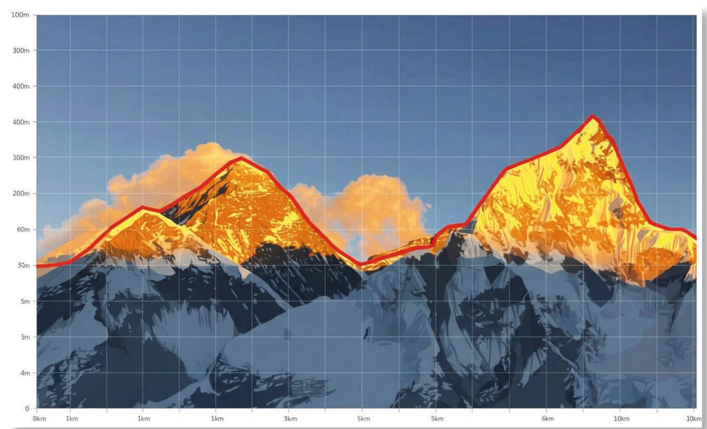
In case you didn't notice, today's the 1st of January. Slowly, but surely, clarity will bring you the news that India (read: you) does not have to actually worry about any colonial hangover, or 2025 hangover. Your head, almost always a reliable barometer, will tell you that the real burden is of the *hangover* hangover. Countering various unpleasant effects usually following copious consumption of alcohol may not be in any political party's election promise. But you can bet your teetotalitarian fantasy that this is real. This is the only hangover that respects no ideology. It strikes the nationalist and the anti-national with equal force. It does not care whether you toasted the new year with imported Scotch, desi rum or something suspiciously labelled 'Apple Cider', but wasn't. By this morning, you have been united in one patriotic chorus: Never again.

Pounding temples, WhatsApp forwards sent at 2.37 am, and a sudden, deeply philosophical hatred of sunlight are far more serious things to deal with than whether the Brits — and Nehru — are to blame for everything about the current state of the country. The 2025 hangover comes with buzzwords — AI disruption, global uncertainty, resilience. The real hangover comes with the urgent need to renegotiate one's relationship with New Year Eve partying. Till Dec 31, 2026, then. Happy New Year [groan].

CHAPATI Strategic autonomy is a long game — Indian statecraft needs to accord it that respect

Climbing Mount Leverage

Ashok Malik



Time to peak

As 2026 dawns, how does India fine-tune its strategic autonomy in the Trumpian age? Three determinants matter here: geography, supply chains and technology. Strategic autonomy in building a secure and non-threatening near-neighbourhood, in supply chains and in technology choices are imperatives.

This would be so, even if some of the specific choices — in tech, for instance — effectively mean no choice at all, because the only option is not acceptable. Strategic autonomy is not simply choosing differently. It is the right to decide to choose, or not choose, differently.

Strategic autonomy is a transaction. It's not a gift granted by a munificent interlocutor, or demand insisted upon by an upstanding nation. Absent hard capacities and capabilities, those extremes would amount to wishful thinking and rhetorical flourish. Strategic autonomy does not push for non-engagement. Rather, leverage can be best gained by purposeful engagement.

Strategic autonomy enables deterrence. As such, it strives to create an intricate patchwork of dependencies: mutual, inward and outward dependencies. At its essence, strategic autonomy works best when one has leverage.

The US has leverage over China because it controls supply of high-end chips. China has leverage over the US because it controls supply of rare earths, and is an irreplaceable market for sorghum and soybean farmers. Even in a testy, competitive relationship, this gives both sides leverage and strategic room or autonomy. While not reducing trust, it raises the cost of non-trust.

There are lessons here for India. This is an age when a cyberattack on critical economic infrastructure is a more proximate threat than a nuclear strike by a state actor. India's strategic autonomy, therefore, needs to be built by its supply chains and technology arrangements, not by the limited logic of political preferences. Consider 6 vectors:

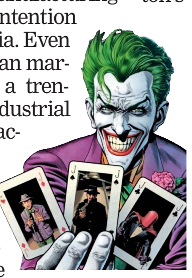
1 India must strive to matter to the greatest possible number of countries as either a critical supplier or significant buyer of a specific commodity, service or product category for the other country. This will require creating industrial capacities, but also a liberal market-access strategy for individual partners and business areas. Like certain others, India needs to instrumentalise market access — not by blind access-denial but by pragmatic market facilitation. This will enhance dependencies.

2 At a strategic level, India needs to diversify markets beyond the US — for those export categories over-reliant on US customers — and diversify sourcing of intermediaries and components beyond China. The latter will entail making use of other sources to cultivate.

India could consider making Chinese imports in some categories so significant that their displacement poses a risk to China itself

India could even consider making Chinese imports in some categories so significant that their displacement poses a risk to China itself. In the mid-19th c., setting up of Indian textile mills by entrepreneurs such as Jamsetji Tata was opposed by the British textile industry, but supported by British textile machinery manufacturers. Both lobbied the government in London with opposite petitions.

3 The West facilitated manufacturing in China. China has no intention of doing the same in India. Even so, China covets the Indian market. There needs to be a trenchant identification of industrial sectors where market access is deemed permissible as a price for greater Chinese investments in local value-addition facilities and capacities. This should not be an across-the-board thrust but a limited compromise, after a careful determination and with a whole-of-government clarity.



Strategic autonomy is not simply choosing differently. It's the right to decide to choose, or not choose, differently

4 Both the EU and Asean blocs are trapped between a coarsening US and an intimidating China. An opportunity exists for India beyond schadenfreude. Both those collectives are looking to India to expand their strategic autonomy. There is no reason why Indian cannot use them judiciously for the same purpose. Again, trade, market access and supply chain interlinkages — including defence supply chain interlinkages — will play a role and will call for enlightened policy framing.

5 As India builds its manufacturing, it will need steady commodities supply relationships with several countries: Australia and Indonesia to its east, Russia to its north, South American nations such as Peru and Chile, even Canada and parts of Europe.

It will also need to focus on industries where opportunities are available, and where it (India) has demonstrated ability. Refining of crude oil is one such strength. India's expertise, price advantages and potential market stranglehold can make it to refining what Taiwan is to semiconductors.

Strategic autonomy here requires not being bullied into which relationships to go ahead with and which to abstain from. It could also mean countering gaslighting in the form of stiff energy transition targets that nobody — not even Europe — can seriously meet.

6 In key technologies — AI, quantum computing, the semiconductor ecosystem — India's comfort and congruence is with the West, specifically with US partners. If preserving these relationships and sequestering them from political pressures entails market-access concessions towards Washington's trade negotiators, it's a bargain well worth it. It will more than pay for itself in the long run.

These six vectors describe India's best-case scenario: growing strategic autonomy using a mechanism crafted by a nuanced exercise of strategic autonomy itself. Can India do it? Frankly, there is no choice in the matter. It must, and it will.

It would help, of course, if diplomacy were allowed to once more become the quiet, gritty, even boring calling it needs to be. Strategic autonomy is a long game, and Indian statecraft needs to accord the game that respect.

The writer is partner and chair of India practice, The Asia Group

ChatGPT
SHAIRI
OF THE DAY

There once was a new year called 2026,
With planners, bold hopes and great kicks.
By Jan 7, we'd swear,
'This year feels different, I care!'
By Feb, we're Googling,
'Is time playing tricks?'

• • •

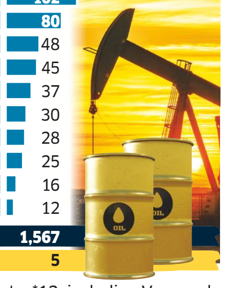
Oil Reserves: 50% with Big Three

Oil remains one of the most strategically important resources in the global economy. However, the distribution of oil resources is highly uneven. OPEC members*, particularly in West Asia such as Saudi Arabia, Iran, Iraq, Kuwait, and the UAE, account for around 79% of the total proven crude oil reserves, which are estimated at 1,567 billion barrels. Venezuela ranks first, but is unable to fully monetise its oil because of the ongoing US sanctions and the recent shipment seizures. The top three countries account for nearly 50% of all proven oil reserves...

World proven crude oil reserves (Billion barrels)

Top 15 countries

Country	2024
Venezuela	303
S Arabia	267
Iran	209
Iraq	145
UAE	113
Kuwait	102
Russia	80
Libya	48
US	45
Nigeria	37
Kazakhstan	30
China	28
Qatar	25
Brazil	16
Algeria	12
Total World^	1,567
India	5



Figs are rounded; ^Excludes oil sands from Canada data; *12, including Venezuela
Source: OPEC Annual Statistical Bulletin 2025, Visual Capitalist

SANJEEV RAJ JAIN

Bell Curves ■ R Prasad

Enjoy the glow while the New Year resolutions last!

Make Voting Easy-Peasy

Naveen Jindal

India has framed national reform agendas around 'ease of living' and 'ease of doing business', recognising that administrative convenience is not a luxury but a democratic obligation. It's time to extend the same reformist lens to voting. 'Ease of voting' must now define the next phase of India's democratic reform agenda.

▶ **Migrants** Census 2011 recorded 45.36 cr internal migrants, about 37% of India's population. Only about 12% of these migrants move across state borders. Most migration occurs within districts or states. For construction workers employed far from home, nurses posted in other states, seasonal labourers, students and professionals on deputation, current residency requirements bar participation. Their exclusion is not the result of apathy but of institutional design.

▶ **NRIs** India's overseas community is about 18 mn. Yet, only 2,958 overseas electors of the 1.2 lakh registered voted in the 2024 Lok Sabha election, a turnout of 2.47%. Many are unable to vote because returning to India on polling day is not possible. This exclusion is incongruous given that they contribute to the economy through remittances.

▶ **Special needs** There are 26.8 mn PwDs (2011 census), or 2.21% of the population. Over one-fifth are senior citizens, many with mobility, visual or hearing impairments. Yet, only 62.64 lakh disabled voters were registered for the 2019 election.

India's elderly population is projected to rise from 100 mn in 2011 to 230 mn by 2036. As voter rolls expand — 97.97 cr electors in 2024, up 7.43% from 2019 — the absolute number of missing voters remains enormous. The legal framework allows postal ballots only for a narrow and exceptional category of electors.

Under Representation of the People Acts of 1950 and 1951, read with Conduct of Elections Rules 1961, voting by post is confined to service voters, including members of the armed forces, CAPF and government officials deployed on election duty. Limited extensions have been introduced for senior citizens and persons with benchmark disabilities. But for the vast majority of absent voters, no meaningful alternative exists.

International experience demonstrates that expanding voting options can enhance participation without compromising electoral integrity.

▷ In Britain's 2024 general election, 19.9% of registered voters were issued postal ballots, and 26.2% of all valid votes were returned by post. Postal turnout stood at 78.9%, compared with 55% at polling stations. Remote voting, when regulated, can increase participation.

▷ Estonia has permitted internet voting since 2005, supported by a secure digital identity system. In its 2023 parliamentary elections, 51% of all votes were cast online. Regular audits and cryptographic safeguards have maintained public trust. At the same time, Estonia's experience underscores that digital voting is not a panacea. Trust, institutional credibility, a unified national identity framework and digital literacy are essential prerequisites.

▷ Several democracies, including the US, France, Switzerland, Mexico, Panama, Ecuador and Argentina, have adopted forms of remote, postal or electronic voting for specific categories of voters, particularly citizens residing abroad. These systems demonstrate that carefully designed absentee voting mechanisms, backed by verification, audits and legal safeguards, can expand participation while preserving electoral integrity.

Surely, things can be smoother?

India entrusts tech with some of its most sensitive civic and economic functions. Every day, crores of citizens conduct secure digital transactions involving thousands of crores of rupees, authenticated through layered safeguards, encryption protocols and regulatory oversight.

If the state can design systems capable of protecting financial integrity at such scale, surely, it can explore similar institutional confidence being extended, cautiously and transparently, to voting.

Secure absentee or electronic voting deserves consideration. Remote and staggered voting also offer administrative and environmental gains: compressing elections into a single day strains logistics and drives travel, congestion and fuel use. A multi-day voting window would ease access for working voters, migrants and senior citizens, while allowing election authorities to manage security and logistics more efficiently.

Equally vital is keeping physical polling stations accessible. EC's 'Accessible Elections' initiative provided ramps, wheelchairs, Braille signage and priority queues to 62.64 lakh persons with disabilities in 2019. With India's elderly population projected to touch 230 mn by 2036, investment in dignified, accessible polling infrastructure is indispensable. Remote voting must supplement — not substitute — traditional polling.

The constitutional promise of universal adult franchise demands the removal of structural barriers to participation. This is not about electoral advantage but democratic legitimacy. As India enters a new phase of democratic maturity, expanding participation must be treated as a moral imperative. Ease of voting should be a national priority — rooted in inclusivity, integrity and trust — so every citizen, wherever they live or work, can help shape the nation's future.

The writer is a Lok Sabha MP

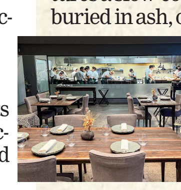
STEP UP TO THE PLATE

Boragó

Santiago, Chile

At Boragó, chef Rodolfo Guzmán's Endémica menu is an exploration of Chile's gastronomic landscape. He collaborates with over 200 foragers and small producers, sourcing ingredients from the far reaches of Patagonia to the arid Atacama, ensuring that each dish reflects Chile's diverse ecosystems.

The tasting menu, spanning 12-18 courses, is paired with information about each ingredient's origin. Presentation is both artistic and playful. The top two standout dishes are huevos a rescoldo, which features a slow-cooked blue egg buried in ash, offering a unique, smoky flavour and a rich texture. Another highlight is the congrio frito, a crisp fried fish fillet coated in ash and finished with a delicate seaweed dashi, blending rustic and refined elements in one unforgettable bite.



Beyond the plate, the experience at Boragó is deeply personal. Guzmán and his team engage diners directly, sharing stories of each ingredient and the land from which it comes. This makes every meal a journey into the heart of Chilean culture, blending tradition with innovation.

In essence, Boragó is an adventure into Chilean culture and nature. Each dish tells a story, and every bite invites you to explore the landscapes and traditions of Chile. It's more than just a meal; it's a journey that stays with you.

THE SPEAKING TREE

New Year's Resolution

ULLHAS PAGEY

As a new year begins, you might feel the pull to set resolutions that go beyond the ordinary. Committing to cultivate patience, persistence and practice stands out as profoundly transformative. These three qualities are deeply interwoven, forming the very essence of authentic spiritual growth and inner peace.

Practice is the sacred daily ritual, an intentional time you set aside for meditation, prayer, contemplation, yog or mindful acts of compassion. It is the ground where you meet the Divine within. In Gita, Krishn describes practice as a steady, disciplined effort that calms the restless mind. Buddhism teaches that consistent practice lies at the heart of the Noble Eightfold Path, while Christianity encourages 'praying without ceasing'. Start gently: even 10 mins each morning plants the seed.

Yet, practice alone can waver when enthusiasm fades. Like the persistent widow in Jesus' parable who never gave up seeking justice, your persistence honours the long arc of the spiritual journey. It refines the soul, building unwavering trust in a higher rhythm beyond immediate results. In Buddhist wisdom, patience is the strength to endure difficulty with equanimity, opening the door to lasting peace. It reminds you that spiritual fruits ripen slowly.

This year, make patience, persistence and practice your resolutions. Approach them kindly, without self-criticism. Over time, you will discover greater calm, clarity and communion with the Sacred.

Chat Room

Welcome to 2nd Qtr, 21st c.

As the curtains came down on 2025, the international community is reminded that the path to peace lies in diplomacy and dialogue, not war. The conflict between Russia and Ukraine continues to grind on, but the world heaved a sigh of relief with the cessation of hostilities in Gaza. The return of Donald Trump to the White House has upended the established global trade framework shaped by globalisation, with tariff wars unleashed against several countries. Encouragingly, the voice of the Global South is increasingly being heard and respected in international forums, reflecting the growing clout of the developing world. It is hoped that 2026 will herald a new global order where the interests of developing nations are safeguarded, and the world stands united in combating terrorism, climate change and wars with extraordinary resolve.

M Jeyaram
Sholavandan, Tamil Nadu

Commute Our Tough Lives

This refers to the Edit, 'Caveat Commuter, Make Moving Easier' (Dec 31). The twin issues of population density and infrastructure cast a heavy responsibility on the urban municipal bodies. Created by the city's taxpayers' money, they have a budget for proper utilisation of capital and revenue expenditure required for infrastructure-upgradation and reducing people's woes. City elders should shun decision-making resting on narrow perceptions influenced by short-term results and political impact. They have to do a lot and assiduously to reflect their concern for the issues confronting urban people.

Y G Chouksey
Pune

Burden of Proof Eclipses Benefit

The Edit, 'Hyperdocumentation Vs Common Sense' (Dec 31) highlights a growing gap between digital intent and everyday reality. The concern is that well-meaning schemes often burden citizens with avoidable procedures. Simplicity should guide design. Where identity is already established, self-declaration or minimal checks can replace counters and repeated verification. Periodic audits, rather than constant suspicion, would save time and public money. Trust, backed by accountability, can make welfare delivery more humane and effective.

M Barathi
Bengaluru

Letters to the editor may be addressed to
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OPINION

How to Read the Ukraine Talks

BUSINESS WORLD
By Holman W. Jenkins, Jr.

The big news isn't the noisy peace negotiations that have seen Ukraine and Donald Trump coming closer together as Mr. Trump discovers changing political landscapes, his own and the war's.

The big news was this month's $105 billion commitment of fresh European money over two years, which wipes away an uncertainty about Ukraine's staying power and upsets the hopeful timeline that was playing in Vladimir Putin's head.

It isn't yet 'Trump's war,' but events are starting to point in that direction.

The funding represents halting but real progress toward European strategic adulthood. It's the best sign since Finland's and Sweden's still-underappreciated decisions to join the North Atlantic Treaty Organization following Russia's 2022 attempt to occupy Kyiv.

This week also saw displays of weakness from the Putin side, including a public meeting with his military commanders in which he received exaggerated claims of their progress on the ground and Ukraine's impending military collapse.

It saw Mr. Putin's aged serf, Foreign Minister Sergei Lavrov, spinning a story about a dastardly attack by 91 Ukrainian drones on Mr. Putin's not-very-secret residence between St. Petersburg and Moscow. Never mind that the story is unsupported by evidence or witnesses.

Mr. Lavrov is known to have been eager for years to be relieved of duty so he can enjoy an implausibly rich retirement and his alleged collection of foreign properties. But Mr. Putin won't let him go even as the world has come to understand he's an errand boy, no longer consulted about Mr. Putin's plans and decisions.

MIKHAIL METZEL/KREMLIN POOL/ZUMA PRESS

Vladimir Putin

Mr. Trump is no Talleyrand himself, but his surprisingly successful paradoxical stance Talleyrand would appreciate. Mr. Trump plays the neutral, disinterested mediator (and gets away with it) even while his administration supplies weapons, training and tactical intelligence to Ukraine.

Mr. Putin swallows it. The continuation of U.S. intelligence support may not be flaunted but it's hardly hidden. U.S. weapons still flow but are laundered through Europe. Mr. Trump's prestige is not officially invested in any particular outcome except "peace." But Mr. Trump still behaves as if a truly neutralized Ukraine wouldn't serve his or America's interests.

In fact, Mr. Trump is feeling his way forward, as any politician would, weighing his many conflicting interests. This, for now, precludes actual peace because it precludes the use of a stick to change Mr. Putin's calculations. But Trump critics may sense the approaching day they've been waiting for. It will become Mr. Trump's war. He will have to engage in an escalation contest with Mr. Putin, which Mr. Trump will surely win, but it will cost him some MAGA support. It won't earn him strange new respect from Democrats or never-Trump Republicans who have been demanding exactly such acts from him since he returned to office.

Mr. Trump likely sees himself as Nixon: If he takes responsibility for an inherited war, as he may have to, he will be mau-maued by those he inherited it from.

But the important cards have been dealt. Until Mr. Trump bites the bullet, the war will linger in stalemate as Mr. Putin flails after some plausible claim of victory that would allow him to begin cauterizing Russia's deepening strategic losses.

Ukraine's rout is unacceptable to NATO or Europe. The European Union has shelved for now the pathetic dodge of using Russian frozen assets—it was pathetic because Europe is rich enough to sustain Ukraine and also keep Russia's assets frozen forever. But Europe always struggles painfully to summon the presence to act on its own unrepealable strategic interests.

The U.S. and Europe could be doing more to curtail Russia's vital energy revenue, but they're making headway and it's starting to tell, helped by Ukraine's attacks on Russia's refiners and Black Sea tanker fleet.

Through the murk, China's interest in the war is important and complicated. Beijing fears the precedent of a Putin failure and overthrow, but it also finds much to savor in Russia's slow unraveling.

Mr. Trump is the pivot. He could expedite progress but it would require him to take ownership of the Ukraine outcome, which he calculates (as of now) doesn't serve his interests. But that calculation may change as he moves through a second term toward the liberation and oppression of lame duckhood.

Mr. Trump is already acting like a president who notices that foreign policy affords him a field of opportunity when his domestic position is weakening. Don't rule out a new calculation on Ukraine especially when next year's midterms are behind him. Europe's scrabbling together of funds to put into the pot is important here. Mr. Trump is drawn to teams that are winning and mobilizing resources on their own, so he can step in and take credit for their success.

America's 25 Years of Decline

POLITICS & IDEAS
By William A. Galston

The first quarter of the 21st century, which ends this week, has been a period of misgovernment and national decline for the U.S.

At the conclusion of the 20th century, America's leadership was uncontested. We had the world's strongest economy and most powerful military, bolstered by an unequaled system of alliances. Americans from the bottom to the top enjoyed rising real incomes. The federal budget ran a surplus for four consecutive years, from 1998 to 2001. Despite their differences, the political parties were able to reach agreement on important issues, including on fiscal policy, education, welfare, the environment and protecting Americans with disabilities.

An era of folly began in the new century. Leaders of both political parties supported China's entry into the World Trade Organization on terms that allowed a flood of cheap imports, contributing to a loss of 5.7 million manufacturing jobs (one-third of the prior total) between the end of the Clinton administration and January 2010. Few displaced workers received help making the transition to new jobs, and many suffered a decline in their standard of living, laying the foundation for an era of populist resentment.

The 9/11 attacks devastated the nation. President George W. Bush's overreaction was also damaging. Any president worth his salt would have struck back against the terrorists who killed thousands of Americans. But the Bush administration went much further, launching a prolonged war in Afghanistan and Iraq and eventually proclaiming the grandiose goal of "ending tyranny in our world." By focusing so much attention and resources on the "global war on terror," America all but ignored the rising threat from China, whose economic gains were translated into a massive military buildup. The Mideast campaigns soured many Americans on international engagement.

America's fiscal situation also deteriorated. In January of 2001, the Congressional Budget Office projected that the budget surpluses of President Bill Clinton's second term would continue throughout the next decade, totaling $5.6 trillion and erasing the national debt. Nineteen months later, the CBO predicted that big tax cuts, higher spending and lower economic projections would eliminate the surplus for 2002 and several years thereafter. As it turned out, fiscal 2001 was the last time the federal government ran a budget surplus, and the chance that the debt will ever be erased is slim.

Economic mismanagement extended to financial markets. Federal Reserve Chairman Alan Greenspan and other financial experts argued that self-interest would lead banks and other organizations to avoid taking on excessive risk. After the collapse of major Wall Street firms triggered a financial crisis and a punishing economic downturn, Mr. Greenspan admitted error. But the damage was done. The recession's effects lingered for years, and the credibility of market systems worldwide took a hit from which they haven't fully recovered.

Misgovernment has been the watchword for the first quarter of the 21st century.

By 2010, polarization had sharply increased, diminishing the federal government's ability to act unless a single party controlled the presidency and both chambers of Congress. Faced with legislative opposition, presidents of both parties resorted to governance through executive order and regulation. The resulting expansion of presidential power, which President Trump has accelerated, has distorted our constitutional order.

Gridlock in Congress has allowed many problems to languish unsolved. Efforts to deal with fiscal policy, entitlements and other critical issues have floundered. Take one example: Mr. Trump can enforce current immigration laws, but long-term immigration reform would require new legislation.

The Covid-19 pandemic triggered another round of mismanagement. Mr. Trump deserves credit for fast-tracking vaccine development, but his advocacy of untested remedies weakened public confidence in government recommendations.

The Biden administration made matters worse. Its public-health measures harmed the economy, education and individual liberty. As a result, confidence in experts and institutions suffered a blow from which it will be difficult to recover. Some European countries did better, reducing Covid-related deaths without shutting down economic and social life or closing schools for an extended period.

Today, pressures are mounting on every side. Young families can't afford to buy homes. Americans 80 and older, whose numbers are projected to increase from 14.7 million to nearly 23 million over the next decade, will put unprecedented pressure on our healthcare system. Unless Congress takes action, the Social Security and Medicare trust funds will run out of money by 2033. Mr. Trump has weakened our allies' confidence in America's support, and China's military buildup, as outlined in a recent Defense Department report, is deeply concerning.

This century had a rocky start, but that doesn't mean Americans can't turn things around. We need political leaders to take on these tough problems and bring both parties to the table to solve them. Only then will America's 25-year decline end and recovery begin.

The 21st Century Is Getting Old

By Bob Greene

It kind of snuck up on us—and we can perhaps be excused for that, because there has been so much going on these past few years—but as New Year's Eve makes the turn to 2026 at midnight Wednesday, it is probably time for us to say goodbye to the notion of the new century.

The 21st century has continued to feel new for many Earthlings, those of us whose lives had one foot in the old century—the 20th, whose early years featured Model Ts and flappers and the Wright Brothers and Teddy Roosevelt—and one foot in the 21st, which arrived like a crisp blank page.

No wonder that the century in which we now live is still widely regarded as, at heart, a new one, filled with both promise and trepidation. There was something sort of thrilling in the sense that we were pioneers in a brand-new millennium, one so fresh and unsullied.

But the dawn of 2026 will mean that the 21st century is more than one-quarter finished. There's nothing new about it—it is well along its way. If we were a professional basketball team, the scoreboard would already be filled with numbers, and we'd realize there are about to be 12 minutes until halftime.

We're as far past 2000 as 2000 was past President Ford.

The newborns who entered the world in 2000 will begin to turn 26 on Thursday. They will have no recollection of the 20th century. Gerald Ford and Frank Sinatra might as well be Martin Van Buren and John Philip Sousa. Steve Jobs and Neil Armstrong could as easily be Alexander Graham Bell and Daniel Boone.

Twenty-five years into any new century, quite a bit will have happened. By 1926, things that at the century's dawn had never been a part of daily life—vacuum cleaners, humans taking flight, military tanks, stainless steel—suddenly were. In 2026, things that never were part of the 20th century—YouTube, smartphones, Uber, even artificial-intelligence chatbots—will have been around for a while, a ho-hum given.

And what lies ahead? By 1926, there had already been a World War ("the war to end all wars") and, as in this century, a global pandemic. People could be forgiven for not foreseeing the earth-shattering events that were around the bend—the Depression, World War II, the birth of Elvis Presley.

This 21st century of ours has been a lot of things, but we should get used to the idea that being new is no longer one of them. Some year a man or woman born in this century will be sworn in as president of the United States. The first president born in the 20th century, John F. Kennedy, wasn't inaugurated until 1961. Will it take until 2061 for that to happen in our time? That seems like a far way off. Except it isn't.

Mr. Greene's books include "American Beat."

BOOKSHELF | By Andrew Stark

A Profession Of Prediction

Could Should Might Don't: How We Think About the Future

By Nick Foster
MCD, 352 pages, $30

In October 1964 the Soviet leader Nikita Khrushchev was deposed in a nonviolent coup. Adam Ulam, an expert on the Soviet Union at Harvard, was asked why he had failed to predict the event. "If it came as a surprise to Khrushchev," Ulam replied, "why wouldn't it have come as a surprise to me?"

It is a good question. Given the future's opacity, why should we expect self-appointed futurists—all those jet-setting consultants, risk analysts and TED Talk presenters with their trend lines and game plans—to know any more about what's going to happen than the rest of us? According to Nick Foster, a designer and writer based in Oakland, Calif., we shouldn't. In "Could Should Might Don't," Mr. Foster trains a skeptical eye on the futurism industry, of which he has been a part for decades.

Expert futurists, Mr. Foster shows, disagree over how much the future lends itself to human control and foreknowledge. He labels one segment of the industry Could Futurism. Powered by science fiction, Could Futurists claim that we're headed toward a fantastic universe of solar-powered cars, off-world colonies, delivery drones and jetpacks. They don't, however, see much human agency in what's to come. The wonderful future they foresee is inevitable.

Mr. Foster's next category is Should Futurism. All we have to do is pick a goal—increase the sale of sourdough by 10%, transition the world to vegetarianism—and Should Futurists will confidently tell us what we should do to achieve it. Brandishing charts that show the path to any objective, they see the future as knowable and amenable to our control.

A third strand, Might Futurism, deems the future a realm of vast uncertainty. Almost anything might happen, but Might Futurists have devised clever ways to help us control all that unknowability. Steeped in risk analysis and game theory, they strategize every possible scenario, promising that no matter what happens, we'll be all right.

Finally, there is Don't Futurism, which originates in dystopian novels. Don't Futurists emphasize the lack of knowledge and control we have over the future. They warn of all the unforeseeable disasters that will follow any given course of action. Don't Futurism, Mr. Foster writes, "exists to dispense warnings, highlight issues, and point out consequences, which often makes it an unwelcome guest in communities built on optimism, positivity, and forward momentum."

Mr. Foster offers an entertaining and informative tour of the four groups while subjecting them all to the same criticism: They focus too much on the grandiose, fixating on flying cars, artificial intelligence run amok, global veganism and apocalyptic cyberterrorism. They have lost interest in the mundane—how cereal boxes, air conditioners, fish-stick packages or garbage cans will change over the coming years.

Since the mundane is where most of us live, futurists have failed to deliver even a low-resolution picture of the world in 10 or 50 years. Mr. Foster dismisses their preoccupations with bionic implants or humanoid robots as MacGuffins—Alfred Hitchcock's term for a device that momentarily advances a movie plot but ultimately fails to develop into anything.

"Could Should Might Don't" suggests a critique far more radical than the one it actually makes. It is too bad the book's discussion of Hitchcock is limited to the MacGuffin, because the filmmaker had an insight of great relevance to Mr. Foster's topic.

Futurists disagree over how much the future lends itself to our control and foreknowledge. Many focus too much on the grandiose.

No matter what combination of control and knowledge we have, Hitchcock knew, human beings are wired to face the future with anxiety. Consider the protagonists in four of his films. We might have knowledge of what's to come but lack any control over it, like James Stewart's character in "Rear Window" (1954) as he watches a murder unfold across the courtyard while trapped in his apartment. Or we might have control over a situation but lack the knowledge necessary to exercise it, like Stewart's character in "Vertigo" (1958) as he pleads with his beloved after saving her from drowning: "I'm responsible for you now. . . . I have to know."

Imagine that we possess both knowledge and control over what's going to happen, like Cary Grant's character in "Notorious" (1946) as he tracks a nest of Nazis that only he can stop. Or suppose that we lack both knowledge and control, like Grant's character in "North by Northwest" (1959) as he's inexplicably menaced by a crop-duster.

If futurists really want to help everyday people, perhaps their goal should be to help us deal with our anxiety about the future rather than to simply predict what will happen. From this perspective, the most valuable section in Mr. Foster's book recounts his first trip in a self-driving taxi. Mr. Foster was initially awestruck, but he soon found himself daydreaming and thinking about what to eat for lunch. "What had been incredibly futuristic and achingly modern just moments ago," he writes, "had transitioned to something almost banal within the space of a single ride."

The grandiose sooner or later becomes mundane. Even Khrushchev understood that what seems like rapid change in the moment often proves far less monumental over time. "The main difference for the history of the world if I had been shot rather than Kennedy," he supposedly once observed, "is that Onassis probably wouldn't have married Mrs. Khrushchev." Maybe Khrushchev wouldn't have been a bad futurist after all.

Mr. Stark is the author of "Conflict of Interest in American Public Life."

OPINION

REVIEW & OUTLOOK

Trump's Rx for Chinese Biotech

By importing foreign price controls, he's making Biden's mistake.

President Trump is cleaning up many of Joe Biden's regulatory messes (see nearby), but then there is his plan to import drug price controls. He's making this one worse.

Days before Christmas, the Centers for Medicare and Medicaid Services (CMS) proposed a 560-page regulation to implement the President's "most-favored nation" (MFN) plan in Medicare. The point is to force drug makers to sell drugs to Medicare at the lowest price available in other developed countries.

This is bad policy for many reasons, but it's also a government double-cross. More than a dozen firms struck agreements with the Administration this year to boost investment in the U.S. and to sell medicines directly to consumers at lower prices—supposedly in return for a reprieve from Mr. Trump's threatened tariffs and most-favored nation regime. Now Mr. Trump looks to be playing them for suckers.

The CMS proposal would require drug makers to pay rebates to Medicare covering the difference between prices in the U.S. and the lowest price in 19 countries, including Canada, the Czech Republic and Sweden. While rebates will vary by drug, the kickbacks to Medicare could be upward of 80% of list price.

Most of these countries have government-run systems that restrict access to novel medicines for budgetary reasons, so their patients must wait longer to get them, if they ever do. Mr. Trump's plan will reduce the incentive to sell drugs in these countries since they'd then have to match those ultra-low prices for the much bigger Medicare market.

Chinese biotech firms fast would be poised to take global market share from U.S. drug makers. Mr. Trump's plan would also reduce the incentive to develop innovative medicines in the U.S. if firms don't think they can make a profit to recoup their investment. The companies may also increase prices for commercial payers to offset the Medicare rebates.

Economist Tomas Philipson recently explained in these pages how the Biden Inflation Reduction Act's Medicare price controls have caused companies to slash research on new cancer drugs. Yet those Biden controls cover fewer drugs than Mr. Trump's new rule.

Since the IRA passed in 2022, companies have halted at least 55 research programs and abandoned 26 medicines. The damage has been greater for development on small-molecule pills, which are subject to the price controls four years earlier than biologics. This is a disincentive to develop easy-to-administer drugs.

Mr. Trump's MFN regime would turbo-charge those disincentives and might even discourage low-cost generics. Why bother creating an inexpensive drug copy when it could be undercut by the MFN price?

Congress hasn't authorized Mr. Trump's price-control regime, so CMS frames its rule as a payment model experiment to cover about 25% of Medicare patients to start. CMS cites rising spending on "certain types of drugs" and concerns about "affordability of Part D coverage for Medicare beneficiaries."

But the IRA capped Medicare out-of-pocket costs for prescription drugs at $2,000, shifting the liability for higher-cost drugs from patients to Part D plans and manufacturers. CMS doesn't project that the MFN plan will save Part D patients any money. The rebates will go to the government, not patients. This is a tax on drug makers in another form—a bizarre way of getting them to invest in America.

The CMS proposal doesn't expressly carve out companies that reached agreements with the Administration to avoid his threatened price controls. Even if a final rule-making exempts them, a Democratic President might cancel these dispensations.

* * *

As for government savings, CMS projects that the MFN pilot would reduce Medicare spending by some $26 billion over five years—out of the roughly $7.5 trillion that Medicare is expected to spend in total over those five years. The cost in lost U.S. innovation will be far greater than the government savings.

It's already cheaper and faster to develop new medicines in China, and many U.S. companies are scouting for drugs there. During the first half of this year, U.S. drug makers signed deals worth $18.3 billion to license medicines from Chinese companies. By doubling down on Mr. Biden's price controls, Mr. Trump's MFN rule is TrumpRx for Chinese biotech.

Japan Steps Up on Military Spending

Tokyo wants a 9.4% increase next year, as the U.S. stays flat.

President Trump wants American allies to do more for their own defense, so he ought to be delighted with new Japanese Prime Minister Sanae Takaichi's decision to press for a record defense budget next year.

Japan is America's indispensable ally in the Pacific, and it will be crucial in any attempt to defend Taiwan from a Chinese invasion. Ms. Takaichi had the temerity to say so in November, and Beijing's mouthpieces attacked her for it.

But China made her point over the weekend with a live-fire military exercise near Taiwan that simulated a potential blockade against the island democracy. The exercise involved some 130 fighter jets and at least 14 warships.

Japan's 2022 National Security Strategy called for doubling its defense spending as a share of GDP to 2% by 2027, but Ms. Takaichi wants to get there faster. Her proposal would devote some ¥9.04 trillion (more than $58 billion) to defense in fiscal 2026, a 9.4% increase over the current year.

Tokyo is learning from Ukraine's experience under combined drone and missile attack, and the proposal includes more than $641 million to strengthen Japan's multilayered coastal defense system. The budget also includes funding for drones and electronic warfare, missiles and new communications satellites.

Ms. Takaichi's proposal requires parliamentary approval. But this increase is "the minimum necessary to fully defend Japan" amid "the most severe and complex security environment since the end of World War II," Defense Minister Shinjirō Koizumi said.

Chinese fighter jets this month gained radar lock on Japanese military aircraft, and days later Russia and China conducted a joint patrol with their bombers flying near Japan. Tokyo is also worried about North Korea, which claims to have test-fired long-range strategic cruise missiles that could carry conventional and nuclear weapons.

One irony here is that while Japan is finally building its defenses, Mr. Trump's defense proposal is close to Bill Clinton's level as a share of GDP. On current trend, Ms. Takaichi will soon have standing to tell Mr. Trump to take China's threat more seriously.

The Congressional Review Acts of 2025

Trump signed a record 22 resolutions repealing Biden-era regulations.

One durable reform of the Gingrich GOP majority of the 1990s was the Congressional Review Act (CRA). The law lets Congress overrule a regulation within 60 legislative days, and this year Republicans and President Trump made record use of the opportunity to reduce many tyrannies of the administrative state.

The House and Senate passed, and Mr. Trump signed, 22 CRA resolutions. That's more CRA resolutions in one year than all Presidents combined have signed since the law passed in 1996. Mr. Trump signed 16 in his first term, while Joe Biden signed three and George W. Bush one. Mr. Trump has now signed 38 of the 42 CRA resolutions that have become law.

It's notable that Barack Obama vetoed five resolutions that passed both houses of Congress while Mr. Biden vetoed 11. Mr. Trump has vetoed one (on student loans). The contrast illustrates the divide between the two parties on government by an unelected bureaucracy. The CRA process has become more important as Presidents of both parties resort to rule by executive order and regulation.

The rules this Congress has overturned run across federal agencies. They include onerous federal efficiency standards for refrigerators, freezers and gas-fired water heaters, among other appliances.

One resolution repealed an overdraft lending rule from the Consumer Financial Protection Bureau that reduced credit for low-income Americans. Another repealed a needless Environmental Protection Agency rule on rubber tire manufacturing, while another nixed a Treasury rule eliminating expedited review for bank mergers.

Resolutions also struck down Bureau of Land Management resource management plans for parts of North Dakota, Wyoming, Alaska and Montana. One Alaska rule will allow for drilling in the National Petroleum Reserve that the Biden Administration tried to ban even though Congress had expressly reserved the land for oil and gas exploration.

Especially valuable was a resolution striking down the Biden Administration's waiver from federal law to let California set strict vehicle-emissions standards. The Sacramento rules amounted to a national mandate for electric cars because the California vehicle market is so large. The CRA action is a boon to auto consumers and American car makers.

Most of these CRA resolutions passed on close to party-line votes with nearly all Democrats opposed. Had Republicans not won both the House and Senate in 2024, those onerous regulations would still be in place. One benefit of the CRA is that regulators are barred from issuing a rule substantially similar to one that Congress repealed.

The CRA is a rare example of conservative GOP legislation from recent majorities that has had lasting impact. Too much of what Republicans pass turns out to be ephemeral when the left retakes power. The current GOP majority may have only a year left, so its leaders had best look for laws they can pass that can survive the next Democratic control of Congress and the White House. On present polling trends, it could be here as soon as 2029.

LETTERS TO THE EDITOR

Trump Hasn't Undone Workers' Union Rights

Your editorial "Republicans for Ineffective Government" (Dec. 13) is correct: Voters won't thank the 20 GOP House members for overturning President Trump's executive order limiting collective bargaining at some federal agencies. Another point worth stressing: Conflating the right to join a union with the right to engage in collective bargaining is a specious union marketing ploy.

The presidents of both the AFL-CIO and American Federation of Government Employees both praised the House vote as necessary to "restore" federal workers' "union rights." But nothing in Mr. Trump's order limits federal employees' right to form or join a union. It simply eliminates the legal obligation of certain federal agencies to negotiate their "personnel policies, practices and matters . . . affecting working conditions" with unelected special interests.

The distinction matters, as unions admit in other contexts. South Carolina, in which state and local governments can't engage in collective bargaining, still has a teachers union that is quick to remind teachers that they can join and fork over dues money.

President Franklin Roosevelt's concise critique of federal-sector collective bargaining observed that giving unions a special legal process to influence government operations is at odds with our system of representative government. But that missive—a 1937 letter to the president of a federal employees union a quarter-century before they were granted collective bargaining rights—also acknowledged that the formation of "organizations of Government employees" to "present their views" on a "proper employee relations policy" has "a logical place in Government affairs."

Then, as now, the absence of collective bargaining doesn't deprive government employees of a voice on the job. It merely requires them to advocate their views the same way every other interest group does: by organizing, engaging in the electoral process and taking their case to policymakers—all of which unions are well-equipped to do.

MAXFORD NELSEN
Freedom Foundation
Olympia, Wash.

We Have a Lot to Gain From Israel's Tool Kit

Israel's ambassador to the U.S., Yechiel Leiter, hopes that the future of Washington and Jerusalem's defense relationship evolves from traditional military assistance into true military collaboration ("The Israeli Case for Optimism About America" by Elliot Kaufman, Weekend Interview, Dec. 13). As the ambassador puts it, that would mean "enhanced joint development, joint R&D, and joint production that benefits both countries in a way everyone can see."

That's a promising path, and the model already exists. The Arrow 3 missile-defense system—co-developed by Boeing and Israel Aerospace Industries—has demonstrated its effectiveness by intercepting and destroying more than 100 Iranian ballistic missiles since 2023. Germany's recent $3 billion purchase of the system validates its unique operational value and global relevance.

Mr. Leiter notes that Israel's relationship with the U.S. is no longer a "one-way street," it's a "real partnership," with Israeli technologies benefiting Americans. That's especially true of missile defense. With a range exceeding 1,500 miles, exo-atmospheric interception capabilities and kinetic "hit-to-kill" technology, Arrow 3 destroys long-range ballistic missiles far from populated areas. Its defensive footprint is more than three times as large as the U.S. Patriot system, making it particularly well-suited for large-area defense.

These characteristics, especially kinetic interception, align directly with President Trump's "Golden Dome" vision for U.S. homeland missile defense. Israel's wartime operational environment has consistently driven rapid innovation, allowing it to refine and improve military hardware under real combat conditions. That experience has benefited the U.S. for decades, with improvements to the F-4 Phantom, B-52, F-16, F-18, F-35 and others.

As Mr. Leiter alludes to, such collaboration with Israel on Golden Dome isn't a departure from past practice—it's the logical next step in a strategic partnership that has long been of immeasurable importance to U.S. national defense.

GEORGE BLUMENTHAL
New York

What Ben Sasse Has Taught Middle America

Ben Sasse's letter to America, "I Have Stage 4 Pancreatic Cancer, and I Am Going to Die" (op-ed, Dec. 27), reads like the penultimate chapter of an excellent book. What a gift.

In his life, Mr. Sasse has showed that conviction and kindness can share a spine. He has always been firm without being furious. I was a Senate staffer when he arrived in Washington, and I watched him learn the institution without letting it hollow him out.

That steadiness traveled too. I went home, ran for city council and after reading Mr. Sasses's 2018 book, "Them: Why We Hate Each Other—and How to Heal," began revisiting local ordinances to reduce loneliness and strengthen civic life. Mr. Sasse hasn't been here, as far as I know, but his example has.

Thank God, he isn't gone yet. But whenever he goes to meet his Savior, he can rest easy knowing that his influence will bear fruit in places he never knew. That's a legacy.

AARON SMITH
Noblesville, Ind.

A Nuclear-War Soap Opera

Thanks to Holman W. Jenkins, Jr. for raising the "not serious" flag on Kathryn Bigelow's soap-opera movie, "A House of Dynamite." Col. José M. López ably details how the film misunderstands the reality of nuclear war in his Dec. 27 letter. Allow me to add two more slipups.

First, every person portrayed in a leadership position collapses into a simpering ball of incompetence when the inevitability of the attack sinks in. Consider the defense secretary who—spoiler alert—commits suicide by jumping off a building when triggered by the idea that his daughter may be killed by the attack. The president, meanwhile, gropes for a rational thought while drowning in a false sense of urgency.

Second, no one in the movie prays or makes a reference to God. Not once. Does Ms. Bigelow really contend her movie is a reflection of reality? If so, she must think our civilian leadership and military are filled with milquetoast atheists.

A. OWEN BREGER
O'Fallon, Ill.

Scott Confusion in Congress

I'm glad to be mixed up with the Journal's Jason Riley ("Identity Politics: My Professional Look-Alikes," Upward Mobility, Dec. 24), a fine columnist. It's being confused with Sen. Cory Booker—a tad lighter, not nearly the football player I was, and sporting the "just married" glow—that puzzles me.

Still, the granddaddy of them all came recently in Florida, when someone called out to me, "Hey, Rick!" The senior senator is a super colleague with a great surname. But let's be real. I'm much better looking.

SEN. TIM SCOTT (R., S.C.)
Washington

A Thrifting Miracle for Mom

Your report "More Shoppers Are Shifting to Thrifting in Their Gifting" (Business & Finance, Dec. 24) resonated with my Christmas experience.

I was having trouble figuring out what to get my 83-year-old mother—I had some ideas but hesitated in actually buying anything. Then inspiration hit. She had received a full-length down bathrobe from my stepfather sometime in the late 1970s. She still has it, always taking good care of her possessions. Two years ago, she asked me to use my sewing machine to shore up some of the broken stitching, which I did. Once I decided on finding a full-length down bathrobe I experienced a Christmas miracle.

On Poshmark I found a never-worn Eddie Bauer full-length down bathrobe, the exact same light pink color and correct size. When it arrived at my door, attached was a letter from the seller. The robe had been a gift for her mom that didn't fit and was stored away. Her mom had since passed, and though this lovely lady from Wisconsin had donated most of her mother's clothing, she couldn't bring herself to give away that item—hence how it ended up on Poshmark. Nothing could be more perfect, a God-given grace for the season.

CHERYL HENLEY
Spokane, Wash.

Pepper ... And Salt

THE WALL STREET JOURNAL

"It's got great curb appeal but the interior needs staging."

OPINION

A Slightly Better You in the New Year

By Roland Fryer

New Year's resolutions may be the most widespread behavioral experiment ever attempted—a great unsupervised trial in overconfidence. Every January, millions of us make bold predictions without data, adopt strategies without feedback, and sign up for gym memberships that quietly autodraft until we notice the charge sometime around the Fourth of July. I'm no exception. Last year, I resolved to swim in the ocean off Boston every month. That lasted until March, when the water was so cold, my face went numb and I started swallowing seawater because I couldn't tell my mouth was open. At that moment, the version of me that made the resolution and the version that had to carry it out officially filed for divorce.

Your resolutions can become a reality if you set your sights realistically, even embarrassingly, low.

The data are clear: Most resolutions fail. Why? What does that failure reveal about human behavior? And—I can't resist—is there an optimal New Year's resolution?

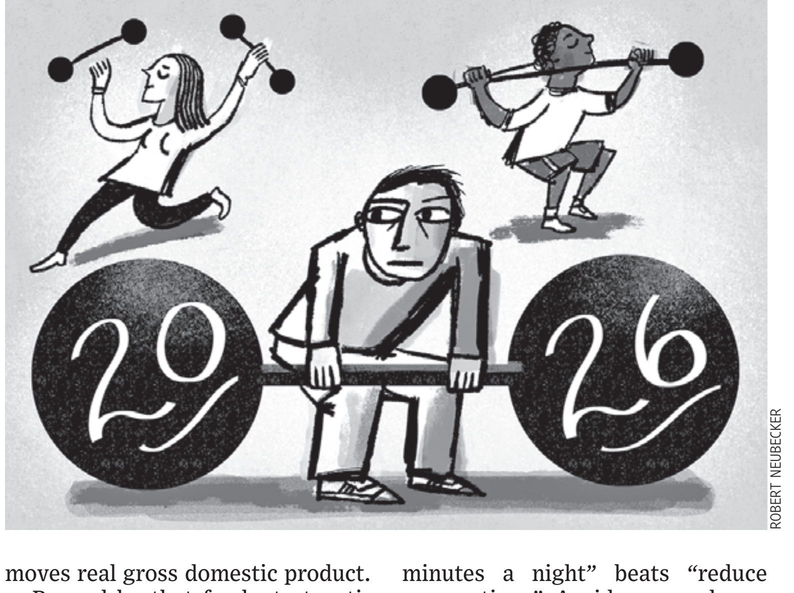
The good news is that social science has answers. The bad news is they aren't the answers anyone wants to hear. But if you're willing to treat self-improvement the way you'd treat an investment—anchored in evidence, calibrated to incentives, and adjusted for your cognitive quirks—you can dramatically increase your odds of success.

Start with the most basic economic insight about New Year's resolutions: We are awful forecasters of our own future behavior. In one of my favorite papers in behavioral economics, Stefano DellaVigna and Ulrike Malmendier looked at gym memberships and found that many people chose expensive monthly contracts rather than paying per visit, then exercised so little that the pay-as-you-go option would have been much cheaper.

Why? Because when we sign the contract, we're forecasting future willpower. We picture an idealized version of ourselves—disciplined, virtuous, rising at dawn—rather than the empirical version that hits the snooze button. A New Year's resolution is essentially a contract your present self signs and your future self treats as a nonbinding suggestion. The technical term for this is failure waiting to happen.

A related problem is time inconsistency—what behavioral economists call "present bias." On Jan. 1, the long-term payoff of a habit feels enormous. By Jan. 17—also known as "Ditch New Year's Resolution Day"—the short-term cost of going to the gym, skipping dessert or taking a polar plunge feels even larger. If a company behaved this way, we'd call it a governance problem. When people do it, we call it January.

A third line of research centers on the "fresh start effect." Economist Hengchen Dai and colleagues show that people are more likely to launch new goals after salient dates—birthdays, Mondays, the start of a semester and, of course, Jan. 1. But while fresh starts boost motivation to begin a goal, there's no evidence these bursts lead to durable changes in behavior. They're the motivational equivalent of a fiscal stimulus that raises confidence but never moves real gross domestic product.



ROBERT NEUBECKER

Buoyed by that fresh-start optimism, we make big, audacious plans. They would work if intentions translated directly into actions. But decades of research show a stubborn intention-behavior gap: Meta-analyses find that our stated intentions explain only about 25% to 35% of what we actually do.

This raises an important question: If traditional resolutions are plagued by bad forecasting, time inconsistency and the intention-behavior gap, what actually works?

The best causal evidence comes from a randomized controlled trial by Martin Oscarsson, Per Carlbring and colleagues. They recruited more than 1,000 people, randomly assigned different types of resolutions, and tracked them for a full year. The main finding is refreshingly simple: People with approach-oriented goals were 26% more successful than those with avoidance goals. "Exercise three times a week" outperforms "stop eating junk." "Read 20 minutes a night" beats "reduce screen time." Avoidance goals require constant vigilance and a battle of will, while approach goals build momentum and, over time, reshape identity.

If approach beats avoidance, the next design principle is more counterintuitive: Make the goal small—almost embarrassingly so. Research on habit formation shows that behaviors with the highest survival rate are the ones easy enough to complete on your worst days. In "tiny habit" experiments, trivial actions prove far more durable than grand ambitions launched with January zeal. Consistency beats intensity.

But consistency depends on design. Small environmental tweaks—what Richard Thaler and Cass Sunstein call "choice architecture"—change the cost structure of daily decisions. Want to eat healthier? Put the snacks in the basement. Want to read more? Leave a book on the nightstand and the phone in the kitchen. Want to save more? Automate the transfer and remove the choice altogether. In behavioral economics, friction is destiny. And because momentum comes from visible wins, evidence favors goals that deliver quick, unambiguous feedback: steps counted, pages written, a workout logged.

Finally, the research suggests we should think less like prophets and more like engineers. Instead of declaring a single sweeping resolution, run small experiments. Try modest changes for 30 days and keep only the ones that survive contact with real life. Write resolutions for the person you actually are—not the idealized version of yourself that appears on New Year's Eve. The resolutions that endure acknowledge fatigue, distraction and constraints. Designing for that person isn't an admission of defeat; it's a commitment to reality.

The optimal New Year's resolution works with human nature rather than trying to defy it, respecting the limits of motivation and leveraging the power of behavioral economics.

My own resolution this year is to follow the social-science evidence on resolutions. For me, that means 20 minutes on the Peloton every morning before I'm allowed near the coffeepot. Not a heroic streak, not a reinvention—just a system I can execute. If 20 minutes turns into 60, great. If it stays 20, I still did what I said I'd do. And if next December I discover I've actually kept a resolution all year long, I'll have done something only a few economists have ever managed: made a forecast that came true.

Mr. Fryer, a Journal contributor, is a professor of economics at Harvard, a founder of Equal Opportunity Ventures and a senior fellow at the Manhattan Institute.

The Minimum Wage Makes the Affordability Crisis Worse

UPWARD MOBILITY
By Jason L. Riley

Increasing the cost of hiring an employee is an odd way of addressing the supposed affordability crisis. Yet some of the same people complaining about consumer prices are also celebrating the minimum-wage hikes set to take effect on Jan. 1.

The National Employment Law Project, a left-wing advocacy group, reports that 19 states and 49 cities and counties will mark the new year by implementing a higher wage floor for workers. Later in 2026, four more states and 22 local jurisdictions will follow suit. "As affordability challenges grow," the report says, "NELP supports 2026 wage increases that move us toward a good-jobs economy, rooted in living wages for all."

Advocates contend that minimum-wage hikes increase incomes and reduce poverty, but that depends. The government can force an employer to pay a minimum hourly rate, but it can't force the employer to hire someone in the first place, or to guarantee current employees a certain number of hours. Minimum-wage workers who keep their jobs and who retain the same number of hours benefit from an elevated minimum wage. But some employees will be let go, others will see their hours trimmed, and still others will never be hired because they've become too expensive to employ. These are only some of the trade-offs involved in increasing the minimum wage.

"This is a bad way to deal with affordability concerns," says American Enterprise Institute economist Michael Strain. "Businesses have to absorb higher labor costs in some way, and one way is by raising consumer prices. Another way is by reducing the number of people they employ. And things become a lot less affordable when you lose your paycheck."

In a forthcoming academic paper, Mr. Strain and Jeffrey Clemens analyze changes to the minimum wage in the decade preceding the Covid pandemic. They conclude that large increases harmed employment prospects for people with limited skills and work history—the same group who have experienced the most erosion in purchasing power since the pandemic. The authors estimate that "relatively large increases in minimum wages reduced employment rates among individuals with low levels of experience and education by just over 2 and a half percentage points."

Higher labor costs push prices up, while fewer jobs and hours mean less money in workers' pockets.

Between 2011 and 2019, California, New York state and the District of Columbia lifted their wage floors by 50%, 53% and 61%, respectively. New York City's minimum wage more than doubled between 2013 and 2020 and will rise to $17 an hour next year, 13% higher than in 2023. The biggest jump in 2026 will occur in Hawaii, where the minimum will rise by $2 to $16 an hour, a 14% increase. Nor is the trend limited to blue states. Republican-controlled Florida, Nebraska and Missouri are slated for significant increases in the coming year, another sign of the economic populism that has increasingly characterized GOP policymaking in the Trump era.

Nevertheless, in red and blue America alike, the lowest-paid workers tend to spend a larger share of their income on food, housing, medical care and other necessities, which makes them far more sensitive to price increases. Minimum-wage mandates can make their situation even more precarious. The minimum wage for fast-food workers rose to $20 an hour in California in 2024. The Journal reported that in anticipation of the increase, restaurants halted hiring and scaled back hours. Teenage unemployment in the Golden State was already about twice the national average. Increasing the price of labor hasn't helped.

Minimum-wage hikes aren't effective as an antipoverty tool either. The most reliable route out of poverty is finding a job—any job—and keeping it. Workers aren't paid the entry-level rate for very long. As productivity and experience increase, so do wages. What characterizes poor households isn't that people earn the minimum wage. It's that nobody works. To the extent that minimum-wage mandates hamper hiring, they don't alleviate poverty.

Americans are rightly upset about the sustained price pinch for food, energy, housing, autos and other goods since the pandemic. Polling shows that an overwhelming percentage of voters think the economy is in bad shape. President Trump campaigned on solving the problem and still blames Joe Biden, but polls show that voters now blame Mr. Trump. Democrats capitalized on economic anxiety in this year's off-year elections. The White House and Republicans in Congress will need to find a way to keep their opponents from doing the same thing in next year's midterm contests. Making it harder for people to find employment won't help their cause.

America Can't Reshore Everything

By Michael O'Hanlon And Marta Wosinska

During Covid-19 and the rare-earths crisis, America learned that "just in time" globalization can leave the country dangerously exposed when foreign governments restrict critical exports. But building more-reliable supply chains is too expensive and time-consuming for the U.S. to address all vulnerabilities simultaneously.

Which supply chains deserve immediate attention can be decided by a simple three-part test. First, a supply chain warrants special focus when its disruption would quickly threaten lives, core defense missions or essential economic functions. Second, when substitutes or workarounds can't be instituted in time to mitigate the disruption. Third, when surge capacity can't be built on a reasonable timeline. This approach acknowledges that developing resilience is costly and helps ensure that scarce capital goes to the most vital choke points.

Apply this framework to the Department of Homeland Security's 16 "critical infrastructure" sectors. Stadiums, shopping malls and government offices may attract terrorists or hackers, but their supply chains don't give Beijing or Moscow decisive leverage over American security. Even in sectors like emergency services, dams and water treatment, foreign content in supply chains for crucial technologies is often limited, diversified across suppliers, or replaceable with domestic production over acceptable time horizons. The U.S. solar energy transition could slow if the supply of Chinese-made solar panels were suddenly cut off, for instance, but that wouldn't be an immediate national-security catastrophe.

A specific set of dependencies do satisfy the test's conditions. The U.S. faces vulnerabilities in microelectronics, port cranes and large power transformers as well as in rare-earth minerals and the magnets made from them, all of which underpin economic activity and military readiness. The Pentagon has begun to address these vulnerabilities by targeting microelectronics, explosives and rocket motors, shipbuilding and key stockpile materials such as rare earths for reshoring, diversification, and surge capacity. These efforts point toward a more deliberate and strategic approach to the national security industrial base, consistent with the framework in our recent Brookings Institution study.

An underappreciated area of exposure is in chemicals. China has become a major supplier of ingredients for small-molecule medications, coatings and sterilization agents for medical devices, and the chlorine and caustic soda used to keep water safe to drink. It also plays a large role in pesticides, chemicals for drilling and refining, and the specialized compounds, coatings and composites used in advanced electronics and defense manufacturing. These aren't luxury goods that can wait out a crisis; they are essential inputs to healthcare, the water supply, food production, energy and weapons systems—areas where rapid disruption and scarce substitutes make for true vulnerability.

We propose a three-part test to decide which supply chains are genuinely vital to U.S. national security.

The task ahead isn't to stick a "national security" label on the entire economy but to focus on a bounded set of supply chains where dependence on China or other adversaries could threaten lives, defense or essential economic activity. The point of a disciplined framework is to show where more must be done without implying that every product with a foreign component constitutes an unacceptable risk.

The Brookings analysis suggests that the problem of these combined vulnerabilities, while serious, is bounded. The heavy lifting has already begun, in efforts to strengthen the traditional defense industrial base and shore up supply chains for semiconductors, rare earths and infrastructure. America's next steps are analytical as much as operational: applying the three-part test to narrow the list of truly critical inputs, then carrying out a detailed, government-led analysis to identify remaining vulnerabilities in overlooked areas such as key chemicals.

That kind of disciplined, data-driven process won't satisfy every industry seeking help in one of its sectors. It isn't meant to. The purpose of this framework is to reserve the application of serious national-security interventions—whether subsidies, trade measures or other forms of industrial support—to the few supply chains where failure would undermine confidence in the basic functioning of American society. Without such discipline, "national security" risks becoming a catch-all justification for every economic government intervention. But with it, the U.S. can build resilience where it matters most, at a scale the country can actually afford.

Mr. O'Hanlon and Ms. Wosinska are senior fellows at the Brookings Institution and co-authors, with Mark Muro and Tom Wright, of the report "Building Greater Resilience and Capacity in the U.S. National Security Industrial Base."

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Notable & Quotable: Fire

Jenny Jarvie and Alene Tchekmedyian reporting for the Los Angeles Times, Dec. 27:

An hour after midnight Jan. 1, as a small brush fire blazed across Topanga State Park, a California State Parks employee texted the Los Angeles Fire Department's heavy equipment supervisor to find out if they were sending in bulldozers.

"Heck no that area is full of endangered plants," Capt. Richard Diede replied. . . .

"I would be a real idiot to ever put a dozer in that area," he wrote. "I'm so trained."

The exchange . . . is part of a batch of newly-released text messages and depositions from California State Parks staffers that offers new details of the state's actions and interactions with firefighters in the critical days after the Lachman fire ignited and rekindled Jan. 7 into the deadly Palisades blaze. . . .

Testimony and texts from state environmental scientists show that California State Parks' initial concern when the fire broke out was whether the fire was on park land and whether firefighting efforts and equipment would harm federally endangered plants and artifacts.

OPINION

2025 IN REVIEW

A look back at our most heartfelt op-eds

By Colleen Kujawa
Chicago Tribune

A man walks along the Lakefront Trail under a supermoon at Montrose Beach on Dec. 4 in Chicago. One op-ed writer this year spoke of the benefits of walking on the city's lakefront. **JOHN J. KIM/CHICAGO TRIBUNE**

Our commentary section offers a broad spectrum of views on weighty subjects and timely topics. But we also publish op-eds that are personal, some bordering on transformative; they appear most often on Saturdays in print (and online the day before). They dive into the tender aspects of what it means to be human and what it means to be in community and emerge with universal truths. Sometimes, those truths make our hearts swell with compassion or quiver with sadness. Sometimes, those truths make us feel lighter than air because the joy they inspire makes us buoyant.

It is always a privilege to publish these emotionally resonant essays. We find these selections from the past year to be particularly rewarding, and we hope you find them rewarding as well.

Here is a look back in excerpts.

APRIL 18: David McGrath, "Mourning my sister Rosie with loved ones, I felt a spiritual rising" My old friend Orville, who had been my manager when Marianne and I worked at Jewel, came over, and we hugged it out. He said he was sorry, and we both lied about how we looked the same. Orv had briefly dated Rosie back in the day. When I thanked him for driving up from Crete, he said he considered it a "rare thing" to have been a friend to every member of our family for five decades.

Next, I was surrounded by five of the 12 Bracken kids who had lived one door down from us in Evergreen Park. Veronica and Annie were our babysitters, and Rita was Rosie's best friend whom I knew well from hanging with Rosie's crew when she and I were college classmates. They liked to pile into Rosie's 1960 VW Bug for a trip to Chicago's Chinatown and a certain spooky lounge with no cover charge. Among them was Marianne, who would become my wife, for which my sister was partly responsible.

Walking to the front of the funeral parlor, I was intercepted by Donna, Bill and Mary Kay, children of Dan Whitters, my late father's close friend who had married his cousin Betty. The world never felt more right than on summer nights when Dan and my old man talked White Sox and the weather while sitting in lawn chairs — brown bottles of cold Drewrys beer sweating in their hands — while we caught lightning bugs with our cousins in the yard. A wave of that feeling, I swear, washed over me the instant I saw their bright smiles.

MAY 11: Colin Fleming, "I've had three mothers, and they all mattered" My mother is an exemplar, and she has always been a reminder to me that love is not just something that happens. It's active and perpetually put into practice.

She shared a poem that she'd found with me when I was young, the same way I'd share the stories I wrote with her. It sat in a little frame on my bureau.

The poem concluded with the line, "You weren't born under my heart, but in it," and not a day has passed that I have not thought of it.

My mom taught me the real meaning of being a mom, and that was relevant for me, too, in the standards I have for myself, the decency and grace with which I strive to live my life, no matter how hard anything gets.

MAY 30: Andie Townhouse, "I revamped a school library, then lost my job. The trauma is deja vu for my child and me." One of the worst days of my life was when I drove us out to Ikea. I remember this day vividly because the ice cream cones cost $1 each, like the clothes we were wearing.

I just wanted to lie down on a bed, so we skipped from exceptionally clean modern showroom to an even more exceptionally clean modern showroom like we were going to buy the whole cubicle. You know you are in a fantasy world when there are fake sky panels glued to the wall. Those were very different panes than the welfare windows we stared into for two years.

We thought about what a new life might feel like, beginning with a perfectly creased corner of a bed.

If only one of them were ours, could be ours. If only I tried harder.

When Chicago Public Schools laid me off, my daughter asked me if we were going to lose our house. She is a teenager now and restless with questions.

She stared at me with the look: "Is this really happening to us again?"

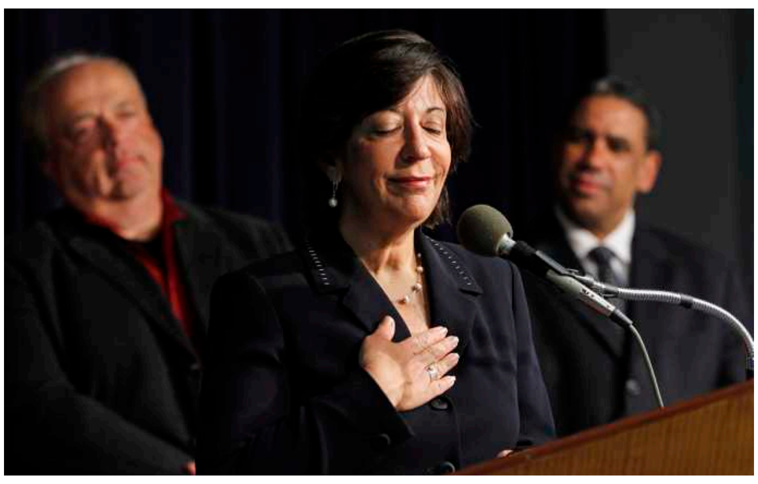
We broke eye contact.

She knows what happens when the yarn begins to fray, and the bobbin of your life spins completely out of control.

Author David McGrath's father, Charlie, with David and sister Rosie in 1951 at their home on Chicago's South Side. **GERTRUDE MCGRATH**

Colin Fleming and his mom Barbara in Mansfield, Massachusetts, in the early 1980s. **FAMILY PHOTO**

Jerome Gavin salutes the flag on the Fourth of July, circa 1998, at Leone Beach in Chicago. **CHRIS SERB**



State Sen. Sara Feigenholtz, D-Chicago, is emotional June 9, 2011, on the first anniversary of the Illinois law that allows adult adoptees to access their original birth certificate without a court order. **JOSÉ M. OSORIO/TRIBUNE**

AUG. 24: Michael McColly, "I walked the length of Chicago and discovered we can knit our city together, step by step" Chicago, as its motto boasts, is a "City in a Garden," but you have to get out on foot to experience it. Whether I am walking along the lake or the Chicago River, through cemeteries or brownfields, down streets or under expressways, the natural world is there, pushing up through the cracks, migrating overhead or thriving in community gardens. In my walks, the city's grand parks are impressive, but it's the individual acts of citizens and voluntary organizations that often lead the way. The phenomenal restoration of Montrose Beach and Bird Sanctuary is a good example. For years, nearby residents came to this isolated corner of the lakefront to take walks and find comfort in the solitude and often unkept beach and weedy woodland behind it. Along with birders, locals realized that with stewardship and some plantings of native grasses and trees, they could assist in the natural rewilding of this area. Twenty-five years later, Montrose is a true sanctuary for birds and people, and all along the lakefront, other restoration projects have followed.

Walking for long stretches in the city, your perception deepens, and often, rising from the very earth below your feet, a feeling emerges. Like a revelation, you can sense the layers of history held in the land. You look at the lake and imagine it as a mile-high glacier of ice. You recognize that the street you are on was once a trail used by Indigenous peoples centuries ago. And in brick buildings that you've passed scores of times before, you see monuments to the workers who built them. On foot, there are no boundaries in the land, no divides, nothing but the past and the potentiality of the future.

SEPT. 18: Sheila Rogers Clancy, "Jerome Gavin was 'uncle' to many Chicago lifeguards under his watch" Uncle Jer did not look like the other guards who were fresh off swim teams with their V-shaped physiques, bronzed skin and sun-drenched hair. Uncle Jer was a little paunchy, had dark hair peppered with gray (which he blamed on us) and skin so white it was difficult to tell where his skin left off and the sunscreen began. What he lacked in muscle mass, he made up for in heart and dedication.

He stressed the importance of staying in shape in the event of a rescue and was not above poking fun at himself. He told the story of hearing a whistle, grabbing the oxygen, running through the sand only to use the oxygen on himself before tending to the victim.

He tried to act like a tough guy to the rookies, but we all soon realized he was a big softie. He was fatherly toward the female guards, advising us to stay away from bad boys and suggesting we find good Catholics with stable job prospects. He was practical like that. As for the young men, he considered them "knuckleheads." He shook his head when he found them sleeping under the boats after partying all night, backflipping off the cement seawall or torpedoing, the act of jumping out of the Whaler as it traveled at full speed. He might have been envious of their youthful invincibility, but he was really concerned that no one get hurt. Not on his watch.

NOV. 14: Ofelia Casillas, "I found faith at a Chicago food pantry" After a year of volunteering weekly, my faith in the world slowly started to restore like a cup filling up again, forces for good overpowering all the sadness.

The gratitude in some of the recipients' eyes was another reminder. And the community's endless generosity.

A few Sundays this summer, I joined other pantry volunteers at a local farmers market booth. I saw the look on the faces of some of the market patrons when they heard "donate," "volunteer" and "food pantry": an immediate recognition that food insecurity in their community was their problem to help solve. They opened their wallets to give cash. They signed up to volunteer. They later donated food and clothing.

The other day, a recipient thanked me, as many do, and asked God to bless me.

As I moved to serve the next recipient, without thinking about it, without pausing to reflect, I answered: "God bless you too."

NOV. 30: State Sen. Sara Feigenholtz, "We adoptees deserve to know our origins. Illinois law made that possible." I still remember the day the first adoptees walked into the Illinois Department of Public Health and applied for their original birth certificates. Some cried. Others stood silent, taking in the weight of the moment. Many reached out to me afterward to say that, for the first time, they felt whole. One woman learned she had three siblings she never knew existed and had been living less than 10 miles from them their entire lives. Another woman finally understood her family's medical history. Every story reminded me why the work was worth it.

It's easy to see laws as words on paper, but for adoptees, this one was life-changing. It restored something that had been taken away for generations: the right to know ourselves.

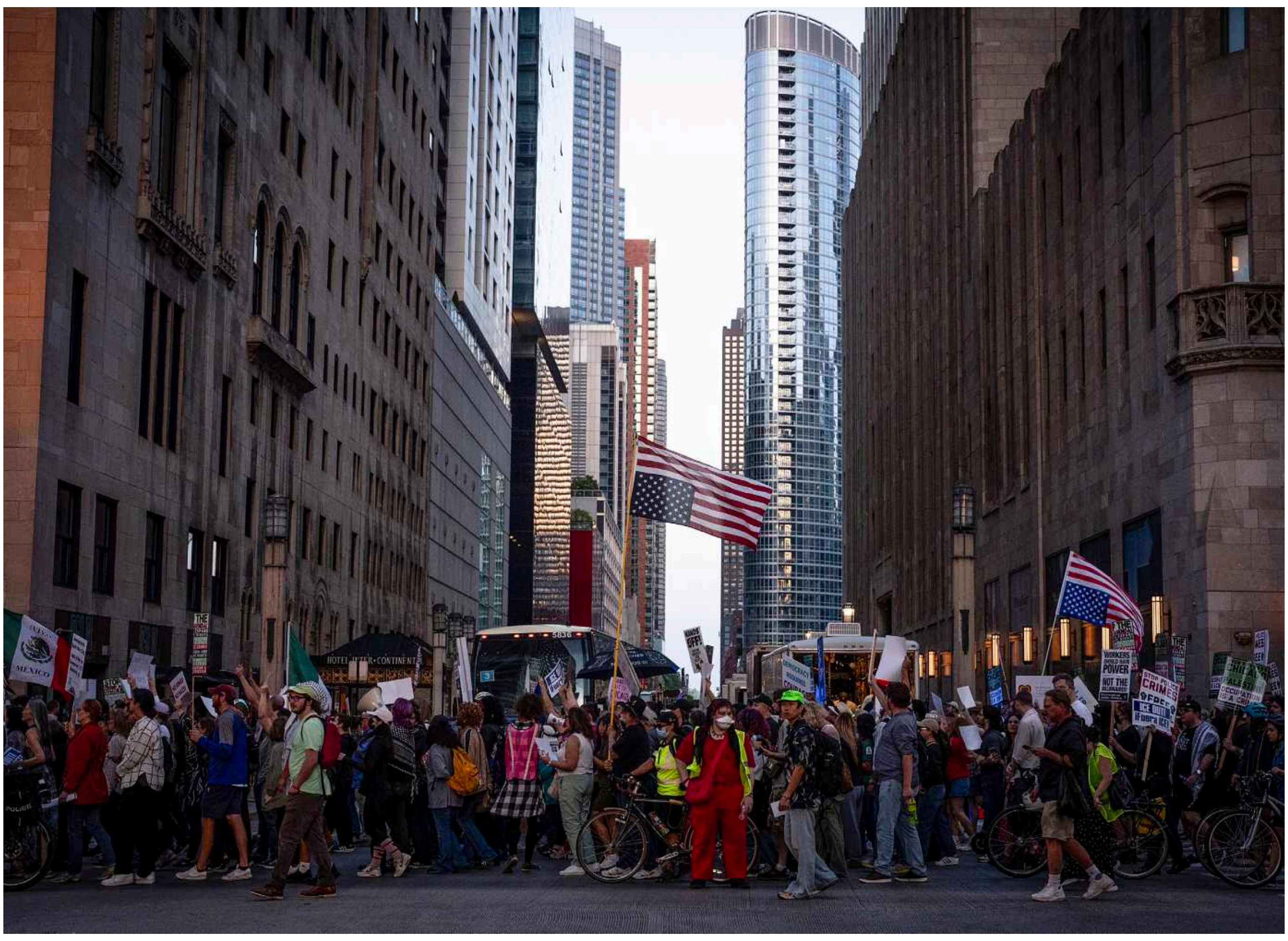
When people ask me what I'm proudest of during my time in public service, I don't hesitate. This is it. It's my most meaningful legacy. Not because it was the most politically advantageous or newsworthy, but because it required patience, coalition-building, vulnerability and persistence when the easy thing would have been to give up.

That's how real change happens. It happens through lived experience, through genuinely listening to people's fears and hopes, through finding common ground where none seemed possible. It happens through a willingness to stay at the table for years until you get it right.

OPINION

Political goings-on in 2025 reflect anything but comity

Laura Washington



Activists protest the activities of federal agents on Sept. 30 in Chicago on North Michigan Avenue. E. JASON WAMBSGANS/CHICAGO TRIBUNE

The start of a new year is a freighted time. We are looking forward and looking backward.

It's a balancing act. The end of every year comes with idiosyncrasies and cargo. Who could believe that in 2025, Donald Trump would be rehabilitated and reinstated as president of the United States? Only this time, thanks to a popular majority of voters.

Trump ensured this departing year has been like no other. Wake me up next year. If I didn't know better, I'd suspect 2025 was all a bad dream or a bout of indigestion caused by sour shrimp or spoiled mussel.

The news flow of 2025 has been feverish, and next year, I fear, will be even spookier. We need a bit of comity. Please.

However, this year's political goings-on reflect anything but comity. Comedy, perhaps, but comity? No way.

Chicago Mayor Brandon Johnson seems intent upon running the ball down the field while his allies stand around looking for guidance. This fall, his city budget came out of left field and landed with a thud. The budget had to be rescued at the last minute by a renegade City Council majority. They will be loaded for bear in 2026.

Johnson's meager spade work in Springfield was about as productive as planting a garden without tilling the soil. The mayor and governor are congenial as crabs in a barrel. Johnson and Gov. JB Pritzker need to work together for Illinois and Chicago to prosper. The last year has shown precious little evidence of any comity between those two. It's time for Pritzker to invite the mayor back to his tony Gold Coast abode to break bread and make some peace.

An even bigger nightmare here is Trump's ICE parade. His emissaries from Immigration and Customs Enforcement and Border Patrol are scouring the streets to hunt down law-abiding residents — who are mostly people of color. Housekeeping staffers, construction and day care workers, restaurant servers, taco vendors. For months, federal officers have been snatching hardworking people from the streets.

No criminal should get a hall pass. If the bad guys are here illegally, ship them out of town, pronto. Yet it's clear that the vast majority of those who have been arrested are law-abiding residents, living quiet and productive lives.

They are the people America needs to keep its economic engine running. They are powering the so-called Trump economy. Ask small business owners if they can replace these workers. They are scrambling. Have you noticed the "help wanted" signs popping up in stores and restaurants across the city?

It's time for the Trump nightmare to end. What a propitious time as 2026 arrives.

Slipping into 2026 mode should be easy. Leaving behind mountains of crummy political baggage should be a treat. The problem with the future, however, is that the individual responsible for so much destruction ain't going anywhere. Trump has designs on political immortality.

The big number for 2026: Trump's favorability ratings. They are sinking fast. At the end of his first year in office, Trump's job approval rating stands at 36%, which is the worst level for any U.S. president at that point in time in the last 50 years, according to a new Gallup poll taken Dec. 1-15.

Now is the time to clip DJT's wings. The upcoming midterm elections could be the pivot point to electing a Democratic majority. That would be a momentous change, but it could lead to extra-extraordinary political volatility.

2026 will be the year when the pols who hanker for the presidency will have to show their cards. California Gov. Gavin Newsom is flying so high, he may as well declare now. The media has already anointed him as a runaway front-runner to take on Trump. That is, if the two-term president decides to defy the Constitution and mount a bid for another round.

Other Democratic presidential aspirants don't want Newsom to get too far ahead, but I predict that he is already out over his skis, and his ambitions will crash and burn.

That brings us to the White House wannabes right here at home. Pritzker has been aggressively laying the groundwork for a run, but he needs to lay back until Newsom fades.

For months, former Chicago Mayor Rahm Emanuel has been boosting his profile on TV talk shows, podcasts and political speeches. He is considering a presidential run, so he says. There is no path for the hard-charging Rahmbo, who has permanently alienated his party's progressive wing.

Back in Chicago, the "new" City Council made history this year, wresting control of the city budget from Johnson. The women of the council sported the biggest brawn in the budget battle. Look for them to rise as City Hall stars in 2026: Ald. Pat Dowell, 3rd, Nicole Lee, 11th, and Samantha Nugent, 39th.

They will flex their newfound muscles in the policy and budget brawls to come.

I will be blessed to have a ringside seat. 2026, bring it on.

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VOICE OF THE PEOPLE

Editor's note: We asked readers to submit what their hopes are for the new year. Here is a selection of those letters. We will publish the remainder on Thursday and Friday.

The possibility of repair

I have optimistic hopes for the new year, and personally, I think I am due for a better year in 2026; the past five years, basically since COVID-19, have been dreadful.

My personal hopes include beginning to repair family relationships and friendships. To make music that is worthy of making money, both performances and compositions. To spend my remaining time with activities of wholesome goodness. Also with this, talking about better things than some of the garbage that's out there.

For our world, I hope for sustained peace deals. I hope for a healthier political climate. I hope for better general behaviors. I hope for improved conditions for our inner cities. I hope to end the hatred out there with love and charity. And generally, serious movements to really end violence. And frankly, for people to cheer up. I would also hope these ideas are more than just nice wishes, but something that we all can really begin. If not now, when?

Still, finally, I hope things are laid out for not just things becoming nicer, but some really amazing things, e.g., space exploration, cures for cancer and, with me as a musician, global melting pot super-orchestras!

— Benjamin Amenta, Flossmoor

Remember we can heal

It is my hope that 2026 will bring hope. Not just for me and the ones I love, but for all of us who hope for something greater than our individual achievements. We live in a time when social media platforms too often magnify division instead of connection, when artificial intelligence replaces human thought and relationships, and when politics aim to push humanity toward a type of aggression most of us have never experienced in our lifetimes. As I look ahead to the new year, it's often hard to feel hopeful when it feels as if we are standing on the brink of self-destruction.

Yet my hope is that, even in this fractured society, we remember we can heal. We can refocus on our collective responsibility to one another, choose empathy, choose thoughtfulness and embrace each other with warmth over all the forces that try to reduce us to rubble.

— Dana Turner, Chicago

Embrace humanness

The new year may be the time to stop and take stock of what is really important. We are all born human, but being human is a risk. Are we capable of being human in the new year? We are human, and it starts inside of us all.

When we accept our human side, we accept loving ourselves, and then we love others. May the new year help us learn to be human.

— Sandra Perryman, Oakbrook Terrace

Rediscover commonality

I wish for long-ago dreams to come to fruition, hopes for the world, hopes for our land, hopes for continued health to pursue the never-ending desire to create and connect.

Hopes for family: The primal need to protect and love the ones dearest to us, to dream with and for them, to keep giving them safe haven, and to pray the following year will be one of growth and joy.

Hopes for citizens: May caring voices prevail; may we bring back compassion and concern for others ahead of self-interest. May we look around and understand we are a part of one shared planet, of which we are all stewards.

Hopes for faith: May we rediscover the commonality of people all around us and make friends, not enemies, by acting on our own best instincts.

— Joanne Hoffman, Highland Park

My hope versus reality

My hope for the new year is a return to civility and for a nation where people can discuss opposing viewpoints without angry rhetoric and repeated lies, one that accepts all people regardless of race, religion, sexuality or income. But my hope for 2026 is the same hope people have had for centuries that is still unfulfilled today. So although I continue to be hopeful, I am unfortunately realistic enough to realize that in 2026 or in the years I have left on this earth, my hopes will remain hopes and not reality.

How sad that we continue to hate, to demonize and to be willing to go to war than make the effort to achieve acceptance and understanding. And since that hate continues and we don't address mental health and gun control, nothing will be solved.

— Joy Orlowsky, Northbrook

Seeing the bigger picture

Before I even noticed the editor's appeal for letters expressing readers' hopes for the new year, I had planned to send in a response to Jodi Bondi Norgaard's compelling piece "When silence becomes a green light for normalizing cruelty" (Dec. 21). It has now occurred to me that my hopes for 2026 tie in perfectly with Norgaard's message.

Basically, I pray that Americans heed the author's dire warning. That silence in the face of hateful speech — especially that of our leaders — coupled with inaction in response to the terrible cruelty we are witnessing daily from our government, most evident in the treatment of immigrants, the LGBTQ community, the disabled and others, is fast-changing our American culture for the worse. It is more than alarming to see people's tolerance grow for objectionable speech, behavior that causes harm and egregious government policy that in the past would have stirred widespread protest and/or outrage.

True, via the "No Kings" rallies, millions did make an effort to stand up to injustice and the slide toward fascism. But the awareness of the crisis is not as widespread as it needs to be.

Many of us are so wrapped up in the challenges of managing our daily lives that we fail to see the bigger picture — the serious threat represented by a culture at risk of moral disintegration. A civil society that is no longer "civil" in its interactions. A system of government being dismantled at breakneck pace as the people in power thumb their noses at constitutional constraints. Officials and legislators afraid to voice opposition, unwilling to sacrifice their own political careers to do the right thing.

Above all, a leader driven exclusively by his own narcissism, an unquenchable quest for power and an overriding sense of grievance, with no regard for "the public good."

Even regular citizens like me may understandably hesitate to stick our necks out.

Too often, we are so overcome by the barrage of negative events that we think it necessary, for our own sanity, to tune out. Norgaard cautions us, however, that the consequences of such "silence" will be dire. We must gird ourselves to jump back into the fray. If not, we will wake up one day and realize we are at the point of no return, that our society is no longer recognizable as the America we knew and cherished — and it will be too late to get it back.

— Janet Garcia, Highland Park

May organizations survive

My hope for the new year is that places such as Misericordia, the Ray Graham Association and the Bethshan Association can manage to stay financially solvent in 2026. They provide much needed services for people with profound physical and developmental disabilities.

With so many cuts from the federal government, it will be a challenging task! These institutions deserve all the support we can give them.

Happy New Year!

— Genie Urick, Elmhurst

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